

# Corporate governance report

This corporate governance report, which has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (the Code), provides key information concerning compliance with the Code, about our shareholders, the Annual General Meeting, the Nomination Committee, the Board of Directors and their work, including committees, remuneration and the division of responsibilities throughout the governance structure. This section also covers Securitas' system of internal control and risk

management, which is the responsibility of the Board of Directors according to the Swedish Companies Act and the Code. This description does not form part of the Annual Report.

In the Internal control section pertaining to risk, we have opted to widen the scope of our description and explain how enterprise risk management works in the broader perspective regardless of the type of risk, which means that our focus is not confined to risk related to internal controls over financial reporting. Fulfilling

our strategies and objectives while maintaining an appropriate risk level is imperative, which is why risk management procedures span all levels of the organization.

Securitas has published its principles for corporate governance in previous Annual Reports. A separate section on the Group website contains the Articles of Association and other key company documents.

Read more at [www.securitas.com/en/corporate-governance](http://www.securitas.com/en/corporate-governance).

## CORPORATE GOVERNANCE REPORT

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# Governance in Securitas

Securitas' structure for corporate governance aims to ensure that the Securitas Group is run sustainably, ethically, responsibly and as efficiently as possible with the shareholders of Securitas best interests at heart. Securitas believes that good corporate governance is a prerequisite to ensure continued organic growth, improvement of operating margins and a successful integration of companies in the Group.

We are committed to maintaining a high standard of integrity and compliance with applicable laws, regulations and any codes of conduct in the jurisdictions where we operate. Securitas complies with the Swedish Corporate Governance Code principle of "comply or explain" and has no deviations for 2021.

The highest decision-making body of the company is the shareholders' General Meeting, which resolves on the composition of the Board of Directors and the election of auditors. The election of the Board of Directors and the auditors is prepared by the Nomination Committee. The Board has formed an Audit Committee and a Remuneration Committee. The Board appoints the CEO and President, who in turn appoints the Group Management.

The Group is exposed to various risks and challenges and has established a Three Lines Model to handle its risks. The first line includes the country operational management owning and managing local risks. The second line is the various risk and compliance oversight functions throughout different levels of the Group. Independent assurance, the Internal audit function (independent from management with direct reporting to the Board), is the third line. Each of these three "lines"

plays a distinct role within the organization's wider governance framework.

The illustration on page 28 shows Securitas' formal corporate governance structure, followed by a description of each of the governance bodies.

Securitas believes in a decentralized model where decisions are taken by the person closest to the issue who can address the issue efficiently. The ability to take decisions and act within a set framework without having to seek approvals for daily tasks is an essential part of Securitas' DNA and central to our ability to be an agile, highly flexible, client-centric company. Yet, delegation of authority in a decentralized model has to be coupled with satisfactory controls and frameworks. Certain matters, for example strategy, policies, financial planning and compliance need centralized leadership, ownership and control for decentralization to work efficiently and effectively.

Securitas' management model, The Securitas Toolbox, is strongly linked to our values – Integrity, Vigilance and Helpfulness. A key function of the Toolbox is to convey our corporate culture and create a shared platform through our values. Securitas' Toolbox management model has a methodical structure that includes

several well-defined areas or "tools" that serve as a framework at all levels. The different areas of the model describe how Securitas' managers are to conduct themselves in various aspects and stages of the company's operations. The model also describes the approach we are expected to take with regard to the market, our clients and employees.

As part of our decentralized management approach, Securitas has to set and follow up on strict financial targets by continuously measuring and monitoring the Group's performance from the branch offices to Group level. The financial model makes it possible to monitor a number of key figures that can be understood by all managers. Each branch has its own statement of income, for which it is fully responsible. It also helps managers to understand the connection between risks and opportunities, and how various factors impact their areas of responsibility as well as how we can monitor and control these factors. Refer to pages 42–43 for more information.



**A SHAREHOLDERS**

Securitas is listed on Nasdaq Stockholm in the Large Cap segment since 1991. The shareholders influence the overall direction of the company at the top of the governance structure. Strong principal shareholders provide considerable attention and interest in our business and establish commitment to the success of the business.

On December 31, 2021, the principal shareholders in Securitas were Carl and Eric Douglas who, through family and Investment AB Latour, held 10.9 percent (10.9) of the capital and 29.6 percent (29.6) of the votes, and Märta and Sofia Schörling who, through family and Melker Schörling AB, held 4.5 percent (4.5) of the capital and 10.9 percent (10.9) of the votes. For more

detailed information about shareholders, see the table on page 149.

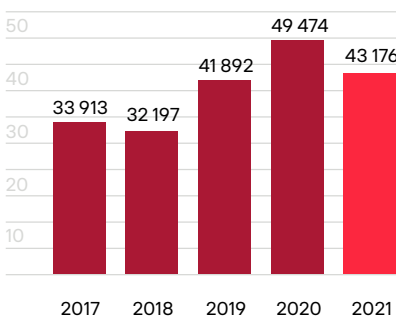
**B GENERAL MEETING**

The General Meeting is the company’s highest decision-making body and the forum for shareholders to exercise their influence. The General Meeting decides on changes to the Articles of Association. The Articles of Association contain no limitation on the number of votes that each shareholder may exercise at a shareholders’ meeting. Each shareholder may thus vote for all shares held at the shareholders’ meeting.

