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Corporate
Governance
Statement 2022

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Corporate Governance Statement 2022

Glaston Corporation's administration and management are based on the Company's Articles of Association, the Finnish Companies Act and Securities Markets Act, and the rules and guidelines of Nasdaq Helsinki Ltd. In addition, Glaston complies with the Finnish Corporate Governance Code 2020 (also the "Corporate Governance Code"), which is publicly available at: www.cgfinland.fi.

This statement has been approved by the Company's Board of Directors (also the "Board"). The Corporate Governance Statement is issued as a separate report and is published together with the financial statements, the Report of the Board of Directors and the Remuneration Report on the Company's website at: <https://glaston.net/governance/>. The information is also included in the Annual Review 2022.

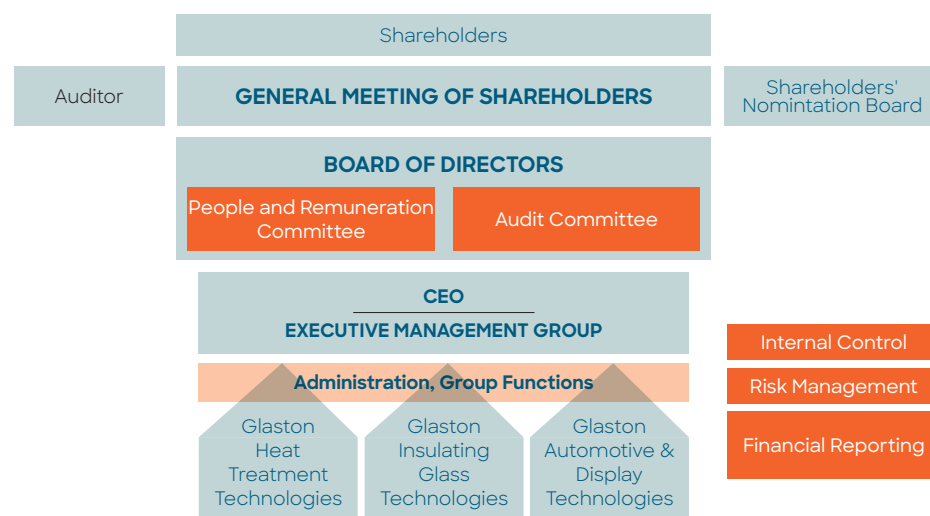
Duties and Responsibilities of Governing Bodies

The General Meeting of Shareholders, the Board of Directors and the President & CEO, whose duties are determined mainly in accordance with the Finnish Companies Act, are responsible for the management of Glaston Group. The General Meeting of Shareholders elects the Board of Directors and the Auditors. The Board of Directors appoints the President & CEO, who is responsible for the Company's daily operational management. The President & CEO is supported by the Executive Management Group.

Under Recommendation 10 of the Corporate Governance Code, a majority of Members of the Board of Directors shall be independent of the Company, and at least two Members who are independent of the Company shall also be independent of the Company's significant shareholders. The Nomination Board prepares proposals on the nomination and remuneration of Members of the Board of Directors to be dealt with by a General Meeting of Shareholders. In the selection of members, attention shall be paid to the diversity of the Board of Directors, which means, among other things, that the members' experience and competence in the Company's field of business and development stage are mutually complementary. In addition, education, age and gender shall be taken into account. Both genders must be represented on Glaston's Board of Directors.

The notice to attend an Annual General Meeting shall include a proposal on the composition of the Board of Directors. The personal information of the candidates shall be published

Governance Model 31 December 2022



on Glaston's website in connection with the notice to attend an Annual General Meeting.

The Board of Directors shall elect from among its members a Chair and a Deputy Chair to serve for one year at a time. The Board of Directors has a quorum if more than half of its members are present at the meeting.

The Board of Directors' tasks and responsibilities are determined by the Company's Articles of Association, the Finnish Companies Act and other legislation and regulations. It is the responsibility of the Board of Directors to further the interests of the Company and all of its shareholders.

