

Remuneration Report
2020



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Introduction

This Remuneration Report follows the guidelines of the Corporate Governance Code 2020. Remuneration paid or due to the Board members and the President and CEO for year 2020 promotes the long-term financial success of Fiskars Group (the "Company") as described below.

The target in setting the total compensation of the Board members, consisting of annual remuneration and meeting fees, is aimed at being competitive enough to attract and retain high caliber Board Members qualified to serve as Board Members. This in order to support the realization of the main functions and responsibilities of the Board which are to set Fiskars Group's strategy and long-term targets and to monitor their implementation.

The objective in the President and CEO's remuneration is to reward for achieving the plans and goals set by the Board and thereby for implementing Fiskars's strategy and long-term financial success. Key principles supporting this objective are strong emphasis on the pay-for performance principle in the President and CEO's total compensation both on annual basis and in the long term, competitive earning opportunity with strong weight on

variable compensation earning opportunity and focus on shareholder value creation by aligning the interests of the President and CEO with those of the shareholders. Interests are aligned with shareholders through share-based long-term incentives and a shareholding recommendation according to which the President and CEO shall hold at least 50 per cent of the shares received from the share-based incentive plans of the Company until his/her share ownership in the Company corresponds to at least to the value of his/her annual gross base salary.

The short-term incentive awards for the President and CEO have been consistently based on profitability and other strategic financial KPIs over the past years. The performance criteria for profitability were set at highly ambitious levels also for 2020 and EBITA was the only financial KPI impacting the 2020 payment. Fiskars Group's business performed exceptionally well in 2020. Net sales and comparable EBITA increased compared to the previous year, despite the challenging conditions. As an outcome of this, the short-term incentive pay out based on the 2020 results is above target level.

The Company's long-term incentive scheme incentivizes and rewards over a longer period for sustained performance and sustainable growth and aligns the interests of the President and CEO with the shareholders. The 2018–2020 performance period ended at the end of 2020. The performance criteria applied to the period were Total Shareholder Return, Net Sales growth and cumulative EBITA. Due to performance during the

performance period 2018–2020, there will be no payout from the plan.

Comparison of the development of the fees of the Board of Directors and the remuneration of the President and CEO to the development of the average remuneration of the employees and to the Company's EBITA and Total Shareholder Return are illustrated and compared in the table below.

DEVELOPMENT OF REMUNERATION AND FINANCIAL DEVELOPMENT OVER THE PAST FIVE YEARS

	2020	2019	2018	2017	2016
Board of Directors (total EUR thousand)	723	664	746	819	730
President and CEO (base salary Dec 31, EUR thousand)	456	500	500	500	464
Different employee groups average base salaries (EUR thousand)					
Office	54.8	55.9	53.9	51.0	37.2
Retail	14.7	14.7	13.2	13.1	12.3
Operations	18.0	17.7	16.9	16.8	12.3
Financial development:					
Comparable EBITA (EUR million)	136.8	90.6	122.0	119.0	107.0
Total Shareholder Return ¹	36%	24%	-42%	51%	-6%

¹ Calculation is theoretical and based on assumption that dividends could be re-invested at Fiskars share price excluding value of Wärtsilä holdings. Dividends paid in Wärtsilä shares in June 2019 are eliminated. Portion of regular cash dividends corresponding to dividends received on Wärtsilä shares are eliminated

Fees of the Board of Directors

None of the Board members are employed by the Company or any company belonging to its group or acts as an advisor thereof and, thus, Board members are not eligible for any employment relationship related salaries, remuneration or financial or other benefits not related to the Board

work nor are they eligible for any pension scheme. Board members do not receive Company shares as remuneration and they are not participants in Company's share-based or other incentive plans. Traveling expenses of the Board members are compensated in accordance with

the Company policy. The fees paid to the Board of Directors for the year 2020 are presented in the table below. The fees have been paid in cash and there has been no obligation to acquire Company's shares.

Remuneration and meeting fees of the Board of Directors not yet paid but due based on the year 2020

There is no remuneration due to be paid to the Board members based on the year 2020.

