

FISKARS CORPORATE GOVERNANCE STATEMENT FOR 2014

Introduction

Fiskars Corporation is a Finnish public limited company in which duties and responsibilities are defined according to Finnish law. Fiskars Group comprises the parent company, Fiskars Corporation, and its subsidiaries. The statutory governing bodies of Fiskars Corporation are the General Meeting of Shareholders, Board of Directors, the Managing Director (President and CEO) and the Auditor. Other group management supports the statutory governing bodies of Fiskars Corporation. The Company's domicile is Raseborg.

Corporate governance at Fiskars Corporation is based on the Finnish Limited Liability Companies Act, the rules and regulations concerning publicly listed companies, the Company's Articles of Association, the charters of the Company's Board of Directors and its Committees and the rules and guidelines of NASDAQ OMX Helsinki Ltd. Fiskars is a member of the Finnish Securities Market Association and complies, without exception, with the Finnish Corporate Governance Code approved by the Securities Market Association, which came into force on October 1, 2010 and can be reviewed at www.cgfinland.fi.

This is the separate Corporate Governance Statement referred to in Recommendation 54 of the Finnish Corporate Governance Code. This statement and the other information required by the Corporate Governance Code, the Company's Financial Statement, the Report by the Board of Directors and the Auditor's Report for the year 2014 are available on the Company's website www.fiskarsgroup.com as of February 16, 2015.

General Meeting of Shareholders

The General Meeting is the highest decision-making body of Fiskars Corporation, where the shareholders participate in the supervision and control of the Company by using their right to speak and vote. The most important tasks of the General Meeting are, among others, the election of the Board of Directors and the adoption of the Annual Accounts. Other tasks of the General Meeting appear from the Articles of Association of the company and from the Finnish Companies Act. The company shall convene one Annual General Meeting for each financial period. An Extraordinary General Meeting shall be convened when necessary. General Meetings shall be held either in Raseborg or Helsinki.

In accordance with the Articles of Association, notices regarding the General Meetings are published on the Company's website and, if deemed necessary by the Board of Directors, in an alternative manner. In 2014, notices were published in the Helsingin Sanomat, Hufvudstadsbladet and Västra Nyland newspapers in addition to the notice published on the Company's website and the company's stock exchange release.

Any shareholder wishing to submit a matter for inclusion on the agenda of the Annual General Meeting should submit a request in writing to the Board of Directors. To be included in the notice of the Annual General Meeting and in the agenda of the Annual General Meeting, the request should be sufficiently concise and the matter must fall within the authority of the Annual General Meeting, as defined in the Finnish Limited Liability Companies Act. Instructions on submitting requests to the Board of Directors and the deadline for requests are published on the Company's website. In 2014, no such requests were submitted to the Board of Directors.

Annual General Meeting for 2014

Fiskars Corporation held its Annual General Meeting for 2014 on March 12, 2014. The meeting approved the Annual Accounts, discharged the members of the Board and the CEO from liability, and decided on the dividend to be paid for the 2013 financial year. The Meeting also decided on the remuneration to be paid to the Board and elected the members, who will serve until the end of the Annual General Meeting in 2015. The Company's auditors were also elected, and remuneration was decided upon. The Meeting authorized the Board to acquire Fiskars own shares and make decisions about conveying them in accordance with separately agreed conditions.

Extraordinary General Meeting for 2014

The Company held an Extraordinary General Meeting of shareholders on December 9, 2014. The meeting decided that an extra dividend of EUR 2.60 per share would be distributed to shareholders based on the annual 2013 financial year. Furthermore, the Extraordinary General Meeting decided to amend the section 2 of the Articles of Association of the Company.

The Board of Directors

Term, composition and independence

The term of office of a Board member is one year and will start from the close of the General Meeting electing the member and expire at the close of the next Annual General Meeting after the election. The number of terms for the members of the Board of Directors is not limited.

In accordance with the Articles of Association, the Board of Directors shall consist of a minimum of five and a maximum of nine members. The Board of Directors selects a Chairman and a Deputy Chairman from amongst its members. The Board of Directors elected by the Annual General Meeting held on March 12, 2014 is composed of nine members. The General Meeting re-elected Kaj-Gustaf Bergh, Ralf Böer, Alexander Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Gustaf Gripenberg, Ingrid Jonasson Blank and Karsten Slotte and elected Christine Mondollot as a new member. Jukka Suominen who served as a Board member until the end of the Annual General Meeting, had informed that he would no longer be available for re-election. In its constitutive meeting held after the Annual General Meeting, the Board of Directors elected Paul Ehrnrooth as its Chairman and Alexander Ehrnrooth as Deputy Chairman of the Board.

Board members Dec 31, 2014

Paul Ehrnrooth

Born 1965, M.Sc. (Econ.)

Nationality: Finnish

Chairman since 2014, elected to the Board in 2000

Chairman of the Compensation Committee and Nomination and Strategy Committee

Independent of the Company and dependent on significant shareholders

Managing Director & Chairman: Turret Oy Ab 2005–

Primary working experience:

Savox Oy, President and CEO, 1999–2007; several management positions in Wärtsilä Corporation 1994–1999 and Kone Corporation 1993–1994

Other positions of trust:

Chairman of the Board: Savox Group 2004–

Vice Chairman of the Board: Ixonos Oyj 2010–

Member of the Board: Wärtsilä Corporation 2010–

Fiskars shares held directly 31.12.2014: 8,205

Shares held by controlled entities 31.12.2014: 9,095,406

Alexander Ehrnrooth

Born 1974, M.Sc. (Econ.), MBA

Nationality: Finnish

Vice Chairman, elected to the Board in 2000

Member of the Audit Committee and Nomination and Strategy Committee

Independent of the Company and dependent on significant shareholders

CEO of Virala Oy Ab 1995–

Other positions of trust:

Chairman of the Board: Aleba Corporation 2003–, Belgrano Idiomas Oy 1999–

Member of the Board: Munksjö Oyj 2014–, Wärtsilä Corporation 2010–,

Fiskars shares held directly 31.12.2014: 855,000

Shares held by controlled entities 31.12.2014: 11,775,000

Kaj-Gustaf Bergh

Born 1955, B.Sc., LL.M.

Nationality: Finnish

Elected to the Board in 2005, Chairman 2006-2014

Member of the Nomination and Strategy Committee

Independent of the Company and significant shareholders

Managing Director of Föreningen Konstsamfundet r.f. 2006–

Primary working experience:

SEB Asset Management, Director 1998–2001, Ane Gyllenberg Ab,

Chief Executive Officer 1986–1998

Other positions of trust:

Chairman of the Board: Julius Tallberg Oy Ab 2014–, Stockmann Plc 2014–, Sponda Plc 2013–, KSF Media Ab 2007–,

Member of the Board: JM AB 2013 –, Wärtsilä Corporation 2008–, Ramirent Group 2004–

Fiskars shares held directly 31.12.2014: 5,000

Gustaf Gripenberg

Born 1952, D. (Eng.)
Nationality: Finnish
Elected to the Board in 1986
Chairman of the Audit Committee since 2003
Independent of the Company and significant shareholders

Professor, Aalto University 1999–

Primary working experience:
Assistant professor, University of Helsinki 1987–1998

Fiskars shares held directly 31.12.2014: 243,320
Shares held by controlled entities 31.12.2014: 4,057,289

Ralf R. Böer

Born 1948, Juris Doctor
Nationality: USA
Elected to the Board in 2007
Member of the Compensation Committee
Independent of the Company and significant shareholders

Primary working experience:
Founding Partner and Director of Wing Capital Group LLC, 2008- ; Partner Emeritus, Foley & Lardner LLP 2014-, Partner 1981-2014,
Chairman & CEO 2002-2011.

