

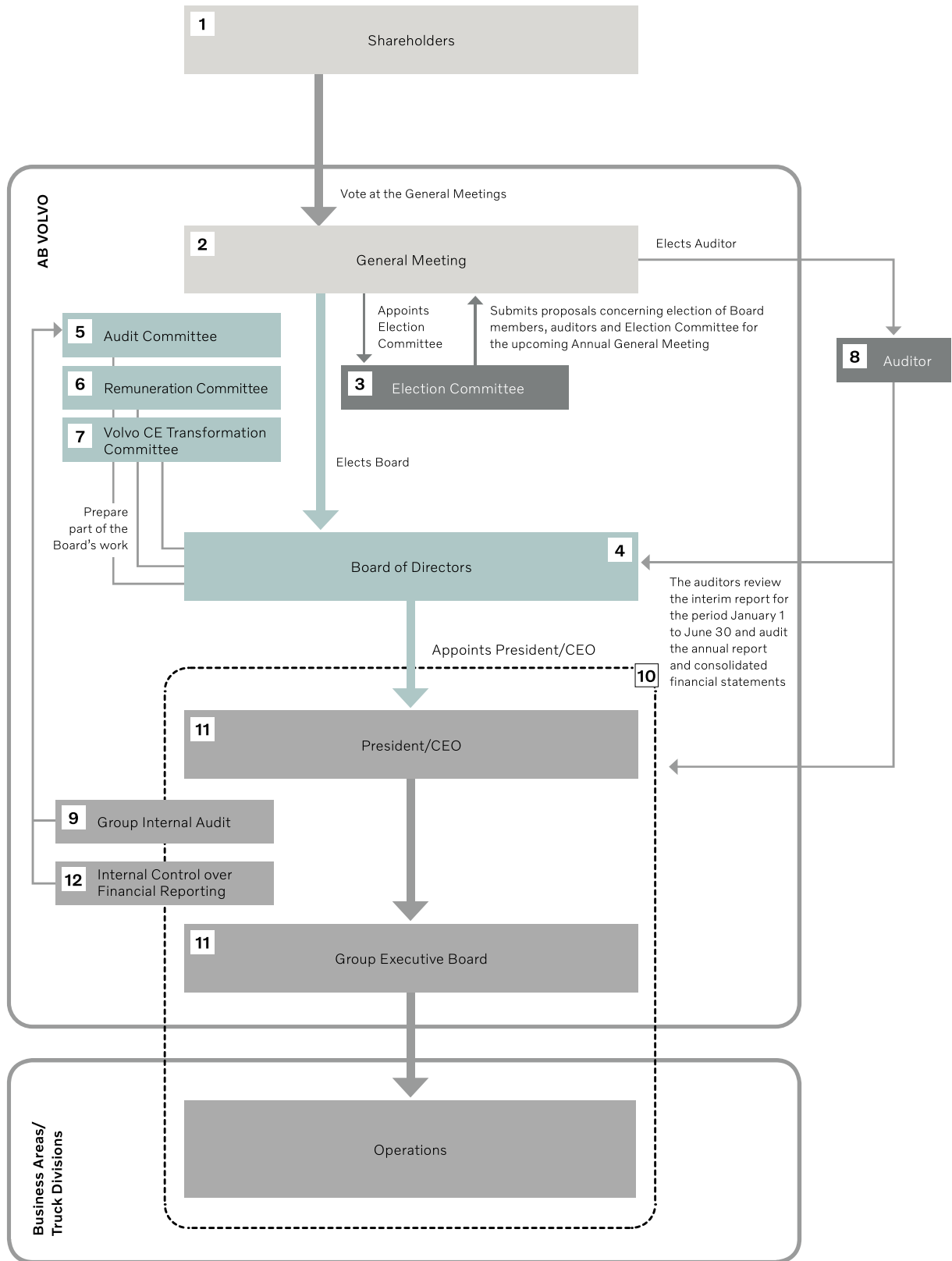
CORPORATE GOVERNANCE REPORT

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The Volvo Group appreciates sound corporate governance as a fundamental base in promoting its long-term strategic objectives and in achieving a trustful relationship 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.

AB Volvo, the parent company of the Volvo Group, is a Swedish limited liability company, with its shares admitted to trading on Nasdaq Stockholm, and follows the Swedish Corporate Governance Code (the Code). The Code is published on www.corporate-governanceboard.se, where a description of the Swedish Corporate Governance model can be found.

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 Corporate Governance Report has been reviewed by Volvo's auditor.



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 AB Volvo decreases.

At year-end 2023, Volvo had 381,666 shareholders according to the share register maintained by Euroclear. Shareholdings in Volvo representing at least one tenth of the votes of all shares in the company are AB Industrivärden with 27.9 percent of the votes and Geely Holding with 15.5 percent of the votes.

For more information about the Volvo share and its shareholders, please refer to the Board of Directors' Report on pages 80–81 of the Annual Report.

