

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT 2020

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 Volvo's auditors and includes a report from the auditors.

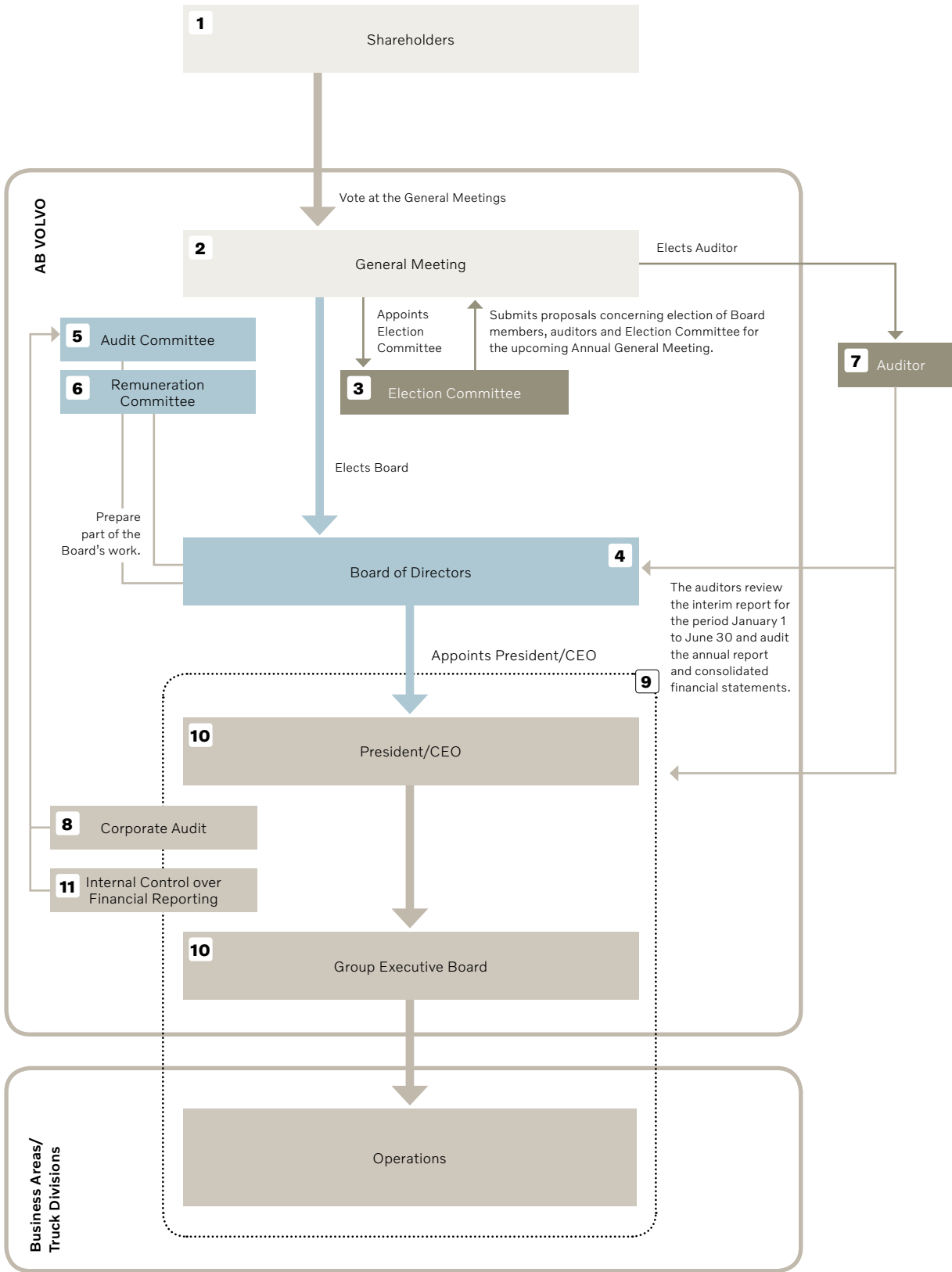
Corporate Governance Model

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 of AB Volvo, 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

