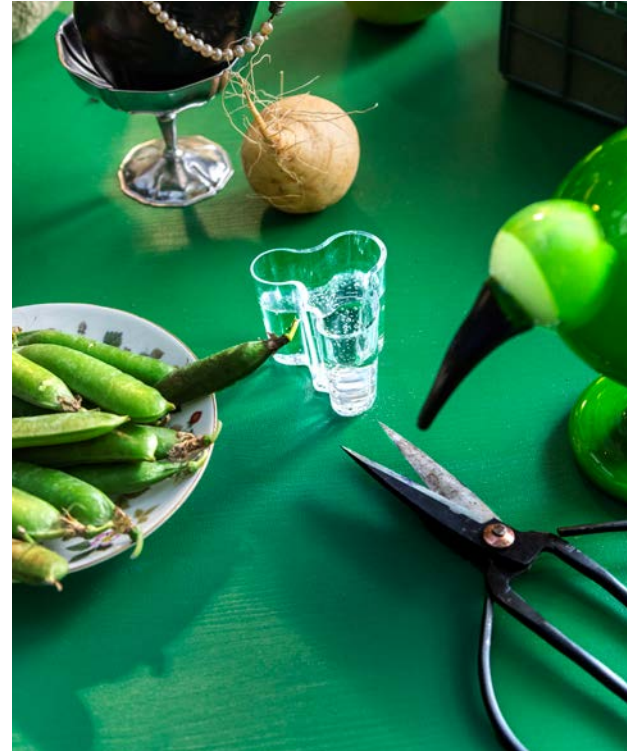


◆ Remuneration  
Report 2022





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# Dear shareholder,

On behalf of the Board, I am pleased to present Fiskars Group's 2022 Remuneration Report. This report outlines the remuneration paid or due to the Board members, the President and CEO, and the Deputy to the President and CEO for the financial year 2022 in line with the Remuneration Policy of the Governing Bodies of Fiskars Group approved at the Annual General Meeting 2022. The Remuneration Report has been prepared in accordance with the Finnish Corporate Governance Code 2020 and the requirements set forth in the Finnish Limited Liability Companies Act, the Finnish Securities Markets Act, and the Decree of the Ministry of Finance.

The remuneration for the Board of Directors and the CEO and Deputy to the CEO during the financial year was executed in accordance with the Remuneration Policy. There has been no deviation from the Policy, and no remuneration of the CEO or the Board has been reclaimed or restated during 2022.

## Our remuneration principles

The total compensation of the Board members, consisting of their annual remuneration and meeting fees, is defined to attract and retain qualified and high-caliber Board members and to fairly compensate them in line with the complexity

and nature of the Company's business. The role of the Board is to set Fiskars Group's strategy and long-term targets and to monitor their implementation.

The key principles applied to the CEO and Deputy to the CEO's remuneration are a strong emphasis on pay-for-performance, a competitive earning opportunity, and a focus on shareholder value creation by aligning their interests with those of the shareholders. The variable performance-based short-term and long-term incentives form the largest element of remuneration, thereby aligning the remuneration and Company's performance and reflecting the objective that remuneration should be closely tied to the Company's strategy and its long-term financial success.

## Performance and remuneration outcomes in 2022

In 2022, the financial KPIs impacting the short-term incentive were EBIT margin improvement, Net Sales growth and Cash Flow. These KPIs emphasized the importance of profitable growth, funding for future growth, and shareholder value creation.

2022 was volatile due to a challenging operating environment and significant cost inflation. While the year started with strong sales growth in the

first half, the second half was impacted by weaker demand. This resulted in comparable net sales growth of 1.7%, which was below the set threshold level. Thanks to successful cost inflation mitigation, comparable EBIT was not far from the previous year's all-time high, and the comparable EBIT margin reached 12.1%. However, this was still below the payment threshold level. Cash flow was negatively impacted by the high level of inventories throughout the year. Although we were able to turn the trend in the last quarter, the full-year outcome for cash flow was below the threshold. Therefore, no short-term incentive is payable to the CEO and the Deputy to the CEO based on the 2022 results.

