

Corporate Governance report

This Corporate Governance report, prepared by the Company's Board of Directors, covers corporate governance during the 2021 financial year. The Corporate Governance report is submitted in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code. The Corporate Governance report has been reviewed by KPMG, whose opinion follows immediately after the report.

Corporate governance within AFRY AB

AFRY AB is a Swedish public limited Company domiciled in Stockholm. The Company's Class B shares are listed on Nasdaq Stockholm. Governance, management and control are divided between the shareholders, the Board of Directors, the President and CEO and Group management in accordance with applicable laws, rules and recommendations and with AFRY AB's Articles of Association and internal regulations. The General Meeting of Shareholders is the Company's highest decision-making body, where the shareholders exercise their voting rights. The Board of Directors and Chairman of the Board are elected by the General Meeting after proposals by the Nomination Committee. The Board of Directors appoints the President and CEO. The administration by the Board of Directors and President and CEO, as well as the financial statements are examined by the external auditing firm elected by the Annual General Meeting. To streamline and intensify the work on some matters, the Board of Directors has set up an Audit Committee and a Remuneration Committee. AFRY AB's internal audit is an important support function for the Audit Committee.

AFRY AB applies the Swedish Corporate Governance Code (available at www.corporategovernanceboard.se) and did not deviate from it in 2021. AFRY AB complies with Nasdaq Stockholm's Rules for Issuers (available at nasdaq.com/solutions/rules-regulations-stockholm) and generally accepted stock exchange practice.

The highest internal instrument of governance is the Articles of Association adopted by the shareholders' meeting. The Board of Directors has adopted rules of procedure and instructions for the work of the Board, its committees and the President and CEO. In addition, the Company has adopted internal governing documents that clarify procedures and the allocation of responsibility and

powers within important relevant areas, such as the Group's Code of Conduct, governance, risk management, quality, the working environment, information security, data protection, sustainability, anti-corruption, whistle-blowing and regulatory compliance. For more information on the Company's internal control measures, see page 47.

A. Shareholders

AFRY AB has issued two classes of shares: Class A shares and Class B shares. Each Class A share is entitled to 10 votes, and each Class B share to 1 vote.