AB Volvo (publ) is a CSD company, which means that the share register is maintained by Euroclear Sweden AB. On December 31, 2020, Volvo had 283,731 shareholders according to the share register. The largest shareholder, in terms of votes on that date was AB Industrivärden, with 27.5 percent of the votes. As per the same date, Geely Holding held 15.9 percent of the votes, AMF Insurance & Funds held 5.6 percent of the votes, Alecta held 4.7 percent of the votes and Norges Bank Investment Management held 4.2 percent of the votes, based on the number of shares outstanding.

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 Annual General Meeting 2020 resolved to adopt the Board's proposal to reduce the share capital by way of cancellation of the company's approximately 95 million own shares. The cancellation was implemented in July 2020 and entailed that the total amount of registered shares in the company decreased by a corresponding amount.

For more information about the Volvo share and its shareholders, please refer to the Board of Director's Report on pages 66–67 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 fiscal 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 Meeting to consider a particular matter must submit a request to the Board in sufficient time prior to the Meeting to the address provided on Volvo's website, www.volvogroup.com.

The Annual General Meeting 2020 resolved to amend the Articles of Association, allowing the Board to collect powers of attorney in accordance with the procedure described in the Companies Act as well as allowing the Board to decide that shareholders shall be able to exercise their right to vote by post before a General Meeting.

As a consequence of the developments due to the Covid-19 pandemic, the Board decided by the end of March 2020 to postpone the Annual General Meeting 2020. The Meeting, which was initially planned for April 8, was held on June 18. In order to reduce the risk of spreading the virus and considering the authorities' regulations and advice on avoiding public gatherings, the Meeting was 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 2021

Volvo's Annual General Meeting for 2021 will be held on Wednesday, March 31, 2021. For further information about the Annual General Meeting 2021, please refer to the fold-out at 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 2020 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

During the period January 1, 2020 to June 18, 2020, AB Volvo's Board consisted of ten members elected by the Annual General Meeting and three members and two deputy members appointed by employee organizations.

The Annual General Meeting 2020 re-elected Matti Alahuhta, Eckhard Cordes, Hanne de Mora, Eric Elzvik, James W. Griffith, Martin Lundstedt, Kathryn V. Marinello, Martina Merz, Helena Stjernholm and Carl-Henric Svanberg as Board members and Kurt Jofs was elected as new Board member. This meant that the total number of members elected by the General Meeting increased from ten to eleven. 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 178–179.

Prior to the Annual General Meeting 2020, 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. 36 percent (four 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 2020, the Nomination Committee presented the following assessment of the independence of Board members elected at the Annual General Meeting 2020.

Carl-Henric Svanberg, Matti Alahuhta, Eckhard Cordes, Hanne de Mora, Eric Elzvik, James W. Griffith, 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 2020

The Board's work is mainly performed within the framework of formal Board meetings and through meetings in the respective 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 2020, the extraordinary situation due to the Covid-19 pandemic has had a significant impact on the Board's work. In 2020, there were nine regular Board meetings and one statutory Board meeting, all included in the Board's initial meeting plan. In addition, the Board has met on a frequent basis during 2020, resulting in a total of 14 extraordinary Board meetings. Most of the Board meetings have been held as video conferences. The attendance of Board members at these meetings is presented in the table on page 177. The company's auditor attended one Board meeting during the year.

An important part of the Board's focus during 2020 has been on managing the immediate challenges and consequences of the Covid-19 pandemic including a focus on the Volvo Group colleagues, customers and business partners and to maintain a tight cost control and focus on cash flow. In addition, the Board has continued its focus on new technologies and the Group's positioning in the transformation of the industry. Product development to meet the Group's own as well as regulators' climate related and other goals is one important part of this work.

