

Corporate Governance Statement

2023

TAALERI

Sisällys

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I. Introduction

Taaleri Plc (hereinafter “**Taaleri**” or “**Company**”) is a Finnish public limited company, which is listed on Nasdaq Helsinki (hereinafter “**Helsinki Stock Exchange**”).

In addition to the laws and regulations applicable to listed companies, the regulations of the Finnish Financial Supervisory Authority and Taaleri’s Articles of Association, the Company adheres to the Securities Market Association’s Finnish Corporate Governance Code (hereinafter “**Corporate Governance Code**”), which is publicly available on the Association’s website at www.cgfinland.fi.

Taaleri’s Board of Director’s Audit Committee has approved this Corporate Governance Statement on 6 February 2024. The Statement is available on the Taaleri website under Corporate Responsibility and Document Archive (<https://www.taaleri.com/en/corporate-responsibility/document-archive>). The Statement was prepared as a separate document from the Board’s Annual Report.

In 2023, Taaleri complied with the Corporate Governance Code without exception.

II. Descriptions concerning corporate governance

The administration, management and supervision of Taaleri are divided between the General Meeting of Shareholders, the Board of Directors and the CEO. The CEO manages operational business with the assistance of the Executive Management Team.

General Meeting of Shareholders

The General Meeting of Shareholders is Taaleri’s ultimate decision-making body. Each of the Company’s shares entitles its holder to one vote at a General Meeting. The Company’s Annual General Meeting was held on 13 April 2023. The meeting was attended by 85 shareholders, who were represented either in person, through a legal representative or by proxy, representing 10,479,584 shares and votes (37,0 %) of the Company’s total number of shares and votes (a total of 28,350,620). The minutes of the Annual General Meeting can be viewed at <https://www.taaleri.com/en/corporate-responsibility/governance/general-meetings>.

The Annual General Meeting of Shareholders was held as a hybrid meeting in accordance with chapter 5, section 16, subsection 2 of the Limited Liability Companies Act. Taaleri’s Articles of Association also allow a general meeting of shareholders to be held as a hybrid meeting. As an alternative to participating in the Annual General Meeting at the meeting place, the shareholders could fully use their rights during the meeting also via a remote connection, in which case, in accordance with the Limited Liability Companies Act, in addition to the shareholders present at the meeting place, those shareholders who participated in the meeting via a remote connection organized by the company were considered to be present at the meeting. Shareholders also had the opportunity to ask questions in advance about the issues to be discussed at the Annual General Meeting.

Matters to be resolved at the Annual General Meeting include the election of Members of the Board of Directors and the auditor, the remuneration to be paid to them, the adoption of the financial statements and consolidated financial statements, the release of the Board members and the CEO from liability, and the disposal of profits shown on the balance sheet.

A General Meeting may also deal with other matters specified in the Finnish Limited Liability Companies Act as being the business of General Meetings, such as increases or decreases of the share capital, issuances of shares, acquisitions of own shares and amendments to the Articles of Association. In addition, General Meetings deal with matters included on the agenda by shareholders as set out in the Limited Liability Companies Act. An Extraordinary Meeting of Shareholders is convened when the Board of Directors considers it necessary or when one must be convened by law.

Board of Directors

Composition of the Board of Directors and member details

In accordance with Taaleri's Articles of Association, the Board comprises a minimum of three and a maximum of eight actual members. The Annual General Meeting selects the members of the Board. As stated in the Articles of Association, the Chairman of the Board of Directors and Vice Chairman of the Board of Directors are elected by the General Meeting. The term of office of a Board Member begins at the General Meeting at which he or she is elected and ends at the close of the next Annual General Meeting.

