

CORPORATE GOVERNANCE REPORT

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 Report. The report has been reviewed by, and includes a report from, Volvo's auditors.

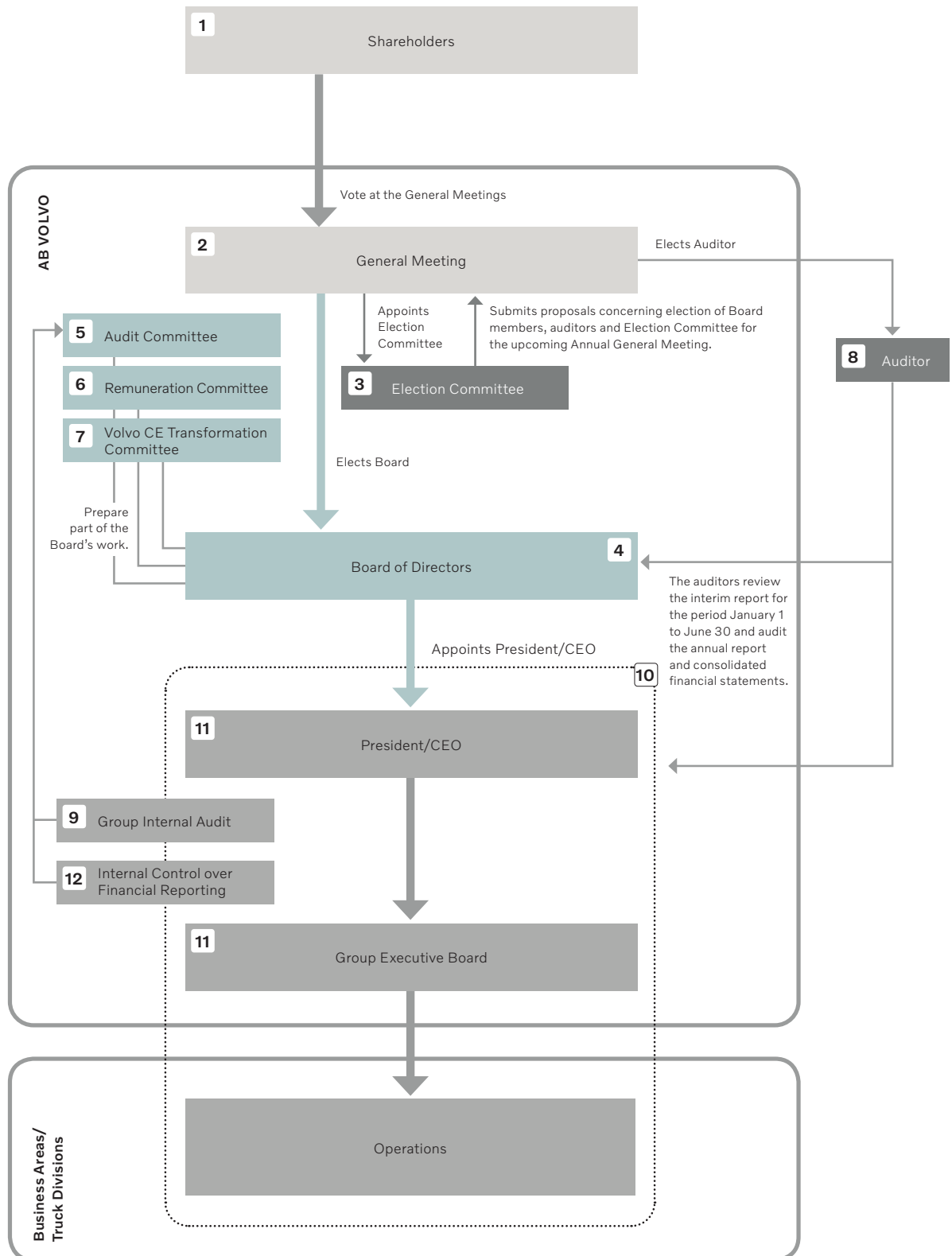
Corporate Governance Model

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 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 Chairman of the Board 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, 2022, Volvo had 373,101 shareholders according to the share register. The largest shareholder, in terms of votes on that date was AB Industrivärden, with 27.8 percent of the votes. As per the same date, Geely Holding held 16.0 percent of the votes, AMF and AMF Funds held 5.4 percent of the votes, Alecia held 4.3 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 Directors' Report on pages 66–67 of the Annual 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 2022 was held on April 6, 2022, and was carried out through postal voting, without any physical attendance, pursuant to temporary legislation. As communicated by the Swedish Corporate Governance Board in January 2022, this is not to be considered a deviation from the Code.

