



Remuneration Report 2023



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Dear shareholder,

On behalf of the Board, I am pleased to present Fiskars Group's 2023 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 2023 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, 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 2023.

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 the 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 2023

When deciding the short-term incentive plan KPIs for the year, we considered the impact of the prevailing market environment in addition to profitable organic growth, which remains the focus of the Company's strategy. The KPIs were confirmed separately for the first and second half of the year to ensure they are relevant given the volatile market conditions. The plan included payment triggers related to EBIT and Cash Flow, as prerequisites for payment. As 2023 looked challenging from growth perspective, the KPIs in the

short-term incentive plan were EBIT and Cash Flow in the first half of the year and EBIT, Net Sales and Cash Flow in the second half of the year.

Year 2023 was characterized by a challenging operating environment, with low consumer confidence and retailers' focus on inventory management impacting demand negatively in most of our key markets. This resulted in comparable net sales decreasing by 10% in 2023 and comparable EBIT declining to EUR 110 million. For the short-term incentive plan this meant that the threshold level was not reached for either KPI. Our free cash flow was at an all-time high level, amounting to EUR 185 million driven by our systematic inventory management. This was above the target level but since the EBIT payment trigger level was not reached for either half of the year, no short-term incentive is payable to the CEO and the Deputy to the CEO based on the 2023 results.

The performance period 2021–2023 of the Company's Performance Share Plan expired at the end of 2023. The performance criteria applied to this plan were Total Shareholder Return and EBITA. For EBITA criterion the target performance level was exceeded. For the Total Shareholder Return criterion we have chosen a longer period as the basis for the end value, to minimize the impact of single events or actions on the share price and to factor in the impact of the company's full-year results. Therefore, Total Shareholder Return criterion will be evaluated in the beginning of March based on end February 2024 status. The CEO is eligible for a reward from the plan based on the achievement of the criteria.

In 2023, a measure related to circular economy was added to the Performance Share Plan for 2023–2025 for the first time to reinforce commitment to achieving our sustainability ambitions. A similar sustainability related measure is also included in Performance Share Plan 2024–2026.

In 2023, we launched two new share ownership programs to encourage employees to invest in Fiskars shares and to create a culture of ownership as well as to further strengthen employees' long-term commitment to the company. Fiskars Ownership Plan 2023 is a one-off plan directed to the CEO, Group Leadership Team and certain other key employees. Employee Share Savings Plan, MyFiskars, was offered to employees in all countries, where there were no administrative obstacles for running the program. In both programs participants receive free matching shares for their personal investment under certain conditions. The CEO and Deputy to the CEO participate in both programs.

Looking ahead to 2024

Profitable organic growth remains the focus of the Company's strategy. However, it seems the operating environment will remain challenging in 2024 and impact demand. The KPIs in the short-term incentive plan will therefore be linked to cash flow and profit in the first half of the year. We will continue with the approach of confirming the KPIs separately for the first and second half of the year to ensure they are as relevant as possible.

We will continue to review and develop our remuneration practices to ensure they support our Growth Strategy. I am convinced that having our management and employees as shareholders supports the company's transformation journey by increasing engagement and enhancing a culture of ownership.

We also welcome feedback from our shareholders and other stakeholders on our remuneration practices, as well as on our communication about it.

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.

	2023	2022	2021	2020	2019
Board of Directors (total EUR thousand)	873	762	573	717	664
President and CEO (base salary Dec 31, EUR thousand, rounded)	484	486	456	456	500
Different employee groups' average base salaries (EUR thousand) ¹					
Office	62,1	60,2	56,2	55,2	56,4
Retail	26,7	26,2	27,0	26,6	26,7
Operations	15,1	15,0	15,4	15,1	15,1
Financial development:					
Comparable EBIT (EUR million)	110,3	151,0	154,2	109,0	77,7
Total Shareholder Return ²	-0,6%	-30%	58%	36%	24%

¹ Full-time equivalent.

