

Making the everyday  
extraordinary.

Fiskars, Gerber, Iittala,  
Royal Copenhagen, Waterford,  
Wedgwood, Arabia, Gilmour,  
Royal Albert, Royal Doulton,  
Rörstrand

# Content

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# Reporting principles

Last year Fiskars published its first sustainability report. This year Fiskars is reporting for the first time according to GRI Standards (2016). This report has been prepared in accordance with the GRI Standards: Core option.

Fiskars Annual Report 2017 consists of Annual Review, Corporate Governance Statement, Financial Statements and GRI Supplement. This GRI Supplement includes GRI Content Index, information on general disclosures and topic specific disclosures.

Fiskars reporting covers Fiskars Group and any of its group companies. We are mainly reporting for the year 2017 in this GRI supplement. The reporting period covers the calendar year 2017 from January 1, 2017 to December 31, 2017. In 2017 we launched

a new global HR system and a common platform for the EHS reporting from our own production, which enabled us to develop common ways of reporting and collecting data after the acquisition of WWRD group of brands in 2015. We have also agreed on 2017 to be the base year for our long-term targets. Any other division of the data reported is noted separately.

An independent third party, PricewaterhouseCoopers Oy, has provided assurance on the sustainability information reported in this supplement. The scope of the assured information is indicated in the Independent practitioners' assurance report.

# Operating principles

Our ambition is to empower positive change, and to be a leader in building a more sustainable world. To drive our ambition, we follow certain ways of working and focus on operating in a unified way throughout our global operations. Our Code of Conduct lays out our expectations and guiding principles for appropriate workplace behavior, helping all our employees understand how to do business in a safe, sustainable, ethical and efficient manner. Code of Conduct is our primary everyday tool, which we have complemented with other policies and globally acknowledged guidelines and principles.

## EXTERNAL INITIATIVES

We honor and promote universal human rights and equal opportunities in everything we do. To demonstrate our commitment, Fiskars joined the United Nations Global Compact, the world's largest corporate sustainability initiative, in 2016.

International standards and guidelines create an important foundation for Fiskars' quality, environment, health and safety (QEHS) management. Our factories and our suppliers are using quality management standard ISO 9001, environmental management standard ISO 14001 and health and safety standard OHSAS 18001.

Currently 80% of our manufacturing units are ISO 9001 and ISO 14001 certified and 13% of them are OHSAS 18001 certified. The certifications will be expanded to cover more of our manufacturing units and distribution centers in the future.

## ABBREVIATIONS

UNGC United Nations Global Compact  
GRI Global Reporting Initiative  
AR Annual Review

# GRI Content index

## GRI 102: General Disclosures 2016

General Disclosures	Page number / additional information	UNGC Cross-Reference	
<b>1. ORGANIZATIONAL PROFILE</b>			
102-1	Name of the organization	Fiskars Corporation	
102-2	Activities, brands, products, and services	AR p. 5, 24-25	
102-3	Location of headquarters	Helsinki, Finland	
102-4	Location of operations	<a href="http://www.fiskarsgroup.com/contacts">www.fiskarsgroup.com/contacts</a>	
102-5	Ownership and legal form	Fiskars Corporation is a public company and its shares are listed in Nasdaq Helsinki	
102-6	Markets served	AR p. 5	
102-7	Scale of the organization	AR p. 16-19	
102-8	Information on employees and other workers	p. 17	Principle 6
102-9	Supply chain	p. 17	
102-10	Significant changes to the organization and its supply chain	Fiskars shifted from a region-based organization to form two strategic business units, Living and Functional including a unified Supply Chain.	
102-11	Precautionary Principle or approach	<a href="http://www.fiskarsgroup.com/investors/corporate-governance/risk-management">www.fiskarsgroup.com/investors/corporate-governance/risk-management</a>  Fiskars has a risk management process in place to manage risks, to avoid any adverse impacts to the environment, and to ensure continuity of its operations.	
102-12	External initiatives	p. 4	
102-13	Membership of associations	p. 18	

GRI 102: General Disclosures 2016		
General Disclosures	Page number / additional information	UNGC Cross-Reference
<b>2. STRATEGY</b>		
102-14	Statement from senior-decision-maker	AR p. 8-9
<b>3. ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards, and norms of behavior	AR p. 12-13 Principle 10
<b>4. GOVERNANCE</b>		
102-18	Governance structure	<a href="http://www.fiskarsgroup.com/investors/corporate-governance/board-directors">www.fiskarsgroup.com/investors/corporate-governance/board-directors</a>
<b>5. STAKEHOLDER ENGAGEMENT</b>		
102-40	List of stakeholder groups	p. 19
102-41	Collective bargaining agreements	31% of Fiskars' employees are covered by collective bargaining agreements. Principle 3
102-42	Identifying and selecting stakeholders	p. 19
102-43	Approach to stakeholder engagement	p. 19
102-44	Key topics and concerns raised	p. 20

GRI 102: General Disclosures 2016		
General Disclosures	Page number / additional information	UNGC Cross-Reference
<b>6. REPORTING PRACTICE</b>		
102-45	Entities included in the organization's consolidated financial statements	All Group companies are included in the reporting.
102-46	Defining report content and topic boundaries	p. 21
102-47	List of material topics	p. 21
102-48	Restatements of information	No restatements
102-49	Changes in reporting	Fiskars shifted from a region-based organization to form two strategic business units, Living and Functional including a unified Supply Chain.
102-50	Reporting period	January 1, 2017 - December 31, 2017
102-51	Date of the most recent report	Fiskars' Sustainability Report 2016 was published in February 2017
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	<a href="mailto:sustainability@fiskars.com">sustainability@fiskars.com</a>
102-54	Claims of reporting in accordance with the GRI Standards	p. 3
102-55	GRI content index	p. 5
102-56	External assurance	p. 3, 40-41