On 13 April 2023, the Annual General Meeting elected six Board members. The following were re-elected as Board members:

Name	Year of birth	Education	Main position
Juhani Elomaa	1960	M.Pol.Sc., eMBA	Chairman of the Board, Taaleri Plc
Petri Castrén	1962	OTK, MBA	CFO, Kemira Plc
Elina Björklund	1970	M.Sc.	Managing Director, Reima Group Ltd
Hanna Maria Sievinen	1972	D.Sc. (Econ.)	Professional Board Member
Tuomas Syrjänen	1976	M.Sc. (Tech.)	Founding member, Futurice Oy
Jouni Takakarhu	1959	DI	Professional Board Member

The Annual General Meeting elected Juhani Elomaa as Chairman of the Board and Hanna Maria Sievinen as Vice Chairman.

Board's assessment on the independence of each member

The Board of Directors evaluates the independence of its members and announces which of its members have been deemed to be independent of the Company and of its major shareholders. According to the Board of Directors' assessment, all members of the Board of Directors are independent of the company and the company's significant shareholders.

Ownership information of the Board members and their controlled undertakings

The shares and share-based rights of the Board members and companies over which they exercise control in the Company at the end of the financial period 31 December 2023:

- Juhani Elomaa: 1,793,690 shares
 - No controlled undertakings

Julkinen

- Elina Björklund: 12,000 shares
 - No controlled undertakings
- Hanna Maria Sievinen: 7,900 shares
 - No controlled undertakings
- Tuomas Syrjänen: 7,782 shares
 - No controlled undertakings
- Petri Castrén: 4,000 shares
 - No controlled undertakings
- Jouni Takakarhu: no shares
 - No controlled undertakings

Members of the Board of Directors, together with their controlled undertakings, own a total of 1,825,372 Taaleri shares, representing 6.44 % of the Company's shares and votes.

Description of the Board of Director's operations

Duties and charter of the Board of Directors

The Board is responsible for the administration and supervision of the Company's operations in accordance with the Finnish Limited Liability Companies Act, the Articles of Association and other applicable legislation, rules and regulations.

The Board of Directors controls and supervises the Company's executive management, appoints and dismisses the CEO, approves the company's strategic objectives and risk management principles and ensures the operation of the management system.

The Board has prepared a charter on its activities, specifying the key tasks and operating principles of the Board and its Chairman. The Chairman of the Board ensures and monitors that the Board efficiently and appropriately discharges the tasks prescribed for it in the legislation, Corporate Governance Code, the Articles of Association and the charter.

The main duties of the Board of Directors are:

- to assess and monitor the Company's strategic direction and to decide on it
- to approve the strategic plans of the Company and its business segments as well as their business and financial targets, and to annually assess their implementation
- to monitor the development of the operational business of the Group companies and achieving targets, changes in the operating environment, and the management perspective and its changes
- to make significant investment decisions
- to decide on matters related to the Company's shares, other financial instruments, business arrangements, reorganizations or permits
- to approve the principles and policies required by regulation and the Company's Corporate Governance and related governance principles
- to decide on the establishment, size and composition of committees
- to assess and approve the charters of the Board of Directors, committees and Executive Board
- to approve the principles of monitoring and evaluating of related-party transactions
- to process and approve the Company's regular financial reporting
- to decide on the organisation of the internal audit

Julkinen

- to appoint the CEO and Deputy CEO and to decide on their dismissal
- to appoint the members of executive management reporting directly to the CEO
- to decide on the contracts of service and remuneration of the CEO and Deputy CEO
- on the proposal of the Remuneration Committee, to decide on the incentive scheme principles and the incentive schemes themselves

The essential content of the Board of Directors' charter is described at the address <https://www.taaleri.com/en/corporate-responsibility/governance/board-of-directors-and-committees>.

Board of Directors' activities during the 2023 financial period

The Board meets regularly according to a meeting schedule confirmed in advance as well as when necessary. The Board has a quorum when more than half of the members are present. The CEO and the General Counsel, who serves as the Secretary of the Board, participate in meetings of the Board. Other members of Taaleri's Executive Management Team participate in Board meetings on the invitation of the Board.

The Board conducts an annual assessment of its activities and working procedures and develops its activities based on the results of the assessment.