REMUNERATION AND MEETING FEES PAID TO THE BOARD MEMBERS IN 2020 AND 2019

	2020			2019		
	Annual remuneration	Meeting fees	Total EUR	Annual remuneration	Meeting fees	Total EUR
Chairman, Paul Ehrnrooth	86,625	52,125	138,750	90,000	37,500	127,500
Vice Chairman, Jyri Luomakoski	57,750	31,388	89,138	60,000	21,500	81,500
Member, Albert Ehrnrooth	43,313	21,650	64,963	45,000	14,000	59,000
Member, Louise Fromond	43,313	21,650	64,963	45,000	13,750	58,750
Member, Inka Mero	43,313	23,063	66,376	45,000	13,500	58,500
Member, Fabian Månsson	43,313	37,263	80,576	45,000	36,000	81,000
Member, Peter Sjölander	43,313	39,925	83,238	45,000	34,000	79,000
Member, Ritva Sotamaa	43,313	40,400	83,713	45,000	35,000	80,000
Member, Nathalie Ahlström ¹	32,100	13,350	45,450	-	-	-
Member, Gustav Gripenberg	-	-	-	11,250	3,750	15,000
Member, Ingrid Jonasson Blank	-	-	-	11,250	8,000	19,250
Total	436,353	280,814	717,167	442,500	217,000	659,500

¹ Board member March 11–November 29, 2020

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

Nomination Committee has one external member, Alexander Ehrnrooth. His meeting fees totaled EUR 3,000 in year 2020 (EUR 4,500 in 2019).

Remuneration of the President and CEO

The remuneration of the President and CEO consists of stable elements (base salary, benefits, insurances, pension) which provide a core level of rewards for the reliable and sustained execution of the Company's business strategy and allow the President and CEO to concentrate on performing his/her duties. Variable elements of the compensation, on the other hand (incentives and share ownership) emphasize pay-for-

performance and the achievement of short-term and long-term goals of the Company. Share based rewards align the interests of the President and CEO with those of the Company's shareholders.

The figures in the below table are presented on a cash basis. The remuneration of the President and CEO is presented on an accrual basis in the notes to Fiskars financial statements for 2020.

REMUNERATION OF THE PRESIDENT AND CEO PAID IN 2020

EUR	Base salary and benefits	Short-term incentives	Long-term incentives	Total	Voluntary pension contribution by the company
President and CEO, Nathalie Ahlström ¹	41,339	-	-	41,339	-
Share of remuneration element	100%	0%	0%	100%	-
Interim President and CEO, Sari Pohjonen ²	306,027	-	-	306,027	56,619
President and CEO, Jaana Tuominen ³	486,222	56,250	-	542,472	104,983

¹ CEO as of November 30, 2020

² Interim CEO period April 21, 2020–November 29, 2020. STI and LTI remuneration are fully presented in the Deputy to the CEO and President section of this document.

³ CEO until April 20, 2020. Remuneration presented in this table includes all elements covered in her agreement with the Company.

REMUNERATION OF THE PRESIDENT AND CEO NOT YET PAID BUT DUE BASED ON THE YEAR 2020

REMUNERATION DUE BASED ON THE YEAR 2020		
President and CEO, Nathalie Ahlström	Voluntary pension contribution by the company	EUR 8,226
Interim President and CEO, Sari Pohjonen	Presented fully in the Deputy to the President and CEO section of this document	

PRESIDENT AND CEO'S VARIABLE REMUNERATION EARNING OPPORTUNITY AND PERFORMANCE MEASURES

President and CEO's earning opportunity, performance measures and achievement levels in short-term incentive plan are presented in the table below:

Short-term incentive plan	Weight	Achievement	Earning opportunity as % of the annual base salary
Short-term incentive plan 2020			
EBITA	80%	Not evaluated ¹	90% at maximum
Strategic goals	20%	Not evaluated ¹	
Short-term incentive plan 2019			
EBITA	30%	Below threshold	90% at maximum
Net Sales	30%	Below threshold	
Cash Flow	20%	Below threshold	
Strategic goals	20%	Between threshold and target	

¹ Nathalie Ahlström and Jaana Tuominen are not eligible for short term incentive for 2020. Interim CEO Sari Pohjonen's short-term incentive plan details are reported in the Deputy to the President and CEO section.

President and CEO's earning opportunity, performance measures and achievement levels in long-term incentive plan are presented in the table below:

Long-term incentive plan	Weight	Achievement	Earning opportunity as % of the annual base salary
Performance Share Plan 2018–2020			
Total Shareholder Return	50%	Below threshold, i.e. no payment	200% at maximum
Net Sales growth	25%		
Cumulative EBITA	25%		
Performance Share Plan 2017–2019			
Total Shareholder Return	100%	Below threshold, i.e. no payment	100% at maximum ¹
Cash Based Plan 2017–2019			
EBIT	50%	Below threshold, i.e. no payment	100% at maximum ¹
Net Sales	50%		

¹ The LTI plan for years 2017–2019 was implemented partly as a cash-based plan and partly as share-based plan.