Annual General Meeting 2023

Volvo's Annual General Meeting 2023 will be held on Tuesday, April 4, 2023 at Konserthuset, Gothenburg, Sweden. For further information about the Annual General Meeting 2023, please refer to the end of the Annual 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 2022 resolved to appoint the following individuals as members of the Election Committee:

- Pär Boman (AB Industrivärden)
- Anders Oscarsson (AMF and AMF Funds)
- Magnus Billing (Alecia)
- Anders Algotsson (AFA Insurance)
- Carl-Henric Svanberg, Chairman of the Board

The Election Committee appointed Pär Boman 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 2022, AB Volvo's Board consisted of eleven members elected by the Annual General Meeting and three members, of which one resigned in August, 2022, and two deputy members appointed by employee organizations.

The Annual General Meeting 2022 re-elected Matti Alahuhta, Eric Elzvik, Martha Finn Brooks, Kurt Jofs, Martin Lundstedt, Kathryn V. Marinello, Martina Merz, Hanne de Mora, Helena Stjernholm and Carl-Henric Svanberg as Board members and Jan Carlson was elected as a new Board member. The previous Board member Eckhard Cordes 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 194–195.

Prior to the Annual General Meeting 2022, 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 2022, the Election Committee presented the following assessment of the independence of Board members elected at the Annual General Meeting 2022.

Carl-Henric Svanberg, Matti Alahuhta, Jan Carlson, Eric Elzvik, Martha Finn Brooks, Kurt Jofs, Kathryn V. Marinello, Martina Merz and Hanne de Mora 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 2022

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 2022, there were eleven ordinary Board meetings, four extraordinary Board meetings and one statutory Board meeting. During 2022 the Board applied a meeting structure with fewer, but longer, physical meetings combined with more frequent digital meetings in order to get the most value out of the in person meetings, increase meeting efficiency and reduce the CO₂ impact by travelling less. Consequently, all of the extraordinary Board meetings and several of the ordinary Board meetings during 2022 were held as video conferences. The attendance of the Board members at the Board meetings during 2022 is presented in the table on page 192. The company's auditor attended one Board meeting during the year.

In 2022, turbulent developments in the world affected the Volvo Group in many aspects. Hence, monitoring and considering the effects thereof have been an important part of the Board's work. The consequences of the war in Ukraine, with a priority on questions relating to the health and safety of colleagues and business partners, and the Volvo Group's strategic directions in relation thereto have been a focus area throughout the year. The continued strains on the supply chain and industrial system, due to e.g. shortages of labor, materials, components and transport services, have also been a challenge during the year. Costs related to energy, material and supply chain disruptions continued to increase throughout 2022. The Board has closely monitored and followed-up on the effects of the higher inflation on the Volvo Group and its profitability and initiated several proactive activities in relation thereto. In addition, the Board has spent a great deal of time considering how to assess and communicate certain key issues related to the short-term risks described in Note 2 to the financial statements.

The Volvo Group's sustainability work and objectives are integrated parts of the Volvo Group's business and are regularly followed-up by the Board. The focus on sustainability and the corresponding alignment of the product portfolio of the Volvo Group has continued during 2022, with a particular focus on strategic decisions for electromobility. To meet the growing demand for battery electric heavy-duty vehicles and machines, the Volvo Group has initiated the process to establish a large-scale production plant for battery cells in Mariestad, Sweden, and to start to produce battery modules in the Volvo Group's truck plant in Ghent, Belgium. The Volvo Group's climate targets under the Science Based Targets initiative (for further information, see pages 154–156) are, together with background materials, followed-up by the Board on a quarterly basis. At the Board meeting in December 2022, the Board spent time on the Group's broader work related to sustainability and focusing on communication, future environmental impacts and expectations on human rights, as well as regulations relating to strategy, performance and reporting. The Board is involved in on-going work to strengthen the reporting and enable consolidated follow-ups within the area of sustainability.

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 electrification, digitalization, autonomous solutions and new productivity services. These technologies play an essential part in the Volvo Group's ambition to lead the transformation and, electrification in particular, in the transition to a decarbonized transport system. As a part of the ongoing technology shift, the Volvo Group continues to develop the strategic partnerships previously entered into with focus on autonomous solutions, electrification and charging infrastructure.

