

Sustainability report
2020

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Fiskars Group

Making the everyday
extraordinary

Introducing Fiskars Group

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.

Since our journey started in 1649 we have explored, learned and created, making daily life better for each other and the world around us. Our portfolio of brands is held tightly together by our unique craftsmanship and our attention to detail – we know it is the small things we do each day that have a big impact on us and our future.

Global presence

- Employees 6,400
- Presence in 30 countries in Europe, Asia and the Americas
- Brands available in more than 100 countries
- More than 350 stores
- Net sales of 1,116.2 EUR million in 2020
- Listed on Nasdaq Helsinki

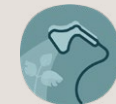
This Sustainability Report is part of the Fiskars Group Annual Report 2020. The Annual Report 2020 consists of the Board of Director's report (including NFI), the Financial Statements and the Auditor's report, the Corporate Governance Statement, the Remuneration Statement and the Sustainability Report. Sustainability aspects are also covered in the Non-Financial Reporting section in the Report by the Board of Directors, which is included in the Financial Statements.

This report has been prepared in accordance with GRI Standards: Core option. The reporting covers Fiskars Group and all its group companies. We are reporting primarily for the year 2020 in this report. The reporting period covers the calendar year 2020 from January 1, 2020 to December 31, 2020. Any other division of the data reported is noted separately.

An independent third party, DNV GL, has provided assurance on the sustainability information reported in this report. The scope of the assured information is indicated in the Independent Practitioners' Assurance Report.



SCISSORS & CREATING



WATERING



COOKING



TABLEWARE



GARDENING



DRINKWARE



OUTDOOR



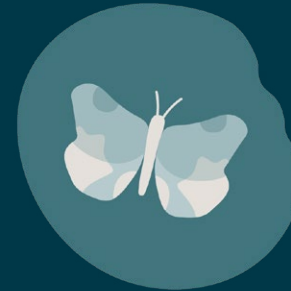
INTERIOR

Values

Our values connect us and guide us towards the future.

We are making the everyday extraordinary by creating change, by celebrating the everyday, and by growing with compassion.

We believe that Fiskars Group's values and purpose will only be effective when our people can relate to them as their own. We believe in values-based leadership, where our own personal beliefs are in alignment with the values we share together as one Fiskars Group team.



Creating change

In a constantly changing world, we have always had the courage to take the lead. We shape our own future.



Celebrating the everyday

We are present in the small moments of the everyday. We appreciate the little things we do, as we know they have a big impact on us and our future.



Growing with compassion

We know that by looking at the world from the perspective of others we can become the best at what we do.

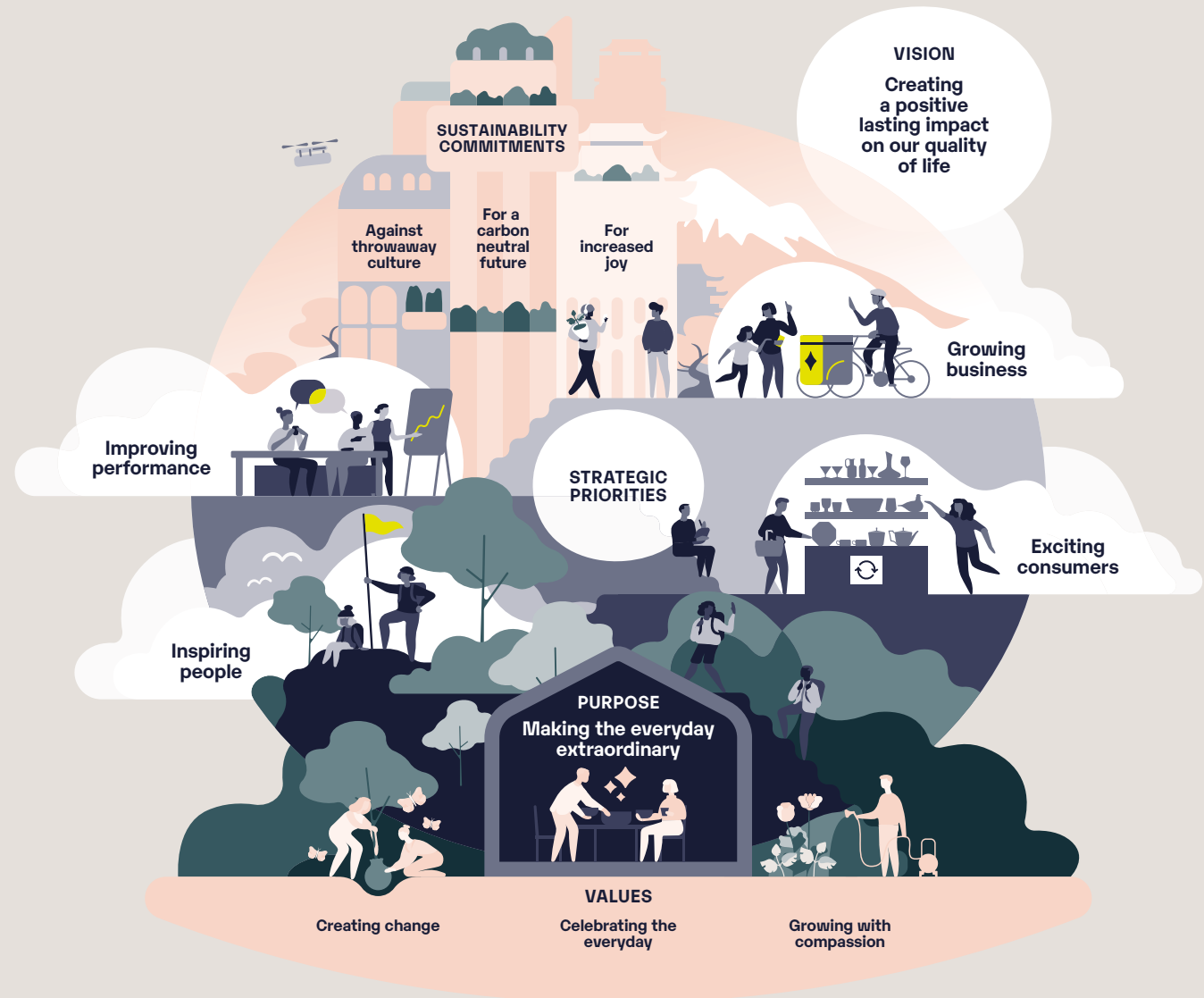
Strategy and purpose

Sustainable business sits at the heart of Fiskars Group.

Our purpose is to make the everyday extraordinary; this is a promise that unites our brands. Each individual brand celebrates its unique identity, aiming to excite and inspire people.

Our vision of creating a positive, lasting impact on our quality of life can only be fulfilled by integrating sustainability into everything we do.

Sustainability is an integral part of our strategy and guides our path in creating and delivering sustainable growth.



Our strategic priorities

Fiskars Group continues to pursue profitable growth with its strong portfolio of brands that people love. The aim is to be the first choice in the garden and outdoors, in the kitchen and at the table.

To achieve this ambition, we rely on our deep understanding of the everyday and combine our passion for design, innovation and quality with a firm commitment to sustainability.

We deliver value by building brands that people love, driving a business that customers respect and developing a culture where people can perform at their best.

We develop a balanced portfolio of brands that each have their unique identity and a clear role in the portfolio based on their potential in the chosen markets and categories.

We are a diverse team of creative professionals who belong to one Fiskars Group, with our purpose and values guiding our everyday decisions. Our common ways of working help us leverage best practices and capture synergies.

OUR STRATEGY IS BUILT AROUND FOUR STRATEGIC PRIORITIES:



INSPIRING PEOPLE

- Living the values
- Shared goals and ways of working



EXCITING CONSUMERS

- Leveraging consumer insights
- Circular economy
- Sustainable materials



GROWING BUSINESS

- Growing the core
- Expanding in China and e-commerce
- Exploring services



IMPROVING PERFORMANCE

- Improving capital management
- Boosting commercial capabilities

Sustainability ambition

In 2020 we continued accelerating our sustainability work towards 2030 through a shared ambition and refreshed approach for further integrating sustainability to business practices.

We believe that operating with a strong sustainability approach is the right thing to do for people and the planet and the prerequisite to future-proof and grow our business. Sustainability is an opportunity for us to further strengthen our reputation and increase brand love.

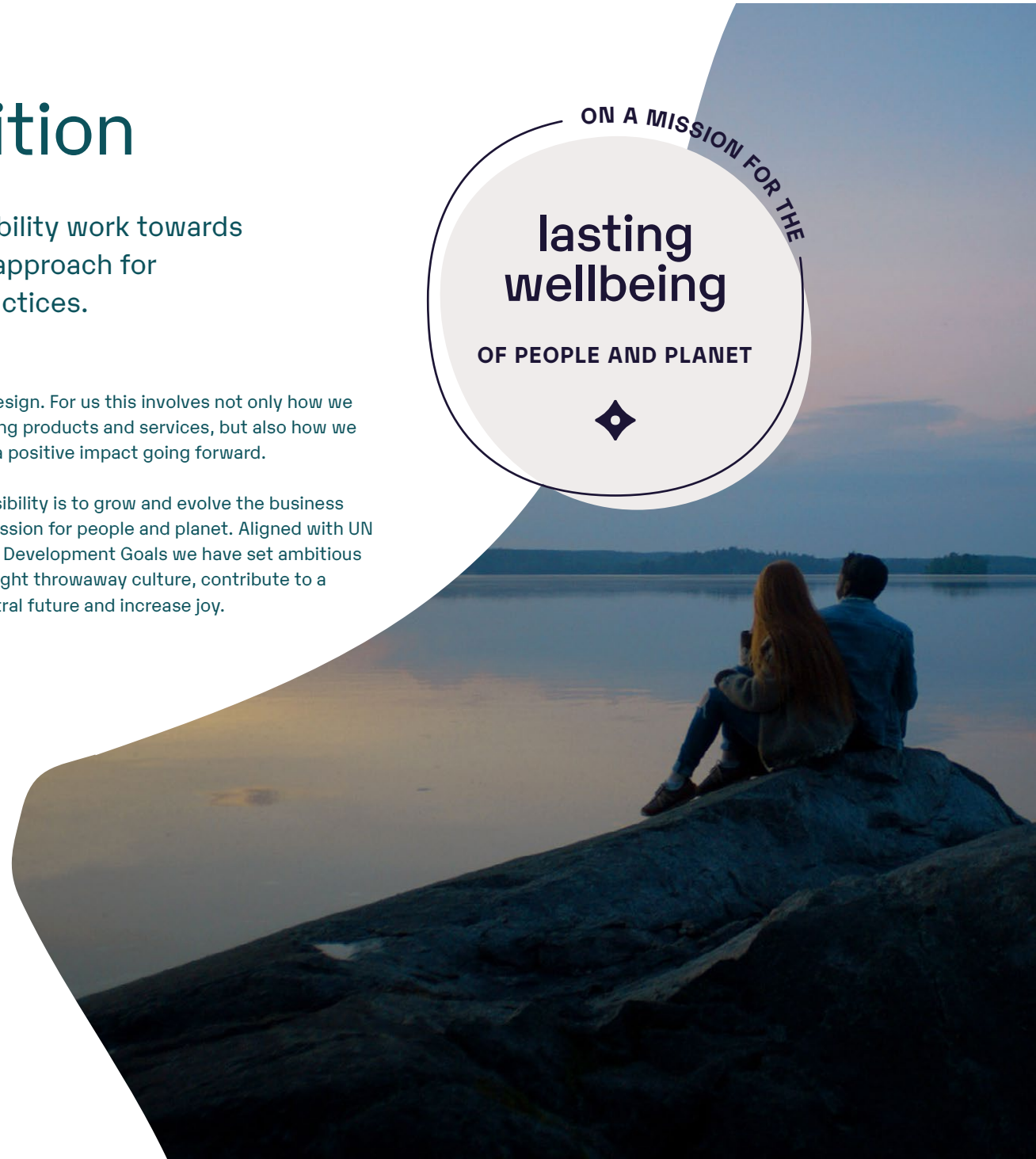
We want to take a stand with our new long-term ambition to be the sustainability leader in our industry. Our sustainability approach describes how we are going to reach our ambition, we are on a mission: for lasting wellbeing of people and planet. The future calls for actions today.

To do this we need to challenge ourselves and demonstrate sustainable leadership in all areas of our operations. Together with the best partners, we find sustainable solutions to ensure that our business will perform and contribute positively to this generation and to the ones to come.

It seems the more advanced society becomes, the more people search for balance and wellbeing, which is a great platform for us at Fiskars Group. We want to be loved for our ability to shape the everyday into something extraordinary. We are proud of our heritage and culture

of lasting design. For us this involves not only how we design lasting products and services, but also how we can create a positive impact going forward.

Our responsibility is to grow and evolve the business with compassion for people and planet. Aligned with UN Sustainable Development Goals we have set ambitious targets to fight throwaway culture, contribute to a carbon neutral future and increase joy.



Sustainability commitments

In 2020 we refreshed our sustainability approach and commitments to strengthen our capabilities for integrating sustainability to our business.

The base of the commitments continues to be the sustainability assessment conducted in 2019, where we looked beyond our current business to gain a better understanding of global influences, trends, initiatives and expectations. We embedded sustainability more firmly into our strategic priorities to efficiently drive change within our business and support strategy implementation.

To support the integration of sustainability into our business and guide our work, we have set ourselves three long-term sustainability commitments: against throwaway culture, for a carbon neutral future and for increased joy. These commitments describe our priorities on our journey towards 2030.

The commitments are guided by our sustainability ambition and inspired by the United Nations Sustainable Development Goals (SDGs). We believe that these commitments will help us achieve sustainable growth and long-term value and give us the focus to make progress on our mission for the lasting wellbeing of people and planet.

To reach our commitments, we will focus our efforts on the areas we believe will have the biggest impact. Each of the three commitments are supported by focus areas and targets.



Against throwaway culture

We fight throwaway culture by developing circular solutions to extend the joy our products and services provide and to minimize the strain on the planet.



For a carbon neutral future

We take climate action by reducing our impact in line with a 1.50° future. We are transforming to a carbon neutral business.



For increased joy

We create a positive impact on the quality of life for people and communities.



Year 2020

Despite the exceptional year, we made great progress on our sustainability journey.

Message from CEO

In 2020 the COVID-19 pandemic disrupted our everyday and changed how we work, travel and spend time with our loved ones. The pandemic brought significant uncertainties also for our business, as the market situation became highly volatile.

Since the start of the outbreak, our number one concern was to ensure our employees' safety and wellbeing. We took quick actions to help prevent the spread of COVID-19 and closely followed local authorities' guidance in the different countries we operate to keep people safe.

Throughout the year there were significant differences in our operating environment by category and market. Overall, consumers shifted their focus to e-commerce channels due to lockdowns, and some of our categories saw increased interest as people spent more time at home.

Despite the challenging year, we were able to take many positive steps forward as a company. Our business performed exceptionally well as net sales and comparable EBITA increased compared to the previous year. We launched our renewed organizational structure and continued to work together to develop our common ways of working, boost our commercial capabilities, and improve the efficiency of our business.

We also reached important milestones in sustainability. During 2020, we determined our sustainability ambition and refreshed our three long-term sustainability



commitments to highlight the growing importance of sustainability to our business. Furthermore, we committed to climate action by setting science-based targets, expanded our Vintage take-back service, and introduced new products made from renewable and recycled materials.

Our long-term ambition is to be the sustainability leader in our industry, and we will reach our ambition through our sustainability commitments. As a company, we are on a mission for the lasting wellbeing of people and planted. To do this we need to challenge ourselves and demonstrate sustainable leadership in all areas of our operations. Our refreshed commitments, against throwaway culture, for a carbon neutral future, and for increased joy, support the integration of sustainability into our business, guide our work, and describe our priorities on our journey towards 2030. To prioritize our short- and long-term actions and to accelerate sustainability integration we created a roadmap for each commitment.

We took many steps forward in our fight against throwaway culture. Our Vintage service expanded from Finland to Sweden and was able to prove significant emissions savings. To excite our consumers, several of our brands introduced products made of renewable or recycled materials. For example, Iittala launched a collection of recycled glass items, and Fiskars introduced new scissors made of 100% recycled and renewable sources. Our efforts and actions on circularity will continue and we will also embrace innovation to redefine value creation through exploring new service models.

As a part of our journey towards a carbon neutral future, we proudly joined other leading companies to

support the UN Business Ambition for 1.5°C initiative. To demonstrate our commitment, we set science-based emission targets aligned with the latest climate science and the most ambitious goals of the Paris Agreement. We will continue our work to define our climate approach and create a time-bound climate plan including short-term targets. We implemented many energy saving actions in our manufacturing units and in total saved 6,856 MWh. We also continued investments to renewable electricity and our manufacturing unit in Poland started to use renewable electricity. In total 63% of the electricity used in our manufacturing is now from renewable sources.

For increased joy we worked hard throughout this exceptional year. The key priority was to ensure the safety and wellbeing of our people. Furthermore, diversity and inclusion was in our focus during 2020. As a company, we want to embrace and celebrate the extraordinary layers of diversity within each individual. To become even better, we established a cross-functional diversity and inclusion working group to evaluate our current actions and to identify key targets and actions going forward. In terms of gender division, we have already achieved quite balanced situation with 55% of our people being female and 45% being male.

Year 2021 will bring us many opportunities as well as challenges, as the global battle with the COVID-19 pandemic continues. However, I look forward to the year with excitement, and know that with our loved brands and talented global team we will continue on our journey to make the consumers' everyday extraordinary.

Nathalie Ahlström

President & CEO, Fiskars Group

As a company, we are on a mission for the lasting wellbeing of people and planted. To do this we need to challenge ourselves and demonstrate sustainable leadership in all areas of our operations.

Summary of 2020

2020 was exceptional and intense for us, presenting changes, new opportunities and challenges.

In the beginning of the year we launched our new organizational structure and plans to increase efficiencies with the main target to complete the integration into one company with a common purpose, strategy and values. At the same time, the impacts of the COVID-19 pandemic started to affect our business and ways of working.

Shaping our future

We are shaping our future and developing the way Fiskars Group operates to respond to the evolving business environment. The new organizational structure implemented in 2020 allows us to strengthen our competitiveness and enhance our focus on the consumer. Fiskars Group's new organization consists of three Business Areas: Vita, Terra and Crea. In addition, two new Global Functions were established: a Sales function and a Consumer Experience & Growth function.

Each Business Area is responsible for driving business results, with a clear focus and accountability for the global offering, enabling us to leverage the full potential of our strong brands and fueling our ability to make the everyday extraordinary to people who love our products and services.

The global Sales function drives growth and serves our customers, while continuing to build long-term strategic relationships with our customers.




The Consumer Experience & Growth function is responsible for developing and providing expertise in consumer insights, brand portfolio management, sustainability, marketing and growth initiatives.

Supply Chain and other Global Functions support our sustainable growth ambition by driving global processes, developing capabilities and bringing our strategic priorities alive across the company.

With these changes, we are in a better position to work together as one company, which is especially important as we navigate through these exceptionally difficult market conditions affected by the COVID-19 pandemic. Given the size of the changes, we focused our attention on clarifying our common ways of working and processes in the matrix organization to support our employees. Throughout the year we conducted pulse surveys to get feedback from employees.