Other important parts of the focus on new technologies and industry transformation include the Group's strategic partnerships and other larger transactions. Here, the Volvo Group and Isuzu Motors signed an agreement in October 2020 to form a strategic alliance within commercial vehicles. Further, the Volvo Group and Daimler Truck AG signed an agreement to establish a new joint venture to develop, produce and commercialize fuel-cell systems for use in heavy-duty trucks as the primary focus, as well as other applications.

The Board is continuously updated about climate and sustainability related issues, for instance as part of the health and safety related issues, product plans, investment plans and talent review. During 2020, the Board has been continuously updated and involved in the development of the Group's sustainability work, including the Group's commitment to the Science Based Targets initiative (for further information, see page 29). Climate related issues are considered mainly in relation to product plans and R&D investments, both of which are critical to meet changing customer demands, new business models, environmental impact and regulatory demands. Climate related and environmental regulations as well as technology shift and convergence are two of the Group's top strategic risks and therefore also opportunities and critical topics to be dealt with at Board level.

During 2020, the Board decided on an overall financial plan and investment framework for the Group's operations, including investments in R&D for both electrification and combustion engines to reduce CO₂ emissions. 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. Further, throughout the year, the Board has devoted time to talent review and succession planning and on the review and follow-up of the Company's quality work.

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 operations. As part of this work, the Board usually makes a yearly visit to the Company's operations throughout the world. In 2020, the Board had to cancel its trip due to the global situation caused by the Covid-19 pandemic.

Finally, during 2020, the Board decided to discontinue its Technology and Business Transformation Committee since the technology change and business transformation of the Volvo Group require the full Board's involvement.

Evaluation of the Board's work

In 2021, 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 2020 included the Board's composition, the management and focus of Board meetings, Board support and how the Board addresses issues related to strategy, sustainability, potential risks and succession planning. 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 2020, particular focus was kept on the Board's work during the Covid-19 pandemic.

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 were discussed by the Board. The results of the evaluations of the committees were, or 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 2020, please refer to Note 27 in the Group's notes in the Annual and Sustainability Report. During the year, the Board members decided on a 20 percent reduction of their Board and Committee remuneration from the Annual General Meeting 2020 to the Annual General Meeting 2021.

Remuneration of Board members, 2020 (from AGM on June 18, 2020, not adjusted for the 20 percent reduction)

	SEK
Chairman of the Board	3,600,000
Board member ¹	1,060,000
Chairman of the Audit Committee	380,000
Member of the Audit Committee	175,000
Chairman of the Remuneration Committee	160,000
Member of the Remuneration Committee	115,000

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 2020

At the statutory Board meeting following the Annual General Meeting 2020, 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 four occasions in 2020 in connection with Audit Committee meetings. The Audit Committee regularly met with the Head of Corporate 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 2020 is presented above under the "Independence requirements" section on page 175.

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 during 2020. The attendance of Board members at the committee meetings is presented in the table on page 177. 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 distributed to 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 the remuneration of senior executives on which the Annual General Meeting has resolved on, and the current remuneration structures and levels in the Group.

The Board shall prepare a report for each financial year detailing unpaid and outstanding remuneration that is covered under the guidelines. The report shall be submitted to the Annual General Meeting for approval.

Composition and work in 2020

At the statutory Board meeting following the Annual General Meeting 2020, the following Board members were appointed members of the Remuneration Committee:

- Carl-Henric Svanberg
- Matti Alahuhta
- James W. Griffith
- 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 2020, is presented under "Independence requirements" on page 175.