The Board's ambition is to stay close to the business and the Board receives continuous up-dates 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 2022, the Board travelled to the US and visited the head office of the Volvo Group's North American business in Greensboro and the Volvo Group's truck assembly plant in New River Valley.

During 2022, the Board resolved 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. The Board proposed a distribution of an ordinary dividend of SEK 6.50 per share and an extraordinary dividend of SEK 6.50 per share, which was resolved by the Annual General Meeting 2022. 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 behavior in the current business environment.

In 2022, the Board also resolved to establish a Volvo CE Transformation Committee with a specific focus on the strategic direction and transformation of the Volvo Construction Equipment business area. The main purpose of the committee being to ensure that Volvo Construction Equipment is successful in the transformation.

Evaluation of the Board's work

In 2023, 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 2022 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 in 2022, there was a particular focus on key strategic topics including sustainability, digital opportunities and threats, the evolution of the competitive landscape, and the impact of geopolitical and macroeconomic events.

Separate evaluations were conducted of the Board as a collective, the Chairman of the Board, the Audit Committee, the Remuneration Committee and the Volvo CE Transformation Committee. The results of the evaluations of the Board as a collective and the Chairman of the Board 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 the Chairman of the Board 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 2022, please refer to Note 27 "Personnel" in the Group's notes in the Annual Report.

Remuneration of Board members, 2022 (from AGM on April 6, 2022)		SEK
Chairman of the Board		3,850,000
Board member ¹		1,150,000
Chairman of the Audit Committee		405,000
Member of the Audit Committee		190,000
Chairman of the Remuneration Committee		170,000
Member of the Remuneration Committee		125,000
Chairman of the Volvo CE Transformation Committee		200,000
Member of the Volvo CE Transformation Committee		170,000

¹ With the exception of the President.

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 Report and the consolidated accounts. The Audit Committee also has the task of reviewing and over-seeing 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 2022

At the statutory Board meeting following the Annual General Meeting 2022, the following Board members were appointed members of the Audit Committee:

- Eric Elzvik
- Martha Finn Brooks
- Helena Stjernholm

Eric Elzvik was appointed Chairman of the Audit Committee.

The Audit Committee met with the external auditors without the presence of management on two occasions in 2022 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, in accordance with the requirements in the Code, prior to the Annual General Meeting 2022 is presented above under the "Independence requirements" section on page 189.

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 ordinary meetings and four extraordinary meetings during 2022. The attendance of Board members at the committee meetings is presented in the table on page 192. 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 guidelines 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 guidelines. 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 guidelines. 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 2022

At the statutory Board meeting following the Annual General Meeting 2022, the following Board members were appointed members of the Remuneration Committee:

- Carl-Henric Svanberg
- Matti Alahuhta
- Kurt Jofs

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

The Election Committee's assessment of the independence of the Remuneration Committee members, in accordance with the requirements in the Code, prior to the Annual General Meeting 2022 is presented above under the "Independence requirements" section on page 189.

The Remuneration Committee held four ordinary meetings and one extraordinary meeting during 2022. The attendance of Board members at committee meetings is presented in the table on page 192. The Remuneration Committee reports the outcome of its work to all members of the Board on a regular basis.

7 VOLVO CE TRANSFORMATION COMMITTEE

Duties

The Board has a Volvo CE Transformation Committee, which was established during 2022, that focuses on the strategic direction and transformation of the Volvo Construction Equipment business area. The main purpose of the committee is to ensure that Volvo Construction Equipment is successful in the transformation.

Composition and work in 2022

At the statutory Board meeting following the Annual General Meeting 2022, the following Board members were appointed members of the Volvo CE Transformation Committee:

- Kurt Jofs
- Matti Alahuhta
- Lars Ask
- Mari Larsson
- Hanne de Mora
- Helena Stjernholm

Kurt Jofs was appointed Chairman of the Volvo CE Transformation Committee.

The Election Committee's assessment of the independence of the Volvo CE Transformation Committee members, in accordance with the requirements in the Code, prior to the Annual General Meeting 2022 is presented above under the "Independence requirements" section on page 189.

