

Edita Group Plc

Corporate governance

Edita Group Plc is a Finnish public limited company that is 100 percent owned by the Finnish State. Its corporate governance system complies with the laws of Finland, government resolutions on state ownership policy, Edita Group's Articles of Association and, where applicable, the Corporate Governance Code 2020 for Finnish listed companies.

The Edita Group comprises the parent company, Edita Group Plc, and its subsidiaries.

The Corporate Governance Statement is issued separately from the Board of Directors' report on operations. The Corporate Governance Statement is approved by the company's Board of Directors.

Governing bodies

Responsibility for the Edita Group's governance and operations rests with Edita Group Plc's governing bodies, which consist of the General Meeting of Shareholders, the Board of Directors, and the CEO. The Group management Team (GMT) consists of Group Executives; the CEO, the CFO, the HR Director, and Managing Directors of the Group's subsidiaries and other key managers in accordance with the policies defined by the Board of Directors. The GMT directs, guides, develops, and supervises the operations of the Group's subsidiaries and business areas. The management of the subsidiaries is under the control of the Managing Directors responsible for each subsidiary and business areas. The GMT directs and implements the Group's Action Plan that covers strategic business development, financial management, HR and talent development risk management and the group ICT management.

General Meeting of Shareholders

Edita Group Plc's supreme decision-making body is the General Meeting of Shareholders. The General Meeting makes decisions on the matters specified in the Limited Liability Companies Act and the Articles of Association. The General Meeting decides on the acceptance of the financial statements and consolidated financial statements, the distribution of dividends, discharging the members of the Board of Directors and the CEO from liability, the number of members on the Board of Directors, and the compensation payable to the members of the Board of Directors and the auditor. The General Meeting elects the Chairperson, Vice-Chairperson and members of the Board of Directors and the company's auditor.

The General Meeting is convened at least once a year. The Annual General Meeting of the extended financial period from the 1st of January 2024 until the 31st of December 2024, shall be held in March 2025. The Board of Directors is responsible for convening the General Meeting in accordance with the Articles of Association and the Limited Liability Companies Act.

Board of Directors

The Board of Directors is responsible for the company's strategic development as well as supervising and guiding the company's business operations and management. Pursuant to the Limited Liability Companies Act, the duties of the Board of Directors include representing the company and ensuring that the company's management, assets and business operations are appropriately organized and supervised.

The Board of Directors has rules of procedure that are reviewed annually. The Board of Directors meets according to a pre-agreed annual plan and meeting schedule. The Board's key functions are:

- ensuring that the company is appropriately managed and that its operations are appropriately organized
- ensuring that accounting, financial management and risk management are appropriately organized
- the strategic development and steering of business operations and business areas
- approving the Group's values and significant operating policies
- approving the annual operating plan and budget
- approving the consolidated financial statements and parent company financial statements
- appointing and dismissing the CEO
- approving the organizational structure and the structure of the compensation system
- setting annual performance targets for the company and its management and monitoring the achievement of targets
- convening the General Meeting
- establishing committees and deciding on their members and rules of procedure
- deciding on significant investments, divestments and restructuring measures
- deciding on significant property transactions and financing measures
- self-evaluation
- assessing the independence of the members of the Board of Directors

The Board of Directors has approved the most significant operating guidelines and policies pertaining to the entire Group, the purpose of which is to ensure that the Group's business is carried out appropriately.

The Annual General Meeting elects four to eight members to the Board of Directors for a term of one year. The General Meeting also elects the Chair and, if necessary, Deputy Chairperson of the Board of Directors. The members of the Board of Directors must be suitable for their task and the election of Board members complies with the Finnish Government Resolution regarding the equal representation of the sexes. The term of the members of the Board of Directors expires at the end of the Annual General Meeting that first follows their election.

During the reporting period, the Board of the Directors consisted of six members between 1 January and 18 March 2024 and of five members from 18 March 2024 on. The members of the Board are listed in the table below. The Board of Directors convened 11 times in 2024. The average attendance rate during the reporting period was 94.7 percent.

