

ESG questionnaire

November 2023

General Industry

Q1: Please list the industry's three biggest sustainability (ESG) related challenges and briefly describe the process for identifying these challenges?

- Climate including GHG emissions and energy efficiency
- Product design and lifecycle management
- Product quality and safety

The green transition and focus on sustainable practises like enhancing circularity is a significant opportunity for the consumer goods sector. Fiskars Group has conducted a materiality assessment to identify the key ESG related challenges and opportunities to find the key areas to be prioritized from all three sides of ESG. The ESG strategy of Fiskars Group has been built around these findings.

Q2: Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?

Fiskars Group discloses information according to Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021, supplementing Regulation (EU) 2020/852 ("EU Taxonomy for sustainable activities") of the European Parliament and of the Council.

Fiskars Group has taken a stringent approach to assessing Taxonomy-eligibility and alignment. The company has assessed turnover, capital, and operational expenditure for its forestry, cultural, and real estate operations, as well as its operational activities. Individual Taxonomy-eligible activities have been identified. In terms of Taxonomy-alignment, Fiskars Group has not identified any activities from the currently defined economic activities. Full Taxonomy disclosure is available in Fiskars' most recent financial statements.

Fiskars Group's industry has not been defined among the most high-emitting industries, and the company's interpretation of the current Taxonomy is therefore that most of the company's business is not within the scope of the Taxonomy. However, in addition to providing consumer products and services, Fiskars Group's activities include museums and cultural activities, real estate activities, and forest management which have been specified in the Taxonomy. These represent a minority of the overall business.

Fiskars Group expects the share of eligibility and alignment to increase as the classifications under the remaining four environmental objectives are published.

Environment

Q3: Please list the firm's three primary risks related to climate change and if any, the firm's climate related opportunities.

Fiskars Group is constantly increasing its sustainability efforts and aims to minimize environmental risks through systematic risk management. Fiskars Group is committed to promoting a circular economy through the value chain, combating climate change by taking actions to mitigate emissions, reducing the use of energy and promoting renewable energy sources.

Climate risk mapping is part of our group-wide enterprise risk management process, and we have a solid understanding of climate-related risks relevant to our company. In addition to the enterprise risk management process, we conducted climate risk mapping in 2021 in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD). The top prioritized climate risks and opportunities are presented in our most recent Sustainability Report and Financial statements together with short description on the impact for Fiskars Group.

Fiskars Group also carries out local risk and impact audits according to the relevant standards and management systems, such as ISO 14001. The results of these assessments will help the company to create additional development plans and implement actions

Q4: Does the firm anticipate any climate related investments, and if so to what extent?

Fiskars Group is constantly increasing investments to, for example, renewable energy and energy efficiency to lower our own operational emission footprint. In 2022, Fiskars Group announced an investment of EUR 10m in its glass factory in Finland. Fiskars Group is replacing the factory's existing natural gas powered furnaces with electricity powered furnaces. With the investment the factory will reduce its annual carbon footprint by 74% by the end of 2026.

Fiskars Group also fights throwaway culture by developing circular solutions. The Group's investments into product design strongly links to circular economy by designing products that stand the test of time, while taking into consideration new alternative materials and repairment possibilities to minimize the climate impact caused by our products.

Q5: Circular Economy: how are purchases and waste managed? If the firm relies on any scarce resources, please describe what efforts are made to mitigate the risk of those resources becoming scarcer in the future, e.g. recycling, reusing substitutes or improved resource efficiency?

As a manufacturing company, Fiskars Group uses natural resources. The Group manages the price, availability and quality risks inherent in contracts with multiple suppliers and by continuously seeking alternative sustainable materials. Fiskars Group strives to build strong and long-term relationships with trusted suppliers that live up to our corporate values and sustainability targets, and also commit to a timely delivery of products and materials.

Product design is at the core of our purpose pioneering design and strongly links to the circular economy. Product design and testing includes material selections, ensuring user-friendliness, testing durability, and also considering end-of-life options. Designing for quality and circularity decreases the burden that manufacturing places on natural resources and biodiversity. We design products that stand the test of time, while taking into consideration new alternative materials and repairment possibilities, to name but a few. Our target is that the majority of our net sales comes from circular products and services by 2030.

Fiskars Group continuously engages with material development and identifying ways to reduce waste streams in production. We have successfully created complete product lines that solely utilize recycled or recyclable materials, pushing our sustainability development forward. For example, Fiskars Group was the first company to make use of a new emission-minimized stainless steel produced by Outokumpu in 2022. We have launched a pan care service to restore pans coating as by refurbishing products in this way saves a significant amount of energy and resources.