² 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 15, 2023, 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:

Meetings of the Board of Directors, Human Resources and Compensation Committee and Nomination Committee	Meetings requiring travel within one country	Chairs of the Board of Directors and said Committees	EUR 1,500 per meeting
		Other members	EUR 750 per meetings
	Meetings requiring international travel	Chairs of the Board of Directors and said Committees	EUR 2,000 per meeting
		Other members	EUR 2,000 per meeting
	Chair of the Committee, all meetings		EUR 2,500 per meeting
Meetings of the Audit Committee	Meetings requiring travel within one country	Other members	EUR 1,000 per meeting
	Meetings requiring international travel	Other members	EUR 2,250 per meeting

For Board/Committee meetings held per capsulam or as a teleconference, the Chairs 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 2023, 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 2023 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 2023

	Annual remuneration	Meeting fees	Total EUR
Chair, Paul Ehrnrooth	140,000	42,500	182,500
Vice Chair, Jyri Luomakoski	105,000	34,250	139,250
Member, Albert Ehrnrooth	70,000	20,000	90,000
Member, Louise Fromond	70,000	23,750	93,750
Member, Julia Goldin ¹	70,000	19,000	89,000
Member, Carl-Martin Lindahl	70,000	24,750	94,750
Member, Volker Lixfeld	70,000	24,750	94,750
Member, Ritva Sotamaa	70,000	19,000	89,000
Total	665,000	208,000	873,000

¹ In 2023, Julia Goldin was engaged to act as an advisor for the Company with a separately defined limited scope, and was paid EUR 15,714 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 3,750 in 2023.

Remuneration and meeting fees of the Board of Directors not yet paid but due based on 2023

No remuneration and meeting fees are due to be paid to the Board members based on their role as Board members in 2023.

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, share ownership plans, 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 Corporation's financial statements for 2023.

Remuneration paid to the President and CEO in 2023

EUR	Base salary and benefits	Short-term incentives	Long-term incentives	Total	Voluntary pension contribution by the company ¹
President and CEO	504,301	-	650,683	1,154,984	98,520
Share of remuneration element	44%	-	56%	100%	-

¹Defined Contribution plan

Remuneration of the President and CEO not yet paid but due based on 2023

Remuneration due based on 2023	
Share reward based on Performance Share Plan 2021-2023	The size of the payout will be known in the beginning of March 2024.

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
Short-term incentive plan 2023			
Second half 2023	EBIT	60%	Below threshold, i.e., no payment
	Net sales growth	20%	Below threshold, i.e., no payment
	Cash flow	20%	Maximum but no payment due to EBIT payment trigger not being reached
First half 2023	EBIT	50%	Below threshold, i.e., no payment
	Cash flow	50%	Below threshold, i.e., no payment
Short-term incentive plan 2022			
EBIT margin improvement	40%	Below threshold, i.e., no payment in 2023	maximum of 90%
Net sales growth	40%	Below threshold, i.e., no payment in 2023	
Cash flow	20%	Below threshold, i.e., no payment in 2023	



Long-term incentive plan	Weighting	Achievement	Pay-out year	Earning opportunity as % of the annual base salary
Performance Share Plan 2023–2025				
Total shareholder return	50%			
Cumulative comparable EBIT	40%	Evaluated in 2026	2026	maximum of 200% at the time of granting
Circular economy	10%			
Performance Share Plan 2022–2024				
Total shareholder return	60%			
Cumulative comparable EBIT	40%	Evaluated in 2025	2025	maximum of 200% at the time of granting
Performance Share Plan 2021–2023				
Total shareholder return	60%	Evaluated in the beginning of March 2024	2024	maximum of 200% at the time of granting
Cumulative comparable EBITA	40%	Between target and maximum		
Performance Share Plan 2020–2022				
Total shareholder return	50%	Maximum		
Net sales growth	25%	Between target and maximum	2023	maximum of 200% at the time of granting, participation according to time in position
Net working capital	25%	Below threshold		

Share ownership plans	Personal investment, shares	Reward shares, gross ¹	Pay-out year
Ownership Plan 2023	60,386	120,772	2026
MyFiskars Employee Share Savings Plan 2023–2026	174	87 ²	2026

¹ The number of gross shares (taxes included) payable if the employment or service relationship with a Group company has not terminated by the payment date.