# Topic-specific Disclosures

## GRI 201: ECONOMIC: 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016					
	103-1	Explanation of the material topic and its boundaries	p. 28 <a href="http://www.fiskarsgroup.com/investors/fiskars-investment">www.fiskarsgroup.com/investors/fiskars-investment</a>		
	103-2	The management approach and its components	p. 28 <a href="http://www.fiskarsgroup.com/investors/fiskars-investment">www.fiskarsgroup.com/investors/fiskars-investment</a>		
	103-3	Evaluation of the management approach	p. 28 <a href="http://www.fiskarsgroup.com/investors/fiskars-investment">www.fiskarsgroup.com/investors/fiskars-investment</a>		
GRI 201: Economic Performance 2016					
	201-1	Direct economic value generated and distributed	p. 27		

## GRI 302: ENERGY 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016					
	103-1	Explanation of the material topic and its boundaries	p. 24, AR p. 51		
	103-2	The management approach and its components	p. 24, AR p. 51		
	103-3	Evaluation of the management approach	p. 24, AR p. 51		
GRI 302: Energy 2016					
	302-1	Energy consumption within the organization	p. 29		Principle 7
	302-3	Energy intensity	p. 29		Principle 9
GRI 303: WATER 2016					
	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016					
	103-1	Explanation of the material topic and its boundaries	p. 24		
	103-2	The management approach and its components	p. 24		
	103-3	Evaluation of the management approach	p. 24		
GRI 203: Water 2016					
	303-1	Water withdrawal by source	p. 29		Principle 7

**GRI 305: EMISSIONS 2016**

Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
<b>GRI 103: Management approach 2016</b>				
103-1	Explanation of the material topic and its boundaries	p. 24, AR p. 51		
103-2	The management approach and its components	p. 24, AR p. 51		
103-3	Evaluation of the management approach	p. 24, AR p. 51		
<b>GRI 305: Emissions 2016</b>				
305-1	Direct (Scope 1) GHG emissions	p. 30		Principle 7
305-2	Energy indirect (Scope 2) GHG emissions	p. 30		Principle 7
305-4	GHG emissions intensity	p. 30		Principle 9

**GRI 306: EFFLUENTS AND WASTE 2016**

Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
<b>GRI 103: Management approach 2016</b>				
103-1	Explanation of the material topic and its boundaries	p. 24, AR p. 51		
103-2	The management approach and its components	p. 24, AR p. 51		
103-3	Evaluation of the management approach	p. 24, AR p. 51		
<b>GRI 306: Effluents and waste 2016</b>				
306-2	Waste by type and disposal method	p. 31		Principle 7
306-3	Significant spills	p. 31		Principle 7

**GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016**

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
<b>GRI 103: Management approach 2016</b>					
	103-1	Explanation of the material topic and its boundaries	p. 24, AR p. 40-43		
	103-2	The management approach and its components	p. 24, AR p. 40-43		
	103-3	Evaluation of the management approach	p. 24, AR p. 40-43		
<b>GRI 308: Supplier environmental assessment 2016</b>					
	308-1	New suppliers that were screened using environmental criteria	p. 31		Principle 7,8,9

**GRI 401: EMPLOYMENT 2016**

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
<b>GRI 103: Management approach 2016</b>					
	103-1	Explanation of the material topic and its boundaries	p. 26, AR p. 48-49		
	103-2	The management approach and its components	p. 26, AR p. 48-49		
	103-3	Evaluation of the management approach	p. 26, AR p. 48-49		
<b>GRI 401: Employment 2016</b>					
	401-1	New employee hires and employee turnover	p. 32		Principle 6

**GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016**

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
<b>GRI 103: Management approach 2016</b>					
	103-1	Explanation of the material topic and its boundaries	p. 23, AR p. 48-49		
	103-2	The management approach and its components	p. 23, AR p. 48-49		
	103-3	Evaluation of the management approach	p. 23, AR p. 48-49		
<b>GRI 403: Occupational Health and Safety 2016</b>					
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	p. 33-35	Fiskars does not collect safety indicators by gender, reporting by gender is seen as insignificant to our business.	Principle 6

**GRI 404: TRAINING AND EDUCATION 2016**

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
<b>GRI 103: Management approach 2016</b>					
	103-1	Explanation of the material topic and its boundaries	p. 26		
	103-2	The management approach and its components	p. 26		
	103-3	Evaluation of the management approach	p. 26		
<b>GRI 404: Training and education 2016</b>					
	404-3	Percentage of employees receiving regular performance and career development reviews	p. 36		Principle 6

**GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016**

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
<b>GRI 103: Management approach 2016</b>					
	103-1	Explanation of the material topic and its boundaries	p. 25, AR p. 49		
	103-2	The management approach and its components	p. 25, AR p. 49		
	103-3	Evaluation of the management approach	p. 25, AR p. 49		
<b>GRI 405: Diversity and equal opportunity 2016</b>					
	405-1	Diversity of governance bodies and employees	p. 36-37		Principle 6

**GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016**

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
<b>GRI 103: Management approach 2016</b>					
	103-1	Explanation of the material topic and its boundaries	p. 25, AR p. 40-43		
	103-2	The management approach and its components	p. 25, AR p. 40-43		
	103-3	Evaluation of the management approach	p. 25, AR p. 40-43		
<b>GRI 414: Supplier social assessment 2016</b>					
	414-1	New suppliers that were screened using social criteria	p. 38		Principle 1,2,4,5,6



**GRI 416: CUSTOMER HEALTH AND SAFETY 2016**

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
<b>GRI 103: Management approach 2016</b>					
	103-1	Explanation of the material topic and its boundaries	p. 22		
	103-2	The management approach and its components	p. 22		
	103-3	Evaluation of the management approach	p. 22		
<b>GRI 416: Customer health and safety 2016</b>					
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p. 38		

**GRI 417: MARKETING AND LABELING 2016**

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
<b>GRI 103: Management approach 2016</b>					
	103-1	Explanation of the material topic and its boundaries	p. 22		
	103-2	The management approach and its components	p. 22		
	103-3	Evaluation of the management approach	p. 22		
<b>GRI 417: Marketing and labeling 2016</b>					
	417-2	Incidents of non-compliance concerning product and service information and labeling	p. 38		

# GRI 102: General Disclosures 2016

This section provides information on General Disclosure that is not reported in the Annual Review or the GRI Content Index.