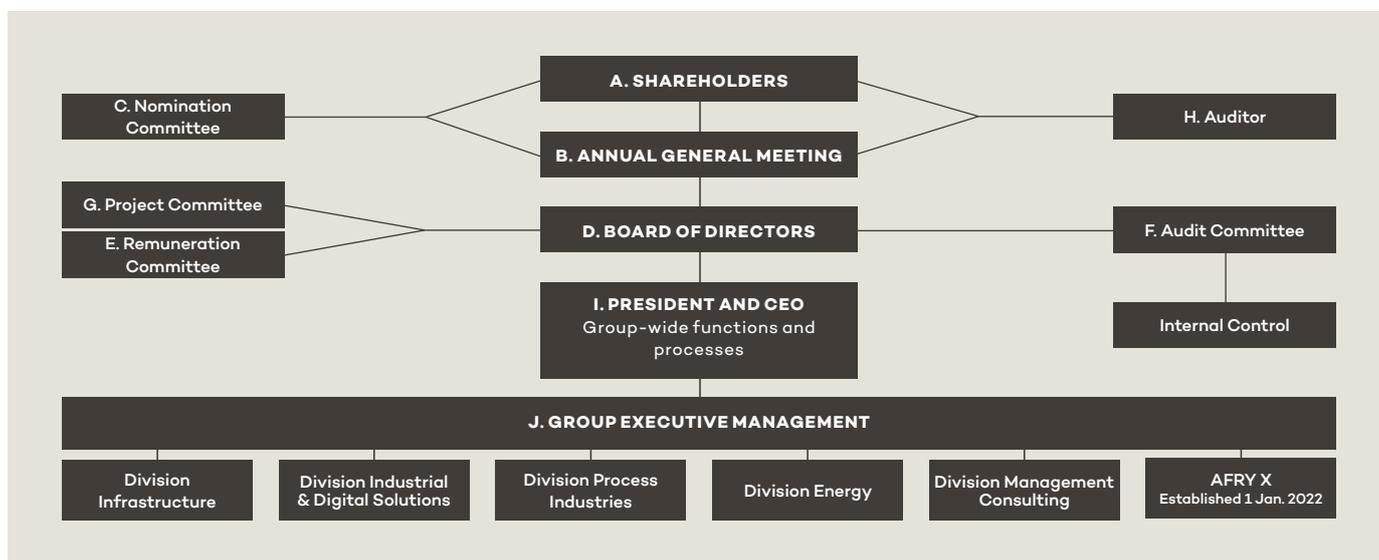
Share distribution at 31 December 2021

Number of shareholders	15,642
A shares	4,290,336
B shares	108,922,135
Total number of shares	113,212,471
of which own Class B shares	-
Votes	151,825,495

The largest shareholder at the end of 2021 was the ÅForsk Foundation, with 33.4 percent of the votes. SEB Funds had 7.7 percent and Swedbank Robur Funds had 7.3 percent of the votes.

B. Annual General Meeting

The General Meeting of Shareholders held within six months of the close of the financial year that adopts the income statement and balance sheet is called the Annual General Meeting (AGM). Shareholders registered in the share register on the record date and who have provided advance notice of their participation have the right to participate in the Meeting. Notice to attend is published on the Company's website and advertised in the Swedish Official Gazette (Post- och Inrikes Tidningar). The fact that notice to attend has been given is published in Dagens Industri. The 2021 AGM was held on 3 June 2021. Due to the Covid-19-pandemic, the Board of Directors decided that the 2021 AGM should be conducted only through





postal voting in accordance with temporary legislation, without any possibility for shareholders to attend in person or by way of a proxy holder. In total, 224 shareholders were represented, comprising 65.5 percent of the share capital and 74.2 percent of the votes in the Company. In addition to electing a new Chairman of the Board and a Board of Directors, the AGM resolved to authorise the Board of Directors to make decisions on issuance of new class B shares and to amend the Company's corporate name to AFRY AB and hence also the Company's articles of association. The minutes of the AGM and all documentation can be found on AFRY AB's website.

C. Nomination Committee

In accordance with the principles for the Nomination Committee passed at AFRY AB's 2018 AGM, the members of the Nomination Committee are appointed by at least three and at most five of the shareholders with the most votes, together with the Chairman of the Board. The names of the members were published more than six months before the AGM. The Nomination Committee for the 2022 AGM comprises: Anders Snell (Chair), appointed by the ÅForsk Foundation; Elisabet Jamal Bergström, appointed by SEB Investment Management; Monica Åsmyr, appointed by Swedbank Robur Funds; Fredrik Åtting, appointed by EQT Public Value; Lilian Fossum Biner, appointed by Handelsbanken Funds; and Tom Erixon, Chairman of the Board.

Duties of the Nomination Committee

The duties of the Nomination Committee are to present proposals ahead of the AGM on the number of directors, the composition and remuneration of the Board of Directors, as well as any separate remuneration for Committee work. Moreover, the Nomination Committee shall present a proposal for the chairs of the Board of Directors and AGM, as well as for the auditors and their remuneration. As part of its duties, the Nomination Committee is to fulfil in other respects the tasks incumbent on the Nomination Committee under the Swedish Corporate Governance Code.