The performance period 2020–2022 of the Company's Performance Share Plan expired at the end of 2022. The performance criteria applied to this plan were Total Shareholder Return, Net Sales Growth, and Net Working Capital. For Total Shareholder Return, the maximum performance level was met, reflecting the positive development of the Company's share price during the three-year period, and the target performance level was exceeded for the Net Sales criterion. The Net Working Capital threshold was not met, mainly due to increased inventories. The CEO is eligible for a reward from the plan based on the achievement of the criteria and on her time as the CEO during the performance period.

## Looking ahead to 2023

Profitable organic growth remains the focus of the Company's strategy. When deciding the KPIs for the year, we also have to consider the impact of the current market environment. As 2023 looks challenging from this perspective, the KPIs in the short-term incentive plan will be more linked to cash flow and profit. The KPIs will be confirmed separately for the first and second half of the year to ensure they are as relevant as possible.

A criterion related to the circular economy will be included in the Performance Share Plan for 2023–2025 in line with our long-term sustainability targets and strategy.

We will continue to review and develop our remuneration practices to ensure they support our Growth strategy. We also welcome feedback from our shareholders and other stakeholders on our remuneration practices, as well as on our communication about them.

### Paul Ehrnrooth

Chair of the Board of Directors

## Development of remuneration and financial development over the past five years

The table illustrates how the development of the fees of the Board of Directors and the remuneration of the CEO compares to the development of the average remuneration of employees, as well as to the Company's EBIT and Total Shareholder Return over the past five years.

	2022	2021	2020	2019	2018
Board of Directors (total EUR thousand)	762	573	717	664	746
President and CEO (base salary Dec 31, EUR thousand, rounded)	486	456	456	500	500
Different employee groups' average base salaries (EUR thousand) <sup>1</sup>					
Office	60.2	56.2	55.2	56.4	54.3
Retail	26.2	27.0	26.6	26.7	25.9
Operations	15.0	15.4	15.1	15.1	13.5
Financial development:					
Comparable EBIT (EUR million)	151.0	154.2	109.0	77.8	100.8
Total Shareholder Return <sup>2</sup>	-30%	58%	36%	24%	-42%

<sup>1</sup> Full-time equivalent

<sup>2</sup> The calculation is theoretical and based on the assumption that dividends could be reinvested at the Fiskars share price, excluding the value of Wärtsilä holdings. Dividends paid in Wärtsilä shares in June 2019 are eliminated. The portion of regular cash dividends corresponding to dividends received on Wärtsilä shares is eliminated.

# Fees of the Board of Directors

The compensation of the Board members consists of annual remuneration and meeting fees.

On March 16, 2022, the Annual General Meeting decided that the annual fees would be the following:

Chair of the Board	EUR 140,000
Vice Chair of the Board	EUR 105,000
Member of the Board	EUR 70,000

In addition, it was decided that for the Board and Committee meetings, the Board members would be paid meeting fees as follows:

The Board and Committee meetings other than the meetings of the Audit Committee	Board members residing in Finland	EUR 750 per meeting
	Board members residing abroad	EUR 2,000 per meeting
	Chairmen of the Board of Directors and said Committees	EUR 1,500 per meeting
The Audit Committee	Board members residing in Finland	EUR 1,000 per meeting
	Board members residing abroad	EUR 2,250 per meeting
	Chair of the Audit Committee	EUR 2,500 per meeting

For Board/Committee meetings held per capsulam or as a teleconference, the Chairmen of the Board of Directors, as well as said Committees, were paid a fee per meeting that did not differ from meeting fees otherwise payable to them, and the Board/Committee members were paid a fee of EUR 750 per meeting. The Board members' travel expenses are compensated in accordance with the Company policy.

In 2022, none of the Board members were employed by the Company or any company belonging to its group. This means they were not paid any salaries related to an employment relationship, remuneration, or financial or other benefits not related to the Board work, nor were they eligible for any pension scheme. Board members do not receive Company shares as remuneration, and they are not participants in the Company's share-based or other incentive plans.