The main duties and operating principles of the Board of Directors are defined in the board charter approved by the Board. It is the Board's duty to prepare the matters to be dealt with by a General Meeting and to ensure that the decisions made by a General Meeting are appropriately implemented. It is also the Board's task to ensure the appropriate arrangement of the control of the Company's accounts and finances. In addition, the Board directs and supervises the Company's executive management, appoints and dismisses the President & CEO and decides on the President & CEO's employment and other bene-

fits. In addition, the Chair of the Board approves the salary and other benefits of the Executive Management Group. The Board approves the Executive Management Group's charter.

The Board of Directors also decides on far-reaching and fundamentally important issues affecting the Group. Such issues are the Group's strategy, approving the Group's action plans and monitoring their implementation, monitoring the Group's financial development, acquisitions and the Group's operating structure, significant capital expenditures, internal control systems and risk management, key organizational issues and incentive schemes.

The Board of Directors is also responsible for monitoring the reporting process of the financial statements, the financial reporting process and the efficiency of the Company's internal control, internal auditing, if applicable, and risk management systems pertaining to the financial reporting process, monitoring the statutory audit of the financial statements and consolidated financial statements, evaluating the independence of the statutory auditor or audit firm, particularly with respect to the provision of services unrelated to the audit, and preparing a proposal

for resolution on the election of the auditor. The Board of Directors also regularly evaluates its own actions and working practices.

Meetings of the Board of Directors are held as a rule in Helsinki. The Board of Directors also endeavors each year to visit the Group's other operating locations and hold meetings there. The Board of Directors may also, if necessary, hold video and telephone conferences. The Board of Directors meets according to a timetable agreed in advance, generally 7-10 times per year and additionally, if necessary. The Company's President & CEO and Chief Financial Officer generally attend the meetings of the Board. The Company's General Counsel acts as Secretary to the Board. If necessary, such as in connection with the handling of strategy or the annual plan, other Members of the Executive Management Group may also attend meetings of the Board. The Auditor attends all Audit Committee meetings and at least one Board meeting per year.

Board of Directors in 2022

At the Annual General Meeting, held on 12 April 2022, the Members of the Board of Directors Veli-Matti Reinikkala, Sebastian Bondestam, Antti Kau-

nonen, Sarlotta Narjus, Arja Talma, Tero Telaaranta and Michael Willome were re-elected as members of the Board of Directors. The Board of Directors was elected for a term of office ending at the closing of the next Annual General Meeting.

In 2022, Veli-Matti Reinikkala has served as Chair of the Board, and Sebastian Bondestam as Deputy Chair.

In 2022, the Board evaluated its performance and procedures through a self-evaluation questionnaire. In the self-evaluation, the members considered, among other things diversity of the Board, the quality of the Board and committee work and information sharing between the Board and the management. The results of the evaluation were discussed and analyzed by the Board and improvement proposals were agreed based on these discussions.

In 2022, key themes on the Board's agenda were the implementation of the company's revised strategy for 2021-2025 as well as planning and follow-up of the strategic initiatives. In addition, mitigating the impacts of the supply chain disruptions continued to be on the agenda.

Independence of Members of the Board

According to an independence assessment performed by the Company's Board of Directors, all of the Members of the Board are independent of the Company. Member of the Board Tero Telaranta is dependent on a significant shareholder of the Company, Ahlstrom Capital B.V., whose ownership was 26.39% on 31 December 2022. As of 25 November 2022, member of the Board Sebastian Bondestam is dependent on a significant shareholder of the Company, Ahlstrom Capital B.V. The Members of the Board have no conflicts of interest between the duties they have in the Company and their private interests.

General Counsel Taina Tirkkonen served as the secretary to the Board of Directors.

The CV details of the members of the Board are available on the company website. The remuneration of the Board is described in the Remuneration Report 2022.