Work of the Nomination Committee

In the period up to and including 31 March 2022, the Nomination Committee held four minuted meetings and maintained contact between meetings. To assess the extent to which the current Board of Directors fulfils the requirements to be made of the Board based on the Company's situation and future focus, the Nomination Committee has discussed the size of the Board and its composition as regards experience of the industry, skills and diversity, for example. The Company applies the Swedish Corporate Governance Code item 4.1 as its diversity policy for the Board of Directors. This means that the Board's composition is to be appropriate with respect to the Company's business, stage of development and conditions in general, with diversity and breadth in terms of the skills, experience and background of the members elected by the AGM. Even gender distribution is desirable. The Board of Directors presently consists of three women and five men. The Nomination Committee proposes that it consist of four women and four men after the 2022 AGM. The work of the Nomination Committee ahead of the 2022 AGM has focused on finding a replacement for Anders Snell and of boosting the Board's expertise within certain areas, such as digitalisation. The Nomination Committee has also evaluated the levels of fees for the Board of Directors. No remuneration has been paid for the work of the Nomination Committee. All shareholders are entitled to contact the Nomination Committee and propose board members. The Committee's proposals, the report on the Committee's work ahead of the 2022 AGM, and supplementary information on proposed members of the Board of Directors will be published in connection with the meeting notice and will be presented at the 2022 AGM.

D. Board of Directors

Work and responsibilities of the Board of Directors

The Board of Directors manages the Company on behalf of the owners and is thus ultimately responsible for the Company's

organisation and administration. The work and responsibilities of the Board of Directors are regulated by the Swedish Companies Act, Board Representation (Private Sector Employees) Act, AFRY's Articles of Association, the Board's own Rules of Procedure, Nasdaq's Rulebook for Issuers of Shares and the Swedish Corporate Governance Code. The Board of Directors determines and evaluates the Company's long-term goals and strategies. This includes establishing business plans and financial plans, reviewing and approving the annual accounts, adopting guidelines, taking decisions on issues concerning acquisitions and divestments, and deciding on larger investments in or significant changes to AFRY's organisation and operations. The Board of Directors is responsible for the Corporate Governance report. It should ensure that there are processes in place that monitor compliance with relevant laws and regulations. The Board also regularly monitors that effective control systems are in place and is responsible for evaluating the Company's risk management. The Board also monitors compliance with the Group's Code of Conduct and ensures that a whistle-blower system is in place for employees and external parties. The Board of Directors also appoints, evaluates and dismisses the Company's President and CEO, establishes instructions for the President and CEO regarding daily operations and approves any President and CEO appointments outside of the Company. Through the Audit Committee, the Board of Directors contracts auditing services, keeps in regular contact with the Company's accountants and ensures good internal control, along with formal procedures that enable monitoring and assessment of the Company's financial situation. Through the Remuneration Committee, the Board of Directors also handles salaries and remuneration of senior executives. The Board of Directors also has a special Project Committee tasked with reviewing and approving very large and important projects and assignments that the Company is considering, from a financial perspective. For the Board of Directors, these committees are preparatory bodies and do not limit the Board's overall responsibility for the management of the Company or the decisions it makes.

Composition of the Board of Directors

The Board of Directors of AFRY AB is to consist of a minimum of six and a maximum of ten members with a maximum of five deputies to be appointed by the General Meeting. Eight board members were elected at the 2021 AGM. The members are elected annually for the period up to the next AGM and must devote the time, care and knowledge required to best meet the interests of the Company and its owners. The trade unions or professional associations also appoint two employee representatives and two deputies. The President and CEO is not a member of the Board of Directors. The following members were re-elected to the Board of Directors for 2021 as proposed by the Nomination Committee: Gunilla Berg, Henrik Ehrnrooth, Joakim Rubin, Kristina Schauman and Anders Snell. The following members were newly elected to the Board of Directors for 2021 as proposed by the Nomination Committee: Tom Erixon, Carina Håkansson and Neil McArthur. Tom Erixon was elected by the AGM to serve as Chairman of the Board up until the close of the next AGM. For more information on the Board of Directors, please refer to pages 50–51 of the Annual Report. The President and CEO is rapporteur at Board meetings. The Company's CFO participates in all meetings, as does the Group General Counsel, who acts as secretary to the Board of Directors. Other Company employees are invited to present reports or provide expertise when necessary.