The fees paid to the Board of Directors for 2022 are presented in the table below. The fees have been paid in cash, and there has been no obligation to acquire the Company's shares.



## Remuneration and meeting fees paid to Board members in 2022

	Annual remuneration	Meeting fees	Total EUR
Chair, Paul Ehrnrooth	127,500	31,500	159,000
Vice Chair, Jyri Luomakoski	93,750	26,750	120,500
Member, Albert Ehrnrooth	63,750	14,000	77,750
Member, Louise Fromond	63,750	15,000	78,750
Member, Julia Goldin <sup>1,3</sup>	52,500	9,750	62,250
Member, Carl-Martin Lindahl <sup>1</sup>	52,500	17,250	69,750
Member, Volker Lixfeld <sup>1</sup>	52,500	17,250	69,750
Member, Ritva Sotamaa	63,750	14,000	77,750
Member, Inka Mero <sup>2</sup>	11,250	3,750	15,000
Member, Fabian Månsson <sup>2</sup>	11,250	5,000	16,250
Member, Peter Sjölander <sup>2</sup>	11,250	4,250	15,500
Total	603,750	158,500	762,250

<sup>1</sup> Board member as of March 16, 2022

<sup>2</sup> Board member until March 16, 2022

<sup>3</sup> In 2022, Julia Goldin was engaged to act as an advisor for the Company with a separately defined limited scope, but no remuneration was yet paid or due for this role during the financial year.

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

The Nomination Committee has one external member, Alexander Ehrnrooth. His meeting fees were EUR 2,250 in 2022 (EUR 5,250 in 2021).

## Remuneration and meeting fees of the Board of Directors not yet paid but due based on 2022

No remuneration is due to be paid to the Board members based on 2022.

# Remuneration of the President and CEO

The remuneration of the President and CEO consists of fixed and variable elements. The fixed elements such as base salary, benefits, insurance, and pension provide a core level of rewards for a reliable and sustained execution of the Company's business strategy and allow the President and CEO to concentrate on performing their duties. Variable elements of the compensation emphasize pay-for-performance and the achievement of the Company's short- and long-term goals, and they form a significant portion of the remuneration of the President and CEO. Share-based rewards and the requirement to retain at least 50% of the net shares received from the share-based incentive plans until the CEO's share ownership in Fiskars corresponds to at least 100% of annual gross base salary align the interests of the President and CEO with those of the Company's shareholders.

The figures in the table are presented on a cash basis. The remuneration of the President and CEO is presented on an accrual basis in note 6.2 to Fiskars' financial statements for 2022.

## Remuneration paid to the President and CEO in 2022

EUR	Base salary and benefits	Short-term incentives	Long-term incentives	Total	Voluntary pension contribution by the company
President and CEO	492,600	410,400	445,954	1,348,954	94,902
Share of remuneration element	37%	30%	33%	100%	-

## Remuneration of the President and CEO not yet paid but due based on 2022

### Remuneration due based on 2022

Share reward based on Performance Share Plan 2020–2022	38,853 shares gross
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## The President and CEO's variable remuneration earning opportunity and performance measures

Short-term incentive plan	Weighting	Achievement	Earning opportunity as % of the annual base salary
<b>Short-term incentive plan 2022</b>			
EBIT margin improvement	40%	Below threshold, i.e., no payment	
Net sales growth	40%	Below threshold, i.e., no payment	maximum of 90%
Cash flow	20%	Below threshold, i.e., no payment	
<b>Short-term incentive plan 2021</b>			
EBITA	30%	Maximum	
Net sales	30%	Maximum	maximum of 90%
Cash flow	20%	Maximum	
Strategic goal	20%	Maximum	



