



# 50.

## CORPORATE GOVERNANCE REPORT

Enea is a Swedish limited company with its headquarters in Stockholm, Sweden. The company is listed on Nasdaq Stockholm and the group's corporate governance is based on Swedish legislation, as well as the rules and recommendations issued by organizations such as the Swedish Corporate Governance Board and Swedish Securities Council.

### GOVERNANCE MODEL

Enea's governance, management, and control are divided between the shareholders at the Annual General Meeting, the Board of Directors, and the CEO in compliance with the Swedish Companies Act and the Board of Directors' Rules of Procedure. During the financial year, Enea complied with the Swedish Code of Corporate Governance issued by the Swedish Corporate Governance Board, and this Corporate Governance Report has been prepared accordingly. This corporate governance report has been subject to statutory review.

### 1. SHAREHOLDERS

Enea's shares are listed on Nasdaq Stockholm's Mid Cap list. According to the share register maintained by Euroclear Sweden, there were 21,858,231 shares as of December 31, 2023, including 21,615,231 ordinary shares and 243,000 C shares. On the same date, the share capital was SEK 24,705,525. Enea's holding of treasury shares amounted to 813,107 shares, including 570,107 ordinary shares and the aforementioned 243,000 C shares, or 3.7 percent of all shares. The largest shareholders are Per Lindberg 34.1 percent, Första APFonden 6.9 percent, C WorldWide Asset Management 4.9 percent., Handelsbanken Fonder 3.9 percent. The 20 largest shareholders hold a total of 71.5 percent of the company's capital.

### ANNUAL GENERAL MEETING

The Annual General Meeting, or where applicable, Extraordinary General Meetings, is Enea's chief decision-making body. All shareholders are entitled to participate in the Annual General Meeting (either in person by proxy through power of attorney) and have a matter considered. The AGM resolves on issues including:

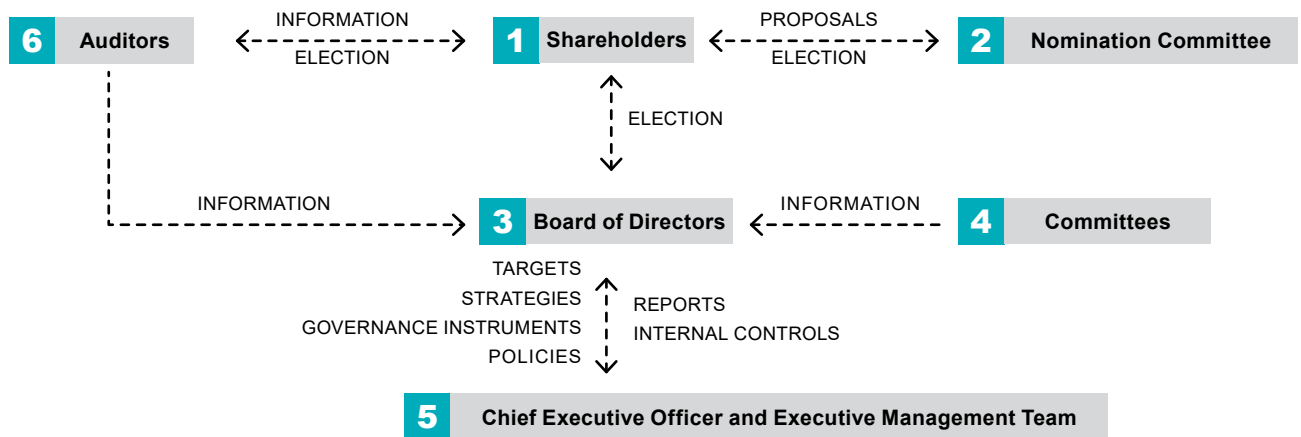
- any amendment of the Articles of Association
- election of the Board of Directors,

Chairman of the Board and Auditor

- adoption of Income Statements and Balance Sheets
- appropriation of the company's profit or loss and discharging Board members and the Chief Executive Officer from liability
- principles for appointing a Nomination Committee
- guidelines for remuneration of senior executives

A two-thirds voting majority is required for resolutions to amend the Articles of Association. The AGM was held on May 4, 2023, in Stockholm. Its resolutions included:

