

**CONSTI**

**Consti Plc's  
Corporate Governance Statement 2023**

## **REVIEW OF CONSTI PLC'S CORPORATE GOVERNANCE 2023**

Consti Plc (Consti) is registered in Finland, and it is a publically listed company at Nasdaq Helsinki Ltd Stock Exchange. Consti's governance and management are based on the Finnish Limited Liability Companies Act and Securities Markets Act, the company's Articles of Association and the rules and guidelines of NASDAQ Helsinki Oy. Consti complies with the Finnish Corporate Governance Code ([www.cgfinland.fi](http://www.cgfinland.fi)).

This Corporate Governance review has been given as a separate entity alongside of the Financial Statements, Report of the Board of Directors and Remuneration Report. The review is available online on the Group's website [www.consti.fi](http://www.consti.fi) > Investors > Corporate Governance.

Consti Plc's Board has assessed the review in its meeting 1 February 2024, and the company's auditor has confirmed that the reviews general description on internal control and risk management is in line with the financial statement.

### **1 BOARD OF DIRECTORS**

#### **The Board's responsibilities**

The Board of Directors confirms Consti's strategy and monitors its implementation. In accordance with the Companies Act and Consti's Articles of Association the Board of Directors attends to Consti's administration and organization of its operations and represents the company. Consti's Board of Directors has established written Rules of Procedure, in which its central responsibilities and principles of operation are defined.

Consti's Board of Directors has three to nine members. The Board elects a Chairman and a Deputy Chairman from among its members. The Board assesses the independence of its members. The Nomination and Compensation Committee, annually set by the Board of Directors, makes a proposal of the composition of the Board of Directors to the GM.

#### **The Board of Directors**

- defines the Company's dividend policy
- decides on donations within the framework of the Finnish Companies Act
- defines the operating principles for the risk management system and internal control
- considers and approves interim reports, the report of the Board of Directors and the annual financial statements
- confirms its own Rules of Procedure
- confirms the Company's operating principles and monitors how they are carried out
- approves the Company's strategy and monitors how it is carried out
- approves annually a business plan and budget based on the strategy and monitors how they are carried out
- sets personal goals for the CEO annually and assesses how they are achieved as well as approves the targets for the members of the Management Team and assesses how those are achieved
- confirms the Group's organizational structure
- appoints and discharges from their duties the CEO and the members of the Management Team and decides on their terms of employment and incentive schemes
- prepares draft resolutions as necessary for the General Meeting of Shareholders concerning remuneration schemes for management and personnel
- monitors succession issues of the management
- considers other matters that the Chairman of the Board or CEO has submitted on the agenda. Members of the Board are also entitled to bring matters before the Board by informing the Chairman of this.

#### **Composition of the Board**

Consti Plc's Board of Directors is chosen by the Annual General Meeting (AGM) for a set time period lasting until the next AGM. The Nomination and Compensation Committee makes a proposal of the composition of

the Board of Directors to the GM. The Nomination and Compensation committee also deals with the company's diversity principles.

Requirements set by operations as well as the company's development stage are taken into consideration when electing the Board of Directors. As stated in the Corporate Governance Code, Board members must have required competence for the position and sufficient time to take care of Board responsibilities. The number of Board Members and the Board's composition must enable efficiently taking care of the Board's responsibilities. As stated in the Code, the Board must have both genders represented.

The diversity of the Board is based on Consti's business strategy and future needs. Diversity criteria include the Members' experience in the company's strategic business areas, the cultures that the company operates in, as well as education, age and gender.

In addition to the corporate governance code, the Nomination and Compensation Committee must take into consideration the company's diversity criteria when identifying and suggesting new members to the Board. The diversity criteria are set to ensure that the Board's competence, background and personal abilities in general meet the company's current and future operational needs.

### **Board Members 31 December 2023**

Consti Plc's Board of Directors on 31 December 2023 comprised of Petri Rignell (Chairman), Erkki Norvio, Pekka Salokangas, Anne Westersund, Johan Westermarck and Juhani Pitkääkoski. All Board members were elected in the Annual General Meeting on 4 April 2023.

