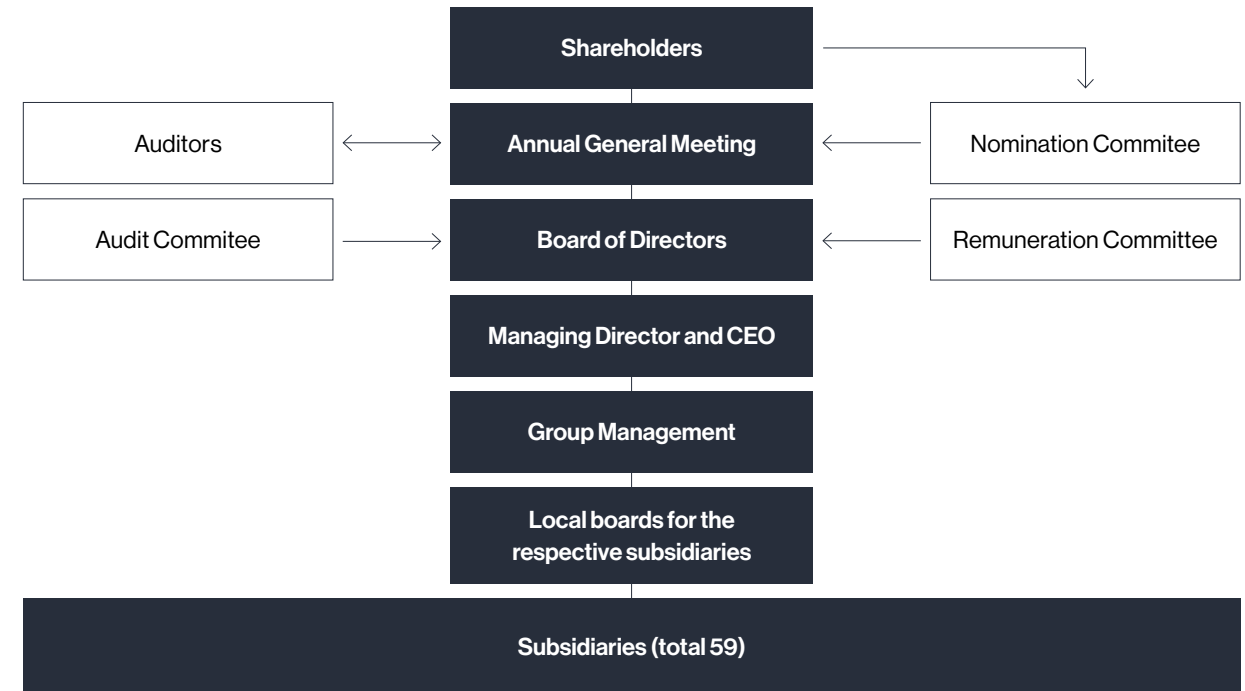


Corporate governance

Decentralised governance with responsible decision making is one of the Fagerhult Group's strengths, and permeates the entire organisation. The objective of corporate governance is to ensure that this is conducted in a clear, effective, reliable and business oriented manner.

Corporate governance is designed to support the company's long-term strategies, market presence and competitiveness. At the same time, it should help maintain confidence in the Fagerhult Group among stakeholders, such as; shareholders, customers, suppliers, capital markets, society and employees.



Key external regulations

- Swedish Companies Act
- Nasdaq Stockholms Issuer Rules
- Swedish Corporate Governance Code
- Accounting rules and regulations

Key internal regulations

- Articles of Association
- Formal plan for the Board of Directors and terms of reference for the CEO
- Guidelines for remuneration to senior management
- Various policy documents and instructions (such as the Group's Code of Conduct, Financial Policy Guidelines and Internal Control Document)

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Shareholders and general meetings of shareholders

The shareholders' rights to decide on Fagerhult Group's affairs are exercised at the Annual General Meeting (AGM), or if appropriate, the Extraordinary General Meeting (EGM), which is the company's highest decision making body.

The AGM is to be held no later than six months after the end of the financial year and is usually held in late-April to mid-May. At the AGM, the shareholders elect the company's Board of Directors and appoint external auditors and decide on their fees. Furthermore, the AGM resolves on whether to adopt the income statements and balance sheets, to approve the appropriation of the company's profit and to discharge the Board and CEO from liability. The AGM also resolves on the composition of the Nomination Committee and its work, and makes decisions on principles for remuneration and other terms of employment for the CEO and other senior management.