- adoption of Income Statement and Balance Sheet of the parent company and group
- discharging the Board members and Chief Executive Officer from liability
- that no dividend would be payable for the financial year 2022
- approving fees for Directors and Auditors
- approving the Board of Directors' remuneration report for the financial year 2022
- approving the Board of Directors' proposed guidelines for remuneration of senior executives
- approving the Nomination Committee's proposal on the principles for appointing a new Nomination Committee
- authorizing the Board of Directors to decide on the purchase and transfer of treasury shares in accordance with the Board's proposal
- authorizing the Board of Directors to decide on new share issues to finance continued growth and expansion
- appointment of the following Directors:
  - i. re-election: Anders Lidbeck, Kjell Duveblad, Jan Frykhammar, Mats Lindoff, Åsa Schwarz and Charlotta Sund.

**GOVERNANCE MODEL - OVERVIEW**

Anders Lidbeck was elected Chairman of the Board. The Board of Directors appointed Kjell Duveblad as Chairman of the Board on July 3 for the time that Anders Lidbeck at due to acting CEO position not also may be the Chair of the Management Board. Earlier Board member Jan Frykhammar resigned from the Management Board, at its own request, on July 4. Öhrlings PricewaterhouseCoopers AB was re-elected Auditor.

The minutes from the AGM including decision-support documentation has been published at the company's website ([www.enea.com](http://www.enea.com)) in the Investors section.

**2. NOMINATION COMMITTEE**

The AGM decides on the principles for appointing a new Nomination Committee. The Nomination Committee shall consist of representatives of two major shareholders and the Chairman of the Board. The Nomination Committee may, however, consist of representatives of three or four major shareholders and the Chairman of the Board, if the Chairman of the Board finds that such an interest exists with the major shareholders in connection with the formation of the Nomination Committee. The Chairman of the Board is instructed to contact the

four largest registered shareholders in terms of votes as of September 30 and ask them to appoint one member each. If more than two of these shareholders do not wish to appoint a member, additional shareholders in order of size are asked to appoint a representative in the Nomination Committee. A shareholder representative should be appointed Chairman of the Nomination Committee. The names of the members of the Nomination Committee must be published in the company's interim report for the first three quarters of the year. The term of office for the appointed Nomination Committee shall run until a new Nomination Committee takes office. If a significant change occurs in the ownership structure after the Nomination Committee has been constituted, and no later than three months before AGM, the composition of the Nomination Committee must be changed in accordance with the principles above. The Nomination Committee must prepare and submit to the AGM a proposal for the Chairman at the AGM, election of the Chairman and other members of the company's Board, Board remuneration divided between the Chairman and other members as well as the principles for possible compensation for committee

work, election and remuneration of the auditor and deputy auditor (if applicable) as well as decisions on principles for the appointment of a new Nomination Committee. The Nomination Committee shall have the right to charge the company with costs for, for example, recruitment consultants and other costs required for the Nomination Committee to be able to fulfill its mission.

The Nomination Committee for the Annual General Meeting 2024 has the following members: Per Lindberg (own mandate), Niklas Johansson (Handelsbanken Fonder), Anna Magnusson (Första AP-fonden), Henrik Söderberg (C WorldWide Asset Management) and Kjell Duveblad (Chairman of the Board of Enea AB). The Nomination Committee has appointed Per Lindberg as its Chairman, and the Nomination Committee's complete proposals for the AGM 2024, with their reasoning, is published in the invitation to the Annual General meeting. The invitation is published on the company's website ([www.enea.com](http://www.enea.com)) in the Investors section.

### 3. BOARD OF DIRECTORS

Pursuant to its Articles of Association, Enea's Board of Directors should be elected by the AGM and consist of five to seven members, and a maximum of seven deputies. Enea's Board of Directors has been appointed in accordance with the Swedish Code of Corporate Governance and the company's diversity policy. Consideration has been given to the need for versatility, skills, and experience, which in different ways, contribute to Enea's progress, and for the requirement to endeavor for even gender division. Consideration has also been given to Directors being able to reserve the necessary time for their service with the company. The composition of the Board of Directors reflects this, and most Directors have knowledge and long-term experience of the sectors that Enea operates in. Until July 4, the Enea's Board of Directors had six elected members, thereafter Enea's Board of Directors consisted of five members elected by the Annual General Meeting.

