



Corporate Governance Statement 2023

CAVERION CORPORATION



Governance

Introduction	3
Regulatory framework.....	3
Governing bodies	4
General Meeting of Shareholders.....	5
Auditor	5
Board of Directors.....	6
Board committees	9
President and CEO.....	12
Group Management Board	12

Introduction

This Corporate Governance Statement (the "Statement") describes the key principles of corporate governance at Caverion Corporation ("Caverion" or the "Company"). Caverion complies with the recommendations of the Finnish Corporate Governance Code issued by Securities Market Association in September 2019, which took effect on 1 January 2020, with the exceptions described below in this section. The Code is publicly available on the website www.cgfinland.fi/en.

The Corporate Governance Statement is issued separately from the Board of Directors' Report for the financial period 1 January – 31 December 2023. The Statement and the Board of Directors' Report are available on Caverion's website www.caverion.com.

This Statement has been reviewed by the Audit Committee of Board of Directors and approved by the Board of Directors.

Caverion's Auditor, Ernst & Young Oy, has verified that this Statement has been issued, and that the description in the Statement of the main features of internal control and risk management systems relating to the Company's financial reporting process is consistent with the description included in the Company's financial statements.

In accordance with the 'comply or explain' principle, Caverion departs from the recommendations of the Corporate Governance Code as follows:

- As an exception to recommendation 8 of the Corporate Governance Code, both genders are not represented in the Board of Directors of the company.
- As an exception to recommendation 10 of the Corporate Governance Code, the members of the Board of Directors are not independent of the significant shareholders of the company.
- As an exception to recommendation 15 of the Corporate Governance Code, the Human Resources Committee and the Audit Committee consist of two members.
- As an exception to recommendation 16 of the Corporate Governance Code, the members of the Audit Committee are not independent of the significant shareholders of the company.

The company has a controlling shareholder, Crayfish BidCo Oy, whose holding at the end of 2023 was approximately 94% of all shares and votes in the company (excluding treasury shares). The settlement of the public tender offer made by Crayfish BidCo Oy for all shares in the company took place on 27 November 2023. Crayfish BidCo Oy has on 28 November 2023 initiated compulsory redemption proceedings in accordance with the Finnish Limited Liability Companies Act to acquire all remaining shares in the company, and thereafter intends to cause the company's shares to be delisted from Nasdaq Helsinki Ltd as soon as reasonably practicable. The departures from the Code relate to the changes resulting from this new ownership structure and are expected to be in effect until the delisting.

Regulatory framework

Caverion follows good corporate governance practices in accordance with the laws and regulations that apply to publicly listed companies in Finland. In addition to the Corporate Governance Code, the key regulations are the Companies Act, the Securities Market Act, the Market Abuse Regulation (MAR), the rules and regulations issued by the Financial Supervisory Authority, and the rules and instructions for listed companies issued by Nasdaq Helsinki Ltd.

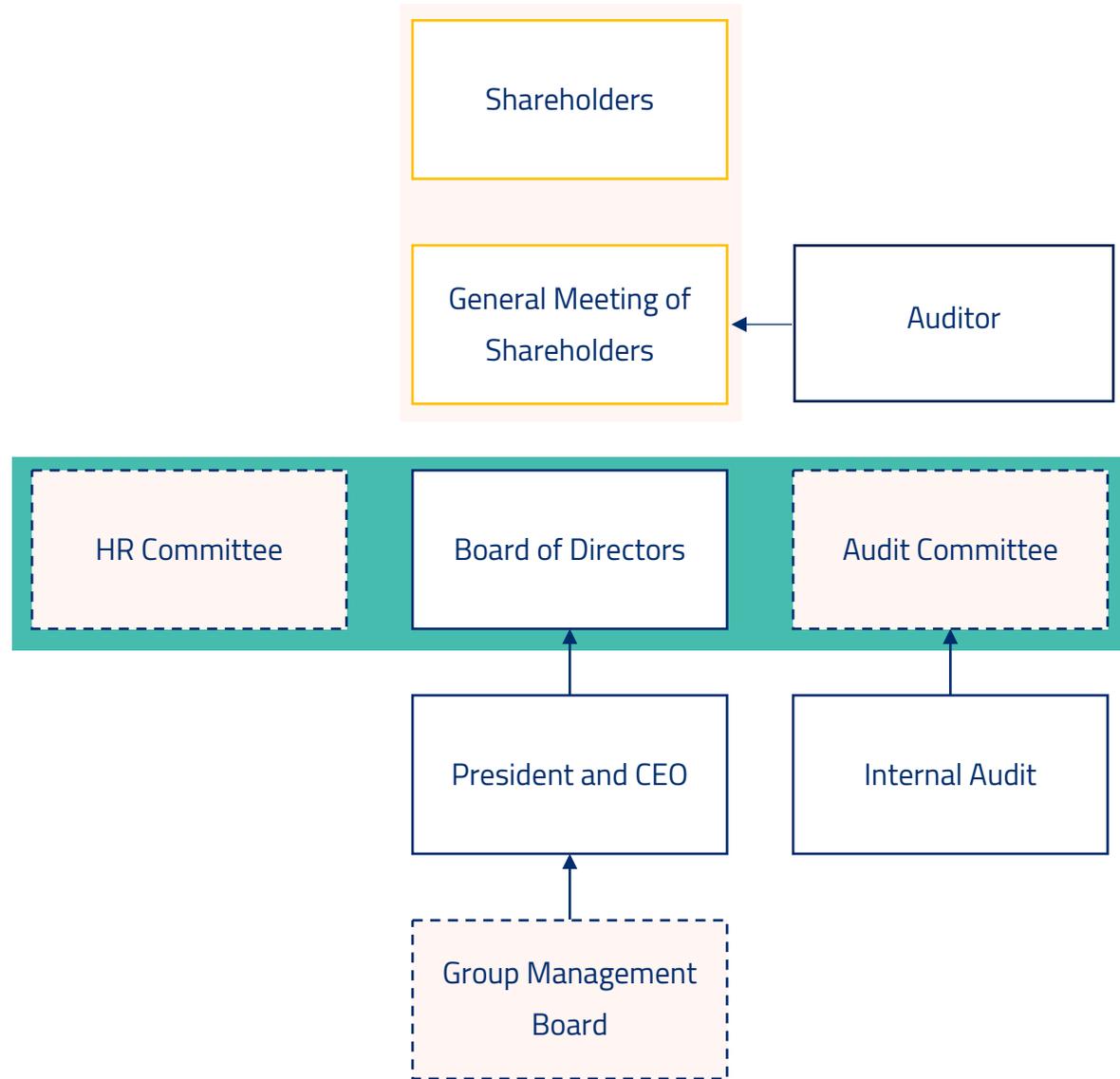
The Company specific rules on governance are described in the Articles of Association of the Company (the "Articles").