Other positions of trust:
Member of the Board: Plexus Corp. 2004–

Fiskars shares held directly 31.12.2014: 5,677

Louise Fromond

Born 1979, LL.M.
Nationality: Finnish
Elected to the Board in 2010
Member of the Audit Committee
Independent of the Company and dependent on significant shareholders

Primary working experience:
University of Helsinki, assistant and doctoral student 2004–2008

Other positions of trust:
Chairman of the Board: Oy Holdix Ab 2010–
Member of the Board: Louise and Göran Ehrnrooth Foundation 2013-, Tremoko Oy Ab 2008–, Bergsrådinnan Sophie von Julins stiftelse
2004–, Fromille Oy Ab 1998–

Fiskars shares held directly 31.12.2014: 601,135
Shares held by controlled entities 31.12.2014: 8,294,050

Ingrid Jonasson Blank

Born 1962, M.Sc (Econ.)
Nationality: Swedish
Elected to the Board in 2010
Member of the Audit Committee
Independent of the Company and significant shareholders

Primary working experience:
ICA Sverige AB, Executive Vice President 2004–2010

Other positions of trust:

Member of the Board: NORM Research & Solutions AB 2014-, Orkla ASA 2013-, Matas A/S 2013- Royal Unibrew A/S 2013-, Musti ja Mirri Oy
2012-, Travel Support & Services Nordic AB 2012-, Ambea AB 2012–, ZetaDisplay AB 2010–, Bilia AB 2006–

Fiskars shares held directly 31.12.2014: 0

Christine Mondollot

Born 1954, M.Sc (Econ)
Nationality: French
Elected to the Board in 2014
Member of the Compensation Committee
Independent of the Company and significant shareholders

Primary working experience:

Virgin Group, CEO, Virgin Stores 2012-2013, Groupe Galleries Lafayette, International Director, Beauty Care Director 2005-2011, BHV, Managing Director 2005-2010, Kodak France/Benelux, CEO of laboratories Kodak and Executive Director of the Consumer Products Division 1999-2004, Saresco, Executive Director 1994-1999

Other positions of trust: Independent Board Director: Fleury Michon 2014-, Vivarte 2014-, Belvédère 2013-

Fiskars shares held directly 31.12.2014: 0

Karsten Slotte

Born 1953, B.Sc. (Econ.)
Nationality: Finnish
Elected to the Board in 2008
Member of the Audit Committee and Compensation Committee
Independent of the Company and significant shareholders

Primary working experience:

Fazer Group, President and CEO 2007–2013, Cloetta Fazer Ab (publ.), President 2002–2006, Cloetta Fazer Konfektyr Ab, Managing Director 2000–2002, Fazer Confectionery Ltd, Managing Director 1997–2000

Other positions of trust:

Member of the Board: Scandi Standard Ab (publ) 2014-, The Onvest Group 2013-, Royal Unibrew A/S 2013-, Finnish-Swedish Chamber of Commerce 2003–, Onninen Oy 2001–

Fiskars shares held directly 31.12.2014: 1,000

All members of the Board are non-executive directors. The Board evaluates the independence of its members annually on a regular basis in compliance with the Recommendation 15 of the Corporate Governance Code. Based on the latest evaluation carried out on March 12, 2014, the Board considered all members of the Board to be independent of the Company. Alexander Ehrnrooth, Paul Ehrnrooth and Louise Fromond are considered to be non-independent of the Company's significant shareholders. A Board member is obligated to provide the Board with sufficient information to enable the Board to evaluate her/his independence.

Main duties of the Board

The Board of Directors is responsible for the Company's governance and proper organization of the operations in accordance with the applicable law and regulation, its Articles of Association and decisions taken by the General Meetings. The Board has confirmed a written Charter for the Board's duties, meeting practice and decision making procedure. The Board's main duties include:

- Managing and appropriately arranging the Company's operations and confirming the Company's business strategy, rolling plan and budget.
- Overseeing the solidity, profitability, and liquidity of the Company, as well as the Company's management.
- Approving the risk management principles followed by the Company.
- Reviewing and adopting the consolidated financial statements, interim reports and related stock exchange releases and the report by the Board of Directors.
- Approving treasury policy.
- Deciding on extraordinary or far-reaching measures, taking the scope and nature of the Company's operations into account, unless these matters come within the responsibilities of the General Meeting of Shareholders.
- Appointing and dismissing the President and CEO and confirming the terms of his service contract, compensation and other financial benefits.
- Appointing the members of the Executive Board, other senior managers, and the internal audit manager, and approving their terms of employment, compensation and other financial benefits.
- Deciding on the principles for the Group's remuneration systems.
- Deciding on group structure and main organization.
- Other statutory duties by virtue of the Finnish Limited Liability Companies' Act and Finnish Corporate Governance Code.

The Board conducts an annual self-evaluation of its work and cooperation with management, facilitated by an external expert.

Meeting activities and meeting attendance of the Board of Directors in 2014

The Board is convened by the Chairman, or if the Chairman is unavailable, by the Vice Chairman, according to the pre-confirmed timetable, with additional meetings whenever needed. The Board has a quorum when more than half of the members are present and one of these is the Chairman or the Vice Chairman. A decision of the Board shall be carried by a majority of those present or, in the case of a tie, the Chairman shall have the casting vote. The Company's President and CEO and CFO participate in the Board meetings, and General Counsel acts as secretary of the Board. Other members of the Group's management and other executives participate in the meetings when needed. Usually one or two Board meetings are held at rotating Fiskars locations.

The Board of Directors convened 15 times during 2014. The average attendance at Board meetings was 97%. Besides the regular annual meeting topics during the financial year, key priorities in 2014 included Wärtsilä ownership strategy, acquisition strategy, the integration of Royal Copenhagen and monitoring the progress of the company's five-year investment program and the EMEA 2015 restructuring program.

Meeting activity and meeting attendance of the Board of Directors 2014

	Board of Directors	Audit Committee*	Compensation Committee*	Nomination And Strategy Committee	Marketing working group
1.1.-31.12.2014	15 meetings	5 meetings	6 meetings	8 meetings	4 meetings
Paul Ehrnrooth	15	2	5	8	-
Alexander Ehrnrooth	15	5	-	8	-
Kaj-Gustaf Bergh	14	-	1	8	-
Ralf Böer	15	-	6	-	-
Louise Fromond	15	5	-	-	-
Gustaf Gripenberg	15	5	-	-	-
Ingrid Jonasson Blank	15	3	1	-	4
Christine Mondollot**	12	-	5	-	4
Karsten Slotte	15	5	5	-	4
Jukka Suominen***	2	-	1	-	-

* Committee compositions changed as of March 12, 2014

** Board member as of March 12, 2014

*** Board member until March 12, 2014

Board Committees

The Committees assist the Board by preparing matters falling within the competence of the Board. The Board remains responsible for the duties assigned to a Committee. The Committees have no autonomous decision-making power, and thus the Board makes the decisions within its competence collectively. The Board has confirmed written charters for the Committees that lay down their key duties and operating principles. The Committees report regularly on their work to the Board. The reports include a summary of the matters addressed and measures taken by the Committee. In the constitutive meeting of the Board held after the Annual General Meeting 2014, the Board decided to renew the previous year's three Board Committees: an Audit Committee, a Compensation Committee and a Nomination and Strategy Committee. The Company's General Meeting has not established any committees.

