



REMUNERATION
REPORT

2021



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Dear shareholder,

On behalf of the Board, I am pleased to present Fiskars Group's Remuneration Report for 2021 following the guidelines of the Corporate Governance Code 2020. The report presents remuneration paid or due to the Board members and the President and CEO for the year 2021 in line with the Remuneration Policy of the Governing Bodies of Fiskars Group approved at the Annual General Meeting 2020.

The total compensation of the Board members, consisting of their annual remuneration and meeting fees, is defined in order to attract and retain qualified and high-caliber Board members. The role of the Board is to set Fiskars Group's strategy and long-term targets and to monitor their implementation.

The key principles applied for the CEO's remuneration are a strong emphasis on pay-for-performance, a competitive earning opportunity and a focus on shareholder value creation by aligning the interests of the CEO with those of the shareholders. The variable, performance-based short-term and long-term incentives form the largest element of remuneration, thereby aligning the CEO's remuneration and Company's performance and reflecting the objective that remuneration should be closely tied to the Company's strategy and its long-term financial success.

The short-term incentive rewards for the CEO have been consistently based on profitability and other strategic financial KPIs over the past years. In 2021, the financial KPIs impacting the payment were EBITA, Net Sales and Cash Flow. These KPIs as well as the CEO's strategic personal goal emphasized the importance of profitable growth, funding for future growth and shareholder value creation. Profitable organic growth remains the focus of the Company's strategy, as was communicated at the Capital Markets Day in 2021.

Fiskars Group performed exceptionally well in 2021. Net sales and comparable EBITA increased compared to the previous year despite the uncertainties related to the pandemic and challenges related to supply chain. Operating cash flow decreased from the previous year as expected, driven mainly by increased inventories, but the result still exceeded the set maximum performance level. As an outcome of this, the CEO's short-term incentive pay-out based on the 2021 results will be at the maximum level, reflecting the Company's good performance.

The Company's long-term incentive scheme rewards the CEO for sustained performance and sustainable growth over a longer period, and aligns their interests with those of the shareholders. In 2021, the Board granted the CEO shares from the Company's



Performance Share Plan for the years 2021–2023. The performance period 2021–2023 measures Total Shareholder Return in order to align the interests of the CEO with the shareholders and EBITA to secure profitability.

The performance period 2019–2021 of the Company's long-term incentive scheme expired at the end of 2021. The performance criteria applied to this plan were Total Shareholder Return, Net Sales Growth and Net Working Capital. For the Total Shareholder Return, the maximum performance level was met, reflecting the positive development of the Company's share price during the three-year period, and for Net Sales criteria the target performance level was exceeded. The Net Working Capital threshold was not met, mainly due to increased inventories reflecting challenges in the supply chain. The CEO is eligible for a reward from the plan based on the achievement of the criteria and based on her time as the CEO during the performance period.

The table illustrates how the development of the fees of the Board of Directors and the remuneration of the CEO compares to the development of the average remuneration of employees as well as to the Company's EBITA and Total Shareholder Return.

Paul Ehrnrooth
Chairman of the Board of Directors

Development of remuneration and financial development over the past five years

	2021	2020	2019	2018	2017
Board of Directors (total EUR thousand)	573	717	664	746	819
President and CEO (base salary Dec 31, EUR thousand)	456	456	500	500	500
Different employee groups average base salaries (EUR thousand) ¹					
Office	56.2	55.2	56.4	54.3	51.4
Retail	27.0	26.6	26.7	25.9	25.2
Operations	15.4	15.1	15.1	13.5	13.3
Financial development:					
Comparable EBITA (EUR million)	168.8	136.8	90.60	122.0	119.0
Total Shareholder Return ²	58%	36%	24%	-42%	51%

¹ Full-time equivalent

² The calculation is theoretical, and based on the assumption that dividends could be re-invested at the Fiskars share price excluding the value of Wärttilä holdings. Dividends paid in Wärttilä shares in June 2019 are eliminated. The portion of regular cash dividends corresponding to dividends received on Wärttilä shares is eliminated

Fees of the Board of Directors

In 2021 none of the Board members were employed by the Company or any company belonging to its group or acted as an advisor thereof. This means that they were not eligible for any employment relationship-related salaries, remuneration or financial or other benefits not related to the Board work nor were they eligible for any pension scheme. Board members do not receive Company shares

as remuneration and they are not participants in Company's share-based or other incentive plans. Traveling expenses of the Board members are compensated in accordance with the Company policy. The fees paid to the Board of Directors for the year 2021 are presented in the table below. The fees have been paid in cash, and there has been no obligation to acquire Company's shares.