**GRI 102-8 Information on employees and other workers**

				2017
Total number of employees	Permanent	Temporary	Total	
<b>By gender</b>				
Female	3,507	588	4,095	
Male	3,452	175	3,627	
<b>By region</b>				
Europe	3,560	362	3,922	
Americas	1,083	20	1,103	
Asia-Pacific	2,316	381	2,697	
Total number of employees	Full-time	Part-time	Total	
<b>By gender</b>				
Female	3,165	930	4,095	
Male	3,504	123	3,627	

The data has been collected through our Global HR system. Fiskars does not collect this kind of information regarding workers not categorized as employees in global HR reporting. The percentage of Fiskars'

activities performed by workers not categorized as employees is considered nonsignificant. Fiskars did not have any significant seasonal variations in the employment numbers during the reporting period.

**GRI 102-9 Supply Chain**

Fiskars production strategy is based on combining our own manufacturing operations with selected suppliers. Approximately half of our products are manufactured in our manufacturing units, and the rest we buy from our finished-goods suppliers. Fiskars is sourcing fin-

ished goods from suppliers located in Europe, North America and Asia, and the biggest sourcing countries are China, Taiwan, Thailand and Vietnam.

During 2017 we audited one third of all active finished goods suppliers under global sourcing.

### GRI 102-13 Membership of associations

Fiskars' main memberships in industrial organizations and in national or international advocacy organizations during 2017:

- International Chamber of Commerce (ICC)
- Federation of Finnish Technology Industries
- The Finnish Society of Crafts and Design
- The Chemical Industry Federation of Finland
- The Finnish Risk Management Association
- FIBS - Corporate responsibility network
- Global Compact Nordic Network
- Outdoor Industry Association
- Association of the museum of Technology
- Taxpayers Association of Finland
- Horticultural Trades Association
- International Trademark Association
- Finnish-Swedish Chamber of Commerce
- Finnish Quality Association

### GRI 102-40 List of stakeholder groups

### GRI 102-42 Identifying and selecting stakeholders

### GRI 102-43 Approach to stakeholder engagement

Fiskars' stakeholders are defined to be entities or individuals that have a moderate impact on our business, or that are affected by our activities, products and services, presenting both risks and opportunities.

Fiskars' business is based on putting the consumer at the core of everything we do. A profound understanding and insight of the consumer is the starting point for the brand, product and portfolio development as well as marketing activities.

Engaging our diverse stakeholders is a priority for Fiskars, and provides the company with insights to support our continuous development, and the delivery of our long-term targets. We believe businesses cannot flourish if they are not able to meet the expectations of their stakeholders.

Stakeholder group	Engagement approach
Consumers	We continuously engage with our consumers through numerous touchpoints, including surveys, written communication and discussions.
Customers	We work closely with our customers through dedicated account teams, joint initiatives and consumer care.
Employees and potential employees	We engage with our employees through an annual employee survey, town halls, employee communications, individual development plans and a variety of Fiskars trainings as well as internal and external social media.
Suppliers and subcontractors	Our suppliers are engaged with through our audit program, annual supplier days, and site visits.
Shareholders and investors	Annual General Meeting for our shareholders, quarterly reporting and webcasts, investor meetings and presentations, ongoing dialogue with investors and analysts
Non-governmental organizations	The forms of engagement with the NGOs include partnerships, memberships and ongoing dialogue
Media	We engage with media through specific media events, press releases, and engaging with media influencers, including bloggers.
Research institutes, universities and vocational schools	We actively collaborate with universities and institutes, for example through our product development. In 2017 we donated 250,000€ to Aalto University.
Authorities	Fiskars acts as a responsible corporate citizen by complying with the laws and paying taxes. We collaborate with government officials, tax authorities and other authorities, including the management of Intellectual Property Rights (IPR).

**GRI 102-44 Key topics and concerns raised**

As a part of our efforts to develop a responsive and relevant sustainability approach and reporting, we engaged with a third-party management consulting firm to conduct both external and internal stakeholder interviews during 2016. Results indicated that both internal and external stakeholders had very similar expectations towards Fiskars' sustainability efforts.

In 2017 we gained insights through consumer engagement, conducted by our brands through surveys and regular consumer feedback. Some of the key themes from the interviews and consumer engagement during 2016-2017 are listed below.

Stakeholder expectation	Engagement approach
Group management's commitment to sustainability must be visible, and they must be capable of communicating sustainability	Through improved reporting we are able to include the tracking of our sustainability performance into regular agenda in different leadership teams. This will support the engagement and communications ability of the Group management.
Define the ambition level for Fiskars sustainability, how to reach it and support the business at the same time	In 2016 Fiskars' sustainability ambition was defined, and during 2017 we have made it more concrete through policies, targets and long-term and short-term action plans for the future.
Develop meaningful communications towards customers and consumers, gain benefit from sustainability work	Sustainability has been integrated more firmly into our brands' strategies, and during 2017 we have been planning many upcoming campaigns and communications where sustainability is included.
Increased openness regarding communications, a shift in the mind-set of employees needed	During 2017 we have been improving our internal communications. Fiskars' first sustainability report was launched. In the coming years we will focus on more structured communications plans and strengthen our efforts in external communications.
Increased sharing and utilisation of best practices between strategic business units	This has been developed through cross-functional steering groups, and mutual initiatives beneficial for both businesses, Living and Functional.
Clear governance model including allocated roles and responsibilities	New sustainability governance model was introduced in 2016, and it was implemented during 2017. The new Sustainability Leadership Team gathered five times during the year. Executive Leadership Team, Extended Leadership Team, and the Board of Directors had sustainability on their agenda during the year. For example short-term targets and new policies were discussed during in Leadership Teams during 2017.
Brands with long histories should continue to build sustainable image through utilizing craftsmanship instead of focusing on efficiency	The Fiskars Fundamentals were defined in 2016, including our core belief: well-crafted is simply the best. Craftsmanship is an integral part of our production and its role has been communicated more firmly through our core belief.