The Board of Directors convened 14 times in 2023. Board members were present at meetings of the Board as follows:

- Juhani Elomaa 14/14 (participation percentage 100%)
- Hanna Maria Sievinen 14/14 (participation percentage 100%)
- Tuomas Syrjänen 14/14 (participation percentage 100%)
- Elina Björklund 14/14 (participation percentage 100%)
- Petri Castrén 14/14 (participation percentage 100%)
- Jouni Takakarhu 14/14 (participation percentage 100%)

Principles regarding the diversity of the Board of Directors

Purpose of diversity of the Board

Diversity of the Board supports the Company's business operations and their development. Diversity strengthens the activities of the Board by elucidating the views on the Company's development and business management of individuals of different ages, educational backgrounds and experience. Diversity increases open discussion and strengthens the decision-making of Board members.

Taking diversity into account in electing Board members

The Shareholders' Nomination Board prepares for General Meetings a proposal on the number of Board members, the individuals to be elected members and the remuneration of the Board.

When preparing proposals for General Meetings, the Shareholders' Nomination Board must take into account the requirement for diversity. In its preparatory work, the Board must assess the requirements set for the qualifications of Board members in the light of the Company's situation and assess how sufficiently diverse the Board of Directors is in terms of factors such as the experience of the Board members, their knowledge of the Company's business operations and their education as well as age and gender distribution. Board members must have sufficient expertise and experience as well as the opportunity to devote enough time to Board work, considering the current and planned needs of the Company. The Board must have an adequate number of members.

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According to the diversity principles of Taaleri's Board of Directors, the Board must consist of at least one-third of both genders, and the aim is to transition towards a fully equal gender distribution over time.

The Board members must have a range of different areas of expertise that support the achievement of the Company's current strategic objectives. In addition to knowledge of the fields of business, these areas of expertise include:

- finance and treasury
- business management
- strategy development and management
- knowledge of capital market operating mechanisms

Board members must have sufficient education that supports the Company's operations and achievement of objectives. A majority of the Board members must be independent of the Company. At least two members who are independent of the Company must also be independent of the Company's major shareholders.

Realisation of diversity

The Company has fulfilled the requirements for diversity in the composition of the Board of Directors. All members of Taaleri's Board of Directors have university-level degrees in business, law, politics and/or engineering. The Board members extensively represent experience with the capital markets, business and societal structures as well as versatile entrepreneurial experience. The Board consists of four men and two women. The Board members have an average age of 56 years. The longest term of office of the members of the Board has lasted for seven years (Vice Chairman of the Board Hanna Maria Sievinen) and the shortest about a year and a half.

Composition and activities of the committees set by the Board of Directors

Taaleri's Board of Directors has two committees, which assist the Board by preparing matters pertaining to the Board. The duties and operating principles of the committees are defined in the committee procedures, the essential content of which is presented on the Company's website at <https://www.taaleri.com/en/corporate-responsibility/governance/board-of-directors-and-committees>.

Audit Committee

Hanna Maria Sievinen was elected Chair of the Audit Committee, and Petri Castrén and Jouni Takakarhu were elected as other members.

The Audit Committee is one of the committees of the Board of Directors, and its main function is to monitor the Company's processes of financial reporting, bookkeeping, auditing, internal control, internal auditing and risk management.

According to the Audit Committee's procedure, the Committee's duties include the following:

- to process and transmit to the Board the principles and policies required by legislation and requiring Board approval
- to process and transmit to the Board the principles of monitoring and evaluation of related party transactions
- to monitor the financial statement reporting and other financial reporting and the reliability thereof
- to monitor the efficiency, functionality, methods of internal control and risk and capital adequacy management

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- to process and provide to the Board the principles for internal control and risk and capital adequacy management
- to monitor and control the Company's responsibility development and procedures
- to regularly assess and monitor the efficiency and methods of the Company's internal audits as well as the organization, tasks and human resources
- to prepare proposals for the Board regarding internal audit plans
- to monitor the arrangement of compliance, control of operability and prevention of malpractice
- to assess the competence, operations and independence of the auditor
- to approve the remunerations paid to the auditor in accordance with the instructions provided by the Annual General Meeting
- to monitor and control the statutory audit of the financial statements and consolidated financial statements
- to assess the services related and unrelated to auditing provided to the Company by the auditor
- to prepare and present to the Board of Directors a proposal on the auditor's fee and appointment/reappointment
- to monitor conformity of the Group's upcoming and existing incentive schemes and remuneration with requirements and to monitor the correctness of the payments made on the basis of the incentive schemes