Board of Directors	Born	Nationality	Education	Occupation	Member since	Attendance at Board meetings (1 Jan 2021 - 30 June 2022)	Attendance in Audit Committee meeting (1 Jan 2021 - 30 June 2022)
Mr. Jukka Ruuska Board Chair until 18 March 2024	1961	Finnish	LLM, MBA	Chairperson and Senior Advisor	2016	2/2	-
Ms. Anne Korkiakoski, Member until 18 March 2024	1964	Finnish	MSc (Econ)	Professional Board Member	2018	2/2	11/11
Mr. Jani Engberg, Member	1977	Finnish	BSc (Finance), BSc (Int. Marketing)	CMM, Maskun Kalustetalo Oy	2020	10/11	-
Mr. Niko Korte, Member	1986	Finnish	MSc (Econ)	Director Digital Business Developmen t, SSAB	2021	10/11	-
Ms. Anu Kankkunen, Member until 18 March 2024, Board Chair since 18 March 2024	1969	Finnish	MSc (Econ)	SVP Finance and partner, P2X Solutions Oy	2021	11/11	11/11
Ms. Sinikka Mustakari, Member until 18 March 2024, Deputy Chair since 18 March 2024	1979	Finnish	MSc (Econ)	Ministerial Advisor, Financial Affairs at Finnish Prime Minister's Office, Government Ownership Steering Department	2021	11/11	-
Ms. Anja Kajander, Member since 18 March 2024	1967	Finnish	MSc (Econ)	Professional Board Member	2024	8/9	-

The Board of Directors assesses that all its members are independent of the company. All members except Sinikka Mustakari are independent of the company's sole shareholder, Finnish state. The members of the Board of Directors did not own any shares or share-based rights in the parent company or other Group companies.

Board committees

The Board committees assist the Board by preparing the business to be handled by the Board. During the reporting period (1 January 2024–31 December 2024), the Board had one permanent committee, the Audit Committee.

Audit Committee

The members of the Audit Committee are appointed by the Board of Directors. In accordance with its rules of procedure, the Committee assists the Board by monitoring the financial situation and performing supervisory tasks, directing reporting practices and internal audit functions, supervising risk management and overseeing auditing. In addition, the Audit Committee monitors the development of the Group's structure and key business areas.

During the reporting period, the Audit Committee consisted of the following members:

- Anu Kankkunen, Chair of the Audit Committee until 26th of March 2024, Member of the Audit Committee since 26th of March 2024.
- Sinikka Mustakari, Chair of the Audit Committee since 26th of March 2024
- Anne Korkiakoski, Member until 18th of March 2024

The Committee met six times during 2024 with an attendance rate of 100.

CEO

The Board of Directors appoints the CEO, who is responsible for managing and developing the Group's operations in accordance with the provisions and guidelines laid down in the Limited Liability Companies Act and the Articles of Association and as issued by the Board. The CEO is responsible for ensuring the legality of the accounting and the reliable organization of asset management. The CEO prepares the matters discussed in Board meetings and reports to the Board on his duties.

Kristiina Kujala has been the CEO of Edita Group Plc since the 1st of April 2024. Before that she served as interim CEO of the Edita Group Plc.

Group Management Team consisting of Group executives

The Group Management Team (GMT) consists of the CEO, the CFO, the HR Director and the Managing Directors of the Group's subsidiaries and other key managers.

The executives report to the CEO and their duties include assisting the CEO in the preparation of strategy, business plans and other significant matters. The executives monitor the development of the Group's business and performance and take any measures needed to rectify poor performance. The executives are responsible for risk management and reporting in their respective areas of responsibility. The Group Management team meets once a week.