2 GENERAL MEETING

Shareholders may exercise their voting rights at the General Meetings of AB Volvo. The General Meeting is Volvo's highest decision-making body.

Volvo's Annual General Meeting will be held on March 27, 2024 at Konserthuset, Gothenburg, Sweden, with the opportunity for shareholders to also exercise their voting rights by voting in advance, so called postal voting.

In addition to applicable laws on shareholders' right to participate at General Meetings, the Articles of Association of AB Volvo stipulates that shareholders must (i) give notice of their attendance (within the time stated in the convening notice) and (ii) notify the company of any intention to bring assistants. The documents from the General Meetings are published on Volvo's website.

3 ELECTION COMMITTEE

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 Code.

In accordance with the 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.

The following individuals are members of the Election Committee which should submit proposals to the Annual General Meeting 2024:

- Fredrik Persson, AB Industrivärden¹
- Anders Oscarsson, AMF and AMF Funds
- Carina Silberg, Alecta²
- Anders Algotsson, AFA Insurance
- Carl-Henric Svanberg, Chairman of the Board

The Election Committee appointed Fredrik Persson¹ as Chairman of the Election Committee.

¹ The Annual General Meeting 2023 elected Pär Boman as a member of the Election Committee. Following Pär Boman's resignation from this assignment, AB Industrivärden has appointed Fredrik Persson as new member.

² The Annual General Meeting 2023 elected Magnus Billing as a member of the Election Committee. Since Magnus Billing's employment at Alecta has ended, Alecta appointed Carina Silberg as a new member.

4 BOARD OF DIRECTORS

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 and the Code.

Composition

In 2023, AB Volvo's Board consisted of eleven members elected by the Annual General Meeting and three members and three deputy members appointed by employee organizations.

Hanne de Mora left the Board in connection with the Annual General Meeting 2023 and Bo Annvik was elected as a new Board member. Mats Henning also left the Board in connection with the Annual General Meeting 2023 and the employee organizations have appointed Mari Larsson and Urban Spännar as new Board members. A detailed presentation of each Board member is set out in the "Board of Directors" section on pages 202–203.

Prior to the Annual General Meeting 2023, the Election Committee announced that it had applied the provisions of rule 4.1 of the Code as 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 2023, the Election Committee presented the following assessment of the independence of Board members elected at the Annual General Meeting 2023.

Carl-Henric Svanberg, Matti Alahuhta, Jan Carlson, Eric Elzvik, Martha Finn Brooks, Kurt Jofs, Kathryn V. Marinello, Martina Merz and Bo Annvik 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.

The Board's work in 2023

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, sustainability matters and other items to the Board. The Board has also adopted specific instructions for the Board's respective committees, which are linked to the work procedures.

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 2023, there were eleven ordinary Board meetings, one extraordinary Board meeting and one statutory Board meeting. The attendance of the Board members at the Board meetings during 2023 is presented in the table on page 200. The company's auditor attended one Board meeting during the year.

During 2023, the Board's main focus has been transformation, especially in the realm of electrification. The industry is evolving rapidly, and Volvo remains committed to driving innovation and investments needed to lead this transformation. Hence, the Board has devoted considerable time to strategic considerations concerning electrification, digitalization and new productivity services. 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, in parallel to exploring new ventures and growth opportunities, such as the cooperation between the Volvo Group, Renault Group, and CMA CGM Group on electric vans announced in October 2023 and the acquisition of the battery business from Proterra Inc. and Proterra Operating Company, announced in November 2023.

The Board's ambition is to stay close to the business and the Board receives continuous up-dates on the development of the Group's performance as well as the work with the transformation and strategies in relation thereto. The Board has further discussed the changes in the Group's Bus footprint including the exit of Nova Bus production in the US market and the closure of Volvo Bus bodybuilding factory in Wroclaw, Poland. In addition the Board has decided to divest Volvo Construction Equipment's ABG Paver Business and, in January, it was announced that an option agreement with John Cockerill Defense had been entered into that gives the Volvo Group the right to sell the French defense business Arquus. In 2023, the Board also gave significant attention to several key areas and issues:

- **Sustainability:** The Volvo Group's sustainability work and objectives are an integrated part of the Board's work and the Group's climate targets under the Science Based Targets initiative (for further information, see pages 170–172) are followed-up regularly by the Board.
- **Talent Review and Succession Planning:** The Board carefully evaluates talent and succession planning within the organization.
- **Quality oversight:** Thorough review and follow-up of Volvo's quality work.
- **External factors:** The Board has been actively monitoring external factors, with a particular emphasis on the continuing impact of the war in Ukraine and other macroeconomic and geopolitical developments, ongoing supply chain challenges, the effects of higher inflation and rising interest rates on profitability, and proactive measures to address these issues.

