

# Corporate Governance Report

As required by the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (Swedish Code), this Corporate Governance Report describes the organizational bodies, rules and other governance structures by which Husqvarna Group (or the Company) is controlled and operated. The Group's external auditors have reviewed this Report and their opinion has been included in the Auditors' Report.

Good corporate governance is a fundamental prerequisite not only to meet our obligations as a public company, but also to create value for shareholders in an efficient, responsible and sustainable manner. Husqvarna Group's corporate governance structures are defined by external laws (e.g., the Swedish Companies Act), self-regulatory standards (e.g., the Swedish Code and the Nasdaq Nordic Main Market Rulebook for Issuers of Shares) and internal rules (e.g., the Company's Articles of Association, Code of Conduct and Group policies). While not mandatory, Husqvarna Group has elected to comply with all aspects of the Swedish Code without exception.

Husqvarna Group has no deviations from the Swedish Code to report for the 2023 financial year. Nor has Husqvarna Group been subject to any rulings by Nasdaq Stockholm's Disciplinary Committee or decisions on breaches of sound practices in the stock market by the Swedish Securities Council. For more information, visit: [www.husqvarnagroup.com](http://www.husqvarnagroup.com).

## Integrating Sustainability into corporate governance

Husqvarna Group endeavors to incorporate sustainability into all aspects of its business operations, organizational structures and governing bodies. These efforts have been recently accelerated to meet the enhanced requirements of the EU's Corporate Sustainability Reporting Directive (CSRD), when they become applicable for Husqvarna Group.

The Board has overall responsibility for the Company's sustainability work, supported by the Audit Committee (which takes the lead in monitoring and overseeing sustainability matters to

the extent they relate to information disclosed in the Company's periodic reports) and by the People & Sustainability Committee (which takes the lead in overseeing the Company's overall sustainability ambitions and target-setting, as well as monitoring progress towards those targets). Day-to-day responsibility for sustainability matters has been delegated by the Board to the Group CEO, Group Management and further down the organization pursuant to the Company's delegation of authority and Group governance policies.

During 2023, the Company completed a double materiality assessment (DMA), as required by the CSRD, to identify those sustainability topics that are most material to the Company. The topics identified in the DMA, which was approved by the Board in December 2023, were largely in line with those topics previously identified by the Group as being material in connection with the Group's 2025 Sustainability Strategy.

## Shareholders and the shareholders' general meeting

The highest corporate decision-making body in the Company is the Shareholders' General Meeting, which is normally held once per year in the form of the Annual General Meeting (AGM), but may also take the form of an Extraordinary General Meeting under certain circumstances. The 2024 AGM will take place on Thursday, April 18, 2024. The Company prepares the AGM agenda with input from its shareholders, who have the right to propose matters for consideration at the AGM.

The Company's shares have been traded on Nasdaq Stockholm since June 2006. At year-end 2023, the share capital amounted to SEK 1,153m, represented by 109,451,449 A-shares and 466,892,329 B-shares, each with a par value of SEK 2. Each A-share entitles the holder to one vote and each B-share entitles the holder to one tenth of a vote. As per the Articles of Association, holders of A-shares are entitled to request conversion of A-shares into B-shares on a 1:1 basis. During 2023, 654,745 A-shares were converted to an equivalent number of B-shares.

As of December 31, 2023, the number of shareholders was 80,078 of which foreign shareholders held approximately 45.5% of the outstanding share capital. Investor AB was the single largest shareholder (by votes) with a holding of 16.8% of the share capital and 33.5% of the votes. L E Lundbergföretagen AB was the second-largest shareholder (by votes) with a holding of 7.6% of the capital and 25.5% of the votes.

## Nomination Committee

In accordance with the Swedish Code, the Company is required to have a Nomination Committee, the primary responsibilities of which are to consider, and submit to the AGM, proposals and recommendations regarding:

- The Chair of the AGM;
- The number of elected Board members;
- The nominees for election to the Board;
- The Chair of the Board;

- Remuneration to Board members, including the Chair, and remuneration for Board members' work on Board committees;
- Election of external auditors (when applicable);
- Remuneration to external auditors; and
- Changes to the process regarding the composition and tasks of the Nomination Committee (if applicable).

The AGM determines the process for establishing the Nomination Committee and its members. At the Company's 2013 AGM, it was resolved that the following process would apply until a subsequent AGM resolves otherwise:

- The Company shall have a Nomination Committee consisting of five members;
- The members shall consist of one representative of each of the four largest shareholders in the Company in terms of voting rights held as of the last banking day of August each year, with the fifth member being the Chair of the Board; and
- In the event that any of the four largest shareholders elect not to nominate a representative to the Nomination Committee, the right to appoint such a representative passes to the fifth largest shareholder and so on.

These rules established at the 2013 AGM have not been changed by any subsequent AGM and therefore continue to apply.

As of August 31, 2023, the four largest shareholders in terms of voting rights were Investor AB, L E Lundbergföretagen AB, Bosch and If Skadeförsäkring AB. Bosch waived its right to appoint a representative to the Nomination Committee. Accordingly, this right passed to the fifth largest shareholder, Livförsäkringsbolaget Skandia, who agreed to appoint a representative. The formation of the Nomination Committee for the 2024 AGM was announced on September 15, 2023. The members of the Nomination Committee (and corresponding appointing shareholders) for the 2024 AGM are:

Member	Appointing shareholder
Petra Hedengran (Chair)	Investor AB
Claes Boustedt	L E Lundbergföretagen AB
Fredrik Ahlin	If Skadeförsäkring AB
Oskar Börjesson	Livförsäkringsbolaget Skandia
Tom Johnstone <sup>1</sup>	—

<sup>1</sup> Chair of the Board of the Company.

Nomination Committee members do not receive compensation from the Company for their work on the Nomination Committee.

As noted above, one of the chief duties of the Nomination Committee is to make recommendations regarding the size and composition of the Board. Normally, the starting point for such recommendations is a survey conducted each year by the Chair of the Board to assess the Board's work, composition, qualifications, experience and efficiency (see the section "The Board of Directors"). The results of this survey are shared and discussed with the Nomination Committee.