In addition to the organizational changes, a company-wide restructuring program was launched, aimed at reducing costs. The program will target annual net cost savings of approximately EUR 20 million. The targeted cost savings are expected to be achieved gradually during the program, which is estimated to be completed by the end of 2021. The savings are expected to come from a wide range of areas, including the removal of overlaps in the organization and simplified processes and ways of working.

At the same time, Fiskars Group continues to invest in growth initiatives that are expected to add sustainable value in the long-term, e.g. in e-commerce and new business opportunities. As part of the program, we will look for synergies and efficiencies in our selling and administrative spending. Furthermore, we will evaluate our entire supply and distribution network for efficiency improvements.

PRESIDENT & CEO			
	BUSINESS AREA	BUSINESS AREA	BUSINESS AREA
Sales	 VITA	 TERRA	 CREA
Consumer Experience & Growth			
Supply Chain			
Finance & IT			
Human Resources			
Legal & Compliance			
Communications			

COVID-19

Impacts on our business

In early 2020, the COVID-19 pandemic started to impact our business in phases, beginning in Asia, and spreading across all our key markets. The COVID-19 pandemic had a significant impact on our business during the year. Despite the challenging business environment, Fiskars Group's business performed exceptionally well and net sales and comparable EBITA increased.

We implemented quick and decisive actions to handle the COVID-19 impacts, as we reduced spending and carried out other temporary cost saving measures around the world to lessen the negative impacts. We implemented temporary layoffs or similar course of action in several parts of our business, from factories, distribution centers and stores to offices. In addition, we enforced other savings initiatives.

The achievements required a lot from our people, who were working under difficult conditions during the pandemic, amid furloughs and other savings measures, and who continued to deliver such positive results serving our customers and consumers. Since the start of the outbreak, our number one concern was to ensure our employees' safety and wellbeing. We took quick actions to help prevent the spread of COVID-19 and closely followed local authorities' guidance in the different countries we operate.

While we continued to minimize our cost base, we remained focused on our strategic initiatives. We have made good progress in renewing and expanding our e-commerce reach and capabilities, and we see considerable opportunities to improve further in the digital space as the world around us is changing rapidly.

At the same time, we continue to work on capturing growth opportunities in the markets which are returning to more normal operations. We have also reviewed our brand strategy, including the positioning and markets for each brand as well as the allocation of resources between brands. Due to the pandemic, significant risks in our operating environment prevailed and visibility was weaker than normal.

Business Areas

While the COVID-19 pandemic affected our business – reducing visibility, increasing uncertainty with stores closing and traffic decreasing – it also showed positive signs through increased demand in many of our categories when people were spending more time at home.

The Business Areas Terra and Crea performed very well during the year and their momentum continued into the fourth quarter, which is seasonally less important for BA Terra. In 2020, Terra gained support from favorable weather conditions, increased distribution and strong demand in gardening and fixing categories, as people stayed at home. Crea also benefitted from people staying at home and the increased distribution. Both BAs significantly improved their comparable EBITA.

The pandemic had a significant negative impact on Business Area Vita throughout the year. Footfall to stores decreased, retailers reduced their stocks and gifting decreased. Despite the pandemic, there were many positive developments within Vita, as for example the expansion in China proceeded well and the direct e-commerce channel is growing. Additionally, comparable EBITA increased during the year, supported by significant cost-cutting measures.



Sustainability highlights



Sustainable innovation: Fiskars' scissors

Fiskars introduced an innovative new pair of scissors made from recycled and 100% recyclable materials.
[Read more on page 24](#)

Vintage service

Vintage service continued in Finland and was expanded to Sweden. Our take-back service saved 165 tons of natural resources and 56 t CO₂ emissions in Finland.
[Read more on page 22](#)

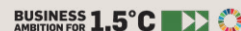


Combatting climate change

During 2020 we committed to climate action by joining the UN Business Ambition for 1.5°C initiative and setting science-based emission targets.
[Read more on page 29](#)

Investing in renewable electricity

63% of the electricity we purchased was from renewable sources.
[Read more on page 31](#)



COVID-19 put our focus on employee safety and wellbeing

The year was exceptional for us in many ways as the COVID-19 pandemic affected our business and the people working for us.
[Read more on page 14 and 36](#)

Collaboration with the WWF to protect biodiversity in the Greater Mekong REGION

The destruction of nature and biodiversity is a major contributor to pandemics such as COVID-19. Fiskars Group wanted to take action to protect and preserve nature together with WWF in the Greater Mekong region in Southeast Asia.
[Read more on page 64](#)

Updated sustainability approach

We defined our sustainability ambition to further support our sustainability work and refreshed our sustainability commitments to inspire our people and stakeholders.
[Read more on page 8](#)

I care: Safety starts with me!

Our third annual safety week was organized in September 2020, engaging all of our locations to participate in safety activities.
[Read more on page 42](#)

Fiskars Village as a sustainable travel destination

Fiskars Village was awarded as one of the best sustainable travel destinations in Europe and within top 100 in the world by Green Destinations.
[Read more on page 45](#)

Our targets and progress

We have taken big steps in developing our sustainability work during 2020 by updating our approach and creating roadmaps for the future. During the year, we launched other ongoing initiatives.

One key thing we focused on 2020 was to increase transparency around our sustainability approach and actions internally. To open up the topic for our people, we launched Sustainability talks, a series of online sessions where we discuss sustainability, our approach and current ongoing sustainability work. During 2020 we arranged five calls open to everyone covering topics such as megatrends and external frameworks and our current activities around each of our commitments. The Sustainability talks sessions received a lot of positive feedback and we will continue with them next year.



COMMITMENT	TARGET 2030	ACHIEVEMENTS IN 2020	STATUS
Against throwaway culture	A global concept in use to take-back and recycle/reuse/resell our products, covering all our brands.	The Vintage service in Finland continued to grow and it was expanded to Sweden. Other markets and categories were explored and evaluated, and we plan to expand more in the coming years.	Progressing
	100% of our packaging is renewable, preferably recycled and further recyclable.	Our recycled scissors from Fiskars and Iittala recycled glass series now use recycled and renewable packaging.	Progressing
	All waste from our own operations is recovered or recycled. We send no waste to landfill.	Waste to landfill decreased by 79% compared to base year 2017. The biggest reductions in 2020 came from our manufacturing units in Poland and Indonesia. They continued their efforts to recycle and find new partners and opportunities to recycle waste.	Progressing
For a carbon neutral future	We reduce greenhouse gas emissions from own operations (Scope 1 and 2) by 60% by 2030 from a 2017 base year.*	Scope 1 and 2 emissions decreased by 28% compared to the previous year and we achieved a reduction of 44% compared to the 2017 base year. The biggest reduction came from our manufacturing unit in Poland where renewable electricity was taken into use. Also COVID-19 had some impact due to the decreased energy usage.	Progressing
	We reduce greenhouse gas emissions from upstream transportation and distribution (Scope 3) by 30% by 2030 from a 2018 base year.*	Emissions from transportation and distribution remained at the same level compared to the base year 2018. Due to COVID-19 impacts, the amount of business travel decreased significantly.	Progressing
	We commit that 60% of our suppliers by spend covering purchased goods and services, will have science-based targets by 2024.*	New target - progress will be reported in 2021.	Progressing
For increased joy	Zero harm with zero Lost Time Accident Frequency (LTAF).	Our LTAF increased to 5.9 (2019: 4.7). During this exceptional year our efforts to improve safety performance were not enough. Partly also the changes in scope of the reporting affected our performance. The number of reported safety observations increased by 19% compared to previous year.	Delay/Issue
	People working at Fiskars Group enabled and engaged at a high-performing level based on employee survey results	The annual employee survey was postponed to 2021. Our diversity and inclusion taskforce is working on the renewed targets in addition to the leadership targets we are setting. Read more on page 43.	Delay/Issue

* During 2020 we renewed our emission targets by setting science-based targets.

We have set short and long-term targets around our sustainability commitments. Most of the targets were renewed in 2019, some updated in 2020 and some are still in development. In the table on the right, we have listed our external targets and summarized our achievements during 2020. For a more detailed overview of each topic, please refer to the specific sustainability commitments -sections found in this report.

In this report we are reporting the material sustainability topics and disclosures around our commitments in addition to other sustainability topics and KPIs included. In the list you can find all material GRI Standard disclosures reported related to our commitments.

Sustainability roadmaps

During 2020 we created a roadmap for each commitment to create a clear path towards reaching all three by 2030. Roadmaps help us to prioritize our actions and accelerate sustainability integration.

We started the work by mapping all the ongoing sustainability actions and planned initiatives. We identified that a lot of activities are already implemented daily, so when defining priorities for the coming years, we focused on the areas with the biggest impact and where more work and support are still needed.

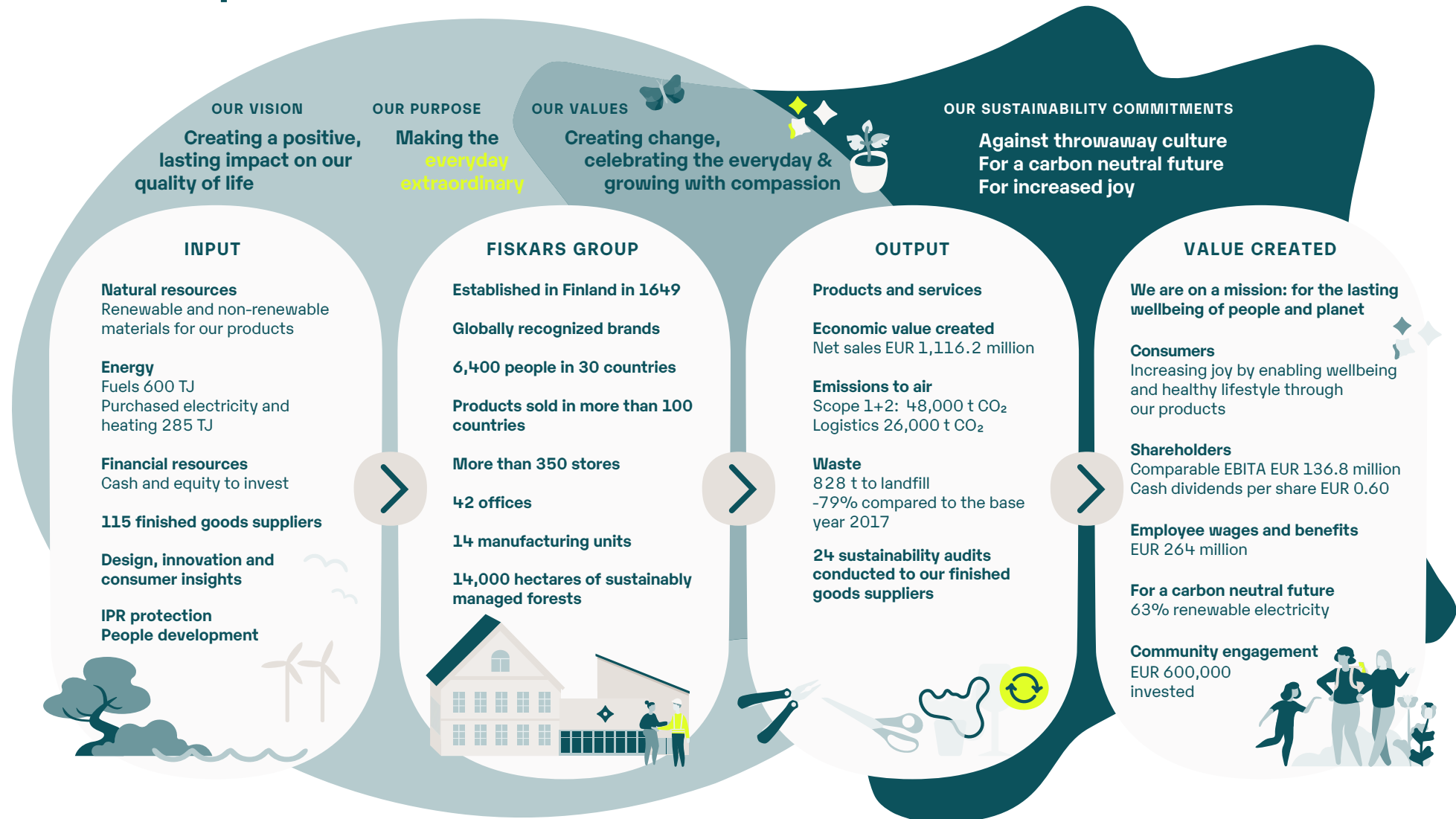
These mapped actions were categorized under pressing actions, compliance factors and growth drivers. Based on this categorization and on discussions with the Fiskars Group Leadership Team, Sustainability Leadership Team, Business Areas and Global Functions, we agreed five key actions for 2021. These key actions do not diminish the importance of the many already ongoing activities we are also tracking in this report.

COMMITMENT	GRI STANDARD DISCLOSURE
Against throwaway culture	GRI 306: Effluents and waste 2016
For a carbon neutral future	GRI 302: Energy 2016 GRI 305: Emissions 2016
For increased joy	GRI 403: Occupational health and safety 2018 GRI 405: Diversity and equal opportunity 2016

COMMITMENT	KEY ACTIONS IN 2021
Against throwaway culture	Scale up the Vintage service to include new brands and markets
For a carbon neutral future	Develop a Fiskars Group carbon neutral approach as a detailed action plan on how to achieve commitment
For increased joy	A task force for diversity and inclusion has been established. This task force will work to define policy, statement, strategy framework, targets and key actions for 2021 and onwards Develop human rights due diligence building on the human rights assessment conducted in 2019 As part of defining the sustainability angle for our brands, define positive impact and what it means for these brands including possible partnerships



Our impacts





Sustainability commitments

Our commitments describe our priorities on our journey towards 2030.

Against throwaway culture

We fight throwaway culture by developing circular solutions to extend the joy they provide and to minimize the strain on the planet.

OUR FOCUS AREAS AND TARGETS FOR 2030

Promote and explore new business models

- A global concept in use to take-back and recycle/reuse/resell our products, covering all our main brands

Use fully circular and sustainable materials in our operations, products, and packaging.

- 100% of our packaging is renewable, preferably recycled and further recyclable
- All waste from our own operations is recovered or recycled, we send no waste to landfill

Promote and explore new business models

Consumer values and behavior are changing, and the need for new business models such as services is growing.

To stay relevant in an ever-changing business environment, we need to explore and embrace new business models to address our consumers' needs sustainably. The circular economy provides us with opportunities to create value for our consumers and support us in our journey to switch over to sustainable and circular materials.

Business models based on the circular economy create value by keeping products and materials in circulation for as long as possible. For a considerable period of time, the economy at large has been linear. A linear economy means that raw materials are used to make a product, and after its use, any waste—or the product itself—is thrown away.

In an economy based on renting, recycling, reusing, repairing, and repurposing, materials and products are not discarded after their initial use but kept in circulation for as long as possible. For example, old glasses are recycled to make new glass, and paper waste is used to create new paper. This ensures that waste is kept to a minimum and that materials and products achieve long life-spans and high usage rates.

We have set sustainability targets for new service models and by 2022, our target is to have a business model for recycling and reselling our products in place in select markets. Our long-term target for 2030 is to have a global concept and capability to take-back and recycle, reuse or resell our products, covering all our main brands.

In 2020, multiple Fiskars Group brands launched products exploring new solutions to extend the lifecycle of materials. The launches support our sustainability commitment to stand against throwaway culture.

Aligned with our sustainability roadmap, we will focus our efforts in scaling up our take-back service to new brands and markets in 2021.

CASE

Focus on innovation

A fundamental shift is taking place in the way consumers think, behave, and consume goods. Companies are now competing to find new responses to this rapidly changing demand, with the need for continuous innovation growing.

To stay relevant in a changing and fast-moving world, Fiskars Group launched its innovation hub – BRUK – to employees during the second half of 2020. BRUK brings together intelligence and people from across the entire Fiskars Group to design, test, and scale new ideas – fast. BRUK's focus is on building a culture of innovation within the company and working together with teams to develop their ideas further. BRUK will also build partnerships with other companies, universities,

startups, and more to enable us to identify and develop solutions quickly.

"The ultimate goal with BRUK is to come up with business models and services that will future-proof our business and add value in the long-term. As companies face fierce competition and new players emerge in the marketplace, we want Fiskars Group to identify opportunities quickly and come up with solutions for today's challenges," said **Tomas Granlund**, VP, New Business Models.

In 2021, we will launch BRUK externally to our partners and other stakeholders.

New services based on the circular economy

During 2020, we continued to explore new services based on circular principles. We believe that these services not only provide social and environmental benefits but can also help us grow as a company and ensure our long-term sustainability.

Our Vintage service – based on the principle of reusing – continues to grow, while we have also made good progress in gathering insights about renting services through our Arabia subscription service launched in

2019. We know that there is still a lot that we can do, and we will continue to explore, expand, and pilot new services in 2021.

CASE

Vintage service

Since 2019, the Vintage service for second-hand tableware is available in all Iittala stores in Finland. The Vintage service buys and sells second-hand Iittala and Arabia everyday tableware in Finland, expanding our products' lifespan. Each item's condition is assessed carefully, and anything unsuitable for resale is either recycled or reused elsewhere.

The Vintage service also recycles worn out and broken ceramic tableware and glassware from other brands in Finland. Recyclable items are reused as raw materials for the construction industry. For example, ceramics are crushed into a fine powder to provide the raw material for bricks, while glass waste is used to manufacture insulation material.

Together with the Helsinki Metropolitan Area Reuse Centre Ltd., we conducted our annual assessment to calculate the environmental savings people achieve by buying previously owned tableware through our Vintage service instead of new products. Despite the impact of store closures in Finland due to the COVID-19 pandemic, we saved 165 tons of solid natural resources and 56 t CO₂ emissions during the year.

In 2020, the Vintage service took a step forward by expanding to Sweden, where we started with a pilot launch at five of our stores. In Sweden, the Vintage service will buy and resell good-quality used glasses and ceramic dishes made by Iittala and Rörstrand. In the future, we aim to find the right partners in Sweden to recycle all used glass and ceramic tableware that cannot be sold for further use.

"We are looking forward to exciting our consumers with the pilot of our Vintage service in Sweden. Our brand Rörstrand, with its long and rich heritage, is highly valued among our consumers in Sweden. We believe people will appreciate a service that makes it possible for them to buy old items that are not produced anymore," said **Lotta Eskolin**, Service Manager for our Vintage service.

Our consumers have well received the Vintage service in Finland and Sweden. In 2021, we will continue to explore expansion opportunities to other markets.



CASE

Subscription service

With people increasingly interested in borrowing, sharing, and renting rather than owning, the circular economy is giving rise to a wealth of new business opportunities. At the end of 2019, we launched a subscription-based tableware service with our brand Arabia that allows consumers to enjoy their favorite tableware for an affordable monthly fee. At the end of the subscription period, the tableware can be returned, purchased, or exchanged for another series. The service includes Arabia's most popular tableware series, and the size of the tableware set is customizable.

During 2020, we closely monitored how consumers are responding to the Arabia subscription-based tableware service and gathered intelligence to plan future service models. The service achieved a high consumer loyalty score and was well received by consumers in Finland – especially among consumers under the age of 30.

During the next year, we plan to extend subscription-based services to other brands and categories in Finland.



Circular and sustainable materials

We are curious to learn more about our consumers to inspire them, solve their everyday problems, and create meaningful experiences and unforgettable moments.

At the core of our brands is design that stands the test of time thanks to its visual appeal, high quality, and attention to detail. We strive to design products that people can enjoy using over and over again and carefully consider how we can reduce or eliminate negative environmental impacts through the design process.