The Board's focus on decarbonization and the corresponding alignment of the product portfolio of the Volvo Group has continued during 2023, with a particular focus on strategic decisions for electromobility and acceleration of the sale of battery electric heavy-duty vehicles and machines. As part of this work, the Volvo Group has continued the processes to establish a large-scale production plant for battery cells in Mariestad, Sweden, and to produce battery modules in the Volvo Group's truck plant in Ghent, Belgium. At the Board meeting in December 2023, the Board spent time on the Group's work with human rights and sustainability, with particular focus on the ongoing work to implement the EU Taxonomy, the EU Corporate Sustainability Reporting Directive (CSRD) and other relevant legislation.

The Board usually makes regular visits to the company's operations throughout the world to meet with local management, customers and suppliers and learn more about the specific market conditions in the visited region. In 2023 the Board visited France and South Korea.

In 2023, 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 7 per share and an extraordinary dividend of SEK 7 per share, which was resolved by the Annual General Meeting 2023. 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.

During 2023, the Board proposed, and the Annual General Meeting 2023 adopted, a new long-term incentive plan with a three-year performance period and a one-year lock-in period instead of an annual performance period and a three-year lock-in period.

Evaluation of the Board

In 2024, 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. Further, the evaluation serves as input for the Election Committee's work with proposing Board members to the Annual General Meeting.

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 2023 included the Board's composition, the management and focus of Board meetings, Board support and committees and how the Board addresses issues related to strategy and strategic priorities, potential risks, succession planning and people oversight. The areas covered by the evaluation reflect the development of the Board's work and the Volvo Group and the priorities going forward.

Separate evaluations were conducted of the Board as a collective, the Audit Committee, the Remuneration Committee and the Volvo CE Transformation Committee. The result of the evaluation of the Board as a collective will be discussed by the Board. The results of the evaluations of the committees will be discussed by the relevant committee. In addition, the result of the evaluation of the Board as a collective is 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 further information about Board remuneration adopted by the Annual General Meeting 2023, please refer to Note 27 "Personnel" in the Group's notes in the Annual Report.

Remuneration of Board members, 2023 (from AGM on April 4, 2023)	SEK
Chairman of the Board	3,925,000
Board member ¹	1,175,000
Chairman of the Audit Committee	445,000
Member of the Audit Committee	250,000
Chairman of the Remuneration Committee	175,000
Member of the Remuneration Committee	130,000
Chairman of the Volvo CE Transformation Committee	300,000
Member of the Volvo CE Transformation Committee	200,000

¹ With the exception of the President.

BOARD COMMITTEES

The Board has formed Committees and the Board Committees are the Audit Committee, the Remuneration Committee and the Volvo CE Transformation Committee. The Election Committee's assessment of indepen-

dence of the Committee's members is presented above under the "Independence requirements" section. The Committees' report the outcome of its work to all members of the Board on a regular basis.

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, among other things, 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 overseeing the Group's legal and taxation matters including 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 regulatory and other developments of sustainability standards, and the Group's reporting in these areas.

Composition and work in 2023

At the statutory Board meeting following the Annual General Meeting 2023, the following Board members were appointed members of the Audit Committee:

- Eric Elzvik, Chairman of the Audit Committee
- Martha Finn Brooks
- Helena Stjernholm

The Audit Committee met with the external auditors without the presence of management on two occasions in 2023 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 Audit Committee and the external auditors, among other areas, discussed the external audit plan and the view of risk management. The Audit Committee held nine ordinary meetings and two extraordinary meetings during 2023. The attendance of Board members at the committee meetings is presented in the table on page 200.

6 REMUNERATION COMMITTEE

Duties

The Board has a Remuneration Committee for the purpose of preparing and resolving 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 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. The remuneration report shall be submitted to the Annual General Meeting for approval.

Composition and work in 2023

At the statutory Board meeting following the Annual General Meeting 2023, the following Board members were appointed members of the Remuneration Committee:

- Carl-Henric Svanberg, Chairman of the Remuneration Committee
- Matti Alahuhta
- Kurt Jofs

The Remuneration Committee held four ordinary meetings during 2023. The attendance of Board members at committee meetings is presented in the table on page 200.

7 VOLVO CE TRANSFORMATION COMMITTEE

Duties

The Board has a Volvo CE Transformation Committee 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.

The Volvo CE Transformation Committee held four ordinary meetings and one extraordinary meeting during 2023. The attendance of Board members at committee meetings is presented in the table below.