The CEO and CFO participate at every Board meeting and report on the company's business situation, prospects, financial position and events of material significance. Other employees also present reports at Board meetings when necessary. The CFO also serves as the Board's secretary. The CEO does not participate in the parts of Board meetings that discuss the relationship between the CEO and the company. The work of the CEO and other senior executives is appraised at least yearly.

#### BOARD OF DIRECTORS' INDEPENDENCE

According to the Swedish Code of Corporate Governance, a majority of Board members elected by the AGM should be independent of the company and Management. A minimum of two of these should also be independent of the company's major shareholders.

All Board members were judged as independent in respect of the company and Executive Management Team and major shareholders. For information on Board members and their shareholdings, see page 53.

#### THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors' rules of procedure are adopted at the Board meeting following election after the AGM each year and are revised only in special circumstances. Apart from the Board of Directors' duties, the rules of procedure also state the Board of Directors' responsibilities and segregation of duties. The Board of Directors also issues instructions for the President. At the Board meeting following election, staffing of the Board's Audit, Remuneration and Technology committees is also approved. Apart from the Board meeting following election, the Board should hold at least six meetings per year. The Board of Directors should manage the company's affairs in the interests of the company and of all shareholders.

The duties of the Board include:

- formulating business targets and strategy
- appointing, appraising, and where necessary, dismissing, the CEO
- implementing effective systems for monitoring and controlling the company's operations
- ensuring satisfactory control over the company's compliance with laws and other regulations that apply to the company's operations
- formulating the necessary ethical guidelines for the company's conduct
- continuously evaluating strategic and complementary acquisitions
- ensuring corporate communication features openness and is relevant and reliable

#### 4. AUDIT COMMITTEE

The overall responsibilities of the Board cannot be delegated, but the Board has constituted an Audit

Committee to go to greater depth and consult on critical issues as outlined below. At the board meeting following election after the AGM Jan Frykhammar was appointed Chairman and Kjell Duveblad as a member of the Audit Committee. Enea's CEO, CFO and Auditor are co-opted to the Audit Committee's meetings that are normally held once per quarter. Jan Frykhammar was chairman in the audit committee until then that he resigned from the board on July 4. The board appointed Kjell Duveblad as new chairman and Åsa Schwarz to new member of the audit committee.

Minutes are taken at Audit Committee meetings, which are reported to the Board. The Committee is responsible for consulting on the Board's work in terms of:

- quality-assuring the company's financial reporting
- staying informed on the orientation and scope of the audit
- discussing coordination between the external audit and the company's internal control functions, and view of the company's risks
- setting guidelines for services other than auditing that the company may purchase from its Auditors
- appraising the Auditor's work and informing the company's Nomination Committee about this appraisal
- assisting the Nomination Committee on consulting on proposals for the company's Auditors and audit fees

The Audit Committee held five meetings in the year. Primarily, the Committee discussed the presentation of the company's interim reports, product profitability, goodwill and other intangible assets, accounts receivable, risk management, finance-related issues, and internal controls. The company's Auditors report their observations from the audit to the whole Board each year in tandem with the annual financial statement.

## STYRELSE 2023

**Anders Lidbeck**

Chairman of the Board since 2019,  
Acting CEO since July 3, 2023\*

**Born:** 1962

**Education:** M.Sc. in Business Administration and Economics, University of Lund

**Previous positions:** President and CEO of Enea, President and CEO of Telelogic, sales and marketing positions at Nokia, ICL and Telia Megacom, including serving as the President for ICL Direct in Benelux and Vice President of Sales and Marketing for ICL Industry Systems Europe.

**Main occupation:** Acting CEO since July 3, 2023

**No. of shares:** 51,500

**Committee service:** Chairman of Remuneration Committee

\* Kjell Duveblad has been appointed Chairman for the time that Anders Lidbeck, due to the position of CEO, cannot also be chairman of the board.

