



Fiskars Group Environmental Policy

Version history

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1. Purpose and scope

The Fiskars Group Environmental Policy describes environmental principles with which all employees, directors, officers, board members, consultants, and other personnel working under Fiskars Group's direction (referred to as 'Fiskars People') are expected to comply.

The purpose of this policy is to:

- Support our sustainability commitments
- Provide a framework for function-specific guidelines
- Reduce our negative environmental impact
- Increase environmental awareness within the organization
- Communicate our environmental guidelines to stakeholders
- Support decision making across the organization

In addition to this policy's content, Fiskars Group is committed to full compliance with all relevant countries' applicable environmental laws and regulations and the continuous improvement of our environmental performance. All our business is conducted according to the law and with integrity.

2. Ownership, review, and approval

The Fiskars Group Supply Chain Function is accountable for this Environmental Policy. The policy is regularly evaluated to ensure it is up to date. It is approved by the Fiskars Group Leadership Team (FGLT).

3. Communication of policy

The Fiskars Group Supply Chain Function is responsible for the communication, training and interpretation of this policy and for advising on its implementation. The Environmental Policy is available on the Fiskars Group intranet, on the Fiskars Group public website and as a one-pager at all Fiskars Group manufacturing units and distribution centers. The policy is reviewed annually and updated by the Supply Chain Function when necessary.

4. Document's location in the policy hierarchy and framework

This policy's location in the policy hierarchy and framework is Supply Chain (1.G).

5. Environmental communication and management

The primary external channels in which we publish our environmental elements and work are the annual Fiskars Group sustainability report, the Fiskars Group website and the CDP environmental disclosure platform. We also report our key environmental figures and achievements in our quarterly interim reports. Fiskars Group employees are frequently updated on environmental topics through internal communication channels.

Our supply chain and new product development process and manufacturing units and distribution centers are multisite certified in accordance with the ISO 14001 standard. The standard is our framework for advancing continuous improvement in processes and

environmental performance. We require our strategic suppliers to have a documented and implemented environmental management system.

◆ All manufacturing units, distribution centers and suppliers must ensure that they obtain, update and follow the reporting guidelines for all the required environmental permits and registrations. All employees of manufacturing units and distribution centers are responsible for reporting any observed environmental incidents to the EHS (Environment, Health and Safety) responsible of the site. The EHS responsible must report the observation, along with the root cause and corrective actions, with the 'Environmental Incident' reporting function on Falcony without delay.

6. Design for circularity

To maximize the value of natural capital, we develop circular solutions throughout our value chain and aim for most of our net sales to come from circular products and services.

Creating durable products and timeless design is our primary objective. We are continuously engaged with material development and identifying ways to reduce waste streams in production. We develop global sustainable practices for our product and packaging design. We consider environmental impacts in designs with specific sustainability guidelines, including checklists and material evaluations. These guidelines must be kept updated. The Business Areas (BAs) are responsible for defining and developing materials used in products and packaging in line with the sustainability guidelines in close cooperation with the Supply Chain Function.

We seek a further extension of our products' useful life by developing current reselling and repairing solutions and exploring new ones. We also explore solutions for our products' end of life, such as recycling and take-back services. We encourage consumers to recycle packaging by providing the appropriate recycling instructions on most product packages.

7. Sustainable materials

We consider the sustainability of the materials we use and actively explore new more sustainable options. We cooperate with major raw material suppliers to identify, pilot, and implement more competitive and sustainable new raw materials. We also investigate new potential material suppliers. We aim to keep any substances potentially harmful to environmental and human wellbeing out of our products and manufacturing processes. We review them annually and proactively reduce or eliminate the use of certain substances or materials. All raw material, component, and packaging suppliers must commit to the Fiskars Group Supplier Code of Conduct, which presents our social and environmental requirements for their operations.

Packaging materials

We prioritize the use of renewable and recyclable packaging materials. We reduce plastic packaging materials and replace virgin plastic packaging with renewable materials such as cardboard and recycled materials when feasible. We improve current package designs and create new ones that reduce overall material use, are easier to recycle, and enhance packaging efficiency in transportation. We reduce plastic packaging filling material and use it only when necessary.

Polyvinyl Chloride (PVC) is used in some of our packaging in certain markets. We are phasing out PVC from our packaging.