Diversity policy for the Board of Directors

Rule 4.1 of the Swedish Corporate Governance Code is applied as a diversity policy for the Board of Directors. The aim is for the Board of Directors to have an appropriate and versatile composition regarding experience and background, and that there should be a balanced gender distribution on the Board.

Independence of the Board of Directors

The composition of the Board of Directors of AFRY AB meets the requirements of the Swedish Corporate Governance Code concerning independent members. Members of the Board of Directors Anders Snell and Carina Håkansson are dependent in relation to AFRY AB's shareholder with the most voting rights but are independent of the Company and Group management. None of the other Board members are dependent in relation to the Company's largest shareholders, the Company or Group management.

Rules of Procedure for the Board of Directors

Besides the general responsibilities set out by the Swedish Companies Act and the Swedish Corporate Governance Code, the Board of Director's work is regulated by its Rules of Procedure, which are reviewed annually and then confirmed at the inaugural meeting. The Rules of Procedure describe the duties of the Board of Directors, the division of responsibility between the Board, its committees and the President and CEO, the Board's schedule of meetings, notice to attend, agenda and meeting minutes, and the Board's work on accounting and audit matters. The Rules of Procedure also define the role of the Chairman of the Board and include special instructions for the Company's President and CEO concerning what financial information should be reported to the Board so that it can regularly assess the Company's financial situation. The Board of Directors holds an inaugural meeting in connection with the AGM. In addition, the Board of Directors is required to meet at least six times per calendar year.

Work of the Board of Directors in 2021

Prior to each board meeting, the Company's President and CEO prepares an agenda in consultation with the Chairman of the Board. In 2021, the Board of Directors held 13 meetings including one inaugural meeting. Four of the meetings were held in connection with the publication of the Company's interim reports. Regular items include financial results, outstanding orders, investments, acquisitions

and governance, risk and compliance (GRC). In addition, much time was spent on strategy with emphasis on digitalisation and establishment of a new division called AFRY X, sustainability, changes in market conditions, profitability and growth in the Infrastructure Division, and the status of the pandemic. Various personnel issues were also reviewed.

Evaluation of the Board of Directors and the President and CEO

The evaluation of the Board of Directors and President and CEO includes climate of cooperation, breadth of knowledge and board work performance. The intention of the evaluation is to gain an understanding of the effectiveness of the board work and the opinions of the Board members on this matter. The Board of Directors also regularly evaluates the work of the President and CEO by following business performance against targets set. Once a year a formal evaluation is made that is discussed with the President and CEO. An evaluation of the Board of Directors' work in 2021 was performed by interviewing individual members of the Board and the President and CEO.

Remuneration of the Board of Directors

Remuneration of members of the Board of Directors for board and committee work is proposed by the Nomination Committee and approved by the AGM. The Nomination Committee's proposals are based on comparisons with remuneration at other companies of similar size in the same industry. Information on remuneration of members of the Board of Directors can be found in Note 6. Members of the Board of Directors do not participate in the Group's incentive programmes.

E. Remuneration Committee

The task of the Remuneration Committee is to prepare the guidelines for the remuneration of senior executives which is then decided by the AGM, and to submit proposals to the Board of Directors for the salary and terms and conditions for the President and CEO.

Board composition and attendance at Board and Committee meetings

Directors	Board of Directors meetings	Audit Committee	Remuneration Committee	Project Committee	Independent of major shareholders	Independent of the company and its management
Tom Erixon ¹	6/6		2/2	1/1	Yes	Yes
Gunilla Berg	12/13	6/6		1/1	Yes	Yes
Henrik Ehrnrooth	13/13		5/5	1/1	Yes	Yes
Carina Håkansson ¹	6/6	3/3			No	Yes
Neil McArthur ¹	6/6				Yes	Yes
Joakim Rubin	13/13		5/5		Yes	Yes
Kristina Schauman	13/13	6/6			Yes	Yes
Anders Snell	13/13	3/3			No	Yes
Anders Narvinger ²	7/7		3/3		Yes	Yes
Jonas Abrahamsson ²	6/7				Yes	Yes
Salla Pöyry ²	7/7				Yes	Yes
Ulf Södergren ²	6/7				Yes	Yes
Employee representatives						
Tomas Ekvall	12/13				Yes	No
Fredrik Sundin ³	6/6				Yes	No
Jessica Åkerdahl (suppleant)	4/13				Yes	No
Bodil Werkström (suppleant) ³	1/6				Yes	No
Stefan Löfqvist ⁴	5/7				Yes	No