**Kjell Duveblad**

Board member elected 2008, Chairman  
of the board since July 3, 2023

**Born:** 1954

**Education:** M.Sc. Business Administration, Stockholm School of Economics

**Previous positions:** Sales Director of IBM Svenska AB and President of Oracle Sweden, Nordics and the Baltics.

**Other assignments:** Chairman of the Board QBNK Holding and Board Member of several unlisted companies.

**Main occupation:** Management consulting and board assignments

**No. of shares:** 30,000

**Committee service:** Audit Committee

**Mats Lindoff**

Member of the Board  
Elected 2010

**Born:** 1961

**Education:** M.Sc. (Eng.) EE

**Previous positions:** Chief Technology Officer Sony-Ericsson, President of C-Technologies AB.

**Other assignments:** Board Member of Precise Biometrics AB, and a number of unlisted companies.

**Main occupation:** Strategy consultant

**No. of shares:** 990

**Committee service:** Chairman of Technology Committee, member of the remuneration Committee

**Åsa Schwarz**

Member of the Board  
Elected 2022

**Born:** 1973

**Education:** Bachelor of Arts with a major in Computer and Systems Science and in Business Administration, from Stockholm University & KTH

**Previous positions:** Sales and marketing manager Knowit Cybersecurity & Law, management consultant within cybersecurity Cybercom, KAM Nexus, founder of Dagaz.

**Other assignments:** Board member of Precise Biometrics AB.

**Main occupation:** Responsible for business development and communication at Knowit Cybersecurity & Law, and author.

**No. of shares:** 900

**Committee service:** Member of the audit committee, member of the technology committee since 3 July 2023

**Charlotta Sund**

Member of the Board  
Elected 2020

**Born:** 1963

**Education:** M.Sc. Industrial Engineering and Management, Linköping University Institute of Technology

**Previous positions:** Senior Vice President Ericsson, Vice President Ericsson, various product, market, and sales positions within Ericsson.

**Other assignments:** Board Member of Hexatronic Group AB. Board assignments within Tekniska verken Group.

**Main occupation:** President and CEO Tekniska verken i Linköping AB

**No. of shares:** 650

**Committee service:** Chairman of Remuneration Committee

**Jenny Andersson**

Employee representative for the  
Swedish Association of Graduate  
Engineers (Sveriges Ingenjörer)  
Elected 2019

**Born:** 1973

**Education:** Bachelor of Science in Engineering, Degree Programme in Computer Engineering

**Previous positions:** With Enea since 2010 (Quality leader, Release project leader and Test leader).

**Main occupation:** Group Quality Manager and Sustainability

**No. of shares:** 0

**Committee service:** None

Jan Frykhammar resigned from the board at his own request on 4 July 2023.

Additionally, the Board meets the company's Auditor at least once per year, without Management being in attendance, to receive information on the audit's orientation and scope. The coordination between the external audit and internal controls, and view of the company's risks as above, is also discussed at these meetings.

#### **4. REMUNERATION COMMITTEE**

The Board's overall responsibilities cannot be delegated as stated above, but the Board has also constituted a Remuneration Committee, whose duty is to consult on issues relating to salary, other benefits, and other employment terms of the CEO, and where appropriate, other members of the Executive Management Team.

The Remuneration Committee is convened as required, and reports on its work to the Board. The Remuneration Committee held three meetings where minutes were taken in the year. At the Board meeting following election after the AGM, Anders Lidbeck was appointed Chairman and Charlotta Sund as a member of the Remuneration Committee

#### **4. TECHNOLOGY COMMITTEE**

The overall goal of the Technology Committee is to give the Board of Directors an opportunity to exchange knowhow and feedback with Management on technology choices for Enea's product and acquisition strategy. The Technology Committee serves an advisory function, and does not discharge the Board of Directors from any liability. The Technology Committee held four meetings in the year. At the Board meeting following election after the AGM, Mats Lindoff was appointed Chairman and Åsa Schwarz as a member of the Technology Committee. Enea's Chief Execu-

tive Officer is co-opted to Technology Committee meetings.

#### **EVALUATION OF THE WORK OF THE BOARD OF DIRECTORS**

The Chairman of the Board is responsible for evaluating the work of the Board. This evaluation is in two phases, the first being an open discussion within the Board, with each Director given the opportunity and time to reflect and discuss their view of the Board's work.