Board of Directors 31 December 2023:

#### **Petri Rignell**

Chairman

Member of the Nomination and Compensation Committee

MSc. (tech.), born 1962

Board Member since 2008

Finnish citizen

Independent of the company and of significant shareholders

#### *Key work experience*

Kreate Oy, CEO 2016–2017

IVG Polar Oy, CEO 2010–2013

CapMan Real Estate, Industrial Advisor 2007–2010

Projektikonsultit Oy, CEO 1994–2007

Polar Yhtiöt, Foreman 1989–1994

Lemminkäinen Oy, Project Engineer 1985–1989

#### *Key positions of trust*

Nordec Oy, Chairman of the Board since 2021

Sitowise Oy, Member of the Board since 2019

Fimpec Oy, Member of the Board since 2019

Kreate Oy, Chairman of the Board since 2017

Setera Communications Oy, Member of the Board since 2017

PriRock Oy, Chairman of the Board since 2007

Consti Plc's shares through his holding company 25,100 (31 December 2023)

#### **Erkki Norvio**

Board Member

Member of the Nomination and Compensation Committee

M.Sc. (tech.), M.Sc. (econ.), born 1945  
Board Member since 2008 (Chairman 2008–2011)  
Finnish citizen  
Independent of the company and of significant shareholders

*Key work experience*

Ramirent Plc, CEO 1986–2005 and Deputy CEO 1984–1985  
Partek Oy, 1972–1984

*Key positions of trust*

CableCrew Oy, Board Member since 2022  
Norvier Oy, Chairman of the Board since 2007

Consti Plc's shares through his holding company 106,463 (31 December 2023)

**Pekka Salokangas**

Board Member  
Member of the Nomination and Compensation Committee

M.Sc. (econ.) born 1961  
Board Member since 2012  
Finnish citizen  
Independent of the company and of significant shareholders

*Key work experience*

Mantec International, Management Consultant since 2018  
Relacom Oy, CEO 2009–2017  
Wiltrain Consulting Oy and PlanStone Oy, Management Consultant 2008–2009  
ISS Palvelut Oy, Business Unit Director 1998–2008  
Talotek Oy, CEO 1996–1998  
Onninen Oy Wholesale International, Marketing Director 1993–1996  
Huber Oy, Development Director 1989–1993

Consti Plc's shares 9,000 (31 December 2023)

**Anne Westersund**

Board Member

M.A. studies, translator degree, born 1964  
Board member since 2019  
Finnish citizen  
Independent of the company and significant shareholders

*Key work experience*

Rokmind Oy, Partner since 2018  
WesAnne Oy Ab, CEO since 2017  
Cargotec Oyj, SVP Head of Customer Value Programme 2015–2017, SVP Communications and Public Affairs 2013–2015, VP Communications and Marketing 2010–2013  
Vattenfall AB, VP Communication Nordic 2005–2010  
Vattenfall Oy, Customer Service Director 2002–2005  
Silja Line, Marketing Manager 2000–2002

*Key positions of trust*

Hurrikaanit Group Oy, Board Member since 2022  
Rokmind Oy, Chairman of the Board since 2019  
Oy Hedengren Ab, Board Member since 2018

Consti Plc's shares through her holding company 2,000 (31 December 2023)

**Johan Westermarck**

Board Member

Lic.Sc. (Econ.), M.Sc (Tech.), born 1965  
Board Member since 2020  
Finnish citizen  
Independent of the company and significant shareholders