The Volvo CE Transformation Committee held three ordinary meetings during 2022. The attendance of Board members at committee meetings is presented in the table below. The Volvo CE Transformation 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, 2022 – December 31, 2022

Member	Board meetings (16 incl. statutory) ¹	Audit Committee (13) ¹	Remuneration Committee (5) ¹	Volvo CE Transformation Committee (3)
Carl-Henric Svanberg	16		5	
Martin Lundstedt	16			
Matti Alahuhta	16		5	3
Jan Carlson ²	10			
Eckhard Cordes ³	6			
Eric Elzvik	15	13		
Martha Finn Brooks ⁴	16	8		
Kurt Jofs	16		5	3
Kathryn Marinello	16			
Martina Merz ⁵	15			
Hanne de Mora ⁶	16	5		3
Helena Stjernholm	16	13		3
Total number of meetings	16	13	5	3

Member	Board meetings (16 incl. statutory) ¹	Audit Committee (13) ¹	Remuneration Committee (5) ¹	Volvo CE Transformation Committee (3)
Lars Ask, employee representative	13			3
Mats Henning, employee representative	14			
Mikael Sällström, employee representative ⁷	9		2	
Camilla Johansson, employee representative	16			
Mari Larsson, employee representative	16			3
Total number of meetings	16	13	5	3

1 Whereof extraordinary meetings: four for the Board, four for the Audit Committee and one for the Remuneration Committee.

2 Jan Carlson joined the Board in April 2022 and has since attended all Board meetings during 2022.

3 Eckhard Cordes partly attended the ordinary Board meeting in April 2022. Eckhard Cordes resigned from the Board in April 2022.

4 Martha Finn Brooks partly attended the quarterly report review Board meetings in April and July 2022. Martha Finn Brooks was appointed member of the Audit Committee in April 2022.

5 Martina Merz partly attended the ordinary Board meetings in February, April and August/September 2022.

6 Hanne de Mora partly attended the ordinary Board meeting in June 2022. Hanne de Mora resigned from the Audit Committee in April 2022.

7 Mikael Sällström resigned from the Board in August 2022.





President and CEO Martin Lundstedt during a tour of the Volvo Group's truck assembly plant in New River Valley, Virginia, together with plant manager Koen Knippenberg, Vice President and General Manager Group Trucks Operations.

Board of Directors


Board members elected by the Annual General Meeting

					
Carl-Henric Svanberg Chairman of the Board Chairman of the Remuneration Committee	Matti Alahuhta Member of the Remuneration Committee Member of the Volvo CE Transformation Committee	Jan Carlson	Eric Elzvik Chairman of the Audit Committee	Martha Finn Brooks Member of the Audit Committee	Kurt Jofs Chairman of the Volvo CE Transformation Committee Member of the Remuneration Committee
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.	MSc in Physics and Electrical Engineering from University of Linköping.	MSc Business Administration, Stockholm School of Economics.	BA Economics and Political Science, Yale University. MBA International Business from Yale School of Management, Yale University.	MSc, KTH Royal Institute of Technology, Stockholm.
Born					
1952	1952	1960	1960	1959	1958
Member of the Volvo Board					
Chairman of the Volvo Board since April 4, 2012.	Since April 2, 2014.	Since April 6, 2022.	Since April 5, 2018.	Since March 31, 2021.	Since June 18, 2020.
Position and Board memberships					
Chairman of the European Round Table of Industry (ERT).	Board Chairman: DevCo Partners Oy. Board Member: Kone Corporation.	Board Chairman: Autoliv Inc. Board Member: Telefonaktiebolaget LM Ericsson (proposed as new Chairman for the Ericsson Annual General Meeting 2023 planned to be held on March 29, 2023).	Board Chairman: GlobalConnect Group. Board member: Telefonaktiebolaget LM Ericsson and Landis+Gyr Group AG.	Board Member: Constellium, CARE USA and CARE Enterprise Inc.	Board Member: Telefonaktiebolaget LM Ericsson, Feal AB and Arjeplog Hotel Silverhaten AB.
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.	Has held various positions within the Autoliv Group since 1999, including President Autoliv Europe, Vice President Engineering of Autoliv and President Autoliv Electronics. President and CEO of Autoliv Inc. 2007–2018 and Chairman of Autoliv Inc. since May 2014. President and CEO and Chairman of Veoneer Inc. 2018–2022. Previous positions also include President of Saab Combitech and of Swedish Gate Array.	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, Jabil and privately held Algeco Scotsman.	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 Tieto, Vesper Holding AB and Höganäs AB.
Holdings in Volvo, own and related parties					
2,000,000 Series B shares.	146,100 Series B shares.	None.	7,475 Series B shares.	10,500 American depositary receipts representing Volvo B shares (ADRs).	47,515 Series B shares.