This discussion is then the basis of the second phase, which consists of the Nomination Committee excluding the Chairman of the Board, individually interviewing one or two Directors each. The Nomination Committee has received five written reports used as a basis for evaluating the work of the Board.

#### **5. CHIEF EXECUTIVE OFFICER AND EXECUTIVE MANAGEMENT TEAM**

Jan Häglund, CEO since May 2019, left with immediate effect on July 3, 2023. For this reason, the board appointed the chairman of the board Anders Lidbeck to acting CEO. Anders Lidbeck has no significant holding shares in companies that Enea has business relations with and his other significant appointments and experiences are stated in the presentation of the Executive Management Team on the next page.

The members of Enea's Executive Management Team are the CEO, CFO, as well as five managers of central and line functions representing organizational functions and business units. For more information on the members of the Executive Management Team, please refer to the presentation on the next page.

The Executive Management Team meets twice per month to analyze the business position of all business units, and to discuss other regular and relevant issues. The Executive Management Team also meets several times per year to discuss the company's strategy and report its proposal for a strategy for the coming years to the Board. Based on the approved strategy, the CEO and CFO produce a business plan for the coming year. This business plan is submitted for approval at a Board meeting in December.

#### **6. AUDITORS**

The AGM 2023 elected Öhrlings PricewaterhouseCoopers as Auditor, with Nicklas Kullberg (Authorized Public Accountant) as Auditor in Charge. The company's Auditor conducts a review of the company's internal controls and administration each year, reporting observations and evaluation to the whole Board. The guidelines for the work of the Board are based on the rules of procedure that formalize issues including the segregation of duties within the Board and between the Board and Management. In the year, the Auditor also conducted a review of the annual financial statement, and the Audit Report is included in this Annual Report (page 103). A summary review of the third quarterly financial statement was also conducted, and the company's Auditor presented his Audit Report in the Interim Report for the period January-September.

#### **REMUNERATION OF THE BOARD OF DIRECTORS**

A total of SEK 2,220,000 of Directors' fees are payable, divided between SEK 550,000 to the Chairman, and SEK 270,000 to each of the other Directors appointed by the AGM.



## KONCERNLEDNING 2023



**Anders Lidbeck**  
Acting CEO since July 3, 2023\*

**Born:** 1962  
**Education:** M.Sc. in Business Administration and Economics, University of Lund  
**Previous positions:** President and CEO of Enea, President and CEO of Telelogic, sales and marketing positions at Nokia, ICL and Telia Megacom, including serving as the President for ICL Direct in Benelux and Vice President of Sales and Marketing for ICL Industry Systems Europe.  
**Other assignments:** -  
**Main occupation:** Private investor and board assignments  
**No. of shares:** 51,500



**Ulf Stigberg**  
Economics and Finance Manager  
Employee since Aptilo 2001, Enea 2020.  
EMT member since 2023

**Born in:** 1965  
**Education:** Bachelor of Economics, Luleå University of Technology  
**Previous positions:** CFO at Aptilo Networks AB, Operations Manager Mobile Internet Axis Communications AB. Various positions within Ericsson; Regional Marketing Manager, Business Manager, Business Controller, Financial Controller, Electromechanical Designer.  
**No of shares:** 4,000



**Stephanie Huf**  
Chief Marketing Officer  
Employed since 2022  
EMT member since 2022

**Born in:** 1971  
**Education:** B.Business (Marketing) Monash University, Melbourne Australia  
**Previous positions:** VP Group Communications Telia Company, Head of Marketing and Industries, Telia Global and Division X, Head of Global Campaigns Ericsson AB, Head of Marketing and Communications Industry and Society Ericsson AB, VP Marketing and Public Affairs Ericsson South East Asia and Oceania. Non-executive Director Information City Australia.  
**No of shares:** 300



**Anna de la Cruz Selander**  
Senior Vice President,  
Head of People & Culture  
Employed since 2023  
EMT member since 2023

**Born in:** 1968  
**Education:** International Economics degree, School of Economics at University of Gothenburg  
**Previous positions:** Director Learning, Leadership, Performance & Culture Northvolt and Klarna Bank, Responsible Ericsson ConsumerLab, Responsible Ericsson Academy and talent development in sales, Trade Commissioner Argentina Export Council, various international positions Ericsson.  
**No of shares:** 0