Composition and work in 2023

At the statutory Board meeting following the Annual General Meeting 2023, the following Board members were appointed members of the Volvo CE Transformation Committee:

- Kurt Jofs, Chairman of the Volvo CE Transformation Committee
- Matti Alahuhta
- Lars Ask
- Mari Larsson
- Helena Stjernholm

The Board's composition and attendance at meetings January 1, 2023 – December 31, 2023

Member	Board meetings (13 incl. statutory) ¹	Audit Committee (11) ¹	Remuneration Committee (4)	Volvo CE Transformation Committee (5) ¹	Member	Board meetings (13 incl. statutory) ¹	Audit Committee (11) ¹	Remuneration Committee (4)	Volvo CE Transformation Committee (5) ¹
Carl-Henric Svanberg	13		4		Lars Ask, employee representative	13			4
Martin Lundstedt	13				Mats Henning, employee representative ⁷	4			
Matti Alahuhta ²	13		4	5	Mari Larsson, employee representative	12			5
Bo Annvik ³	9				Urban Spännar, employee representative ³	9			
Jan Carlson	13				Danny Bilger, employee representative ³	9			
Eric Elzvik	13	11			Camilla Johansson, employee representative	13			
Martha Finn Brooks ⁴	13	11			Erik Svensson, employee representative ³	9			
Kurt Jofs	13		4	5	Total number of meetings	13	11	4	5
Kathryn V. Marinello ⁵	12								
Martina Merz ⁶	13								
Hanne de Mora ⁷	4			1					
Helena Stjernholm	13	11		5					
Total number of meetings	13	11	4	5					

1 Whereof extraordinary meetings: one for the Board, two for the Audit Committee and one for the Volvo CE Transformation Committee.

2 Matti Alahuhta partly attended the ordinary Board meeting in December 2023.

3 Bo Annvik, Urban Spännar, Danny Bilger and Erik Svensson joined the Board in April 2023 and have since attended all Board meetings during 2023.

4 Martha Finn Brooks partly attended the ordinary Board meeting in December 2023.

5 Kathryn V. Marinello partly attended the ordinary Board meeting in September 2023.

6 Martina Merz partly attended the ordinary Board meeting in December 2023.







7 Hanne de Mora and Mats Henning resigned from the Board in April 2023 and had, prior thereto, attended all Board meetings during 2023.






President and CEO Martin Lundstedt in a Volvo excavator during a tour of Volvo Construction Equipment's plant in Changwon, South Korea.








Board of Directors

Board members elected by the Annual General Meeting					
					
Carl-Henric Svanberg <i>Chairman of the Board</i> <i>Chairman of the Remuneration Committee</i>	Matti Alahuhta <i>Member of the Remuneration Committee</i> <i>Member of the Volvo CE Transformation Committee</i>	Bo Annvik	Jan Carlsson	Eric Elzvik <i>Chairman of the Audit Committee</i>	Martha Finn Brooks <i>Member of the Audit Committee</i>
Elected					
2012	2014	2023	2022	2018	2021
Year of birth					
1952	1952	1965	1960	1960	1959
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 Business Administration and Economics, School of Business, Economics and Law at the University of Gothenburg	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
Current assignments					
Chairman: Swedish Corporate Governance Board Member: Royal Swedish Academy of Engineering Sciences (IVA) and the European Round Table of Industry (ERT)	Chairman: DevCo Partners Board member: Kone Corporation Supervisory Board member: Finnish Cultural Foundation	President and CEO: Indutrade AB Board member: Indutrade AB	Chairman: Autoliv Inc. and Telefonaktiebolaget LM Ericsson	Chairman: Global Connect Group and Deutsche Glasfaser Group Board member: Telefonaktiebolaget LM Ericsson and Landis+Gyr Group AG Other: Senior industrial advisor to EQT	Board member: Constellation, CARE USA, CARE Enterprise Inc. and RMI
Principal work experience and other information					
Chairman: BP plc, the Royal Swedish Academy of Engineering Sciences (IVA) and the European Round Table of Industry (ERT) President and CEO: Assa Abloy AB and Telefonaktiebolaget LM Ericsson Member: External Advisory Board of the Earth Institute at Columbia University and the Advisory Board of Harvard Kennedy School Other: Various management positions at Asea Brown Boveri (ABB) and Securitas AB	Chairman: Aalto University, IMD, Confederation of Finnish Industries and Technology Industries of Finland Vice chairman: Metso Outotec Board member: ABB Ltd., UPM and British Telecom President and CEO: Kone Corporation President: Nokia Telecommunications and Nokia Mobile Phones Other: Various management positions within the Nokia Group, including Chief Strategy Officer	President and CEO: Haldex Board member: SSAB Other: Various management positions within Volvo Car Corporation, SKF and Outokumpu	Chairman: Veoneer Inc. President and CEO: Autoliv Inc and Veoneer Inc. President: Autoliv Europe, Autoliv Electronics, Saab Combitech and Swedish Gate Array Other: Various management positions within the Autoliv Group, including Vice President Engineering, and Honorary Doctor at the Technical faculty of Linköping University	Board member: Fenix Marine Services and VFS Global Other: Several management positions in the Finance function at ABB including Group CFO, CFO for the Divisions Discrete Automation & Motion and Automation Products, Head of M&A and New Ventures and Head of Corporate Development	President and CEO: Rolled Products and SVP in Alcan Inc. President and COO: Novelis Inc. Board member: Harley-Davidson, International Paper, Bombardier, Jabil and privately held Algeco Scotsman Other: Various management positions in Cummins truck and bus businesses, including Global VP of Truck and Bus business
Holdings in AB Volvo, own and related parties					
2,000,000 Series B shares	146,100 Series B shares	45 Series A shares	10,000 Series B shares	7,475 Series B shares	25,500 American depository receipts representing Volvo B shares (ADRs)