To build our brands' value in the long term and create sustainable growth, we are keen to explore circular economy thinking and develop new business models, materials, and solutions that resonate with changing consumer needs.

During 2020 we continued to explore new, sustainable materials to increase the circularity of our products and materials and minimize our waste. Our Business Areas, New Product Design teams, and Supply Chain have been working closely together to explore new possibilities, with our brands Fiskars, Iittala, Wedgwood launching new products incorporating sustainable materials.

CASE

Fiskars recycled scissors

Fiskars introduced an innovative new version of its general purpose scissors.

Made from recycled and 100% recyclable materials, the scissors are reimagined and crafted with sustainability in mind. The scissor handles are made from material composed of post-consumer plastic and renewable wood fiber; the blades are made from recycled stainless steel. Each pair of scissors is made at a Fiskars factory located in Billnäs, Finland, where they are also meticulously tested by hand. Recycled scissors come in packaging that is made with 100% recycled paper fiber.

The recycled scissors are the first product to be unveiled from the innovative new scissors series; the range will be expanded in the upcoming years.



CASE

Iconic designs from waste glass

Iittala introduced a new special edition collection made entirely of waste glass from the Iittala Glass Factory. The collection includes iconic designs: the Aalto vase and tealight candleholder, Kastehelmi tumbler and tealight candleholder, and Raami tumbler.

The colors of the collection, which depend on the waste glass generated during production, vary from cool blue colors of the sea to calming shades of green. Each recycled glass object is unique,

which means some might have minor visual imperfections, such as small bubbles, due to the recycling process. However, glass objects made out of recycled glass are as durable, and as high in quality as those made out of virgin material.

Recycled glass saves both energy and natural resources. At the Iittala Glass Factory, all waste glass is reused or recycled. Waste glass comes about at different stages of the production process: the post-processing of mouth-blown glass, the pouring of molten glass, and quality control, should the item not fulfil Iittala's strict quality requirements.



CASE

100% recycled Jasperware minipots

Wedgwood launched its first 100% recycled interiors product, the Folia Jasper Mini Pot made from our iconic Jasperware.

Every production run of Jasperware prestige art pieces produces a certain number of scrap pieces and this waste material is now getting a new lease of life as Wedgwood introduced the 100% Recycled Folia Mini Pot.

The pots have the same tactile surface and matte color as the Jasperware prestige collection. With a limited number of recyclable Jasperware available for each batch firing, every batch of mini pots will have their its unique color.



FSC™-certified materials (FSC C108780)

Forest Stewardship Council™-certified materials play an essential role in our design, ensuring that the wood we use comes from traceable and responsible sources.

In 2020 we focused on building knowledge around the FSC™ and trained relevant teams within Fiskars Group about the use of FSC-certified materials in our design. We invited all our office employees in Europe to complete the training with the goal to develop a foundational understanding of the environmental, social, and economic pillars of sustainability ensured by the FSC and to understand how to work with FSC requirements and select FSC-certified materials. Our focus will be to roll out the training to our employees in other countries during 2021.

In response to our consumers' focus on sustainable products, we also added Russia and Ireland to our FSC scope in 2020. This means that our FSC scope now includes all the European markets.

On our way to zero waste to landfill

Finding a new home for a product or recycling it to be used as raw material for new products provides an alternative to generating waste. Recycling is not a new concept, but there is a lot of untapped potential in this area from a business model perspective. Fiskars Group is constantly looking for new opportunities to increase the use of recycled or renewable materials in our products.

Recycling is one of many ways for the consumer to protect natural resources, and it also helps us to save

energy and materials in our supply chain. Using recycled raw materials, such as steel, significantly reduces the total energy consumption compared to using virgin materials. Our target for 2030 is that all waste from our own operations is recovered or recycled, and that we send no waste to landfill. For 2022 we set target to reduce waste to landfill from our own operations by 80% compared to the base year 2017.

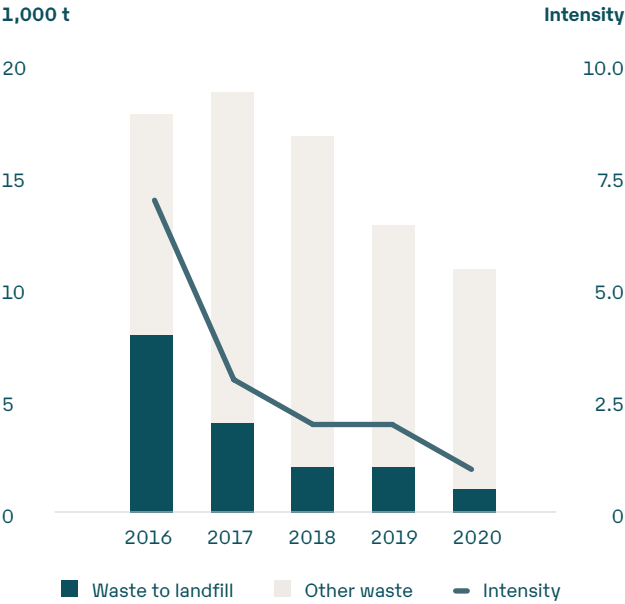
To reach our targets, we aim to reduce the amount of waste we generate and to reuse or recycle materials. Our manufacturing units and distribution centers have been on a path of mapping and measuring their waste and investigating opportunities for improvement to ensure that we meet our targets. Most sites have gained insight into developing new opportunities and many have already made significant changes in their waste management, resulting in an overall reduction of our waste to landfill by 79% since the base year 2017. The total amount of waste to landfill was 828 tons in 2020.

The main contributors to this reduction are our manufacturing unit in Poland with improved waste segregation and increased recycling rate, and our PT Doulton ceramics manufacturing unit in Indonesia where both internal and external options to reduce waste to landfill have been proactively explored. They have collaborated with external partners to use previously landfilled waste as a raw material to produce products such as bricks, cements or tiles.





ANNUAL WASTE & WASTE TO LANDFILL



The intensity describes waste to landfill compared to Fiskars Group's net sales. Other waste includes waste that is for example recycled, reused or used for energy recovery.

GRI 306-2 WASTE BY TYPE AND DISPOSAL METHOD

WASTE, t	2020	2019
Non-hazardous		
Reuse	637	844
Recycling	8,003	8,456
Composting	5	9
Recovery	489	651
Incineration	52	58
Landfill	650	1,382
On-site storage	0	0
Other	295	389
Total	10,132	11,791
Hazardous		
Reuse	2	1
Recycling	10	39
Recovery	211	107
Incineration	32	62
Landfill	178	168
On-site storage	13	14
Deep well injection	0	0
Other	81	61
Total	526	454

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

For a carbon neutral future

We take climate action by reducing our impact in line with a 1.50° future. We are transforming to a carbon neutral business.

OUR FOCUS AREAS AND TARGETS FOR 2030

Reducing emissions from our own operations by increasing efficiency and investing in renewable energy

- Greenhouse gas (GHG) emissions from own operations (Scope 1 and 2) reduced by 60% from a 2017 base year

Working with our suppliers and partners to reduce our impact in our value chain

- GHG emissions from transportation and distribution (Scope 3) reduced by 30% from a 2018 base year.
- 60% of our suppliers by spend covering purchased goods and services will have science-based targets by 2024.

For a carbon neutral future

Our planet's climate is now changing faster than at any point in the history of modern civilization.

The impact of global climate change is already being felt economically, environmentally and socially, and is expected to grow in the coming decades.

Climate change affects all regions and businesses around the globe. We want to be part of the solution and meet our stakeholders' expectations. In 2020, we set ourselves science-based targets to reduce greenhouse gas emissions. We are committed to climate action by joining the UN Business Ambition for 1.5°C initiative, and our science-based targets have been approved by the Science Based Targets Initiative.

The setting of science-based targets is one step forward in the company's journey towards a carbon-neutral business. Over the next year, Fiskars Group will lay out a time-bound climate plan including short-term targets consistent with the 1.5°C path.

Our climate approach

International standards and guidelines, such as ISO 14001, create an important foundation for Fiskars Group's climate management. Fiskars Group Environmental Policy emphasizes our common targets and ways of working in own value chain. Our Supplier Code of Conduct outlines expectations regarding our suppliers' energy and emissions management, and every supplier

must sign and commit to it to be able to do business with Fiskars Group.

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

Climate change and environmental aspects have an internal impact on our operations and an external impact on our suppliers' operations and on surrounding communities and nature. Climate change can as well cause both physical and transitional risks which have impact on our operations and can present opportunities. In the table, the most material climate risks and opportunities for us are presented.

We have a comprehensive climate risk mapping in place. We frequently review, monitor and communicate climate risks to ensure continual improvement. In addition to the company wide climate risk assessment, we carry out local risk and impact assessments according to relevant standards and management systems, such as ISO 14001. The results from these assessments are used when creating development plans and implementing actions.

Reducing our emissions

Energy efficiency

During 2020 we saved 6,856 MWh through different energy savings activities. Since 2018, our energy savings actions have saved in total 15,177 MWh. Energy savings consist of multiple actions in our manufacturing units and distribution centers. For example, many of our facilities have adopted LED lighting. Our Gerber manufacturing unit in Portland, Oregon, U.S, implemented Portland's Energy Trust's Strategic Energy Management Program to save electricity and improve efficiency. Strategic Energy Management Program provides tools and education to start saving energy and our Gerber manufacturing unit has found several energy saving actions via the Program. Our Iittala glass manufacturing unit in Finland has saved natural gas by reusing their waste glass.

Energy consumption decreased 12% compared to the previous year. Total energy consumption was 901 TJ (1,023 TJ) and 189 TJ of energy was from renewable sources. Decrease in energy consumption was achieved through energy saving actions and adjustments in production due to the COVID-19 impacts.

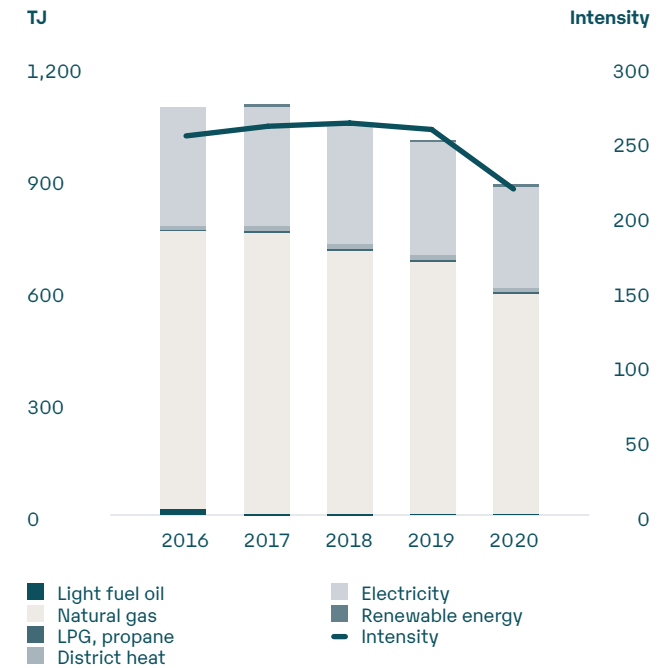
GRI 302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION, TJ

ENERGY, TJ	2020	2019
Direct energy consumption: non-renewable	606	695
Natural gas	601	689
Propane	4	3
Light Fuel Oil	2	2
Direct energy consumption: renewable	9	5
Renewable fuel	9	5
Indirect energy consumption	285	323
Electricity	273	308
District Heat	13	15
Total energy consumption	901	1,023

Consumption is calculated based on invoicing and meters. Standard conversion factors are used (SI). Sold energy is not relevant for Fiskars Group and possible cooling consumed and sold is included in the electricity. Renewable fuel includes electricity produced with solar panels in our distribution center in Wall, New Jersey, U.S. and in our Royal Copenhagen manufacturing unit in Thailand as well as bio-oil which we have started to use in our distribution center in Oslo, Norway instead of light fuel oil.

CLIMATE-RELATED DRIVER	RISK	OPPORTUNITY
Transition to low-carbon society		
Changing consumer behavior	Failing to meet consumer expectations about climate change related actions could lead to decreased profits.	Growth through climate positive solutions, for example, around circularity that drive consumer engagement.
Regulations and changes in operating models	Increased costs of using fossil materials and fuels due to regulatory changes. Adjustments to our own operating models can be challenging.	Use of renewable materials and sources of energy could enable savings potential through tax advantages, incentives and other pricing benefits.
Reputation - increasing pressure from different stakeholders	Failing to meet the expectations of our stakeholders could cause reputational damage and negatively affect our performance and profitability.	Acting proactively, listening to stakeholders and responding accordingly. Increasing awareness internally.
Physical impacts of climate change		
Acute and chronic physical drivers	Extreme weather events can cause business interruptions. Changing climate patterns can negatively impact part of the product portfolio dependent on the typical seasonal weather.	Assessing and understanding risks and changes in the patterns gives us an opportunity to develop our portfolio. Favorable seasonal weather promotes our sales in certain categories, such as watering and snow tools.

ENERGY CONSUMPTION



The intensity describes energy consumption compared to Fiskars Group's net sales. 2017 onwards energy consumption includes Fiskars Group's distribution centers (DCs). Renewable energy includes the solar panels in our distribution center in Wall, New Jersey, U.S. and in our Royal Copenhagen manufacturing unit in Thailand.

GRI 302-3 ENERGY INTENSITY

ENERGY INTENSITY, MWh / net sales (EUR million)	2020	2019
	216	261

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

GRI 302-4 REDUCTION OF ENERGY CONSUMPTION

ENERGY SAVING ACTIVITIES, MWh	2020	2019
	15,177	8,864

Energy savings are calculated based on activities conducted during 2020 in our manufacturing units and distribution centers. Also, cumulative savings from 2018 and 2019 activities are included.

GRI 306-3 SIGNIFICANT SPILLS

SPILLS	2020	2019
	0	0

Reducing emissions from our own operations

Our target for 2030 is to reduce our greenhouse gas emissions by 60% within our operations (Scope 1 and 2) from a 2017 base year. We are committed to climate action and have set science-based targets to reduce greenhouse gases in line with the most ambitious goals of the Paris Climate Agreement.

To cut down our greenhouse gas emissions, we actively identify energy efficiency opportunities and continue to

seek and introduce low carbon or carbon neutral energy sources. We are also committed to measuring our impact throughout the value chain, and to work with our partners and suppliers to minimize our CO₂ emissions.

During 2020, we assessed our emissions throughout our value chain and defined the categories with the biggest impact to be able to set science-based targets. Based on the assessment, most of the emissions in our value chain are generated in the manufacturing of purchased goods and services. The other significant sources of Scope 3 emissions are upstream transportation and distribution, employee commuting and business travel.

In 2020, our Group-wide GHG emissions decreased by 28% compared to the previous year. Compared to the 2017 base year, we have reached a reduction of 44% as a result off the energy saving actions and investments in renewable energy. In total 63% of the electricity we purchased was from renewable sources.

During 2020, we saved 627 tons CO₂ equivalent through energy and emission saving activities in our manufacturing units and distribution centers. For example, our Iittala glass manufacturing unit in Finland optimized their burners to save natural gas and minimize emissions.

During 2020 we invested in renewable electricity in Poland. We are also using renewable electricity in Finland, Slovenia and Ireland. We are actively looking for opportunities to expand this to other locations. Moreover, we are exploring opportunities around renewable fuels. In our distribution center in Wall, New Jersey, U.S, we already have solar panels installed. In January 2020, we started to use solar energy at our Royal Copenhagen manufacturing unit in Thailand as well.

Engaging suppliers

We are committed to see to it that 60% of our suppliers by spend covering purchased goods and services will adhere to science-based targets set by 2024. We engage our raw material, component and finished goods suppliers to set science-based targets for their Scope 1 and 2 emissions at a minimum. We will provide our suppliers trainings on relevant topics related to reducing emissions and engaging them to set themselves science-based targets.

In 2020, we continued gathering energy and emissions data from our key finished goods suppliers, covering over half of the sourcing spend. We will continue to actively engage with our suppliers and logistics partners.

In addition to our own operations, we are reporting of emissions from transportation and business travel.

Increasing efficiency in transportation

We set the science-based target to reduce greenhouse gas emissions from transportation and distribution (Scope 3) by 30% by 2030 from a 2018 base year. Currently, we cover inbound and outbound transportation and business travel in our reporting, where we have developed a reporting system in 2018. We have been collecting emission data directly from transportation service providers since 2019. We constantly seek to identify opportunities to optimize transportation models.

Our transportation emissions remained at the same level. In 2020 our emissions from inbound and outbound transportation were 26,000 t CO₂e (2019: 26,000 t CO₂e). The COVID-19 pandemic affected our business reducing visibility, increasing uncertainty with stores closing and traffic decreasing. At the same time, demand in many of our categories increased, as people spent

more time at home. This impacted our ability to optimize transportation and reduce emissions.

Due to the COVID-19 pandemic, the amount of business travel did decrease significantly. During 2020, our indirect GHG emissions caused by business travel were lowered from 2019 level by 85%.

GRI 305-1 DIRECT (SCOPE 1) GHG EMISSIONS

EMISSIONS (SCOPE 1), 1,000 t CO ₂	2020	2019
Scope 1 emissions	34	38

Scope 1 emissions reporting covers only CO₂. In the following years, the reporting of Scope 1 emissions will be covering GHG emissions. Fiskars Group does not have any biogenic CO₂ emissions in its operations.

CO₂ emissions are calculated by multiplying the quantity of MWh produced with certain fuels used in our manufacturing units by the CO₂ conversion rate. Emission rates are based on fuel statistics provided by Statistics Finland. GWP rates are not relevant since Fiskars Group is only reporting CO₂ emissions.

GRI 305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

INDIRECT (SCOPE 2) GHG EMISSIONS, 1,000 t CO ₂ e	2020	2019
Scope 2 emissions		
Market based	15	28
Location based	28	34

CO₂ emissions are calculated by multiplying the quantity of MWh produced with electricity by the CO₂ conversion rate. Scope 2 CO₂e emissions will primarily be calculated from supplier-specific, local grid emission factors that are collected from all manufacturing units and distribution centers. Location-based emission rates are based on country specific emission factors published by the International Energy Agency (IEA).

GRI 305-3 OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

OTHER INDIRECT (SCOPE 3) GHG EMISSIONS, 1,000 t CO ₂ e	2020	2019
Scope 3 emissions		
Business travel ¹⁾	1	5
Upstream and downstream transportation	26	26

¹⁾ Business travel covers only CO₂ emissions and it is not reported as CO₂e.

Business travel includes the emissions from business flights, covering all of our main locations. Data is calculated by collecting GHG emissions data from our logistic partners. We were able to receive 94.3% of the emissions from our partners and 5.7% was extrapolated to cover CO₂e emissions for the whole year 2020.