SHARE-BASED REMUNERATION GRANTS TO THE PRESIDENT AND CEO IN 2020

In 2020, the President and CEO Nathalie Ahlström was granted the following share-based remuneration:

Long-term incentive plan	Earning opportunity ¹	Performance measure(s)	Pay-out year	Other information
Performance Share Plan 2020–2022	53,820 shares (gross) at maximum performance level	Total Shareholder Return, Net Sales growth and Net Working Capital. EBITA cutter applied to Net Sales Growth and Net Working Capital criteria.	2023	Participation on a pro rata basis as of her start date November 30, 2020
Performance Share Plan 2019–2021	30,620 shares (gross) at maximum performance level	Total Shareholder Return, Net Sales growth and Net Working Capital. EBITA cutter applied to Net Sales Growth and Net Working Capital criteria.	2022	Participation on a pro rata basis as of her start date November 30, 2020

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

Remuneration of the Deputy to the President and CEO

REMUNERATION OF THE DEPUTY TO THE PRESIDENT AND CEO PAID IN 2020

	Base salary and benefits	Short-term incentives	Long-term incentives	Total EUR	Voluntary pension contribution by the company
Deputy to the President and CEO ¹	99,843	24,900	-	121,843	18,873
Share of remuneration element	80%	20%	0%	100%	-

¹ Sari Pohjonen, January 1–April 20, 2020 and November 30–December 31, 2020. There were no assigned Deputy to President and CEO during April 21–November 29, 2020 (period when Sari Pohjonen acted as the interim President and CEO).

REMUNERATION OF THE DEPUTY TO THE PRESIDENT AND CEO NOT YET PAID BUT DUE BASED ON THE YEAR 2020

REMUNERATION DUE BASED ON THE YEAR 2020

Short-term incentives

Remuneration due based on the achievement of STI performance measures in 2020	EUR 349,594 ¹
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Long-term incentives

Number of shares due based on the achievement of performance measures in PSP 2018–2020	0 shares
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Voluntary pension contribution by the company	EUR 9,191
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¹ Includes the payment for the Interim President and CEO period based on maximum earning opportunity of 90% of the base salary for the interim CEO period.

THE DEPUTY TO THE PRESIDENT AND CEO'S VARIABLE REMUNERATION EARNING OPPORTUNITY AND PERFORMANCE MEASURES

The Deputy to the President and CEO's earning opportunity and performance measures in short-term incentive plan are presented in the table below:

Short-term incentive plan	Weight	Achievement	Earning opportunity as % of the annual base salary
Short-term incentive plan 2020			
EBITA	80%	Maximum	75% at maximum
Strategic goals	20%	Between target and maximum	
Short-term incentive plan 2019			
EBITA	30%	Below threshold	75% at maximum
Net Sales	30%	Below threshold	
Cash Flow	20%	Below threshold	
Strategic goals	20%	Between threshold and target	

The Deputy to the President and CEO's earning opportunity and performance measures in long-term incentive plan are presented in the table below:

Long-term incentive plan	Weight	Achievement	Earning opportunity as % of the annual base salary
Performance Share Plan 2018–2020			
Total Shareholder Return	50%	Below threshold, i.e. no payment	100% at maximum
Net Sales growth	25%		
Cumulative EBITA	25%		
Performance Share Plan 2017–2019			
Total Shareholder Return	100%	Below threshold, i.e. no payment	50% at maximum ¹
Cash Based Plan 2017–2019			
EBIT	50%	Below threshold, i.e. no payment	50% at maximum ¹
Net Sales	50%		

¹ The LTI plan for years 2017–2019 was implemented partly as a cash-based plan and partly as share-based plan.

SHARE-BASED REMUNERATION GRANTS TO THE DEPUTY TO THE PRESIDENT AND CEO IN 2020

In 2020, the Deputy to the President and CEO was granted the following share-based remuneration:

Long-term incentive plan	Earning opportunity ¹	Performance measure(s)	Pay-out year	Other information
Performance Share Plan 2020–2022	35,120 shares (gross) at maximum performance level	Total Shareholder Return, Net Sales growth and Net Working Capital. EBITA cutter applied to Net Sales Growth and Net Working Capital criteria.	2023	Total, including interim CEO period
Performance Share Plan 2019–2021	14,240 shares (gross) at maximum performance level	Total Shareholder Return, Net Sales growth and Net Working Capital. EBITA cutter applied to Net Sales Growth and Net Working Capital criteria.	2022	Additional share grant based on interim CEO agreement
Performance Share Plan 2018–2020	9,806 shares (gross) at maximum performance level	Total Shareholder Return, cumulative EBITA and Net Sales growth. EBITA cutter applied to Net Sales Growth.	2021	Additional share grant based on interim CEO agreement

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

FISKARS
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GROUP

Making the everyday extraordinary

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

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