Caverion prepares Consolidated Financial Statements and Interim Reports in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, the Finnish Securities Markets Act as well as the applicable Finnish Financial Supervision Authority's standards and the rules of Nasdaq Helsinki Ltd. The Board of Directors' Report and Caverion Corporation's Financial Statements are prepared in accordance with the Finnish Accounting Act and the guidelines and statements of the Finnish Accounting Board.

Governing bodies

In accordance with the Articles and the Companies Act, the governing bodies of Caverion Corporation are the General Meeting of Shareholders, the Board of Directors (the "Board") and the President and CEO.

The Board is supported in its work by its two Committees, the Human Resources Committee and the Audit Committee. The President and CEO is supported by the Group Management Board.



General Meeting of Shareholders

The shareholders exercise the ultimate decision-making authority in the General Meeting of Shareholders.

Annual General Meeting

According to the Articles of Association, amended in November 2023, the Annual General Meeting (the "AGM") is held once a year before the end of June. The competence of the General Meeting of Shareholders is set out in the Companies Act and the Articles.

The AGM decides on the matters stipulated in the Companies Act and the Articles. Such matters include:

- > Adoption of the financial statements and the consolidated financial statements
- > Use of the profit shown on the balance sheet
- > Discharging the members of the Board and the President and CEO from liability
- > Election and remuneration of the members of the Board
- > Election and remuneration of the Auditor

The Board convenes the AGM by publishing a notice not earlier than three (3) months and no later than three (3) weeks before the meeting, and always at least nine (9) days before the record date as defined in the Companies Act.

The notice is published as a stock exchange release and on Caverion's website. The notice is delivered directly to shareholders when required by law. The agenda of the AGM, proposals for decision and meeting documents are available on Caverion's website at least three (3) weeks before the meeting.

The minutes of the AGM are available to shareholders on Caverion's website and at Caverion's head office within two (2) weeks after the meeting. The resolutions of the AGM are also published as a stock exchange release without delay after the meeting.

Extraordinary General Meeting

An Extraordinary General Meeting may be convened by the Board when considered necessary or when required by law. Furthermore, the Auditor, or shareholder(s) together holding a minimum of one tenth of all shares of Caverion, have the right to request in writing that an Extraordinary General Meeting shall be convened to discuss a specific matter.

Annual General Meeting 2023

The AGM 2023 was held on 27 March 2023 at Little Finlandia at the address Karamziniranta 4, 00100 Helsinki, Finland. A total of 246 shareholders representing 88,532,088 shares and votes (63.73 percent) participated in the AGM.

Extraordinary General Meeting 2023

An Extraordinary General Meeting (the "EGM") was held on 15 November 2023 at the headquarters of Caverion Corporation at the address Torpantie 2, 01650 Vantaa, Finland. A total of 160 shareholders representing 48,415,995 shares and votes (34.85 percent) participated in the EGM. The EGM was convened to decide on the amendment of the Articles of Association and the election of new Board of Directors.

The decisions of the General Meetings are available on Caverion's website.

Auditor

The statutory task of independent external auditing is to verify that the Financial Statements and the Board of Directors' Report provide accurate and adequate information on Caverion's results and financial position for the financial year. As part of the annual auditing, the Auditor audits the accounting and administration of Caverion. The Auditor also audits the Consolidated Financial Statements of the companies belonging to the Caverion group (the "Group") and other relationships between the Group companies.

The Auditor issues a statutory Auditor's Report to Caverion's shareholders in connection with Caverion's financial statements. The Auditor reports to the Audit Committee on a regular basis and attends its meetings.

The AGM elects the Auditor based on the proposal prepared by the Audit Committee. According to the Articles, Caverion has one (1) Auditor that shall be an auditing firm approved by the Central Chamber of Commerce. The Auditor's term shall cover the current financial year at the time of election and expire at the end of the next AGM following election. The aggregate duration of the consecutive terms of the Auditor in Charge may not exceed seven (7) years.

Auditor in 2023

Ernst & Young Oy (EY) was re-elected as the Company's Auditor by the AGM 2023. Antti Suominen, Authorised Public Accountant, was re-appointed the Auditor in Charge.

The audit fees paid in 2023 amounted to 0.9 million euros (EUR 0.8 million in 2022) and the fees for other services rendered by the Auditor amounted to 0.1 million euros (EUR 0.1 million in 2022).

Board of Directors

Composition

Pursuant to the Company's Articles of Association effective until 15 November 2023, the Board comprised of the Chairman, the Vice Chairman and three to six members elected by the general meeting of shareholders. The Board members are elected for a term that begins from the general meeting in which they have been elected and ends upon the conclusion of the Annual General Meeting following the election.

According to the decision of the Extraordinary General Meeting held on 15 November 2023, the Company's Articles of Association were amended so that the Board of Directors shall consist of one to seven ordinary members as well as at least one deputy member in case the Board of Directors has less than three ordinary members. Unless otherwise decided by the general meeting of shareholders, the term of each member of the Board of Directors shall begin at the general meeting of shareholders at which he or she is elected and expire at the end of the next Annual General Meeting of Shareholders following election.