To handle specific tasks, the Board of Directors can also set up a temporary working group consisting of Board members and reporting to the Board of Directors. A temporary working group, the Board Marketing Working Group, was set up during 2014 and comprised three Board members: Ingrid Jonasson Blank, Christine Mondollot and Karsten Slotte. The main task of the working group was to focus on the Company's marketing, channel and brand strategy. The Board Marketing Working Group met four times during 2014 and the average attendance rate was 100%.

Audit Committee

According to the Committee Charter the Audit Committee is responsible for the following activities:

- Monitoring the financial statement reporting process;
- Supervising the financial reporting process;
- Monitoring the efficiency of the Company's internal controls, internal auditing, and risk management;
- Reviewing the description of the main features of the internal controls and risk management associated with the financial reporting process, which is included in the in the Company's Corporate Governance Statement;
- Reviewing and monitoring the main legal actions, claims and other proceedings that Fiskars is involved in;
- Reviewing the annual audit plan, budget and resources of the Company's internal audit function and handling essential audit findings;
- Reviewing the Company's Corporate Governance Statement;
- Monitoring the statutory auditing of the Company's financial statements and consolidated financial statements.
- Evaluating the independence of the Company's statutory Auditors and the provision of related services to the Company.
- Preparing the proposal concerning the election of the Company's Auditors for the Nomination and Strategy Committee.

The members of the Audit Committee as of March 12, 2014 included:

- Gustaf Gripenberg (Chairman)
- Alexander Ehrnrooth
- Louise Fromond
- Ingrid Jonasson Blank
- Karsten Slotte

All the members of the Audit Committee are independent of the Company and majority is also independent of the Company's significant shareholders. The Audit Committee convened five times in 2014 and the attendance of members at meetings was 100%. Besides its ordinary work, the Audit Committee also monitored the progress of the company's five-year investment program and EMEA 2015 restructuring program and discussed the Company's sustainability management and reporting in 2014.

Compensation Committee

According to the Committee Charter the Compensation Committee is responsible for preparing matters related to the appointment and remuneration and other financial benefits of the President and CEO and other Group executives, as well as matters related to the Company's remuneration system.

The following Board members belonged to the Compensation Committee as of March 12, 2014:

- Paul Ehrnrooth (Chairman)
- Ralf Böer
- Christine Mondollot
- Karsten Slotte

All the members of the Compensation Committee are independent of the Company and majority is also independent of the Company's significant shareholders. The Compensation Committee convened six times in 2014 and the attendance of members at meetings was 100%. In 2014, the Compensation Committee discussed the Company's compensation framework and bonus structure.

Nomination and Strategy Committee

According to the Committee Charter the Nomination and Strategy Committee is responsible for the following activities:

- Preparing proposals related to the composition of the Board of Directors to be presented to the General Meeting after consulting major shareholders.
- Preparing proposals to the General Meeting on the remuneration of Board members.
- Preparing proposals to the Board regarding the composition of the Board's committees.
- Preparing the proposal to the General Meeting on the selection of the Company's Auditors based on the proposal by the Audit Committee.
- Confirming the criteria and processes to be used for evaluating the Board's work.
- Dealing with matters relating to the strategy of the Company in co-operation with the management and with focus on company's long-term initiatives.

The following Board members belonged to the Nomination and Strategy Committee as of March 12, 2014:

- Paul Ehrnrooth (Chairman)
- Kaj-Gustaf Bergh
- Alexander Ehrnrooth

All the members of the Compensation Committee are independent of the Company. The Nomination and Strategy Committee convened eight times in 2014 and the attendance of members at meetings was 100%. Among the focus areas of the committee were Wärsilä ownership strategy, acquisition strategy and preparing other matters related to the company's long-term strategy.

President and CEO

Fiskars Corporation has a Managing Director (President and CEO) who is responsible for the day-to-day management and administration of the Company in accordance with the Finnish Companies' Act, the Company's Articles of Association and the instructions and orders given by the Board and for reporting to the Board on the developments in the Company's business operations and financial situation. He is also responsible for ensuring that the Company's accounting methods comply with the applicable law and that financial matters are managed in a reliable manner. The President and CEO is assisted in these duties by the Executive Board and the Corporate Office.

The current President and CEO is Kari Kauniskangas, M.Sc. (Econ.) (b.1962). He joined the Company in 2008.

Teemu Kangas-Kärki, COO and CFO, was appointed as deputy to the CEO as of September 12, 2014.

The President and CEO is appointed by the Board of Directors, which also decides on the terms and conditions of the President's and CEO's service contract. A written service contract approved by the Board has been made between the Company and the President and CEO.

Executive Board

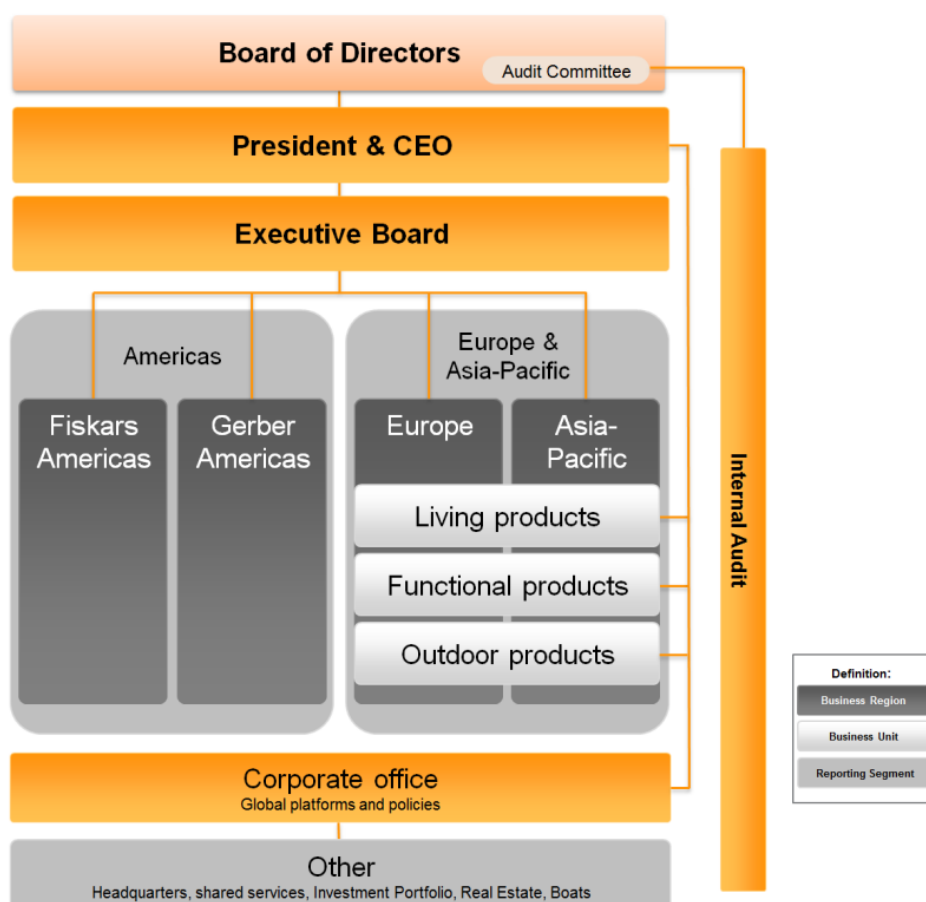
The Executive Board's key focus areas are managing the global business operations through the company's business regions and business units. The Executive Board's focus areas include ensuring strategic business portfolio and competences for the future, group-wide synergies and creating a strong collaboration culture. According to the reorganization carried out at the end of 2014, Fiskars has four business regions: Europe, Asia-Pacific, Fiskars Americas and Gerber Americas. The four business regions carry the commercial responsibility for their respective regions and the business units, Living Products and Functional Products, carry the responsibility for developing and maintaining an attractive offering and strong brand portfolio. At the end of 2014 the Executive Board members held the following positions: President and CEO, COO & CFO, Senior Vice President, Human Resources, Senior Vice President, Supply Chain, Chief Information Officer, President, Europe, President, Asia-Pacific, President Fiskars Americas and President, Gerber Americas.