Long-term incentive plan	Weighting	Achievement	Earning opportunity as % of the annual base salary
<b>Performance Share Plan 2022–2024</b>			
Total shareholder return	60%	Not yet evaluated	maximum of 200% at the time of granting
Cumulative comparable EBIT	40%	Not yet evaluated	
<b>Performance Share Plan 2021–2023</b>			
Total shareholder return	60%	Not yet evaluated	maximum of 200% at the time of granting
Cumulative comparable EBITA	40%	Not yet evaluated	
<b>Performance Share Plan 2020–2022</b>			
Total shareholder return	50%	Maximum	maximum of 200% at the time of granting, participation according to time in position
Net sales growth	25%	Between target and maximum	
Net working capital	25%	Below threshold	
<b>Performance Share Plan 2019–2021</b>			
Total shareholder return	50%	Maximum	maximum of 200% at the time of granting, participation according to time in position
Net sales growth	25%	Between target and maximum	
Net working capital	25%	Below threshold	

## Share-based remuneration grants to the President and CEO in 2022

In 2022, the President and CEO Nathalie Ahlström was granted the following share-based remuneration:

Long-term incentive plan	Earning opportunity <sup>1</sup>	Pay-out year
Performance Share Plan 2022–2024	40,780 shares (gross) at maximum performance level	2025

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



# Remuneration of the Deputy to the President and CEO

## Remuneration paid to the Deputy to the President and CEO in 2022

	Base salary and benefits	Short-term incentives	Long-term incentives	Total EUR	Voluntary pension contribution by the company
Deputy to the President and CEO	348,169	96,978	452,166 <sup>1</sup>	897,313	68,400
Share of remuneration element	39%	11%	50%	100%	-

<sup>1</sup> Sign-on compensation executed through the company's Restricted Share Plan

## Remuneration of the Deputy to the President and CEO not yet paid but due based on 2022

No remuneration is due to the Deputy to the President and CEO based on 2022.

## The Deputy to the President and CEO's variable remuneration earning opportunity and performance measures

Short-term incentive plan	Weighting	Achievement	Earning opportunity as % of the annual base salary
<b>Short-term incentive plan 2022</b>			
EBIT margin improvement	40%	Below threshold, i.e., no payment	
Net sales growth	30%	Below threshold, i.e., no payment	maximum of 75%
Cash flow	30%	Below threshold, i.e., no payment	
<b>Short-term incentive plan 2021</b>			
EBITA	30%	Maximum	
Net sales	30%	Maximum	maximum of 75%, paid pro-rata according to time in position in 2021
Cash flow	20%	Maximum	
Strategic goal	20%	Maximum	

Long-term incentive plan	Weighting	Achievement	Earning opportunity as % of the annual base salary
<b>Performance Share Plan 2022–2024</b>			
Total shareholder return	60%	Not yet evaluated	maximum of 100% at the time of granting
Cumulative comparable EBIT	40%	Not yet evaluated	
<b>Performance Share Plan 2021–2023</b>			
Total shareholder return	60%	Not yet evaluated	maximum of 100% at the time of granting, participation according to time in position
Cumulative comparable EBITA	40%	Not yet evaluated	



## Share-based remuneration grants to the Deputy to the President and CEO in 2022

In 2022, the Deputy to the President and CEO Jussi Siitonen was granted the following share-based remuneration:

Long-term incentive plan	Earning opportunity	Pay-out year
Performance Share Plan 2022–2024	15,300 shares (gross) at maximum performance level <sup>1</sup>	2025

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



# *Pioneering design to make the everyday extraordinary.*

Fiskars Group (FSKRS, Nasdaq Helsinki) is the global home of design-driven brands for indoor and outdoor living.

Our brands include Fiskars, Gerber, Iittala, Royal Copenhagen, Moomin by Arabia, Waterford, and Wedgwood.

Our brands are present in more than 100 countries and we have approximately 350 own stores.

We have close to 7,000 employees and our global net sales in 2022 were EUR 1.2 billion.

We are driven by our common purpose: Pioneering design to make the everyday extraordinary. Since 1649, we have designed products of timeless, purposeful, and functional beauty, while driving innovation and sustainable growth.

Please visit us at [www.fiskarsgroup.com](http://www.fiskarsgroup.com) for more information and follow us on Twitter @fiskarsgroup.