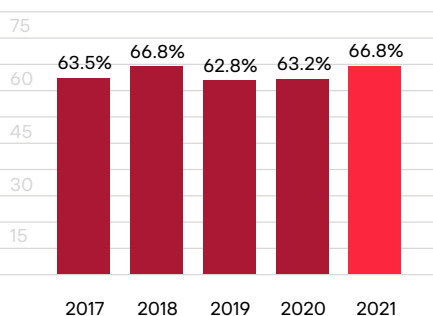
The Annual General Meeting of Securitas AB was held on May 5, 2021. Due to the coronavirus pandemic, the Annual General Meeting was

held by postal voting under Section 22 of the temporary act on general meetings (2020:198) (the “Temporary Act”). Shareholders representing 66.8 percent (63.2) of the total number of votes in the company participated in the Annual General Meeting. One of the resolutions passed in 2021 was the authorization for the Board to resolve upon acquisition of the company’s own shares. The minutes from the meeting are available at [www.securitas.com](http://www.securitas.com). For information about election and remuneration of Board members, see section Board of Directors.

Number of shareholders 2017–2021



Attendance 2017–2021 (% of voting rights)



## C NOMINATION COMMITTEE

The Nomination Committee is a body established by the Annual General Meeting with the task of preparing proposals regarding the election of Chair of the General Meeting, members of the Board, Chair and Vice-Chair of the Board, auditor, fees for the members of the Board including division between the Chair, the Vice-Chair, and the other Board members, as well as fees for committee work, fees to the auditor and, if necessary, changes of the instructions for the Nomination Committee.

As a basis for its proposals, the Nomination Committee takes into account the complete outcome of the evaluation of the Board and its work as well as the competence needed in the future. The Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy and the committee has endeavored to establish a Board composition with an equal gender distribution, characterized by diversity and breadth regarding the qualifications, experience and background of the Board members. The 2021 Annual General Meeting resolved to appoint Board members in accordance with the Nomination Committee's proposal.

At the moment, the Board of Directors consists of three women and five

men, meaning that the percentage of women on the Board is 37.5 percent, which is slightly below the target level stipulated by the Swedish Corporate Governance Board. It is the ambition of the Nomination Committee to continue working to create an equal gender distribution on the Board.

Before each Annual General Meeting, during which the election of auditors takes place, the Nomination Committee also prepares motions regarding the election of auditors in consultation with the Board of Directors and the Audit Committee.

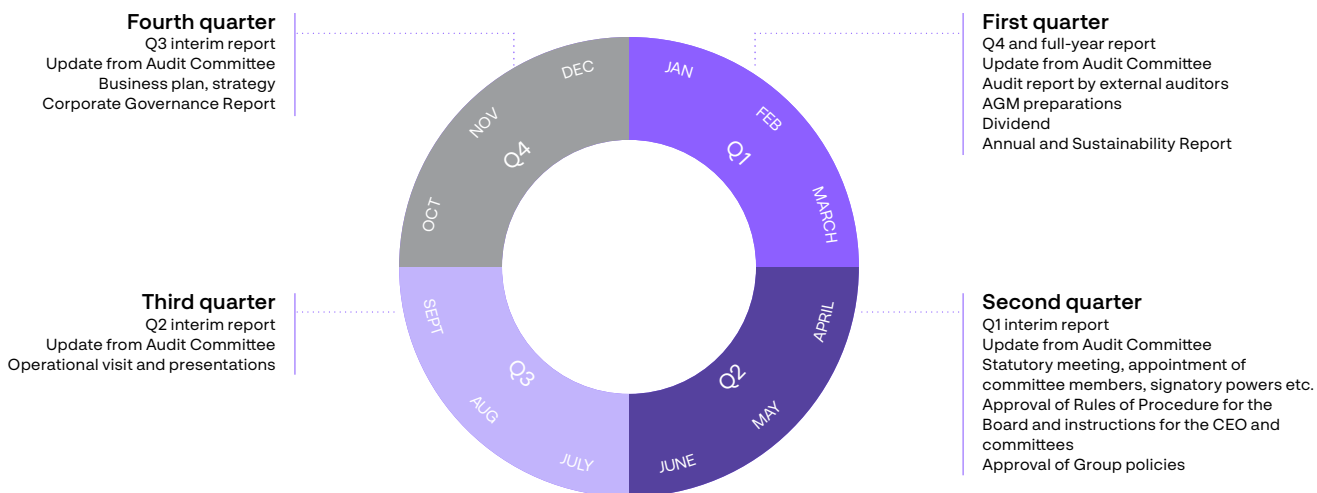
The Annual General Meeting 2018 adopted an instruction for the Nomination Committee, which includes a procedure for appointing the Nomination Committee, valid until a General Meeting resolves in a change.

In accordance to this instruction the Nomination Committee shall be composed of representatives of the five largest shareholders in terms of voting rights registered in the shareholders' register as of August 31 in the year prior to the Annual General Meeting. Refer to the AGM minutes and [www.securitas.com](http://www.securitas.com) for more information on the procedure for replacing members of the Nomination Committee who leave before its work is concluded or due to changes in the shareholder structure. The Chair of the Board shall convene the first meeting of the Nomination Committee and shall also be co-opted to the Nomination Committee. Based on these principles, the Nomination Committee consists of the members listed in the table below.

### Nomination Committee prior to AGM 2022

| Elected members  | Share of votes as of August 31, 2021 |
|--|--------------------------------------|
| Johan Hjertansson, Investment AB Latour, Chair             | 29.6%                                |
| Mikael Ekdahl, Melker Schörling AB                         | 10.9%                                |
| Mats Gustafsson, Lannebo Fonder                            | 3.3%                                 |
| Fredrik Åtting, EQT AB                                     | 1.9%                                 |
| Emma Viotti, Handelsbanken Fonder                          | 1.7%                                 |
| Share of votes not represented in the Nomination Committee | 52.6%                                |

### Overview of the work of the Board of Directors



In addition to the topics listed, other areas are discussed continuously, such as operational performance, updates from divisions, strategy, market and competition, acquisitions, insurance, credit risk, tax matters, legal matters and funding.