Other Group management

The Corporate Office focuses on selected global platforms strategies and their implementation, such as finance, tax and treasury, human resources, IT, supply chain, corporate communications and investor relations, legal affairs and IPR and compliance. The Corporate Office supports President and CEO in preparing materials for the Board of Directors' and Executive Board meetings and prepares the Group's financial reporting. In addition, the line management of the Group's Other businesses, Real Estate, Boats and investment portfolio, is within the responsibility of the Corporate office. At the end of 2014, the Corporate Office included the President and CEO, COO & CFO, Senior Vice President, Human Resources, Senior Vice President, Supply Chain, Chief Information Officer, General Counsel and Senior Vice President, Finance, and Director, Corporate Communications.

The corporate management follows the business regions' and the business units' performance and plans through monthly and quarterly reports and meets quarterly with the business regions' management to follow up on key activities and to address strategies for the respective region as well as business model implementation. Significant decisions on regional strategy or investments are discussed and decided in these regional board meetings. Respectively, business unit boards consisting of corporate and business unit management convene twice a year to review category and brand strategies and performance.

Fiskars Organization 2014



Executive Board, December 31, 2014

Kari Kauniskangas

President and CEO, employed 2008

Born 1962, M.Sc. (Econ.)

Nationality: Finnish

Primary working experience:

Amer Sports Corporation, Head of Winter & Outdoor division 2007

Amer Sports Corporation, Senior Vice President,

Sales & Distribution 2004–2007

Amer Sports Europe GmbH, President & GM 1999–2004

Positions of trust:

Member of the Board: Veho Group Oy Ab 2013-

Fiskars shares held directly 31.12.2014: 28,897

Teemu Kangas-Kärki

Chief Operating Officer and Chief Financial Officer (COO & CFO), deputy to the CEO, employed 2008

Born 1966, M.Sc. (Econ.)

Nationality: Finnish

Primary working experience:

Fiskars Corporation, President, Home business area 2012-2014

Fiskars Corporation, Chief Financial Officer 2008–2012

Alma Media Corporation, Chief Financial Officer 2003–2008

Kesko Group, Vice President, Corporate Controller 2002–2003

Kesko Group, Corporate Business Controller 2000–2001

Suomen Nestlé Oy, Finance Director 1999–2000

Smith & Nephew Oy, Financial Manager 1996–1998

Unilever Oy & Gmbh, Marketing Controller and Internal Auditor 1992–1996

Fiskars shares held directly 31.12.2014: 2,000

Nina Ariluoma-Hämäläinen

Senior Vice President, Human Resources, employed 2013

Born 1971, M.Sc. (Psych), EMBA

Nationality: Finnish

Primary working experience:

Nokia Siemens Networks Oy, Head of HR Region, North, East and West, Russia 2013

Nokia Siemens Networks Oy, Head of Region HR for North and East Europe, Russia, CIS and Turkey, Russia 2011-2013

Nokia Siemens Networks Oy, Head of HR for Global Sales 2008-2011

Nokia Oyj, Head of Business HR for Emerging Businesses 2005-2007

Nokia Oyj, Business HR Manager, Nokia Business Infrastructure 2001-2003

Nokia Oyj, Human Resources Manager, Nokia Ventures, US 1999-2000

Fiskars shares held directly 31.12.2014: 0

Thomas Enckell

President, Europe, employed 2007

Born 1963, M.Sc. (Econ.)

Nationality: Finnish

Primary working experience:

Fiskars Corporation, President, Garden EMEA business area 2008-2014

Iittala Group, Sales Director, Wholesale 2007

Iittala Group, Group Director, Iittala Brand and International Sales 2003–2007

Iittala Group, Business Area Director 2000–2003

Designor, Business Area Director 1996–2000

Positions of trust:

Member of the Board: Stala Oy and Stala Tubes Oy 2008-

Fiskars shares held directly 31.12.2014: 0

Matteo Gaeta

President, Asia-Pacific, employed 2014

Born 1971, MBA

Nationality: Italian

Primary working experience:

Safilo Far East, COO and Head of Business Unit Asia 2009-2013

Safilo Far East, Sales Director Asia 2008-2009

Safilo Japan, President, 2003-2008

Safilo Singapore, Managing Director 2001-2003

Safilo Far East, Project Manager 2000-2001

Hasbro Italy, Brand Manager 1999-2000

Fiskars shares held directly 31.12.2014: 0

Risto Gaggl

Senior Vice President, Supply Chain, employed 2011

Born 1968, M.Sc. (Tech)

Nationality: Finnish, Austrian

Primary working experience:

Fiskars, Vice President, Operations, Garden EMEA 2011–2012

Elcoteq SE, Vice President, Business Excellence 2010–2011

Elcoteq SE, Vice President, Business Unit Mobile Devices 2009–2010

Elcoteq Personal Communications,

Vice President, Operations & SCM 2008–2009

Elcoteq Group, various management positions in Finland, Hungary and Estonia 2001–2007

Fiskars shares held directly 31.12.2014: 0

Robert Kass

President, Gerber Americas, employed 2014

Born 1959, MBA, B.Sc.

Nationality: USA

Primary working experience:

Elkay Manufacturing Company, Chief Marketing Officer 2010-2014

American Standard Brands, Vice President & General Manager 2005-2009

American Standard Brands, Vice President, Marketing 2001-2006

Overhead Door Corporation, Vice President, Marketing & Engineering 1996-2001

Black & Decker Household Product Group, various management positions 1987-1996

Fiskars shares held directly 31.12.2014: 0

Paul Tonnesen

President, Fiskars Americas, employed 2007

Born 1964, MBA, B. Sc. (Marketing)

Nationality: USA

Primary working experience:

Elmer's Products, Inc., Corporate Officer and Senior Vice President Global Sales and Customer Service 2005–2007

Spectrum Brands, Corporate Officer and Vice President Sales 2002–2005

American Safety Razor, Corporate Officer and Vice President Sales and Category Marketing 1998–2002

Positions of trust:

Member of the Board: Milwaukee Institute of Art & Design 2011–

Boys and Girls Club 2011–

Le Moyne College School of Business 2011

Fiskars shares owned 31.12.2014: 0

Frans Westerlund

Chief Information Officer, employed 2009

Born 1966, M. Sc. (Econ.)

Nationality: Finnish

Primary working experience:

Nokia, Director, Process and System Solutions in Nokia Markets 2006–2009

Nokia, Director, Delivery Management in Nokia Information Management 2001–2006

Nokia, Manager, Application Services in Nokia Singapore 2001

Nokia, various positions in Nokia Information Management 1994–2001

Fiskars shares held directly 31.12.2014: 0

Corporate Office, December 31, 2014

Kari Kauniskangas, President and CEO (member of the Executive Board)

Teemu Kangas-Kärki, COO & CFO (member of the Executive Board)

Nina Ariluoma, SVP, HR (member of the Executive Board)

Risto Gaggl, SVP, Supply Chain (member of the Executive Board)

Frans Westerlund, Chief Information Officer (member of the Executive Board)

Anu Ilvonen,

Director, Corporate Communications, Employed 2010

Born 1975, M. Sc. (Econ), M. Soc. Sc.