The Remuneration Committee held four regular and two extraordinary meetings during 2020. 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, 2020 – December 31, 2020

Member	Ordinary Board meetings (10 incl. statutory)	Extraordinary Board meetings (14)	Audit Committee (9)	Remuneration Committee (6)
Carl-Henric Svanberg	10	14		6
Martin Lundstedt	10	14		
Matti Alahuhta	10	13		6
Eckhard Cordes	10	13 ¹		
Hanne de Mora	10	14 ²	9	
Eric Elzvik	10	12	9	
James W. Griffith	10	14		6
Kurt Jofs ³	6	4		
Kathryn Marinello	10	13		
Martina Merz	10 ⁴	8 ⁵		
Helena Stjernholm	10	14	9	
Lars Ask, employee representative	10	13		
Mats Henning, employee representative	10	14		
Mikael Sällström, employee representative	10 ⁶	14		6
Camilla Johansson, employee representative	10	13		
Mari Larsson, employee representative	10	14		
Total number of meetings	10	14	9	6

1 Eckhard Cordes partly attended the extraordinary Board meeting in October 2020.

2 Hanne de Mora partly attended one of the extraordinary Board meetings in March 2020.

3 Kurt Jofs joined the Board in June 2020 and has since attended all ordinary and extraordinary Board meetings during 2020.

4 Martina Merz partly attended ordinary Board meetings in January, October and December 2020.

5 Martina Merz partly attended one of the extraordinary Board meetings in May 2020.

6 Mikael Sällström partly attended one of the ordinary Board meetings in October 2020.

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



Eckhard Cordes



Hanne de Mora
Chairman of the Audit
Committee



Eric Elzvik
Member of the Audit
Committee

	Carl-Henric Svanberg	Matti Alahuhta	Eckhard Cordes	Hanne de Mora	Eric Elzvik
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.	BA in Economics from HEC in Lausanne, MBA from IESE in Barcelona.	MSc Business Administration, Stockholm School of Economics.
Born	1952	1952	1950	1960	1960
Member of the Volvo Board	Chairman of the Volvo Board since April 4, 2012.	Since April 2, 2014.	Since April 1, 2015.	Since April 14, 2010.	Since April 5, 2018.
Position and Board memberships	Chairman of the Academy: The Royal Swedish Academy of Engineering Sciences (IVA) and Chairman of the European Round Table of Industrialists.	Board Chairman: DevCo Partners Oy. Vice Board Chairman: Metso Outotec. Board member: Kone Corporation and ABB Ltd.	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 Chairperson: a-connect (group) AG and Microcaps AG. Board Member: IMD Supervisory Board, Metso Outotec and Nestlé S.A.	Board Chairman: Global Connect Group. Board member: Telefonaktiebolaget LM Ericsson, Landis+Gyr Group AG and VFS Global.
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, member of the External Advisory Board of the Earth Institute at Columbia University, the Advisory Board of Harvard Kennedy School and Board Chairman of BP plc.	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 between 2005–2014 and between 2006–2014 also CEO.	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.	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 since 2002.	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 Mergers & Acquisitions and New Ventures and also as Head of Corporate Development. Currently, senior industrial advisor to EQT.
Holdings in Volvo, own and related parties	2,000,000 Series B shares.	146,100 Series B shares.	None.	18,230 Series B shares.	7,475 Series B shares.

BOARD MEMBERS APPOINTED BY THE EMPLOYEE ORGANIZATIONS



Lars Ask
Employee representative, ordinary member









Mats Henning
Employee representative, ordinary member





Mikael Sällström
Employee representative, ordinary member
Member of the Remuneration Committee


	Lars Ask	Mats Henning	Mikael Sällström
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, 616 Series B shares.	293 Series A shares, 116 Series B shares.