The Nomination Committee is to hold meetings as often as necessary to fulfil its duties. However, the Nomination Committee is to hold at least one meeting annually. The Nomination Committee held four meetings during 2021.

#### D BOARD OF DIRECTORS

The Board of Directors has the overall responsibility for Securitas’ organization and administration.

#### Composition of the Board of Directors

According to the Articles of Association, the Board of Directors should have between five and ten Board members elected by the Annual General Meeting, with no more than two Deputy Directors. The Directors and Deputy Directors are elected by the Annual General Meeting for the period up to and including the first Annual General Meeting to be held in the year after the Director or Deputy Director was elected. Securitas’ Board of Directors has eight members elected by the Annual General Meeting, three employee representatives and one deputy employee representative.

The Annual General Meeting elected Jan Svensson as Chair of the Board. For further information about the members of the Board of Directors including remuneration, see pages 34–35.

#### Responsibilities of the Board of Directors

The Board is responsible for the Group’s organization and the management of the Group’s business. The Board shall manage the Group’s affairs in the interests of the Group and all its shareholders and ensure and promote a good company culture. The Board appoints the President and CEO and has formed an Audit Committee and a Remuneration Committee. The Board meets a minimum of six times annually.

The Board has adopted a number of Group policies. Policies are critical for the Group as they establish boundaries for individuals as well as processes, relationships and transactions and implement relevant control procedures.

The Board ensures the quality of financial reporting through Group policies, procedures and frameworks, clear structures with defined responsibilities and through documented delegation of authority, which is further described in the enterprise risk management and internal control report, beginning on page 38.

#### The work of the Board of Directors

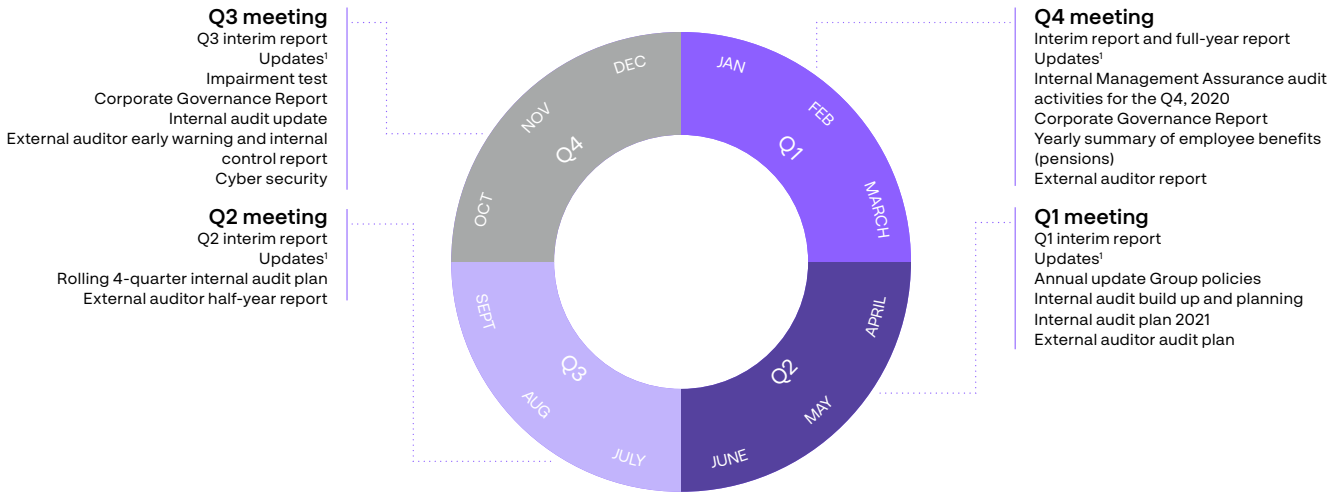
The activities of the Board and the division of responsibility between the Board and the President and CEO

are governed by formal procedures documented in a written instruction, which is adopted by the Board each year after the Annual General Meeting. According to these procedures, the Board should determine, among other things, the Group’s overall strategy, corporate acquisitions and property investments above a certain level, and establish a framework for the Group’s operations through the Group’s business plan. The Board also plays an important role in the ongoing process of identifying and evaluating significant risks faced by the Group.

The procedures include a work instruction for the President and CEO, as well as instructions for financial reporting. The procedures also prescribe that an annual evaluation of the work of the Board of Directors should be carried out. On a yearly basis, all Board members submit their answers to a questionnaire issued by the Nomination Committee about the quality of the work in the Board. Based on this report, an evaluation is made in the Board and in the Nomination Committee.

The Board held 14 meetings in 2021, of which three were held per capsulam. The auditors participated in the Board meeting that was held in conjunction with the yearly closing of the books, in February 2021, where they presented the audit.

Overview of the work of the Audit Committee



<sup>1</sup> Topics based on a set rolling agenda format with updates on accounting, treasury, acquisitions, risk/insurance, legal, tax, internal control, sustainability, enterprise risk management, IT/IS, follow-up of on-site visits, audit/consultancy costs and auditor independence.

**E AUDIT COMMITTEE**

The Board has formed an Audit Committee, which operates under the instructions for the Audit Committee and meets with Securitas’ auditors at least four times per year.

The Committee monitors the financial reporting, the effectiveness of internal control over financial reporting, internal audit activities and the risk management system to support the Board’s quality control work. The Committee also stays informed about annual statutory audits. It assesses the external auditor’s independence and receives information of, and approves the performance of, significant non-audit services.