Based largely on the information provided by the Chair, the Nomination Committee determines whether the existing Board should be strengthened with additional expertise or if there are any other reasons to make changes to the composition of the

Board. In making such determinations and (if applicable) evaluating potential new candidates for the Board, the Nomination Committee takes into consideration the objective to achieve a gender balance in the Board.

The Nomination Committee has applied rule 4.1 of the Swedish Code as its diversity policy. In addition, the Nomination Committee takes into consideration the need to ensure that the independence requirements of the Swedish Code are met. These requirements stipulate that at least the majority of Board members must be independent from the Company and its management and that at least two (from such majority) also be independent from the Company's largest shareholders. The Nomination Committee also takes into account any proposals made to the Nomination Committee about the composition of the Board that may have been suggested by other shareholders.

For the 2024 AGM, the Nomination Committee announced its required proposals along with the notice of the AGM, which was published on the Company's website on March 14, 2024. The Nomination Committee will present and elaborate on its work and proposals at the 2024 AGM.

## ANNUAL GENERAL MEETING

### General

In accordance with the Swedish Companies Act, the AGM of the Company must be convened annually on a date not later than six months after the close of the preceding financial year, and is normally held in March or April.

According to the Company's Articles of Association, the AGM must be held in Jönköping or Stockholm, Sweden. The Articles of Association also permit the Board to allow the shareholders to exercise their voting rights by regular mail.

Shareholders who are individuals may attend the AGM in person or by proxy. Shareholders attending the meeting by proxy, including all corporate shareholders, must submit a valid power of attorney as well as other required documentation in due time before the AGM. This, together with information provided by Euroclear Sweden AB, allows the Company to compile a book

of shareholders eligible to vote at the AGM. Following this compilation, voting certificates are sent to all shareholders attending the meeting, or their designated representatives. Voting certificates are proof of voting rights and also serve as an entrance card to the AGM.

The notice of the AGM (specifying its date, location, agenda, etc.) shall be made public at least four weeks and not more than six weeks prior to the AGM. The notice is published in the Swedish daily newspaper Svenska Dagbladet and in the Swedish Official Gazette (Post- och Inrikes Tidningar). The notice is also announced in a press release and on the Company's website at [www.husqvarnagroup.com](http://www.husqvarnagroup.com).

### AGM agenda items and written documentation

The agenda for the AGM is reviewed and approved by the Board and consists of matters that are statutorily required, as well as other matters. Matters typically include:

- Election of Chair of the AGM<sup>1</sup>;
- Adoption of statutory financial documentation;
- Discharge of liability for the Board members and CEO;
- Disposition of the Company's profit;
- Number of elected Board members<sup>1</sup>;
- Remuneration to Board members, committee members and external auditors<sup>1</sup>;
- Election of external auditor<sup>1</sup>;
- Election of Chair of the Board<sup>1</sup>;
- Election of Board members<sup>1</sup>;
- Principles of remuneration for Group Management (if applicable);
- Approval of Remuneration Report;
- Adoption of long-term incentive programs (if applicable);

- Repurchase and transfer of the Company's own shares (if applicable);
- Authorization to resolve on the issuance of new shares (if applicable); and
- Such other matters as may be deemed necessary and appropriate by the Board.

<sup>1</sup> Indicates agenda items for which the Nomination Committee make a proposal.

Shareholders may also, in advance of the publication of the notice to attend the AGM, propose matters to be included in the AGM agenda.

At the AGM, the Chair of the Board presents a report on the Board's work during the preceding year, the CEO gives an overview of the Company's business and current priorities, and the auditors present their report and review of the Company's finances. If required, the Chair of the People & Sustainability Committee reports on remuneration to the Group's executive management (Group Management) and, if it is to be resolved on by the AGM, the Company's long-term incentive programs. Shareholders attending the AGM may also direct questions to the Chair of the Board, the CEO, the Nomination Committee, the Chair of the People & Sustainability Committee, the external auditors or any other Board member. Written documentation is presented at the AGM, normally in both English and Swedish. This documentation may be downloaded from the Company's website and is also sent to shareholders upon request.

Such documentation includes:

- The agenda for the AGM;
- Proposals from the Board and the Nomination Committee;
- The Remuneration Report;

- The Nomination Committee's explanatory statement regarding the proposal for appointment of Board members;
- The Board's report in relation to the proposed dividend and the proposal on the acquisition of the Company's own shares (if applicable);
- The auditor's statement on the Remuneration Report; and
- AGM proxy form.

The AGM is held in Swedish, but simultaneous translation into English is available. The minutes recorded at the AGM are normally published within a few days of the AGM, but not later than two weeks after the AGM. A press release including resolutions passed at the meeting is published immediately after the AGM.

### 2023 AGM

The 2023 AGM was held on April 4, 2023 in Jönköping, Sweden with 1,033 shareholders attending in person, by proxy or by advance voting, representing 55% of the total number of shares and 77% of the total number of votes. Also in attendance were the Board, the external auditors and members of Group Management.

The AGM approved the following resolutions:

- To adopt the income statements and balance sheets for 2022;
- To discharge the Board and the CEO from liability for the 2022 financial year;
- To establish the size of the Board at eight (8) elected members;
- To elect Tom Johnstone, Ingrid Bonde, Katarina Martinson, Bertrand Neuschwander, Daniel Nodhäll, Lars Pettersson, Christine Robins and Torbjörn Lööf as Board members;
- To appoint Tom Johnstone as Chair of the Board;
- To set Board remuneration at SEK 7,790,000 in total, of which SEK 2,250,000 was to be paid to the Chair of the Board and SEK 650,000 to each of the other Board members elected by the AGM and not employed by the Company. Furthermore, to pay additional remuneration of SEK 290,000 to the Chair of the Audit Committee and SEK 185,000 to each of the

other two members of the Audit Committee, as well as SEK 150,000 to the Chair of the People & Sustainability Committee and SEK 90,000 to each of the other two members;

- To approve the Nomination Committee's proposal to elect KPMG as the Company's external auditors and to pay auditors' fees on the basis of approved invoices;
- To approve the Remuneration Report;
- To establish a performance-based long-term incentive program for 2023, "LTI 2023", to be offered to a maximum of 135 senior managers, whereby, subject to the fulfilment of certain performance targets and other conditions during a three-year vesting period, the participants would be entitled to receive certain B shares;
- To authorize the Board, during the period up until the next AGM, to direct the Company to enter one or more equity swap agreements with a third party (e.g., a bank) for purposes of hedging the obligations of the Company under LTI 2023 and any previously resolved programs;
- To authorize the Board to approve the issue of not more than 57,634,377 new B shares against payment in kind on one or more occasions during the period up to the 2024 AGM;

### 2024 AGM

The 2024 AGM of Husqvarna AB will be held at 4 p.m. on Thursday, April 18, 2024 at the Jönköping Concert & Congress hall at Elmia, Elmiavägen 15 in Jönköping, Sweden.