¹ Appointed board member at the Annual General Meeting 3 June 2021

² Resigned as board member at the Annual General Meeting 3 June 2021

³ Elected as employee representative on 15 April 2021

⁴ Resigned as employee representative on 15 April 2021



On behalf of the Board, the committee is also to deal with matters regarding salary and other terms of employment for senior executives who report directly to the President and CEO, and deal with general terms of employment and remuneration matters affecting all employees of the Company.

The Remuneration Committee held five minuted meetings during the year. Since the inaugural meeting of the Board of Directors in 2021, the Committee has consisted of Tom Erixon (Chair), Joakim Rubin and Henrik Ehrnrooth.

F. Audit Committee

The Board's Audit Committee must ensure that there is compliance with the financial reporting and internal control policies. It follows up the effectiveness of the internal control systems and reviews the financial processes to ensure that the information can be derived from the underlying financial systems, that it complies with legal requirements and is in line with relevant standards. It examines the procedures for accounting and financial control and processes the Company's financial reports. It also monitors, evaluates and discusses material questions in the field of accounting and reporting.

The Committee evaluates and also manages information about GRC, disputes and possible irregularities, and assists management in identifying and evaluating mainly financial and equivalent risks that may have a bearing on the operations to ensure that the work focuses on managing these risks. It also examines the Company's information security systems and the contingency plans that are in place to ensure delivery of financial information. The Audit Committee has decision-making powers regarding internal audits and must ensure the effectiveness of this function by evaluating its activities, resources and structure. It must also review the results and recommendations of internal audits to ensure that they are appropriately managed.

The Audit Committee has regular meetings with the external auditors and examines their work, qualifications and independence. The results of this are annually communicated to the Company's Nomination Committee. The Committee supports the Nomination Committee in their work with nominating auditors and also carries out an annual review of the proposed scope of the audit. Internal meetings, meetings with internal auditors, the external auditors and various specialists in Group management and its support functions are reported back to the Board of Directors.

The Committee examines significant results from the external audit and also the resulting recommendations issued by the external auditors. It must also establish guidelines to ensure the independence of the external auditors.

The Audit Committee held six minuted meetings during the year. Since the inaugural meeting of the Board of Directors in 2021, the Committee has consisted of Kristina Schauman (Chair), Gunilla Berg and Carina Håkansson. KPMG, the Company's audit firm, has been represented by chief accountant Joakim Thilsted and Henrik Lind.

G. Project Committee

The Project Committee is tasked with reviewing and approving very large and important projects and assignments that the Company is considering, from a financial perspective. The Committee held one minuted meeting in 2021 and since the inaugural meeting of the Board of Directors in 2021, the Committee has consisted of Tom Erixon (Chair), Gunilla Berg and Henrik Ehrnrooth.

H. Auditors

The task of the auditors is to examine on behalf of the shareholders the Company's bookkeeping and annual accounts and the administration by the Board of Directors and President and CEO. The annual accounts and consolidated accounts are audited. The auditors also review the nine-month interim report for the period up to September each year and attend some Audit Committee meetings. In addition, a general review of the sustainability report is carried out, a review of the Group's Corporate Governance report and of compliance

with the guidelines approved by the AGM relating to remuneration of senior executives. The 2021 AGM re-elected the auditing firm KPMG, represented by Joakim Thilsted as the auditor in charge, to serve as the Company's auditor until the end of the 2022 AGM. The Audit Committee has resolved to recommend that the Nomination Committee propose the appointment of KPMG as auditor to the 2022 AGM for the period extending up until the 2023 AGM. See Note 5 for more detailed information on audit fees.