Remuneration and meeting fees of the Board of Directors not yet paid but due based on the year 2021

There is no remuneration due to be paid to the Board members based on the year 2021.

Remuneration and meeting fees paid to Board members in 2021 and 2020

	2021			2020		
	Annual remuneration	Meeting fees	Total EUR	Annual remuneration	Meeting fees	Total EUR
Chairman, Paul Ehrnrooth	90,000	33,000	123,000	86,625	52,125	138,750
Vice Chairman, Jyri Luomakoski	60,000	26,000	86,000	57,750	31,388	89,138
Member, Albert Ehrnrooth	45,000	12,250	57,250	43,313	21,650	64,963
Member, Louise Fromond	45,000	17,250	62,250	43,313	21,650	64,963
Member, Inka Mero	45,000	12,000	57,000	43,313	23,063	66,376
Member, Fabian Månsson	45,000	16,750	61,750	43,313	37,263	80,576
Member, Peter Sjölander	45,000	18,250	63,250	43,313	39,925	83,238
Member, Ritva Sotamaa	45,000	12,250	57,250	43,313	40,400	83,713
Member, Nathalie Ahlström ¹	-	-	-	32,100	13,350	45,450
Total	420,000	147,750	567,750	436,353	280,814	717,167

¹ Board member March 11–November 29, 2020

Details of the shareholdings of the Board of Directors are shown in the Corporate Governance Statement.

The Nomination Committee has one external member, Alexander Ehrnrooth. His meeting fees totaled EUR 5,250 in 2021 (EUR 3,000 in 2020).



Remuneration of the President and CEO

The remuneration of the President and CEO consists of stable elements (base salary, benefits, insurances, pension) which provide a core level of rewards for the reliable and sustained execution of the Company's business strategy and allow the President and CEO to concentrate on performing his/her duties. Variable elements of the compensation (incentives and share ownership) however emphasize pay-for-performance and the achievement of short-term and long-term goals of the Company. Share-based rewards and shareholding recommendations align the interests of the President and CEO with those of the Company's shareholders.

The figures in the table are presented on a cash basis. The remuneration of the President and CEO is presented on an accrual basis in the notes to Fiskars' financial statements for 2021.

Remuneration of the President and CEO paid in 2021

EUR	Base salary and benefits	Short-term incentives	Long-term incentives	Total	Voluntary pension contribution by the company
President and CEO	456,000 ¹	274,071 ²	-	730,071	104,077
Share of remuneration element	62%	38%	0%	100%	-

¹ Nathalie Ahlström

² Payment based on the 2020 results to Sari Pohjonen for her interim CEO role in 2020. The current CEO Nathalie Ahlström was not eligible for a short-term incentive payment based on the 2020 results.

Remuneration of the President and CEO not yet paid but due based on the year 2021

Remuneration due based on the year 2021		
President and CEO, Nathalie Ahlström	Short-term incentive payment for 2021	EUR 410,400
	Share reward based on Performance Share Plan 2019-2021	21,204 shares gross



The President and CEO's variable remuneration earning opportunity and performance measures

Short-term incentive plan	Weighting	Achievement	Earning opportunity as % of the annual base salary
Short-term incentive plan 2021			
EBITA	30%	Maximum	90% at maximum
Net Sales	30%	Maximum	
Cash Flow	20%	Maximum	
Strategic goal	20%	Maximum	
Short-term incentive plan 2020¹			
EBITA	80%	Maximum	90% at maximum
Strategic goal	20%	Between target and maximum	

¹ Nathalie Ahlström and Jaana Tuominen were not eligible for payment for 2020.