In accordance with the 'comply or explain' principle, Caverion departs from the recommendations of the Finnish Corporate Governance Code that relate to the composition and operations of the Board of Directors as follows:

- > As an exception to recommendation 8 of the Corporate Governance Code, both genders are not represented in the Board of Directors of the company.
- > As an exception to recommendation 10 of the Corporate Governance Code, the members of the Board of Directors are not independent of the significant shareholders of the company.
- > As an exception to recommendation 15 of the Corporate Governance Code, the Human Resources Committee and the Audit Committee consist of two members.
- > As an exception to recommendation 16 of the Corporate Governance Code, the members of the Audit Committee are not independent of the significant shareholders of the company.

Preparation of the proposal for the composition of the Board

The proposal for the candidates to be elected to the Board is prepared by the Human Resources Committee of the Board. When considering the composition of the Board, the Human Resources Committee applies the following diversity principles determined by the Board:

- > Consider candidates who are highly qualified based on their international business experience, leadership, functional expertise, cultural understanding and personal skills and qualities;
- > Consider board composition that supports Caverion Group's business now and in the future; consider diversity criteria including gender, age, ethnicity, experience, education and geographic background aiming at the increased diversity of thinking; and
- > In addition to its own search, when needed, engage qualified independent external advisors to conduct a search for candidates that meet the board's skills and diversity criteria to help achieve its diversity aspirations.

The Board aspires towards a board composition where each gender is represented by at least one-third of the independent Board members.

Operations of the Board

The duties of the Board are those specified in the Companies Act, according to which the Board is responsible for overseeing that the management and operations, and the supervision of accounting and financial matters of Caverion are appropriately organised.

The duty of the Board is to promote the interests of shareholders and the Company by overseeing the administration and proper organisation of operations. The Articles do not define other duties for the Board. The Board has authority to act in all matters not reserved by law or the Articles to another governing body.

The Board has adopted for itself a [Charter](#), which defines its tasks and activities in more detail.

The Board convenes according to a pre-determined schedule, or whenever it deems it necessary.

The Board evaluates its performance and the independence of the Board members annually.

Board of Directors 1 January – 15 November 2023

The Annual General Meeting on 27 March 2023 elected a Chairman, Vice Chairman and five members to the Board of Directors. Mats Paulsson (Chairman), Markus Ehrnrooth (Vice Chairman), Jussi Aho, Joachim Hallengren, Thomas Hinnerskov, Kristina Jahn and Jasmin Soravia were all re-elected.

All Board members had international professional experience in various types of positions and/or they were or had been executives or members of board of directors in publicly listed or private companies. All members elected in AGM 2023 have a university degree. The Board members represented five different nationalities. Women counted for 29 per cent of the Board. Five members had served in Caverion's Board for at least six years and the other two members for at least three years. None of the members had served in Caverion's Board for over ten years.

The Board assessed in its meeting on 27 March 2023 the independence of its members and concluded that all members were independent of the Company and its significant shareholders other than Markus Ehrnrooth being non-independent in relation to a significant shareholder and Mats Paulsson being non-independent in relation to the Company due to a Consulting Agreement between a company solely owned by Mats Paulsson, and Caverion Corporation that ended in the end of 2022.

The Vice Chairman of the Board, Markus Ehrnrooth was closely associated with two of the members of the consortium of investors led by Bain Capital ("Bain Consortium") that in the name of North Holdings 3 Oy announced on 3 November 2022 a public tender offer for all of the shares in Caverion Corporation. To avoid any actual or perceived conflicts of interests, Markus Ehrnrooth did not participate in and refrained from all the work of the Board of Directors and its committees during the pendency of the discussions between the Bain Consortium and the company concerning the Bain Consortium tender offer, and during the pendency of the discussions between Triton Investment Management Limited ("Triton") and the company concerning the Triton tender offer announced in the name of Crayfish BidCo Oy on 10 January 2023. This was reflected in Markus Ehrnrooth's participation in the Board and Committee meetings and respectively in the meeting fees of Markus Ehrnrooth during his term of office in 2023.

The Board convened eleven times between 1 January – 15 November 2023. The secretary to the Board was the Group General Counsel. The average participation in the meetings was 88 percent.

A public tender offer for all the shares in Caverion was announced on 3 November 2022 by North Holdings 3 Oy ("Tender Offer 1"). Subsequently a competing public tender offer for all the shares in Caverion was announced on 10 January 2023 by Crayfish Bidco Oy ("Tender Offer 2"). In addition to the regular Board agenda items, the Board worked intensively during 2023 on matters pertaining to the Tender Offer 1 and Tender Offer 2, the latter of which was completed in November 2023.

Board of Directors 15 November – 31 December 2023

The EGM held on 15 November 2023 elected two members and one deputy member to the Board of Directors: Mikael Aro (member), Hans Petter Hjeljestad (member), and Gustav Behmer (deputy member). In its constitutive meeting following the Extraordinary General Meeting, the Board elected from among its members Mikael Aro as its Chairman.

All Board members have international professional experience in various types of positions and/or they are or have been executives or members of board of directors in publicly listed or private companies. All members have a university degree. The Board members, including the deputy member, represent three different nationalities.

The members of the Board elected by the EGM held on 15 November 2023 are independent in relation to the Company and its management and non-independent in relation to major shareholders (Triton Partners / Crayfish BidCo Oy).

The Board convened six times between 15 November – 31 December 2023. The secretary to the Board was the Group General Counsel. The average participation in the meetings was 100 percent.