					
James W. Griffith <i>Member of the Remuneration Committee</i>	Kurt Jofs	Martin Lundstedt <i>President and CEO</i>	Kathryn V. Marinello	Martina Merz	Helena Stjernholm <i>Member of the Audit Committee</i>
BSc Industrial Engineering, MBA from Stanford University.	MSc, KTH Royal Institute of Technology, Stockholm.	MSc, Chalmers University of Technology.	BA from State University of New York at Albany, MBA from Hofstra University.	BS from University of Cooperative Education, Stuttgart.	MSc Business Administration, Stockholm School of Economics.
1954	1958	1967	1956	1963	1970
Since April 2, 2014.	Since June 18, 2020.	Since April 6, 2016.	Since April 2, 2014.	Since April 1, 2015.	Since April 6, 2016.
Board member: Illinois Tool Works Inc.	Board Chairman: Vesper Holding AB and Höganäs AB. Board Member: Telefonaktiebolaget LM Ericsson and Feal AB.	President and CEO of AB Volvo. Board Chairman: Permobil AB. Board Member: ACEA Commercial Vehicle and Concentric AB. Member of the Royal Swedish Academy of Engineering Sciences (IVA).	CEO of PODS. Board Chairperson: Concentrix. Board Member: Ares Acquisition Corporation.	President and CEO of Thyssenkrupp AG. Board Member: SAF Holland SA.	President and CEO of AB Industrivärden. Board Member: AB Industrivärden, Sandvik AB and Telefonaktiebolaget LM Ericsson.
Began his career at The Timken Company in 1984, where he has held several management positions, such as responsible for Timken's bearing business activities in Asia, the Pacific and Latin America and for the company's automotive business in North America. Until 2014 President and CEO at Timken Company.	Previous positions include Executive Vice President and responsible for Ericsson's Networks business 2003–2008, CEO of Segerström & Svensson 1999–2001, CEO of Linjebuss 1996–1999, and various positions within ABB and Ericsson.	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.	Has held 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.	Between 1998–2015, 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.
40,000 Series B shares.	36,800 Series B shares.	191,884 Series B shares.	None.	4,500 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, 116 Series B shares.	605 Series A shares, 116 Series B shares.

SECRETARY TO THE BOARD


Sofia Frändberg <i>Secretary to the Board Master of Laws</i>
1964
Secretary to the Board since April 1, 2013.
Executive Vice President Group Legal & Compliance and General Counsel.
1,738 Series A shares, 54,212 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 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 CORPORATE AUDIT

Volvo's internal audit function, Corporate 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. Corporate Audit runs from time to time advisory work as well. Corporate 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.

Corporate 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 organization's processes for controlling its activities and managing its risks and evaluation of compliance with policies and directives.

The head of Corporate 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 186–187.

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 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 8–16 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

During 2020, the business of the Volvo Group was organized into ten Business Areas. Of these, four represent brand-specific Business Areas for trucks: Volvo Trucks, Renault Trucks, Mack Trucks and UD Trucks, each with profit and loss and balance sheet responsibility for their respective business. The other Business Areas are Volvo Construction Equipment, Volvo Buses, Volvo Penta, ARQUUS, Volvo Financial Services (VFS) and Volvo Autonomous Solution (VAS).

The Group's Trucks Business is further organized into three divisions: Group Trucks Technology (GTT), Group Trucks Purchasing (GTP) and Group Trucks Operations (GTO).

GTT has overall responsibility for product development of engines, transmissions and trucks. GTP is responsible for purchasing for the Group's trucks, engines and transmissions operations as well as for the Group's purchase of indirect products and services. GTO is responsible for the production of all trucks and the Group's engines and transmissions, as well as for the Group's spare parts supply and logistics operation.