The Audit Committee met 6 times in 2023. Audit Committee members were present at meetings of the Audit Committee as follows:

- Hanna Maria Sievinen 6/6 (participation percentage 100%)
- Petri Castrén 6/6 (participation percentage 100%)
- Jouni Takakarhu 6/6 (participation percentage 100%)

Remuneration Committee

Juhani Elomaa was elected Chairman of the Remuneration Committee, and Tuomas Syrjänen and Elina Björklund were elected as other members.

The functions and responsibilities of the Remuneration Committee concern the remuneration and successor planning of the CEO, Deputy CEO and the Group's Executive Management Team and the preparation of Taaleri Group's incentive schemes.

According to the Remuneration Committee's procedure, its duties include the following:

- to prepare and present to the Board of Directors the executive management's service contracts and their terms
- to assess the functionality of the incentive scheme and remuneration in terms of its purpose and to control the correctness of the amounts paid based on the remuneration scheme
- to prepare a proposal for the incentive scheme principles
- to assess the timeliness of the remuneration policy for governing bodies
- to prepare a proposal for the incentive schemes to be used within the Group
- to carry out continuous successor planning

The Remuneration Committee met 6 times in 2023. Remuneration Committee members were present at meetings of the Remuneration Committee as follows:

- Juhani Elomaa 6/6 (participation percentage 100%)
- Elina Björklund 6/6 (participation percentage 100%)

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- Tuomas Syrjänen 6/6 (participation percentage 100%)

Shareholders' Nomination Board

Taaleri's Annual General Meeting 2019 decided to establish a permanent Shareholders' Nomination Board, the primary task of which is to prepare and present to the Annual General Meeting and, if necessary, any Extraordinary General Meeting proposals regarding the election and remuneration of members of the Board of Directors, and to seek potential successors for members of the Board. The duties and operating principles of the Nomination Board are defined in the committee's charter, the essential content of which is presented on the Company's website at <https://www.taaleri.com/en/corporate-responsibility/governance/board-of-directors-and-committees>.

The Nomination Board will have three members representing the Company's biggest shareholders. The right to nominate will rest with the three shareholders with the largest number of votes conferred by the Company's shares according to the share register maintained by Euroclear Finland Oy or based on shareholder information presented separately by holders of nominee-registered shares on the last weekday in August of the year preceding the next Annual General Meeting. If a shareholder chooses not to exercise the right to nominate, the right will transfer to the next largest shareholder that would otherwise not have a right to nominate. If two shareholders hold the same number of voting rights and it is not possible to appoint both members proposed by the shareholders for the nomination committee, the matter will be decided by lot.

It is the duty of the Chairman of the Board of Directors to request the three largest shareholders to each appoint one member for the appointment committee.

The Chairman of the Board of Directors will convene the first meeting of the Nomination Board and act as the chairman of the Nomination Board until the Nomination Board has chosen from among its number a chairperson, who will convene the Nomination Board thereafter. At the request of the Nomination Board, the Chairman of the Board of Directors may serve as an expert member of the Nomination Board.

The Nomination Board will be established to operate until further notice until decided otherwise by the general meeting. Members of the Nomination Board will be appointed on an annual basis, with a term that ends once new members have been appointed for the Nomination Board.

Composition of the Shareholders' Nomination Board

Composition of Taaleri's Shareholders' Nomination Board on 31 December 2023:

- Peter Fagernäs, Chairman of the Board of Hermitage & Co Oy
- Pertti Laine, Chairman of the Board of Veikko Laine Oy
- Juhani Elomaa, Chairman of Taaleri's Board of Directors

At its meeting on 25 September 2023, the Shareholders' Nomination Board elected Peter Fagernäs as its Chairman.