Members of Board of Directors and the Caverion shares owned by them and the entities in which they exercise control at the end of year
1 January – 15 November 2023

Name	Born	Nationality	Education	Main occupation	Position	Board member as of	Shareholding 31 Dec 2023	Shareholding 31 Dec 2022
Mats Paulsson	1958	Swedish	M.Sc. (Civil Engineering)	Industrial Advisor	Chairman of the Board and HR Committee	26 March 2018	-	161,028
Markus Ehrnrooth	1985	Finnish and Swedish	M.Sc. (Tech), B.Sc. Political Science (Econ)	Entrepreneur	Vice Chairman of the Board Chairman of the Audit Committee	16 March 2015	-	18,809
Jussi Aho	1968	Finnish	M.Sc. (Civil Engineering)	CEO Flow Technologies Oy	Member	17 March 2017	-	54,671
Joachim Hallengren	1964	Swedish	M.Sc. (Civil Engineering)	Senior Advisor	Member	17 March 2017	-	31,671
Thomas Hinnerskov	1971	Danish	M.Sc. (Finance and Accounting)	CEO Mediq Group	Member	17 March 2017	-	54,671
Kristina Jahn	1974	German	M.Sc. (Civil Engineering), MBA	Managing Partner Liva Estate GmbH	Member	25 May 2020	-	10,459
Jasmin Soravia	1972	Austrian	M.Sc. (Soc. and Econ.) Master of Law (LL.M)	Managing Director Kollitsch & Soravia Immobilien GmbH	Member	25 May 2020	-	10,459

15 November – 31 December 2023

Name	Born	Nationality	Education	Main occupation	Position	Board member as of	Shareholding 31 Dec 2023	Shareholding 31 Dec 2022
Mikael Aro	1965	Finnish	Executive MBA	Operating Partner Triton	Chairman	15 November 2023	0	-
Hans Petter Hjeljestad	1991	Norwegian	Economics and Business Administration	Investment Professional Triton	Member	15 November 2023	0	-

Board committees

The Board has two permanent committees supporting its work: the Audit Committee and the Human Resources Committee. In addition, the Board decided in 2022 to establish a Business & Transaction Committee (ad hoc), and an independent ad hoc committee to prepare matters in relation to the public tender offers.

The Board elects the members and the chairpersons of the committees from among its members in the assembly meeting of the Board following the AGM for a term until the next AGM. All committees have Charters approved by the Board. The committees assist the Board in its duties by preparing and reviewing in more detail matters falling within the competence of the Board. The committees prepare minutes of their meetings and report to the Board. The committees do not have decision-making powers independent of the Board.

Audit Committee

Composition

The Board appoints the members of the Audit Committee from within its members and decides on the amount of its members. In accordance with the Code, the majority of the members of an audit committee must be independent of the company and at least one member shall be independent of the company's significant shareholders. The Company currently departs from this recommendation because the members of the Committee are not independent of the Company's significant shareholder. The Committee as a whole shall have the expertise and experience required for the performance of the Committee's duties and responsibilities. At least one Committee member shall have competence in accounting or auditing and the Committee as a whole shall have competence relevant to the sectors in which the Company operates.

Operations of the Audit Committee

The Audit Committee assists the Board in its task to ensure the proper governance of the Company, in particular by considering the accounting and financial reporting, the Company's internal control system, risk management and the work of the Internal Audit and external auditors. The Audit Committee addresses concerns pertaining to control matters as may be detected by the management or the Internal Audit or external auditors of the Company. These are reported to the Board by the Audit Committee. The Audit Committee monitors that appropriate action is taken by the management to rectify identified shortcomings.

The Audit Committee monitors compliance with laws and regulations, and the policies and guidelines approved in the Group, the Caverion Guidelines. The responsibilities and duties of the Audit Committee are defined in more detail in its [Charter](#) approved by the Board. The Audit Committee convenes according to a pre-determined schedule, or whenever it deems it necessary.

Audit Committee 1 January - 15 November 2023

Markus Ehrnrooth (Chairman), Joachim Hallengren, Kristina Jahn and Jasmin Soravia were re-elected as members of the Audit Committee in the Board's annual assembly meeting following the AGM. The secretary to the Committee was the Group General Counsel. Joachim Hallengren acted as the temporary Chairman of the Committee in 2023 in the absence of Markus Ehrnrooth due to his non-participation during the pendency of the public tender offers.

All of the Audit Committee members were independent of the Company. All members, except Markus Ehrnrooth, were also independent of Caverion's significant shareholders.

The Audit Committee convened four times during 1 January – 15 November 2023. The Audit Committee carefully followed up the Group's financial performance on a quarterly basis, the Group's external quarterly reporting, the auditor's reporting, working capital management and the Group's financing related issues, the Internal Audit

updates and the rectification of issues raised in these reports, major legal and claim cases and major risks, and improvements in the risk management process especially in the Projects business.

Audit Committee 15 November–31 December 2023

Mikael Aro (Chairman) and Hans Petter Hjeljestad were elected as members of the Audit Committee in the Board's assembly meeting following the EGM. The secretary to the Committee was the Group General Counsel.

Both Audit Committee members are independent of the Company and non-independent in relation to major shareholders (Triton Partners / Crayfish BidCo Oy).

The Audit Committee convened once during 15 November - 31 December 2023 and focused on the year-end closing related matters.

Human Resources Committee

Composition

The Board appoints the Human Resources Committee from within its members and decides on the amount of its members. In accordance with the Code, the majority of the members of the Human Resources committee shall be independent of the Company. The committee members shall have the expertise and experience required for the performance of the duties and responsibilities of the committee (including sufficient expertise of the business operations of the Caverion Group and remuneration matters).

Operations of the Human Resources Committee

Caverion's Human Resources Committee carries out the duties of both the Remuneration Committee and Nomination Committee described in the Code.

The Human Resources Committee assists the Board in developing and monitoring effective remuneration principles, in making proposals on compensation and incentive systems for key personnel, and evaluating appropriate performance management, succession planning and talent development processes and programs.

Furthermore, the Human Resources Committee prepares proposals to the Board on the appointments of the President and CEO and the members of the Group Management Board, and the terms and conditions of their employment, and monitors and evaluates their performance. The Human Resources Committee also prepares a proposal for the composition of Board members and their remuneration to be presented to the AGM.

The responsibilities and duties of the Human Resources Committee are defined in more detail in its [Charter](#) approved by the Board. The Human Resources Committee convenes according to a pre-determined schedule, or whenever it deems it necessary.

Human Resources Committee 1 January-15 November 2023

Mats Paulsson (Chairman), Jussi Aho and Thomas Hinnerkov were re-elected as members to the Human Resources Committee in the Board's annual assembly meeting following the AGM. The secretary to the Committee was the Head of Human Resources of Caverion Group.