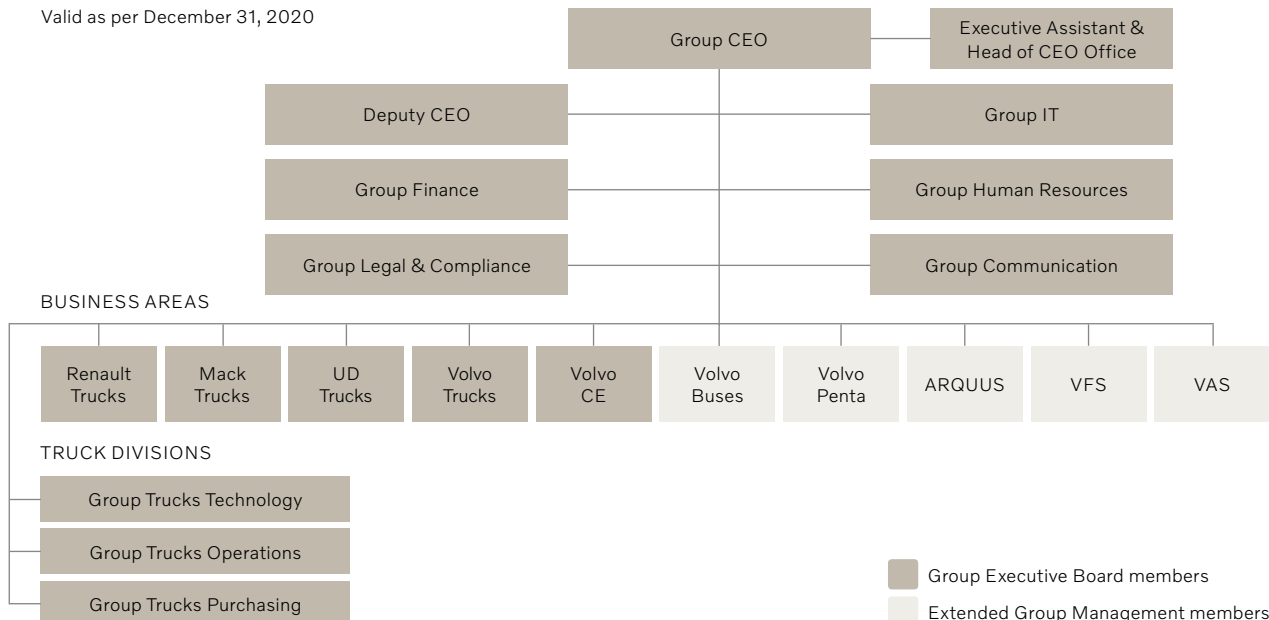
The five Group Functions: Group Human Resources, Group Finance, Group Communication, Group Legal & Compliance and Group IT, are tasked with supporting the entire organization with expertise within each Group Function area, developing standards through policies, directives and guidelines and providing services and/or products for the entire Group.

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 brand 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.

On January 28, 2021 the Volvo Group announced that it creates a new business area dedicated to accelerating electrification. The business area, Volvo Energy, will strengthen the Volvo Group's business flow of batteries over the life cycle as well as the customer offer for charging infrastructure. Starting in February 2021, Joachim Rosenberg, member of the Volvo Group Executive Board and Chairman of UD Trucks, will head the new business area.

Volvo Group organization

Valid as per December 31, 2020



10 GROUP EXECUTIVE BOARD AND GROUP MANAGEMENT

The Group Executive Board comprises 15 members.

In addition to the CEO and the deputy CEO, the Group Executive Board comprises the Executive Vice Presidents of the Group Functions, the Executive Vice Presidents of the Business Areas Volvo Trucks, Renault Trucks, Mack Trucks, UD Trucks and Volvo Construction Equipment as well as the Executive Vice Presidents of the Truck Divisions. The members of the Group Executive Board report directly to the CEO.

The Presidents of the Business Areas Volvo Buses, Volvo Penta, ARQUUS, VFS and VAS also report directly to the CEO and are part of an extended Group Management Team together with the members of the Group Executive Board.

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 Board approval. The CEO leads the operations of the Group mainly through the Group Executive Board and the extended Group Management Team.

Key decisions related to the Group's offering and technology portfolio are made by the Product Board.

Quality-related matters are addressed in the Quality Board in order to support fast decision-making, coordination and customer focus in this area.