### Board of Directors

According to the Company's Articles of Association, the Board shall be comprised of no less than five and no more than ten elected Board members. The Articles of Association do not contain any specific provisions concerning the appointment and dismissal of Board members (or the method by which the Articles of Association may be amended), meaning that the rules otherwise stated in the Swedish Companies Act apply. At the 2023 AGM, eight members were elected to the Board (see section "Board of Directors and auditors"). In addition to the Board members elected by the AGM, Swedish trade unions have the

statutory right to appoint two ordinary Board members with voting rights, as well as two deputies for such Board members.

In accordance with the Swedish Code, the principal tasks of the Board include:

- Appointing, evaluating and, if necessary, dismissing the CEO;
- Establishing the overall goals and strategy of the Company;
- Identifying how sustainability issues impact risks to and business opportunities for the Company and periodically approving new or revised sustainability goals for the Husqvarna Group;
- Defining appropriate guidelines to govern the Company's conduct in society, with the aim of ensuring its long-term value-creation capability;
- Ensuring that there is an appropriate system for follow-up and control of the Company's operations and of the risks to the Company that are associated with its operations;
- Ensuring that there is a satisfactory process for monitoring the Company's compliance with laws and other regulations relevant to the Company's operations, as well as the application of internal guidelines;
- Ensuring that the Company's external communications are characterized by openness, and that they are accurate, reliable and relevant; and
- Approving the Company's periodic financial reports and related non-financial information (including sustainability related items) that must be made public on a periodic basis pursuant to applicable law.

The Board has adopted the Board's Rules of Procedure for its internal activities, which include rules regarding the number of Board meetings, matters to be addressed at regular Board meetings and the duties of the Chair of the Board. These Rules of Procedure are updated and adopted by the Board each year at the Statutory Board Meeting, which is normally held immediately after the AGM. The Chair shall also ensure that the Board

evaluates the CEO on a regular basis, at least once a year, where the CEO is not present.

The Board has also issued written instructions specifying when and how information required to enable the Board to evaluate the Company's and the Group's financial position shall be reported to the Board, as well as the distribution of duties between the Board and the CEO. The Board has established an Audit Committee and a People & Sustainability Committee, which are responsible for certain monitoring and oversight responsibilities on behalf of the Board, as described in more detail below.

The Chair of the Board ensures that the Board's work and procedures are evaluated and discussed with Board members annually, and are brought to the attention of the Nomination Committee with the aim of developing the Board's working methods and efficiency. In 2023, such evaluation was conducted via an online anonymized questionnaire, together with individual interviews conducted by the Chair with each Board member. The results of such evaluation were presented to, and discussed with, the Nomination Committee as well as with the Board in its entirety. The Board members elected by the 2023 AGM fulfil the independence criteria set out by the Swedish Code, which require that the majority of such members be independent of the Company and its management, and that at least two (from this majority) be independent of the Company's largest shareholders.

### Fees to Board Members

Fees to Board members, including fees for committee work, are set by the shareholders at the AGM. For information on fees to the Board in 2023, see note 4.

### Board Meetings

According to the Board's Rules of Procedure, the Board shall hold at least four ordinary meetings and one statutory meeting per calendar year. In 2023, the Board held sixteen meetings, of which two were by video conference, ten were physical meetings, and four were per capsulam (i.e. by unanimous written consent).



The Company's CFO and General Counsel are also present at Board meetings. The General Counsel serves as the Board's secretary and records the minutes of the Board meetings. Other members of Group Management or other senior managers of the Company may also be asked to attend and report on significant matters.

When relevant, and at least quarterly, Group Management presents forecasts and key performance indicators, providing the Board with an overview of the financial development and expectations of the Company. The Company's budget is reviewed and approved once a year, generally in the fourth quarter. The Board also reviews the Company's significant litigation matters, follows up on the Company's compliance and risk management work, and monitors the Company's progress regarding its sustainability agenda. The Board maintains an active oversight role in the Group's Enterprise Risk Management program, as more fully described in the "Risk Management" section of this Annual & Sustainability Report. In addition, the Company's external auditors meet with the Board at least once per year, without the presence of any member of Group Management.

### Audit Committee

In accordance with the Swedish Companies Act, the Board annually appoints an Audit Committee whose primary responsibilities are:

- (a) to monitor and oversee the Company's financial and sustainability reporting;
- (b) to monitor and oversee the effectiveness of the Company's internal control, internal audit and risk management functions as they relate to financial and sustainability reporting;
- (c) to monitor and oversee the effectiveness of the Company's compliance program, and to review major legal and litigation matters that could affect the Company's financial position;
- (d) to review and supervise the Company's external auditors' impartiality and independence; and
- (e) when applicable to assist in the preparation of proposals for the AGM's election of auditors.

The Audit Committee may also exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time. The Board has adopted a charter for the Audit Committee, which is periodically updated and approved by the Board.

The Board determines the composition of the Audit Committee, which shall have at least two members, none of whom may be employed by the Company, and the majority of whom shall be independent in relation to the Company and its executive management. At least one of the members who is independent in relation to the Company and its executive management shall also be independent in relation to the Company's major shareholders. At least one of the members of the Audit Committee must have auditing or accounting skills. The Board appoints the Committee members annually at the Statutory Board Meeting or when a Committee member needs to be replaced.

The Audit Committee members appointed in April 2023 were Ingrid Bonde (Chair), Daniel Nodhäll and Katarina Martinson. Audit Committee meetings are also attended by the General Counsel (who keeps the minutes of the meetings), the Group CFO, the Group Head of Internal Audit, and the Company's external auditors. Other members of Group Management are invited periodically to report on specific matters, as relevant. The Audit Committee regularly reports on its findings and recommendations to the Board in its entirety and makes available to the Board the minutes of its meetings.