Primary working experience:

Fiskars Corporation, Communications Manager 2010-2012

NASDAQ OMX Helsinki, Communications Specialist, Communications Manager 2000-2010

Other positions of trust:

Member of the Board of Finnish Investor Relations Society 2011-

Fiskars shares held directly 31.12.2014: 0

Päivi Timonen

General Counsel, Employed 2014

Born 1970, LL.M, trained at the bench

Primary working experience:

Chief Legal Officer, Elektrobit Corporation 2002-2014

Lawyer, Roschier, 1998-2002

Other positions of trust:

Member of the Board, Päätoimija Oyj 2014-

Fiskars shares held directly 31.12.2014: 0

Jyri Virrantuomi

SVP, Finance, Employed 2011

Born 1969, M. Sc (Econ.).

Primary working experience:

Fiskars Corporation, VP, Finance 2011 - 2014

Finnlines Oyj, Head of Group Control and Shared Financial Services 2005-2011

Antalis Oy, Finance Director 2003-2005

Fujitsu Invia Oy Controller, Services Division 2001-2003

Thermo Fisher Scientific Oy, Finance Director 1996-2001

Roxon Oy, Financial Manager 1993-1996

Fiskars shares held directly 31.12.2014: 0

Control systems

The Board of Directors is responsible for the appropriate management and organization of operations. The Board of Directors has approved the principles of internal control, risk management, and internal auditing to be followed within the Group.

In practice, it is the responsibility of the President and CEO, together with the management to put in place and oversee accounting and control mechanisms and other similar mechanisms.

The Risk Management function supports identification, evaluation, and management of risks that may threaten the achievement of Fiskars business goals.

Code of Conduct

Fiskars objective is to pursue long-term profitable business in an ethical and responsible manner. The way of operating for all Fiskars employees, including directors and officers, is defined in the Company's Code of Conduct. The Code of Conduct shall be complied with by all companies belonging to Fiskars Corporation and shall be supplemented by local laws and regulations in case they impose stricter rules. All company rules, guidelines and practices in Fiskars companies must be in full compliance with the Code of Conduct.

All Fiskars employees participate in regular training on the Code of Conduct. The Internal Audit Manager acts as the Corporate Compliance Officer for this Code.

Internal audit

The Internal Audit function has an independent role and audits and reviews how well internal control systems function, the appropriateness and efficiency of functions, and how well guidelines are observed.

The Internal Audit function also strives to promote the development of risk management practices in the Group's business regions and business units. The Company has an internal audit manager, who is administratively subordinate to the President and CEO, but reports to the Board's Audit Committee.

Auditing

The task of statutory auditing is to verify that Fiskars financial statements and Board of Directors' report provide accurate and adequate information on the company's results and financial position. In addition, auditing includes an audit of Fiskars accounting and administration. The Company's Auditors submit the statutory Auditor's report to the Company's shareholders in connection with the Company's financial statements. The Auditors also report their findings to the Board's Audit Committee on a regular basis and at least once a year to the full Board of Directors.

The Company's Annual General Meeting elects an Auditor. Proposals to the Annual General Meeting on the election of Auditors shall be made by the Board's Nomination Committee based on the proposal by the Board's Audit Committee. The Auditors are elected for a term that expires at the end of the following Annual General Meeting.

The Annual General Meeting in 2014 re-elected KPMG Oy Ab, Authorized Public Accountants, as Auditors, with Authorized Public Accountant Virpi Halonen having the principal responsibility. KPMG Oy Ab is also responsible for overseeing and coordinating the auditing of all Group companies.

A total of EUR 0.9 million was paid in audit fees to the auditors employed by Group companies in 2014. In addition, a total of EUR 0.6 million was paid to the auditors in fees for other consultancy services related to tax matters and other advisory services.

Insider administration

Fiskars Insider Policy is based on and comply with the Guidelines for insiders issued by Nasdaq Helsinki.

The Company's permanent public insiders include the members of the Board, the President and CEO and the Company's Auditors. In addition, the Board has also resolved that the members of the Executive Board and Corporate Office are regarded as the Company's permanent public insiders. All permanent public insiders and the statutory information about them, their related parties and the corporations that are controlled by related parties, or in which they exercise influence, have been entered into Fiskars register of public insiders. Fiskars also has a company-specific insider register divided into sub-registers that consist of permanent insiders and of possible insider projects and persons participating in their preparation.

The Company's Legal function monitors the compliance with Insider Guidelines and maintains the Company's insider registers in co-operation with Euroclear Finland Ltd. Information on Public Insiders can be viewed at the Company's website, www.fiskarsgroup.com and at Euroclear Finland Ltd., Urho Kekkosen katu 5 C, 00100 Helsinki, tel. +358 20 770 6000.

Internal control and risk management systems related to financial reporting

The financial reporting process refers to activities that generate financial information used in managing the Company and the financial information published in accordance with the requirements of legislation, standards, and other regulations covering the Company's operations.

The role of internal control is to ensure that the Company's management has access to up-to-date, sufficient, and accurate information needed for managing the Company and that the financial reports published by the Company provide an essentially accurate view of the Company's financial position.

Governance

The Parent Company has a Group-level financial management organization that operates under the leadership of the COO & CFO. Financing and financial risk management belong to the Group Treasury function under the responsibility of the COO & CFO.

The business regions and business units are run by their own leadership teams. All the business regions have their own financial management organizations, which also support the business units.

The business regions and country legal units within the regions comprise the base level of financial reporting. Business regions and country sales units are responsible for organizing their own financial management and for the accuracy of their financial reporting.

With the support of the Company, the business regions are responsible for the day-to-day risk management associated with their operations and for monitoring the operations of the finance departments of individual units and country sales units.

The Internal Audit function audits and monitors the efficiency of the reporting process and assesses the reliability of financial reporting.

The Group's Audit Committee, the Group's Board of Directors, the corporate management and the leadership teams of each business region and business unit monitor the development of the financial situation and analyze progress on targets on a monthly basis.

Planning and performance reporting

Setting and monitoring financial targets is an important part of Fiskars management responsibilities. Short-term financial targets are set as part of the annual planning cycle, and progress in achieving these targets is monitored on a monthly basis. Business regions and country legal units report actual monthly financial data and file monthly projections of how financial performance is expected to develop over the remainder of the reporting period. Additionally, business regions update the outlook for the remainder of the reporting period on a monthly basis on an aggregated level.

The Group's financial performance is reviewed monthly using a reporting system that covers all units and operations.

Information from reporting units is consolidated and validated by the Group's financial organization and the data is used to prepare a monthly report for senior management. Monthly reports contain condensed income statements for Fiskars operational segments, business regions and business units, key indicators, and an overview of the major events affecting their businesses. Reports also include a consolidated income statement, balance sheet data, cash flows, and a projection of the expected development of the financial situation covering the remainder of the reporting period.

Accounting principles and financial IT systems

Financial reporting is governed by a set of common principles. The Group applies the IFRS accounting standards approved within the EU and has a common Group chart of accounts. The Group's financial management organization has drawn up guidelines for units, covering the content of financial reporting and the dates within which reporting must take place.

Business regions and country sales units make use of a number of different accounting and financial reporting systems. Group-level financial reporting is handled using one centrally-managed system. Business regions as well as country sales units are responsible for providing data for the Group's reporting system. The Group-level financial management organization is responsible for maintaining the Group's reporting system and for monitoring that appropriate and correct data is fed into the system.

As part of the five-year development program the Company is in the process of implementing a common enterprise resource planning system (ERP) in Europe in order to simplify the financial reporting process and reduce risks associated to the management of several different systems in parallel. The new system will be implemented in phases. The first implementation took place in late 2011, and at the end of 2014 approximately 60 % of business volume targeted by the program was running through the common system.