All other members of the Human Resources Committee than Mats Paulsson were independent of the Company. All members were independent of Caverion's significant shareholders.

The Human Resources Committee convened three times during 1 January – 15 November 2023.

Human Resources Committee 15 November–31 December 2023

Hans Petter Hjeljestad (Chairman) and Mikael Aro were elected as members to the Human Resources Committee in the Board's assembly meeting following the EGM. The secretary to the Committee was the Head of Human Resources of Caverion Group.

Both Human Resources Committee members are independent of the Company and non-independent in relation to major shareholders (Triton Partners / Crayfish BidCo Oy).

The Human Resources Committee convened once during 15 November – 31 December 2023 and concentrated on matters related to rewarding.

Other committees (ad hoc)

Business & Transaction Committee (ad hoc)

Purpose: The Board decided in 2022 to establish a Business & Transaction Committee (ad hoc). The committee assists the Board in organising appropriate support to management in analysing, preparing and carrying out

various business and transaction leads and projects as part of implementing the Company's strategy (for example acquisition and divestment cases). The Board will determine what type of projects/transactions or which concrete projects/transactions fall within the scope of each case-specific ad hoc committee ("Case Committee").

Case Committees may be established for matters that do not fall under the regular duties and responsibilities of the permanent committees of the Board.

Composition and term: The committee's composition is not permanent but decided on a case by case basis for each Case Committee. The Board will nominate the members for each Case Committee. The Chairman of the Board acts as the chairman of the Case Committees. In addition to the chairman, a Case Committee shall have at least two other members appointed by the Board. Unless the Board decides otherwise, the term of each Case Committee shall be until its work has been completed.

Business & Transaction Committees (ad hoc) 2023

During 2023, the Board decided to establish one Case Committee for a corporate acquisition case. The committee convened once.

Independent committee (ad hoc) for the public tender offers

The Board decided in 2022 to establish a specific independent ad hoc committee for the assessment and preparation of the matters pertaining to the Tender Offer 1 and subsequently Tender Offer 2. The independent committee consisted of Mats Paulsson (Chairman), Joachim Hallengren and Thomas Hinnerkov. The committee convened 20 times during 2023.

Participation in Board of Directors meetings

1 January – 15 November 2023

Member	Position	Regular Board	(%)	Extra Board	(%)	Audit Committee	(%)	HR Committee	(%)	Ad-Hoc Committees	(%)
Mats Paulsson	Chairman of the Board Chairman of the HR Committee	11/11	100	13/13	100	-		3/3	100	21/21	100
Markus Ehrnrooth*	Vice Chairman of the Board Chairman of the Audit Committee	4/11	36	-		1/4	25	-		-	
Jussi Aho	Member	11/11	100	12/13	92	-		3/3	100	-	
Joachim Hallengren	Member	11/11	100	13/13	100	4/4	100	-		21/21	100
Thomas Hinneruskov	Member	11/11	100	13/13	100	-		3/3	100	21/21	100
Kristina Jahn	Member	11/11	100	12/13	92	4/4	100	3/3	100	-	
Jasmin Soravia	Member	9/11	82	10/13	77	3/4	75	-		-	

* Further information on Markus Ehrnrooth's participation in Board meetings during 2023 is available on page 7.

15 November – 31 December 2023

Member	Position	Board	(%)	Audit Committee	(%)	HR Committee	(%)
Mikael Aro	Chairman of the Board Chairman of the Audit Committee	6/6	100	1/1	100	1/1	100
Hans Petter Hjeljestad	Member Chairman of the HR Committee	6/6	100	1/1	100	1/1	100

President and CEO

The President and CEO is appointed by the Board. The CEO manages the company's day-to-day operations in accordance with the guidelines and instructions issued by the Board. The CEO is responsible for ensuring that the Company's accounts are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

The Board determines the CEO's compensation and sets his/her short-term and long-term incentive targets.

CEO in 2023

Jacob Götzsche (born 1967, Danish citizen, M.Sc. Business Economics and Auditing) has been the President and CEO of Caverion as of 9 August 2021.

Jacob Götzsche held no Caverion's shares on 31 December 2023.

Information on the remuneration of the President and CEO can be found in the 2023 Remuneration Report.

Group Management Board

Caverion's Group Management Board ("GMB") members are appointed by the Board.

The GMB assists the President and CEO in operational planning and management, and in preparing matters that are presented to the Board. Among other duties, the GMB prepares the Group's strategic and annual planning, monitors and supervises the implementation of the strategy and plans, and the financial reporting, and prepares major investments and acquisitions. Development of cooperation within the global functions and between the functions and divisions, and promoting common development projects are also among the GMB's key duties. The GMB meets regularly once a month.

The GMB is chaired by the President and CEO who is responsible for the decisions made by the GMB. The GMB members are in charge of the implementation of the decisions of the GMB in their own areas of responsibility. The CEO appoints a secretary to the GMB.

GMB in 2023

On 31 December 2023 the GMB consisted of eleven members.

The GMB focused on the following topics during 2023:

- > Development and implementation of the strategy for 2022-2025
- > Sustainability and sustainability reporting
- > People and culture
- > Occupational safety
- > Sales and customers
- > Public tender offer related matters
- > Digital solutions
- > Financial reporting and forecasting
- > Compliance and risk management

Members of Group Management Board and the Caverion shares owned by them and the entities in which they exercise control at the end of year