The number of shareholders at year end was 11,464 (8,847). The largest individual shareholder is Investment AB Latour, in

which the Douglas family are the main shareholders and hold a total of 47.8 (47.8) per cent. For more information on the ownership structure, share capital, share price development, etc., please refer to the section on the Fagerhult Group share on pages 155–156 and to Note 33.

2023 Annual General Meeting

The 2023 AGM was held on 25 April in Fagerhult (Habo), Sweden. There were 126 578 147 shares represented at the AGM with the voting population being 71.9 (69.4) per cent of the total amount of shares with voting rights. Minutes from the AGM can be found on Fagerhult Group's website.

All resolutions were made in accordance with the proposals of the Board of Directors or the Nomination Committee.

- The AGM adopted the income statement and the balance sheet for the parent company as well as the consolidated income statement and the consolidated balance sheet for the financial year 2022.

- The AGM resolved to pay a dividend to the shareholders of SEK 1.60 (1.30) per share.
- The members of the Board of Directors and the CEO were discharged from liability for their administration of the company during the financial year 2022.
- The AGM resolved on fees to the members of the Board of Directors and to the Chair of the Board of Directors, as well as fees for work in the committees as follows; SEK 1,010,000 to the Chair of the Board, SEK 390,000 each to members of the Board of Directors elected by the AGM, SEK 134,000 to the Chair of the Audit Committee and SEK 80,000 each to members of the Audit Committee and SEK 50,000 to the Chair of the Remuneration Committee and SEK 25,000 each to members of the Remuneration Committee.
- The AGM elected the auditing firm KPMG AB as auditor for the period until the close of the next annual general meeting and the auditing firm has announced that Authorized Public Accountant Mathias Arvidsson will serve as chief auditor.

Largest shareholders as per 31 August 2023

Name	No. of shares	Share capital and voting rights, %
Investment AB Latour	84,708,480	47.8
Swedish National Pension Funds	14,441,850	8.1
Nordea Funds	11,723,386	4.5
BNP Paribas SEC Services	6,171,999	4.2
Handelsbanken Funds	5,074,741	3.9
The Svensson family, foundations and company	4,273,726	2.7
ING Luxembourg SA	4,015,000	2.3

The nomination committee ahead of 2024 AGM comprises:

Member of the Nomination Committee	Representing	Participation/votes, %	Member of the Nomination Committee since
Jan Svensson (not entitled to vote)	Chairman of the Fagerhult Group Board	n/a	2008
Johan Hjertonsson – Chairman	Investment AB Latour	47.8	2019
Jan Särllvik	Fjärde AP-Fonden	8.1	2020
Björn Henriksson	Nordea Funds	4.5	2022
Sussi Kwart	Handelsbanken Funds	3.9	2023

Board of Directors elected by the AGM

	Elected	Born	Fee	Number of shares/votes	Independent in relation to the owners	Independent in relation to the Company	Number of meetings participated in
Chairman, Jan Svensson	2007	1956	1,060,000 ²⁾	75,000	Yes	Yes	8
Vice Chairman, Eric Douglas	1993	1968	415,000 ²⁾	85,708,480 ¹⁾	No	Yes	5
Board member, Cecilia Fasth	2014	1973	524,000 ²⁾	13,755	Yes	Yes	6
Board member, Teresa Enander	2019	1979	470,000 ²⁾	6 200	Yes	Yes	7
Board member, Magnus Meyer	2022	1967	390,000	6,000	Yes	Yes	8
Board member, Eva Elmstedt	2023	1960	390,000	3,500	Yes	Yes	5
Total			3,249,000	85,812,935 (48,7%)	5 (83%)	6 (100%)	8

¹⁾ Sum total of directly and indirectly held shares and shares representing other owners.

²⁾ These fees include board fees as well as audit or remuneration sub-committee fees.