Risk management

The overall objective of risk management is to identify, evaluate, and manage risks that may threaten the achievement of the Company's business goals. The aim is to secure personnel and assets, ensure the uninterrupted delivery of products to customers, and protect the Company's reputation, brands, and shareholder value from developments or damage that may undermine the Company's profitability or adversely affect its assets.

In relation to financial reporting, the task of risk management is to identify potential threats affecting the financial reporting process that, if they were to become reality, could lead to a situation in which management lacked the up-to-date, sufficient, and essentially accurate information needed to manage the Company and in which financial reports published by the Company did not provide an essentially accurate picture of the Company's financial position.

The principles observed in risk management are included in the risk management policy approved by the Board of Directors. The Board's Audit Committee oversees the efficiency of risk management systems. Responsibility for identifying, evaluating, and also, to large extent, managing Fiskars risks is delegated to business units and support functions. The Group Treasury is responsible for developing and maintaining the methods, tools, and reporting associated with risk management. In addition, it carries out regular risk assessments together with business units and support functions and assists in the preparation of action plans based on the results of these assessments.

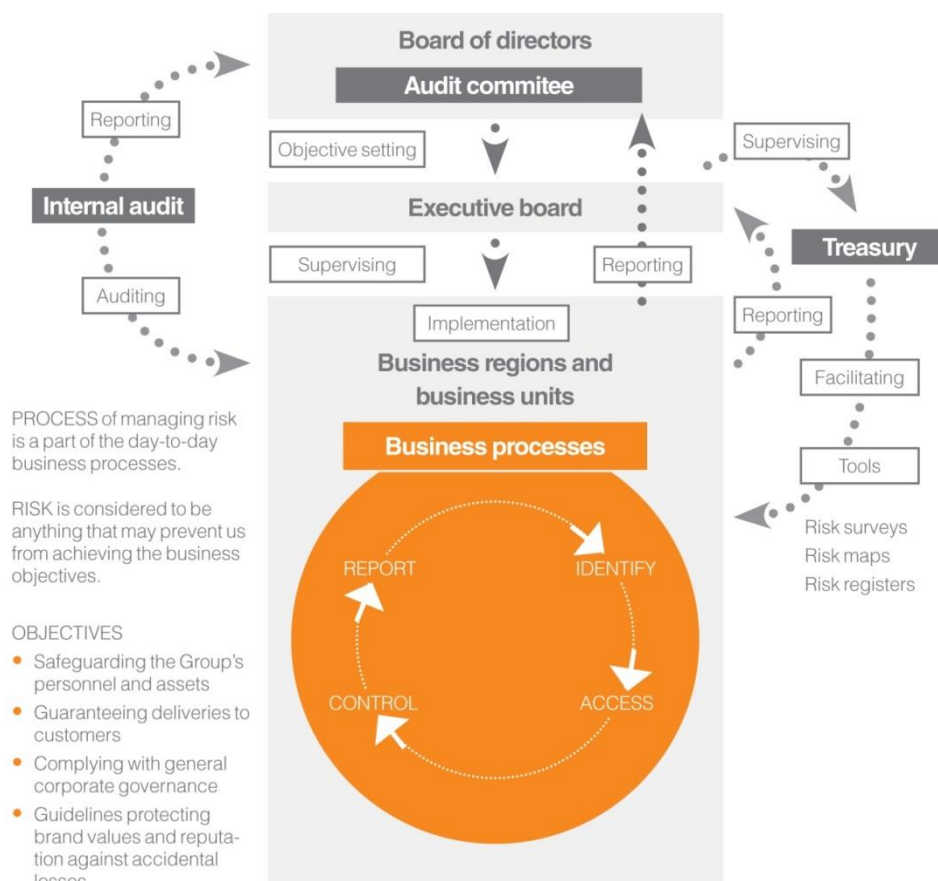
Fiskars has taken out extensive insurance to provide cover for the Group's main assets, business interruptions, transportation, and liabilities. Insurance matters, with the exception of certain types of local insurance, are managed centrally by the Group Treasury. The Group Treasury manages financial risks in accordance with principles approved by the Board of Directors.

Fiskars manages the risks associated with its financial reporting process in a number of ways including the following:

- Maintaining and resourcing an appropriate financial management organization.
- Limiting the rights and responsibilities of individual members of staff appropriately.
- Managing the user rights that give access to the Group's reporting system centrally.
- Issuing guidelines on accounting and reporting.
- Maintaining a common Group chart of accounts.
- Making effective use of IT tools.
- Providing ongoing training for personnel.
- Validating the accuracy of information that is reported as part of the reporting process.

The Company is currently unifying its financial processes and implementing modern IT tools as part of its five-year development program in the EMEA region. With regards to risk management, the objectives are to increase the number of internal checks and controls and to improve the transparency and quality of information used in management decision-making.

Risk management framework



Principal uncertainties

Risk	Description	Effect	Risk management
Strategic risks			
Macroeconomic risk and consumer demand	As Fiskars produces and sells consumer goods, general market conditions and a decline in consumer demand in key market areas could have an adverse effect on the Company's net sales and profitability.	Prolonged low consumer confidence in several key markets due to economic downturn or uncertain geopolitical situation could have a material adverse impact on Group net sales and profit.	Fiskars is engaged in strong brands and product categories which are relatively resilient to moderate economic downturns. Active collaboration with key retail customers can drive sales for both the brand and the retailer. Fiskars strives to continuously diversify its commercial footprint both in terms of geography and product portfolio, which will balance demand fluctuations between markets.
Customer relationships	<p>Fiskars products are primarily sold to wholesalers, retailers, and directly to consumers through the company's own stores and webstores.</p> <p>Many large retailers decide on their product range and suppliers only once annually, and failure to meet customer needs may result in Fiskars losing customers or listings at customers. Retailers, especially in ecommerce, can also have a significant influence in directing consumers' purchasing volumes.</p> <p>Fiskars is exposed to risks from structural changes in retail landscapes and changes in retail business models. These include for example consolidation among retailers and international retailers' increasingly centralized purchasing activity.</p> <p>As a supplier Fiskars is also exposed to retailers' strategic focus on own private label businesses.</p>	<p>Although Fiskars has a diversified customer base, loss of any its largest customers, loss of significant category listings at key channels or decrease in business volume at key customers would have a material adverse impact on the Group's net sales and profits.</p> <p>Market consolidation among retailers increases Fiskars dependence on individual customers and strengthens retailers' purchasing power. This may in turn impact Fiskars profitability.</p>	<p>Fiskars core competence lies in building strong brands that people desire and are willing to pay a premium for. For retailers, specialist brands offer a higher return.</p> <p>Although sales to large individual customers are significant in some of Fiskars businesses, none of the individual customers account for more than 10% of the total net sales of the Group.</p> <p>Fiskars mitigates risks associated to customer relationships and distribution by building best-in-class trade relations and excelling in sales and execution. In recent years, Fiskars has consistently invested in its sales organization and supply chain to meet the evolving customer demands effectively.</p> <p>Fiskars can differentiate from competitors by combining extensive consumer insight with unbiased trade insight. Through our expertise in category management, we aim to assume a trusted advisor role and strengthen our partnership with selected retailers. This will enable us to build the brand experience and expand our retail presence while providing retailers with increased turnover.</p>
Brands and corporate reputation	<p>Fiskars has a number of global, regional and local brands in its portfolio. The company's success depends on its ability to build and fuel strong specialist brands for growth so that they stay commercially relevant.</p> <p>Any adverse event affecting consumer confidence in our brands could have a negative impact on our business.</p>	<p>Major part of the Group's net sales and profits are generated by the three international key brands of the company, of which the Fiskars brand is the biggest.</p> <p>Failure to fulfill the brand promise through for example the product's quality or expanding to areas not consistent with the brand's core could impact consumers' emotional engagement and long-term loyalty to the brand.</p> <p>Usually the negative impact would relate to a specific brand in a specific market. A major reputation crisis could, however spread across markets and have a significant business impact.</p>	<p>Each of Fiskars brands has a clearly defined role in realizing the company's growth ambition. Fiskars continues to invest in its key brands and has established processes to monitor their performance closely. Determined action is taken to mitigate any threat to brand value. When commercializing and expanding its brands, Fiskars carefully considers the entire value chain and what the brand is in consumers' minds, optimizing all aspects to bring value to both trade and end-users.</p> <p>Fiskars has established crisis management and crisis communications procedures to mitigate the potential negative effects of a crisis situation on its corporate</p>