In 2023, the Audit Committee held five meetings, which fulfils its own charter rule that it shall meet at least four times per year. The Audit Committee meetings follow an adopted agenda plan, which includes a review of open issues, a treasury and tax update, and an internal audit update. The Audit Committee also reviews the Company's interim reports before they are submitted to the Board. The Committee meets frequently with the Company's external auditors who deliver reports on the audit. The Committee also reviews the Company's compliance work and litigation activities on a quarterly basis.

### People & Sustainability Committee

The responsibilities of the People & Sustainability Committee (the "Committee") are to oversee:

- (a) executive remuneration and talent management, and
- (b) the Company's overall sustainability ambitions and target setting, as well as monitoring progress towards those targets.

This Committee is a "remuneration committee", within the meaning of the Swedish Code. The Committee shall consist of as many members as the Board determines, but no fewer than three. The Board shall appoint the Committee members annually at the Statutory Board Meeting or when a Committee member needs to be replaced. Each Committee member shall satisfy applicable independence and other requirements of law and other regulations applicable to the Company from time to time. The Board shall appoint the Committee's Chair. The Committee's Secretary shall be the Company's Executive Vice President, People & Organization.

The Committee's Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least twice per calendar year. The Committee may, at its discretion, include in its meetings members of the Company's management (normally the CEO), the Company's external or internal auditors, and any other person whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the CEO or any other member of Group Management may not be present during voting or deliberations concerning his or her compensation or assessment. The Committee reports to the full Board of the Company after each of its meetings and as otherwise requested by the Chair of the Board and makes available to the Board the minutes of its meetings.

With respect to remuneration and talent management matters, the Committee is assigned to perform the following general tasks:

- Preparing the Board's decisions on principles for remuneration and other terms of employment for the CEO and for

other members of Group Management, and on remuneration reporting, including such remuneration guidelines and remuneration reports as are required by applicable law (including the EU's Shareholder Rights Directive);

- Monitoring and evaluating programs for variable remuneration of Group Management – both ongoing programs and those that have ended during the year;
- Monitoring and evaluating the application of the remuneration guidelines that the AGM is legally obliged to establish as well as the current remuneration structures and levels in the Company; and
- Evaluating future talents for Group Management positions and monitoring succession planning.

With respect to sustainability matters, the Committee is assigned to perform the following general tasks:

- Periodically reviewing the Group's sustainability ambitions and target setting, including without limitation, approving (or recommending to the full Board for approval) any sustainability related targets or changes to existing targets;
- Actively tracking progress toward the Group's previously established sustainability targets; and
- Otherwise monitoring the Group's overall sustainability efforts, including a review of any material information in the press that may have a positive or negative impact on the public perception of the Group's commitment to sustainability.

The above tasks are supported by the Group's Head of Sustainability, who normally reports to the Committee (or the full Board) at least twice per year. The Committee members appointed in April 2023 were Lars Pettersson (Chair), Tom Johnstone and Bertrand Neuschwander. For more information on remuneration to Group Management, see note 4.

In 2023, the Committee held four meetings, which fulfils the charter criteria that it shall meet at least twice a year.

**External Auditors**

At the 2023 AGM, in accordance with the proposal of the Nomination Committee, KPMG AB was elected as auditor for the period from the 2023 AGM up until the end of the 2024 AGM. The Auditor-in-Charge is Joakim Thilstedt. The external auditors attend the Company's Audit Committee meetings and meet with the full Board at least once per year without management being present.

In accordance with the resolutions passed at the 2023 AGM, the auditors' fee until the 2024 AGM shall be paid on the basis of approved invoices. For more information, see note 8.

**Group Management structure (up until January 1, 2024)**

Up until January 1, 2024, the Company's Group Management consisted of (a) the CEO, (b) the three divisional presidents and (c) the heads of the five Group Functions as described in more detail in the 2022 Annual Report (with minor changes as announced in sub-sequent press releases during 2022). Effective as of January 1, 2024, the Group's Strategy & Innovation function was dissolved, with the various sub-functions within that group distributed into other Group Management functions, as more fully described below.

**Group Management structure (including changes effective as of January 1, 2024)**

Husqvarna Group has three separate reporting divisions: the Husqvarna Forest & Garden Division, the Gardena Division and the Husqvarna Construction Division. The Company's Group

Management comprises (a) the CEO, (b) the three divisional presidents and (c) the heads of the four Group Functions, in each case as shown in the chart to the right.

Group Management, jointly, makes decisions on:

- The Group's strategic and business development;
- Allocation of responsibilities between the Group Functions and the respective divisions;
- Enhancing Group synergies;
- Internal financial and business follow-up;
- Group governance;
- Group staffing plans;
- Issue resolution;
- Budgets;
- External affairs;
- Board reporting;
- Progress on sustainability activities;
- Risk management and mitigation (see section "Risk Management" in this Annual & Sustainability Report); and
- Group policies and guidelines.

Group Management normally meets physically on a quarterly basis, and otherwise meets remotely via video conference in the other months when there is no physical meeting arranged. Clear roles and responsibilities apply to each of the Group Functions as well as to the divisions as set forth in a Group Gov-