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- The AGM resolved that the company's auditor's fees will be paid based on current account.
- The AGM elected members of the Board of Directors. Jan Svensson, Eric Douglas, Cecilia Fasth, Teresa Enander and Magnus Meyer were re-elected as members of the Board of Directors and Eva Elmstedt was elected as a new member of the Board of Directors.
- Jan Svensson was re-elected as Chair of the Board of Directors and Eric Douglas was re-elected as Vice Chair of the Board of Directors.
- The principles for the composition of the Nomination Committee were adopted.
- The principles for remuneration to senior management were adopted.
- The AGM approved the Board of Director's report regarding compensation pursuant to Chapter 8, Section 53a of the Swedish Companies Act.
- The AGM resolved to approve a performance-based share-savings plan.
- The AGM resolved to authorize the Board of Directors to acquire own shares to the extent the company holds total shares amounts to a maximum of one tenth of all shares in the company.
- The AGM resolved to change AB Fagerhult's company name to Fagerhult Group AB.

Nomination Committee

The Nomination Committee is to be formed after the Chairman of the Board has identified the four largest shareholders in the Company in terms of the number of votes that are to make up the Nomination Committee along with the Chairman who is co-opted. The identity of these shareholders is to be based on the shareholders' register and list of nominees maintained by Euroclear Sweden AB and refer to those shareholders registered under their own names or as members of an owner group as per 31 August 2023. It shall not be necessary to change the composition of the Nomination Committee if only marginal changes in the ownership of shares occur after this date. The mandate for the Nomination Committee is until a new Nomination Committee is appointed.

The Nomination Committee consists of the following individuals together with the names of the shareholders they represent; Jan Svensson as Chairman of the Board of Fagerhult Group AB,

Johan Hjertonsson, Investment AB Latour, Jan Särilvik, Fjärde AP-Fonden, Björn Henriksson, Nordea Funds and Sussi Kvart, Handelsbanken.

The Nomination Committee for the 2024 AGM is described above. The Committee's representatives have broad and extensive experience of Board work and work on Nomination Committees.

The work of the Nomination Committee takes place during the end of the financial year and at the start of the new financial year. Prior to an AGM at which auditors are to be appointed, the Nomination Committee collaborates with the Audit Committee, which works with the evaluation of the work of the auditors. The Nomination Committee is to observe the guidelines that apply to independent Board members under the Swedish Corporate Governance Code when making nominations to the AGM. Shareholders have the opportunity to submit written proposals to the Nomination Committee.

External auditors

The company's auditor, elected at the AGM, examines Fagerhult Group AB's annual report and consolidated accounts, the administration of the company by the Board of Directors and the CEO, and the annual accounts of subsidiaries, and submits an audit report. The audit is conducted in accordance with the Swedish Companies Act, International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden.

At the 2023 AGM, KPMG AB were appointed as auditors, with Mathias Arvidsson as the chief auditor. Among his major auditing assignments, Mathias Arvidsson also has Wallenstam AB, IKEA of Sweden AB, Nelly Group AB and Christian Berner Tech Trade AB.

The auditor participated at the Audit Committee meetings in February, August and December 2023 and February 2024.

Auditing of the Group's companies around the globe is coordinated by KPMG AB. All of the activities of companies with a significant scope of operations are audited by KPMG AB in the respective country. For a number of smaller companies, the audit is performed by other accounting firms.

The Board of Directors

Board members

The Board of Directors determines issues concerning the Group's strategic focus, finances, investments, acquisitions, sales, organisation matters and rules and policies. The Board of Directors is

kept abreast of the company's operations through monthly reports provided by Group Management.

The Board of Directors currently consists of six members elected by the general meeting, as well as two Board members and one deputy member elected by the trade unions. The six Board members combined represent ownership participations equivalent to 48.7 (48.7) per cent of the company's share capital and votes. The trade union representatives are the only Board members employed by the Company. The CEO participates in all Board meetings and on occasion, other company employees participate in Board meetings in a reporting capacity. The company's CFO serves as the Board's secretary. For further information concerning the Board members elected at the company's general meeting, refer to the section concerning the Board of Directors on pages 149–150 of this annual report.

The Board's work is regulated by the Swedish Companies Act, the Articles of Association and the formal work plan adopted by the Board. Among other things, the Board's work plan contains rules stipulating the number of Board meetings to be held each financial year, the issues to be addressed at the meetings, and the division of duties between the Board of Directors and the CEO. The CEO's terms of reference set out the CEO's duties and obligation to report to the Board.