The Committee presents its findings and proposals to the Board, prior to the Board’s decision. The Committee met four times during 2021. The major topics discussed are listed on the previous page.

**F REMUNERATION COMMITTEE**

The Board has formed a Remuneration Committee to prepare decisions related to salaries, bonuses, share-based incentive schemes and other forms of compensation for Group Management, as well as other management levels if the Board of Directors so decides. The Committee

presents its proposals, including a proposal of the Remuneration Report, to the Board, for the Board’s decision. The Committee held one meeting during 2021.

**Guidelines for remuneration**

The guidelines for remuneration to Group Management that were adopted at the Annual General Meeting 2021 primarily entailed that remuneration to Group Management and their terms of employment should be competitive and comply with market conditions, to ensure that Securitas is able to attract and keep competent Group Management employees. The total remuneration to Group Management should consist of a fixed basic salary, variable remuneration, pensions and other benefits.

Thus, in addition to a fixed annual salary, Group Management may also receive variable remuneration, which shall be based on the outcome in relation to financial goals within the individual area of responsibility (Group or division) and which shall be aligned with the interest of the shareholders.

The complete guidelines for remuneration can be found at [www.securitas.com](http://www.securitas.com).

Additional information on remuneration to the Board of Directors and Group Management and share-based incentive schemes to top managers and certain other key employees, including the outcome, see note 9.

**G PRESIDENT AND CEO AND GROUP MANAGEMENT**

The President and CEO and Group Management are charged with overall responsibility for conducting the business of the Securitas Group in line with the strategy and long-term goals adopted by the Board of Directors. Among other tools and frameworks, the financial framework and the financial model is one important tool used by the President and CEO and Group Management to measure the execution of strategies and to guide the employees and organization toward achieving its objectives. For further information on Group Management, see pages 36–37.

**H OPERATIONAL MANAGEMENT (THE FIRST LINE)**

The first line includes the country operational management who owns and manages local risks. Securitas’ philosophy is to work in a decentralized environment where country operational management is primarily responsible for monitoring and ensuring compliance by local units with

local laws and regulations and the Group policies, including any division-specific policies and guidelines. Local management is responsible for the establishment and continued operations of a system of procedures and controls that ensures the reliability of the company's management and financial reporting information in the most economical and efficient manner possible. This includes ensuring a minimum of key controls in order to mitigate relevant risks. Country operational management reports to Group Management through divisional management on operational matters and country controllers report through divisional controllers on financial reporting matters.

### **I RISK, CONTROL AND COMPLIANCE FUNCTIONS (THE SECOND LINE)**

Within the second line, the Group has established a structure of compliance areas, with clear accountabilities for monitoring and supporting compliance in relation to each such compliance area, or "Vertical". Each Group policy belongs to a compliance area and each compliance area shall have a clearly documented owner and/or driver. In addition, the Group has defined "horizontals" for supporting harmonization and coordination of common processes applicable to all or several compliance areas.

The Group has established a number of committees and work groups, including the functions for Finance/Tax and ICFR, Corporate Finance/Treasury and Legal/Risk and Insurance. Quarterly meetings are held with the President and CEO, the CFO, Senior Vice President Finance and Senior Vice President General Counsel, at which topics that will be reported to the Audit Committee are discussed. There is also a separate IS/IT Board, Digital Security Steering Committee, Enterprise Risk Management Committee, Compliance working group, Ethics and Sustainability Board and an ICFR Board.

### **J INTERNAL AUDIT (THE THIRD LINE)**

During 2020 the Audit Committee decided to formalize a new and independent Group Internal Audit. In the first quarter of 2021 a new Chief Audit Executive was recruited, and has since then built the department. The new function is a part of the integrated

assurance agenda to ensure that the Securitas operational model is adhered to. The risk-based audit plan is updated on a continuous basis, and adjusted throughout the year to best fit a changing operational risk landscape. The audit reports, including the findings and action plans for improvement, are reported to the operational management and to the Board of Directors and the Audit Committee.

### **K EXTERNAL AUDIT**

The Annual General Meeting 2021 elected Ernst & Young AB (EY) as the Parent company's and the Group's audit firm, with authorized public accountant Rickard Andersson as auditor in charge, for a period of one year.

The auditors' work is based on an audit plan, which is agreed upon in consultation with the Audit Committee and the Board of Directors. The auditors participate in all meetings of the Audit Committee and present their findings from the annual audit at the Board meeting held in February. In addition, the auditors should inform the Audit Committee on an annual basis of any services rendered, other than audit assignments, and any auditing fees received for such services or other circumstances that might affect the evaluation of the auditors' independence. The auditors should also participate in the Annual General Meeting to present the audit report and its conclusions.

The audit is performed in compliance with the Swedish Companies Act, generally accepted auditing standards in Sweden and International Standards on Auditing (ISA).

For audit fees and reimbursement to auditors, see note 11 and 45.

#### **AUDITOR IN CHARGE**

Rickard Andersson, born 1973, Authorized Public Accountant, Auditor in charge, Ernst & Young AB. Rickard Andersson has been the auditor in charge since 2021. Other audit assignments: Elekta AB (publ), Munters Group AB (publ) and SSAB AB (publ). Member of FAR.