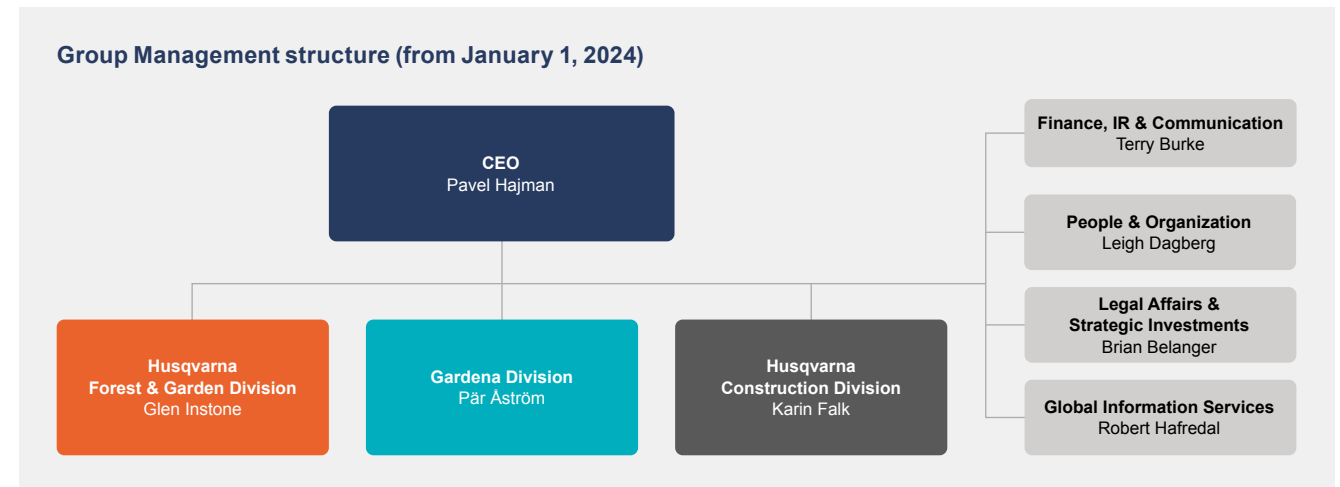
ernance Policy. In general, the Group's governance structure is designed so that decisions are made as close to operations as possible. Clear guidance has been provided to identify the level on which different types of decisions should be made. Changes to the governance structure (including applicable roles and responsibilities) can only be made by the decision of Group Management or by the CEO (in consultation with the Board Chair).

Group Management is accountable for delivering on the Company's sustainability targets (Sustainovate). A core team at Group level, led by the Group's Head of Sustainability (and now reporting to the Group CFO) coordinates the strategy, target, capabilities and reporting. During 2023, this core team met with the Audit Committee on one occasion, with the full Board on one occasion, and with the People & Sustainability Committee on two occasions, in each case to inform on risks, upcoming regulation and Sustainovate progress.

**CEO**

The CEO is appointed by the Board and is responsible for the ongoing management of the Company in accordance with the Board's guidelines and other instructions. This includes responsibility for financial (and non-financial) reporting, preparation of information for decisions and ensuring that commitments, agreements and other legal documents comply with applicable laws and the Group's Code of Conduct. The CEO also ensures compliance with the goals, policies and strategic plans approved by the Board and updates the Board on these when necessary. The CEO appoints (and where necessary dismisses) each member of Group Management, with input from the Board Chair.

In connection with dissolution of the former Strategy & Innovation function, the heads of the sub-functions "Group Strategy" and "Group Brand & Design" were reassigned to report directly to the CEO. These sub-function heads, together with the head of the Group's "Battery Competence Center" (already overseen by the CEO), now comprise the "Office of the CEO".



### Divisional Presidents

Each of the three divisions has its own President, who in turn reports to the CEO. Each divisional President is responsible for the operational income statement and balance sheet for its respective division. However, all decisions made by a division are subject to the Group's overall strategic goals and policies. For more information about Husqvarna Group's divisions, see the section "Divisions".

### Group Function heads

Group Management includes the heads of the four Group Functions as described below. These functions are designed to support the divisions with forward-looking initiatives, to continue to leverage certain Group synergies where appropriate and otherwise to discharge the corporate governance, compliance and oversight functions required of a listed company.

**1. Finance, IR & Communication.** This function, which is headed by the Group's CFO, Terry Burke, has primary responsibility for the Group's financial and sustainability controlling and reporting. It also coordinates and collaborates with finance personnel working within the divisions. This function's organization consists of a number of sub-groups including: (a) Business Control; (b) Group Accounting; (c) Tax; (d) Treasury; (e) Internal Control; (f) Global Business Solutions; (g) Real Estate; and (h) Sustainability. It also includes the Group's Investor Relations and Corporate Communication functions. The Group Internal Audit function sits within the Finance, IR & Communication function from an organizational (Human Resources) point of view, but reports directly to the Audit Committee of the Board in terms of functional oversight.

**2. People & Organization (HR).** This function, which is headed by Leigh Dagberg, has primary responsibility for overseeing the Group's HR initiatives within total rewards, talent attraction and acquisition, talent management, learning and development and HRIS (people management systems and data). This function is also responsible for providing Group coordination and oversight regarding Employee

Health and Safety (EHS). The People & Organization function coordinates on a dotted-line basis with HR personnel located within the divisions.

**3. Legal Affairs & Strategic Investments.** This function, which is headed by the Group's General Counsel, Brian Belanger, is responsible for all relevant legal support to the Group and the divisions. Within the divisions, much of the legal support is provided by three divisional General Counsels who sit on the respective division's management teams, but report directly to the Group's General Counsel. This function also includes the Group's: (a) Risk Management; (b) Intellectual Property (c) Compliance & Regulatory; (d) Product Compliance & Safety; (e) Group M&A, and (f) Corporate Venture Capital sub-functions, with the latter two sub-functions comprising the "Strategic Investments" component of the Legal Affairs team. Together with Group Finance, Legal Affairs & Strategic Investments also plays a leading role in maintaining appropriate Group governance structures and policies, as well as ensuring compliance with applicable stock exchange rules.

**4. Global Information Services (IT).** This function, headed by Robert Hafredal, is primarily responsible for overseeing the Group's Digital & IT strategy, systems & infrastructure and operational support. GIS provides Digital & IT services and solutions including IT/Information security and also supports and collaborates with Digital Development personnel and leaders across the divisions & Group Functions. This function's organization is structured into three divisionally focused teams, Group Functions support, Digital Business Transformation, and five governing groups focusing on Enterprise Architecture, Infrastructure & security, Groupwide systems, Strategy and PPMO.

### Note regarding governance of Climate-Related risks (TCFD)

Please refer to the "Risk Management" section of this Annual & Sustainability Report for a description; of (a) the Board's oversight of climate-related risks and opportunities; and (b) Group Management's role in assessing and managing risks and opportunities, as recommended by the Task Force on Climate-Related Financial Disclosures (TCFD).