*Key work experience*

Bittium Corporation, CEO, since 2023  
Citec Group Oy Ab, CEO, 2017–2022  
Maintpartner Group Oy, CEO, 2012–2017  
Maintpartner Oy, CEO, 2010–2012  
Maintpartner Ab, CEO, 2009–2010  
Eltel Group Oy, VP, Business Development, 2007–2008  
Eltel Networks GmbH, CEO, 2006–2007  
Eltel Group Oy, VP, Business Development, 2004–2006  
Elcoteq Oyj, VP, Sales and Marketing, 2001–2004  
Ahlstrom Machinery Oy: Regional Director, Service Business 1997–2001, Manager, Marketing Development 1995–1997, Project Engineer 1992–1995

Does not own Consti Plc's shares (31 December 2023)

**Juhani Pitkääkoski**

Board Member

Member of the Nomination and Compensation Committee

LL.M, born 1958  
Board Member since 2022  
Finnish citizen  
Independent of the company and of significant shareholders

*Key work experience*

Caverion Corporation, CEO 2013–2014  
YIT Corporation, CEO 2008–2013, in various management positions 1994–2008  
Oy Huber Ab, Director of the Factory Service Unit 1991–1994, Attorney at Law 1988–1991

*Key positions of trust*

Saimaa Group Oy, Board Member since 2023  
Joint-stock property company Uusi Lastensairaala, Chairman of the Board since 2021

Does not own Consti Plc's shares (31 December 2023)

The Board of Directors held 11 meetings during 2023, the attending rate of Board Members was 100.0%. The attendance rate per Member was: Petri Rignell 100%, Erkki Norvio 100%, Pekka Salokangas 100%, Anne Westersund 100%, Johan Westermarck 100% and Juhani Pitkääkoski 100%.

### **Board of Director's Committees**

The Board has a Nomination and Compensation Committee. The Board annually nominates at least three Committee Members and appoints one of them as Chairman of the Committee, and confirms the Committee's written charters. The Committee meets when necessary, however at a minimum three times a year.

The Committee has no independent decision-making power; it prepares matters to be presented to and decided by the Board. The Committee directly presents the proposal for composition and compensation for the Board of Directors to the Annual General Meeting; prepares a proposal for the CEO and the terms of his/her employment and when necessary also prepares proposals on the appointment and remuneration of other executives prior to the Board of Directors' meeting. The Committee prepares the Group's remuneration principles, short and long-term compensation schemes and monitors their efficiency and realisation. The Committee also prepares the company's diversity policy.

In 2023, the Committee consisted of Erkki Norvio (Chairman), Petri Rignell, Pekka Salokangas and Juhani Pitkääkoski and it had three meetings. All Members attended the meetings.

The Board has stipulated that the Group's scope of operations does not necessitate the creation of a separate Audit Committee, and the Board will take care of its responsibilities. In this capacity, the Board meets the external auditor at least once a year without the members of the management employed by the Company. In the capacity of the Audit Committee, the Board's responsibilities include reviewing the Company's financial statements, half-year financial report and interim reports, monitoring the internal control system, and seeing to internal and external audits.

## **2 CEO**

The Board appoints Consti's CEO and determines the related terms of employment. The employment terms of the CEO are defined in a written employment contract. The CEO is responsible for ensuring that the targets, plans, guidelines and goals set by the Board are carried out within the Company. According to the Finnish Companies Act, the CEO ensures that the accounting practices of the company comply with the law and that financial matters are handled in a reliable manner. The Board assesses the CEO's work and monitors the CEO's development in achieving set targets.

In 2023, Consti's CEO was Esa Korkeela. Esa Korkeela was born in 1972 and has a Master of Science (Econ.) and MBA degrees. He has worked for the company since 2009 as the Group's CFO and as interim CEO during 9–12/2017. At the end of the fiscal period, according to the register maintained by Euroclear Oy, the CEO owned 462,931 Consti Plc shares, which amounts to 5.86 percent of the company's shares and votes.

## **3 MANAGEMENT TEAM**

Supporting the CEO in his/her duties, the Management Team is responsible for business development and the Company's operational activities in accordance with targets set by the Board of Directors and the CEO. The Management Team also defines operative principles and procedures in accordance with guidelines set by the Board. The Management Team convenes every month and whenever necessary and concentrates on the strategic issues of the Group and the business areas. On the agenda there are regular reports and questions concerning the development of the financials, governance, corporate responsibility and development projects. The CEO acts as Chairman of the Management Team.