Members of the Board of Directors 31 December 2022

Member of the Board	Member since	Independence	Year of birth	Share ownership on 31 December 2022	Education	Main occupation
Veli-Matti Reinikkala	2020, Chair of the Board	Independent of the company and significant shareholders	1957	720,558 shares	eMBA, Non-executive Director	Board Professional
Sebastian Bondestam	2018, Deputy Chair of the Board	Independent of the company, dependent on a significant shareholder	1962	51,255 shares	M.Sc.(Eng.)	Uponor Infra Oy, President; Uponor Corporation, Deputy to the CEO
Antti Kaunonen	2018	Independent of the company and significant shareholders	1959	148,718 shares	D.SC. (Tech.), MBA	Cargotec Corporation, President Kalmar Automation Solutions, retired on 30 June
Sarlotta Narjus	2016	Independent of the Company and of significant shareholders	1966	no shares	M.Sc. Architecture SAFA	SARC Architects Ltd, CEO
Arja Talma	2021	Independent of the Company and of significant shareholders	1962	22,713 shares	M.Sc. (Econ.), eMBA	Board Professional
Tero Telaranta	2017	Independent of the company, dependent on a significant shareholder	1971	23,089 shares	M.Sc.(Eng.), M.Sc. (Econ.)	Ahlström Capital, Director, Industrial Investments
Michael Willome	2020	Independent of the Company and of significant shareholders	1966	no shares	lic. oec HSG, M.A.	Synthomer Plc, Group Chief Executive Officer

Meeting attendance of Members of the Board 2022

	Board meetings	Audit Committee	People and Remuneration Committee
Veli-Matti Reinikkala	9/9	5/5	
Sebastian Bondestam	9/9		4/4
Antti Kaunonen	9/9		4/4
Sarlotta Narjus	9/9		4/4
Arja Talma	8/9	5/5	
Tero Telaranta	9/9	5/5	
Michael Willome	9/9		3/4

Meeting attendance of Members of the Board 2022

In 2022, Glaston's Board of Directors convened nine times. The meeting attendance is reported in the table above.

Committees of the Board of Directors

Glaston's Board of Directors has two committees: the Audit Committee and the People and Remuneration Committee. The Board of Directors appoints the members and chairs of the committees, taking into account the expertise and experience required for the duties of the committees. The members of the committees are appointed for the term of office of the Board of Directors. The committees

are preparatory bodies of the Board of Directors and do not have their own decision-making power.

Audit Committee

The Audit Committee assists the Board of Directors by preparing matters within the competence of the Board of Directors. The Committee reports to the Board of Directors on matters discussed and measures taken at least four times a year and makes proposals to the Board for decision-making, if necessary.

The Board of Directors specifies the duties of the Audit Committee in a charter confirmed by the Board of Directors. The Audit Committee oversees the financial reporting process

and monitors the effectiveness of internal control, internal audit and risk management systems. In addition, the Committee reviews the description of the main features of the internal control and risk management systems associated with the financial reporting process, monitors the statutory audit of the financial statements and the consolidated financial statements, evaluates the independence of the statutory audit firm and prepares a proposal for the election and remuneration of the auditor. Other duties include evaluating compliance with laws, regulations and corporate practices, overseeing significant litigation concerning Group companies, and performing any other duties assigned to the Committee by the Board of Directors.

The Audit Committee carries out self-evaluation of its work annually, and the Chair of the Committee reports the results to the Board of Directors.

Audit Committee in 2022

Until the Annual General Meeting on 12 April 2022, Arja Talma served as Chair, and Veli-Matti Reinikkala and Tero Telaranta as members of the Audit Committee. The members of the Audit Committee were independ-

ent of the Company. Tero Telaranta is dependent on a significant shareholder of the Company. As of 12 April 2022, the composition of the Audit Committee remained unchanged, and Arja Talma served as Chair, and Veli-Matti Reinikkala and Tero Telaranta as members of the Audit Committee.

In 2022, the Audit Committee met five times. The meeting attendance is reported in the table to the left.

In 2022, the committee reviewed plans to simplify the Group's legal structure and finance Chinese operations besides its regular reviews of financial reporting, audit and risk management. The follow-up of the Group's plans to mitigate cyber security risks became more frequent than earlier.

On 15 December 2022, the Board of Directors decided on changes in the composition of the Board of Directors' Audit Committee. As of January 1, 2023, the composition of the Audit Committee is as follows: Arja Talma (Chair), Sarlotta Narjus and Tero Telaranta.

People and Remuneration Committee

The People and Remuneration Committee assists the Board of Directors by preparing matters within the competence of the Board of Directors. The Board of Directors is responsible for the

duties it assigns to the Committee.