Activities of the Shareholders' Nomination Board during the 2023 financial period

The Shareholders' Nomination Board met three times in 2023. The members of the Nomination Board attended the meetings as follows:

- Peter Fagernäs 3/3 (participation percentage 100%)
- Pertti Laine 3/3 (participation percentage 100%)

Julkinen

- Juhani Elomaa 3/3 (participation percentage 100%)

The CEO and his duties

It is the task of the CEO to attend to the practical management of Taaleri's business operations and to organise administration. The CEO is responsible for preparing matters to be dealt with and decided by the Board of Directors, implementing the decisions of the Board and achieving the goals set by the Board of Directors. The CEO ensures that the Company's bookkeeping complies with the applicable law and that management of funds is handled in a reliable manner. The CEO also serves as the chairman of Taaleri's Executive Management Team. The Board of Directors appoints the CEO and Deputy CEO and relieves them of their duties.

Peter Ramsay (M.Sc. (Econ), b. 1967) acted as CEO of Taaleri.

Ownership information of the CEO and his controlled undertakings

The shares and share-based rights of the CEO and his controlled undertakings in the Company at the end of the financial period on 31 December 2023:

- Peter Ramsay: 4,688 shares
 - Ownership of controlled undertaking (Fondlux Oy), 10,000 shares
 - Ownership of controlled undertaking (Ramsay Invest Oy) 28,790 shares
- Peter Ramsay: 300,000 options
 - 2022A-options 100,000
 - 2022B-options 100,000
 - 2022C-options 100,000

Executive Management Team

Composition, duties and member responsibilities of the Executive Management Team

Taaleri's Executive Management Team assists the CEO in planning operations and in operational management and decision-making. It also prepares matters to be dealt with by the Company's Board of Directors. The Executive Management Team deals with matters concerning business operations as well as the development and supervision of operations.

Composition of the Executive Management Team in 2023:

Name	Responsibility area	Year of birth	Education	Has served the Group since
Peter Ramsay	CEO	1967	M.Sc. (Econ.)	2021
Pasi Erlin	General Counsel	1976	LL.M.	2022
Minna Smedsten	CFO (Until 31 December 2023)	1976	MSA	2013
Titta Elomaa	Managing Director of Garantia Insurance	1967	M.Sc. (Econ.)	2015

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	Company Ltd (Until 31 December 2023)			
Kai Rintala	Managing Director of Taaleri Energia Ltd	1975	PhD Construction Management	2016
Essi Sten	Managing Director of Taaleri Real Estate Ltd (Until 21 November 2023)	1973	LL.M., eMBA	2020
Siri Markula	Head of Communications and IR	1972	M.Soc.Sc.	2021
Tero Saarno	Managing Director, Taaleri Bioindustry Ltd	1981	M.Sc. (Tech) Energy Technology, B.Sc. Geothermal Engineeriit	2021
Mikko Ervasti	Head of Sales	1982	BA (Finance & Economr	2022

The General Counsel serves as Secretary to the Executive Management Team. The Executive Management Team met 17 times in 2023.

Ownership information of the Executive Management Team members and their controlled undertakings

The shares and share-based rights of the Executive Management Team members and their controlled undertakings in the Company at the end of the financial period on 31 December 2023:

- Peter Ramsay: 4,688 shares
 - Ownership of controlled undertaking (Fondlux Oy), 10,000 shares
 - Ownership of controlled undertaking (Ramsay Invest Ab) 28,790 shares
- Peter Ramsay: 300,000 options
 - 2022A-options 100,000
 - 2022B-options 100,000
 - 2022C-options 100,000
- Pasi Erlin: no shares
 - No controlled undertakings
- Minna Smedsten: 31,863 shares
 - No controlled undertakings
- Titta Elomaa: 54,868 shares
 - No controlled undertakings
- Kai Rintala: no shares
 - No controlled undertakings
- Siri Markula: 1,289 shares
 - No controlled undertakings
- Tero Saarno: 1,763 shares
 - No shares in controlled undertakings

Julkinen

- Mikko Ervasti: 9,561 shares
 - Ownership of controlled undertaking (Eukarya Oy) 5,419 shares

Members of the Executive Management Team, together with their controlled undertakings, own a total of 148,241 Taaleri shares, representing 0.52% of the Company's shares and votes.