**GRI 102-46 Defining report content and topic boundaries**

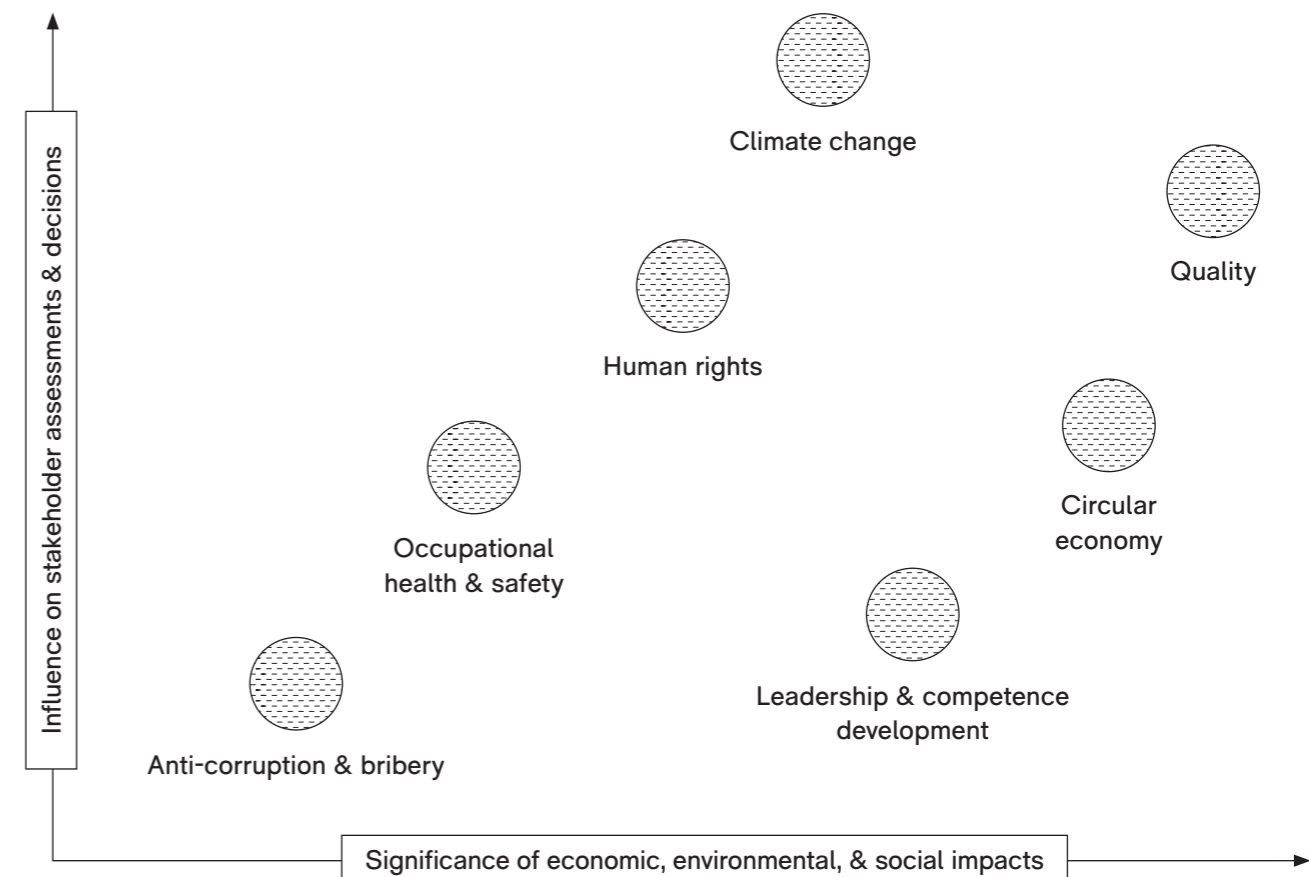
We conducted our first materiality analysis in late 2016 to be able to address the right topics in our sustainability work and reporting. The analysis was conducted also to support our aim to report in alignment with the GRI Standards in this 2017 report. Our material topics are defined in the Disclosure 102-47. The Reporting Principles were applied to conducting the materiality analysis and defining the report content. We conducted both internal and external stakeholder interviews in 2016 to gain insights to work as a base for our materiality analysis. We reviewed

surveys and information requests from investors, analyst organizations, and other significant bodies, such as CDP and the UNGC.

Materiality matrix was created based on the interviews, interpretation was done by key internal sustainability people, relevant external surveys, and Fiskars management. Topics were evaluated based on influence on stakeholder assessments and decisions, and significance of economic, environmental, & social impacts.

**GRI 102-47 List of material topics**

Materiality matrix is a result of the process described in 102-46. In the matrix for the reporting we included the most material topics that are included in our reporting.



# Quality

## MANAGEMENT APPROACH

Ensuring high quality of our products and services is our top priority. Voice of the Customer is crucial in capturing the needs and expectations of consumers. We utilize customer and consumer feedback systematically and work hard to ensure that we continue to be a trusted partner to our customers and consumers and that our products and services meet the requirements on durability, functionality, safety and visual quality. Deep commitment to quality is vital to our heritage and core to our mission of building a family of iconic lifestyle brands.

Fiskars Quality Policy defines our approach and provides a common framework for the quality management and communications of quality practices. We execute this policy in our everyday work, supported by our strategy and organizational structure. Our commitment to quality is conducted through our management systems and we all are responsible for integrating quality as part of our work. The Quality Policy was published in 2017 covering Fiskars Supply Chain.

Our aim is to do everything right at the first time. Everyone is responsible for ensuring that quality is embedded in all our processes.

New products and changes to products or processes are designed using advanced quality planning tools and tested to ensure the quality of the product. We continually improve our products and processes to support our quality promise and efficiency. Roles and responsibilities, KPIs and targets are clearly defined for all processes, and they are monitored on an ongoing basis aiming for improvement. Training and coaching is considered important for implementing efficient processes.

We set annual objectives to improve our quality performance and continually track the development through our management systems. We actively review risks and their controls in an effort to continuously

improve quality standards in the light of new technologies, legislation and best practices.

The effectiveness of our product quality management approach is evaluated against how we are performing against our targets and based on incidents of non-compliance. Quality management approach is continuously developed based on consumer feedback and insights.

## GRI TOPIC SPECIFIC STANDARDS COVERED

GRI 416: Customer health and safety 2016 GRI 417: Marketing and labeling 2016.

## TARGETS

In addition to internal process and category specific KPIs, our long-term target is to reduce the use of substances of concern by 30% by 2027.