GRI 305-4 GHG EMISSIONS INTENSITY

EMISSIONS INTENSITY, t CO ₂ e/ net sales (EUR million)	2020	2019
Intensity	42	61

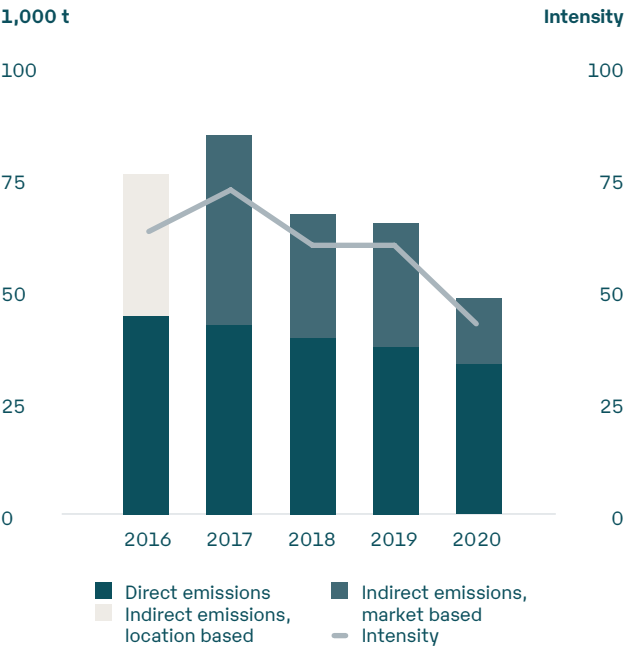
Total amount of CO₂ emissions including scope 1 and scope 2; market-based emissions is divided by net sales, EUR million.

GRI 305-5 REDUCTION OF GHG EMISSIONS

REDUCTION OF GHG EMISSIONS, t CO ₂ e	2020	2019
	627	760

Reduction of CO₂ emissions is calculated from energy saving activities utilizing the location-based emission factors or emission factors from fuel statistics provided by Statistics Finland. Reporting only covers CO₂ emissions.

GHG EMISSIONS



The intensity describes GHG emissions compared to Fiskars Group's net sales. Market based emissions were calculated for the first time in 2017, to form a baseline for our long-term target for emission reduction. Direct emissions only cover CO₂ emissions currently.

CASE

Combating climate change with renewable electricity

We proactively try to find ways to switch to clean and renewable energy. In the end of 2019, we installed solar panels on the rooftop of our manufacturing unit in Thailand. During 2020, these panels were taken into full operation. Solar panels present one concrete action on how we aim to meet our ambitious greenhouse gas emission reduction targets.

During 2020, we produced 989 MWh of renewable electricity in our manufacturing unit in Thailand. The annual output meets approximately 37% of the total electricity need for our Thailand unit. By using solar energy, we have been able to decrease our CO₂e emissions by 475 tons during 2020. With solar energy, we have saved an equivalent of 144 tons of unused coal.

In addition to our manufacturing unit in Thailand, we also have solar panels at our distribution center in Wall, New Jersey, USA. Since their installation in 2017, they have generated over 6,300 MWh of energy saving approximately 2,600 t CO₂e emissions. With solar energy, we are one step closer to our target to become carbon-neutral business.

CASE

Reducing emissions through improved efficiencies

In addition to changing to the use of emission-free energy, emissions can also be reduced by improving energy efficiency and decreasing the amount of used energy. Our manufacturing unit in Portland, Oregon, USA has done a great work in increasing their energy efficiency and engaging employees on the matter.

Our long-term partner Energy Trust of Oregon has launched a Strategic Energy Management (SEM) approach towards energy management which has been taken into use at our Portland unit. In the SEM approach, employees are trained and empowered to identify and reduce energy waste through an employee engagement strategy.

We have engaged our employees at the Portland unit to adopt an energy efficiency mindset with a leak tag program where they were encouraged to find compressed air leaks to identify energy saving potential. During 2020, we were able to save 9 tons of CO₂e emissions. In the coming years, we will share the learnings from Portland unit to improve energy efficiency and to inspire our employees to achieve energy and emission savings. Even small impacts are needed to achieve big goals!

For increased joy

We create a positive impact on the quality of life for people and communities.

OUR FOCUS AREAS AND TARGETS FOR 2030

Engage our consumers around sustainability

Inspiring our people by leading according to our values.

Caring for our people by creating a safe and inclusive working environment.

- Zero harm with zero LTAF (lost-time accident frequency)
- New diversity and inclusion targets to be defined as part of the D&I Task force work*

Listening to our employees during an exceptional year

Since announcing a major organizational change in December 2019, proactive and regular communication of the change was kept as priority.

Additional way to listen to our employees was through the Pulse Surveys which were conducted throughout 2020.

The aim of the Pulse Surveys was to support and include employees during the change journey and give them the opportunity to make their voice heard. We also used the surveys to gather employee feedback about our response to the COVID-19 pandemic. Throughout the year, our employees gave us valuable comments that helped us in developing our change management activities and identify areas of improvement.

All in all, seven surveys were carried out among employees working in office roles. As the global pandemic dominated the year as it developed, the surveys provided an opportunity to also know about employees' wellbeing and their thoughts on safety.

Reshaping our common ways of working and processes were kept as major topics in all surveys. From the results and comments it was visible that while many people were excited by the benefits of the new structure, the changes also created uncertainty. To increase the clarity and help people understand the ways of working in the new organizational set-up we created a task force to better describe the core processes.

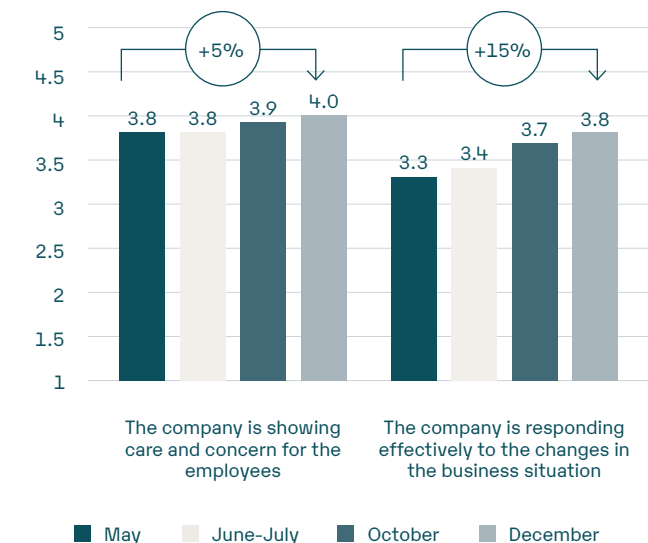
In 2021 we will conduct a global employee survey, Our Voice, with a new partner and technology that were selected in 2020. Going forward we want to build a culture based on ongoing listening and conversation to make it easier to establish a way of continuous development.

Ways of working in focus

Our new organization with three Business Areas and different Global Functions became effective on April 1, 2020.

Given the size of the changes – with for example two totally new functions, Sales and Consumer Experience & Growth – extra attention was given to clarifying our common ways of working and processes in the matrix organization. A cross organization task force worked intensively during the year and introduced in November the value chain describing the core processes we carry out at Fiskars Group to create value to our customers and consumers: Business planning and business performance management, Brand and consumer experience, Business and portfolio management, Delivery and Sales as well as the Enabling processes related to Finance & IT, Human Resources, Legal & Compliance and Communications.

COVID-19



Each key process is owned by an FGLT member. The core processes form an integral part of our ways of working. The work by the task force creates a solid basis for continuing working together more efficiently in 2021.

CASE

COVID-19: Caring for our global team

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic. Fiskars Group acted quickly to ensure the health and wellbeing of our people. To continuously monitor the situation and coordinate the actions to keep our people safe and healthy, a COVID-19 task force was formed consisting of representatives from across the company. The task force met regularly throughout the year and worked with our different Global Functions and teams to implement measures.

Since the start of the pandemic, our number one concern was for our employees' physical wellbeing. We took quick actions to help prevent the spread of COVID-19 and closely followed local authorities' guidance in the different countries we operate.

- We kept our office employees safe by implementing remote working for all employees who could do so. This applied to all our office employees around the world and will be in effect until everyone can return to work safely.
- In our manufacturing units and distribution centers, we enhanced our safety measures by implementing necessary protective guidelines, reviewing our cleaning protocols, and separating shifts to minimize interaction and reduce congestion.
- Safeguards were also put in place in our stores to keep our people and consumers safe. This included enhancing our cleaning protocols, installing plexiglass shields, and limiting visitors' numbers to our stores to allow for adequate

social distancing. Other measures implemented included offering our consumers the possibility to schedule private shopping appointments and giving preference to card payments.

- Local and international business travel was suspended to limit our people's movement and keep them safe.

As remote working became part of our everyday, we wanted to ensure our people's social and emotional wellbeing and promote a healthy work-life balance. As a company, we wanted to make it easier for our people to achieve the balance that works best for them, promote and improve employee wellbeing, and build a culture where we care about and support each other.

- We wanted to remind our people that we are still emotionally close, although we might be physically distant. We encouraged our people and teams to look out for each other by organizing a #compassioncoffee – a virtual coffee break with no formal agenda where they can take a few moments to listen to how everyone is doing.
- Different teams were encouraged to post their remote working tips on our internal social media network. The topics included IT, running effective meetings and staying physically active during the workday.
- We published global best practices aimed at helping our people manage their workday effectively. We introduced 45-minute (or less) meetings, reminded our people that it is okay to prioritize their own time, and encouraged employees to be mindful of the different time zones when scheduling meetings with colleagues in another location.

- We organized a series of People Talks for all our line managers around topics like remote working, happiness and energy, the art of listening and coaching, and mindfulness and physical wellbeing. The talks were interactive in nature, and managers could learn from each other and share their best practices.

As a company, we are proud of the way our people came together during these challenging times and supported each other during the year. One of our values is growing with compassion. Our people demonstrated it throughout the year by caring for and supporting each other. We will continue to put our people's health and wellbeing first as we transition to a post-COVID-19 world.



Inspire people by leading according to our values

To feel inspired, you need to be able to feel good and confident about what you do and how you interact with others around you.

To cover these basics, we offer learning and development opportunities to our employees, empowering them to forge their own paths based on what they know works best for them.

We believe in values-based leadership, where our own personal beliefs are in alignment with those we share together as one Fiskars Group team. We are focused on making Fiskars Group an extraordinary place to work, and we care deeply about the health and safety of our own employees. At the same time, we also want to contribute positively to the communities in which we operate. Through our brands, we are working to provide opportunities for different people to express their creativity and take part in shaping our shared world.

Values-based leadership

Leadership creates the foundation on which Fiskars Group culture is built. In today's world, organizations are in a constant state of evolution. To help people thrive in this challenging environment, our leadership skills as a company must be continually developed so that those who guide us are able to meet business needs while attracting, supporting, inspiring and retaining talent.

Leadership is not about imitating others; instead it must be firmly rooted in who we are and what matters most to us as individuals. Fiskars Group promotes this values-based leadership by providing opportunities for our leaders to develop their self-awareness and learn more about their own personal vision, purpose, values, and strengths and weaknesses through curated training sessions.

Fiskars Group's leadership development portfolio consists of different programs that support our leaders on their growth journey. A simple belief lies at the heart of the Leadership Core program: if you are going to lead others, you first need to lead yourself.

The Leadership Core program has supported Fiskars Group in building leaders, creating a network of people in the company with an insight into their own core values. During 2020 we had three Leadership Core cohorts. Due to the COVID-19 pandemic, the program was only delivered online. A total of 35 people participated. Overall,





Image: NCC

406 of our leaders have already joined the program. We plan to continue the online delivery next year, and if the COVID-19 pandemic situation allows, we intend to offer the program face-to-face once again. In 2020, we also updated our value-based Leadership Principles, and rolled these out to 73 top leaders in the company. The program included Leadership Evaluations against the value-based Leadership Principles, individual coaching and group discussions in the management teams, including FGLT. During 2021, we plan to continue to roll out the program for the next levels in the organization.

Sustainability in our working environment

Fiskars Group's head office will move to Keilaniemi, Espoo, Finland in the beginning of 2022, where the company will be leasing a new building. The lease agreement in Arabianranta is coming to an end, and the current offices would have required extensive modifications. The move to the new building will offer a cost-effective solution. The key focus in planning our new office has been embedding sustainability into our work environment to support both our sustainability commitments and the wellbeing of our people.

"Inspiring people is one of our strategic priorities. Our aim is to provide people a modern work environment that offers spaces for collaboration, quiet tasks, teamwork, informal interactions, and creating ideas. The work environment will be planned together with our people, so they can do their best work in a setting that supports their wellbeing. Our aim is to make it easier for people to create contacts across functions and teams," explains **Niklas Lindholm**, Chief People Officer of Fiskars Group.

Special attention has been paid to integrating sustainable principles into the new building. Its carbon footprint will be calculated, and during the planning process, the adaptability of the spaces and material and energy efficiency are highlighted. NCC, responsible for constructing the building, plans to certify the project at an Excellent rating according to the international BREEAM sustainability assessment system, as the aim is to plan and build a structure that will be ecologically, socially, and economically sustainable for long-term use.

At the same time, we have been working to create a global guideline for all our offices around the world. This guideline offers instructions on how to consider sustainability in the working environment and provides our offices practical examples on what they can do to make their offices more sustainable.

Key focus has been on embedding sustainability into our work environment

Health and safety

At Fiskars Group, the health and wellbeing of our employees is a key priority.

We have made a firm commitment to guarantee a safe working environment for all our employees and anyone working or visiting our premises, and to continuously improve our health and safety performance. We place a strong emphasis on ensuring that everyone at Fiskars Group is effectively trained to carry out their duties in a safe manner.

Since the start of the COVID-19 pandemic, our number one concern was for our employees' physical wellbeing. We took quick actions to help prevent the spread of COVID-19 pandemic and closely followed local authorities' guidance in the different countries we operate.

In our manufacturing units and distribution centers, we enhanced our safety measures by implementing necessary protective measures, reviewing our cleaning protocols, and separating shifts to minimize interaction and reduce congestion. Safeguards were also put in place in our stores to keep our people and consumers safe. This included enhancing our cleaning protocols, installing plexiglass shields, and limiting visitors' numbers to our stores to allow for adequate social distancing.

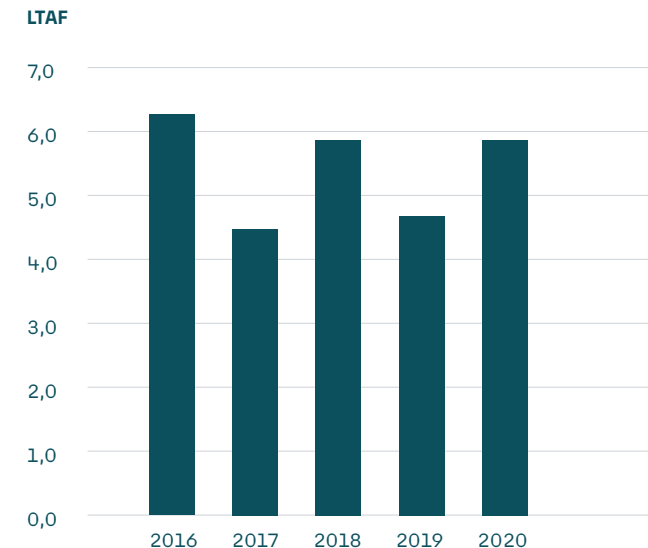
Caring for our people and about each other is part of our values. Growing with compassion means that we care because we know our actions always have an impact, on ourselves and on the people around us. We encourage safety leadership at every level of the organization and the topic is part of the regular agenda in Fiskars Group Leadership Team.

We also encourage people to be proactive and take their responsibility seriously, in order to prevent accidents and work-related illnesses. Our employees always have the right to stop work if they assess that working conditions are not enough safe or healthy since we believe that safety is a right for everyone working at Fiskars Group.

Increasing joy through championing safety is one of our sustainability commitments. Our current target is to achieve zero harm with zero LTAF by 2030. We actively promote a culture of zero harm and believe that safety is our shared responsibility. Health and safety is an integral part of our management system and almost all of our sites are covered by ISO 45001. We plan to expand this standard to cover all our manufacturing units and distribution centers. We expect management teams to conduct regular reviews on health and safety performance, to ensure that adequate resources are available to effectively manage health and safety, and to drive our health and safety culture and process of continual improvement.

We recognize that it is our responsibility to ensure that our actions never compromise our safety. The updated Fiskars Group Health and Safety Policy was approved by the Fiskars Group Leadership Team and launched in the beginning of 2020. The Policy actively promotes a culture of "Zero Harm" and supports our strategy and priorities. Fiskars Group maintains an organizational structure for the management of health and safety, including lines of communication, networking channels, cooperation, collaboration and

LOST TIME ACCIDENT FREQUENCY



Lost Time Accident Frequency (LTAF) reflects the number of accidents causing injury that result in an absence of at least one workday per million hours worked.

**Caring for our people
and for each other is
part of our values**



the clear identification of roles and responsibilities for all employees. We strongly engage employees and all people involved in our value chain to be proactive, as we believe that every person has the right to work in a healthy and safe environment without the risk of injury or ill health.

We undertake regular safety inspections and 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, ascertained through the auditing process or through feedback from our internal network of experts. We participate and consult workers in health-related matters in accordance with ISO 45001.

The identification of hazards is an essential step to control the health and safety risks. Risk is a combination of the probability and consequences of a certain specified hazardous event. We actively identify hazards and assess risks to continuously improve healthy and safe workplace. As the identified risks are assessed, the control measures are specified based on Hierarchy of Controls. Reassessments of risks are carried out to identify new risks and determine where risks have been adequately controlled.

We continuously strive to reduce incidents as well as increase hazard awareness and safety observing reporting. All reported incidents are investigated and analyzed to identify opportunities to improve healthy and safe working conditions. Following any incident or identified hazard, we identify and select measures to eliminate, prevent or control the risks. We encourage our employees to inform us on safety observations and near-misses to prevent hazardous situations beforehand.

Our Supplier Code of Conduct outlines our expectations regarding our suppliers' health and safety standards, and

every supplier must sign and commit to it to be able to do business with Fiskars Group. We arrange annual workshops for our suppliers to enhance awareness of, and best practices in, occupational health and safety.

Health and safety performance in 2020

Fiskars Group's safety target for 2030 is to have zero harm with a zero Lost Time Accident Frequency (LTAF), taking into account not just our own employees, but our contractors as well. By 2022 our target is to reduce LTAF by 20% compared to 2017 base year.

Our LTAF increased to 5.9 (2019: 4.7). Compared to the 2017 base year our LTAF was 31% higher. In 2020, contractor LTAF was 0 (2019: 9.9). During this exceptional year our efforts to improve safety performance were not enough. Partly also the changes in scope of the reporting affected our performance. In 2020 we updated the classification of our own employees and contractors aligned with the updated GRI Standard. Agency workers were previously reported as contractors and not as Fiskars Group employees. This resulted in an increase of LTAs for our own employees and in a decrease of LTAs for contractors.

To improve our safety, all the lost time accidents are reported, investigated and analyzed, and corrective actions are implemented accordingly. Our manufacturing units and distribution centers have created safety improvement plans and focused on safety observations, which was visible in the amount of safety observation. The number of reported safety observations increased by 19% compared to previous year.

One great example of such improvements was our Royal Copenhagen manufacturing unit in Thailand where the safety observation practice was enhanced leading to a 17% increase in reported safety observations. In Thailand, we developed a training board and demonstration kits for new and transferred employees as well as to contractors to improve safety culture and to ensure continuous safety leadership improvement. The active work in Thailand has resulted in a LTAF of 0.0. Another example is our Royal Copenhagen Office and Retail in Denmark where there has been a positive development in the safety culture and in the number of reported safety observations by raising awareness towards safety during weekly meetings.