			and brand reputation.
Innovation and new product development	<p>Fiskars brands communicate a promise of high quality and fulfilling user experience. Fulfilling the highest standards in terms of product quality and safety is critical to consumers' trust in our products.</p> <p>Continuous innovation and renewal is the prerequisite for Fiskars leadership position. The company's product development can be affected by complications in development process, and insufficient quality control.</p> <p>Inability to meet consumer needs or to predict changes in consumer preferences could mean that the products developed and launched would not meet commercial targets.</p>	<p>Failure to introduce appealing new products could have significant impact on Fiskars market share and retailers' interest in listing Fiskars products. This, in turn, would affect Fiskars net sales.</p>	<p>Strong design and systematic brand management form the basis for our product development work. Fiskars conducts continuous research on how consumers shop and how they use our products.</p> <p>New products are developed in close co-operation with users, brand management and manufacturing, and the product creation process evaluates the commercial potential of new ideas and concepts carefully.</p>
Intellectual property rights	<p>Fiskars owns and develops a valuable portfolio of strategic intellectual property rights (IPR), which is a key tool for the Group's brands' differentiation.</p> <p>Fiskars is exposed to infringement of its intellectual property rights and failure to protect those rights could lead to counterfeit products gaining market share.</p> <p>In its own product development activities, Fiskars is also exposed to the risk of unintentionally violating other parties' intellectual property rights.</p>	<p>Violation of Fiskars intellectual rights can lead to loss of sales and profits. The insufficient quality or safety of counterfeit products may undermine consumers' confidence in Fiskars brands.</p> <p>Violation by Fiskars of other parties' rights could lead to increased costs and damage to Fiskars reputation.</p>	<p>Fiskars has established cross-functional processes and systems to proactively and effectively manage its global IPR portfolio.</p> <p>Fiskars uses an optimized combination of different types of IPR protection to get the best possible protection for its innovations. Fiskars has monitoring processes and action plans in place to prevent and stop infringing products and practices.</p> <p>Fiskars also actively monitors competitors' intellectual property rights to gain an understanding of the competitive landscape and to avoid the risk of infringing third parties' rights. Training on immaterial rights is mandatory for Fiskars personnel in relevant functions and Fiskars has established processes to ensure that other parties' immaterial rights are respected.</p>
People and culture	<p>The successful execution of Fiskars growth strategy depends on the extent to which the company succeeds in appointing and retaining talented and motivated professionals.</p> <p>Fiskars is undergoing a major transformation, and is exposed to a risk of insufficient commitment to successfully drive and manage the ongoing change programs and execute business models.</p> <p>Lack of commitment to the new operational model can lead to unclear roles and responsibilities, and sub-optimization between functions.</p>	<p>Loss of key personnel in strategic positions, low employee engagement and failure to maintain a high performance culture could impact Fiskars ability to achieve its goals.</p> <p>Restructurings and organizational changes typically involve the risk of creating higher costs than anticipated or not meeting estimated saving targets and losing key personnel.</p>	<p>Strong leadership and building a shared leadership culture continue to be in Fiskars focus. We invest in leadership practices and offering our employees and leaders a wide range of opportunities to learn and develop themselves professionally.</p> <p>Fiskars management is committed to promoting engagement. The company surveys employee engagement regularly to understand how employees feel and think about important topics. Unit leaders are responsible for building action programs to enhance engagement.</p>
Operative risks			
Supply chain	<p>Fiskars production strategy is based on combining own manufacturing with carefully selected supply partners, whose share has increased. Fiskars purchases components and raw materials from several suppliers.</p> <p>Changes in the marketplace can be rapid, and this exposes Fiskars to a risk of failing to ensure that design, quality, price and availability of products at the right place at the</p>	<p>Failure to deliver products at the right time could lead to loss of listings or even loss of customers.</p> <p>Insufficient product availability or other non-compliance with customer agreements can also lead to penalty payments.</p> <p>Failing to meet with consumer expectations on the sustainability on our supply chain could have a negative impact on consumers' trust on our</p>	<p>Our supply chain priorities include efficient and flexible manufacturing capabilities and flexible logistics structures as well as the consolidation of supplier portfolio and ensuring sustainability of our supply chain.</p> <p>Fiskars goal is to build a strong partner network which lives up to our corporate values, high quality standards and our customers' expectations. We require our</p>

	<p>right time are in balance.</p> <p>Through diversifying its manufacturing footprint the company is increasingly exposed to risks related to its supply chain. The company has own manufacturing operations in several locations, and most of its suppliers are located outside Fiskars key markets.</p> <p>Disturbances at the source of supply or in the logistics chain could prevent the orderly delivery of products to customers.</p> <p>Fiskars is also increasingly exposed to legal, economic, political and regulatory risks related to the countries of its own or its suppliers' manufacturing facilities, which may impact product availability.</p>	brands.	<p>partners to commit to principles covering labor and human rights, health and safety, the environment, and business ethics. Suppliers are required to follow Fiskars' Supplier Code of Conduct, and audits are carried out to verify compliance.</p> <p>The importance of a seamlessly functioning supply chain continues to increase and we are continuously strengthening our global sourcing operations. Fiskars currently runs regional sourcing offices in Shanghai, Bangkok and Helsinki and focuses on value creation by harmonizing sourcing processes and supplier-base management principles on a global scale.</p>
Raw materials and components	<p>The most important raw materials used in the company's products are steel, aluminum, and plastics. Sudden fluctuations in raw material, component and energy prices or availability can have an impact on Fiskars profitability.</p>	<p>The cost of raw materials is relatively small part of Fiskars cost base, and even significant increase in price of an individual raw material would have fairly limited impact on profitability. Long term availability issues would possibly have a greater impact on sales and profits.</p>	<p>Fiskars uses long-term contracts with some of its raw material suppliers to manage price risks, and derivatives are used to hedge the price of electricity for production plants in Finland. In order to limit the availability risks the company aims to avoid relying on a single source in any of the critical material areas.</p>
Products	<p>Fiskars brands communicate a promise of high quality and functionality, and all products need to be right for their purpose and fulfill all material and quality requirements. For example many of Fiskars homeware products are used in connection with food, and many garden and outdoor products are intended for demanding cutting activities.</p> <p>Failure to meet demands on performance and safety could expose Fiskars to the risk of product recall and even liability for damages in the event that its products had caused injury to consumers or damaged other property.</p> <p>Legislation in many countries may also require Fiskars to recall products in other specific circumstances.</p>	<p>A product recall induces costs that could be material if large number of defective products were to be recalled from several geographical locations. In the worst case defective products might result in personal injury and therefore an obligation for the company to pay damages to consumers that could be substantial and include punitive elements in some jurisdictions.</p> <p>Respectively, in some jurisdictions, government authorities may claim and if successful, collect substantial penalties payable for alleged violation of product safety related regulation.</p>	<p>Fiskars product development process is based on continuous testing and learning, and the company has invested in product development and quality assurance resources. Fiskars ensures by careful quality and product safety related processes that a product is safe and right for its purpose and that all the material and quality requirements are fulfilled.</p>
Weather and seasonality	<p>Demand for some of the Group's products is dependent on the weather, particularly garden tools and watering products during the spring and snow tools during the winter.</p> <p>Unexpected weather conditions such as cold and rainy weather during spring or no snow in the winter can have a negative impact on the sale of these products.</p> <p>The sale of homeware products is heavily geared towards the last quarter of the year, and any negative issues related to product availability or demand during this quarter could affect the full-year result of this business significantly.</p>	<p>Weather impact would typically be limited to a certain part of the business portfolio. A longer period of unusually poor weather in a larger geographic area could however affect overall traffic in stores.</p> <p>Seasonal variations and weather conditions can lead to short-term fluctuations in demand which may in turn lead to excess inventory of products or lost sales.</p>	<p>Fiskars does not hedge weather risks. Risks associated with demand and product availability during peak season are managed by active sales and marketing activities and by systematic supply chain management. Fiskars strives to have a flexible production structure which can be adjusted at a short notice to meet actual demand.</p> <p>Fiskars strategy is to balance seasonality by developing its portfolio and also by creating secondary seasons through marketing activities.</p>
Investment program in Europe	<p>In December 2010, Fiskars launched a five-year development program in the EMEA region with an investment of approximately EUR 65 million.</p>	<p>Inability to execute business processes can affect Fiskars net sales. Failure to meet customer demands could have a negative impact on</p>	<p>A dedicated project team, including external advisors, has been established to implement the program. The corporate</p>