During 2023, eight Board meetings took place. One of these was the statutory Board meeting, one was a per-capsulum Board meeting for approval of the sustainability report. Four of these meetings address the quarterly reports and the year-end report, one addressed the budget for the following year and one focussed on strategy. At least one of the Board meetings takes place in conjunction with a visit to, and an in-depth review of, one of the Group's companies, during 2023 this was facilitated by a visit Whitecroft Lighting Limited in the UK. Strategic topics are also discussed during the year when appropriate and this tends to be an additional three or four times per year. Such topics include; business strategy, connectivity, sustainability, human resources, digitalisation etc.

During 2023 the Board held 6 normal Board meetings, 1 per-capsulum Board meeting and 1 statutory Board meeting. The auditor of the company is present at Board meetings when needed, normally once a year and normally at the February meeting. Notices and supporting documents are sent to the Board a week in advance of the Board meetings. The Board appoints two different committees annually; the Audit Committee and the

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Remuneration Committee. The aim of these committees is to enhance and facilitate the Board's work, and to address matters related to these areas.

Board of Directors' independence

Fagerhult Group's Board meets the stipulation in the Code that a majority of the elected members are independent of the company and its management, and that at least two of the members are independent in relation to major shareholders (that is, ownership exceeding 10 per cent). See the table on page 117. The Chairman of the Board, Jan Svensson became independent from 1 September 2019. Eric Douglas represents Investment AB Latour and the Douglas family and is not considered to be independent. With the exception of the union representatives no members of the Board are employed by the Group. The Nomination Committee's assessment regarding whether each proposed member meets the independence requirements is announced in connection with the Committee's proposal.

The work of the Board in 2023

The Board met eight times during the year, with one of these meetings being the statutory Board meeting. Four of the eight meetings were fully attended by the Board. Two meetings had one member absent, the July and the October meetings and a further two meetings had two members absent, the statutory Board meeting and the April Board meeting. The company's auditor, KPMG was present at the February Board and Audit Committee meetings that addressed the annual accounts for 2022 as well as at the remaining two Audit Committee meetings; August and December.

Important matters dealt with during the year included, amongst other things:

- Long-term operational goals
- The strategic focus of the operations
- Business plans, financial plans and forecasts
- Major investments and divestments
- Decisions on long-term financing
- Policies and instructions
- Review of the Group's risk management
- Interim reports and annual accounts
- Reports by the Board's committees
- Review of the Group's CSR position and developments

- Follow-up of the external audit
- The Group's sustainability strategy and long-term goals

Evaluation of the work of the Board

The Board will ensure that its work is continuously evaluated through a systematic and structured process. This evaluation is initiated by the Chairman of the Board. Among other things, the process includes an on-line questionnaire in which Board members have the opportunity to express their opinion of the Board's work and to propose ways to improve it. The results of the evaluation are disclosed to the Board, followed by discussions and decisions regarding changes in working methods.

The Board continuously evaluates the work of the CEO and Group Management.

The Audit Committee

The main duty of the Audit Committee (AC) is to audit the Group's accounting and financial reporting, as well as to remain in continuous contact with the auditors and review their work plan and fees. Furthermore, the AC is to assist the Nomination Committee in its choice of auditors and their fees prior to those AGMs at which the appointment of auditors takes place.

In 2019, the AC was established as Cecilia Fasth (Chair) and Teresa Enander (member). The CFO, the Group's Legal Counsel (GLC) and the auditor attended all three AC meetings during the year. All members of the AC attended the three meetings during 2023 and so too the CFO, the GLC and the auditor. The Chair of the AC gave a brief report to the Board at the February, August and December Board meetings.

The Remuneration Committee

The work of the Remuneration Committee is, on behalf of the Board, to prepare and negotiate issues concerning the salary and other remuneration to the CEO, and to approve the CEO's proposals for salaries and remuneration for the other members of senior management.

Its duties also include examining the fees to Board members in the event that they are engaged as consultants by the company's management. The Committee also addresses any Group-wide bonus system and share option programmes. Decisions concerning remuneration for the CEO are determined by the Board.