Plastic

We aim to replace virgin fossil-based raw materials in products with recycled plastic or other more sustainable alternatives when possible and appropriate. We follow the development of recycled and renewable products and test new ones, as they play a growing role in our products. We actively monitor new opportunities in close collaboration with our suppliers and other stakeholders. We are seeking appropriate solutions to remove the remaining Polyvinyl Chloride (PVC) from our products.

Glass and ceramics

We develop our glass and ceramic recipes to introduce more sustainable ingredients, observe new advanced technologies and identify new opportunities to utilize recycled material. We are working to expand the use of waste glass and ceramic materials in production. We are actively investigating alternative uses for waste materials from ceramic production.

As product safety is a top priority for us, we continue to eliminate the intentional use of lead in our glassware and ceramics.

Metals

Steel and aluminum, the most common metals in our products, typically have a high recycled material content. By seeking new opportunities and collaborating with suppliers, we have included metals in our product lines that have a higher recycled content and lower emissions than conventional products. We aim to further increase the use of such metals.

We only use responsible suppliers which comply with appropriate standards and conflict mineral regulations. We must maintain a traceability system within the supply chain which verifies that the relevant metals have been certified conflict-free by an independent accredited third party.

Wood and other organic materials

We do not use restricted and endangered wood species. We aim to only use wood from certified sustainable forests. The Forest Stewardship Council™ (FSC™ certification FSC C108780) is one of the certifications we accept to ensure that the wood we use comes from traceable and responsible sources. We ensure that our range of FSC-certified product selection and markets meets our consumers' and customers' continuously developing demands.

Other materials

We prefer to use natural or recycled fibers in our textile products and aim to only use certified organic cotton in our cotton products. We continue to investigate and scale the use of appropriate globally known and trusted certifications for different textile fibers.

We act to ensure our animal-derived raw materials are ethically sourced. Suppliers of such materials must comply with animal welfare laws and regulations. We only use mulesing-free

wool. In addition, in animal-derived materials, we only use raw materials that are by-products from the food industry, for example.



Fiskars Group's limited range of foods and beverages must always be sourced responsibly. Our aspiration is to scope the most appropriate sustainability certifications for tea and coffee.

8. Safe chemical use and management

We are committed to protecting the environment and the health of customers, employees, and those who work in our supply chain. Our chemical and substance restrictions are based on chemical legislation relevant to our business and our preference for using less hazardous chemicals.

To ensure our suppliers comply with material restrictions and product safety requirements, they must sign the Fiskars Group Supplier code of conduct and are regularly audited. Suppliers are also required to provide details of the chemicals used in our products.

9. Zero waste to landfill

Our aim is that none of the waste from our operations (manufacturing units, distribution centers, retail, and offices) goes to landfill. To achieve this, we prioritize waste reduction activities and management in accordance with the European waste hierarchy (Figure 1).

Above all, we must always minimize the amount of waste we generate. When waste cannot be prevented, materials must be reused or recycled as much as possible. In our manufacturing, we increase the reprocessing of scrap internally without compromising product quality. In all our operations, we must identify waste, have sorting instructions in place and sort waste appropriately. All employees are responsible for sorting and recycling. We actively seek and utilize external recycling partners. We prefer to recover any remaining waste's energy than to landfill it.