We arrange Safety Days with specific themes to raise awareness on safety at work and share best practices among our locations. In 2020, our third global Safety Day expanded to a Safety Week with the theme "I care: Safety starts with me!" During this week we reflected on the importance of safety and on how our decisions and actions can have an impact on ourselves and our colleagues. We shared best practices from our different locations to cultivate a culture of learning and growing together. The participation was outstanding across our locations despite COVID-19 and we were able to increase our safety observation reports significantly.

Safety Week also boosted safety observation reporting and in total there were 7,690 (2019: 6,470) observations documented during 2020. This is an important way for us to promote safety at work and all these observations are recorded and actions are taken to mitigate the hazards.

During 2020, we continued to develop our safety reporting by expanding it to our offices and retail stores. This is a big step towards aligning health and safety reporting and culture across Fiskars Group. In 2020, we started to use

a new tool to report health and safety KPIs for our offices and retail stores and it has enabled the improvement of safety culture at these locations. Through the new tool, a total of 198 safety observations from our offices and retail stores were reported during 2020. In total of 10 lost time accidents were reported in offices and retail stores.

GRI 403-9 WORK-RELATED INJURIES

OWN EMPLOYEES	2020	2019
LTAF ^{1,2}	5.9	4.7
Number of fatalities	0	0
Rate of fatalities ²	0	0
Number of high-consequence work-related injuries ^{3,4}	1	N.A.
Rate of high-consequence work-related injuries ^{2,3}	0.1	N.A.
Number of recordable work-related injuries ^{3,5}	68	N.A.
Rate of recordable work-related injuries ^{2,3}	9.7	N.A.
The number of hours worked	7,000,000	8,200,000
Safety observations ⁶	7,690	6,470
Near misses reported ⁷	194	226

¹ Lost time accident frequency (LTAF) reflects the number of injuries resulting in an absence of at least one workday per million hours worked.

² Normalization factor of 1,000,000 of hours worked.

³ Number of work-related injuries and high-consequence work-related injuries were not reported during 2019 since this is a new indicator.

⁴ High-consequence work-related injuries are accidents that lead to the following consequences: an employee died or was injured to such an extent that they were unable to restore their health within six months after the date of the injury, has not restored their health, or is not expected to be able to restore their health.

⁵ Recordable work-related injuries include all workplace accidents except those that require first-aid treatment. These accidents include e.g. all lost time accidents, accidents leading to restricted work or transferred job and medical treatment cases.

⁶ Safety observations are unsafe behaviors and violations of safety rules observed within the workplace.

⁷ A Near miss is an unplanned accident that did not result in injury, illness, or damage, but had a potential to do so.

Main types of injury are hand and foot injuries. Mainly cuts, grazes and bruises.

NON-FISKARS EMPLOYEES (CONTRACTORS)	2020	2019
LTAF ^{1,2}	0	9.9
Number of fatalities	0	0
Rate of fatalities	0	0
Number of high-consequence work related injuries ^{3,4}	0	N.A.
Rate of high-consequence work related injuries ^{2,3}	0	N.A.
Number of recordable work-related injuries ^{3,5}	0	N.A.
Rate of recordable work-related injuries ^{2,3}	0	N.A.
The number of hours worked ⁶	280,000	500,000

¹ Lost time accident frequency (LTAF) reflects the number of injuries resulting in an absence of at least one workday per million hours worked.

² Normalization factor of 1,000,000 of hours worked

³ Number of work-related injuries and high-consequence work-related injuries were not reported during 2019 since this is a new indicator.

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⁵ Recordable work-related injuries include all workplace accidents except those that require first-aid treatment. These accidents include e.g. all lost time accidents, accidents leading to restricted work or transferred job and medical treatment cases.

⁶ During 2020 we started to classify temporary agency workers as our own employees causing a significant decrease in the number of hours worked by contractors.

CASE

Safety Week 2020: I care: Safety starts with me!

During September 2020, the entire Fiskars Group took part in Safety Week 2020 under the theme "I care: Safety starts with me!" Since 2018, we have put health and safety in focus by organizing an annual Safety Day, and this year we extended the concept to dedicate an entire week to this important topic.

Our manufacturing units, distribution centers, office locations, and retail stores were all encouraged to choose one day or the whole week to focus their attention on safety. Due to the COVID-19 pandemic, most of the week's activities took place online. Employees were asked to share selfies of themselves wearing their masks (#maskup) and talk about why they care about safety (#icare). The importance of reporting safety observations to contribute to a safe working environment was also highlighted during the week, and our locations were asked to share their safety best practices with the rest of the organization.

During the week, more than 130 posts were shared by employees from across the world on our internal social networking tool using the #icare and #maskup hashtags. More than 40 of our locations shared their best practices with the rest of the company, while there was a nearly 70% increase in safety observations reported during the week compared to our year-to-date weekly average. Many of our retail employees also took the

opportunity to conduct a safety tour of their stores and storage areas, using our reporting tool to document and report findings for corrective and preventative actions.

Overall, Safety Week 2020 achieved its aim of highlighting the importance of safety and how individual decisions and actions can impact ourselves and the people around us. By taking responsibility to report safety observations, everyone can be part of creating a safe working environment. We are looking forward to our next Safety Week in 2021!



Diversity and inclusion

We are a diverse group of people, spread across 30 countries, and with 68 nationalities.

For Fiskars Group, the concept of diversity builds on enablement and respect. We never consider diversity in terms of simple tolerance; instead, we embrace and celebrate the extraordinary layers of diversity within each individual.

Diversity plays an essential role in our vision of creating a positive, lasting impact and empowering a globally collaborative culture in three crucial ways:

1. Diverse teams provide us with a richer picture and access to a broader range of opinions and viewpoints, all of which enhance our creativity and capability to innovate.
2. We have an increasingly diverse consumer and customer base. With a diverse team, we are better enabled to drive consumer engagement.
3. We can strengthen our capabilities by attracting and retaining high performers to our diverse teams.

Fiskars Group has a set of policies and guidelines related to social and employee-related matters to guide our leadership, employees, and partners in their everyday work on diversity and inclusion. The Fiskars Group Code of Conduct provides a detailed description of Fiskars Group's approach to doing business ethically and sustainably. We practice zero tolerance towards harassment and exclusion and are aware of the cultural sensitivity of working in a global organization.

Learning and growing together

Globally – and in the United States in particular – awareness around racial injustice and discrimination has caused companies to reevaluate how diverse and inclusive their teams are and assess their current actions around diversity and inclusion.

We know that there are actions we still need to take and develop to ensure that we are truly a diverse and inclusive company. In 2020, we invited our employees to share their thoughts and ideas around diversity and inclusion to increase our understanding and enable us to develop and become better. As a company, we know that we can become the best at what we do by listening to and learning from each other.

Based on the feedback we received from our employees, a diversity and inclusion working group was established to evaluate our current actions, determine where we can become better, and plan our future activities. Our Chief People Officer led the working group that included employees representing different parts of our company and locations. The working group has five main objectives:

- Creating a company-wide diversity and inclusion statement
- Identifying our key focus areas

- Setting targets linked to our focus areas
- Proposing key actions or initiatives to achieve those targets
- Developing our policies and governance.

The work of the diversity and inclusion working group will continue in 2021, when we will also agree on key diversity and inclusion targets and actions.

CASE

Supporting the Black Artists and Designers Guild (BADG)

As a response to the Black Lives Matter movement in June 2020, in the U.S., our brand Fiskars made a monetary donation to the Black Artists and Designers Guild (BADG), an organization that shares our passion for creativity and the arts.

The BADG was founded to combat the lack of representation of Black talent and culture in the design industry. It is a global platform representing independent Black artists, makers, and designers across various art and design disciplines.

Our donation went towards their general programming fund which strives towards creating an inclusive arts and design environment, through equity and inclusivity, by providing visibility and opportunities for members. We are continuing our partnership by sponsoring their Obsidian House project, a BADG-created dwelling space scheduled to be finished in 2025.

Our progress in figures

Our annual employee survey provides us with important feedback and insights on our performance around diversity and inclusion.

In 2020 the business environment continued to change more rapidly than ever, and we wanted to follow employee sentiment through regular Pulse Surveys to get feedback throughout the whole year. The annual employee survey was postponed to 2021, when we will conduct a global survey, Our Voice, with a new partner and technology that were selected in 2020.

GRI 405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

In terms of gender division, we have achieved quite a balanced situation with 55% of all of our employees being female and 45% male. Same trend is visible in Fiskars Group Leadership Team and managers with the teams, where over 45% are female.

BOARD OF DIRECTORS

AGE GROUP	FEMALE, %	MALE, %	TOTAL, %
Under 30	0 (0)	0 (0)	0 (0)
30–50	25.0 (25.0)	12.5 (12.5)	37.5 (37.5)
Over 50	12.5 (12.5)	50.0 (50.0)	62.5 (62.5)
Total	37.5 (37.5)	62.5 (62.5)	100.0 (100.0)

LEADERSHIP TEAM

AGE GROUP	FEMALE, %	MALE, %	TOTAL, %
Under 30	0 (0)	0 (0)	0 (0)
30–50	27.3 (22.2)	27.2 (22.2)	54.5 (44.4)
Over 50	18.2 (22.2)	27.3 (33.3)	45.5 (55.6)
Total	45.5 (44.4)	54.5 (55.6)	100.0 (100.0)

MANAGERS WITH TEAMS

AGE GROUP	FEMALE, %	MALE, %	TOTAL, %
Under 30	1.4 (1.3)	0.3 (0.6)	1.7 (1.9)
30–50	30.1 (28.8)	37.4 (39.2)	67.6 (68.0)
Over 50	13.6 (12.9)	17.1 (17.2)	30.7 (30.1)
Total	45.2 (43.0)	54.8 (57.0)	100.0 (100.0)

EMPLOYEE BY EMPLOYEE GROUP AND GENDER

	OFFICE, %	OPERATIVE, %	RETAIL, %	TOTAL, %
Female	16.5 (17.2)	21.7 (21.3)	16.3 (16.4)	54.5 (54.9)
Male	15.1 (15.7)	29.0 (27.8)	1.4 (1.6)	45.5 (45.1)
Total	31.6 (32.9)	50.7 (49.1)	17.7 (18.0)	100.0 (100.0)

EMPLOYEES BY EMPLOYEE GROUP AND AGE

	OFFICE, %	OPERATIVE, %	RETAIL, %	TOTAL, %
Under 30	2.2 (2.7)	8.7 (9.1)	4.0 (4.7)	14.9 (16.5)
30–50	20.9 (21.6)	30.6 (29.5)	8.0 (8.1)	59.4 (59.2)
Over 50	8.5 (8.5)	11.4 (10.5)	5.7 (5.3)	25.7 (24.3)
Total	31.6 (32.9)	50.7 (49.1)	17.7 (18.0)	100.0 (100.0)

EMPLOYEES BY LARGEST NATIONALITY GROUPS

NATIONALITY	TOTAL, %
Finland	15.9
United States of America	12.2
Indonesia	11.2
Thailand	9.8
Slovenia	7.8
Poland	6.6
United Kingdom	5.0
Australia	4.9
Japan	4.2
China	3.2

Create positive societal impact

Throughout its history, Fiskars Group has been closely involved in the everyday life of the communities where we operate.

We are part of the communities where we operate, and we want to ensure that these communities are able to thrive economically, socially and environmentally. We support this by actively contributing to these communities' positive development and minimizing any negative impacts our operations may have on them.

Fiskars Group respects the cultures, customs, and values of local communities and builds local relationships to strengthen mutual understanding, while at the same time striving to live by our values. We engage stakeholders in an active and transparent dialogue and address societal issues with neighbors, civil society organizations and others with an interest in the company.

In 2020, we also took part in countless small and bigger community engagement actions around the world, aiming to make the everyday extraordinary within those communities. In total we invested 700,000 EUR in local communities.

We want to ensure that communities where we operate thrive economically, socially and environmentally

CASE

Safeguarding our history in Fiskars Village

Fiskars Village in Finland is the place where our company was born in 1649. Fiskars Village has become an internationally renowned center of Finnish design and art, offering visitors things to see and do all year round.

We give particular priority to safeguarding and developing the cultural heritage associated with the village. The main principles of our operations at Fiskars Village are to support and strengthen the local community and economy and to preserve the heritage, culture and nature.

In 2020 Fiskars Village was awarded as one of the best sustainable travel destinations in Europe and within top 100 in the world by Green Destinations.





CASE

The Project Orange Thumb provides tools for teachers and community gardens

The Project Orange Thumb Teacher Grant Program is intended to recognize teachers who share a passion for fostering creativity through hands-on learning. The goal of these grants is to help set students up for success by supplying teachers with the tools they need to provide a positive learning environment.

In 2020, Project Orange Thumb Teachers grant of our kid's crafting tools and monetary gift cards was given to 25 teachers in the United States and Canada. Similarly, the project helped 25 community garden groups across the two countries, aiming to support and encourage the community gardening movement.

Project Orange Thumb has provided tools and resources to help communities reach their goals for collaboration, neighborhood beautification, and healthy, sustainable food sources. Since 2002, Project Orange Thumb has granted over \$1.8 million to more than 390 schools and community groups.

CASE

Embracing the heritage of our Finnish brands

Our brands Iittala, Arabia and Fiskars have strong heritage in Finland, and we maintain these historical connections by collaborating with several museums and institutions in Finland.

Iittala & Arabia Design Centre at our headquarters in Helsinki, Finland offers visitors a deep dive into two of Finland's most celebrated design and lifestyle brands, Iittala and Arabia. In collaboration with the Design Museum Helsinki, it presents the history of Finnish ceramic art and glass design in one collection. Since 2016 the center has invited visitors to explore their own creativity through workshops, guided tours, lectures and events.

Arabia Art Department Society is also located in the same building with our headquarters. Founded in 2003 by artists from the Arabia Art Department, the society upholds Arabia's unique cultural heritage and promotes the use of ceramics in artistic expression.

In addition, we work with Design Museum Helsinki also in Design Museum Iittala, which features the leading works of Finnish glass art from the 1880s to the present day.

At Fiskars Village, we have rented buildings and facilities for a nominal sum to the Fiskars Museum, which preserves and explores the ironworks culture from the 17th century to the present day and presents the past to visitors in the form of stories, exhibitions and workshops.

CASE

The World of Wedgwood, a unique visitor experience

World of Wedgwood, located at our Barlaston site in the UK, celebrates the very best of British industrial and design heritage providing a unique Wedgwood brand experience for visitors of all ages.

The site offers a factory tour – a behind-the-scenes experience highlighting the craftsmanship

and extraordinary skills of our talented team – and a suite of creative studios where visitors can try throwing and decorating their own ceramic pieces.

The V&A Collection at World of Wedgwood is the home of one of the most important industrial collections of ceramics in the world. The collection displays over 3,000 artefacts, including those dating back to Wedgwood's foundation in 1759, its archives are recognized by UNESCO.



CASE

Barlaston recognizes importance of nurses on International Nurses' Day

May 12 is International Nurses' Day, and our Barlaston site in the UK wanted to recognize the important care nurses provide, especially important during the COVID-19 pandemic. The team donated a selection of our Royal Doulton mugs to Royal Stoke Hospital, Doncaster and Bassetlaw NHS Trust and the Douglas Macmillan Hospice. The mugs were decorated with "Just Shine" and "Kindness" sentiments in recognition of the kindness key workers show every day to brighten their patients' lives.



CASE

SOS Children's Villages Finland

SOS Children's Village in Finland helps families by providing early intervention, open care and foster care, with an ambition to support young people as they overcome challenges and become independent young adults.

Through the partnership, we support young people moving from SOS Children's Village to their first homes.

CASE

Gerber teams up with Team Rubicon to rebuild communities hit by wildfires

In September of 2020, wildfires raged across the Pacific Northwest in the US, resulting in one of the most devastating wildfire seasons to date. Gerber teamed up with long-term partner and disaster relief organization, Team Rubicon, in raising funds for rebuild operations in the communities hit hardest by the fires. With teams deployed across the West, Team Rubicon stepped in to assess and support in rebuilding efforts.

Gerber supported Team Rubicon by co-hosting a public fundraiser and matched dollar-for-dollar for the first \$10,000 raised between October 1–15,

2020. The funds raised directly supported Team Rubicon's initiatives in what is sure to be a long-standing operation.

Gerber's partnership with Team Rubicon is founded on a mutual dedication to community and a hunger to solve problems. With shared values and empowered missions, Gerber continues to partner with Team Rubicon to take a stand and make a difference in the community, allowing consumers to directly connect with the brand.

Team Rubicon serves communities by mobilizing veterans to continue their service by leveraging their skills and experience to help people prepare, respond and recover from disasters and humanitarian crises. Founded following the Haiti earthquake in 2010, the organization has grown to over 130,000 volunteers across the U.S. and has launched over 700 operations both domestically and internationally.



CASE

Moomin by Arabia mug makes good for the Baltic Sea

The year 2020 marked 75 years from the moment when Tove Jansson wrote the first Moomin story. To celebrate the anniversary, Arabia's Moomin seasonal set was involved in the #OURSEA campaign organized by Moomin Characters together with the John Nurminen Foundation. For each Moomin seasonal mug sold, one euro was donated to the campaign and its work on purifying the Baltic Sea and protecting its cultural heritage. Tove Jansson loved the sea, and the sea is a vital part of the Moomin universe.

CASE

Pink Ribbon in Finland and Sweden

Our brands Arabia and Fiskars in Finland and Rörstrand in Sweden brands sponsor Pink Ribbon, which campaigns to prevent and cure breast cancer as well as create awareness of it.



Human rights

Fiskars Group has an important opportunity to influence people's lives throughout our value chain. We respect human rights in everything we do and recognize the equality of the people with whom we interact.

As a participant in the United Nations Global Compact (UNGC), Fiskars Group is committed to mitigating adverse human rights impacts and to working against corruption and bribery. Our approach to human rights is defined in Fiskars Group's policies, which also serve as the foundation for the implementation of targets related to human rights. The Fiskars Group Code of Conduct and related training provide a detailed description of our approach to doing business in an ethical way and respecting human rights, including working conditions, labor rights, anti-corruption and bribery, and safety at work. Our people receive regular training on the Code of Conduct to increase their awareness and ability to implement our principles in their everyday work.

We expect the same values and high ethical standards from our suppliers and partners. The Fiskars Group Supplier Code of Conduct outlines the standards all our suppliers and partners must meet in order to do business with Fiskars Group.

Supplier sustainability audits help us to assess and control human rights topics in our supply chain. Human rights related risks are mainly seen as financial, compliance and reputational risks, but Fiskars Group also sees them as an operative risk. The main risks for us are the non-compliant management of our suppliers and the inability to also cover their suppliers. Currently, we are managing the

effectiveness of the human rights management approach by following our risk management and incidents of non-compliance.

Human rights assessment

We have conducted a human rights assessment to better understand the gaps, risks and opportunities and needed steps to develop a human rights due diligence program. We evaluated our performance against the United Nations Guiding Principles on Business and Human Rights.

We had a cross-functional project team in place to lead the work and along the way we engaged with key internal stakeholders and leadership teams. The assessment included a review of our current policies and practices, several risk assessment workshops, as well as gathering the feedback from our stakeholders utilizing the employee survey and sustainability stakeholder surveys.

Key findings from the assessment were that although we have many good practices in place, such as a whistleblower channel and a comprehensive Supplier Code of Conduct, we still have work to do in developing our policies and processes overall. We gained valuable information on how we could integrate human rights deeper into our risk management processes, covering both our operations and our value chain.