I. President and CEO

The President and CEO is responsible for ensuring that ongoing administration of the Company is managed according to the Board of Directors' guidelines and directions. In consultation with the Chairman of the Board, the President and CEO produces the information and documentation needed as supporting information for the Board's work, to enable the Board to make well-informed decisions. The President and CEO is supported by Group management. The President and CEO and Group management, with the support of various staff functions, are responsible for the Group's fulfilment of its overall strategy and its financial and business controls, as well as the Group's financing, capital structure, risk management and acquisitions.

J. Group management

At the end of 2021 Group management consisted of President and CEO Jonas Gustavsson, CFO Juuso Pajunen, and eight others. Group management normally meets once a month to discuss matters such as the Group's financial performance, budget, acquisitions, Group-wide development projects, succession planning and professional development, GRC, sustainability and other strategic issues. In 2021, special attention has been paid to the Covid-19 pandemic, digitalization and the establishment of a new division, AFRY X, sustainability, changing market conditions, as well as the growth and profitability of the Infrastructure Division. Group management held 12 full-day meetings in 2021 and also a two-day meeting attended by other managers from the Group. Monthly and quarterly, the President and CEO and CFO review the income statement and balance sheet, key ratios and major projects with the respective divisional heads and controllers, together with other invited members of Group management. Three times a year a whole-day review is held with each division to examine more long-term issues, including HR, strategy and budget. For more information about the members of Group management, please see pages 52–53 of the Annual Report. In 2021, Per Kristian Egseth was appointed Head of Division AFRY X and Henrik Tegnér was appointed Head of Strategy and Sustainability, with both becoming new members of Group management from 1 January 2022. As of this date, Group management will thus consist of 12 persons.

Remuneration of senior executives

Every year the AGM adopts guidelines for the remuneration of senior executives. The guidelines for the Group adopted at the 2021 AGM and information on remuneration of senior executives paid in 2021 can be found in Note 6.

The Remuneration Committee's evaluation led to the conclusion that the guidelines for remuneration of senior executives adopted by the 2021 AGM have been followed.

Current guidelines for remuneration of the President and CEO and senior executives are available in Note 6. The newly proposed guidelines are found on page 55.

The Board of Directors' Report on Internal Control

The Board of Director's responsibility for internal control is regulated in the Swedish Companies Act and by the Swedish Code of Corporate Governance, which set out requirements for annual external disclosure of information on how internal control regarding financial reporting is organized.

The objectives of internal control are to ensure that the Company's operations are efficient and effective, that financial reports are trustworthy, and that relevant laws and regulations are complied with. The systematic approach is described below in accordance with the COSO framework for internal control, which is based on the elements of Control Environment, Risk Assessment, Control Activities, Information and Communication and Follow-up. The internal control and risk management processes are not static, nor are they separate from the operations, but AFRY refines its approach continuously to ensure that the processes are incorporated into AFRY's operations.

Control Environment

The Control Environment forms the basis for internal control and reflects the Company's ethical values, corporate culture, financial targets, and sustainability targets. The guiding principles are to ensure that decision-making paths, responsibilities, and the delegation of authority are clearly defined and communicated between the various levels in the organisation, and that the objectives of internal control are achieved. The Rules of Procedure for the Board of Directors and the instructions for the President and CEO ensure clear roles and division of responsibility aimed at effective management and oversight of the operation's risks. The Group Management is also responsible for oversight of the internal controls required to handle significant risks in operating activities and financial reporting. Operational decisions are taken at Group level, while decisions on strategy, overall financial matters, acquisitions, and major investments are taken by AFRY's Board of Directors with support from Group Management. See the Corporate Governance Report for more information on the work of the Board of Directors and the Group Management on pages 44–46. AFRY's internal authorisation system clarifies levels and procedures for delegating operational decisions. A special committee known as GRECS (Governance, Risk, Ethics, Compliance and Sustainability), which consists of members of Group Management such as the President and CEO, CFO, General Counsel, Head of Communication, Head of HR, Head of Strategy and Sustainability and other key people such as the Chief Compliance and Ethics Officer and the Head of Security, meets regularly and follow up on the roll-out and implementation of relevant programmes, preventive measures and control activities. For example, the Committee has led the roll-out of the framework for steering documents, enterprise risk management, the compliance and ethics programmes, sustainability targets, mandatory training, occupational health & safety program, data protection and information security.