The Board of Directors specifies the duties of the People and Remuneration Committee in a charter confirmed by the Board of Directors. Key duties of the Committee include preparing the remuneration policy and remuneration report for the Board and the Annual General Meeting, preparing salaries and other benefits of Glaston's CEO and other members of the Executive Management Group, preparing the nomination of the CEO and other members of the Executive Management Group and their successors, and preparing proposals for Glaston's short- and long-term incentive schemes as well as monitoring the company's key personnel's successor and development plan. In addition, the Committee's duties include carrying out all other duties assigned to the Committee by the Board of Directors.

The People and Remuneration Committee convenes at the invitation of the Chair, as necessary and at least twice a year. The Members of the Board of Directors and the CEO have the right to attend the meetings of the Committee.

The People and Remuneration Committee regularly carries out self-evaluation of its work, and the

Chair of the Committee reports the results to the Board of Directors.

People and Remuneration Committee in 2022

Until the Annual General Meeting on 12 April 2022, Sebastian Bondestam served as Chair, and Sarlotta Narjus, Antti Kaunonen and Michael Willome as members of the People and Remuneration Committee. After the Annual General Meeting, Sebastian Bondestam continued as Chair, with Antti Kaunonen, Sarlotta Narjus, and Michael Willome as members of the committee. The members of the People and Remuneration Committee were independent of the Company. Sebastian Bondestam is dependent on a significant shareholder of the Company.

In 2022, the People and Remuneration Committee met four times. The meeting attendance is reported in the table on the previous page. On the committee's agenda were the incentive program for top management and the outcome of the same, top management review and remuneration as well as a talent review follow-up. In addition, the committee prepared the remuneration report for the governing bodies.

On 15 December 2022, the Board of Directors decided on changes in the

composition of the Board of Directors' People and Remuneration Committee. As of January 1, 2023, the composition of the People and Remuneration Committee is as follows: Veli-Matti Reinikkala (Chair), Sebastian Bondestam, Antti Kaunonen and Michael Willome.

Shareholders' Nomination Board

The Nomination Board's task is to prepare and present annually for the Annual General Meeting and, if necessary, for an Extraordinary General Meeting, a proposal concerning the number of Members of the Board of Directors, a proposal on the identities of the Members of the Board, and a proposal on the remuneration of the Members of the Board. An additional task of the Nomination Board is to seek candidates as potential Members of the Board of Directors.

In its activities, the Nomination Board complies with current legislation, stock exchange rules applicable to the Company, and the Corporate Governance Code.

The Nomination Board consists of four (4) members, all of whom are appointed by the Company's four largest shareholders, who appoint one member each. The Chair of the Company's Board of Directors serves as an

advisory member of the Nomination Board.

The Company's largest shareholders entitled to appoint members to the Nomination Board are determined annually on the basis of the registered holdings in the company's shareholder register held by Euroclear Finland Ltd on the first working day in September of the year in question. The Nomination Board elects a Chair from among its members.

The Nomination Board is established to serve until a General Meeting of Shareholders decides otherwise. The members of the Nomination Board are appointed annually and the term of office of the members expires when new members are appointed to the Board.

The members of the Nomination Board shall be independent of the company, and no person belonging to the Company's executive management shall be a member of the Nomination Board.

The Nomination Board shall submit its proposals to the Company's Board of Directors annually by the end of January preceding the Annual General Meeting. Proposals for an Extraordinary General Meeting shall be submitted to the Company's Board of Directors so that they can be included

in the notice to attend the meeting.

A decision of the Nomination Board shall be the opinion of a majority of the members of Nomination Board. If the votes are tied, then the Chair's vote shall be decisive. If the votes are tied in the election of the Chair, the member candidate for Chair nominated by the shareholder who had the largest number of shares when the Nomination Board was established shall be elected as Chair.

A report on the activities of the Nomination Board shall be presented at the Annual General Meeting and published on the Company's website.

Shareholders' Nomination Board 2022

Until 31 August 2022, the Shareholders' Nomination Board comprised of Lasse Heinonen (Chair), as the representative nominated by Ahlstrom Capital B.V., Jaakko Kurikka, as the representative nominated by Hymy Lahtinen Oy, Pekka Pajamo, as the representative nominated by Varma Mutual Pension Insurance Company, and Esko Torsti, as the representative nominated by Ilmarinen Mutual Pension Insurance Company.