Action plan for the next years

After the human rights assessment we created an action plan for the next year, with the aim to start the work in 2020. In the beginning of 2020, we initiated the work to develop comprehensive sustainability roadmaps and then faced the impacts of the COVID-19 pandemic, both of which limited our plans involving human rights work. COVID-19 did not decrease the importance of human rights; on the contrary, it highlighted the importance of people's safety and wellness for us but affected our capacity to travel and conduct the important human rights impact assessment.

In addition to supporting our people's safety and wellbeing during these exceptional times, we are planning to continue the human rights work aligned with the action plan created. The target is to develop human

Fiskars Group is committed to mitigating adverse human rights impacts

rights due diligence and rather than creating a new separate process, our aim is to integrate human rights management deeper into our existing processes.

We identified that we have opportunities to develop risk management to better cover human rights aspects that are salient for us. We plan to integrate human rights to Fiskars Group risk management process, identifying that risks to people may differ from risks to business. One topic we want to understand more revolves around vulnerable groups relevant to us. We also identified the need to map Fiskars Group supply network beyond finished goods suppliers and integrate the broader view into renewed risk management.

Grievance mechanisms

Fiskars Group is committed to conducting its business in ethical and responsible manner, tolerating no violations of the Fiskars Group Code of Conduct. Our WhistleBlowing Channel, a third-party provided platform, is a confidential and anonymous channel for all our employees to report any workplace-related issues and complaints or suspected violations of the Code of Conduct. The Code of Conduct requires all employees or other persons working under Fiskars Group's direction to report any suspected violations to their manager, Human Resources, Legal & Compliance function or through the WhistleBlowing Channel.

All suspected violations and occurrences of misconduct are investigated promptly and thoroughly with confidentiality by our Legal and Compliance function. Relevant other functions are engaged depending on the case, such as Human Resources, to solve the issues. All reported cases are reported annually to our Board's audit committee.

During 2020, we had nine cases reported via WhistleBlowing Channel and three cases received via management. The reported cases were related to human resources, discrimination, health and safety, corruption and fraud. Five of the cases were investigated, resolved and closed during 2020. Seven of the cases are still under investigation or being followed up.

Fiskars Group is committed to conducting its business in ethical and responsible manner





GRI Supplement

This section includes additional GRI content and GRI Content Index.

Sustainability governance

To ensure clear responsibilities and focus, Fiskars Group has a governance model on how sustainability is managed throughout the company.

As part of our more integrated sustainability approach and organizational restructuring, we developed our governance model during 2020. Our aim is to bring sustainability closer to our business and brands and to support that, our group sustainability team is now part of the new Consumer Experience and Growth function (CEG) with the new name: CEG sustainability team.

THE BOARD OF DIRECTORS conducts a comprehensive review of the sustainability approach and ambition once a year and has the ultimate oversight of sustainability: the ambition level and targets.

CEO AND FISKARS GROUP LEADERSHIP TEAM (FGLT) reviews and approves Fiskars Group sustainability approach, commitments, roadmaps and targets. Follows the execution of the roadmap work. Owns the targets and is responsible for ensuring they contribute to strategic priorities while responding to global influences. Signs off the policies, sustainability reports, compliance and data. Part of the regular agenda of FGLT. Chief Consumer Officer, reporting directly to the CEO, has the overall responsibility to drive sustainability agenda in the FGLT.

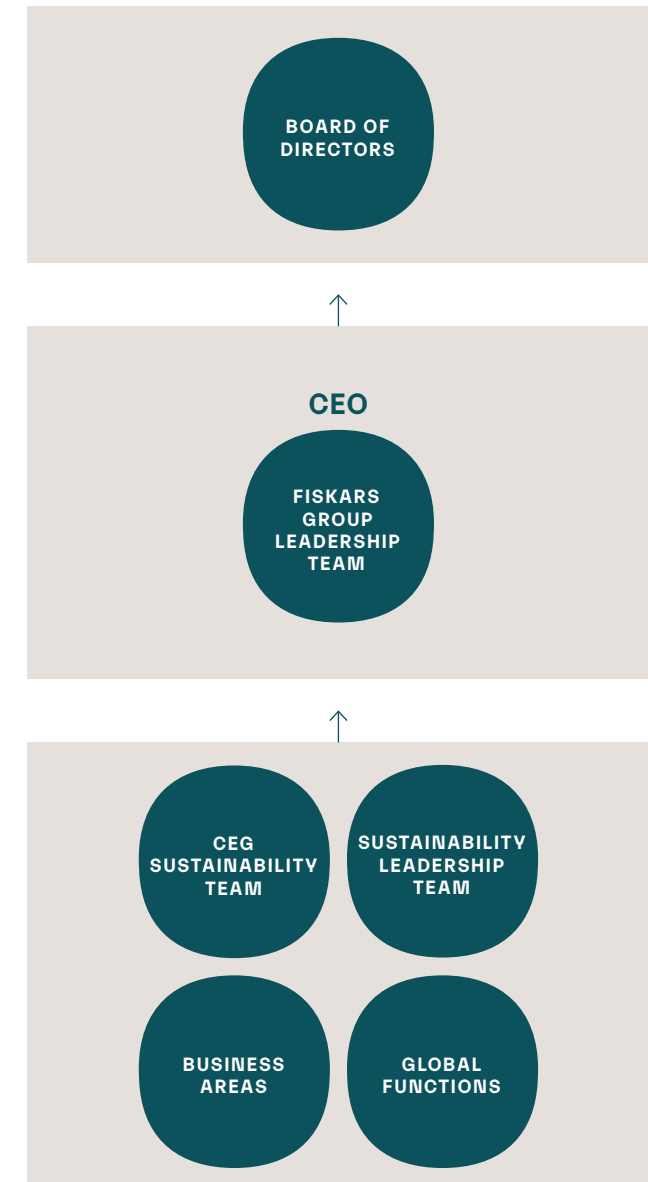
THE SUSTAINABILITY LEADERSHIP TEAM is a cross-functional team aligning and prioritizing activities for Fiskars Group sustainability agenda and building up the roadmap for approval. The team oversees the execution of the Fiskars

Group sustainability roadmap and tracks the performance against our commitments and roadmap. The team includes members from our Business Areas and all Global Functions, including Human Resources, Finance & IT, Supply Chain, Legal & Compliance, Sales and Communications. Each team member is responsible for sharing information and driving the sustainability agenda in their respective teams.

THE CEG SUSTAINABILITY TEAM has a strategic oversight of sustainability across Fiskars Group operations – developing, coordinating and reporting sustainability related topics.

- Facilitates cross-functional approaches bringing together insights from Business Areas and Global Functions, ensuring we work towards our targets and integrate sustainability into our business plans
- Proactive management of stakeholders' expectations, bringing insights and learnings into the business and top management.
- Integrating sustainability into our practices, communication, and policy implementation
- Reporting on progress both internally and externally to relevant stakeholders.

THE BUSINESS AREAS AND GLOBAL FUNCTIONS are responsible for responding to sustainability roadmap work and targets in their business plans and operations.



Sustainability management

The world around us is changing more rapidly than ever before, and we need to be ready to respond to the shifts. By redefining how we do business we can grasp the opportunities and mitigate risks around sustainability.

In 2020 we continued accelerating our sustainability work towards 2030 through a shared ambition and refreshed approach to integrate sustainability to business on a deeper level.

We believe that a strong sustainability approach is the right thing to do for people and the planet and the prerequisite to future-proof and grow our business. Sustainability is an opportunity for us to further strengthen our reputation and increase brand love.

We want to take a stand with our new long-term ambition to be the sustainability leader in our industry. Our sustainability approach describes how we are going to reach our ambition, we are on a mission: for the lasting wellbeing of people and planet.

In 2020 we refreshed our sustainability approach and commitments to strengthen our capabilities for integrating sustainability to our business. These commitments describe our priorities on our journey towards 2030: against throwaway culture, for a carbon neutral future and for increased joy.

The base of the commitments are sustainability topics most material for us, defined in the sustainability assessment conducted in 2019. In 2020, to deepen our views, we organized interviews with our key

customers and suppliers to validate our sustainability commitments and hear their expectations of our sustainability work. These interviews further supported us in defining prioritized action plans under each commitment and validated that our sustainability commitments are aligned with our customers' expectations.

To reach our commitments, we will focus our efforts on the areas we believe will have the biggest impact. Each of the three commitments are supported by focus areas and targets.

During 2020 we created a roadmap for each commitment to create a clear path towards reaching the commitments by 2030. Roadmaps help us to prioritize our actions and accelerate sustainability integration.

Engaging our diverse stakeholders is a priority for Fiskars Group and provides the company with insights to support our continuous development and the delivery of our long-term targets. We believe a business cannot flourish if it is not able to meet the expectations of its stakeholders. Our stakeholders are entities or individuals that have a moderate impact on our business, or are affected by our activities, products and services, presenting both risks and opportunities.

Some of the high-level topics from the recent stakeholder surveys are listed on the right of the stakeholder engagement table.

We believe that a strong sustainability approach is the right thing to do for people and the planet and the prerequisite to future-proof and grow our business

Stakeholder group	Engagement approach
Consumers	We continuously engage with our consumers through numerous touchpoints, including retail stores, webshops, workshops, surveys, written communications, social media and discussions.
Customers	We work closely with our customers through dedicated account teams, joint initiatives and customer care. During 2020 we also conducted interviews with our customers on their sustainability expectations.
Board of Directors	Fiskars Group Board of Directors is engaged in regular board meetings and in ongoing dialogue.
Employees and potential employees	We engage with our employees through employee surveys, town halls, employee communications, individual development plans and a variety of Fiskars Group training sessions, as well as internal and external social media.
Suppliers and subcontractors	We engage with our suppliers through site visits, annual supplier days and our audit program.
Shareholders and investors	Annual General Meeting for our shareholders, quarterly reporting and webcasts, Capital Markets Day, investor meetings and presentations, ongoing dialogue with investors and analysts
Non-governmental organizations	Forms of engagement with NGOs include partnerships, memberships and ongoing dialogue
Media	We engage with media through specific media events, press releases, and connecting with media influencers, including bloggers.
Research institutes, universities and vocational schools	We actively collaborate with universities and institutes, for example, through our product development and with new business models.

Stakeholder expectations	Response
Strong commitment to sustainability from Group management and management as an enabler of concrete actions towards sustainable operations and innovations	During 2020 we further developed our integrated sustainability approach launched in 2019. Fiskars Group Leadership Team actively contributed to the work to create roadmaps, helping us to focus our efforts where they matter the most.
Set clear and bold targets that support Fiskars Group's strategic priorities	In 2019, sustainability was integrated into our Group strategy and we launched new sustainability commitments and renewed targets to better support strategy implementation. During 2020 we set new science-based emission targets and joined the UN Business Ambition for 1.5°C initiative, aligned with our commitment to become a carbon neutral business.
More communication on sustainability with stronger messages to inspire and engage people	During 2020 we organized a series of Sustainability Talks, where we shared insights on our commitments and current actions with our employees. In total we organized five calls, covering a variety of topics and received very positive feedback.
Prioritizing needed to focus on key topics that would make an impact	The three sustainability commitments that we set in 2019 helped us to prioritize our sustainability topics. In 2020 we further conducted prioritization exercises within the commitments to set more clear roadmaps, timelines and responsibilities around the actions.
Courage to experiment and trial new ideas	We believe that taking a more integrated approach and bringing sustainability closer to business will help us to implement more pilots around sustainability. We also introduced our new BRUK team that focuses on innovation and trials.
Clear governance model including allocated roles and responsibilities	A sustainability governance model was further developed during 2020 and the CEG Sustainability Team is now part of our new Consumer Experience and Growth function to bring sustainability closer to our business and the consumer.
Plastics in packaging and in products	Plastics are part of the discussions around our circular economy commitment. We have set a target to have all packaging renewable, preferably recycled and further recyclable by 2030. For plastics in products we have clear quality and safety standards in place, although we are looking for more sustainable alternatives, where possible. Fiskars scissors made from 100% recycled or renewable materials are an example.
Manufacturing location	Fiskars Group manufactures products in its own factories and together with partners. The manufacturing location and working conditions in factories were raised in the stakeholder survey. We aim to increase transparency further and communicate more about our responsible manufacturing and quality standards.

UN Sustainable Development Goals

Our sustainability approach and commitments are based on content from the United Nations Sustainable Development Goals (SDGs) as well as on the analysis around the SDGs we conducted. These 17 SDGs were adopted by all UN Member States in 2015, as a part of the UN’s 2030 Agenda for Sustainable Development.

We began our work by using both external tools and materials published by the UN to dig deeper into each SDG and related sub-targets. These included SDG Lens by DNV GL and SDG Compass developed by GRI, the UN Global Compact and the World Business Council for Sustainable Development.

Through the SDG impact assessment, we identified three SDGs that were clearly important for us throughout the entire value chain, and these have both positive and negative impacts.

The first is number 12, Responsible consumption and production. As a consumer goods company, we have a crucial impact on, and the capacity to, affect people’s consumption habits. In general, producing and selling products could be seen as having a negative impact. Our potential to create a positive influence, however, is also considerable given our sustainable production, the fact that our products can last for generations and that possibilities exist around a new sustainable service-based business model.

We are already developing our environmental performance in terms of materials, substances of concern and waste management. There is still a lot to do and we could also expand our approach through a better understanding of

different topics, such as the lifecycle of our products and the impact of sustainable service models.

The second material SDG is number 10, Reduced inequalities. Fiskars Group employs 6,984 employees and there is an even more significant number of people working in our value chain. For us, diversity and equal treatment of all people are top priorities. On the other hand, we also have a responsibility to reduce inequalities; without adequate action, we might have a negative impact on this goal.

The third SDG we have pinpointed is number 13, Climate change. Our current core business is to produce products and deliver them to our customers and consumers throughout our supply chain. In each link of the value chain, from raw material extraction to the end-of-life of our products, we have a negative impact on climate change in the form of CO2 emissions. That said, we have already worked to reduce our negative impact; through our lasting design and new business models around circular economy, we are able to achieve a further positive impact.

All of these three SDGs were further integrated into our sustainability concept in 2019 when we renewed our long-term sustainability targets. We will look deeper into the potential of two other SDGs that were identified as possibly being relevant to us. There were also some

SDGs that could be more relevant for our business in the future, depending on how our business evolves over time. We believe that choosing pertinent SDGs and integrating them into the sustainability concept, targets, and action plans will support our work and help us to better communicate our focus areas.

FISKARS GROUP IMPACT ON SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

10 REDUCED INEQUALITIES

Negative

Positive

Through the SDG impact assessment, we identified three SDGs that were clearly relevant for us throughout the entire value chain with both positive and negative impacts.

Economic performance

GRI 201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

ECONOMIC PERFORMANCE, EUR million	2020	2019
Customers		
Sales	1,116	1,090
Suppliers		
Operating costs	668	696
Employees		
Wages and benefits	264	312
Public sector		
Corporate income taxes	20	18
Shareholders		
Payments to providers of capital	46	51
Creditors		
Interest	6	5
Communities		
Sponsorship and donations	0.6	0.5
Economic Value retained	112	8

Taxes

FISKARS GROUP DISCLOSURE: INCOME TAXES PAID, TOP 5 LARGEST COUNTRIES

In 2020, top five largest countries where Fiskars Group paid income taxes were U.S, Denmark, Finland, Sweden and Japan. Income taxes paid to these countries were in total EUR 18 million (2019: EUR 15 million).

Information reported in Disclosure 201-1 and in Fiskars Group disclosure is based on audited financial data.

Tax strategy

The Fiskars Group 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.

The Fiskars Group 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. The tax team is involved in business changes as early as the planning phase to ensure the 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 process and ensure that transactions and structures are treated based on their commercial substance. Our business, investment and location planning are 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 judgment based on facts.

To operate efficiently and to manage risks, we employ tax professionals, both internal and external, to manage our compliance obligations. We are committed to setting up and maintaining systems, processes and controls to ensure efficiency of our compliance functions.

Tax legislation and compliance requirements are subject to constant change in our operating environment. Fiskars Group's Tax team monitors changes in tax legislation and regularly review tax affairs and risk management procedures to ensure that Fiskars Group can identify, assess and mitigate tax risk.

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

Sustainable business practices

Our vision is to have a lasting, positive impact on our quality of life. To drive towards our vision, we follow certain ways of working and focus on operating in a unified way throughout our global operations.

Code of Conduct

The Fiskars Group Code of Conduct lays out the expectations and guiding principles for appropriate workplace behavior, helping all employees understand how to do business in an ethical, safe, sustainable and transparent manner. At Fiskars Group, the Code of Conduct is the primary everyday tool, providing guidance on a variety of topics we consider important for our business, which we have complemented with other policies and globally acknowledged guidelines and principles.

To make sure everyone at Fiskars Group knows how to operate in their day-to-day work and deepen their knowledge on important matters such as health and safety, data protection, and anti-bribery and corruption, we organize mandatory training sessions for all employees. New employees conduct the training during their onboarding. Every second year we train all our employees. In 2020 94% of our employees participated our renewed Code of Conduct e-learning training.

Supplier Code of Conduct

The Fiskars Group production strategy is based on combining our own manufacturing operations with

those of our selected suppliers. Our goal is to build a strong supplier network that can satisfy our business needs and meet our corporate values and expectations regarding social and environmental requirements.

The Fiskars Group Supplier Code of Conduct (SCOC) outlines the non-negotiable minimum standards Fiskars Group requires all of its suppliers to comply with when doing business with the company, illustrating the values and principles that are core to Fiskars Group operations worldwide. Topics covered in the SCOC include important topics such as health and safety, environmental protection, and human and labor rights.

It also describes Fiskars Group's commitment to international conventions such as the United Nations Guiding Principles on Business and Human Rights, the fundamental conventions of the International Labor Organization (ILO), OECD Guidelines for Multinational Enterprises and the 10 principles of the UN Global Compact.



External initiatives and memberships

We honor and promote universal human rights and equal opportunities in everything we do.

To demonstrate our commitment, Fiskars Group joined the UNGC, the world's largest corporate sustainability initiative, in 2016. Fiskars Group also actively participates in the local UNGC network in Finland and has a representative in the Board of the network.

International standards and guidelines create an important foundation for Fiskars Group's quality, environment, health and safety (QEHS) management. Our manufacturing units, distribution centers and our suppliers use the quality management standard ISO 9001, environmental management standard ISO 14001 and health and safety standard OHSAS 18001.

Currently, 86% (2019: 80%) of our manufacturing units are ISO 9001, ISO 14001 and ISO 45001 certified. The certifications will be expanded to cover more of our manufacturing units and distribution centers in the future.

Fiskars Group's main memberships in industrial organizations and in national or international advocacy organizations during 2020

- UN Global Compact
- The Association of Finnish Work
- FSC Finland
- Climate Leadership Coalition
- 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 Finland Network
- Outdoor Industry Association
- Association of the Museum of Technology
- Taxpayers Association of Finland
- Horticultural Trades Association
- International Trademark Association
- Finnish Quality Association



Responsible supplier management

In today’s world, the consumer is more conscious than ever before of the impact of their purchasing habits. People want to trust companies to operate in a sustainable and ethical manner.

Fiskars Group is building a strong supplier network that can meet our business needs, as well as our corporate values and expectations regarding social and environmental requirements.

We use a variety of raw materials, components and services to create our extraordinary products and bring them to consumers. We utilize a balance of our own, as well as external manufacturing for finished goods. Carefully managing the sourcing and purchasing is incredibly important in building a sustainable business.