The Remuneration Committee consists of Jan Svensson (Chairman of the Board) and Eric Douglas (Vice Chairman of the Board). The Committee has had two meetings during the year, at which both members were present.

CEO and Group Management

Fagerhult Group's President and CEO is responsible for leading and developing operating activities pursuant to the guidelines and instructions issued by the Board. The framework is provided by the terms of reference issued to the CEO, which are determined annually by the Board.

The CEO is assisted by Group Management, consisting of the heads of business areas and Group functions. In consultation with the Chairman, the CEO compiles the necessary information and documentation which provides the basis for the Board's work and for the Board to make informed decisions. The CEO is responsible for bringing matters to the attention of the Board and for motivating proposed decisions. The CEO is responsible for and reports on an ongoing basis to the Board on the company's development. In addition, the CEO leads the work of the Group Management and makes decisions in consultation with other members of management.

The CEO owns 38,706 shares in the company and this is stated in the presentation of the management on page 152. The holding is not classified as significant and the CEO has no partnership in companies that have significant business relationships with companies in the Fagerhult Group.

During the year, the Group Management comprised the CEO, the CFO, the CPO, the Chief Sustainability Officer until September 2023, the Chief Strategy & Communications Officer and the Chief Technical Officer plus four managers with responsibility for the business areas. At the end of the year there were three managers with business area responsibility.

Group Management has had regular weekly and monthly meetings during the year where it followed up operations, discussed matters affecting the Group and drafted proposals for strategic alignment plans and budgets, which the CEO presented to the Board for decision. During 2023, a considerable number of meetings and time was devoted to strategic issues such as sustainability, connectivity, HR matters and developing collaboration for longer term organic growth activities in the business areas.

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Code of conduct

- Our global presence demands that our employees and business partners take responsibility for themselves and for each other. Therefore, we have created a regulatory framework, our Code of conduct.
- Our Code of Conduct should be followed by everyone included in our Group, employees as well as the Board and Management. We also communicate our Code of Conduct to our business partners, with the expectation that it is complied with.
- Our Code of Conduct states, amongst other things, that we will act as a reliable and honest Group that lives up to its commitments. We believe in long-term business relationships in which we, together with our business partners, create a basis for strong financial results, concern for the environment and social commitment.

Management of subsidiaries

Fagerhult Group's operations are organised into four business areas which include 59 subsidiaries. The operations of the respective subsidiaries are controlled by their leadership teams. The leadership teams of the subsidiaries consist of, among others, the managing director of the subsidiary, the local senior managers of functions, the business area manager and, in most cases, the Group's CEO and Group's CFO. A formal work plan is established annually for each subsidiary, in which responsibilities and authorities are clearly delegated and where the work of the subsidiary's leadership team is governed. These meetings are held twice per year.

Fagerhult Group has a decentralised structure, with a strong focus on strategy, local responsibility and performance, which combines with clear, Group-wide processes to realise synergies.

The Company's senior managers and specialists meet continuously to reach a broad consensus on important issues.

Fagerhult Group's Code of Conduct and global presence demand that our employees and business partners take responsibility for themselves and for each other. The Code clarifies Fagerhult Group's position on issues related to human rights, labour conditions, the environment, business ethics and communication.

The Code applies to all Fagerhult Group employees regardless of their position. The Board and Group Management have a particular responsibility to promote the application of the Code of Conduct. The Code is also communicated to all of Fagerhult Group's business partners with the expectation that it is complied with. Fagerhult Group acts as a reliable and honest Group that lives up to its commitments. Fagerhult Group believes in long-term business relationships in which we, together with our business partners, create a basis for strong financial results, concern for the environment and social commitment.

Remuneration to the Management and Board

Guidelines for remuneration to senior management

The existing policies, for 2023, are that remuneration to the CEO and other senior management consists of a fixed basic annual salary plus an annual variable remuneration in the form of a bonus scheme tied to relevant and appropriate performance measures plus a company car benefit and a pension scheme with contributions made by the employer and employee. Annual variable remuneration is based on achieving goals and is maximised at 30–50 per cent of the fixed basic annual salary.