## TOPIC BOUNDARY

External impacts within our consumers & customers. Impacts also occur throughout our supply chain (production).

# Occupational health and safety

## MANAGEMENT APPROACH

Ensuring the safety and wellbeing of our employees and people involved in our value chain is a key priority. We have made a firm commitment to guarantee a safe working environment for all our employees and contractors/visitors to our premises, and to continuously improve our Occupational Health and Safety performance.

Health and Safety is an integral part of our management system. We encourage safety leadership at every level of the organization and actively promote a culture of zero harm. We also encourage people to be proactive and take their responsibility seriously, in order to prevent incidents and work-related illnesses. We recognize that it is our responsibility to ensure that safety is never compromised by our actions. Our key principle is "Safety First".

Fiskars maintains an organizational structure for the management of health and safety, including lines of communication, networking channels, cooperation, collaboration and the clear identification of roles and responsibilities for all employees.

In 2017, Fiskars Group reviewed its safety organization and arrangements, and embarked on a journey to harmonize its safety processes and to ensure the highest standards and continuity throughout its supply chain. This commenced with the launch of a new Safety Policy for our Supply Chain. The global health & safety reporting platform was developed with new KPIs and we commenced the implementation of OHSAS 18001 within our manufacturing facilities. We also initiated the planning of global safety concepts, such as a 'Safety Day' and 'Safety Tours' to improve our safety culture and performance. These initiatives are planned to be implemented in 2018.

We undertake regular safety inspections & audits and report our health and safety performance each month, in order to indicate the effectiveness of our

management system. We also actively identify and implement examples of best practices identified through the auditing process or through feedback from our internal network of experts.

We expect leadership teams to have regular reviews on health and safety performance, to ensure adequate resources are available to effectively manage health & safety and to drive our health & safety culture and the process of continual improvement.

Our Supplier Code of Conduct outlines our expectations regarding our suppliers' health & safety standards, and every supplier must sign and commit to it to do business with Fiskars.

## GRI TOPIC SPECIFIC STANDARDS COVERED

GRI 403: Occupational health and safety 2016.

## TARGETS

Zero lost time incidents by 2027.

## TOPIC BOUNDARY

Internal impacts within our operations, external impacts within our suppliers' operations.



# Climate change & circular economy

## MANAGEMENT APPROACH

Responsible use of resources and the careful reduction, re-use and recycling of materials is central to Fiskars' supply chain strategy. Our environment and energy approach is guided by two principles: supporting long-term competitiveness and mitigating negative impacts.

Creating business models around circular economy, such as extended material cycles, provide opportunities to create value and help us mitigate the use of non-renewable materials. We are committed to promoting efficiency and identifying new solutions throughout our value chain.

International standards and guidelines, such as ISO 14001, create an important foundation for Fiskars' environmental management. This year, Fiskars established an Environmental Policy for our supply chain, to emphasize our common targets and ways of working in our own manufacturing units. Our Supplier Code of Conduct outlines the expectations regarding our suppliers' environmental conditions, and every supplier must sign and commit to it to do business with Fiskars.

In 2016 we conducted a comprehensive climate change risk mapping, which was finalized with concrete management actions in 2017. To further develop our sustainability risk management, these risks will be integrated firmly to the Group's risk management processes.

Our performance against our long-term and short-term targets will guide our way in evaluating the effectiveness of our environmental management approach. We are actively following the industry best practices, conducting internal and external audits based on the management system ISO 14001 and learning from the external performance ratings.

## GRI TOPIC SPECIFIC STANDARDS COVERED

GRI 302: Energy 2016, GRI 303: Water 2016, GRI 305: Emissions 2016, GRI 306: Effluents and waste 2016, GRI 308: Supplier environmental assessment 2016.

## TARGETS

2027 targets: 50% of materials used in our products are from renewable or recycled sources, 100% waste generated in manufacturing are recovered or recycled - no waste to landfill, Group-wide energy consumption of own production reduced by 30%, Group-wide CO2 emissions of own production reduced by 50%, Scope 3 emissions decreased by 30%, support our key suppliers in reducing their energy consumption by 30%. Base year for the targets is 2017.

## TOPIC BOUNDARY

Internal impacts throughout our operations, external impacts in our suppliers operations and in surrounding communities and nature. Environmental figures only include our own production and distribution centers, offices and retail are excluded.

# Human rights Anti-Corruption & bribery

## MANAGEMENT APPROACH

Fiskars has an important opportunity to influence people's lives throughout our value chain. Fiskars respects human rights in everything we do, and recognizes the equality of the people with whom we interact. Integrity is one of Fiskars' four core values, and every leader and employee is expected to demonstrate integrity in their everyday work. Fiskars is building a globally collaborative culture, and we need a diverse team to be able to serve our consumers in the best possible way.

Fiskars' commitment to human rights is deeply ingrained in our values and articulated in Fiskars' policies. The Fiskars Code of Conduct provides a detailed description of Fiskars' approach to doing business in an ethical and sustainable manner, including working conditions, labour rights, anti-corruption and bribery, and safety at work.

The Fiskars Supplier Code of Conduct outlines the same expectations for our suppliers. Every supplier must sign and commit to the Fiskars Supplier Code of Conduct in order to do business with Fiskars.

Fiskars is a signatory to the United Nations Global Compact; Fiskars is committed to mitigating adverse human rights and to working against corruption and bribery.

Fiskars' approach to human rights is defined in Fiskars' policies, which are also the foundation for the implementation and targets related to human rights. Fiskars has set long-term targets for 2027 and created short-term targets and action plans for the 2017-2020 to support our efforts in enforcing human rights, anti-corruption and bribery throughout our value chain.

Human rights related risks are mainly seen as financial, compliance and reputational risks, but Fiskars also sees them as an operative risk. The main

risks for us are non-compliant management of our suppliers, and the inability to cover also their suppliers.

Currently we are managing the effectiveness of the human rights management approach by following our risk management and incidents of non-compliance. In the coming years we are to establish a more solid management framework and goals to support effective management of the topic.

## GRI TOPIC SPECIFIC STANDARDS COVERED

GRI 405: Diversity and equal opportunity 2016, GRI 414: Supplier social assessment 2016.