# Board of Directors



## JAN SVENSSON

Chair, born 1956

Chair of Securitas AB since 2021

Principal education: Degree in Mechanical Engineering and Master of Science in Business and Economics

Other assignments: Chair of AB Fagerhult, BillerudKorsnäs AB and Tomra Systems ASA, Director of Nobia AB, Stena Metall AB, Herenco Holding AB and Climeon AB

Previously: President and CEO of Investment AB Latour 2003–2019 and CEO of AB Sigfrid Stenberg

Shares in Securitas: 30 000 Series B shares



## INGRID BONDE

Born 1959

Director of Securitas AB since 2017

Principal education: BSc in Business and Economics

Other assignments: Chair of Alecta, Apoteket AB and tbd30 AB, Vice-Chair of Telia Company AB, Director of Husqvarna AB

Previously: CFO and Deputy CEO Vattenfall AB, CEO AMF, Chair of Hoist Finance AB, Swedish Climate Policy Council, Director General Swedish Financial Supervisory Authority, Loomis AB and Swedish Corporate Governance Board

Shares in Securitas: 2 600 Series B shares



## JOHN BRANDON

Born 1956

Director of Securitas AB since 2017

Principal education: Bachelor of Arts in History

Other assignments: Director of Hexagon AB

Previously: Vice President of Apple International,

Vice President of Apple Americas and Asia, and

President and CEO of Academic Systems

Shares in Securitas: 10 000 Series B shares



## FREDRIK CAPPELEN

Born 1957

Director of Securitas AB since 2008

Principal education: BSc in Business Administration

Other assignments: Chair of Dometic Group AB, KonfiDents GmbH, Transcom AB and Zacco A/S. Member of the ICC Executive Board

Previously: President and Group Chief Executive of Nobia, Chair of Dustin Group AB, Byggmax Group AB, Terveystalo Oy and Sanitec Oy, Vice-Chair of Munksjö AB

Shares in Securitas: 4 000 Series B shares



## GUNILLA FRANSSON

Born 1960

Director of Securitas AB since 2021

Principal education: MSc in Engineering and Licentiate in Nuclear Science

Other assignments: Chair of Net Insight AB and Director of Eltel AB, Trelleborg AB, Nederman AB, Weibel Scientific A/S, Nilar AB and Dunkerintressena

Previously: Part of Group Management team in Saab AB and different management positions in Ericsson AB

Shares in Securitas: 0 Series B shares



## SOFIA SCHÖRLING HÖGBERG

Born 1978

Director of Securitas AB since 2005

Principal education: BSc in Economics and Business Administration

Other assignments: Vice-Chair Melker Schörling

AB, Director Hexagon AB and Assa Abloy AB

Shares in Securitas: 4 500 000 Series A

shares and 11 811 639 Series B shares<sup>1</sup>

<sup>1</sup> Through family and Melker Schörling AB.

All figures refer to holdings on December 31, 2021.

**HARRY KLAGSBRUN**

Born 1954

Director of Securitas AB since 2021

Principal education: B.A. in Journalism, a M.Sc. in Business and an MBA

Other assignments: Partner at EQT AB

Previously: Director of Duni AB, Securitas Direct AB, Academedia AB, Gambro AB, Dako A/S, ISS A/S, Dometic Group AB, Piab AB and Press Ganey Inc

Shares in Securitas: 100 000 Series B shares

**JOHAN MENCKEL**

Born 1971

Director of Securitas AB since 2021

Principal education: MSc in Engineering

Other assignments: Executive Vice President and Chief Investment Officer at Investment AB Latour. Director of Saab AB, Nederman AB and World Materials Forum France

Previously: CEO at Gränges AB and Sapa Heat Transfer, Consultant at Accenture and founder of addnature.com

Shares in Securitas: 0



Employee representative

**ÅSE HJELM**

Born 1962

Director of Securitas AB since 2008

Employee Representative, Vice-Chair of Salaried Employees' Union local branch, Norrland, Chair of the Securitas Council for Salaried Employees

Shares in Securitas: 120 Series B shares



Employee representative

**JAN PRANG**

Born 1959

Director of Securitas AB since 2008

Employee Representative, Chair of Swedish Transport Workers' Union local branch, Securitas Göteborg

Shares in Securitas: 0



Employee representative

**MIKAEL PERSSON**

Born 1966

Director of Securitas AB since 2021

Chair of Swedish Transport Workers' Union local branch, Securitas Värmland

Shares in Securitas: 0

**Composition of the board and attendance in 2021**

| Board member                            | Position           |                 |                        | Attendance     |                          |                                 | Total fee <sup>1</sup> , SEK | Independent to company (8) | Independent to shareholders (5) |
|---|--------------------|-----------------|------------------------|----------------|--------------------------|---------------------------------|------------------------------|----------------------------|---------------------------------|
|   | Board of Directors | Audit Committee | Remuneration Committee | Board meetings | Audit Committee meetings | Remuneration Committee meetings |                              |                            |                                 |
| Jan Svensson <sup>2</sup>               | Chair              | –               | Chair                  | 10/10          | –                        | –                               | 2 500 000                    | Yes                        | No                              |
| Ingrid Bonde                            | Director           | Member          | –                      | 14/14          | 4/4                      | –                               | 1 025 000                    | Yes                        | Yes                             |
| John Brandon                            | Director           | –               | –                      | 14/14          | –                        | –                               | 800 000                      | Yes                        | Yes                             |
| Fredrik Cappelen                        | Director           | Chair           | –                      | 14/14          | 4/4                      | –                               | 1 150 000                    | Yes                        | Yes                             |
| Gunilla Fransson <sup>2</sup>           | Director           | –               | Member                 | 10/10          | –                        | –                               | 850 000                      | Yes                        | Yes                             |
| Sofia Schörfling Högberg                | Director           | –               | –                      | 14/14          | 2/2                      | –                               | 800 000                      | Yes                        | No                              |
| Harry Klagsbrun <sup>2</sup>            | Director           | –               | –                      | 9/10           | –                        | –                               | 800 000                      | Yes                        | Yes                             |
| Johan Menckel <sup>2</sup>              | Director           | Member          | –                      | 9/10           | 2/2                      | –                               | 1 025 000                    | Yes                        | No                              |
| Åse Hjelm <sup>3</sup>                  | Director           | –               | –                      | 14/14          | –                        | –                               | 0                            | –                          | –                               |
| Jan Prang <sup>3</sup>                  | Director           | –               | –                      | 14/14          | –                        | –                               | 0                            | –                          | –                               |
| Mikael Persson <sup>3</sup>             | Director           | –               | –                      | 4/4            | –                        | –                               | 0                            | –                          | –                               |
| Marie Ehrling <sup>4</sup>              | Chair              | –               | Chair                  | 4/4            | –                        | 1/1                             | –                            | Yes                        | Yes                             |
| Carl Douglas <sup>4</sup>               | Director           | –               | Member                 | 4/4            | –                        | 1/1                             | –                            | Yes                        | No                              |
| Anders Böös <sup>4</sup>                | Director           | –               | –                      | 4/4            | –                        | –                               | –                            | Yes                        | No                              |
| Dick Seger <sup>4</sup>                 | Director           | –               | –                      | 4/4            | –                        | –                               | –                            | Yes                        | Yes                             |
| Susanne Bergman Israelsson <sup>5</sup> | Director           | –               | –                      | 3/4            | –                        | –                               | –                            | –                          | –                               |