## Management Team Members 31 December 2023:

### **Esa Korkeela**

CEO

M.Sc. (econ.), MBA, born 1972

#### *Key work experience*

Consti Plc, CEO since 2017

Consti Group Plc, Interim CEO 9–12/2017

Consti Group Plc, CFO 2009–2017

JRH Rakennushuolto Oy, CFO 1995–2009

#### *Key positions of trust*

Tiirinkallio Oy, Chairman of the Board since 2018

Consti Plc's shares 462,931 (31 December 2023)

### **Joni Sorsanen**

CFO

M.Sc. (Econ.), born 1983

#### *Key work experience*

Consti Plc, CFO since 2018

Caverion Corporation, Head of Group Project Control 2017–2018

Consti Group Plc, Head of Investor Relations & Group Controller 2016–2017

Cramo Corporation, various group finance and development tasks, including Business Controller 2009–2016

Ernst & Young Oy, Consultant 2007–2008

Consti Plc's shares 20,655 (31 December 2023)

### **Risto Kivi**

Business Area Director Housing Companies

Master Builder, born 1971

#### *Key work experience*

Consti, Business Area Director Housing Companies since 2021

Consti, Business Area Director Housing Companies and Public Sector 2019–2021

Consti Julkisivut Oy, CEO 2011–2019

Raitayhtiöt Oy, CEO 2009–2011

Raitamiespalvelu Oy, CEO 2008–2009

Raitarakennus Oy, CEO 2007–2009

Raitasauma Oy, CEO 1998–2007

Rkm Kivi ja Kalevo Oy, entrepreneur 1993–1998

#### *Key positions of trust*

Midpointed Oy, Member of the Board since 2012

Consti Plc's shares 388,913 (31 December 2023)

### **Jukka Mäkinen**

Business Area Director Corporations

M.Sc. (tech.), born 1960

#### *Key work experience*

Consti, Business Area Director Corporations since 2019

Consti Korjausurakointi Oy, CEO 2013–2019  
 Devecon Projektinjohtopalvelu Oy, CEO 2013  
 Hartela Oy, manager 2007–2011 and production manager 2011–2013  
 ISS Proko Oy, Regional Manager 1999–2007  
 Projektikonsultit Oy, Project Manager 1997–1999  
 YIT-Yhtymä Oy, Chief of the Technical office 1995–1997 and worksite/project engineer 1989–1995  
 Helsinki University of Technology, Lecturer 1998–2014

Consti Plc's shares 13,549 (31 December 2023)

### **Jukka Kylliö**

Business Area Director Public Sector  
 B.Eng., CPM®, eMBA, born 1967

#### *Key work experience*

Consti, Business Area Director Public Sector since 2021  
 Skanska Talonrakennus Oy, Regional Director 2015–2021  
 NCC Rakennus Oy, Regional Director 2010–2015  
 Lemminkäinen Plc, Construction Director 1994–2010

#### *Key positions of trust*

Rateko, Member of the Executive Board since 2016  
 Wirkku Palvelut Oy, Chairman of the Board since 2003

Consti Plc's shares 22,720 (31 December 2023)

### **Jaakko Taivalkoski**

Business Area Director Building Technology  
 M.Sc. (tech.), eMBA, born 1973

#### *Key work experience*

Consti, Business Area Director Building Technology since 3/2023  
 Consti Talotekniikka Oy, CEO since 3/2023  
 EKE Rakennus Oy, CEO 2020-2022  
 DEN Group, CEO 2015-2020  
 Rakennusosakeyhtiö Hartela, CEO 2012-2015  
 Lemminkäinen Talo Oy, Director, Construction of Business Premises 2007-2012  
 NCC, Business Unit Director 2005-2007, Project Manager 2001-2005,  
 Project-/Site Engineer 1996-2001