	<p>This program entails implementation of new common processes and IT systems, including a new common enterprise resource planning (ERP) system. Ineffective project management could delay the execution of the program or increase costs above plans.</p> <p>Technical problems or disruption in the access to business critical information in connection with system implementations or inability to fully utilize the implemented processes and systems may affect Fiskars ability to execute required business processes such as invoicing and deliveries.</p>	<p>customer relationships and lead to loss of listings or even loss of customers, which would impact sales negatively.</p> <p>Insufficient product availability or other non-compliance with customer agreements can also lead to penalty payments.</p>	<p>management team monitors the progress of the program closely and the project's status is regularly reported to the Board of Directors.</p> <p>Each implementation is followed by a stabilization period to mitigate the effects on business process execution.</p>
IT	<p>Fiskars is exposed to performance, availability and security risks related to common, centralized infrastructure solutions and increased dependency of operations on centralized platforms.</p> <p>Unforeseen impact of IT changes to new and existing systems could disrupt business operations and affect Fiskars ability to deliver products.</p>	<p>Lack of access to centralized IT systems causes unavailability of critical business information which can prevent the execution of the required business processes. This could impact business operations and thus financial performance either regionally or globally.</p>	<p>Fiskars mitigates the risk by building the IT solutions using industry best practice processes and proven technologies. The solutions are regularly audited and tested. Training is organized for core competences, which are required for maintaining the functionality and security of the IT solutions. The processes for managing emergency situations and recovery are documented and key personnel have been trained.</p> <p>Changes to new and existing IT systems are done according to standard processes and procedures. All changes are approved, validated and tested before execution to production.</p>
Acquisitions	<p>Acquisitions are a part of Fiskars growth strategy. Despite a careful due diligence process, all acquisitions and integration of acquired businesses include risks. Brands or sales may be adversely affected, key individuals may decide to leave the company, the costs of the integration may exceed expectations and synergy effects may be lower than expected.</p>	<p>Loss of key individuals and failure to meet integration targets may lead to Fiskars not achieving the strategic and commercial objects for the acquisitions. This may affect Fiskars net sales and profitability.</p>	<p>Fiskars mitigates these risks by planning the integration of acquired businesses in advance, by establishing Fiskars' corporate governance principles immediately after the takeover, by setting up a joint integration team and by following the integration and the development of the new company intensively within its corresponding management team, the Executive Board and the Board of Directors of Fiskars.</p>
Financial risks			
Currency rates	<p>A significant part of the Group's operations are located outside of the euro zone. Consolidated financials are reported in Euros, which means that the Group is exposed to a translation risk. In addition less than 20% of Fiskars commercial cash flows are exposed to fluctuations in foreign exchange rates The most significant currency with regards of translation and transaction currency risk is USD.</p>	<p>Changes in foreign exchange rates may have an adverse impact on the reported net sales of the Group, its operating results, balance sheet and cash flow. Changes in foreign exchange rates may also impact Fiskars local competitiveness negatively.</p> <p>Fiskars details its sensitivity to main currencies in its financial statements.</p>	<p>The Company aims to manage currency risks related to commercial cash flows primarily through business means. Acquisition of production inputs and sale of products are primarily denominated in the local currencies of the Group companies. Net estimated exports and imports in foreign currencies is hedged up to 12 months in advance using currency forwards and swaps.</p> <p>The potential adverse impact on reported consolidated financials arising from changes in foreign exchange rates is left unhedged.</p>
Financial investments	<p>The financial investment portfolio of Fiskars consists of shares in Wärtsilä and of other financial investments. Other financial investments may include investments into funds, shares, bonds and other financial instruments denominated mostly in EUR and USD.</p> <p>The financial investment portfolio is</p>	<p>The shares in Wärtsilä together with the other financial investments form an active investment portfolio which is treated as a financial asset at fair value through profit or loss.</p> <p>Valuation of financial assets through profit and loss will increase the volatility of financial items in the profit and loss statement and thus volatility of Fiskars</p>	<p>The investment management principles, including objectives, guidelines and risk management procedures, have been documented in an investment policy approved by the Board of Directors.</p> <p>The risk management measures include limits for various asset classes, instruments and</p>

	<p>exposed to general risks related to financial investments and the investments may lose value because of several reasons. The most relevant risks are considered to be decline in financial markets, changes in interest rates or in foreign currency rates and default (issuer of a security no able to make timely principal and interest payments) risks.</p>	<p>net result.</p> <p>The risk profile of the other financial investments is considered to be of medium grade.</p>	<p>counterparties and it defines risk measurement and risk reporting principles. Fiskars has assigned well-known international asset managers to support the investment activities.</p>
Taxation	<p>Complex and changing tax legislation in multiple jurisdictions where Fiskars operates may create uncertainties relating to tax obligations towards various authorities.</p> <p>At the same time, governments seeking to cut budget deficits are increasing tax enforcement activities and disclosure requirements as they pursue new sources for tax revenues. This, in conjunction with unpredictable behavior or changing interpretation of tax authorities may cause unexpected tax challenges.</p>	<p>Fiskars faces an increasing administrative burden resulting from reporting and disclosure requirements.</p> <p>Increased tax enforcement activity may lead to double taxation and additional costs in forms of penalties and interest.</p> <p>Perceived non-compliance could have an impact on corporate reputation.</p>	<p>We strive to plan and manage our tax affairs efficiently and in compliance with laws and regulations of the jurisdictions in which we operate. In an increasingly complex international tax environment some degree of uncertainty is inevitable. Fiskars actively monitors changes in tax rates and regimes to identify impacts on the group effective tax rate and exercises its judgment and seeks professional advice in assessing its tax liabilities and assets.</p>