At special meetings for Sales & Operations Planning (S&OP), decisions are made regarding a production plan aimed at optimizing the Volvo Group's overall profitability. The purpose of the meetings is to balance demand with supply chain capabilities, drive capacity management and provide directions for the Group's sales and operations activities.

Each Business Area has quarterly business review meetings where key decisions for the respective Truck Division and Business Area are made.

All of the above bodies affect control and monitoring of the Group's financial development, strategies and targets, and make decisions regarding investments and other matters.

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 for 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 2020, 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

On January 1, 2020 Scott Rafkin assumed the position as Executive Vice President and Chief Digital Officer and joined the Group Executive Board. Nils Jaeger, President of the new Business Area, VAS, joined the Group Management Team on January 1, 2020. Marcio Pedroso was appointed President of Volvo Financial Services and new member of the Group Management Team from March 16, 2020. Heléne Mellquist was appointed President of Volvo Penta and new member of the Volvo Group Management Team from September 1, 2020. Jens Holtinger replaced Jan Ohlsson on his position as Executive Vice President GTO on October 1, 2020, when he also became a member of the Group Executive Board. Finally, Anna Westerberg replaced Håkan Agnevall as President of Volvo Buses on February 1, 2021, when she also joined the Group Management Team.

Sustainability and climate related matters









The organizational structure described in this Corporate Governance Report applies to all strategic topics within the Volvo Group, including climate and sustainability matters. The Volvo Group relies on an integrated approach to ensure that sustainability topics are considered in all relevant decision making. Opportunities and risks are identified in the business areas primarily through government regulation, technology development, customer satisfaction and physical risks integrated with other risk perspectives.

Cross-functional working groups, such as the Product Board, Human Rights Board, People Board and Environmental Committee, prepare and coordinate topics for decision at the Group Executive Board and AB Volvo Board level. These groups include relevant Business Area and Truck Division representatives depending on the topic. Climate related opportunities and risks are discussed e.g. in the Product Board, primarily as part of the transition toward fossil-free transportation.



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.	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.	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. With Volvo since 1989. Member of the Group Executive Board since January 2019.	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 January 2013–2016. Member of the Group Executive Board since March 2016. With Volvo since 1999.	Responsible for Group Legal & Compliance and General Counsel of the Volvo Group since April 2013. Head of Corporate Legal at AB Volvo 1998–2013. Corporate Legal Counsel at AB Volvo 1994–1997. Member of the Group Executive Board since April 2013. With Volvo since 1994.	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. Member of the Group Executive Board since 2017. With Volvo since 2017.	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. With Volvo since 1995. Member of the Group Executive Board since October 2020.	
Board memberships	Chairman of Permobil AB. Board Member of ACEA Commercial Vehicle and Concentric AB. Member of the Royal Swedish Academy of Engineering Sciences (IVA).	Board Member of Teknikföretagen and Skanska AB.			Secretary to the AB Volvo Board since April 2013.	Member of the Board of the German-Swedish Chamber of Commerce.		
Holdings in Volvo, own and related parties	191,884 Series B shares.	73,825 Series B shares.	398 Series A shares, 15,034 Series B shares.	25,165 Series B shares.	1,738 Series A shares, 54,212 Series B shares.	1,600 Series A shares, 36,348 Series B shares.	13,652 Series B shares.	

							
Melker Jernberg <i>Executive Vice President Volvo Group and President Volvo Construction Equipment</i>	Diana Niu <i>Executive Vice President Group Human Resources</i>	Scott Rafkin <i>Executive Vice President and Chief Digital Officer for Volvo Group</i>	Joachim Rosenberg <i>Executive Vice President Volvo Group and Chairman of UD Trucks</i>	Lars Stenqvist <i>Executive Vice President Group Trucks Technology</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
CEO and President at Högåns 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 2018.	Joined Volvo Group in February 2005, with SVP HR jobs in two Business Areas, Trucks Asia Pacific and Volvo Construction Equipment. Worked for 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 (predecessor firm to PricewaterhouseCoopers).	Executive Vice President Volvo Group and Chairman UD Trucks since 2016. 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 10 October 2016. With Volvo Group since October 2016.	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 Team 2010–2014. Member of the Group Executive Board since March 2016.	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.	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.
						Board Member of International Chamber of Commerce (ICC), Sweden.	
17,277 Series B shares.	46,022 Series B shares.	45,120 Series B shares.	87 Series A shares, 190,143 Series B shares.	23,789 Series B shares.	111,863 Series B shares.	344 Series A shares, 14,956 Series B shares.	9,031 Series B shares.