1 Total fee includes fees for committee work. In total, SEK 950 000 was paid for committee work, of which SEK 150 000 for Remuneration Committee work and SEK 800 000 for Audit Committee work.

For more details, refer to the minutes of the Annual General Meeting 2021 at Securitas' website: [www.securitas.com](http://www.securitas.com).

2 Jan Svensson, Gunilla Fransson, Harry Klagsbrun and Johan Menckel were elected to the Board at the AGM May 5, 2021.

3 Employee representatives. Deputy employee representative is Thomas Fanberg (b. 1961), who has been Deputy Director of Securitas AB since 2008.

4 Marie Ehrling, Carl Douglas, Anders Böös and Dick Seger declined re-election and resigned from the Board following the AGM May 5, 2021.

5 Employee representative, resigned from the Board in April 2021 due to retirement.

For comparative information about remuneration to the Board of Directors and senior management, see note 9.

# Group management



#### MAGNUS AHLQVIST

President and CEO of Securitas AB\*

Born: 1974

Employed: 2015

Shares in Securitas: 156 906 Series B shares,  
200 000 share options<sup>1</sup>



#### ANDREAS LINDBACK

Chief Financial Officer

Born: 1982

Employed: 2011

Shares in Securitas: 11 612 Series B shares



#### MARTIN ALTHÉN

Chief Information Officer

Born: 1968

Employed: 2016

Shares in Securitas: 12 248 Series B shares



#### GREG ANDERSON

Divisional President Security Services North  
America

Born: 1967

Employed: 2010

Shares in Securitas: 18 195 Series B shares



#### HELENA ANDREAS

Senior Vice President, Group  
Communications & People

Born: 1975

Employed: 2019

Shares in Securitas: 8 140 Series B shares



#### TONY BYERLY

President, Securitas Electronic Security

Born: 1966

Employed: 2016

Shares in Securitas: 17 291 Series B shares

**JOSÉ CASTEJÓN**

Chief Operating Officer, North American Guarding, Security Services North America  
 Born: 1968  
 Employed: 2007  
 Shares in Securitas: 11 154 Series B shares

**JORGE COUTO**

Divisional President, Security Services Ibero-America  
 Born: 1970  
 Employed: 1998  
 Shares in Securitas: 11 239 Series B shares

**PETER KARLSTRÖMER**

Divisional President, Security Services Europe  
 Born: 1971  
 Employed: 2019  
 Shares in Securitas: 25 378 Series B shares

**JAN LINDSTRÖM**

Senior Vice President, Finance  
 Born: 1966  
 Employed: 1999  
 Shares in Securitas: 19 995 Series B shares

**BRIAN RIIS NIELSEN**

Senior Vice President, Global Clients and leader of Global Clients & Vertical Markets  
 Born: 1966  
 Employed: 2002  
 Shares in Securitas: 5 945 Series B shares

**BRETT PICKENS**

Divisional President for AMEA  
 Born: 1978  
 Employed: 2018  
 Shares in Securitas: 7 222 Series B shares

**FRIDA ROSENHOLM**

Senior Vice President, General Counsel  
 Born: 1974  
 Employed: 2018  
 Shares in Securitas: 8 050 Series B shares

**HENRIK ZETTERBERG**

Chief Operating Officer, Security Services Europe  
 Born: 1976  
 Employed: 2014  
 Shares in Securitas: 16 075 Series B shares, 45 000 share options<sup>1</sup>

All figures refer to holdings on December 31, 2021.

\* Magnus Ahlqvist holds a Master of Science in Economics and Business Administration from the Stockholm School of Economics, and a leadership exam from Harvard Business School. Previously he has held various management positions in Motorola Mobility, Sony and Sony Ericsson Mobile Communications. He is a Director of International Security League.

The following changes in Group Management took place during 2021:

- Andreas Lindback was appointed new Group CFO from August 16, 2021, as Bart Adam stepped down.
- Brett Pickens was appointed Divisional President AMEA and became a member of Group Management from April 1, 2021.

For more information about Group Management, visit [www.securitas.com/en/about-us/group-management](http://www.securitas.com/en/about-us/group-management)

<sup>1</sup> Share options regarding acquisition of Securitas Series B shares, issued by Melker Schörling AB and Investment AB Latour.