**Roland Steiner**  
Senior Vice President Telecom Business Unit  
Employed since Siemens 2001, Atos 2018, Enea 2019.  
EMT member since 2019

**Born in:** 1974  
**Education:** M.Sc. Electrical Engineering, Vienna University of Technology  
**Previous positions:** VP Global Head of Telco Solutions at Atos, VP Business Unit LTE at Siemens Convergence Creators.  
**No of shares:** 7,828



**Jean-Pierre Coury**  
Senior Vice President Enterprise Business Unit  
Employed since: Qosmos 2010, Enea 2017  
EMT member since 2022

**Born in:** 1977  
**Education:** M.Sc. Telecommunication & Networking Engineering, STRI Toulouse (France), Exec-MBA, ESSEC (France)  
**Previous positions:** VP of Global Sales & Customer Operations at Enterprise Business Unit, Head of Customer operations at Qosmos.  
**No of shares:** 7,693



**John Hughes**  
Senior Vice President AdaptiveMobile Security Business Unit  
Employed since: AdaptiveMobile Security 2006, Enea 2021  
EMT member since 2022

**Born in:** 1974  
**Education:** Bachelor of Engineering, Electronic Engineering, Dublin City University  
**Previous positions:** Chief Operating Officer at Enea AdaptiveMobile Security. Commenced career at Vodafone Ireland.  
**No of shares:** 0



**Osvaldo Aldao**  
Chief Technology and Product Officer,  
Head of Product Operations  
Employed since 2021  
EMT member since 2023

**Born in:** 1972  
**Education:** Civil engineering degree (M.Sc.) in telecommunications and in Electronics Engineering from the Institute of Technology, Buenos Aires, Argentina  
**Previous positions:** VP for product management at Enea since 2021. Previous positions at Ericsson included Head of Portfolio, Communications Services, Director of the IoT Accelerator and Director of sales support.  
**No of shares:** 1000



**Emma Bergvall**  
Senior Vice President Head of Sales  
Operations  
Employed since: Enea 2021  
EMT member since 2023

**Born in:** 1985

**Education:** Master of Science in Industrial Engineering and Management – International, Linköping University

**Previous positions:** Group Sales Operations Manager, Cramo Group, as well as various positions within Tele2 including Head of Business Sales Support and Sales Process Development, Head of Product Management Large Enterprise.

**No of shares:** 100

**Members of Executive Management who left Enea during 2023:**

Jan Häglund, CEO  
Ola Burmark, CFO  
Camilla Vautier, SVP Service Provider Sales

Fees for committee work are payable as follows, for the Audit Committee, SEK 100,000 for the Chairman and SEK 60,000 to one member, and for the Remuneration Committee, SEK 50,000 for the Chairman and SEK 30,000 to one member, and for the Technology Committee, SEK 50,000 for the Chairman and SEK 30,000 to one member. The Board's employee representatives do not receive Directors' fees.

**REMUNERATION OF SENIOR EXECUTIVES**

In order to hire and retain senior executives, the company offers competitive terms and conditions with remuneration at market levels. Overall remuneration to senior executives comprises basic and variable salary, pension provisions, and share-based payment. Basic and variable salary are set yearly at individual level. The model for senior executives' variable salary, and determining its outcome, are subject to decision by the Board after proposal from the Remuneration Committee. Additionally, variable salary is based on performance in relation to targets set yearly, primarily relating to the company's sales and EBIT, as well as individual

targets adapted to the individual executive's responsibilities. If these targets are achieved, a portion of maximum variable salary is payable, and if targets are exceeded, more remuneration may be payable, up to a predetermined ceiling. Senior executives may be offered the opportunity to participate in share-based incentive programs, subject to AGM resolution. This means that compensation may also be payable in the form of sharebased payment, providing that the targets and other conditions of such share-based incentive program are satisfied. Remuneration of the Chief Executive Officer is subject to decision by the Board, after proposal from the Remuneration Committee.