Board members appointed by the employee organizations		
		
Lars Ask <i>Employee representative, ordinary member</i> <i>Member of the Volvo CE Transformation Committee</i>	Mari Larsson <i>Employee representative, ordinary member</i> <i>Member of the Volvo CE Transformation Committee</i>	Urban Spännar <i>Employee representative, ordinary member</i>
Elected 2016 (Deputy member 2009-2016)	Elected 2023 (Deputy member 2015-2023)	Elected 2023
Year of birth 1959	Year of birth 1978	Year of birth 1967
Principal work experience and other information With Volvo since 1982	Principal work experience and other information With Volvo since 2004	Principal work experience and other information With Volvo since 1997
Holdings in AB Volvo, own and related parties 116 Series B shares	Holdings in AB Volvo, own and related parties 605 Series A shares and 343 Series B shares	Holdings in AB Volvo, own and related parties 1,007 Series A shares and 1,725 Series B shares

Board members elected by the Annual General Meeting

				
Kurt Jofs <i>Chairman of the Volvo CE Transformation Committee</i> <i>Member of the Remuneration Committee</i>	Martin Lundstedt <i>President and CEO</i>	Kathryn V. Marinello	Martina Merz	Helena Stjernholm <i>Member of the Audit Committee</i> <i>Member of the Volvo CE Transformation Committee</i>
Elected				
2020	2016	2014	2015	2016
Year of birth				
1958	1967	1956	1963	1970
Education				
MSc, KTH Royal Institute of Technology, Stockholm	MSc, Chalmers University of Technology	BA from State University of New York at Albany, MBA & Doctorate from Hofstra University	BS from University of Cooperative Education, Stuttgart	MSc Business Administration, Stockholm School of Economics
Current assignments				
Board member: Feal AB and Arjeplog Hotel Silverhatten AB	Chairman: Permobil AB Board member: Autoliv Inc., the Confederation of Swedish Enterprise, the International Chamber of Commerce (ICC), Sweden and the European Automobile Manufacturers' Association (ACEA CV BOD) Member: European Round Table of Industry (ERT) and the Royal Swedish Academy of Engineering Sciences (IVA)	Chairperson: Concentrix President and CEO: PODS	Board member: Siemens AG and Rio Tinto	President and CEO: 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 and other information				
Chairman: Tieto, Vesper Holding AB and Höganäs AB Board member: Telefonaktiebolaget LM Ericsson President: Segerström & Svensson and Linjebuss Other: Various management positions within Telefonaktiebolaget LM Ericsson, including Executive Vice President (with responsibility for Telefonaktiebolaget LM Ericsson's Networks business), and ABB	Co-chairman: UN Secretary-General's High-Level Advisory Group on Sustainable Transport President and CEO: Scania AB Board member: Concentric AB Other: Various management positions within Scania	Chairperson: Ceridian Corporation and Stream Global Services, Inc. Board member: Nielsen, RealPage, General Motors Co., MasterCard US and Ares Acquisition Corporation President and CEO: Ceridian Corporation, Stream Global Services, Inc. and Hertz Global Holdings Other: Several management positions at Citibank, Chemical Bank New York (now JP Morgan Chase), First Bank Systems, First Data Corporation, General Electric (including Division President General Electric Financial Assurance Partnership Marketing and Division President General Electric Fleet Services) and Senior Advisor for Ares Management, LLC	President and CEO: thyssenkrupp AG CEO: Chassis Brakes International President: Bosch Closure Systems Other: Various management positions at Robert Bosch GmbH, including Executive Vice President Sales and Marketing in the Chassis System Brakes division combined with responsibility for regions China and Brazil, and member of the Board of Management of Brose Fahrzeugteile GmbH & Co.	Partner within the private equity firm IK Partners (former Industri Kapital), consultant for Bain & Company and various board seats in non-listed companies
Holdings in AB Volvo, own and related parties				
50,741 Series B shares	290,301 Series B shares and 300,000 call options in Series B shares	10,000 American depository receipts representing Volvo B shares (ADRs)	6,500 Series B shares	8,000 Series B shares

Deputies appointed by the employee organizations



Danny Bilger
Employee representative, deputy member

Elected
2023

Year of birth
1965

Principal work experience and other information
With Volvo 1983–1999 and since 2007

Holdings in AB Volvo, own and related parties
736 Series A shares and 593 Series B shares



Camilla Johansson
Employee representative, deputy member

Elected
2016

Year of birth
1966

Principal work experience and other information
With Volvo since 1997

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



Erik Svensson
Employee representative, deputy member

Elected
2023

Year of birth
1989

Principal work experience and other information
With Volvo since 2016

Holdings in AB Volvo, own and related parties
None



Nina Aresund
Secretary to the Board
Master of Laws

Elected
2023

Year of birth
1974

Principal work experience and other information
Head of Legal and Compliance Volvo Construction Equipment, Head of Corporate Legal AB Volvo and Corporate Legal Counsel AB Volvo

Holdings in AB Volvo, own and related parties
13,484 Series B shares

Secretary to the board

8 AUDITOR

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. Further, the auditors 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.