Risk Assessment

The Board of Directors has the ultimate responsibility for limiting and monitoring AFRY's risk exposure. It assesses the risk profile on a regular basis and annually approves the Group's risk heatmap. The Audit Committee has continuous and regular contact with the Group's internal and external auditors to evaluate risks in financial reporting. Under the supervision of the Board, Group management and the organisation are responsible for risk management in day-to-day operations. AFRY's risk assessment regarding financial reporting aims to identify and evaluate the most significant risks in the Group's companies, business areas, divisions, processes,

and operations which, in turn, might impact the financial results and the operation's ability to achieve its goals as a whole. The risk assessment results in a basis for how the risks are to be managed and controlled, as well as in control activities that support the fulfillment of the basic requirements for external financial reporting. AFRY has implemented evaluation and management processes that include the Company's operating activities and financial reporting, as well as project-specific risk assessments for managing project risks. Structured procedures provide the basis for the assessment, management, and control of risks so that risks are managed as an integral part of the business operations. A central evaluation process in the tendering procedure is the Code of Conduct Assessment process, which was launched in 2020 and reflects AFRY's Code of Conduct and, consequently, the ten principles of the UN Global Compact. The risk assessment that is carried out evaluates trade compliance risks, security risks, environmental and social risks, as well as other sustainability risks linked to customers, countries, sectors, business partners and type of opportunity. The risk assessment is supported by a country risk database, which continuously updates political, regulatory, security and operational risks and specialised databases for third-party reviews. The Code of Conduct Assessment process and its outcome are described further in the sustainability notes on page 120.

Control Activities

To ensure that the business is run efficiently and that the scheduled financial reports consistently provide a true and fair view, control activities are built into key processes. These control activities involve all levels of the Group. The responsibility for carrying out the control activities is distributed in the Group, where clear roles ensure efficiency and reliability. Specific control activities are in place, aimed at detecting or preventing the risk of misstatements in financial reporting in a timely manner. Financial controls are operated by AFRY's central Finance Department with support from the divisions' financial staff through harmonised control processes. A continuous profit analysis is performed for all the Group's units, including the foreign units. All accounting and reporting relating to the Group's Swedish units is centralized in the Finance Department at the Head Office, with harmonized control processes. Examples of control activities are performance analyses, control elements within the processes – income and receivables, payments, fixed assets, work in progress, salary, VAT / tax, current accounting, consolidation and reporting and register maintenance. During the year, AFRY began the implementation of a new Group-wide business system (ERP) to strengthen the controls.

AFRY has implemented a Group-wide management system, which is used for operational management and support. The management system consists of policies, directives, processes, procedures, and tools, which provide the conditions for ensuring that the adopted requirements and expectations are met in a sound control environment. The sales and delivery processes support operational activities in meeting and ensuring compliance with customer requirements, legal requirements and AFRY's obligations under the UN Global Compact. These processes are adapted in the operations to suit different technical areas, sectors, and markets. Additional control activities include data access controls and authorisation controls. The development of control activities is managed centrally within the GRC (Governance, Risk and Compliance) framework, while divisional management teams are responsible for implementing the relevant control activities within their own organisations.