# Proactive risk management and internal control

Securitas' internal control system is designed to manage, rather than eliminate, the risk of failing to achieve business objectives. The system provides reasonable, but not absolute, assurance against material misstatement or loss, as well as compliance with the main policies.

Internal control over financial reporting is included as a part of the overall internal control of Securitas and constitutes a central part of the Group's corporate governance. The description below covers a broader perspective on how Securitas' internal control is organized, using a structure based on the COSO model, but also makes specific reference to items pertaining directly to internal control over financial reporting. On page 40, we describe Securitas' enterprise risk management process (ERM process), which sets the overall process for Securitas' proactive and continuous work with risk management and internal control. Securitas' insurance and claims strategy is to "act as if uninsured". Refer to page 39 for more information about insurance as a risk management tool.

## CONTROL ENVIRONMENT

The key features of Securitas control environment include: the Board's rules of procedure which ensure clear terms of reference for the Board and each of its committees, a clear organizational structure with documented delegation of authority documented in a Group Approval Policy and Matrix, from the Board to President and CEO and further to Group Management. The Group Approval Policy also sets the boundary for all divisional and country approval policies. The control environment also includes the competence of employees and a series of Group policies, procedures and frameworks.

Emphasis lies on the competence and abilities of the Group's employees,

with continuous training and development actively encouraged through a wide variety of training programs.

The Group has three fundamental values – Integrity, Vigilance and Helpfulness – to help the employees exercise good judgment and make decisions on a consistent basis. The Securitas' Values and Ethics Code sets the high ethical standards that are a vital part of Securitas' operations and provides guidance for employees and business partners on how to act in an ethical and compliant way.

Policies and frameworks that apply to internal control over financial reporting are described in Securitas' Group policies, which include the company's model for financial control, and in the Securitas Reporting Manual, which specifically focuses on reporting matters to ensure compliance with reporting requirements and rules. This creates an environment that supports reliable and accurate reporting.

## RISK ASSESSMENT

At the highest level, the Board considers where future strategic opportunities and risks lie and helps shape the corporate strategy. Balanced and focused risk management is necessary for the fulfilment of Securitas' strategies and the achievement of its corporate objectives.

Enterprise risk management (ERM) is an integral component of Securitas' operations, and risk awareness is part of the company culture. Risk assessments are conducted within

the framework of the Securitas ERM process, further described on page 40, regardless whether the assessments pertain to operational, financial or strategic risks. Risk assessment is a dynamic process that aims to identify and analyze risks in relation to Securitas' objectives. It serves as the basis for implementing mitigating actions after considering the controls in place (reduce, transfer/share or accept the risk in question).

## GROUP-WIDE CONTROL ACTIVITIES

Internal control activities are established by frameworks, policies and processes, which help ensure that all management directives to manage risks are executed. Controls are performed on several levels within the organization and are established based on the process concerned. Examples of key Group-wide control activities is the ERM Self Assessment which is an annual self assessment performed by every major country throughout the Group. It covers key risks, including financial reporting risks, measures taken and compliance with Securitas Group Policies and Securitas Reporting Manual. Other examples are Securitas' internal controls framework and the financial control activities specifically aimed at managing risks related to financial reporting include methods and activities for securing assets, controlling the accuracy and reliability of internal and external financial reports, and ensuring compliance with defined guidelines.

## INFORMATION AND COMMUNICATION

Securitas' channels for information and communication are constantly developed to ensure that all employees are given clear objectives and are made aware of the parameters that constitute acceptable business practices, as well as the expectations of the Board in managing risks. This provides a clear definition of the Group's purpose and goals, accountabilities and the scope of permitted activities of employees.

Systems and procedures have been implemented that support complete, accurate and timely financial report-

ing and provide management with the necessary reports on business performance relative to the established objectives. The Group reporting department regularly issues guidance on reporting matters and the reporting manual is available in a Group-wide database. Reporting units regularly prepare financial and management reports that are discussed at review meetings at different levels. These include an analysis of financial performance and risks for the organization to understand its responsibility with regard to internal control and its impact in relation to risks, goals and objectives.

## MONITORING

Monitoring is performed at different levels and by different functions within the organization depending on whether it is related to operational or financial reporting matters. Key functions include the Board of Directors, the Audit Committee, Group Management, Internal audit, committees and work groups, Group ICFR, the Group Legal function, the Business Ethics compliance function, the Group Risk function, and other compliance functions as well as local and divisional management.



## Insurance as a risk management tool

Securitas' insurance and claims strategy is to "act as if uninsured." This means that while external insurance is used to protect the balance sheet and minimize fluctuations in earnings, our day-to-day task is to perform our assignment as if we do not have any insurance in place.

### IMPORTANCE OF ACTIVE CLAIMS MANAGEMENT

One important part of our risk management work involves taking a proactive approach to contracts and assignment instructions to prevent claims from occurring. Another significant part of Securitas' risk management work involves active claims management, as well as ongoing claims analysis of losses with the aim of identifying the underlying driving forces in order to set up measures to mitigate future claims. As the Group's external insurance premiums are partly determined by the historic loss record, a favorable loss record will contribute to lower premiums and a lower cost of risk.