As part of our commitment to fight against throwaway culture and becoming more circular, we are working on reducing landfill waste from our operations. Our goal for 2030 is for all waste from our

operations (manufacturing, distribution centers, retail, and offices) to be recovered or recycled so no waste ends up in landfills. Our factories and distribution centers map and measure their waste, and investigate opportunities for improvement that will help us meet our goals.

Q6: Transition related risks (for example changed customer preferences or legislation): Do you anticipate any risks or opportunities due to the transition to a carbon neutral society? Is there any risk of the firm's offer being negatively affected? If yes, how has the firm positioned itself to handle that risk?

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Q7: Have you set a target to become carbon neutral? If so, how have you defined carbon neutrality?

Fiskars Group has science-based emission reduction targets for Scope 1, 2, and 3, validated by the SBTi. Fiskars Group's commitments are aligned with the 1.5 degree climate scenario. In addition, Fiskars Group has committed to set a 1.5 degree aligned net-zero target.

Q8: Please list the firm's (1-2) primary means of making a positive environmental impact or minimising negative environmental impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?

Product design is at the core of our purpose pioneering design and strongly links to the circular economy. We design products that stand the test of time, while taking into consideration new alternative materials and repairment possibilities, to name but a few.

In 2022, we partnered with the Upright Project to provide more information on our net impacts and targets through an external platform. The net impact graph is available in our most recent Sustainability Report, and the impacts presented in it have been calculated and produced by the Upright Project's net impact model. In alignment also with our own materiality analysis, the most relevant environmental impacts for Fiskars Group are GHG emissions (from our own operations and as a part of our raw material sourcing), circularity and waste.

SDG 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 production methods, 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. Currently (Q3 2023) about 8% of the sales comes from circular products and services.

SDG 13, Climate action: 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.

Social

Q9: Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?

Caring for our people is part of our values. Fiskars Group's Health and Safety Policy promotes a culture of zero harm and supports safety priorities. Health and safety topics such as workplace safety, emergency preparedness, and management and communication on health and safety are also covered in Fiskars Group's Supplier Code of Conduct. Reporting safety hazards, observations, and incidents is everyone's responsibility at Fiskars Group. Fiskars Group emphasizes the importance of having a good trust culture and encourages transparency and openness in reporting safety observations, accidents, and near-miss event. We undertake regular safety inspections as well as internal and external audits, and report our health and safety performance each month to indicate the effectiveness of our management system.

Fiskars Group's safety target for 2030 is to have zero harm with zero Lost Time Accident Frequency (LTAF), including both our employees and contractors. Our LTAF decreased in 2022 to 4.8 from the previous year (2021: 5.2). During the year, contractor LTAF was 0 (2021: 3.0). The total number of reported safety observations was 13,919 in 2022 (2021: 10,846), an increase of 28% compared to the previous year. We have created safety improvement plans and focused on safety observations, which is reflected positively in the amount of safety observations made.

Q10: If applicable, please state your targets for gender and cultural equality and indicate the relative split of men/women at every level of the firm, particularly the Board of Directors and management team.

Fiskars Group is committed to creating a diverse, equal, and inclusive work culture in which employees can do their best. The fifth key target in Fiskars Group's updated ESG strategy is to enhance diversity, equity and inclusion (DEI) experienced by employees. The company also wants to actively participate in promoting DEI topics in society. Fiskars Group's aim is to create an open, inclusive working environment where everyone can grow, make a meaningful contribution, and feel that they belong. Our target is to be within the global top 10% of high-performing companies in terms of Inclusion Experience.

Fiskars Group is supporting gender equality and in 2022, 54,1% of all employees were women including Office, Operative and Retail workers. From the Board of Directors, 37.5% are women (3 out of 8 members in total) and 28.5% are women in the management team level (2 out of 7 members in total).

Q11: Does the company conduct any other community engagement activities aside from those directly connected to the business?

Throughout our history, 374 years, Fiskars Group has been closely involved in the everyday life of the communities in which we operate. Fiskars Group considers it very important to be present and take part in small and large community engagement actions with themes important to us. We support active contribution to these communities' positive economic, environmental, and social development. These included actions such as donating school supplies and supporting local associations.

During 2022, we donated EUR 180 000 through UNICEF to help children and families in Ukraine and collaborated with Red Cross and collected EUR 340 000 for the Red Cross. In total, we invested EUR 1,4m in local communities during 2022.

Q12: How often does the firm conduct audits of its suppliers, and how often do you discover incidents not compliant with your code of conduct?

In 2022, we implemented new approaches to assess the supplier performance as well as increased the amount of new approach assessments, thus increasing the number of audited suppliers compared to 2021. Suppliers are evaluated through document review, factory tour and worker interviews and we identify the non-compliance issues of our suppliers and based on these, we take appropriate action. In 2022, all new suppliers were screened and 88 assessments were conducted in total.