Name	Position	Born	Education	Shareholding 31 Dec 2023	Shareholding 31 Dec 2022
Jacob Götzsche	President and CEO	1967	M.Sc. (Business Economics and Auditing)	0	55,000
Mikko Kettunen	Chief Financial Officer (CFO)	1976	M.Sc. (Econ)	0	10,000
Jaakko Wacklin	Head of Operational Performance and Excellence (as of 24 May 2023)	1983	M.Sc. Eng.	0	-
Reinhard Poglitsch	Head of International customers and commercial development	1968	Engineer, EMBA	0	1,500
Elina Kaura	Head of Legal & Compliance, Group General Counsel (as of 9 February 2023)	1981	LL.M	0	-
Manfred Simmet	Head of Division Austria & Germany	1966	Engineer	0	87,901
Carsten Sørensen	Head of Division Denmark	1972	M.Sc. (Ind. Eng.)	0	93,006
Ville Tamminen	Head of Division Finland	1974	LL.M, trained on the bench	0	65,934
Elina Engman	Head of Division Industry	1970	M.Sc. (Tech.)	0	0
Knut Gaaserud	Head of Division Norway	1967	M.Sc. (Tech.)	0	110,967
Uno Lundberg	Head of Division Sweden	1962	B.Sc. (Econ. & Bus. Adm.)	0	10,000
Michael Kaiser	Head of Business Unit Projects (until 18 December 2023)	1962	M.Sc. (Eng.)	-	164,578
Minna Schrey-Hyppänen	Head of Human Resources & Safety (until 24 May 2023)	1966	M.Sc. (Econ.), M.Sc. (Eng.)	-	87,361
Kari Sundbäck	Head of Services, Solutions, Digital and Sustainability (until 24 May 2023)	1971	M.Sc. (Tech.)	-	94,224
Anne Viitala	Head of Legal & Compliance (until 9 February 2023)	1959	LL.M, trained on the bench, eMBA	-	80,100

Detailed background information regarding the GMB members is presented on Caverion's website.



Internal control & risk assessment

Internal control & risk assessment	15
Control environment.....	15
Risk assessment.....	16
Control activities.....	16
Information and communication.....	17
Monitoring.....	17

Internal control & risk assessment

In Caverion, the objective of the internal control and risk management system relating to the financial reporting process is to provide reasonable assurance on the achievement of the following objectives:

- > Effectiveness and efficiency of the operations
- > Reliability and transparency of the financial reporting
- > Compliance with applicable laws and regulations, and Caverion's operating principles and policies

Control environment

Caverion's Internal Control Framework describes the system of internal control in Caverion. Internal control is embedded in the operations of the Company on all organisational levels. The internal control system covers all the policies, processes, procedures and organisational structures of the company which assist operative management and other personnel, and ultimately the Board, in reasonably ensuring that the Company achieves its objectives for internal control.

The Code of Conduct and management system of Caverion form the foundation for the control environment, and the awareness and implementation of control activities across the organisation. Caverion seeks to comply with applicable laws and regulations in all its operations. Additionally, Caverion's operations are guided by Caverion's Code of Conduct and other internal policies and guidelines ("Caverion Guidelines"). Business management is responsible for the internal control of the operations in their respective sector.

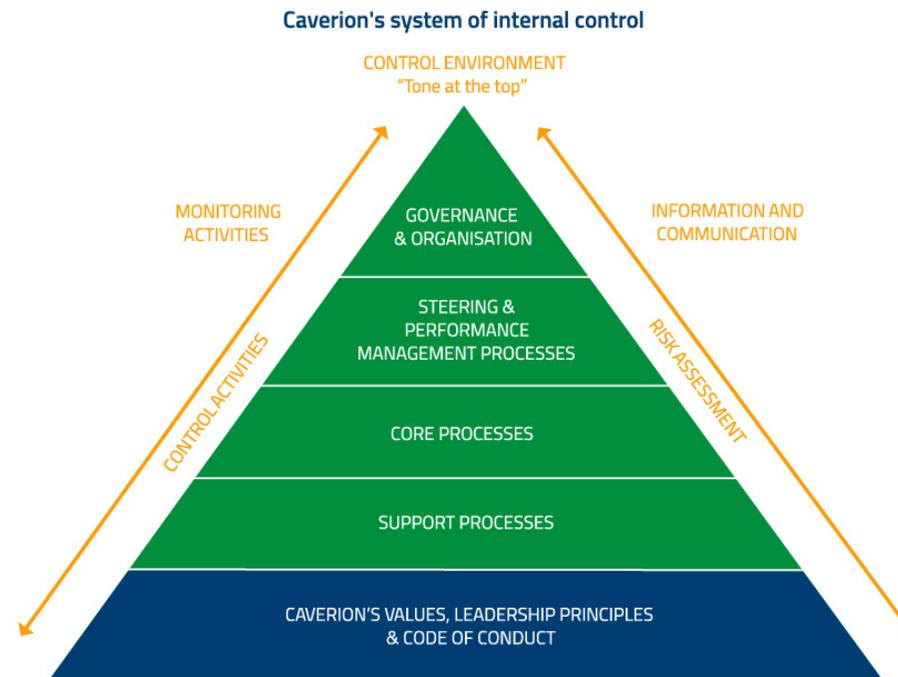
Caverion strives to ensure that everyone in Caverion is familiar with and compliant with the laws, regulations and principles relating to their own work. The President and CEO and management are responsible for driving a compliant and ethical business environment, and assuring correct financial reporting.

According to Caverion's management system, the operations are organised into divisions, which are supported by Group support functions. The **primary control responsibility** lies with the line management, i.e. the heads of divisions who are responsible for establishing and maintaining effective and adequate internal controls over financial reporting.

The support functions have a secondary control responsibility. Caverion's finance function in the lead of the CFO has the responsibility to ensure that the Company's accounting methods comply with legal requirements and regulations, and that the financial matters are handled reliably. The finance function and process owners have a key role in developing the system of internal control and reporting practices.

The audit functions, the external auditor and internal audit, have the **assurance responsibility** for internal control.

The Audit Committee monitors the financial reporting process and the effectiveness of the controls therein. Furthermore, the Board regularly assesses the adequacy and effectiveness of Caverion's internal controls and risk management.



Control activities

Caverion’s financial management and accounting processes include policies, procedures and controls which are necessary to ensure the reliability of financial reporting. Caverion’s subsidiary companies carry out financial reporting in a harmonised way across all Group companies, based on mandatory policies and procedures, using a common chart of accounts and a harmonised set of management and accounting systems.