Board members appointed by the employee organizations

	Lars Ask Employee representative, ordinary member Member of the Volvo CE Transformation Committee Born 1959	Member of the Volvo Board Ordinary member since April 6, 2016. Deputy member from June 16, 2009–2016. Background within Volvo With Volvo since 1982. Holdings in Volvo, own and related parties 116 Series B Shares.		Mats Henning Employee representative, ordinary member Born 1961	Member of the Volvo Board Since May 9, 2014. Background within Volvo With Volvo since 1982. Holdings in Volvo, own and related parties 293 Series A shares, 758 Series B shares.
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Board members elected by the Annual General Meeting

				
Martin Lundstedt <i>President and CEO</i>	Kathryn V. Marinello	Martina Merz	Hanne de Mora	Helena Stjernholm <i>Member of the Audit Committee Member of the Volvo CE Transformation Committee</i>
Education				
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.
Born				
1967	1956	1963	1960	1970
Member of the Volvo Board				
Since April 6, 2016.	Since April 2, 2014.	Since April 1, 2015.	Since April 14, 2010.	Since April 6, 2016.
Position and Board memberships				
President and CEO of AB Volvo. Board Chairman: Permobil AB and the European Automobile Manufacturers' Association (ACEA CV BOD). Board Member: Autoliv Inc. and the Confederation of Swedish Enterprise. Member: European Round Table of Industry (ERT) and the Royal Swedish Academy of Engineering Sciences (IVA).	President and CEO of PODS. Board Chairperson: Concentrix. Board Member: Ares Acquisition Corporation.	CEO of thyssenkrupp AG. Board Member: Siemens AG.	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, Telefonaktiebolaget LM Ericsson and the Confederation of Swedish Enterprise. Member: The Royal Swedish Academy of Engineering Sciences (IVA).
Principal work experience				
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 Concentrix 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 Luxembourg 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.
Holdings in Volvo, own and related parties				
251,681 Series B shares, 300,000 call options in Series B shares.	None.	4,500 Series B shares.	22,650 Series B shares.	8,000 Series B shares.

Deputies appointed by the employee organizations



Camilla Johansson
Employee representative, deputy member

Born
1966

Member of the Volvo Board
Deputy member since April 6, 2016.

Background within Volvo
With Volvo since 1997.

Holdings in Volvo, own and related parties
643 Series A shares, 508 Series B shares.



Mari Larsson
*Employee representative, deputy member
Member of the Volvo CE Transformation Committee*

Born
1978

Member of the Volvo Board
Deputy member since May 22, 2015.

Background within Volvo
With Volvo since 2004.

Holdings in Volvo, own and related parties
605 Series A shares, 258 Series B shares.

Secretary to the board



Nina Aresund
*Secretary to the Board
Master of Laws*

Born
1974

Member of the Volvo Board
Secretary to the Board since January, 2023.

Background within Volvo
Executive Vice President Group Legal & Compliance and General Counsel.

Holdings in Volvo, own and related parties
11,487 Series B shares.

8 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 the Volvo Group Executive Board have been complied with, which they present to the Annual General Meeting.

The current auditor, Deloitte AB, was elected at the Annual General Meeting 2022 for a period of one year. 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 Report.

9 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 can be 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 Audit Committee.

For additional information on internal control over financial reporting, see pages 202–203.

10 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 drives the transformation in its industry to shape the world we want to live in. Based on the 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 10–21 of the Annual 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 CDO¹ Organization) 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 Energy, Volvo Buses, Volvo Penta, Volvo Financial Services (VFS), Volvo Autonomous Solution (VAS) and Arquus. In addition, Nova Bus is a separate legal and operational entity within the Volvo Group.