Group Management Team	Position and responsibility area	Born	Education	Member
Ms. Kristiina Kujala	Interim CEO, CFO, Edita Group Plc until 31 March 2024. CEO since 1 of April 2024	1974	MSc (Econ)	Chair of the GMT on 30 June 2022
Ms. Hanna Korhonen	HR Director, Edita Group Plc	1972	MSc	Member of the GMT
Mr. Heikki Autio	Managing Director, Edita Prima Oy	1965	MSc (Eng)	Member of the GMT until 30 November 2024
Mr. Kalle Toivonen	Managing Director, Edita Lakitieto Oy	1967	MBA	Member of the GMT
Mr Tomi-Pekka Niukkanen	Managing Director, Edita Oppiminen Oy	1979	Master of Arts (Education)	Member of the GMT
Ms. Hanna-Maarit Nieminen	Sales and Marketing Director, Edita Oppiminen Oy	1986	MSc (Econ), EMBA	Member of the GMT
Mr. Tommi Virtanen	Finance Director, Edita Group Plc	1973	MSc (Econ)	Member of the GMT since 1 July 2024

GMT during the reporting period from the 1st of January 2024 until the 31st of December 2024.

Internal auditing

The purpose of internal control and risk management is to ensure that the company's operations are efficient and profitable, that the supply of information is reliable, and that regulations and policies are observed. Internal auditors are responsible for helping the Board and the CEO to assess the appropriateness and effectiveness of the Group's processes and systems, the efficiency and adequacy of internal control, and the accuracy and adequacy of the accounting and reporting. In the Edita Group, internal auditing goals are decided upon annually by the Board by means of, for example, risk assessments. Practical implementation is entrusted to an independent external firm of authorized public accountants.

The internal audit reports to the Board of Directors or the Audit Committee. Internal audit assessments are distributed to Edita Group Plc's Board of Directors, Audit Committee, auditors and CEO. The CEO, together with other executives, is responsible for ensuring that any actions required on account of observations made by internal auditors are duly initiated in accordance with the Board of Directors' instructions.

Taking into consideration the size of the company and its level of internal control during the reporting period, no separate assignment concerning internal auditing was carried out during the year.

Auditing

The authorized public accountant firm elected by the Annual General Meeting to audit the parent company, Edita Group Plc, audits the entire Group with regard to accounting, financial statements, and administration each financial year. In addition to the audit report issued in connection with the company's financial statements, the auditors also regularly report on their findings to the board and the board's Audit Committee.

Edita Group Plc's Auditor is KPMG Oy, with Ari Eskelinen, APA, acting as the auditor from 11 March on in charge for the reporting period. The total fees paid to the auditor for auditing and other services amounted to EUR 185,000 during the reporting period.

Risk management

The Board of Directors is responsible for the appropriate organization of risk management. Risk management is a part of the Board of Directors' annual clock.

Risk management is an inseparable part of strategic planning and operational goal setting. Risk management is based on an organization-wide approach to identifying, assessing, managing, and monitoring material risks. The CEO and other executives ensure that risk management is a continuous, integral part of the Group's day-to-day management and operations. The CEO and CFO together with the other management identify and monitor risks, develop, and coordinate risk management activities, and update the Group's risk profile.

The executives report to the Board on risks by business area. Unless there is a need for ad-hoc reporting, the CEO reports to the Board on risk management annually in conjunction with budgeting. The Board of Directors deals with the most significant risks and evaluates the efficiency of risk management at least once a year. The external audit monitors risk management as a part of the regular auditing program.

Internal control

The Board of Directors, assisted by the Audit Committee, is responsible for the organization of internal control. The CEO manages the implementation of control and reports on it regularly to the Board.

Internal control is an integral part of the company's governance and its management system. The internal control of operations is based on supervision and control systems built into the management system. The action plan and the regular reporting based on the action plan are, in addition to monthly financial reports, key practices that support management and internal control. Internal control is not a separate process. As part of the company's functions, it covers all the company's operating principles, guidelines and systems. The monitoring of policies and instructions is carried out by centralized support functions such as financial management, human resource management and information management, as well as by the external and internal audit.