The remuneration to senior management supports the company's strategy and long term development and sustainability in several ways. Firstly, the total compensation is scheduled during the current year as a basic salary plus the annual bonus aimed at improving the overall short term result. Importantly the long-term incentive scheme seeks performance improvement over a three year term by focusing on sustained delivery. Secondly, the annual bonus scheme is designed to work in conjunction with longer term aspects, for example sustained growth. Also, the annual schemes

and long term schemes tie employees together in working teams with common objectives.

Fixed annual basic salaries for staff and senior management are reviewed simultaneously, thereby ensuring consistency of levels of increase. Often, there are many members of staff who are offered an annual bonus scheme, which again is tied to similar performance criteria to those of senior management. The establishment and development of the executive remuneration policy is made by a combination of the board and the remuneration committee, sometimes with input from the market outside.

In 2021, 2022 and 2023, at the Annual General Meetings, a long-term incentive (LTI) scheme was proposed, approved and introduced in the form of a performance-based share plan for senior management. Senior management were invited by the CEO to become members of the scheme and this came with an obligation for them to invest between 2.5 per cent and 12 per cent of an annual basic salary in acquiring Fagerhult Group shares. Depending upon the aggregated three year earnings per share (EPS) the members have the opportunity to receive up to 4 Fagerhult Group shares in return for their investment providing a 100 per cent of the EPS targets have been achieved. Between 1 per cent and 100 per cent of the EPS targets, the award is linear.

For 2024 the above policies will be proposed at the Annual General Meeting.

Remuneration to the Board

Fees payable to Board members are determined annually by the AGM. Board members who are also employees of the company receive no Board fees. From 2019 fees were payable to members of the Audit Committees and from 2022 fees were also payable to members of the Remuneration Committee, separate to the standard Board fee. In 2023, remuneration was paid in accordance with the table on page 117.

Remuneration to the auditors

In 2023, remuneration was paid in accordance with Note 26 on page 129.

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Internal control of financial reporting

Internal control aims to ensure accurate and reliable financial reporting and accounting in line with applicable laws and regulations, accounting standards and other requirements for listed companies.

Control environment

The control environment comprises the values and ethics which the Board of Directors, Audit Committee, the CEO and Group Management communicate and operate under.

The basis of internal control for financial reporting consists of the control environment together with the organisation, decision making paths, authorities and responsibilities which are documented and communicated in governing documents.

One example is the division of responsibilities between the Board and the CEO and instructions regarding the delegation of authority, as well as instructions applying to the accounting and reporting. Important internal control instruments include Fagerhult Group's Code of Conduct and core values. The Code includes principles governing how business is to be conducted and is reinforced every two years with the most recent being during 2023 when 1,761 managers and key individuals across the group underwent an online training and testing process. This will continue to be repeated every two years, the next being in 2025. These values represent a long-term commitment and a shared base connected to the business concept and strategies guiding employees in daily operations.

Fagerhult Group is characterised by a decentralised organisation based on goal-oriented management, where good performances are rewarded.

Financial reporting to the Board

The CEO is responsible for ensuring that the Board receives the reports required for its ongoing assessment of the company's and the Group's financial positions. Fagerhult Group's Board receives monthly financial reports and the Group's financial situation is addressed at each Board meeting.

Risk assessment

Regarding financial risk assessment, the risks are assessed as mainly relating to the potential for material misstatement in the reporting of the company's financial position and performance. To minimise these risks, governing documents have been established for accounting, for procedures for annual reporting and for follow-up of reported annual accounts. Fagerhult Group's Board regularly assesses reporting from a risk perspective. As a support for these assessments, profit/loss items and balance-sheet items are compared with previous reports as well as budgets and forecasts.

The risks identified in the financial reporting are managed through the Group's control structure. In addition to assessing the risks in the financial reporting, the Board and management work continuously to identify and manage significant risks affecting Fagerhult Group's business from an operational and financial perspective. During 2023 each brand company performed their own internal risk assessment and this will be repeated during 2024. Read more about risks on pages 132-134.

Control activities and follow-up

Control activities involve all levels of the organisation and concern the measures selected to manage the Group's risks.