Q13: Please list the firm's (1-2) primary means of making a positive social impact or minimising negative social impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?

In 2022, we partnered with the Upright Project to provide more information on our net impacts and targets through an external platform. The net impact graph is available in our most recent Sustainability Report, and the impacts presented in it have been calculated and produced by the Upright Project's net impact model.

In alignment also with our own materiality analysis, the most material social topics for Fiskars Group are employee health and safety, work community and wellbeing, human rights and labour practices, product quality and safety, and responsible selling practices and product labelling.

SDG 10, Reduced inequalities: Fiskars Group has 6,595 employees (end of 2022), with an even more significant number of people working in our value chain. For us, diversity and equal treatment of all people are our main priorities. Fiskars Group understands its responsibilities both as an employer and a member of the communities in which we operate. We are committed to building an inclusive, fair, and open working environment, where everyone is listened to and their uniqueness is celebrated. Fiskars Group also wants to enhance DEI through its brands by using diverse and inclusive visuals, as well as sharing stories through collaborations that highlight multiple perspectives and experiences.

Governance

Q14: Do all staff members receive continuing education on anti-corruption? Is there an external whistleblower function? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?

The purpose of Fiskars Group's Anti-Corruption and Anti-Bribery Policy is to prevent and detect corruption and bribery, but also to help employees in navigating between what is usually allowed and what is always prohibited. To deepen our staff knowledge on topics related to anti-bribery and corruption, we organize regular mandatory trainings for all employees. Training is conducted during the onboarding process and all employees must complete the training every second year.

Fiskars Group has the Code of conduct in place and expects all its business partners and customers, and their sub-contractors, to be governed by the same or similar principles stipulated in the Code. By the end of 2022, 95.9% of our employees had completed our Code of Conduct training.

Fiskars Group has the global Code of Conduct Violation Response Policy in place, which defines how the investigation of suspected Code Violations will be conducted. The Fiskars Group Code of Conduct requires all employees or other persons working under Fiskars Group's direction to report any suspected violations to their manager, HR, Legal & Compliance function, or through the anonymous written Ethics and Compliance Helpline or calling to Ethics and Compliance Hotline numbers. Fiskars Group has country specific numbers for those countries where there is either a manufacturing unit or distribution center or significant suppliers. The anonymous third-party channels are also open to suppliers and partners in various languages. All suspected violations and occurrences of misconduct are promptly and thoroughly investigated with confidentiality. External parties are also able to utilize the Ethics and Compliance (whistleblowing) channels.

Q15: Please state the firm's business tax residence (i.e. where the firm pays tax) and explain why that specific tax residence was chosen.

Fiskars Group's tax residence is Finland, as we are a Finnish Corporation with headquarters in Espoo, Finland.

Q16: How many independent members sit on the Board of Directors?

100% (8/8) of Fiskars Group's board members are independent of the company and 62.5% (5/8) are independent from significant shareholders

Q17: Please state if and to what extent, the company has transactions with related parties.

The related party transactions are described in the notes to the consolidated financial statements. For 2022, see section 6.2 Related Party Transactions in our most recent financial statements.

Q18: Which KPIs dictate the remuneration to management (are sustainability and diversity goals included)?

In February 2018, the Board of Directors approved the establishment of a Performance Share Plan for years 2018–2022. 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.

Profitable organic growth remains the focus of the Company's strategy. When deciding the KPIs for the new performance plan, we also have to consider the impact of the current market environment. A criterion related to the circular economy was included in the Performance Share Plan for 2023–2025 in line with our long-term sustainability targets and strategy.

Q19: Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. In your response please confirm what KPIs are monitored (if any) and how frequently reporting is undertaken.

We believe that a strong sustainability approach is the right thing to do for people and the planet and a prerequisite for future-proofing and growing our business. To ensure clear responsibilities and focus, we have a governance model in place on how sustainability is managed throughout the company. The governance model and responsibilities for managing sustainability are described in more detail on our website under 'managing sustainability' section.

The Audit committee is responsible of reviewing the Company's non-financial report and ESG-related disclosures. In addition to the sustainability metrics reported in our annual reporting, we follow five specific key metrics on a quarterly basis: 1) majority of Fiskars Group's net sales comes from circular products and services by 2030, 2) greenhouse gas emissions from own operations (Scope 1 and 2) reduced by 60% from a 2017 base year by 2030, 3) 60% of Fiskars Group's suppliers by spend covering purchased goods and services will have science-based targets by 2024, 4) zero lost time accident frequency (LTAF) by 2030, and 5) Inclusion Experience within the top 10% of global high-performing companies.

Q20: Have you signed a Union agreement?

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 (82%), North America (14%) and Asia-Pacific (25%).