In accordance with its charter, the Nomination Board prepared its proposal concerning the Board compo-

sition and remuneration to the AGM 2022. The Nomination Board proposed that the number of members of the Board of Directors would be seven and that Sebastian Bondestam, Antti Kaunonen, Sarlotta Narjus, Veli-Matti Reinikkala, Arja Talma, Tero Telaranta and Michael Willome be re-elected as Members of the Board of Directors. The Nomination Board proposed that the annual remuneration of the Members of the Board of Directors would be increased and to be as follows: Chair EUR 70,000 (60,000), Vice Chair 43,000 (40,000) and Members EUR 33,000 (30,000).

Based on ownership on 1 September 2022, the Shareholders' Nomination Board remained unchanged and comprised of Lasse Heinonen, as the representative nominated by Ahlstrom Capital B.V., Jaakko Kurikka, as the representative nominated by Hymy Lahtinen Oy, Pekka Pajamo, as the representative nominated by Varma Mutual Pension Insurance Company, and Esko Torsti, as the representative nominated by Ilmarinen Mutual Pension Insurance Company. Veli-Matti Reinikkala, Chair of the Glaston Corporation's Board of Directors, served as an advisory member of the Nomination Board.

In its organizing meeting on 9 September 2022, the Nomination Board elected Lasse Heinonen amongst its members as the Chair. The Board met three times during 2022 and the average attendance of members was 100%. No fees were paid to the members of the Nomination Board.

In accordance with its charter, the Nomination Board prepared its proposal concerning the Board composition and remuneration also to the AGM 2023. The proposal was disclosed on 14 December 2022 and according to the proposal, the Nomination Board proposed that the number of members of the Board of Directors would be seven and that Sebastian Bondestam, Antti Kaunonen, Sarlotta Narjus, Veli-Matti Reinikkala, Arja Talma, Tero Telaranta and Michael Willome be re-elected as Members of the Board of Directors. The Nomination Board proposed that the remuneration of the members of the Board of Directors remain unchanged and that accordingly, the annual remuneration be as follows: Chair EUR 70 000, Vice Chair 43 000 and Members EUR 33 000.

President & CEO

The President & CEO handles the operational management of the Company in accordance with instructions issued by the Board of Directors. He is responsible to the Board of Directors for fulfilling the targets, plans and goals that the Board sets. The President & CEO is responsible for ensuring that the Company's accounting is in compliance with the law and that financial management has been arranged in a reliable manner. The President & CEO is supported by the Executive Management Group.

Anders Dahlblom has served as President & CEO as of 1 January 2021.

Deputy to the CEO

Sasu Koivumäki, CSO (Chief Sales Officer), has served as Deputy to the CEO since 1 January 2015. The Deputy to the CEO carries out the duties of the CEO after the termination of his/her service or when he/she is temporarily prevented from performing his/her duties.

Executive Management Group

The Chair of the Company's Board of Directors appoints, on the proposal of the President & CEO, the Members of the Executive Management Group

and confirms their remuneration and other contractual terms. The Company's President & CEO acts as the Chair of the Executive Management Group. The Executive Management Group handles the Group's and business areas' strategy issues, capital expenditure, financial development, product policy, Group structure and control systems, and supervises the Company's operations.

The Members of the Executive Management Group report to the President & CEO and assist him in implementing the Company's strategy, operational planning and management, and in reporting the development of business operations. The Executive Management Group meets under the direction of the President & CEO.

In 2022, the composition of the Executive Management Group was the following: President and CEO Anders Dahlblom, CSO and Deputy CEO Sasu Koivumäki, CFO Päivi Lindqvist, SVP Glaston Heat Treatment Technologies Miika Äppelqvist, SVP Glaston Insulating Glass Technologies Dietmar Walz, SVP Glaston Automotive and Display Technologies Robert Prange, SVP Services Artturi Mäki, SVP People & Culture Hannele Anonen and General Counsel Taina Tirkkonen.

The Executive Management Group convened 12 times in 2022.