III. Descriptions of the internal control procedures and the main features of risk management systems

This chapter describes the main characteristics of the internal control and risk management systems related to Taaleri's financial reporting process, i.e. how do the Company's internal control and risk management arrangements ensure that the financial reports published by the Company provide accurate information on the Company's finances.

Financial control and monitoring

In matters concerning internal control and risk management, the highest decision-making body is Taaleri's Board of Directors, which is responsible for ensuring that the Group's internal control and risk management are appropriately organized. The Board of Directors approves the Group's business strategy, operating plans and administration and decision-making frameworks, and confirms the business objectives, guidelines and budget in conjunction with the Group's strategy.

The Board of Directors is responsible for the monitoring of Taaleri Group's financial reporting. The Audit Committee supports the Board's practical work. The tasks of the Audit Committee include the monitoring of financial reporting, monitoring of internal control and internal audit, regular evaluation of risk and capital adequacy management, and monitoring of auditing.

Taaleri Group's accounting and financial reporting are concentrated in the Group's financial administration. In a concentrated fashion, the Group's financial administration is responsible for financial accounting and management reporting. Financial development is reported to the Executive Boards and the Board of Directors on a monthly basis. The Group's financial administration is also responsible for monitoring and reporting the development of business segments.

Taaleri's consolidated financial statements have been prepared observing the International Financial Reporting Standards. International accounting standards refer to those standards and interpretations which have been approved in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council. The half-year financial report is published in accordance with the IAS 34 standard and the interim statements according to IFRS-standards. The guidelines and accounting principles governing financial reporting are applied in all Group companies.

An external auditor audits financial reporting on a regular basis and reports directly to the Audit Committee and Board of Directors. In ensuring the effectiveness and appropriateness of operations, a key control process is monthly financial reporting, in which actual results are compared with the budget, and the outlook of the reporting period, the implementation of strategic projects and other material issues are monitored.

The financial management and control of operations are supported and coordinated by the Group's financial management function. Taaleri has prepared Group-level reporting models for standardizing the financial reporting of the business operations. The reports of the business operations seek to ensure that financial control covers all the important areas of business. This ensures that any deviations from financial objectives are identified, communicated, and reacted to efficiently, in an effective, consistent and timely manner.

Financial control measures also include management's ongoing business control procedures. Financial reports define the key financial indicators that aim to measure and support business efficiency and consistency and to monitor the achievement of set objectives.

The Board of Directors has approved the Group's internal approval authorizations.

Reliability of financial reporting

Monitoring of the reliability of financial reporting is based on the principles and instructions Taaleri has specified for the financial reporting process.

Taaleri prepares its regularly published financial reports in accordance with the IFRS standards and prepares Group-level reports. The interpretation and application of financial reporting standards are centralized in the Group's financial management function. The Group's financial management unit oversees compliance with financial reporting standards and instructions.

The supervision of budgeting and reporting processes is based on Taaleri's budgeting instructions. The Group's financial management function is responsible for preparing and maintaining these instructions on a centralized basis. The principles are applied consistently throughout the Group.

General overview of risk monitoring and management systems

The task of risk control is to identify, assess, measure, treat and control risks in all Taaleri Group's businesses that influence the realization of the Group's strategic and operative goals, as well as to oversee that the principles approved by the Taaleri Plc Board of Directors are complied with.

Risk management aims to reduce the likelihood, impact and threat of unexpected risks being realized and their impact to Taaleri Group's business operations. Risk management supports achievement of strategic goals by promoting better utilization of opportunities in all activities and more efficient distribution of risk-taking capacity to the different functions and projects within the defined risk appetite framework.