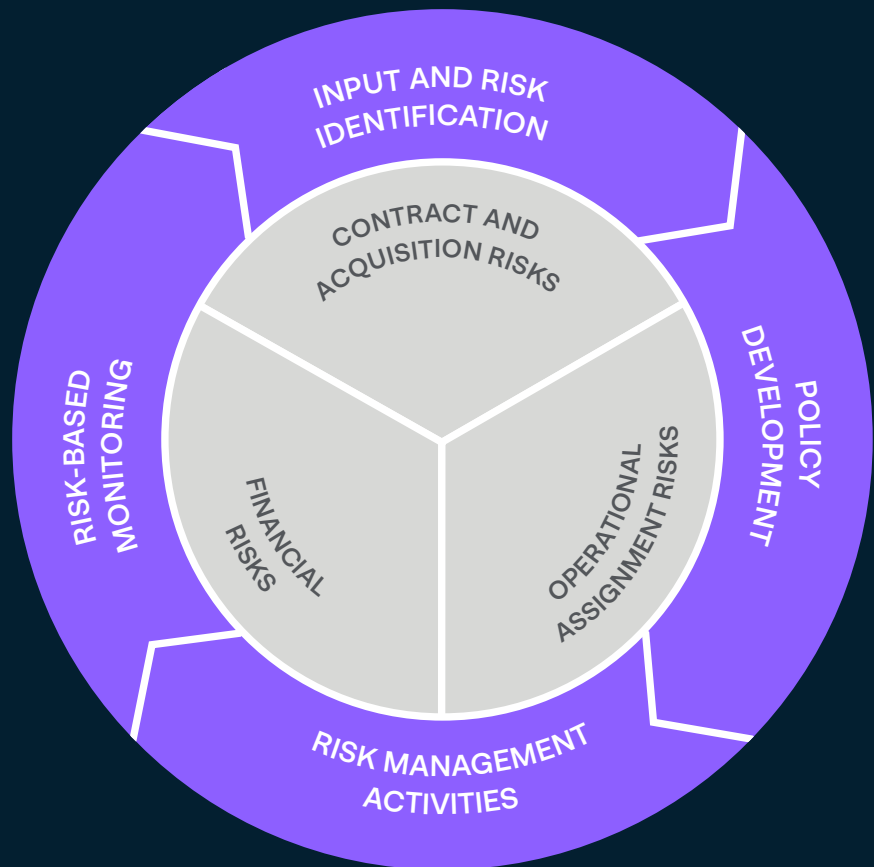
### PROCUREMENT STRATEGY

Insurance programs are procured with the objective of creating a balanced and cost-efficient protection against negative financial impact. Securitas seeks to achieve economies of scale through coordinated insurance programs.

### BENEFITS FOR OUR CLIENTS

An important advantage of our Global insurance programs is that our clients can be confident that Securitas' high-quality insurance cover is consistent in all markets.

# Securitas' four-step process to manage enterprise risk



## INPUT AND RISK IDENTIFICATION

The process starts with risk identification and prioritization during the ERM planning process. As part of the overall annual business plan process, the organization prepares an ERM business plan, which sets the focus and priorities for operational risk management within countries, divisions and the Group for the coming year. The yearly risk assessment process is coordinated by the risk organization led by the Group Risk function. The Group Risk function is also responsible for maintenance of the risk register, which is updated annually primarily based on ERM business plans, but also on other sources of input.

## POLICY DEVELOPMENT

The next step in the process is to assess whether new policies need to be issued or existing policies need to be updated. Securitas Group policies, which is one of the cornerstones of Securitas' ERM process, establish the framework for all policies and compliance monitoring in the Group. The Group policies are developed by management and key policies are approved by the Board of Directors. A general policy update is released after

the statutory Board meeting in May every year, but specific policies are also issued or updated when necessary throughout the year. Some of the key policies adopted that are relevant for governance perspectives are Corporate Governance policy, Group Contract policy, Securitas' Values and Ethics Code, Whistle-blower policy, Communication policy, Anti Bribery and Corruption policy, Fair competition and Anti-trust policy, Privacy policy and Insider policy.

## RISK MANAGEMENT ACTIVITIES

The third step of the process is the risk management activities. The Board of Directors has the ultimate responsibility for governance of risk management while the accountability for managing risks and for implementing and maintaining control systems in accordance with Group policies is clearly assigned to management at Group, divisional and local level. Specifically, divisional management are responsible for all aspects of the operations in their divisions, including operational risk management and risk minimization as well as creating risk awareness throughout the division. Operating unit managers and country

risk managers are responsible for ensuring that risk management is part of the local corporate culture at all levels within a country.

## RISK-BASED MONITORING

The identified risks and adopted policies set the structure for the fourth step of the process – Risk-based monitoring. Key risks are monitored through self assessments, audits, risk and control diagnostics and/or are subject to other monitoring activities throughout the year. Monitoring permeates all levels throughout the organization and is performed by different functions depending on whether it is related to operational or financial reporting matters.

More information on each step of the process is to be found at [www.securitas.com](http://www.securitas.com)

# Signatures of the Board of Directors

Stockholm, March 24, 2022

**Jan Svensson**  
Chair

**Ingrid Bonde**  
Director

**Fredrik Cappelén**  
Director

**Sofia Schörling Högberg**  
Director

**Johan Menckel**  
Director

**Jan Prang**  
Director  
Employee Representative

**Magnus Ahlqvist**  
President and  
Chief Executive Officer

**John Brandon**  
Director

**Gunilla Fransson**  
Director

**Harry Klagsbrun**  
Director

**Åse Hjelm**  
Director  
Employee Representative

**Mikael Persson**  
Director  
Employee Representative

## Auditor's report on the corporate governance statement

(translation of the Swedish original)

To the general meeting of the shareholders of Securitas AB (publ), corporate identity number 556302-7241

### ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors who is responsible for the corporate governance statement for the year 2021 on pages 26-40 and that it has been prepared in accordance with the Annual Accounts Act.

### THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance

statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

### OPINIONS

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

Stockholm, March 24, 2022  
Ernst & Young AB

**Rickard Andersson**  
Authorized Public Accountant