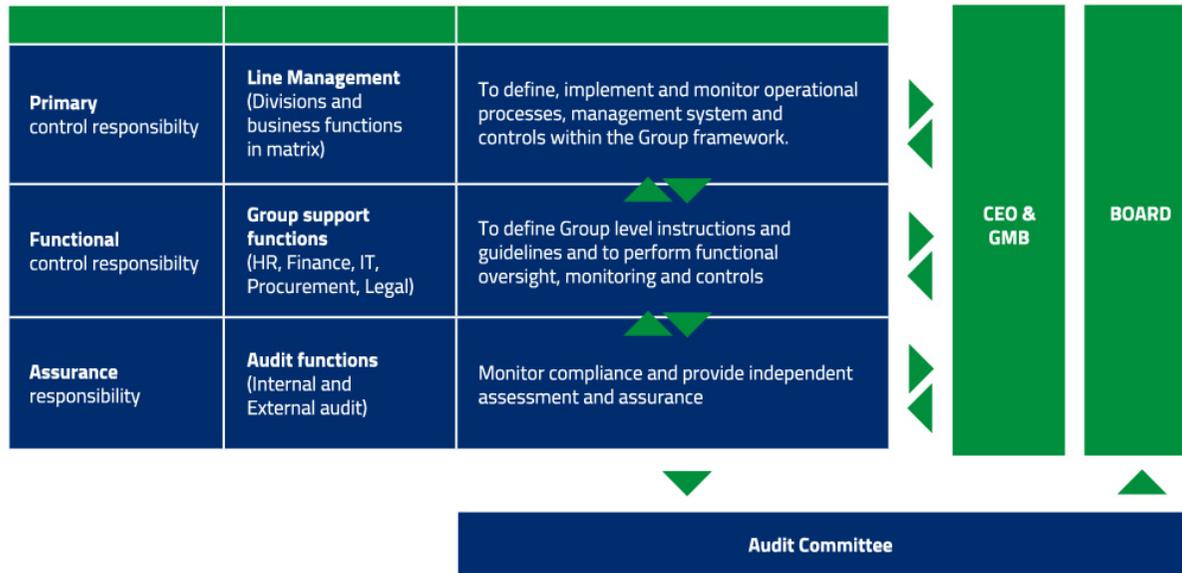
All Caverion’s key subsidiary companies use Caverion’s common ERP (Enterprise Resource Planning) system SAP and harmonised reporting templates. The ERP system together with the Group’s common consolidation and reporting system HFM provide a harmonised platform for the Group’s financial accounting and monthly reporting. All major interfaces are standardised and reasonably automated between different systems in the financial reporting process. In 2023, the main focus area was to continue the development and implementation of Caverion Performance Management which is a program aimed at providing improved transparency to performance with harmonised and automated indicators in various organisational levels.

The international financial reporting standards (IFRS) are applied in the Group. The maintenance and interpretation of accounting standards is centralised to Group Finance. Monthly closing, data transfers, reconciliation and control procedures are defined in detail for the financial reporting process.

Caverion’s common policies and processes aim to increase the overall controllability of the financial reporting process and to ensure that financial statements fulfil the requirements set in the IFRS standards and other applicable principles.

Project management and project accounting are among Caverion’s most important processes, also from the

The overall division of responsibilities for Caverion’s internal control is illustrated in the below figure:



Risk assessment

The internal control activities are aligned with Caverion’s risk management processes. The objective of risk assessment regarding financial reporting is to identify, evaluate and prioritise the most significant threats to the reliability of internal and external reporting at the Group level, the reporting at division/region/unit level, at function level and/or at process levels. The assessment of risk also includes risks related to fraud. Processes related to financial reporting are subject to ongoing risk assessment by the Group and division business controllers, financial controllers and other finance staff as part of their regular duties.

In 2023, internal control activities focused on projects, procurement and financial accounting related risks. The development of the Group’s forecasting culture at all levels of the organisation also continued.

The geopolitical tensions related to the war in Ukraine and the conflict in the Middle East have increased the economic uncertainty during 2023. Caverion has proactively taken various measures to optimise the supply chain and to manage pricing and contract terms in order to mitigate inflation impact in material prices and fuel costs. Caverion demonstrated ability to maintain and expand margins during this inflationary period.

financial reporting point of view. In 2023, work continued to further improve project management and accounting and project controls in general. Focus areas in 2023 were, among others, further development of project portfolio screening tools to identify projects with potential risks and continuous improvement in risk and opportunity assessments in order to improve the reliability of project forecasts, particularly in risky and complex projects. Frequent project reviews and project manager trainings also continued. Project managers are responsible for managing Caverion's projects, including compliance with the Group's Project Management Guidelines and Project Forecasting Principles, ensuring an accurate and reliable input into financial accounting and reporting.

Information and communication

Information and communication practices within Caverion aim at providing the required personnel and management access to adequate and timely information on accounting and reporting as well as on related controls. Information regarding control requirements is communicated through the Group's common policies, dedicated guidelines and process level procedure descriptions.

The CFO, supported by Investor Relations, is responsible for the disclosure of financial information and fulfilment of the communication obligations of a listed company. Investor Relations holds the responsibility over planning and

implementation of investor communications and daily contact with investors and analysts.

Monitoring

Caverion's internal control and risk management system is subject to both on-going and periodical monitoring activities to gain reasonable assurance over its appropriateness and effectiveness. On-going monitoring is built into the normal, recurring operating activities of operations and is the responsibility of corporate management, divisions, business units and group functions.

The CFO is responsible for maintaining and developing Caverion's controlling processes so that management at all levels receives reliable and adequate financial information in a timely manner. The actual financial performance against business plans, budgets and performance indicators is followed up through the monthly reporting process. In connection with the monthly reporting, each division and the Group update and analyse, as necessary, the forecast for the next month, on-going quarter and the full year.