### External information

Husqvarna Group employs a series of procedures, controls and systems to ensure that the Group is able to provide the market with timely and accurate information to the extent required by applicable law and good corporate practice, including the disclosure requirements of the EU's Market Abuse Regulation (MAR) and the Nasdaq Nordic Main Market Rulebook for Issuers of Shares. The Board has delegated to the CEO and an internal Disclosure Committee comprising the Group's CFO, General Counsel and Head of People & Organization (HR) the day-to-day responsibility for assessing whether insider information exists (within the meaning of MAR), and for ensuring that such information is promptly disclosed or, in exceptional circumstances, to delay such disclosure where necessary to protect the legitimate interests of the Company and otherwise permitted by applicable law.

Financial information is regularly issued in the form of:

- Interim reports, published as press releases;
- Annual & Sustainability reports;
- Press releases concerning news and important issues;
- Presentations and phone conferences for financial analysts, investors and media on the day of publication of the interim and year-end reports and in connection with the publication of other important information; and
- Presentations for financial analysts and investors in connection with capital market days and road shows, etc.

All reports, presentations and press releases are published on the Group's website at [www.husqvarnagroup.com](http://www.husqvarnagroup.com).

# Internal Control Over Financial Reporting

The purpose of this section of the Annual & Sustainability Report is to provide shareholders and other interested parties with an understanding of how internal control is organized at Husqvarna Group.

It is limited to internal control over financial reporting.

The description of the Group's internal control activities is based on the COSO framework (The Committee of Sponsoring Organizations of the Treadway Commission). The COSO framework comprises five key components that jointly facilitate achieving the objective of reliable financial reporting.

## Control environment

According to the Swedish Companies Act, the Annual Accounts Act and the Swedish Code, the Board is ultimately responsible for establishing an effective internal control system, including that (a) the Company's approved policies for financial reporting and internal controls are applied, (b) the Company's financial reports are produced in accordance with applicable legislation, accounting standards and other requirements for listed companies, and (c) there is an appropriate system for follow-up and control of the Company's financial reporting. The Board of Husqvarna AB has established Rules of Procedure and clear instructions for its work, which also cover the responsibilities and activities of the Audit Committee. The primary responsibility of the Audit Committee is to support the Board's supervision of the audit and reporting processes and to ensure the quality of such processes. The activities performed by the Audit Committee during the year are described on page 53.

Responsibility for maintaining an effective control environment as well as the ongoing work on risk management and internal control over financial reporting is delegated to the CEO by the Board. This responsibility, in turn, is further delegated to Group Management, which sets the tone for influencing control awareness across the Group. Responsibility and authority are defined in instructions to the CEO, and in various internal policies, instructions and guidelines.

Husqvarna Group has a dedicated Internal Control function. The objective of the Internal Control function is to provide support for Group Management and the management of the divisions, enabling them to continuously improve internal control over financial reporting. The Audit Committee is regularly informed of the results of the work performed by the Internal Control function.

## Risk assessment

Risks relating to financial reporting are evaluated and monitored by the Board through the Audit Committee. An assessment of financial reporting risks is conducted annually. The purpose of the risk assessment is to identify risks that could result in a material misstatement in the financial reporting and to direct internal control activities to proactively manage such risks.

## Control activities

Control activities mitigate the risks identified and ensure accurate and reliable financial reporting as well as process efficiency, and are an integrated part of the processes for accounting and financial reporting. The prerequisite is to ensure that all

entities adhere to the accounting principles that are stipulated in the Husqvarna Accounting Manual. For key financial processes, the Group has established internal control requirements for its reporting units. The Internal Control function is responsible for developing and maintaining the Husqvarna Internal Control Framework and for monitoring the Group's internal controls – with a primary focus on financial controls – to ensure they are maintained at the level required by law and good practice.

## Communication

Governing documents such as policies, instructions, guidelines and manuals are crucial in building a solid internal control environment.

These documents are intended to stipulate the vision and strategy of Husqvarna Group and emphasize the important procedures, activities, roles and responsibilities within the Group. One important governing document is the Group Code of Conduct, which highlights the importance of integrity and ethical values in all interactions with employees, business partners and other stakeholders. In addition, the Group's Governance Policy and the Internal Control Policy define the organizational structure, responsibilities and the overall internal control environment. Guidelines for financial reporting and internal control requirements are communicated to employees through the Group-wide intranet. The governance documents related to financial reporting, such as the Husqvarna Accounting Manual, are subject to regular reviews and updates. Changes in accounting procedures are communicated and explained in newsletters from the Group's Accounting Function and at regular meetings.

## Monitoring activities

The Group Finance function is responsible for monitoring and follow-up on the reliability of the financial reporting. Furthermore, Country Officers are appointed by Husqvarna Group in each country where the Group has at least one active subsidiary. The duties of Country Officers include safeguarding reliable financial reporting, compliance with laws and regulations and adherence to Group policies.

Group Management performs monthly reviews of the financial results for the Group and the divisions, as well as updated forecasts, strategic plans and ongoing business activities. Identified internal control deficiencies are communicated in a timely manner to the person responsible for taking corrective action and to the Board, if deemed material. Considerations made in the quarterly closings are reported to the Audit Committee before the financial reports are presented to the financial market.

On behalf of the Board, the Group Internal Audit function supports the development and improvement of internal control over financial reporting and reports directly to the Audit Committee. An annual internal audit plan based on an independent risk assessment is approved by the Board after an initial review by the Audit Committee. Based on this audit plan, Group Internal Audit performs independent and objective audits to evaluate and improve the effectiveness of Husqvarna Group's governance, risk management and internal controls.

# Board of Directors and auditors



Name **Tom Johnstone, CBE**  
Function **Chair of the Board**

Name **Ingrid Bonde**  
Function **Board member**

Name **Torbjörn Lööf**  
Function **Board member**

Name **Katarina Martinson**  
Function **Board member**

Born 1955

Born 1959

Born 1965

Born 1981

CV M. A., University of Glasgow, Scotland, Hon. Doc. in B.A., University of South Carolina, US. Hon. Doc. in Science, Cranfield University, UK. Member of the People & Sustainability Committee.

CV MBA, Stockholm School of Economics, Sweden. Chair of the Audit Committee.

CV Technical Industry Program, Sweden and financial education at MCE Management Centre Europe, Brussels, Belgium.