To ensure completeness and accuracy in the financial reporting, instructions and guidelines are in place that have been communicated to the relevant personnel. The activities also limit risk from the identified risks. The Group's central control function analyses and monitors budget deviations, prepares forecasts, monitors significant variations between periods, and reports these to others within the organisation, thereby minimising the risk of errors in the reporting. Control activities also include follow-up and comparisons of earnings trends or significant individual items, account reconciliations and balances, and the approval of all proxy and attestation instructions, as well as accounting and valuation principles.

Monitoring of the effectiveness and compliance with these control activities takes place through programmed controls and

through individually established procedures. The Group has a shared reporting system in which all reporting is carried out. Financial follow-up is carried out by Group Management in conjunction with regular visits to the subsidiaries, in parallel with development of the control function.

Information and communication

Fagerhult Group continuously provides information about the Group's performance and financial position to the market. The quality of external financial reporting is ensured through various activities and procedures.

The CEO is responsible for the accuracy and quality of all information provided, for example, capital markets days, quarterly webcasts of the financial results, financial press releases and presentation materials for various meetings with the media, shareholders and investors.

The policy is intended to ensure that Fagerhult Group's information requirements are met in an accurate and complete manner. The most important governing documents, in the form of policies and instructions, are kept up-to-date and are communicated via the appropriate channels, mainly electronically.

Internal information and communication is about creating awareness among the Group's employees about external and internal governing instruments, including authorities and responsibilities.

During 2021 the CFO re-issued to the relevant personnel an update of the Group's Financial Internal Control Guidelines as well as the Group's Financial Policy document. A self-assessment for each significant subsidiary was then completed and during 2022 these were issued to KPMG, for inclusion in the third quarter and end of year audit process. This process has been repeated during 2023 and during 2024 the CFO will issue an update of the Group's Financial Internal Control Guidelines to include a more significant emphasis on IT and cyber-security.

Fagerhult Group's whistle-blower policy means that each employee has the right to report suspected breaches of laws or regulations without fear of reprisal.

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Evaluation of the need for a separate audit function

The Board and management have determined that a separate internal audit function will not be established in the Fagerhult Group. The Group's Finance, Legal and HR departments continually monitors compliance with the company's governance model, reporting principles and policies. In addition, the Finance department conducts ongoing analyses of the company's reporting and financial results to gain assurance regarding the trend.

During the last four years the Group's Finance department has established a forum focussed on addressing financial reporting and tax matters and through these regular forum meetings many matters are addressed and progressed.

Together with the controls implemented by the Group's management and the different business areas existing control functions, discussions with the company's external auditors concerning the audit approach, as well as the auditing firm's extensive organisation are assessed as providing a satisfactory level of assurance. This means that a separate internal audit function is not considered necessary.

Activities in 2023

During the year Group Management continued to focus on the core strategic areas as well as dedicated time given to those external events that have an impact on the business.

As a result of the supply chain difficulties during 2022 and the associated cost pressures there was a considerable focus on pricing management and the Group dealt with this situation well and delivered a much improved industrial margin in 2023.

The activity level on the Group's address to sustainability increased further. The Group's Science Based Target initiative targets were validated during 2023 and actions take place to support the delivery of the scope 1, 2 and 3 near term and long-term targets.

During the year, the HR agenda turned to talent development and succession planning as well as a programme to establish updated leadership principals. During the year the Group has made many good new recruitments, at many levels across the Group and the recruitment of increased talent and competence is a corner stone for long term development. This remains a core priority.

From the business area perspective, the continued focus has been on developing the new business area setup combined with

making progress on those identified key areas for organic growth. These key areas are focussed at long term sustained growth and for example include the address at the North American market, the approach to the retail application area, the DACH market for education, healthcare and offices and the internationalisation of the high end designer brand atelje Lyktan. Lastly, worth mentioning, is the rapidly growing market in the retrofit and refurbishment segment where the Group's successes continues to increase. Here, fueled by higher energy costs, the increasing sustainability agenda and the autumn 2023 ban of the production of and the import into Europe of fluorescent lamps and many of our businesses have good success.

From a technology/connectivity perspective the year has seen significant progress. The volumes of the Organic Response sensor node 3 (SN3) reached yet another all-time high and we are sure that this growth will continue as we expand our knowledge and increase the investment levels. The late 2022 recruitment of the CTO has been beneficial in taking the technology solutions to market and this address will also support the growth and development in the coming years.