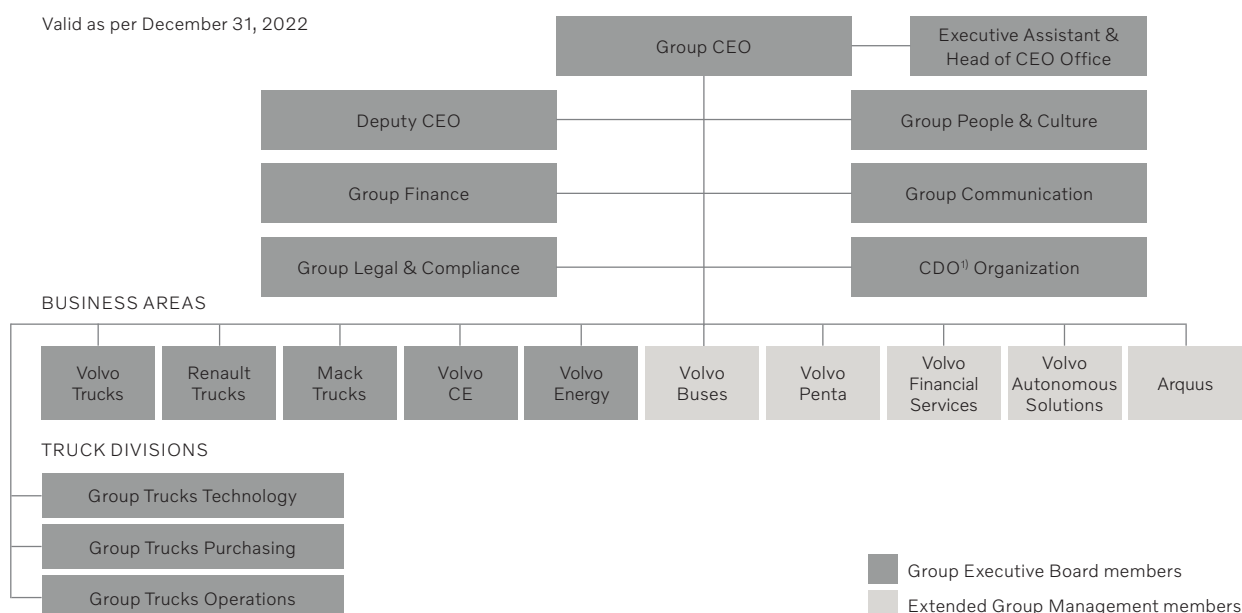
Each Business Area and Truck Division has its own quarterly Business Review Meeting (BRM) to support strategic development and business performance, where key decisions for the respective Truck Divisions or Business Areas are made.

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 Product Board, Connected Solutions Board, Product Board, Quality Board and Sales and Operational Planning.

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, 2022



1 Chief Digital Office

11 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 during 2022, 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 bi-monthly.

Remuneration of the Group Executive Board

AB Volvo's Annual General Meeting shall, at least every fourth year, resolve on guidelines for remuneration to the members of the Group Executive Board, based on a proposal from the Board. For information about the guidelines adopted by the Annual General Meeting 2022, please refer to Note 27 "Personnel" in the Group's notes in the Annual Report.

Changes to the Group Executive Board and Group Management

On March 15, 2022, Tina Hultkvist replaced Jan Ytterberg, who continued as Volvo Group senior advisor, as Chief Financial Officer and joined the Volvo Group Executive Board. On December 31, 2022, Jan Gurander resigned from his role as Volvo Group Deputy CEO but continued to stand available to the President and CEO Martin Lundstedt's disposal. On January 1, 2023, Nina Aresund replaced Sofia Frändberg, who continued as a senior leader for the Volvo Group, as Executive Vice President Group Legal & Compliance and General Counsel and member of the Volvo Group Executive Board. On February 3, 2023, Tina Hultkvist resigned as Chief Financial Officer and member of the Volvo Group Executive Board whereupon Jan Ytterberg stepped in as acting Chief Financial Officer.



The Board of Directors' visit to the Volvo Group's truck assembly plant in New River Valley, Virginia.

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 Group Executive Board, where top sustainability related targets and ambitions, risks and opportunities are managed. One example is the Volvo Group's science-based climate targets which are followed up in the Group Executive Board every quarter.
- 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.








President and CEO Martin Lundstedt together with the Chairman of the Board Carl-Henric Svanberg, the Board and parts of the Group Executive Board in front of a Mack Anthem and a Volvo VNL during a visit to the Volvo Group's truck assembly plant in New River Valley, Virginia.