Does not own Consti Plc shares (31 December 2023)

### **Pirkka Lähteinen**

Regional Director Corporations  
 B.Eng., born 1977

#### *Key work experience*

Consti, Regional Director Corporations since 2019  
 Consti Korjausurakointi Oy, Regional Director 2011–2019  
 Jollaksen Rakennushuolto Oy, CEO 2009–2011 and Project Manager 2000–2009

#### *Key positions of trust*

Kaskiniemen Sora Oy, Board Member since 1992

Consti Plc's shares 9,692 (31 December 2023)



## **Heikki Untamala**

Chief Legal Officer

LL.M with court training, born 1969

### *Key work experience*

Consti Plc, Chief Legal Officer since 2019

YIT Plc, Head of Legal, Business Premises and Partnership Properties 2018–2019

Lemminkäinen Talo Oy, Director, legal services 2013–2018

Lemminkäinen Plc, Corporate Counsel 2010–2013

Krogerus Attorneys, Attorney at Law 2005–2009

Heikki Untamala Attorneys, Attorney at Law, partner 2000–2005

Consti Plc's shares 35 (31 December 2023)

## **4 EXTERNAL AUDIT**

The statutory external audit for the financial period includes auditing of accounting records, financial statements and administration. The Annual General Meeting on 4 April 2023 chose Ernst & Young as auditor with APA Toni Halonen as principal auditor. In 2023, audit costs amounted to EUR 227 thousand. In addition, the auditor received compensation for other services amounting to EUR 10 thousand.

Ernst & Young Oy has acted as Consti's auditor since 2008. APA Toni Halonen has acted as principal auditor since 2020.

## **5 INTERNAL CONTROLS OF THE FINANCIAL REPORTING PROCESS**

Consti compiles its financial reporting in accordance with the International Financial Reporting Standards (IFRS), the Securities Markets Act, the Finnish Accounting Act and the Finnish Accounting Board's guidelines and statements, while complying with the standards of the Financial Supervisory Authority (FIN-FSA) and the rules of Nasdaq Helsinki Ltd. The internal control and risk management principles, guidelines, practices and responsibilities pertaining to the company's financial reporting process, have been designed to ensure that the financial reports disclosed by Consti are reliable and meet the requirements of the law, regulations and company principles.

Instructions regarding the publication of financial information and external communications are included in Consti's Disclosure Policy approved by the Board of Directors. Its main principles are available on the company website at ([www.consti.fi](http://www.consti.fi) > Investors > Corporate Governance). Investor Relations together with Corporate Communications are responsible for ensuring the accuracy of and compliance with the policy.

### **Risk management**

The central principle of Consti's risk management is continuous, systematic and pre-emptive action to identify risks, define the level of risk the company accepts, evaluate and handle risks and, in the event of risk realisation, see to their effective management and administration so that the company will meet its strategic and financial goals. Risk management is a part of the company's management, monitoring and reporting systems. Risk management includes risk identification, evaluation and risk contingency planning.

Consti's strategic and operative goals are used as a basis for identifying risks. Risk analysis and evaluations are conducted as self-assessments. The probability of a risk materialising and the impact this would have is evaluated on a scale of 1-3 as defined in the company's risk principles.

Consti's Board of Directors duty is to confirm the company's risk management principles and evaluate the adequacy and appropriateness of risk management. The CEO is responsible for the company's risk management and its organisation, allocating resources for the work and reviewing the risk management principles. The Group's Management Team is responsible for the actualisation of risk management, operative risk monitoring and risk related actions.

Financial and operational risks, as well as actions taken, are regularly reported to the Management Team. Strategic risks are handled annually together with the strategy. Risk reports are assessed by the Board, the Management Team and in the business areas' own management teams.

Central risks and risk management actions are reported yearly in the annual report and in interim reports.