CV M. Sc., Stockholm School of Economics, Sweden. Portfolio management for the Lundberg Family. Member of the Audit Committee.

Other major assignments Board Chair of Collegial AB, Combient AB and Wärtsilä Corporation. Board member of Investor AB and Northvolt AB.

Other major assignments Board Chair of Apoteket AB and Wall to Wall Group. Vice Board Chair of Telia Company AB. Board member of Securitas AB.

Other major assignments Board member of Essity AB, Mercer International Inc and AB Blåkläder.

Other major assignments Board Chair of Indutrade AB. Board member of L E Lundbergföretagen AB, AB Industrivärden, Fastighets AB L E Lundberg, Förvaltnings AB Lunden, L E Lundberg Kapitalförvaltning AB and Fidelio AB.

Previous positions President & CEO of AB SKF 2003–2014. Executive Vice President of AB SKF 1999–2003. President Automotive Division, AB SKF 1995–2003. Senior management positions within AB SKF since 1987.

Previous positions Chair of Klimatpolitiska Rådet (Swedish Climate Policy Council) 2018–2020. CFO and deputy CEO, Vattenfall AB 2012–2017. CEO and President AMF Pensionsförsäkring 2008–2012. Director General Finansinspektionen 2003–2008.

Previous positions Chief Executive Officer of Inter IKEA Holding (The Netherlands) 2016–2020. Chief Executive Officer of Inter IKEA Systems, the world-wide IKEA franchisor and owner of the IKEA concept and brand 2013–2016. Several leading positions at IKEA in Sweden and in Italy 1989–2013.

Previous positions Analyst at Handelsbanken Capital Markets 2008, Vice President at Strategas Research Partners LLC, New York, US 2006–2008, investment research at ISI, International Strategy & Investment Group, New York, US 2005–2006.

Holdings in Husqvarna on December 31, 2023 990 A-shares, 14,800 B-shares and 384,024 call options<sup>1</sup>

Holdings in Husqvarna on December 31, 2023 6,000 B-shares

Holdings in Husqvarna on December 31, 2023 20,000 B-shares

Holdings in Husqvarna on December 31, 2023 113,478 A-shares  
378,737 B-shares

Nationality/Elected UK, SE / 2006

Nationality/Elected SE / 2021

Nationality/Elected SE / 2023

Nationality/Elected SE / 2012

Total fees 2022, SEK 2,340,000

Total fees 2022, SEK 940,000

Total fees 2022, SEK 650,000

Total fees 2022, SEK 835,000

Board meeting attendance 16/16

Board meeting attendance 16/16

Board meeting attendance 9/16

Board meeting attendance 16/16

People & Sustainability Committee attendance 4/4

People & Sustainability Committee attendance —

People & Sustainability Committee attendance —

People & Sustainability Committee attendance —

Audit Committee attendance —

Audit Committee attendance 5/5

Audit Committee attendance —

Audit Committee attendance 5/5

Independent of Husqvarna Group Yes

Independent of Husqvarna Group Yes

Independent of Husqvarna Group Yes

Independent of Husqvarna Group Yes

Independent of major shareholders No

Independent of major shareholders Yes

Independent of major shareholders Yes

Independent of major shareholders No

<sup>1</sup> Consisting of (a) 192,012 call options issued by Investor AB entitling to purchase Husqvarna B-shares and (b) 192,012 call options issued by L E Lundbergföretagen AB entitling to purchase Husqvarna B-shares.



# Board of Directors and auditors, cont.



**Name** Bertrand Neuschwander  
**Function** Board member

**Name** Daniel Nodhäll  
**Function** Board member

**Name** Lars Pettersson  
**Function** Board member

**Name** Christine Robins  
**Function** Board member

**Born** 1962

1978

1954

1966

**CV** Graduate engineer, Institut National Agronomique de Paris-Grignon, France, with an MBA from INSEAD. Member of the People & Sustainability Committee.

M. Sc., Stockholm School of Economics, Sweden. Managing Director, Head of Listed Companies at Investor AB. Member of the Audit Committee.

M. Sc. in Applied Physics, Material Sciences, Uppsala University, Sweden. Hon. Doc. at Uppsala University. Chair of the People & Sustainability Committee.

BBA in Marketing and Finance, University of Wisconsin, Madison, US and an MBA from Marquette University, Milwaukee, US. CEO of Instant Pot Brands.

**Other major assignments** Board member of Serge Ferrari Group SA. Chair CPE. Supervisory Committee of IKKS Invest SAS and Scope Holding SAS.

Board member of Electrolux Professional AB.

Board member of AB Industrivärden, Indutrade AB and L E Lundberg-företagen AB.

**Previous positions** Chief Operating Officer, Groupe SEB, France 2014–2019, Senior Executive Vice President for Business Units Brands, Innovation & Strategy, Groupe SEB 2012–2014, Senior Executive Vice President for Business Units Brands & Innovation, Groupe SEB 2010–2012, CEO, Devanlay/Lacoste 2004–2009, Chair and Chief Executive Officer, Aubert Group 2001–2004.

Analyst focused on the engineering sector at Investor AB since 2002.

President & CEO of AB Sandvik 2002–2011 and various positions within AB Sandvik 1978–2002.

Business Unit CEO at Newell Brands, US 2020–2023. President & CEO of Char-Broil LLC, Columbus, US 2014–2019. President & CEO of Body-Media, Pittsburgh, US 2009–2014. President & CEO of Philips Oral Healthcare, Seattle, US 2005–2009. Marketing and Finance positions within S.C. Johnson company 1988–2005.

**Holdings in Husqvarna on December 31, 2023** 7,500 B-shares

14,000 B-shares

5,000 B-shares

American Depositary Receipts (ADR) B 1,866

**Nationality/Elected** FR / 2016

SE / 2013

SE / 2014

US / 2017

**Total fees 2022, SEK** 740,000

835,000

800,000

650,000

**Board meeting attendance** 16/16

16/16

16/16

14/16

**People & Sustainability Committee attendance** 4/4

—

4/4

—

**Audit Committee attendance** —

5/5

—

—

**Independent of Husqvarna Group** Yes

Yes

Yes

Yes

**Independent of major shareholders** Yes

No

No

Yes

# Union Appointed Board Members and Deputies



Name **Anders Krantz**  
Function Employee representative

Born 1973

CV Representative of the Federation of Salaried Employees in Industry and Services.  
Holdings in Husqvarna: 60 A-shares.