Information and Communication



Information on governing policies, internal guidelines, process descriptions, manuals, procedures, and tools applicable to internal control and financial reporting can be found in the management system that is available to all employees via the Group's intranet. The intranet also contains guidelines and tools provided by the appropriate support functions. Updates are carried out in the event of any changes in internal or external requirements and expectations regarding internal control and financial reports. A communication policy sets out guidelines for how communication with external parties should be managed. The purpose of the policy is to ensure correct and complete compliance with all information obligations. The purpose of internal communication is to ensure that all employees understand the Company's values, focus and business operations. To achieve the objective of informed employees, the Company has adopted a proactive approach, in which information is regularly communicated via the Group's intranet, through updates for managers and distribution through the divisions' quality coordinators and finance units, as well as targeted training initiatives.

Follow-up

Compliance with and the efficiency of internal controls are monitored on a continuous basis both by the Board of Directors and management to ensure high quality processes. The Company's financial situation and strategy in respect to its financial position are considered at every Board meeting. In addition, the Board of Directors receives monthly reports on the financial position and development of the business. The Audit Committee fulfils an important function by ensuring control activities are in place to manage material risk areas in the processes for the financial reporting. The Committee sets out the principles applicable to accounting and financial reporting. The Audit Committee meets with the external auditors to obtain information about the focus and scope of the audit, and to discuss outcomes and co-ordination of the external and internal audits. The Committee also establishes the focus, scope and schedules of the internal auditors, whose work is reported to the Audit Committee. Reports are also regularly shared with management for possible action. The Audit Committee also receives regular updates on GRC from the General Counsel. At least one Board meeting per year evaluates the internal control over financial reporting. At the same meeting, the Board also evaluates the Group's risk management.

AFRY's system for financial management and control paves the way for effective financial monitoring throughout the operations. Reports are generated monthly for each profit centre and reports

on project finances are typically reliable and detailed. Identified errors and measures taken are reported in the line organisation to an immediate superior. The implementation of the management system is continuously monitored through the internal audit and quality review programmes. AFRY conducts regular audits and quality reviews of the operations to monitor the application of internal controls and the management system and to ensure that they live up to the Group's internal ambitions, external requirements, and expectations. The prioritised areas for the audits are quality, environment and working environment, processes and systems, observance of the risk management process in the tendering procedure and quality review of the projects which the Group has undertaken to carry out. Reports are produced to the President and CEO and to Group management.

Internal Audit

AFRY has an independent internal audit function that is responsible for monitoring and evaluating risk management and internal control. This work includes, among other things, reviewing how well the established guidelines are complied with. The internal audit staff plan their work in consultation with the Audit Committee and regularly report the results of their audits to the Audit Committee and Group Management. Internal audits are carried out for individual divisions and support functions, as well as for Company-wide processes and in thematic areas. An action plan is prepared jointly with the appropriate business owner to tackle all observations made. The internal audit staff then follow up, in conjunction with the business owner, to ensure that every highlighted observation is addressed within a defined time period.

Sustainability

Sustainability is an integral part of AFRY's vision, mission, and strategy. The ten principles and guidelines of the UN Global Compact for business and human rights, the OECD Guidelines for Multinational Enterprises and the Global Goals for Sustainable Development are the foundation of the Company's approach. The Company's sustainability goals underpin the practical work within the operation and are central to the Company's growth strategy and are monitored by the Board of Directors and Group Management. The statutory sustainability report, whose content is given on page 118 of the Annual Report, has been approved for issue by the Board of Directors.

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders of AFRY AB,
corp. id 556120-6474

Engagement and responsibility

The Board of Directors is responsible for the corporate governance report for 2022 on pages 43–48 and for preparing it in accordance with the Annual Accounts Act.

Focus and scope of the audit

Our examination has been conducted in accordance with FAR's statement RevU 16 Auditor's review of the corporate governance report. This means that our examination of the corporate governance report has a different focus and is 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 a sufficient basis for our opinions

Opinions

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

Stockholm, 30 March 2022
KPMG AB

Joakim Thilstedt

Authorised Public Accountant