In Taaleri Group risk is defined as the effect of uncertainty on objectives. Risk is seen as two-sided, it can be hazard or financial loss but on the other hand there might also be opportunities for better results. In risk reviews and analyses risks can be further divided into five main categories: strategic and business operations risk, credit risk, liquidity risk, market risk and operational risk (including compliance risk).

Risk control and management aims to assure Taaleri Group's risk capacity and liquidity and ensure the continuity of the Group's operations.

The risk capacity of the Taaleri Group consists of a properly optimized capital structure, profitability of business operations and qualitative factors, including good corporate governance, internal control, and proactive risk management. Additionally, regulated companies perform proactive capital adequacy assessments. Through effective risk management, the Taaleri Group strives to ensure the continuity of the operations of the Group and

its companies, and the risk capacity required to achieve set strategic goals. Sustainability and climate risks are included in the above-mentioned risks.

Taaleri Group's attitude towards risk-taking is based on careful consideration of adequate risk/return relationship. Taaleri Plc's Board of Directors has decided that the Group may not in its activities take a risk that exceeds the agreed risk appetite.

General overview of internal control

Taaleri continuously monitors its functions to ensure that the result of its operations is reliable. The objective of internal control is to ensure that the Company's operations are efficient and productive, reporting is reliable and that the laws, regulations, and internal procedures are complied with. However, the internal control system cannot provide full certainty that the realization of risks can be prevented.

Taaleri's business operations are guided by consistent Group-wide business principles, decision-making authorizations, and the Company's values. Internal control is founded on a healthy corporate and management culture as well as well-specified reporting and its definitions. In particular, the practical implementation of internal control is based on financial reports, management reports, risk and solvency reports and internal audit reports. The Company's main operations are directed by documented internal operating policies and models.

IV. Other information to be provided in the CG statement

Organization of internal audit and main principles to be observed in auditing

Internal Audit is an assurance function independent of the operational functions of the Taaleri Group's companies. Internal audit reports to the audit committee of Taaleri's board of directors and the Group CEO.

Taaleri board's audit committee is responsible for supervising the internal audit. Operationally, the General Counsel is responsible for organizing the internal audit and it is carried out by KPMG Oy Ab.

Internal audit is an independent, objective assurance and consulting activity designed to verify the adequacy, effectiveness, and efficiency of internal control. Internal audit supports the Group's senior and operational management (board, CEO, line managers) in managing and supervising operations.

The objective of the Group's internal audit is to support the Group in achieving its goals by providing a systematic approach to assessing and developing the effectiveness of risk management, risk control and management and administrative processes. Internal audit aims to add value to the organization and improve its performance. However, the responsibility for the effectiveness and adequacy of supervision rests with the Taaleri's Board of Directors.

Internal audit work is directed at the internal control, risk management and corporate governance processes of all of the operations in the organization. Through audit activities, internal audit provides the Company's senior and executive management with the information necessary for decision-making and supervision, and strives to prevent illegal or non-compliant activities, errors, and misconduct.

The tasks of internal audit include among other assessing:

- adequacy and effectiveness of control procedures
- effectiveness of risk management and compliance
- adequacy of supervisory oversight
- economical and efficient use of resources
- means to safeguard assets
- assessing the comprehensiveness and reliability of the capital adequacy management process as well as the sufficiency and effectiveness of control procedures

Principles for related party transactions

Taaleri's Board of Directors has approved the principles for the monitoring and assessment of related party transactions. Related party transactions are agreements or other actions between the Company and its related parties.

According to the principles regarding related party transactions, Taaleri's business operations can entail regular or less frequent business activities with parties that are regarded as related parties of the Company. Related party transactions are acceptable when they are in line with the Company's operating purpose and interests, and there is a business-related justification for them.