Group Executive Board

						
Martin Lundstedt <i>President and CEO</i>	Roger Alm <i>Executive Vice President Volvo Group and President Volvo Trucks</i>	Nina Aresund <i>Executive Vice President Group Legal & Compliance and General Counsel</i>	Bruno Blin <i>Executive Vice President Volvo Group and President Renault Trucks</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>	Melker Jernberg <i>Executive Vice President Volvo Group and President Volvo Construction Equipment</i>
Education						
MSc, Chalmers University of Technology		Master of Laws.	MBA.	MSc and MBA.	MSc in Mechanical Engineering, Chalmers University of Technology.	MSc in Mechanical Engineering.
Born						
1967	1962	1974	1963	1967	1970	1968
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.	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.	Member of the Group Executive Board since January 2023. Head of Legal and Compliance at Volvo Construction Equipment 2020–2022. Corporate Legal Counsel at AB Volvo 2007–2014.	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.	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.	Executive Vice President Volvo Group and President Volvo Construction Equipment since 2018. CEO and President at Höganäs 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.
Board memberships						
Board Chairman: Permobil AB and the European Automobile Manufacturers' Association (ACEA CV BOD). Board Member: Autoliv Inc. and the Confederation of Swedish Enterprise. Member: European Round Table of Industry (ERT) and the Royal Swedish Academy of Engineering Sciences (IVA).		Secretary to the AB Volvo Board since January 2023.		Member of the Board of the German-Swedish Chamber of Commerce.		
Holdings in Volvo, own and related parties						
251,681 Series B shares, 300,000 call options in Series B shares.	398 Series A shares, 34,414 Series B shares.	11,487 Series B shares.	41,094 Series B shares.	1,600 Series A shares, 62,211 Series B shares.	23,529 Series B shares.	42,620 Series B shares.

						
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 Strategic Initiatives 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>Acting CFO</i>
Education						
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.
Born						
1966	1969	1970	1967	1962	1974	1961
Principal work experience						
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 Strategic Initiatives since 2023. 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 Engineering 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.	Senior Advisor Volvo Group since 2022. Executive Vice President Group Finance and CFO AB Volvo 2018–2022. 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. With Volvo since 2018.
Board memberships						
		Member of the Board of Concentric AB since April 2021.			Board Member of International Chamber of Commerce (ICC), Sweden.	
Holdings in Volvo, own and related parties						
65,534 Series B shares.	50,403 Series B shares.	87 Series A shares, 244,913 Series B shares.	42,727 Series B shares.	140,985 Series B shares.	344 Series A shares, 23,875 Series B shares.	28,392 Series B shares.

Extended Group Management

				
Nils Jaeger <i>President of Volvo Autonomous Solutions</i>	Emmanuel Levacher <i>President and CEO of Arquus</i>	Heléne 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 33 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 Heléne has held several leading position within the Volvo Group.	President Volvo Financial Services since 2020. From 2015–2019 Senior Vice President Volvo Financial Services Americas, Managing Director Brazil and Chile 2011–2014 and Vice President Latin America markets 2010–2011. Held other senior positions and special assignments across Americas and Europe for the Volvo Group from 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 to that President for Volvo Group Venture Capital 2014–2017 and Vice President, Product Management Industrial, Volvo Penta 2010–2014. With Volvo since 2009.

12 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.

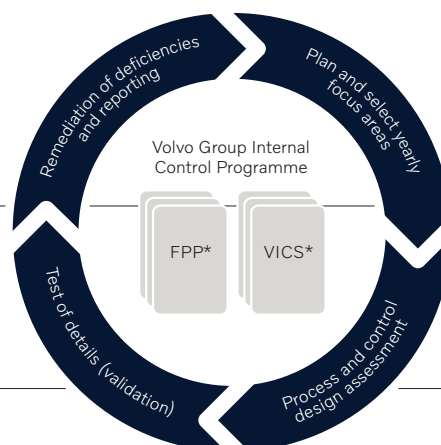
Control environment

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

Volvo Group Internal Control Program

Yearly evaluation of the effectiveness of internal control over financial reporting (ICFR) within the Volvo Group.

* FPP – Financial Policies and Procedures;
VICS – Volvo Internal Control Standard



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 Group Executive Board and Group Management as well as the Board through the Audit Committee, based on assessments by management, 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 forecasts and estimates in management group meetings to specific reconciliation of accounts and analyzes 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 Program," 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 the Group Executive Board, the Group Management and the Audit Committee. During 2022, 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 27, 2023

AB Volvo (publ)
The Board of Directors

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 2022-01-01-2022-12-31 on pages 186-203 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 RevR 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 27, 2023

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.