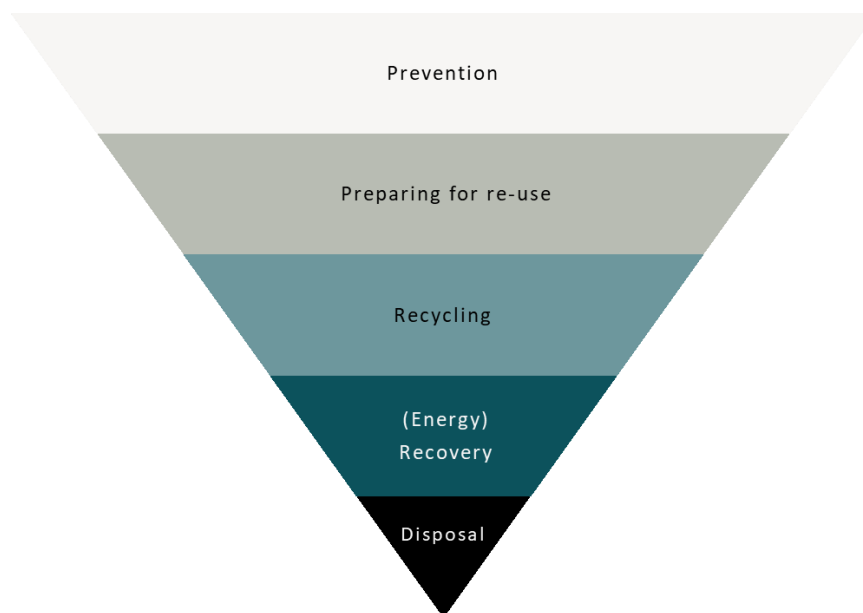


Figure 1. Waste hierarchy based on the EU Waste Framework Directive's five-step waste hierarchy.

All our waste vendors require a permit for waste treatment or disposal. We work with external partners to ensure that they use the most efficient and responsible disposal techniques to manage our waste.

As we aim to manage and minimize waste throughout our value chain, we also gather waste management data from our key finished goods suppliers. Our own manufacturing units and distribution centers map and measure waste and investigate opportunities to reduce its generation.



10. Reducing emissions

Fiskars Group has set science-based targets (SBTs) approved by the Science Based Targets initiative to reduce greenhouse gas emissions. We reduce our emissions by being more energy efficient and switching to or investing in renewable energy. We measure our impact throughout the value chain and work with our partners to reduce it. Environmental aspects such as emission and water impact are criteria for our investment analysis.

Energy efficiency

We enhance energy efficiency by implementing energy-saving activities in both our processes and facilities and in improving process efficiency. All Fiskars Group employees are responsible for the economical use of energy. We act to increase our employees' and suppliers' awareness and knowledge of the topic.

Renewable energy

We increase the share of renewable energy in our energy consumption by either purchasing or producing renewable energy. We aim to use renewable electricity at all our manufacturing units and distribution centers. We regard solar power as an excellent option, especially when renewable energy is not available for purchase. We install solar panels in our facilities wherever it is feasible and economically reasonable within the frame of country-specific legislation. We are working to replace fossil fuels such as natural gas and propane with alternative production methods or renewable substitutes such as biogas.

Supplier engagement

To reduce our emissions throughout our value chain, we encourage our raw material, component, and finished goods suppliers to set science-based targets at least for their Scope 1 and 2 emissions. We engage with our key suppliers through training, communication materials, workshops, supplier days, and sustainability development programs.

11. Mitigating the impact of logistics

We report our inbound and outbound transportation and distribution emissions annually. We collect greenhouse gas emission reports directly from key logistics service providers, as reliable data helps us monitor and identify ways to progress toward our emissions reduction target. We also have regular discussions with our logistics service providers about their sustainability plans and targets to evaluate whether our partners share similar ambitions.

We collaborate with our customers and logistics service providers to increase the effectiveness and efficiency of transportation. The negative environmental impact of logistics is mitigated by the careful consideration of transportation modes used and the optimization of packaging efficiency and route planning.

We also consider the environmental impact when planning and arranging business travel. We use remote meetings whenever possible. We report our business travel emissions

annually. To minimize our employee work commuting emissions, we take measures like encouraging the use of lower emission transportation modes and allowing remote working when applicable.



12. Responsible water use

Water use differs between our manufacturing sites, depending on the products produced and technology used. We use water mainly for cooling, heating, and washing. Used water is recycled at our sites whenever possible to minimize water intake. Our process waters must be treated to meet regulatory requirements before they can be safely discharged. We are committed to minimizing and optimizing water use in our operations, and our aim is that all relevant manufacturing units will set their own water efficiency goals.

13. Biodiversity conservation

Our fundamental approach to biodiversity protection is to create durable products and the sustainable use of raw materials. We continue to deepen our understanding between our business and biodiversity and further map the ecosystem services relevant for us.

We own sustainably managed FSC™-certified (FSC C109750) and PEFC-certified (PEFC / 02-21-18) forests surrounding our Fiskars Village in Finland. Sustainable forest management allows us to contribute to the protection of forest biodiversity. We also collaborate and run projects with local communities and NGOs to support biodiversity and preserve and improve natural ecosystems.