**BOARD MEMBERS' MEETING ATTENDANCE 2023**

Board member	Board of Directors (14 meetings)	Audit Committee (5 meetings)	Remuneration Committee (3 meetings)	Technology Committee (4 meetings)
Anders Lidbeck <sup>1</sup>	8		5	
Kjell Duveblad <sup>2</sup>	16	8		
Mats Lindoff <sup>3</sup>	16		2	4
Charlotta Sund <sup>4</sup>	15		7	
Åsa Schwarz <sup>5</sup>	16	3		3
Jenny Andersson <sup>6</sup>	15			
Jan Frykhammar <sup>7</sup>	8	5		

<sup>1</sup> Chairman of the Board and Remuneration Committee chairman until 3 July. Appointed interim CEO by the board on 3 July.

<sup>2</sup> Chairman of the board appointed by the board since 3 July. Audit committee member, chairman since 3 July. 3 Technology committee chairman. Remuneration committee member since 3 July.

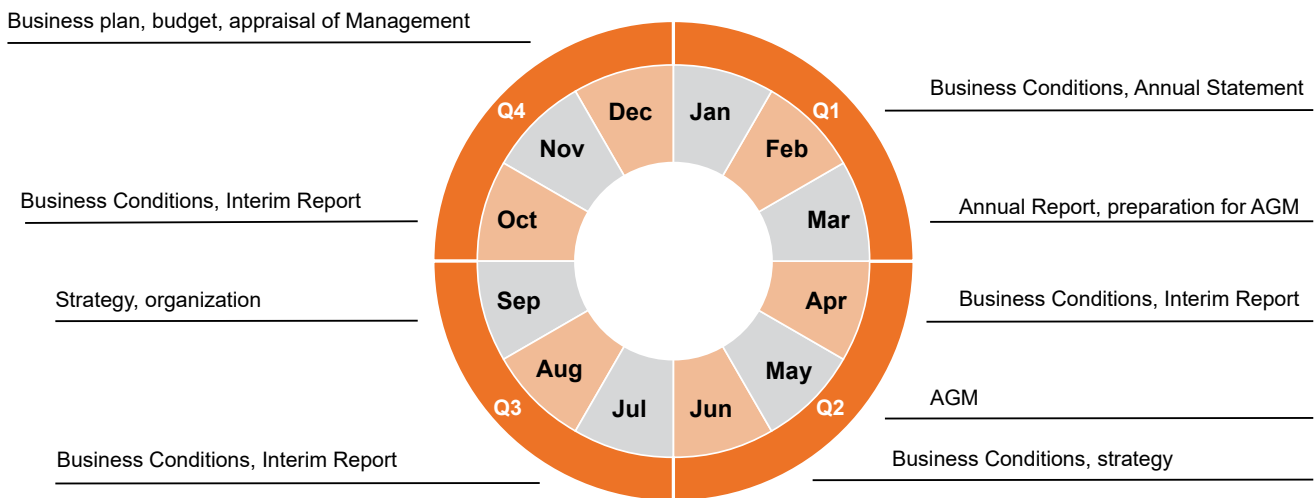
<sup>4</sup> Remuneration committee member, chairman since 3 July.

<sup>5</sup> Technical committee member. Audit committee member since 3 July.

<sup>6</sup> Employee representative.

<sup>7</sup> Resigned from the board at his own request on July 4.

## WORK OF THE BOARD OF DIRECTORS 2023



### PENSION ARRANGEMENTS

The pension arrangements of the Chief Executive Officer are decided by the Board after proposal from the Remuneration Committee, and make up 30 percent of total salary. Other senior executives in Sweden have pension arrangements lying within the framework set by the ITP (Supplementary Pensions for Salaried Employees) plan, with expected retirement ages of 65, and pension provisions related to employee salary. Pension premiums are paid continuously.

### SEVERANCE PAY

On termination of the Chief Executive Officer's employment, the company will observe a notice period of six months, and the Chief Executive Officer has a notice period of six months to the company. In addition, severance pay corresponding to six months' basic salary is payable for employment terminated by the company.

If a change of control results in a new majority shareholder, the CEO is entitled to severance pay of six

months' salary. All dismissal and severance pay are deducted from any other income. For other senior executives, notice periods of up to nine months apply. The Board reserves the right to depart from the proposed guidelines if there are special circumstances in an individual case.