At the Annual General Meeting 2023, the registered auditing company Deloitte AB was re-elected as auditor for the period until the end of the Annual General Meeting 2024. The Authorized Public Accountant Jan Nilsson 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 performs advisory work as well, from time to time. 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 to the CEO, the Group's General Counsel and the Audit Committee.

For additional information on internal control over financial reporting, see pages 210–211.

10 GOVERNANCE PRINCIPLES AND ORGANIZATIONAL STRUCTURE

Governance documents

A key part of the Group’s governance is its policies and directives, including the Code of Conduct and policies relating to investments, financial risks, accounting, financial control and internal audit. These documents establish unified operating and financial rules for the Group’s operations, as well as responsibility and authority structures.

Organizational structure

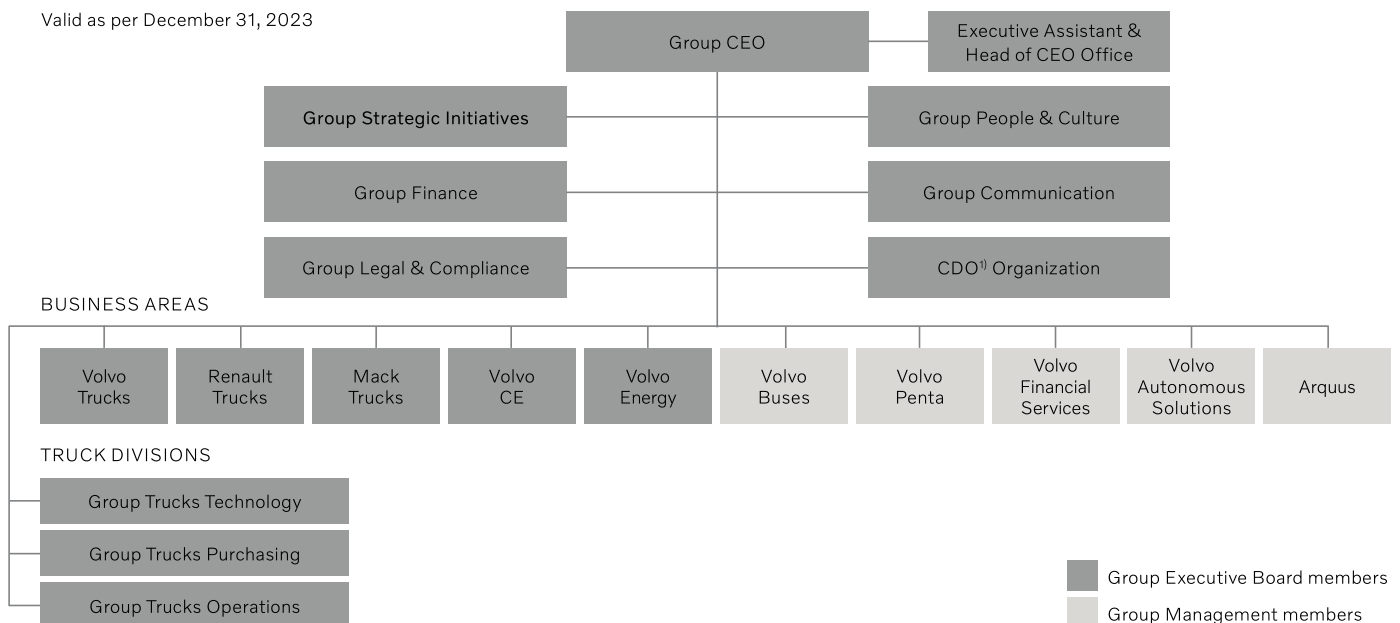
The Volvo Group operates through six Group Functions, three Truck Divisions and ten Business Areas. The six Group Functions (Group Finance, Group Legal & Compliance, Group People & Culture, Group Communication, Group Strategic Initiatives and CDO¹ Organization) are tasked with supporting the entire organization with expertise within each Group Function area, developing standards through policies, directives and guidelines as well as providing services and/or products for the entire Group. The Volvo Group’s truck business, and in some areas also other Business Areas, are 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 Arqus. In addition, Nova Bus is a separate legal and operational entity within the Volvo Group.