## TARGETS

Fiskars is currently monitoring the awareness and commitment to human rights related topics, such as anti-corruption and bribery, by measuring the percentage of employees who have participated in our annual Code of Conduct training.

2027 targets: Women and men are equally enabled and engaged, with women's enablement and engagement improved to the high-performing norm level, and to prolong the Fiskars career path of young talents by 25% (people under 35 years who are joining or have joined Fiskars in the past 2 years).

## TOPIC BOUNDARY

Impacts throughout our value chain.

# Leadership & competence development

## MANAGEMENT APPROACH

Fiskars wants to inspire and empower people to learn, develop as professionals, and to bring in new ideas, skills, and views. Our aim is to create an environment where our people are engaged and enabled to do their best, and we believe a key in achieving this is to invest in continuous learning and development.

Empowering and inspiring leadership is needed to provide clear direction as we build our family of iconic lifestyle brands. For us, great leadership is about providing clear and inspiring direction, developing our people and embracing value-based behaviors.

We at Fiskars want to provide everyone opportunities to build their own capabilities and careers. We believe in promoting internal talent, in learning on-the-job and in networks with peers, complemented with formal learning opportunities. For each category, Fiskars has developed several initiatives to enable learning, including apprentice programs, courses and a mentoring program.

Fiskars has outlined a set of policies and guidelines related to social and employee related matters to guide our leadership, employees, and partners in

their everyday work. The Fiskars Code of Conduct provides a detailed description of Fiskars' approach to doing business in an ethical and sustainable manner.

We are evaluating the effectiveness of the leadership and competence development management approach by listening to feedback from employees, benchmarking best practices, and using external partners to support the development of the leadership & competence development framework.

## GRI TOPIC SPECIFIC STANDARDS COVERED

GRI 401: Employment 2016, GRI 404: Training and education 2016

## TARGETS

Every employee has a personal development plan (office workers).

## TOPIC BOUNDARY

Internal impacts throughout our operations.

# Topic specific disclosures 2016

## GRI 201-1 Direct economic value generated and distributed, EUR Million

	2017
<b>ECONOMIC PERFORMANCE</b>	
Customers	
Sales	1,186
Suppliers	
Operating costs	735
Employees	
Wages and benefits	315
Public sector	
Taxes	26
Shareholders	
Payments to providers of capital	87
Creditors	
Interest	4
Communities	
Sponsorship and donations	0.6
Economic Value retained	17
<b>Income taxes paid, top 5 largest countries</b>	
U.S, Denmark, Finland, Poland, Sweden	22

Information reported in Disclosure 201-1 is based on audited financial data

## FISKARS GROUP TAX STRATEGY

The Fiskars tax strategy is based on our aim to be responsible corporate citizens in the communities where we operate, and to fulfill our responsibilities towards shareholders, employees, customers and suppliers.

The core of our tax strategy is to pay the right amount of tax at the right time to the right tax authorities, respecting all the applicable tax laws of the countries where we operate.

Fiskars Tax team works closely with the businesses to identify and manage business and technical tax risks to create a sustainable yet business feasible platform for operations. Tax team is involved in business changes already in the planning phase to ensure alignment and appropriate compliance of tax rules and regulations.

All business planning at Fiskars Group is based on business needs. Our tax planning is aligned with our business models. We consider tax implications as part of the decision-making, and ensure that transactions and structures are treated based on their commercial substance. Our business, investment and location planning is primarily driven by commercial needs. We may utilize available tax incentives when they are aligned with our business and operational objectives.

Our transfer pricing principle is to apply arm's length transfer prices to intra-group transactions to reflect where value is created in the Group, and which jurisdiction has the right to tax the profits.

We foster relationships with tax authorities based on mutual transparency and trust in all the jurisdictions where we operate. We may seek advice or advance rulings in situations subject to interpretation and apply judgement based on facts.

To operate efficiently and to manage risks, we employ tax professionals, both internal and external, to manage our compliance obligations. Our aim is to set up systems, processes and controls to ensure efficiency of our compliance functions.

Tax legislation and compliance requirements are subject to a constant change in our operating environment. Fiskars teams monitor changes in tax legislation and regularly review tax affairs and risk management procedures to ensure that Fiskars can identify, assess and mitigate tax risk.

As part of protecting the shareholder value, we act with integrity in all tax matters and accurately report the Group's tax position to our shareholders and other stakeholders.

## GRI 302: ENERGY 2016

### GRI 302-1 Energy consumption within the organization, TJ

	2017
<b>ENERGY</b>	
Direct energy consumption: non renewable	774
Natural gas	765
Propane	6
Light Fuel Oil	3
Direct energy consumption: renewable sources	6
Renewable fuel	6
Indirect energy consumption	340
Electricity	324
District Heat	16
<b>Total energy consumption</b>	<b>1,120</b>

The consumptions are calculated based on invoicing and meters. Standard conversion factors are used (SI). Sold energy or cooling is not relevant for Fiskars. Renewable fuel includes electricity produced with solar panels in our distribution center in Wall, New Jersey, U.S.

### GRI 302-3 Energy intensity, MWh/Net sales (EUR Million)

	2017
Energy intensity	262

Energy intensity is calculated by dividing the total energy consumption of our own production (direct + indirect) in MWh by Group net sales, EUR Million

### GRI 303-1 Water withdrawal by source, 1,000 m<sup>3</sup>

	2017
<b>WATER</b>	
Surface water	237
Ground water	34
Municipal water	213
<b>Total</b>	<b>484</b>

Water is reported based on invoicing and meters.

**GRI 305-1 Direct (Scope 1) GHG emissions, t**

2017

**EMISSIONS**

Scope 1 emissions	43,000
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All the emissions are reported in tCO<sub>2</sub>. 305-1 - 305-5 GHG emissions reporting covers only CO<sub>2</sub>. Fiskars does not have any biogenic CO<sub>2</sub> emissions in its operations.

CO<sub>2</sub> emissions are calculated by multiplying the quantity of MWh produced with certain fuel used in our manufacturing units by the CO<sub>2</sub> conversion rate. Emission rates are based on fuel statistics provided by Statistics Finland. GWP rates are not relevant since Fiskars is only reporting CO<sub>2</sub> emissions.