The objective of internal control aimed at reliable financial reporting is to ensure that the reporting is reliable and complies with generally accepted principles, applicable legislation and regulations governing the preparation of financial statements. The company uses centralized financial and cash management. Financial reporting is based on financial processes, in which dangerous combinations of duties are avoided, and on internal policies such as approval authorizations, the investment policy and the financing policy. The achievement of financial targets and balance sheet management are monitored through monthly Group-wide reports.

Sustainability

Edita Group releases annual sustainability reports as part of annual reports. The sustainability activities cover responsibility related to Environmental, Social and Governance aspects (ESG) and are integrated within the

Edita Group’s business strategy. The Group also reports its financial responsibility as a part of its annual reporting. The goal of Edita Group’s Board of Directors, the Board Committees and other executives is to operate our business in a responsible way. Sustainability aspects and goals are re-evaluated and set annually as a part of the Group strategy process.

Compensation

Compensation of board members

The Annual General Meeting decides on the compensation of Board members annually. Members of the Board and its committees are remunerated financially. Members of the Board are not entitled to incentive systems based on shares or share derivatives.

Compensation of the CEO and corporate executives

During the reporting period, the compensation of the Group CEO, Group executives and Business Area management teams consists of a fixed monthly salary and standard benefits. Parts of the corporate executives and key employees are also eligible for a performance-based incentive program. In 2024, the Group paid out incentives based on the Group performance targets for the budgeting year 2023. Edita Group does not use incentive systems based on shares or share derivatives.

Furthermore, the business areas can apply incentive systems based on sales and production efficiency. These systems do not overlap with the Group’s performance-based incentive system.

The Board of Directors of Edita Group decides the terms and conditions of the contracts as well as the compensation of the CEO and the Group executives. The Board also decides on the principles of compensation for other key positions.

Upon termination of their contracts, the CEO and other members of the Group executives will be entitled to the salary paid for the period of notice as well as benefits. The period of notice for the CEO when terminating the employment is six months for both parties. The period of notice for the managing directors of subsidiaries is six months when notice is served by the employer and three months if the notice is served by the managing director. The period of notice for terminating the employment of other members of the Group executives is three to six months when notice is served by the employer and three months when notice is served by the corporate executive in question. Upon termination of employment by the employer, the managing directors of subsidiaries will be entitled to compensation equivalent to three months’ salary in addition to the salary paid for the period of notice. Upon resignation, the corporate executive in question will only be entitled to the salary paid for the period of notice as well as benefits.

The CEO’s retirement age is according to the legislation.

COMPENSATION DURING 1 JANUARY 2024 – 31 DECEMBER 2024	EUR 1,000
Mr. Jukka Ruuska, Chair of the Board until 18 March 2024	11
Ms. Anu Kankkunen), Board Member until 18 March 2024, Chair of the Board since 18 March 2024	43

Ms. Sinikka Mustakari, Board Member until 18 March 2024, Deputy Chair of the Board since 18 March 2024	33
Mr. Jani Engberg, Board Member	25
Mr. Niko Korte, Board Member	25
Ms. Anne Korhikoski, Board Member until 18 March 2024	7
Ms. Anja Kajander, Board Member since 18 March 2024	
Ms. Kristiina Kujala, Interim CEO	388
Other Group Management Team members	750

Related party transactions

The related party transactions of the members of the Group's Board of Directors and the Managing Directors of Group companies are surveyed annually. In the event of business transactions with related parties, Edita Group ensures that any potential conflicts of interest are appropriately taken into consideration in decision-making. If business transactions with related parties are material from the company's perspective and they deviate from the ordinary course of business or ordinary market terms, Edita Group will provide an explanation of the decision-making procedure concerning the related party transaction in the company's Corporate Governance Statement.

The groups related parties also include the parent company and its subsidiaries. Sales of goods and services conducted with a related party are based on market prices. Related party transactions are reported in the notes to the parent company's financial statements.