Long-term incentive plan	Weighting	Achievement	Earning opportunity as % of the annual base salary
Performance Share Plan 2021-2023			
Total Shareholder Return	60%	Not yet evaluated	200% at maximum at the time of granting
Cumulative comparable EBITA	40%		
Performance Share Plan 2020-2022			
Total Shareholder Return	50%	Not yet evaluated	200% at maximum at the time of granting
Net Sales growth	25%		
Net Working Capital	25%		
Performance Share Plan 2019-2021			
Total Shareholder Return	50%	Maximum	200% at maximum at the time of granting
Net Sales growth	25%	Between target and maximum	
Net Working Capital	25%	Below threshold	

Share-based remuneration grants to the President and CEO in 2021

In 2021, the President and CEO Nathalie Ahlström was granted the following share-based remuneration:

Long-term incentive plan	Earning opportunity ¹	Pay-out year
Performance Share Plan 2021-2023	66,760 shares (gross) at maximum performance level	2024

¹ The maximum number of gross shares (taxes included) payable if the set earning criteria are achieved in full.

Remuneration of the Deputy to the President and CEO

Remuneration of the Deputy to the President and CEO paid in 2021

	Base salary and benefits	Short-term incentives	Long-term incentives	Total EUR	Voluntary pension contribution by the company
Deputy to the President and CEO ¹	290,127	75,524	-	365,651	79,535
Share of remuneration element	79%	21%	0%	100%	-

¹ Sari Pohjonen until August 13, 2021 and Jussi Siitonen as of August 16, 2021.

Remuneration of the Deputy to the President and CEO not yet paid but due based on the year 2021

Remuneration due based on the year 2021	
Short-term incentive payment for 2021 ¹	EUR 263,394

¹ Sari Pohjonen and Jussi Siitonen

The Deputy to the President and CEO's variable remuneration earning opportunity and performance measures

Short-term incentive plan	Weighting	Achievement	Earning opportunity as % of the annual base salary
Short-term incentive plan 2021			
EBITA	30%	Maximum	75% at maximum, payable on a pro rata basis according to time in position
Net Sales	30%	Maximum	
Cash Flow	20%	Maximum	
Strategic goal	20%	Maximum	
Short-term incentive plan 2020			
EBITA	80%	Maximum	75% at maximum
Strategic goals	20%	Between target and maximum	
Long-term incentive plan			
Long-term incentive plan	Weighting	Achievement	Earning opportunity as % of the annual base salary
Performance Share Plan 2021–2023			
Total Shareholder Return	60%	Not yet evaluated	100% at maximum at the time of granting
Cumulative comparable EBITA	40%		
Restricted Share Plan 2021–2023			
No performance criteria but a requirement for continuous employment or service until the reward is paid out.			24,800 shares (gross)



Share-based remuneration grants to the Deputy to the President and CEO in 2021

In 2021, the Deputy to the President and CEO Jussi Siitonen was granted the following share-based remuneration:

Long-term incentive plan	Earning opportunity	Performance measure(s)	Pay-out year	Other information
Performance Share Plan 2021–2023	19,840 shares (gross) at maximum performance level ¹	Total Shareholder Return and EBITA.	2024	Participation on a pro-rata basis as of his start date August 16, 2021
Restricted Share Plan 2021–2023	24,800 shares (gross)	Continuous employment or service until reward payment time.	2022	Sign-on compensation ²

¹ The maximum number of gross shares (taxes included) payable if the set earning criteria are achieved in full.

² Shares will be delivered after one year and one day from the start of the employment, subject to continuous employment and no notice of termination being made until the delivery of the shares. An exception to this is termination by company without grounds deriving from the executive or that the executive continues to manage his tasks during the notice period to the satisfaction of the company or the company releases the executive from his obligation to work during the notice period.



Making the everyday extraordinary

Fiskars Group's vision is to create a positive, lasting impact on our quality of life. Our Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford, and Wedgwood brands play a part in people's everyday lives – at home, in the garden, and outdoors. This gives us an opportunity to make the everyday extraordinary, today as well as for future generations.

We have a presence in 30 countries, and our products are available in more than 100 countries. Our shares are listed on the Nasdaq Helsinki (FSKRS). Please visit us at www.fiskarsgroup.com for more information, and follow us on Twitter @fiskarsgroup.