Fiskars Group sources finished goods from suppliers located in Europe, North America and Asia, and the biggest sourcing countries are China, Thailand and Vietnam. During 2020, we audited 19% (2019: 37%) of all active finished goods suppliers under global sourcing. The number of audits among finished goods suppliers have decreased temporarily due to the COVID-19 pandemic.

Fiskars Group policies related to sustainable sourcing

Fiskars Group Supplier Code of Conduct (SCOC) outlines the non-negotiable minimum standards Fiskars Group requires all its suppliers to comply with when doing business with us, illustrating the values and principles

that are core to Fiskars Group’s global operations. The SCOC covers important topics such as health and safety, environmental protection, human and labor rights, business ethics and integrity, management systems and commitment as well as intellectual property rights.

Fiskars Group’s sourcing organization and other people dealing with external suppliers are guided by the Sourcing and Purchasing policy updated in 2020. It is an important guideline for all employees in managing indirect spend and for buying goods and services. The policy has been put into place to ensure that Fiskars Group follows a professional, controlled and sustainable sourcing and purchasing process, for services and materials provided by external suppliers. In short, it lists the do’s and don’ts of external spend.

Supplier sustainability audit program

Fiskars Group established a supplier audit program as early as 2011, and it has been continuously developed since then. The decision to conduct an on-site audit is based on a risk assessment that takes into consideration the country risk, the size of the business and the industry. All finished goods suppliers in risk countries are audited on-site by Fiskars Group. Fiskars Group has a professional

team of auditors that perform audits in the Far East and Southeast Asia. In addition, we use third party audit services to complement our own audits when needed.

An audit consists of document reviews, manufacturing unit tours, and workers’ interviews. Questions are divided into three levels of significance (zero tolerance, normal, advanced) and results are expressed as a percentage score.

In 2020, we conducted in total of 46 sustainability audits for our suppliers. During 2020, we also started to audit out-licensing partners and we completed nine audits using Fiskars Group SCOC criteria.

GRI 414-1 NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA

SUPPLIER SOCIAL ASSESSMENT	2020	2019
	78%	100%

Fiskars Group had nine new finished goods suppliers in 2020. Due to the COVID-19 pandemic we were not able to conduct complete on-site sustainability audit based on Supplier Code of Conduct to all of them.



GRI 308-1 NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA

SUPPLIER ENVIRONMENTAL ASSESSMENT	2020	2019
	78%	100%

Fiskars Group had nine new finished goods suppliers in 2020. Due to the COVID-19 pandemic we were not able to conduct complete on-site sustainability audit based on Supplier Code of Conduct to all of them.

Developing the reporting

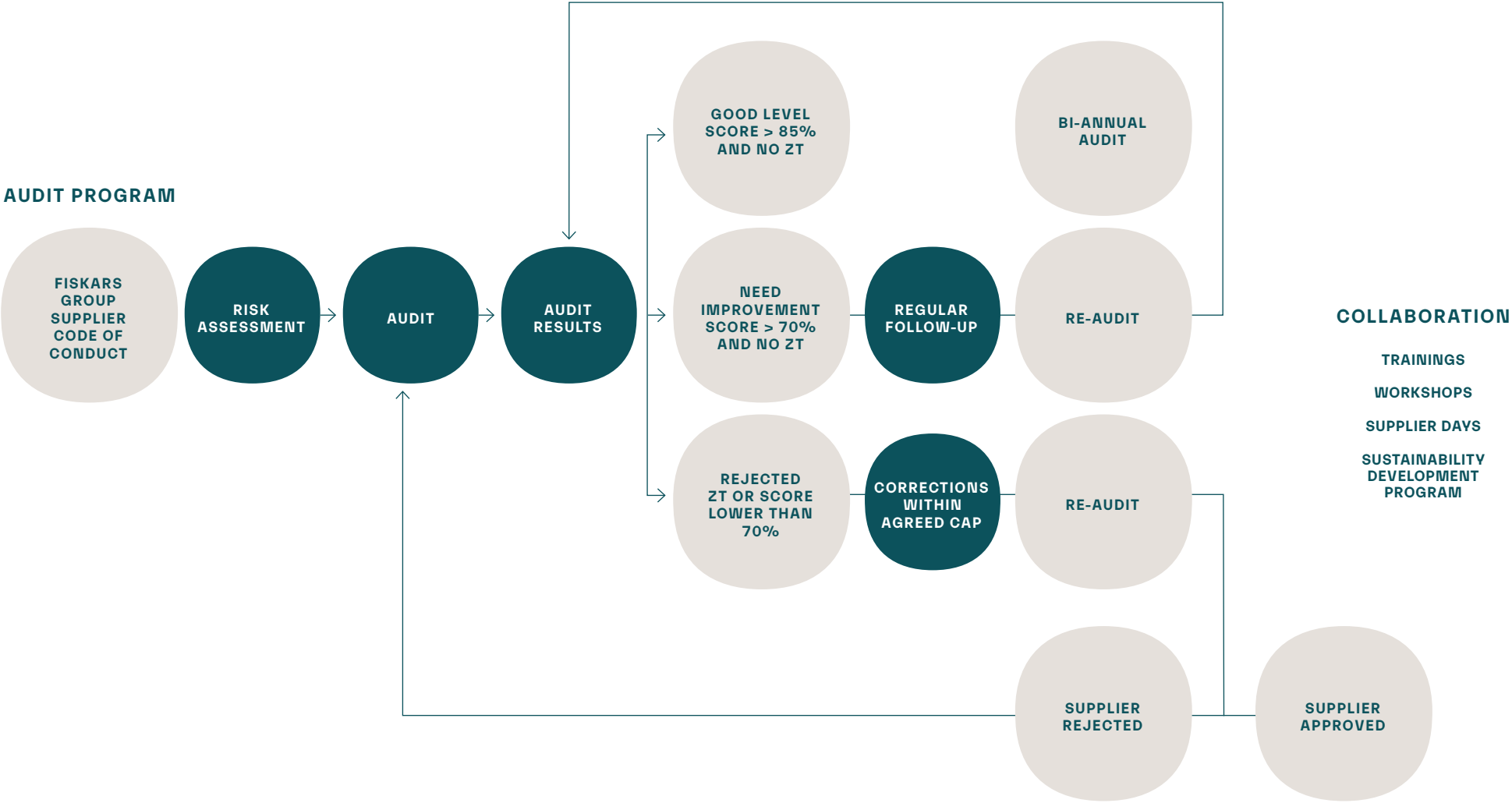
Our suppliers' operations and workers have an important role in helping to create our extraordinary products and it is crucial for us to ensure and support our suppliers in conducting business sustainably.

To support our key suppliers in their efforts to be efficient in terms of energy and materials, manage waste sustainably and reduce CO2 emissions, we are gathering related data from our key finished goods suppliers. We received data from 22 suppliers, covering over 66% of the finished goods sourcing spend.

We have committed that 60% of our suppliers by spend covering purchased goods and services will have science-based targets by 2024. Our work continues and in 2021 we plan to engage our suppliers regarding setting the targets for Scope 1 and 2 emissions.

RESPONSIBLE SUPPLIER MANAGEMENT

AUDIT PROGRAM



ZT = Zero tolerance findings

Biodiversity

Fiskars Group's business depends on nature and its resources.

Nature has been inspiration for many of our talented designers who have created iconic products. Giving back and protecting nature is crucial for our sustainable future. Our commitment to fight against throwaway culture highlights our approach to lasting design and sustainable use of raw-materials, which are the starting point for our approach to biodiversity protection.

Already couple of years ago we conducted a preliminary assessment of the biodiversity risks and opportunities for Fiskars Group. In our assessment, we defined what kind of ecosystem services we use and how we can impact them. For example, in production services we use raw materials and energy which we can impact through raw material selection and energy efficiency. In the future we will deepen our understanding between our business and biodiversity and further map the ecosystem services relevant for us.

Fiskars Group owns around 14,000 hectares of sustainably managed FSC™-certified (FSC C109750) and PEFC-certified (PEFC / 02-21-18) forests around the area of our Fiskars Village in Finland. Both the FSC and PEFC certification systems promote the responsible and sustainable management of the world's forests. Wood from sustainably grown trees is renewable and recyclable and the primary element in thousands of products we use every day. Sustainable forest management is important for us and helps us to maintain our forestland for decades to come.

CASE

WWF

The destruction of nature and biodiversity is a major contributor to pandemics such as COVID-19. Deforestation and forest degradation are critical contributing factors to increased contact between humans and wildlife. Fiskars Group wanted to take action to protect and preserve nature with WWF in the Greater Mekong region in Southeast Asia by donating EUR 50,000 for the biodiversity work.

We have assessed the carbon stock for our forests, describing the amount of carbon that has been sequestered from the atmosphere and is now stored within the forest ecosystem, mainly within living biomass and soil. According to the assessment conducted with Natural Resources Institute Finland the current carbon stock of the trees is 2.2 million tons CO₂ equivalent and combined carbon stock of the trees, other biomass and soils is 5.7 million tons CO₂ equivalent. The current annual carbon sink of the forest is 17,000 t CO₂ equivalent.

The carbon stock in our forests is significant. The results emphasize the importance of sustainable forest management and protection of forest biodiversity, enabling the development of carbon stock in the future.



WWF-Myanmar / Hkun Lat

CASE

The Greater Mekong is one of the most critical areas to preserve. The region used to be one of the most densely forested areas in the world in the 1970s but has since lost a third of its tree cover and is on course to lose another third between 2010 and 2030. As forest ecosystems have become smaller and more fragmented, there are more openings in the forest enabling unsustainable wildlife trade and species such as tigers and elephants are forced to live in smaller territories.

Tropical forests naturally host millions of species that carry pathogens, which is not a problem for humans as long as there is enough habitat for animals to stay a safe distance from civilization. By cutting down trees and decreasing forest cover and quality, however, we expose ourselves, particularly communities located near these forests, to new emerging infectious diseases. To reduce the risk of future zoonotic outbreaks, WWF-Greater Mekong is working with regional and national governments as well as civil society and private sector partners to protect forest habitats and the wildlife within them and to end the illegal wildlife trade.

In addition, Fiskars Group is collaborating with WWF in Finland to support Finnish nature's biodiversity and preserve and improve natural ecosystems. During the partnership, a part of the business-to-business sales of Fiskars Recycled Scissors and Iittala Design Recycled glass collection items will be donated to WWF Finland for the conservation of biodiversity in Finland. The collaboration consists of voluntary work events, which are a concrete way to protect biodiversity in the country while increasing awareness of the importance of biodiversity for the planet's wellbeing.

Restoring mangrove forest in Indonesia

Mangrove forests have significant impact on carbon emissions due to their ability to store high densities of organic carbon. In addition, mangroves promote biodiversity by providing a wide range of ecosystem services, including nutrient cycling, soil formation, fish spawning grounds, and protection against coastal erosion and impacts of storms. Mangroves have a significant role as a carbon sinks, which are unfortunately endangered by deforestation to make way for fish farming and agriculture.

To fight the destruction, Fiskars Group's PT Doulton ceramics factory in Indonesia has been working to help stop the deforestation by planting mangrove seedlings in the coastal areas of Indonesia annually since 2016. In total, 20,000 mangrove seedlings have already been planted over the years. To make these kinds of initiatives successful, it is crucial to collaborate with the local community, NGOs and the government. In addition to planting seedlings, the team has been tracking and supporting the growth of these mangroves.



Responsible water use

The use of water differs between our production sites depending on the type of end products and on technological solutions.

We use water mainly for cooling, heating and washing. Used water is recycled in our sites whenever possible to minimize the need for water intake. Our process waters are treated to meet the regulatory requirements before they are safely discharged. Our use of water does not adversely effect on other stakeholders use of water and we do not operate in areas with high water stress. We are committed to minimize and optimize the use of water in our operations if possible and our manufacturing units with significant water use have set their own water goals.

Our manufacturing units and distribution centers monitor and report their water usage. During 2020, we had water efficiency projects to decrease our water

consumption. For example, our manufacturing unit in Rogaska, Slovenia has technological changes in its cooling system reducing their water intake, and our manufacturing unit in Sorsakoski, Finland had a water efficiency project in the product washing reducing their water intake as well. Our manufacturing unit in Ningbo, China started a water efficiency project in 2018 generating significant water efficiency impacts even in 2020.

GRI 303-3 WATER WITHDRAWAL

WATER WITHDRAWAL BY SOURCE ALL AREAS, 1,000 m³	2020	2019
Surface water	239	226
Ground water	57	73
Third party water	135	174
Total	432	474

Water is reported based on invoicing and meters; surface water is based on meters



Product quality

Ensuring the high quality of our products and services is our top priority.

The voice of the consumer is crucial in capturing their needs and expectations. We utilize consumer and customer feedback systematically to see to it that we continue to be a trusted partner to our consumers and customers. We make sure that our products and services meet the requirements for durability, functionality, safety and aesthetic quality.

A deep commitment to quality is vital to our heritage and core to our purpose of making the everyday extraordinary. The Fiskars Group 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 implemented through our management systems and we are all responsible for integrating quality as part of our work. The Quality Policy was updated during 2020 and it covers the whole Fiskars Group.

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 exceed expectations of our consumers.

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; these are monitored on an ongoing basis, and the aim is always towards improvement. Training and coaching are 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 light of new technologies, legislation and best practices. The effectiveness of our product quality management approach is evaluated against how we are performing in relation to our targets and based on incidents of non-compliance. Our quality management approach is continuously developed based on consumer feedback and insights.

Our product development process focuses on the consumer. We rely on innovative technologies and thorough testing to meet and exceed their expectations. Our product developers invest time in using the products as they are meant to be used, and this includes everything from cooking to crafting to learning the skills for which we design tools. We also have several professionals from gardeners to chefs to test the products. We do this to better understand how to improve our products and make them more efficient, more intuitive to use and more enjoyable.

GRI 416-2 INCIDENTS OF NON-COMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES

CUSTOMER HEALTH AND SAFETY	2020	2019
Incidents of non-compliance with regulations resulting in a fine or penalty	5	2
Incidents of non-compliance with regulations resulting in a warning	0	0
Incidents of non-compliance with voluntary codes	1	0

In 2020 there were five incidents of non-compliance resulting in potential fines. Three related to Prop 65 requirement and two related to EU food contact requirements for primary aromatic amines. In 2020 there was one incident relating to a voluntary recall due to product failure and subsequent risk to user.

GRI 417-2 INCIDENTS OF NON-COMPLIANCE CONCERNING MARKETING COMMUNICATIONS

MARKETING AND LABELING	2020	2019
Incidents of non-compliance with regulations resulting in a fine or penalty	0	0
Incidents of non-compliance with regulations resulting in a warning	0	0
Incidents of non-compliance with voluntary codes	0	0

No incidents of non-compliance concerning marketing communications in 2020.

In 2020, we received a notice of non-compliance from Americans with Disabilities Act (ADA) related to availability of information on our website. The notice resulted in a fine.

Employee data

Fiskars Group's Human Resources organization is responsible for collecting, maintaining and reporting personnel data.

The company's global HR system contains versatile and comparable HR data globally. Harmonized global HR reporting principles and a systematic data validation process form the basis for data quality for our personnel related reporting. The employee data reported in the sustainability reporting for 2020 includes active Fiskars Group employees. Inactive employees on leave of absence (e.g. study leave, long-term sick leave, parental leave) are not included in the published data. The number of inactive employees is 3.8% of the total number of employees.

GRI 102-41 EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

Fiskars Group supports its employees' right to freedom of association and collective bargaining. Overall, 54% of Fiskars Group employees are covered by collective bargaining agreements. Participation in collective bargaining agreements varies significantly between regions, with the participation rates: Europe (78%), North America (26%) and Asia-Pacific (28%).

GRI 102-8 EMPLOYEES BY CONTRACT TYPE, GENDER, REGION AND WORK TIME

Number of employees by employment contract and gender

	REGULAR	FIXED TERM	TOTAL
Female	3,081 (3,363)	411 (470)	3,492 (3,833)
Male	2,832 (3,043)	87 (108)	2,919 (3,151)
Total	5,913 (6,406)	498 (578)	6,411 (6,984)

Number of employees by employment contract and region

	REGULAR	FIXED TERM	TOTAL
Europe	3,095 (3,381)	158 (214)	3,253 (3,595)
North America	863 (1,021)	5 (7)	868 (1,028)
Asia-Pacific	1,955 (2,004)	335 (357)	2,290 (2,361)
Total	5,913 (6,406)	498 (578)	6,411 (6,984)

Number of employees by work time and gender

	FULL-TIME	PART-TIME	TOTAL
Female	2,785 (3,008)	707 (825)	3,492 (3,833)
Male	2,820 (3,023)	99 (128)	2,919 (3,151)
Total	5,605 (6,031)	806 (953)	6,411 (6,984)

GRI 401-1 TOTAL NUMBER AND RATES OF NEW EMPLOYEES HIRES AND TURNOVER BY AGE GROUP, GENDER AND REGION

Total number and rate of new employees by age

	NEW HIRES	NEW HIRE RATE, %
Under 30	269 (565)	39.6 (47.4)
30-50	316 (506)	46.5 (42.4)
Over 50	94 (122)	13.8 (10.2)
Total	679 (1,193)	100.0 (100.0)

Total number and rate of new employees by gender

	NEW HIRES	NEW HIRE RATE, %
Female	412 (791)	60.7 (66.3)
Male	267 (402)	39.3 (33.7)
Total	679 (1,193)	100.0 (100.0)

Total number and rate of new employees by region

BY REGION	NEW HIRES	NEW HIRE RATE, %
Europe	431 (679)	63.5 (56.9)
North America	137 (202)	20.2 (16.9)
Asia-Pacific	111 (312)	16.3 (26.2)
Total	679 (1,193)	100.0 (100.0)

New hires calculation: (new hires per category/total number of new hires in 2020) *100

Total number of leavers and turnover rate by age

	NUMBER OF LEAVERS	TURNOVER RATE, %
Under 30	295 (363)	30.9 (31.4)
30-50	556 (717)	14.6 (17.3)
Over 50	349 (401)	21.2 (23.7)
Total	1,200 (1,481)	18.7 (21.2)

Total number of leavers and turnover rate by gender

	NUMBER OF LEAVERS	TURNOVER RATE, %
Female	733 (805)	21.0 (21.0)
Male	467 (676)	16.0 (21.5)
Total	1,200 (1,481)	18.7 (21.2)

Total number of leavers and turnover rate by region

BY REGION	NUMBER OF LEAVERS	TURNOVER RATE, %
Europe	693 (717)	21.3 (19.9)
North America	285 (237)	32.8 (23.1)
Asia-Pacific	222 (527)	9.7 (22.3)
Total turnover	1,200 (1,481)	18.7 (21.2)

Turnover rate calculation: (number of leavers/total number of employees per category as of December 31, 2020) *100. Total turnover includes voluntary and involuntary leavers as well as retirements.



Learning and development

Fiskars Group employees are empowered to learn and build their own competences and careers.

By promoting a growth mindset and providing our employees with tools and opportunities, they are able to hone their skills and build their careers in a constantly changing environment.

We believe in promoting internal talent, learning on the job and in networks with peers, accompanied by formal learning opportunities. Fiskars Group has developed several initiatives to enable learning for each method, from apprentice programs and courses to coaching and a mentoring program.