In accordance with the principles of related party transactions, Taaleri takes care of the identification of related parties and maintains a list of persons and legal entities belonging to its related parties in order to identify related party transactions. The Group Legal function is responsible for defining related parties and maintaining a list of related parties. The timeliness of the list of related parties is determined on a quarterly basis and the person for whom the list of related parties is maintained is obliged to notify the Company immediately of any changes in the information. The company takes care of providing adequate instructions and training concerning related parties to the members of the Board of Directors, the CEOs and other personnel of Taaleri.

Taaleri's Board of Directors monitors and evaluates the Company's related party activities. The Board of Directors decides on related party transactions that are not in the ordinary course of the Company's business or that are not carried out on normal commercial terms. Decision-making takes into account the impediment provisions under which a member of the Board of Directors or the CEO may not participate in the preparation or decision-making of a related party transaction linked to themselves that is not part of the Company's ordinary business or is not carried out on normal commercial terms.

According to the principles, the nature of the related party transaction and its terms must be assessed in relation to the Company's ordinary activities and normal commercial terms. For example, standard contracts that are offered to customers or employees in general are typically part of the ordinary course of business and do not require specific monitoring or evaluation measures.

Unconventional business activities transactions may be activities that do not fall within the scope of the Company. The terms and conditions of related party transactions must be assessed taking into account the market practices generally observed and accepted in the industry and, on a case-by-case basis, in relation to the normal commercial terms observed by the Company with its customers.

Taaleri regularly reports related party transactions in its annual financial statements. The report of the Board of Directors and the notes to the financial statements must include information on related party transactions in

accordance with the regulations in force at the time. In addition, Taaleri complies with the disclosure obligations related to related party transactions based on the Securities Markets Act and the Market Abuse Regulation. According to the Securities Markets Act, related party transactions that are material to the shareholder and that are not in the ordinary course of business or that are not conducted on normal commercial terms are disclosed. Under the Market Abuse Regulation, a related party transaction may be or contain inside information, in which case it must be disclosed as inside information.

Main procedures relating to insider administration

In its insider administration, Taaleri complies with applicable Finnish and EU legislation (including the Market Abuse Regulation (MAR)), regulations and instructions issued by the Financial Supervisory Authority and the insider guidelines published by the Helsinki Stock Exchange. Taaleri's Board of Directors has approved the insider guidelines and trading guidelines for the entire Taaleri Group, which define the insider, insider administration and trading practices of those in management positions and those close to them.

At Taaleri, the General Counsel of the Taaleri Group is responsible for organizing insider administration. In addition to the General Counsel, the Insider Administration includes an insider list manager. The insider administration is responsible for operations in accordance with the insider and trading guidelines, the market abuse regulation and other issued insider regulations. These include e.g. maintenance of insider lists, issuance of trading licenses, notifications to executives and the Financial Supervisory Authority, and training and advice. The insider administration maintains lists of related parties and insiders, regularly reviews the information of insiders, and notifies of closed and possible open periods concerning the Company's share.

The company maintains insider lists required by insider regulations in accordance with the Market Abuse Regulation. In addition, the Company maintains project-specific insider lists.

Insiders may not acquire or dispose of Taaleri's securities after the end of the reporting period before the publication of the financial statements bulletin, half-year report or interim report (closed period). Closed periods begin: 1.1. ending with the publication of the financial statements bulletin, 1.4. ending with the publication of the interim report, 1.7. ending with the publication of the half-year report and 1.10. ending with the publication of the interim report.

Project-specific insiders may not trade in the Company's securities while the project is pending. Insiders are advised that insiders' investments in Taaleri's securities should be long-term.

Name of the Company's auditor

The auditor is elected by the Annual General Meeting for a term ending at the end of the first Annual General Meeting following the election. On April 13, 2023, the Annual General Meeting elected Ernst & Young Oy as the company's auditor, with Johanna Winqvist-Ilkka, Authorised Public Accountant, as the auditor-in-charge.

Remuneration paid to the auditor

In 2023, the auditor was paid approximately EUR 337,665 in audit fees. In addition, the auditor was paid for tax services EUR 0 and approximately EUR 49 860 for other services (including all companies in the Taaleri Group).

Julkinen