Cash flow forecasting continued to be another focus area in 2023. Caverion and its divisions frequently update both their short- and long-term cash flow forecasts. Short-term cash flow is followed and monitored by the Group Treasury on a daily basis, while divisions participate in weekly or bi-

weekly cash flow forecasting calls. In the calls the different drivers impacting cash flow, invoicing and working capital are reviewed, analysed and commented. Cash flow, invoicing and working capital management are supported at all levels by the Group's performance management system.

Monthly business and financial performance reviews are held shortly after the reporting deadline. Monthly business and financial performance reviews are mandatory and held at different levels of the organisation. A monthly business review is also held with each division, after which the monthly financial result is reviewed in the Group's Management Board meeting. These reviews include an assessment of essential items impacting actual figures and forecasted performance going forward as well as a review of essential events, risks and opportunities. Standard minimum agendas are mandatory for monthly review meetings covering topics relevant to financial and operational monitoring.

Internal and external audits are performed based on annually approved, risk-based audit plans, and audit findings are reported both to management and to the Audit Committee. The Board receives monthly financial information on the group and division level and approves all externally communicated financial reports. The Audit Committee follows up regularly the operation of the finance organisation.



Other information

Internal Audit	19
Compliance	19
Main procedures relating to insider administration	20
Related party transactions	20

Other information

Internal Audit

Internal Audit is independent of business operations and has an assurance responsibility in addition to the external auditor. Internal Audit reports directly to the Audit Committee and administratively to the Chief Financial Officer. Internal Audit's role is to assure that the relevant laws and regulations, approved policies and guidelines (Caverion Guidelines) and best practices are followed in the Group. The Audit Committee confirms the internal audit plan periodically.

Internal Audit reviews and evaluates the appropriateness and functioning of the Group's internal control system, appropriateness and efficiency of operations and compliance with regulations and operating principles. The operations of Internal Audit are risk based, and the focus is on operational audits.

Internal Audit in 2023

In 2023, Caverion's Internal Audit was conducted internally focusing on closing the actions implemented based on findings from the previous year.

Management action plans to address the audit findings and recommendations are drawn based on the key findings and incorporated into business planning. Implementation of the actions is systematically followed by management and the Audit Committee.

Compliance

Caverion is committed to complying with the applicable laws and regulations and the Caverion Guidelines in accordance with Caverion's Code of Conduct. Caverion has zero tolerance for corruption, bribery, anti-competitive practices, discrimination, harassment or any unlawful action. Everyone working for Caverion must follow the Code of Conduct at all times in her/his personal tasks and operations within Caverion.

Caverion has a Compliance function independent of the business operations. The Compliance Officer reports directly to the Audit Committee and administratively to the Head of Legal & Compliance. The compliance network of Caverion is headed by the Compliance Officer. The role of the network is to enhance a culture of integrity and responsibility and to build leadership capabilities through the integration of the Caverion Compliance Programme into local geographies and functions.

The Compliance function's role is to lead the Compliance Programme, to strengthen the effectiveness of compliance across Caverion, and to develop and promote ethical business culture. The Compliance Officer provides compliance oversight and reports on compliance related issues of significance to senior management and the Audit Committee. The Compliance function works closely together with the management and support functions to identify and manage compliance risks.

The Group's Ethics & Compliance Committee monitors the implementation of the Compliance Programme and all misconduct related notifications are informed to it.

According to Caverion's Code of Conduct, every employee is responsible for complying with the Code of Conduct and for contributing towards its implementation. The relevant policies define how suspected misconduct should be reported, how it is investigated and how the issue proceeds. Any reports of suspected misconduct are investigated confidentially without undue delay in the lead of the Compliance Officer who reports to the Audit Committee on the investigation and outcome of reported cases.

Compliance in 2023

Caverion runs an annual Code of Conduct eLearning for the entire staff. The latest eLearning was launched in December 2023. The completion rate of the eLearning completed in the turn of 2022-2023 was 97%. The Code of Conduct eLearning is also part of the Caverion onboarding process for all new employees.

Main procedures relating to insider administration

Inside information within the Company and transactions on Caverion's financial instruments by persons discharging managerial responsibilities in the Company and their closely associated persons are managed in accordance with the Market Abuse Regulation ("MAR") and other applicable laws and regulations relating to insiders, as well as Nasdaq Helsinki Ltd's Insiders Guidelines.

The company maintains a list of persons discharging managerial responsibilities in Caverion (managers), including their closely associated persons and entities, who are under the obligation to notify the Company and the Financial Supervisory Authority of their transactions on the Company's financial instruments within three (3) business days of the execution of the transaction. The Company is under the obligation to disclose these transactions in a stock exchange release during the same period. The Company's managers refer to the members of Caverion's Board of Directors and the President and CEO.

The Group General Counsel is responsible for the coordination and supervision of insider matters in Caverion. Insider matters are handled by the Group Legal function.

The main procedures relating to insider administration are described in Caverion's Insider Guidelines, which are published on Caverion's website.

Related party transactions

Caverion defines the related parties of the Company in accordance with the Finnish Companies Act and IAS 24 Related Party Disclosures. Caverion's related parties include subsidiaries, associated companies and joint ventures of the Company, key management of the Company (members of the Board, the President and CEO and members of the Group Management Board (GMB) of the Company), the close family members of the key management and the legal entities where these individuals exercise control or have significant influence, or are members of key management.

The Board has adopted a policy to be followed in evaluating and monitoring transactions eventually concluded between Caverion and its related parties. The policy aims to ensure that any conflicts of interest are taken into account appropriately in the decision-making process of Caverion. Caverion maintains a register of the related parties of the Company.

Related party transactions in 2023

Related party transactions during 2023 are described in the Financial Statements. More information on related party transactions is available in Notes to the consolidated financial statements 2023, note 6.3.

Caverion Corporation ■ P.O.Box 71, FI-01601 Vantaa ■ Tel. +358 10 4071 ■ www.caverion.com



@CaverionGroup



www.linkedin.com/company/caverion



Our Annual Reporting for 2023 consists of Annual Review (including Financial Statements and Board of Directors' Report), Sustainability Report, Corporate Governance Statement and Remuneration Report. Reports are available at caverion.com.