**GRI 305-2 Energy indirect (Scope 2) GHG emissions, t**

2017

**EMISSIONS**

Scope 2 emissions	
Market based	43,000
Location based	34,000

Market based	43,000
Location based	34,000

CO<sub>2</sub> emissions are calculated by multiplying the quantity of MWh produced with electricity by the CO<sub>2</sub> conversion rate. Scope 2 CO<sub>2</sub> emissions will primarily be calculated from supplier-specific, local grid emission factor that is collected from all manufacturing units and distribution centers.

Location based emission rates are based on country specific emission factors published by International Energy Agency (IEA). GWP rates are not relevant since Fiskars is only reporting CO<sub>2</sub> emissions.

**GRI 305-2 GHG emissions intensity, t CO<sub>2</sub>/ Net sales (EUR Million)**

2017

Intensity	72
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Emission intensity is calculated by dividing the total amount of CO<sub>2</sub> emissions including scope 1 and scope 2, market based emissions in tonnes by net sales, EUR million

**GRI 306-2 Waste by type and disposal method, t**

2017

**WASTE****Non-hazardous**

Reuse	4,280
Recycling	8,541
Composting	12
Recovery	716
Incineration	141
Landfill	3,924
On-site storage	10
Other	187
<b>Total</b>	<b>17,811</b>

**Hazardous**

Reuse	1
Recycling	365
Recovery	23
Incineration	142
Landfill	2
On-site storage	114
<b>Total</b>	<b>647</b>

The waste disposal method has been determined based on information provided by the waste disposal contractor. On-site storage has reported to be temporary.

**GRI 306-3 Significant spills**

2017

Spills	0
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**GRI 308-1 New suppliers that were screened using environmental criteria****SUPPLIER ENVIRONMENTAL ASSESSMENT**

85% of new suppliers were audited based on our Supplier Code of Conduct as a part of Fiskars Audit Program.



GRI-401-1 New employee hires and employee turnover		
	2017	2017
<b>EMPLOYMENT</b>		
New hires	Number of new hires	New hire rate,%
By age group		
<30	367	27%
30-50	367	8%
>50	97	5%
By gender		
Female	520	13%
Male	311	9%
By region		
Europe	509	13%
Americas	181	16%
Asia-Pacific	141	5%
<b>Total new hires</b>	<b>831</b>	<b>11%</b>
<b>Turnover</b>		
Turnover	Number of leavers	Turnover rate, %
By age group		
<30	275	21%
30-50	336	8%
>50	97	5%
By gender		
Female	457	11%
Male	251	7%
By region		
Europe	318	8%
Americas	148	13%
Asia-Pacific	242	9%
<b>Total turnover</b>	<b>708</b>	<b>9%</b>

### GRI 403-2 Types of injury and rates of injury, occupation diseases, lost days, and absenteeism, and number of work-related fatalities

2017	
<b>OCCUPATIONAL HEALTH AND SAFETY – OWN EMPLOYEES</b>	
<b>TYPES OF INJURY</b>	
Amputation	1%
Cuts, grazes & bruises	61%
Fractures	3%
Strains, sprains, pulled muscle	16%
Back injury	1%
Eye injury	3%
Head injury	3%
Burns	3%
Skin rashes, soreness or inflammation	2%
Cumulative strain injury	2%
Mental harm	0%
Asphyxia	0%
Other	6%
<b>Total</b>	<b>100%</b>
<b>INJURY RATE</b>	
By region	
Europe	4.4
Americas	16.9
Asia-Pacific	1.3
By Strategic Business Unit	
Living	2.9
Functional	8.9
<b>Total</b>	<b>4.9</b>
Includes lost time, restricted work, medical treatment and first aid incidents.	
<b>OCCUPATIONAL DISEASE RATE (ODR)</b>	
By region	
Europe	0.0
Americas	0.2
Asia-Pacific	0.0
By Strategic Business Unit	
Living	0.0
Functional	0.1
<b>Total</b>	<b>0.0</b>

**GRI 403-2 Types of injury and rates of injury, occupation diseases, lost days, and absenteeism, and number of work-related fatalities**

2017

**LOST DAY RATE (LDR)**

By region	
Europe	35.8
Americas	29.1
Asia-Pacific	1.2
By Strategic Business Unit	
Living	17.2
Functional	28.8
<b>Total</b>	<b>21.4</b>

**LOST TIME INCIDENT FREQUENCY (LTIF)**

By region	
Europe	7.7
Americas	5.2
Asia-Pacific	1.0
By Strategic Business Unit	
Living	3.3
Functional	7.0
<b>Total</b>	<b>4.5</b>

Lost time incident frequency (LTIF) reflects the number of injuries resulting in an absence of at least one workday per million hours worked. LTIF is based on lost time incidents resulting in one or more days absence of work. Reporting by gender is not significant for Fiskars.

**ABSENTEE RATE (AR)**

By region	
Europe	7.4
Americas	4.0
Asia-Pacific	2.3
By Strategic Business Unit	
Living	4.4
Functional	5.8
<b>Total</b>	<b>4.9</b>

Absentee days lost as percentage of total days scheduled to be worked by the workforce. An employee absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity or paternity leave, and compassionate leave are excluded. Refers to a measure of actual absentee days lost expressed as a percentage of total days scheduled to be worked by the workforce for the same period.

**GRI 403-2 Types of injury and rates of injury, occupation diseases, lost days, and absenteeism, and number of work-related fatalities**

2017

**Fatalities**

Total	0
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**Safety observations**

Total	2,940
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Safety observations are unsafe behaviours and violations of safety rules observed within the workplace.

**Near miss**

Total	758
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A near miss is an unplanned incident that did not result in injury, illness, or damage, but had a potential to do so.

**OCCUPATIONAL HEALTH AND SAFETY – NON-FISKARS EMPLOYEES (Contractors)**
**TYPES OF INJURY**

Amputation	0%
Cuts, grazes & bruises	50%
Fractures	0%
Strains, sprains, pulled muscle	50%
Back injury	0%
Eye injury	0%
Head injury	0%
Burns	0%
Skin rashes, soreness or inflammation	0%
Cumulative strain injury	0%
Mental harm	0%
Asphyxia	0%
Other	0%
<b>Total</b>	<b>100%</b>

**INJURY RATE**

2017

By region	
Europe	3.8
Americas	2.9
Asia-Pacific	7.7
By Strategic Business Unit	
Living	4.3
Functional	6.1
<b>Total</b>	<b>4.6</b>

Includes lost time, restricted work, medical treatment and first aid incidents.