Executive Management Group 31 December 2022

	Area of responsibility	Member since	Year of birth	Education	Share ownership on 31.12.2022 ^{*)}
Anders Dahlblom	President & CEO	Employed by the company since 2021	1974	M.Sc. (Econ.)	530,000 shares
Other members of the Executive Management Group					
Sasu Koivumäki	CSO Deputy to CEO since 2015	Employed by the Company since 2002, Member of the Executive Management Group since 2012	1974	M.Sc.(Econ.)	89,979 shares
Päivi Lindqvist	Chief Financial Officer	Employed by the company and Member of the Executive Management Group since 2016	1970	M.Sc.(Econ), MBA	38,680 shares
Miika Äppelqvist	SVP Glaston Heat Treatment Technologies	Employed by the company since 2013, Member of the Executive Management Group since 2020	1981	MSc, (Eng.)	6,815 shares
Dietmar Walz	SVP Insulating Glass Technologies	Employed by the company and Member of the Executive Management Group since 2019	1960	M.Sc.(B.Admin)	No shares
Robert Prange	SVP, Automotive and Display Technologies	Employed by the company since 2019, Member of the Executive Management Group since 2020	1970	Dr. Ing.	40,000 shares
Taina Tirkkonen	General Counsel	Employed by the company since 2011, Member of the Executive Management Group since 2013	1975	LL.M, M.Sc. (Admin), MBA	27,500 shares
Artturi Mäki	SVP Services	Employed by the company and Member of the Executive Management Group since 2016	1969	M.Sc.(Eng.)	4,731 shares
Hannele Anonen	SVP People & Culture	Employed by the company and Member of the Executive Management Group since 2021	1971	eMBA	No shares

^{*)} Share ownership includes also the ownership of Glaston Corporation shares by the entities controlled by the person in question

Remuneration of the CEO & President and the Executive Management Group is described in the Remuneration Report 2022 and on the company's website.

At the end of 2022, the Steering Executive Management Group comprised, in addition to the above-mentioned members of the Executive Management Group, of Kimmo Kuusela (VP Strategic Accounts & Innovation, Architectural Business), Marcus Schrod (VP Operations, Neuhausen), Pekka Nieminen (General Manager and VP, Sales and Operations, China), Marco Stehr (SVP Sales and service, EMEA), Pia Posio (VP Marketing, Communications and IR), Jens Mayr (SVP China strategy), Joe Butler (SVP Sales & Service, Americas), José Yepes, (VP, Strategic accounts & Innovation, Automotive and Display Business) and Janne Puhakka (Director, ICT). The Executive Steering Management Group met four times in 2022.

Main Features of Internal Control and Risk Management Pertaining to the Financial Reporting Process

Internal control is an essential part of the Company's administration and management. Its aim is to ensure that the Group's operations are efficient, productive and reliable and that

legislation and other regulations are complied with. The Group has specified Group-wide principles for the main areas of its operations that form the basis for internal control.

The Group's internal control systems serve to provide reasonable assurance that the financial reports published by the Group give reasonably correct information about the Group's financial position. The Board of Directors and the President & CEO are responsible for arranging internal control. A report covering the Group's financial situation is supplied monthly to the Board of Directors. The Group's internal control is decentralized to different Group functions, which supervise compliance with instructions approved by the Board of Directors within their areas of responsibility. The Group's financial management and operational control are supported and coordinated by the Group's financial management and controller network.

The Group's financial reporting process complies with the Group's operating guidelines and standards relating to financial reporting. The interpretation and application of financial reporting standards has been concentrated in the Group's Financial Management organization, which maintains operating guide-

lines and standards relating to financial reporting and is responsible for internal communication relating to them. The Group's Financial Management organization also supervises compliance with these guidelines and standards. The Company has no separate internal auditing organization. The Group's Financial Management organization regularly monitors the reporting of the Group's units and addresses deviations perceived in reporting and, if necessary, performs either its own separate internal control auditing or commissions the internal control auditing from external experts. Control of reporting and forecasting processes is based on the Group's reporting principles, which are determined and centrally maintained by the Group's Financial Management organization. The principles are applied consistently throughout the Group and a consistent Group reporting system is in place.