### INTERNAL CONTROLS AND RISK MANAGEMENT

The Board is responsible for internal controls and risk management in accordance with the Swedish Companies Act, the Swedish Annual Accounts Act, and the Swedish Code of Corporate Governance. The Audit Committee monitors Enea's internal control, which does not affect the Board's responsibilities and work otherwise. The purpose is for operations to be pursued expediently and efficiently, and that external reporting complies with legislation and internal regulations governing the company. For this work to be successful, the Board works on a structured basis, delegating specific duties to the Executive Management Team, the Audit

Committee, and other staff. Enea states how this work is to be conducted and delegated in policies, such as the Finance Policy and Authorization Policy.

### INTERNAL CONTROLS OVER FINANCIAL REPORTING

Enea's control environment forms the basis of the company's internal controls over financial reporting. Clear communication of decision paths, authorization, and responsibilities throughout the organization is a key component of Enea's control environment. Enea fulfils the requirements of ongoing work on internal controls and risk management as part of the company's compliance with the Swedish Code of Corporate Governance. For Enea, internal controls over financial reporting are an integrated part of the company's corporate governance. This involves procedures and methods to safeguard the company's assets and the accuracy of financial reporting, which in turn, is designed to protect shareholders' investments in the company. The Board monitors the



quality of financial reporting in a number of ways. Each year, the Board adopts rules of procedure, which regulate activities including the Chairman's and CEO's duties. According to these rules, the CEO is responsible for the control environment, and reviews and assures the quality of all financial reporting, as well as ensuring that the Board receives all other reports necessary for evaluation of the group's financial position on an ongoing basis. The instructions for the CEO state the matters that require authorization or approval from the Board. The Board approves rules of procedure for the Board, Audit Committee, Remuneration Committee and Technology Committee at the Board meeting following election after the AGM. Additionally, the Board adopts instructions for the CEO, an approvals list, Finance Policy and instructions for trading in the company's shares. Enea's CEO and Executive Management Team bear operational responsibility for internal controls. Based on the Board's guidelines, as well as legislation and regulation of financial reporting, such as the Swedish Companies Act, the Swedish Annual Accounts Act, and the Swedish Code of Corporate Governance, the Executive Management Team has adopted the segregation of roles and duties for employees that work on financial reporting within the group. The group is divided into units, whose managers are responsible for performance against target and budget, as well as governance issues for their operations. Enea's organizational structure is communicated on the group's intranet, to clarify areas of responsibility and roles for everyone working on financial information. Enea has instructions for the group's staff, stating the authorization of each employee to take certain actions, such as approval and authorization policies. Enea also has a number of policies governing day-to-day work, laying a foundation of internal

controls, such as its Finance Policy, Insider Policy (pursuant to the EU MAR), Authorization Policy, IT Policy, Sustainability Policy, and Corporate Communication Policy.

The group also has an Accounting and Financial Reporting Manual, stating the group's accounting policies, and providing reporting instructions. It also includes a schedule for ensuring the availability of consistent and accurate account information at the appropriate times.

The guidelines are updated regularly and communicated to those employees that work directly or indirectly on financial reporting. To safeguard internal controls, all critical governance documents are kept available on Enea's intranet, and in the company's document management system. Accordingly, all staff always have access to the relevant documents and policies. These documents are also classified by authorization level, depending on the roles of individual staff members. The Board receives monthly business reports. The Board analyzes these reports and potential actions are discussed at the following Board meeting. For urgent actions, the Chairman convenes additional Board meetings to consult on the relevant issue. Internal controls are monitored through a number of channels including the Accounting and QA function, Enea's General Counsel, the Delivery function, internal quality meetings, and at quarterly Audit Committee meetings. These functions work on the basis of various targets and control documents to assure the quality of the company's procedures and decision-making.

## **RISK ASSESSMENT**

The objective of Enea's risk assessment is to safeguard the group's earnings performance and financial position. The Board approves the principles and guidelines governing the company's risk management, while the CEO and Executive Management Team bear operational responsibility. Regular risk assessments of the Executive Management Team and each business unit manager are conducted within Enea's monthly financial follow-ups, with actions taken as necessary. As stated above, Enea's organization is structured to manage, review, and evaluate internal controls. Internal controls are also covered in the company's planning and budgeting process, which involves a yearly review of the risks of operations. The Audit Committee and Board are responsible for analyzing and assessing these risks.