Name **Anders Köhler**  
Function Deputy employee representative

Born 1973

CV Representative of the Federation of Salaried Employees in Industry and Services.  
Holdings in Husqvarna: 30 A-shares, 1,050 B-shares.



Name **Dan Byström**<sup>1</sup>  
Function Employee representative

Born 1971

CV Representative of the Swedish Confederation of Trade Unions.  
Holdings in Husqvarna: 20 B-shares.



Name **Fredrik Aguren**<sup>2</sup>  
Function Deputy employee representative

Born 1971

CV Representative of the Swedish Confederation of Trade Unions.  
Holdings in Husqvarna: 50 B-shares.

<sup>1</sup> Dan Byström replaced Daniel Tornberg, who left Husqvarna Group, on September 1, 2023

<sup>2</sup> Fredrik Aguren was appointed on December 1, 2023.

## Auditors

### KPMG AB

Joakim Thilstedt, Authorized Public Accountant.

Born 1967.

Other audit assignments include:

AFRY, Ahlsell, Concentric and Sveaskog.

Holdings in Husqvarna: 0 shares.

# Group Management



Name  
Function

**Pavel Hajman**  
CEO<sup>1</sup>

**Brian Belanger**  
General Counsel, Executive Vice President Legal Affairs & Strategic Investments and Husqvarna Board Secretary

**Terry Burke**  
CFO and Executive Vice President Finance, IR & Communication

**Leigh Dagberg**  
Executive Vice President, People & Organization

**Karin Falk**  
President, Husqvarna Construction Division and Executive Vice President Husqvarna Group

**Robert Hafredal**  
Executive Vice President Global Information Services and Group CIO

**Glen Instone**  
President, Husqvarna Forest & Garden Division and Executive Vice President Husqvarna Group

**Pär Åström**  
President, Gardena Division and Executive Vice President Husqvarna Group

Born

1965

1969

1972

1970

1965

1978

1977

1972

CV

M. Sc. in Industrial Engineering and Management, Linköping Institute of Technology, Sweden. Employed 2014. Member of Group Management since 2014.

J.D./LLM, Duke University School of Law. Employed 2006. Member of Group Management since 2015.

Chartered Certified Accountant (FCCA). Employed 2010. Member of Group Management since 2022.

M. Sc. in Organizational Behaviour, University of London, UK. B.A. in History, University of California, Berkeley, US. Employed 2013. Member of Group Management since 2018.

B. Sc. Business Administration and Economics, School of Economics and Law, Gothenburg, Sweden. Employed 2020. Member of Group Management since 2020. Board Member of Wärtsilä Corporation.

Masters Degree in economics, marketing and management Employed 2010. Member of Group Management since 2023.

B.A. (Hons) in Accounting & Finance, University of Teesside, UK. Chartered Institute of Management Accountants (ACMA). Employed 2002. Member of Group Management since 2018.

M. Sc. in Industrial Engineering & Management, KTH Royal Institute of Technology, Stockholm, Sweden. Employed 2013. Member of Group Management since 2015.

Previous positions

Acting CEO 2022-2023. Executive Vice President, Global Information Services 2020–2022, Senior Vice President, Group Operations Development 2018–2020. President, Husqvarna Division 2014–2018. Executive Vice President, Head of Asia/Pacific, Husqvarna Group 2014. President Assa Abloy AHG Greater China 2013–2014. Various positions in Seco Tools, President Asia/Pacific, Senior Vice President Group Business Development, Regional Director CEE, 1990–2013.

Vice President Legal Affairs Husqvarna Asia/Pacific Region 2009–2012, with temporary additional assignments as Acting General Counsel Husqvarna Americas 2013 and acting Head of Asia/Pacific Sales Region 2014. Associate General Counsel, Husqvarna Americas, 2006–2009, Partner, Cohen & Grigsby, P.C. 2000–2006.

Various positions in Husqvarna Group: VP Finance Husqvarna Forest & Garden Division 2017–2022. VP Finance -Gardena Division 2014–2016. VP Finance Manufacturing/Supply Chain 2013–2014. Regional Business Controller 2010–2012.

Vice President and Head of People & Organization, Husqvarna Group 2018. Vice President Talent Management, Husqvarna Group 2013–2018. Manager, PwC Consulting 2012–2013. Partner and Consultant, MindShift 2002–2012. Head of Research & Consulting, Manager, Universum 1997–2000. Research Specialist and Product Developer, Information Express 1992–1996.

Senior Vice President, Volvo Trucks, Services & Customer Quality 2016–2020. Executive Vice President, Volvo Group, Corporate Strategy & Brand Portfolio 2012–2016. President, Volvo Group, Non-Automotive Purchasing 2008–2012. Vice President, Volvo Car Customer Service 2006–2008. President, Volvo Car Special Vehicles 2001–2006. Various positions within Volvo Group & Volvo Cars 1988–2001.

Acting CIO 2023, Vice President IT Services and Solutions within Husqvarna Forest & Garden 2020–2023, Vice President Digital Commerce 2018–2020, Vice President Group Supply Chain Management 2016–2018. Various positions in A.P. Møller Maersk 2004–2010.

Various positions in Husqvarna Group; CFO and Senior Vice President Finance, IR & Communication 2018–2022. Vice President Global Sales & Services, Husqvarna Division 2016–2018, VP & CFO Husqvarna Division 2014–2017, VP & CFO EMEA, 2013–2014, VP & CFO Manufacturing, Logistics and Sourcing 2011–2013, VP & CFO Global Supply Chain 2009–2011.

Senior Vice President, Business Development, Husqvarna Group 2013–2018. Principal, Kearney Management Consultants 2007–2013. Kearney and Occam Associates Management Consulting 1998–2007.

Holdings in Husqvarna on December 31, 2023

148,128 B-shares

81,293 B-shares

37,294 B-shares

32,335 B-shares

23,238 B-shares

11,332 B-shares

86,952 B-shares

126,487 B-shares

<sup>1</sup> As per May 4, 2023, Pavel Hajman was appointed Group CEO.