Risk Management

Risk management is an essential part of Glaston's management and control system. The purpose of risk management is to ensure the identification, management and monitoring of risks relating to business targets and operations. Risk management principles

and operating practices have been specified in a risk management policy approved by the Company's Board of Directors.

The principle guiding Glaston's risk management is the continuous, systematic and appropriate development and implementation of the risk management process, with the objective being the comprehensive recognition and appropriate management of risks. Glaston's risk management focuses on the management of risks relating to business opportunities and of risks that threaten the achievement of Group objectives in a changing operating environment. From the perspective of risk management, the Company has divided risks into four different groups: strategic risks, operational risks, financial risks and hazard risks. Risks relating to property, business interruption as well as liability arising from the Group's operations have been covered by appropriate insurances. Management of financial risks is the responsibility of the Group Treasury in the Group's parent company.

Glaston's risk management policy includes guidelines relating to the Group's risk management. Risk management policy also specifies the risk management processes and responsibilities. Glaston's risk management

consists of the following stages: risk recognition, risk assessment, risk treatment, risk reporting and communication, and control of risk management activities and processes. As part of the risk management process, the most significant risks and their possible impacts are reported to the Company's management and the Board of Directors regularly, based on which management and the Board are able to determine the level of risk that the Company's business functions are potentially ready to accept in each situation or at a certain time.

It is the duty of Glaston's Board of Directors to supervise the implementation of risk management and to assess the adequacy and appropriateness of the risk management process and of risk management activities. In practice, risk management consists of appropriately specified tasks, operating practices and tools, which have been adapted to Glaston's business functions and Group-level management systems. Risk management is the responsibility of the SVP of each segment and the head of Group-level function. Risk recognition is in practice the responsibility of every Glaston employee.

The Group Legal function is responsible for guidelines, support, control

and monitoring of risk management measures. In addition, the function consolidates segment and Group-level risks. The Group Legal function reports on risk management issues to the President & CEO and the Executive Management Group and assesses in collaboration with them any changes in the probabilities or the impacts of identified risks and in the level of their management. The Group Legal function also reports the results of risk management processes to the Board of Directors.

Segment and Group-level risk management is included in the annual Group-wide risk management process. The process can also always be initiated when required if substantial strategic changes requiring the initiation of the risk management process take place in a certain segment.

The management group of each segment and function identifies and assesses its operational risks and specifies risk management measures by which an acceptable level of risk can be achieved.

Utilizing the risk management process, risks are systematically identified and assessed in each segment and at Group level. In addition, at each level actions are specified which, when implemented, will achieve an

acceptable risk level. Risks are consolidated at Group level. Action plans are prepared at each level of operations to ensure risks remain at an acceptable level.

The Group's risks are covered in more detail in the Report of the Board of Directors on page 88. The management and organization of the Group's financial risks are presented in more detail in Note 5.4 of the consolidated financial statements on page 159.

Information and Communications

An effective internal control system requires sufficient, timely and reliable information to enable management to assess the achievement of the company's goals. There is a need for both financial and other information on the Company's internal and external events and activities. Employees have the opportunity to report, also through a whistleblowing channel, any questionable activity they observe. All external communications are handled in accordance with the Group's Disclosure policy.

Auditing

The Company has one Auditor, which must be an auditing firm authorized by the Finnish Patent and Registration Office. The Annual General

Meeting elects the Auditor to audit the accounts for the financial year, and the Auditor's duties cease at the close of the subsequent Annual General Meeting. It is the Auditor's duty to audit the consolidated and parent company financial statements and accounting as well as the parent company's governance, and to give reasonable assurance that the financial statements as a whole are free from material misstatement. The Company's Auditor presents the audit report required by law to the Company's shareholders in connection with the annual financial statements and reports regularly to the Board of Directors. The Auditor, in addition to fulfilling general competency requirements, must also comply with certain legal independence requirements guaranteeing the execution of an independent and reliable audit.

Audit 2022

At the 2022 Annual General Meeting, the accounting firm KPMG Oy Ab was re-elected as the Company's Auditor.