**Fatalities**

2017

Total	0
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GRI 404-3 Percentage of employees receiving regular performance and career development reviews	
	2017
<b>TRAINING AND EDUCATION</b>	
By gender	
Female	32%
Male	33%
By category	
Office	96%
Retail	5%
Operative	2%
<b>Total</b>	<b>32%</b>

GRI 405-1 Diversity of governance bodies and employees	
	2017
<b>DIVERSITY AND EQUAL OPPORTUNITIES</b>	
<b>BOARD OF DIRECTORS</b>	
By age group	
<30	0%
30-50	30%
>50	70%
By gender	
Female	40%
Male	60%
<b>EXECUTIVE LEADERSHIP TEAM</b>	
By age group	
<30	0%
30-50	17%
>50	83%
By gender	
Female	50%
Male	50%

GRI 405-1 Diversity of governance bodies and employees			
			2017
<b>MANAGERS</b>			
By age group			
<30			2%
30-50			66%
>50			32%
By gender			
Female			45%
Male			55%
<b>EMPLOYEE CATEGORY</b>			
	2017	2017	2017
	Office	Operative	Retail
By age group			
<30	19%	52%	30%
30-50	35%	52%	13%
>50	32%	43%	24%
By gender			
Female	31%	37%	32%
Male	32%	63%	4%
<b>THE AVERAGE LENGTH OF THE CAREER OF THE YOUNG TALENTS (35 OR UNDER)</b>			
	Office	Operative	Retail
By gender			
Female	3.87	4.68	2.54
Male	4.10	6.80	3.07
Fiskars target 2027: Reach a higher level of diversity in our workforce: we want to attract, develop and retain a diverse team of high-performing people and to prolong the Fiskars career path of young talents by 25%			
<b>WOMEN AND MEN ENABLEMENT &amp; ENGAGEMENT IN EMPLOYEE SURVEY</b>			
		2016	2017
Women		48%	48%
Men		55%	57%
Fiskars target 2027: Equal opportunities: women and men are equally enabled & engaged with women's enablement and engagement improved to the high-performing norm level (55% in 2016)			

**GRI 414-1 New suppliers that were screened using social criteria****SUPPLIER SOCIAL ASSESSMENT**

85% of new suppliers were audited based on our Supplier Code of Conduct as a part of Fiskars Audit Program

**GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services**

2017

**CUSTOMER HEALTH AND SAFETY**

Incidents of non-compliance with regulations resulting in a fine or penalty	0
Incidents of non-compliance with regulations resulting in a warning	0
Incidents of non-compliance with voluntary codes	0

**GRI 417-2 Incidents of non-compliance concerning marketing communications**

2017

**MARKETING AND LABELING**

Incidents of non-compliance with regulations resulting in a fine or penalty	0
Incidents of non-compliance with regulations resulting in a warning	0
Incidents of non-compliance with voluntary codes	1

Fiskars FSC™C108780 Chain of Custody certification was temporarily suspended from November 10-December 15, 2017 due to non-conformances in our latest yearly audit. The audit, performed in November, concluded that Chain of Custody governance model, processes and procedures were not on the level needed to widen the scope of certification to new product categories and locations.

Sustainability is an important focus area for the Fiskars Group and we worked hard to ensure we have a consistent process and resources to manage the FSC™ certification. Our efforts paid off and our FSC™ certification was reinstated as of December 15, 2017.

# Independent Practitioner's Assurance Report

## To the Management of Fiskars Corporation

We have been engaged by the Management of Fiskars Corporation (hereinafter also the Company) to perform a limited assurance engagement on selected sustainability disclosures for the reporting period 1 January to 31 December 2017, disclosed in Fiskars Corporation's GRI Supplement 2017. In terms of the Company's GRI Standards reporting and GRI Standards Content Index, the scope of the assurance has covered economic, social and environmental sustainability disclosures listed within the Topic Specific Disclosures as well as General Disclosures 102-8 and 102-41 (hereinafter Sustainability Information).

### MANAGEMENT'S RESPONSIBILITY

The Management of Fiskars Corporation is responsible for preparing the Sustainability Information in accordance with the Reporting criteria as set out in the Company's reporting instructions and the GRI Sustainability Reporting Standards of the Global Reporting Initiative. The Management of Fiskars Corporation is also responsible for such internal control as the management determines is necessary to enable the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

### PRACTITIONER'S INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded

on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers Oy applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on the procedures we have performed and the evidence we have obtained. Our assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Fiskars Corporation for our work, for this report, or for the conclusions that we have reached.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". That standard requires that we plan and perform the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore

less assurance is obtained than in a reasonable assurance engagement. An assurance engagement involves performing procedures to obtain evidence about the amounts and other disclosures in the Sustainability Information. The procedures selected depend on the practitioner's judgement, including an assessment of the risks of material misstatement of the Sustainability Information.

Our work consisted of, amongst others, the following procedures:

- Interviewing senior management of the Company.
- Visiting the Company's Head Office as well as one site in Finland.
- Conducting one video interview with one site in Slovenia.
- Interviewing employees responsible for collecting and reporting the Sustainability Information at the Group level and at the site level where our site visits and video interview were conducted.
- Assessing how Group employees apply the Company's reporting instructions and procedures.
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis.
- Testing the consolidation of information and performing recalculations on a sample basis.

### LIMITED ASSURANCE CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to

our attention that causes us to believe that Fiskars Corporation's Sustainability Information for the reporting period ended 31 December 2017 is not properly prepared, in all material respects, in accordance with the Reporting criteria.

When reading our assurance report, the inherent limitations to the accuracy and completeness of sustainability information should be taken into consideration.

Helsinki, 16 February 2018

PricewaterhouseCoopers Oy

SIRPA JUUTINEN  
Partner  
Sustainability & Climate Change

# Fiskars Group

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