### **Internal control**

Internal control aims at protecting the company and its business areas' resources from wrongful use; it makes sure all business transactions are authorised in the necessary manner, supports IT system management and ensures the reliability of financial reporting. In Consti, internal control is foremost the responsibility of line management, which is supported by the Group's support functions. A third level of internal control is made up of internal and external audit, which confirm that the first two levels of control function efficiently.

### **Internal audit**

Consti does not have a separate corporate audit function, as internal control responsibilities have been divided inside the corporation between different functions and areas. The Board may use external experts for assessments regarding the control environment or separate operational evaluations. Consti's external auditor's audit plan takes into consideration that the company does not have a separate corporate audit function.

The CEO creates the foundation for internal control by leading and guiding top management and ensuring that the company's bookkeeping practice follow legislation and financial administration is managed reliably.

The Management Team is responsible for making sure that the organisation's different units have detailed internal control guidelines and procedures. The financial administration staff have an especially important role, as its control actions span all of the company's operational and other units.

The Group's financial administration helps units create appropriate control procedures. It also guides the company's risk management process and reports on its execution to management and monitors the internal control procedures' efficiency and effectiveness in practise.

The business areas' management sees that all of the units and employees that are their responsibility follow the appropriate laws, regulation and internal guidelines.

### **Financial reporting process**

Internal control efficiency regarding financial reporting is overseen by the Board of Directors, and also the CEO and Group and business area Management Teams. Internal control measures, such as reconciliations, logic analyses and comparative analyses are conducted on an organisational level. The purpose of these control measures is to detect, prevent and correct any errors and deviations in financial follow-up.

Consti's financial reporting is based on monthly performance monitoring in a centralised reporting system. Financial reports are handled first at the reporting unit level, then in the Management Teams of the business area and finally in the Group's Management Team. The Board of Directors also receives a monthly report on financial figures. Controllers report any deviations from the plans to the Management Teams, analyse the reasons for such deviations and support the management in decision-making. Monthly reviews also ensure that performance is in line with annual targets and financial forecasts are up to date. Financial administration aims to harmonise the work practises of controllers and ensure guidelines are interpreted consistently throughout the organisation, and also further improve the guidelines.

## 6 INSIDER MANAGEMENT

Consti complies with EU Regulation on Market Abuse ((EU) 596/2014, “MAR”) and 2- and 3-tier regulation supplementing it, the Finnish Securities Markets Act, the insider guidelines of Nasdaq Helsinki Ltd as well as guidance issued by authorities. In addition, the company has internal Insider Guidelines approved by Consti’s Board of Directors, which set, to some extent, stricter requirements than the above-mentioned minimum level regulation.

Consti has defined the members of the Board of Directors, the CEO and members of the Group Management Team as persons discharging managerial responsibilities (“persons discharging managerial responsibilities”). Consti publishes the transactions persons discharging managerial responsibilities and their closely associated persons have conducted relating to financial instruments of Consti in accordance with the notifications the company has received and at latest within two business days after receipt of the notification. After the publication, information will also be available on the company’s website.

Consti has additionally defined e.g. management team members of Consti’s subsidiaries as well as persons dealing with preparation of financial reporting as persons who act in the informative core of the company, i.e. persons who have access to such informative core of the company on the basis of the tasks they deal with (“persons who act in the informative core”). People employed by Consti and people who work for Consti under a contract, and who, due to their duties, have access to insider information associated with Consti, are entered in the company’s project-specific insider register, which is established when necessary.

Persons discharging managerial responsibilities or persons who act in the informative core of the company shall not trade or conduct other transactions, on their own account or for the account of a third party, directly or indirectly, relating to Consti’s financial instruments during the so-called closed window. The closed window begins 30 days prior to the publication of Consti’s interim reports, half-year financial report or financial statement bulletins. The trading prohibition also applies to the day when results are published. Project-specific insiders are prohibited from trading in the company’s financial instruments until the project concerned has been cancelled or disclosed.

Consti’s CFO is responsible for adherence to insider regulations and for monitoring the duty to declare as well as the maintenance of insider registers.