The auditor with principal responsibility was Lotta Nurminen APA. Auditing units representing KPMG have served as the auditors of the Company's subsidiaries in most operating countries. In 2022, the Group's auditing

costs totaled approximately EUR 376 thousand, of which KPMG received approximately EUR 302 thousand. In addition, auditing units belonging to KPMG have provided legal statements to a total value of EUR 15 thousand and other advice to Group companies to a total value of EUR 95 thousand.

Principles for Related Party Transactions

Glaston complies with legislation concerning related party transactions and, in accordance with legislation and the Corporate Governance Code, ensures that requirements related to monitoring, assessing, decision-making and disclosure of related party transactions are complied with. Glaston's Board of Directors monitors and assesses the transactions of the Company and its related parties.

Glaston has defined the parties that are related to the Company, and Glaston's Communications Department maintains a list of individuals and legal persons who are considered to be related parties. Glaston maintains up-to-date guidelines on related party regulation and the monitoring thereof. Requirements regarding related party transactions have also been taken into account in Glaston's Code of Conduct.

Glaston may enter into transactions with its related parties as long as the transactions are part of Glaston's ordinary business operations and made on ordinary commercial terms and conditions. In such situations, Glaston's internal guidelines and decision-making processes are complied with. Related party transactions that deviate from Glaston's normal business operations or are not made on ordinary commercial terms are decided on by Glaston's Board of Directors, respecting provisions on disqualification.

Related party transactions are regularly monitored in Glaston's finance unit. Management personnel belonging to Glaston's related parties are obliged to notify Glaston's Related Party Administration without undue delay about related party transactions or planned related party transactions that they become aware of. Potential conflicts of interest are monitored through internal audits. Results of the monitoring of related party transactions are reported regularly to the Audit Committee of the Board of Directors.

Glaston reports on related party transactions regularly in its financial statements. Related party transactions which are material to sharehold-

ers, and which deviate from normal business or are not made according to ordinary commercial terms and conditions are published in accordance with the Securities Market Act and the rules of Nasdaq Helsinki Ltd.

Insider Administration

In addition to the statutory insider regulations, Glaston complies with the insider guidelines of Nasdaq Helsinki Ltd as well as the internal guidelines adopted by Glaston at any given time.

In accordance with the EU's Market Abuse Regulation, Glaston prepares and maintains a list of persons discharging managerial responsibilities as well as persons and entities closely associated with them. In Glaston Corporation, the persons discharging managerial responsibilities are the Members of the Board of Directors, the President & CEO, the Deputy CEO, and the Chief Financial Officer. At least once a year, Glaston checks the information of persons discharging managerial responsibilities that have a duty to declare as well as persons and entities closely associated with them. Glaston reports the securities transactions of persons discharging managerial responsibilities and their related parties in accordance with the Market Abuse Regulation.

Glaston does not maintain an insider list relating to permanent insiders. During the preparation of significant projects and events, the Company maintains project- and event-specific lists of insiders. Insiders are given a written statement of their inclusion in an insider register as well as guidelines on insider obligations.

The Company's persons discharging managerial responsibilities, persons serving in certain key positions and persons participating in the preparation of financial reports must not trade in the Company's financial instruments during the 30-day period before the publication of interim reports and financial statement releases. With respect to project-specific insiders, trading in the Company's financial instruments is prohibited until the cancellation or publication of the project.

The Company's insider administration, its implementation and supervision are the responsibility of Group Legal function and the Communications Department. Glaston's General Counsel is responsible for the Company's insider issues. The Company's Communications Department is responsible for maintaining the list of insiders and for overseeing the restriction on trading and duty to declare.



Glaston Corporation

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Website: www.glaston.net

Business identity code: 1651585-0

Glaston Corporation is the glass processing industry's innovative technology leader supplying equipment, services and solutions to the architectural, automotive, solar and display industries. The company also supports the development of new technologies integrating intelligence to glass. Glaston is committed to providing its clients with both the best know-how and the latest technologies in glass processing, with the purpose of building a better tomorrow through safer, smarter, and more energy efficient glass solutions. Glaston operates globally with manufacturing, services, and sales offices in 9 countries. Glaston Corporation is a public limited liability and its shares (GLA1V) are listed on NASDAQ Helsinki Ltd. Small Cap..