Each Business Area and Truck Division holds regular Business Review Meetings, (BRM) to support strategic development and business performance, where key decisions are made. In addition, cross-functional decision forums like the People Board, Digital Product & Services Board, Product Board, Quality Board and Sales and Operational Planning ensure collaboration and alignment.

This governance model allows Volvo to leverage on global capabilities in product development, purchasing, and manufacturing while maintaining distinct leadership and responsibility in each Business Area. The aim is consistent business principles, optimizing earnings performance and cash flow generation in the short and long term across all Business Areas.

Volvo Group organization

Valid as per December 31, 2023



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. During 2023, the members of the Group Executive Board are the 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 the extended Group Management include, in addition to the Group Executive Board members, the Presidents of Volvo Buses, Volvo Penta, Volvo Autonomous Solutions (VAS), Volvo Financial Services (VFS) and Arquus and report directly to the CEO respectively. The Group Executive Board and Group Management meet regularly to align on Group matters.

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 2023, 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 June 1, 2023, Stephen Roy replaced Martin Weissburg as President of Mack Trucks and joined the Volvo Group Executive Board. On October 1, 2023, Mats Backman replaced Jan Ytterberg, then in the role as acting Chief Financial Officer, as Chief Financial Officer and joined the Volvo Group Executive Board. Jan Ytterberg continued as a senior advisor. On December 1, 2023, Anna Müller replaced Heléne Mellquist as President of Volvo Penta and joined the Volvo Group Management.

Sustainability matters

Sustainability is an intrinsic part of Volvo Group strategy and operations, and the Group relies on integrated approach to ensure that environmental, social and governance topics are considered in all relevant decision-making. Responsibilities for sustainability related matters largely follows the general management structure of the Group.



The Board of Directors' visit to Volvo Construction Equipment's plant in Changwon, South Korea.

On Group level, sustainability work is coordinated by cross-functional forums and working groups with representatives from the relevant Truck Divisions and Business Areas. These forums are assigned to specific topics and include:

- 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, 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.








In addition to the above, top sustainability related targets, risks and opportunities are managed by the Group Executive Board. One example is the Volvo Group's science-based climate targets which are regularly followed up in the Group Executive Board.








For more information on implementation of the Group's sustainability strategy and management of sustainability risks and opportunities see the Sustainability Notes, pages 163–193.








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 two Volvo EC550E excavators during a visit to Volvo Construction Equipment's plant in Changwon, South Korea.

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>	Mats Backman <i>Executive Vice President Group Finance and CFO</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>
Employed since						
2015	1989	2007	2023	1999	2017	1995
Member of Group Executive Board since						
2015	2019	2023	2023	2016	2017	2020
Year of birth						
1967	1962	1974	1968	1963	1967	1970
Education						
MSc, Chalmers University of Technology		Master of Laws	BSc in Business Administration	MBA	MSc and MBA	MSc in Mechanical Engineering
Current assignments						
Chairman: Permobil AB Board member: Autoliv Inc., the Confederation of Swedish Enterprise, the International Chamber of Commerce (ICC), Sweden and the European Automobile Manufacturers' Association (ACEA CV BOD) Member: European Round Table of Industry (ERT) and the Royal Swedish Academy of Engineering Sciences (IVA)		Secretary to the AB Volvo Board	Board member: Gränges AB		Board member: The German-Swedish Chamber of Commerce	
Principal work experience and other information						
Co-chairman: UN Secretary-General's High-Level Advisory Group on Sustainable Transport President and CEO: Scania AB Board member: Concentric AB Other: Various management positions within Scania	Senior Vice President Volvo Trucks Europe, Senior Vice President Volvo Group Trucks Northern Europe, President Volvo Group Trucks Latin America, President Volvo Trucks Latin America and Managing Director Volvo Trucks, Region East	Head of Legal and Compliance Volvo Construction Equipment, Head of Corporate Legal AB Volvo and Corporate Legal Counsel AB Volvo	Operating Partner in Triton, CFO in Autoliv Inc. and, subsequently, Veoneer Inc., various management positions within Sandvik Group (including as CFO), Outokumpu, Nordea and Boliden	Senior Vice President Group Truck Sales South Europe, Senior Vice President Volvo Group Purchasing and, prior thereto, several senior positions within Renault Trucks Purchasing	Head of Purchasing at Scania and, prior thereto, various senior positions within Volkswagen's Purchasing organization	Senior Vice President Europe & Brazil Manufacturing Group Trucks Operations, Vice President Powertrain Production Skövde Plant and, prior thereto, several management positions within the Volvo Group
Holdings in AB Volvo, own and related parties						
290,301 Series B shares and 300,000 call options in Series B shares	398 Series A shares and 42,433 Series B shares	13,484 Series B shares	None	49,844 Series B shares	1,600 Series A shares and 77,559 Series B shares	30,220 Series B shares