EXTENDED GROUP MANAGEMENT TEAM



Nils Jaeger
President of Volvo
Autonomous Solutions



Emmanuel Levacher
President and CEO of
ARQUUS



Hélène Mellquist
President of Volvo Penta



Marcio Pedrosa
President of Volvo Financial
Services



Anna Westerberg
President of Volvo Buses

Born	1969	1962	1964	1968	1975
Principal work experience	Until 2019, President of Volvo Financial Services EMEA. Several leading positions at John Deere both within the agricultural & turf division and the financial services division, including the position as Vice President International Finance, Europe, CIS, N&M 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 Hélène has held several leading position 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.	Senior Vice President, Volvo Group Connected Solutions 2017–2021. Prior that President for Volvo Group Venture Capital, since 2014 Vice President, Product Management Industrial, Volvo Penta 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.

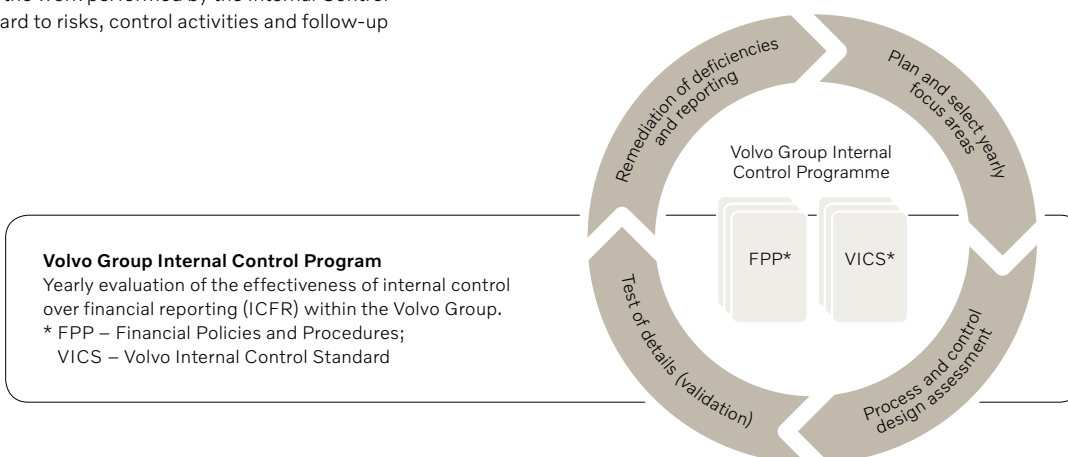
Introduction

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, Corporate 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 Corporate 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 control objectives. 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 control objectives 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 control objectives 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 Corporate 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 2020, the Internal Control function reported two times¹ to the Audit Committee regarding the annual evaluation plan, status on outstanding issues and final assessment of the control environment.

Göteborg, February 25, 2021

AB Volvo (publ)
The Board of Directors

¹ In 2020 the Internal Control function reported only twice to the Audit Committee, depending on a changed frequency and content in the reporting.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the Annual General Meeting of the shareholders of AB Volvo, corporate identity number 556012-5790

Engagement and responsibility

The Board of Directors is responsible for that the corporate governance statement on pages 172–187 has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing 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.

Opinion

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

Göteborg, February 25, 2021

Deloitte AB
Jan Nilsson
Authorized Public Accountant