Appendix



DEFINITIONS

<i>Term</i>	Definition
<i>Biodiversity</i>	The range of living organisms in a given area.
<i>CDP (Carbon Disclosure Project)</i>	A not-for-profit charity that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.
<i>Circular Economy</i>	The circular economy is an economic model in which the consumption or extraction of natural resources and economic growth are decoupled. In the circular economy, consumption can be based on the use of services rather than the ownership of physical assets: sharing, renting, and peer-to-peer recycling. It aims to maintain the value of products, materials, and resources for as long as possible by returning them to the product cycle at the end of their first cycle use, while minimizing the generation of waste, the use of virgin natural resources and environmental impacts. Resource efficiency and circular processes are characteristic of the circular economy. It is therefore the opposite of the linear economy and take-make-waste culture.
<i>Conflict minerals</i>	Raw minerals that directly or indirectly finance or benefit armed groups, fuel forced labor and other human rights abuses, and support corruption and money laundering. The most susceptible minerals include the 3TG group, including tantalum, tin, tungsten, gold, and diamonds. The countries or areas considered to be conflict-affected or high-risk are those: <ul style="list-style-type: none">• Whose natural resources include minerals in high demand locally, regionally or globally.• Which are suffering armed conflict such as a civil war or a state of fragile post-conflict or witnessing weak or non-existent governance and systematic violations of international law, including human rights abuses.
<i>Conflict-free minerals</i>	The opposite of conflict minerals, i.e., the 3TG minerals group (see <i>conflict minerals</i>), and those not mined and sourced from conflict-affected or high-risk countries or areas.
<i>Disposal</i>	Disposal means any operation which is not recovery, even where the operation has as a secondary consequence the reclamation of substances or energy.
<i>FSC</i>	The Forest Stewardship Council® (FSC) is an international non-profit organization that seeks to promote the responsible management of the world's forests. FSC Chain of custody certification provides credible assurance for products with environmentally and socially responsible sources to access the market.

Hazardous waste Hazardous waste poses a greater risk to the environment and human health than non-hazardous waste and therefore requires a stricter control regime defined by national legislation.



The properties of waste that make it hazardous include explosiveness, high flammability, irritation, harmfulness, toxicity, infectiveness, carcinogenicity, and mutagenicity. Hazardous waste cannot be recycled as other fractions and should be disposed of carefully in accordance with the national legislation, usually with a specialist partner.

REACH Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) is a European Union regulation which addresses the production and use of chemical substances and their potential impacts on both human health and the environment.

Recycling A process in which discarded materials are collected, sorted, and reprocessed for use in another manufacturing process for the purpose of making the original material or article, or alternatively for the manufacture of other products, materials or substances. This process excludes energy recovery. Depending on the material, recycling can be done either mechanically or chemically. Recycling can take place after an industrial process or after consumer use in a national recycling system or by a separate recycling operator.

The aim of recycling is to minimize the extraction of natural resources, as well as their disposal through landfill and incineration.

Renewable material Materials that are extracted or made from biological and inexhaustible natural resources, which can replenish themselves after human extraction within a limited period (e.g., biomass, wood, plants). If renewable resources are used sustainably (i.e., the consumption rate is less than the production capacity), extraction does not affect their long-term availability, and there is thus no depletion of material resources. Renewable material is the opposite of an exhaustible, fossil-, mineral- or ore-based material.

Reuse Reuse is the use of materials or products more than once (e.g., the refilling of bottles). Context: The reintroduction of a residual material into a production (or consumption) process so that it is used as an input in its original form.

Science-based targets (SBTs) Greenhouse gas reduction targets that are in line with the reduction speed and scale that the latest climate science has determined in order to prevent the worst effects of climate change.

Science Based Targets initiative (SBTi) A partnership between the United Nations Global Compact, World Resources Institute (WRI), Carbon Disclosure Program (CDP), and the World Wide Fund for Nature (WWF). The initiative provides tools for companies and financial institutions to set science-based targets.

Scope 1 Direct greenhouse gas emissions from sources that are owned or controlled by an organization.

Scope 2 Indirect greenhouse gas emissions from the generation of purchased energy (e.g., purchased or acquired electricity, heating, cooling, and steam consumed by an organization).