						
Melker Jernberg <i>Executive Vice President Volvo Group and President Volvo Construction Equipment</i>	Diana Niu <i>Executive Vice President Group People & Culture</i>	Scott Raffkin <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>	Stephen Roy <i>Executive Vice President Volvo Group and President Mack Trucks</i>	Lars Stenqvist <i>Executive Vice President Group Trucks Technology and Volvo Group Chief Technology Officer</i>	Kina Wileke <i>Executive Vice President Group Communication</i>
Employed since						
2018	2005	2001	2005	1996	2016	2008
Member of Group Executive Board since						
2018	2019	2020	2012	2023	2016	2018
Year of birth						
1968	1966	1969	1970	1963	1967	1974
Education						
MSc in Mechanical Engineering	MBA and BA in Economics	BBA (Bachelors in Business Administration)	MSc Industrial Engineering and Management, MSc Financial Economics, MSc Business and Economics	BSA (Bachelor of Science in Agriculture) MBA Wake Forest University	MSc Industrial Engineering	MA in journalism
Current assignments						
			Board member: Concentric AB		Member: Royal Swedish Academy of Engineering Sciences (IVA)	Board member: International Chamber of Commerce (ICC), Sweden
Principal work experience and other information						
President and CEO: Höganäs AB Other: Executive Vice President, Business Area EMEA at SSAB, Senior Vice President Buses and Coaches at Scania AB and, prior thereto, various positions at Scania AB	Senior Vice President HR Trucks Asia Pacific, Senior Vice President HR Volvo Construction Equipment and, prior thereto, various management positions within Telefonaktiebolaget LM Ericsson	President Volvo Financial Services, CFO Chief Volvo Financial Services, Senior Vice President Global Operations Volvo Financial Services, Senior Vice President Risk Volvo Financial Services, several senior positions within Volvo Car Finance North America and, prior thereto, Business Assurance and Capital Markets Manager Coopers & Lybrand LLC	Executive Vice President Volvo Group and Chairman UD Trucks, Executive Vice President Group Trucks Sales, Executive Vice President Group Trucks Sales & Marketing APAC, President Volvo Group Asia Truck Operations, Vice President Volvo Group Alliance Office, Vice President Volvo Powertrain and, prior thereto, consultant with McKinsey & Company	Chairman: Association of Equipment Manufacturers, CE Sector Other: Head of Region North America, Volvo Construction Equipment and, prior thereto, various senior positions within the Volvo Group, including within Mack Trucks and the Group's North American truck organization	Head of R&D and CTO at Volkswagen Truck & Bus, Senior Vice President Vehicle Definition R&D at Scania and, prior thereto, various senior positions at Scania	Senior Vice President Brand, Communication & Marketing Volvo Penta, Senior Vice President External Corporate Communication Volvo Group, CEO Communication Volvo Group and, prior thereto, various positions within TV4 Group
Holdings in AB Volvo, own and related parties						
53,281 Series B shares	76,312 Series B shares	36,646 Series B-shares	87 Series A shares and 283,587 Series B shares	29,352 Series B shares	52,710 Series B shares	344 Series A shares and 28,663 Series B shares

Extended Group Management

				
Nils Jaeger <i>President Volvo Autonomous Solutions</i>	Emmanuel Levacher <i>President and CEO Arquus</i>	Anna Müller <i>President Volvo Penta</i>	Marcio Pedrosa <i>President Volvo Financial Services</i>	Anna Westerberg <i>President Volvo Buses</i>
Member of the extended Group Management since				
2020	2015	2023	2020	2021
Year of birth				
1969	1962	1967	1968	1975
Principal work experience and other information				
President of Volvo Financial Services EMEA and, prior thereto, several management positions within Deere & Company	International Director VECV, Sales & marketing Director Asia & Africa Renault SA. and, prior thereto, various management positions within Renault Trucks and Volvo	Senior Vice President Europe North & Central Volvo Trucks, several senior positions at Volvo Trucks and, prior thereto, Managing Director Ford Motor Company AB	Several management positions within Volvo Financial Services, including Senior Vice President, Americas, Managing Director, Brazil and Chile, and Vice President, Latin America Markets; additional senior positions and special assignments across Americas and Europe within the Volvo Group, as well as various management positions outside of Volvo within the insurance and corporate finance industries	Senior Vice President Volvo Group Connected Solutions, and prior thereto, President for Volvo Group Venture Capital and Vice President, Product Management Industrial, Volvo Penta

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 shareholders and other stakeholders with an understanding of the Group's internal control with regards to 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.

As further described above, Volvo also has an internal audit function, Group Internal Audit.

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 Code of Conduct, to ensure that the business conducted by the organization is characterized by good ethics, integrity and is in compliance with legislation.

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 critical directives and policies, primarily the 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 2023, 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 28, 2024

AB Volvo (publ)
The Board of Directors

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders in AB Volvo 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 2023-01-01–2023-12-31 on pages 194-211 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

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

Opinions

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

Göteborg, February 28, 2024

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.