Learning on the job

Learning starts from everyone's everyday work. To respond to evolving demands and shifting challenges, we must continuously seek ways to perform our jobs better. Acknowledging this is the first step. After that, it is up to each individual to take the lead and drive their own development. We believe learning can be about taking small steps out of one's comfort zone through a new project or task, or about questioning the status quo and improving ways of working with a new perspective. Learning involves trying out ideas, failing fast and learning fast, and embracing the risk of mistakes. Fiskars Group supports on-the-job learning with several global programs.

Our talented people working in craftsmanship clearly demonstrate the benefits of learning on the job. We have apprentice programs in Finland, the UK, Ireland, and Slovenia.

These enable us to maintain and transfer special skills and knowledge our experts have gained over the years – such as unique techniques related to glass blowing, engraving and painting – to those eager to learn a new profession.

To become a glass master, for instance, one needs to embark on a journey that calls for a strong will and perseverance. The quality of handmade glass lies in the details, such as the thickness or weight of the glass. Getting this right requires not just experience, but also an extraordinary understanding of the material, how it behaves and how it can be transformed. It takes years of training and practice to reach a level where one can confidently meet our quality standards with every product that is created.

Learning from each other

Whether in a formal setting or a more casual context, we all accumulate a vast amount of knowledge throughout our professional lives, allowing us to shape our own points of view along the way. At Fiskars Group, we believe that skills and competences learned by interacting with other people are by nature richer than information from textbooks. Fiskars Group invests in many opportunities to nurture this way of learning, such as a mentoring program that pairs junior and senior employees, Leader360 feedback and evaluation, and team development activities.

Mentoring, in particular, has been very popular, and in 2020 there were around 40 pairs working with a variety

of topics, from career development to team building and from project management to customer journey.

Mentoring, in particular, has inspired our employees through new perspectives and enabled them to understand where their own work fits in the big picture. It has presented many mentees with possibilities as to their next career steps and their growth within Fiskars Group.

Learning by studying

Fiskars Group has a global learning development platform that has been designed to support Fiskars Group's business objectives. During 2020, all of our trainings have been delivered in an online format due to the pandemic.

Some of our training, such as those concerning the Fiskars Group Code of Conduct, is mandatory for all our employees. Others, such as targeted deep dive training sessions, are offered to inspire and develop our people. For example, Leadership Core training is about values-based leadership and revolves around a simple yet irrefutable truth: if you are going to lead others, you first need to lead yourself. Furthermore, Financial Acumen training provides employees with an overall understanding of financial metrics and the relationships between various aspects of Fiskars Group business. We have also used LinkedIn Learning as a platform to offer solutions for a range of learning needs.



**GRI 404-2 PROGRAMS FOR UPGRADING
EMPLOYEE SKILLS AND TRANSITION
ASSISTANCE PROGRAMS**

Fiskars Group’s learning philosophy is based on the 70-20-10 principle, which means that 70% of learning happens on the job, 20% when learning together with others, and only 10% of learning comes from courses or other formal studies.

We follow country-specific legal requirements and practices regarding the management of career endings. In situations that have a significant impact on individuals and local communities, we take steps to provide additional support, for example in the form of outplacement training and individual skill development.

E-learning completions

E-LEARNING	TOTAL, %
Code of Conduct ¹	93.5
GEAP & Sourcing and Purchasing Policy Training ²	54.5
Data Privacy Training ²	90.8
Competition Compliance ³	87.3

¹Mandatory for all employees
²Mandatory for office employees (launched in 2020)
³Mandatory for spesific employee groups based on their job

People performance process

The staple of Fiskars Group's leadership process is our annual people performance and development process.

The purpose of the process is to ensure clarity and focus of the goals on both a personal and company level. The process provides a common framework in which to discuss and keep track of our progress, foster employees' professional development as well as track and reward performance each year.

The year 2020 has been exceptional and the focus on the right goals and bolstering the right competencies has been extremely important. We have placed special effort into maintaining the quality of the goals to ensure they are actionable, measurable, and achievable as well as challenging and inspiring.

GRI 404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

BY EMPLOYEE GROUP	FEMALE, %	MALE, %	TOTAL, %
Office	99.6 (98.8)	99.7 (98.1)	99.6 (98.5)
Operative	3.7 (3.6)	4.1(2.9)	4.0 (3.2)
Retail	5.4 (5.5)	2.3 (5.9)	5.1 (5.5)
Total	33.3 (34.0)	35.6 (36.2)	34.3 (35.0)

New hires who joined before 1.10.2020 are part 2020 performance management process. The process is mandatory for office employees and optional for operative and retail.



Pay and reward

Compensation of personnel in Fiskars Group is a combination of several elements, such as base salary, incentives and benefits, as well as non-monetary rewards such as opportunities for learning, development and advancement.

Fiskars Group aims to provide a competitive base salary that is based on geographic location, level of responsibility, contribution to the business, experience and performance. According to the pay for performance principle, outstanding performance should provide higher rewards than average performance. Fiskars Group commits to non-discrimination and sets pay levels independently of gender, age, transgender identity or expression, ethnic origin, religion or other profession of faith.

Fiskars Group aims to ensure that majority of its employees can share in the success of the company. Therefore, the President and CEO and majority of employees of Fiskars Group are covered by an annual performance-based short-term incentive plan or by other performance-based incentive schemes, such as sales, retail and production related incentives. Rewards under the incentive schemes are paid based on the achievement of the set performance targets which are decided based on the requirements of the individual's position. The objective is to reward concrete achievements in implementing Fiskars Group's strategy and in achieving its business targets.

Also included in Fiskars Group total compensation program are additional recognition and spot awards, which are

targeted primarily for employees not eligible for our variable pay programs. The awards can be used by line managers in rewarding significant contribution and key project work to employees who go above and beyond their normal duties.

Benefits are offered to employees according to local market practices.

The Human Resources and Compensation Committee is regularly updated on the pay principles and practices in use across Fiskars Group to take these into account in setting the policy for the President and CEO. When considering base salary increases, the Committee reviews overall levels of base pay increases offered to other employees and other executives of the major geographies in which the company operates.



GRI Content Index

GRI 102: General Disclosures 2016

1. ORGANIZATIONAL PROFILE

GENERAL DISCLOSURES		PAGE NUMBER / ADDITIONAL INFORMATION	OMISSIONS	UNGC CROSS-REFERENCE
102-1	Name of the organization	Fiskars Group		
102-2	Activities, brands, products, and services	www.fiskarsgroup.com/about-us		
102-3	Location of headquarters	Helsinki, Finland		
102-4	Location of operations	www.fiskarsgroup.com/contacts		
102-5	Ownership and legal form	Fiskars Corporation is a public company and its shares are listed in Nasdaq Helsinki		
102-6	Markets served	www.fiskarsgroup.com/about-us		
102-7	Scale of the organization	www.fiskarsgroup.com/about-us		
102-8	Employees by contract type, gender, region and work time	p. 68	Fiskars does not collect information about workers not categorized as in employees in global HR reporting. The amount of workers not categorized as employees is considered non-significant. Fiskars has no significant seasonal variations in the employee data. Data has been collected through global HR system.	Principle 6
102-9	Supply chain	p. 61		
102-10	Significant changes to the organization and its supply chain	No significant changes		
102-11	Precautionary Principle or approach	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. www.fiskarsgroup.com/investors/corporate-governance/risk-management		
102-12	External initiatives	p. 60		
102-13	Membership of associations	p. 60		

2. STRATEGY

GENERAL DISCLOSURES		PAGE NUMBER / ADDITIONAL INFORMATION	OMISSIONS	UNGC CROSS-REFERENCE
102-14	Statement from senior-decision-maker	p. 11		

3. ETHICS AND INTEGRITY

GENERAL DISCLOSURES		PAGE NUMBER / ADDITIONAL INFORMATION	OMISSIONS	UNGC CROSS-REFERENCE
102-16	Values, principles, standards, and norms of behavior	p. 5–9		

4. GOVERNANCE

GENERAL DISCLOSURES		PAGE NUMBER / ADDITIONAL INFORMATION	OMISSIONS	UNGC CROSS-REFERENCE
102-18	Governance structure	www.fiskarsgroup.com/investors/corporate-governance/board-directors		

5. STAKEHOLDER ENGAGEMENT

GENERAL DISCLOSURES		PAGE NUMBER / ADDITIONAL INFORMATION	OMISSIONS	UNGC CROSS-REFERENCE
102-40	List of stakeholder groups	p. 55		
102-41	Employees covered by collective bargaining agreements	p. 68		Principle 3
102-42	Identifying and selecting stakeholders	p. 54		
102-43	Approach to stakeholder engagement	p. 54–55		
102-44	Key topics and concerns raised	p. 16–17, 56		

6. REPORTING PRACTICE

GENERAL DISCLOSURES		PAGE NUMBER / ADDITIONAL INFORMATION	OMISSIONS	UNGC CROSS-REFERENCE
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. 9		
102-47	List of material topics	p. 9, 17		
102-48	Restatements of information	No restatements		
102-49	Changes in reporting	No changes in reporting		
102-50	Reporting period	January 1, 2020 – December 31, 2020		
102-51	Date of the most recent report	Fiskars Group's Sustainability Report 2019 was published in February 2020		
102-52	Reporting cycle	Annual		
102-53	Contact point for questions regarding the report	sustainability@fiskars.com		
102-54	Claims of reporting in accordance with the GRI Standards	p. 4		
102-55	GRI content index	p. 74		
102-56	External assurance	p. 81		

Topic-specific Standards

GRI 201: ECONOMIC: 2016

	DISCLOSURE	DISCLOSURE DESCRIPTION	PAGE	OMISSION	UNGC CROSS-REFERENCE
Management approach disclosures	103-1	Explanation of the material topic and its boundaries	p. 58 www.fiskarsgroup.com/investors/fiskars-investment		
	103-2	The management approach and its components	p. 58		
	103-3	Evaluation of the management approach	p. 58		
Topic-specific disclosures	201-1	Direct economic value generated and distributed	p. 58		

GRI 302: ENERGY 2016

	DISCLOSURE	DISCLOSURE DESCRIPTION	PAGE	OMISSION	UNGC CROSS-REFERENCE
Management approach disclosures	103-1	Explanation of the material topic and its boundaries	p. 28–29		
	103-2	The management approach and its components	p. 28–29		
	103-3	Evaluation of the management approach	p. 28–29		
Topic-specific disclosures	302-1	Energy consumption within the organization	p. 30		Principle 7
	302-3	Energy intensity	p. 31		Principle 9
	302-4	Reduction of energy consumption	p. 31		Principle 7

GRI 303: WATER AND EFFLUENTS 2018

	DISCLOSURE	DISCLOSURE DESCRIPTION	PAGE	OMISSION	UNGC CROSS-REFERENCE
Management approach disclosures	103-1	Explanation of the material topic and its boundaries	p. 66		
	103-2	The management approach and its components	p. 66		
	103-3	Evaluation of the management approach	p. 66		
	303-1	Interactions with water as a shared resource	p. 66		
	303-2	Management of water discharge-related impacts	p. 66		
Topic-specific disclosures	303-3	Water withdrawal	p. 66		Principle 8

GRI 305: EMISSIONS 2016

	DISCLOSURE	DISCLOSURE DESCRIPTION	PAGE	OMISSION	UNGC CROSS-REFERENCE
Management approach disclosures	103-1	Explanation of the material topic and its Boundaries	p. 28–29		
	103-2	The management approach and its components	p. 28–29		
	103-3	Evaluation of the management approach	p. 28–29		
Topic-specific disclosures	305-1	Direct (Scope 1) GHG emissions	p. 32		Principle 7, 8, 9
	305-2	Energy indirect (Scope 2) GHG emissions	p. 32		Principle 7, 8, 9
	305-3	Other indirect (Scope 3) GHG emissions	p. 32		Principle 7, 8, 9
	305-4	GHG emissions intensity	p. 32		Principle 7, 8, 9
	305-5	Reduction of GHG emissions	p. 32		Principle 7, 8, 9

GRI 306: EFFLUENTS AND WASTE 2016

	DISCLOSURE	DISCLOSURE DESCRIPTION	PAGE	OMISSION	UNGC CROSS-REFERENCE
Management approach disclosures	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		
Topic-specific disclosures	306-2	Waste by type and disposal method	p. 27		Principle 8
	306-3	Significant spills	p. 31		

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016

	DISCLOSURE	DISCLOSURE DESCRIPTION	PAGE	OMISSION	UNGC CROSS-REFERENCE
Management approach disclosures	103-1	Explanation of the material topic and its Boundaries	p. 61–63		
	103-2	The management approach and its components	p. 61–63		
	103-3	Evaluation of the management approach	p. 61–63		
Topic-specific disclosures	308-1	New suppliers that were screened using environmental criteria	p. 62		Principle 7

GRI 401: EMPLOYMENT 2016

	DISCLOSURE	DISCLOSURE DESCRIPTION	PAGE	OMISSION	UNGC CROSS-REFERENCE
Management approach disclosures	103-1	Explanation of the material topic and its Boundaries	p. 68		
	103-2	The management approach and its components	p. 68		
	103-3	Evaluation of the management approach	p. 68		
Topic-specific disclosures	401-1	Total number and rates of new employees and turnover by age group, gender and region	p. 68–69		Principle 6

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

	DISCLOSURE	DISCLOSURE DESCRIPTION	PAGE	OMISSION	UNGC CROSS-REFERENCE
Management approach disclosures	103-1	Explanation of the material topic and its Boundaries	p. 39–42		
	103-2	The management approach and its components	p. 39–42		
	103-3	Evaluation of the management approach	p. 39–42		
	403-1	Occupational health and safety management system	p. 39–42		
	403-2	Hazard identification, risk assessment, and incident investigation	p. 39–42		
	403-3	Occupational health services	p. 39–42		
	403-4	Worker participation, consultation, and communication on occupational health and safety	p. 39–42		
	403-5	Worker training on occupational health and safety	p. 39–42		
	403-6	Promotion of worker health	p. 39–42		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 39–42		
Topic-specific disclosures	403-9	Work-related injuries	p. 41		Principle 6

GRI 404: TRAINING AND EDUCATION 2016

	DISCLOSURE	DISCLOSURE DESCRIPTION	PAGE	OMISSION	UNGC CROSS-REFERENCE
Management approach disclosures	103-1	Explanation of the material topic and its Boundaries	p. 70–72		
	103-2	The management approach and its components	p. 70–72		
	103-3	Evaluation of the management approach	p. 71		
Topic-specific disclosures	404-2	Programs for upgrading employee skills and transition assistance programs	p. 70–72		Principle 6
	404-3	Percentage of employees receiving regular performance and career development reviews	p. 72		Principle 6

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

	DISCLOSURE	DISCLOSURE DESCRIPTION	PAGE	OMISSION	UNGC CROSS-REFERENCE
Management approach disclosures	103-1	Explanation of the material topic and its Boundaries	p. 43–44		
	103-2	The management approach and its components	p. 43–44		
	103-3	Evaluation of the management approach	p. 43–44		
Topic-specific disclosures	405-1	Diversity of governance bodies and employees	p. 44		Principle 6

GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016

	DISCLOSURE	DISCLOSURE DESCRIPTION	PAGE	OMISSION	UNGC CROSS-REFERENCE
Management approach disclosures	103-1	Explanation of the material topic and its Boundaries	p. 61–63		
	103-2	The management approach and its components	p. 61–63		
	103-3	Evaluation of the management approach	p. 61–63		
Topic-specific disclosures	414-1	New suppliers that were screened using social criteria	p. 61		Principle 1, 2

GRI 416: CUSTOMER HEALTH AND SAFETY 2016

	DISCLOSURE	DISCLOSURE DESCRIPTION	PAGE	OMISSION	UNGC CROSS-REFERENCE
Management approach disclosures	103-1	Explanation of the material topic and its Boundaries	p. 67		
	103-2	The management approach and its components	p. 67		
	103-3	Evaluation of the management approach	p. 67		
Topic-specific disclosures	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p. 67		

GRI 417: MARKETING AND LABELING 2016

	DISCLOSURE	DISCLOSURE DESCRIPTION	PAGE	OMISSION	UNGC CROSS-REFERENCE
Management approach disclosures	103-1	Explanation of the material topic and its Boundaries	p. 67		
	103-2	The management approach and its components	p. 67		
	103-3	Evaluation of the management approach	p. 67		
Topic-specific disclosures	417-2	Incidents of non-compliance concerning product and service information and labeling	p. 67		

Independent Limited Assurance Report to the Management of Fiskars Group

Scope of Engagement

Fiskars Group ("Fiskars") commissioned **DNV GL Business Assurance Finland OY/AB** ("DNV GL") to conduct a limited assurance engagement over selected sustainability disclosures presented in the Fiskars Group Sustainability Report ("Report") for the period 1st January to 31st December 2020.

Selected Information

The scope and boundary of our work is restricted to the General and Topic-specific GRI disclosures (the "Selected Information"). The location of Selected Information in the Report is specified in the "GRI Content Index".

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used Global Reporting Initiative's GRI Standards and Fiskars' internal reporting instructions (the "Criteria").

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on Fiskars' website for the current reporting period.

Our conclusions

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 the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria. We believe that the Report is in line with the "Core" requirements of the GRI Standards.

This conclusion relates only to the Selected Information and is to be read in the context of this Assurance Report, in particular with the inherent limitations explained below.

Standard and level of assurance

We performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements Other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and that we plan and perform the assurance engagement to obtain limited assurance.

DNV GL applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, 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.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less detailed than those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so the risk of this conclusion being in error is reduced, but not completely eliminated.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. Our work included, but was not restricted to:

- Assessing the appropriateness of the Criteria for the Selected Information;
- Conducting interviews with Fiskars' management to obtain an understanding of the data management systems and processes used to generate, aggregate and report the Selected Information;

- Conducting one on-site site and one remote audit to review processes and systems for preparing site-level data consolidated at Head Office. The on-site visit was conducted at:
 - Fiskars Iittala Glass Factory, Finland
 - and the remote site visit at:
 - Fiskars Distribution Center Sydney, Australia.

DNV GL was free to choose the sites on the basis of materiality;

- Reviewing data at source and following this through to consolidated Group data;
- Reviewing whether the evidence, measurements, and scope of the Selected Information is prepared in accordance with the Criteria;
- Reviewing the Report and narrative accompanying the Selected Information in the Report with regard to the Criteria;
- Evaluation of the disclosed information in the Report against the requirements for "in accordance with the GRI Standards: Core option".

Inherent limitations

Our assurance relies on the premise that the data and information provided to us by Fiskars as part of our review procedures have been provided in good faith. Because of the selective nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities may not have been detected. Energy use data utilized in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for determining such data. Finally, the selection of different but acceptable measurement techniques may result in materially different measurements.

DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Report.

Our competence, independence and quality control

DNV GL's established policies and procedures are designed to ensure that DNV GL, its personnel and – where applicable – others subject to independence requirements (including personnel of other entities of DNV GL) maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals; the members of that team have not been involved in the development of any of the Criteria. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Responsibilities of the Management of Fiskars and DNV GL

The Management of Fiskars has sole responsibility for:

- Preparing and presenting the Selected Information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;

- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to Fiskars in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

For and on behalf of DNV GL Business Assurance Finland OY/AB
Espoo, Finland

15th February 2021

Mikael Niskala
Lead Auditor
DNV GL – Business Assurance

Souvik Kumar Ghosh
Principal Consultant and Reviewer
DNV GL – Business Assurance

FISKARS



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