² The number of gross shares (taxes included) payable based on the first quarterly savings share purchase in October 2023. MyFiskars savings shares are bought four times during 12 months' savings period.

Share-based remuneration grants to the President and CEO in 2023

In 2023, the President and CEO Nathalie Ahlström was granted the following share-based remuneration:

Long-term incentive plan	Earning opportunity ¹	Pay-out year
Performance Share Plan 2023–2025	29,120 shares (gross) at maximum performance level	2026

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



Remuneration of the Deputy to the President and CEO

Remuneration paid to the Deputy to the President and CEO in 2023

In 2023, the Deputy to the President and CEO Jussi Siitonen was paid the following remuneration:

	Base salary and benefits	Short-term incentives	Long-term incentives	Total EUR	Voluntary pension contribution by the company ¹
Deputy to the President and CEO	342,000	-	-	342,000	69,634
Share of remuneration element	100%	-	-	100%	-

¹Defined Contribution plan

Remuneration of the Deputy to the President and CEO not yet paid but due based on 2023

Remuneration due based on 2023

Share reward based on Performance Share Plan 2021-2023	The size of the payout will be known in the beginning of March 2024.
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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
Short-term incentive plan 2023			
Second half 2023	EBIT	60%	Below threshold, i.e., no payment
	Net sales growth	20%	Below threshold, i.e., no payment
	Cash flow	20%	Maximum but no payment due to EBIT payment trigger not being reached
First half 2023	EBIT	50%	Below threshold, i.e., no payment
	Cash flow	50%	Below threshold, i.e., no payment
Short-term incentive plan 2022			
EBIT margin improvement	40%	Below threshold, i.e., no payment in 2023	
Net sales growth	30%	Below threshold, i.e., no payment in 2023	maximum of 75%
Cash flow	30%	Below threshold, i.e., no payment in 2023	



Long-term incentive plan	Weighting	Achievement	Pay-out year	Earning opportunity as % of the annual base salary
Performance Share Plan 2023–2025				
Total shareholder return	50%			
Cumulative comparable EBIT	40%	Evaluated in 2026	2026	maximum of 100% at the time of granting
Circular economy	10%			
Performance Share Plan 2022–2024				
Total shareholder return	60%			
Cumulative comparable EBIT	40%	Evaluated in 2025	2025	maximum of 100% at the time of granting
Performance Share Plan 2021–2023				
Total shareholder return	60%	Evaluated in the beginning of March 2024	2024	maximum of 100% at the time of granting, participation according to time in position
Cumulative comparable EBITA	40%	Between target and maximum		

Share ownership plans	Personal investment, shares	Reward shares, gross ¹	Pay-out year
Ownership Plan 2023	30,193	60,386	2026
MyFiskars Employee Share Savings Plan 2023-2026	174	87 ²	2026

¹ The number of gross shares (taxes included) payable if the employment or service relationship with a Group company has not terminated by the payment date.

² The number of gross shares (taxes included) payable based on the first quarterly savings share purchase in October 2023. MyFiskars savings shares are bought four times during 12 months' savings period.

Share-based remuneration grants to the Deputy to the President and CEO in 2023

In 2023, 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 2023–2025	10,300 shares (gross) at maximum performance level ¹	2026

¹ 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 in brief

Fiskars Group (FSKRS, Nasdaq Helsinki) is the global home of design-driven brands for indoor and outdoor living. Our brands include Fiskars, Georg Jensen, Gerber, Iittala, Moomin Arabia, Royal Copenhagen, Waterford, and Wedgwood. Our brands are present in more than 100 countries and we have close to 450 own stores. We have approximately 7,000 employees and our global net sales in 2023 were EUR 1.1 billion.

We are driven by our common purpose: Pioneering design to make the everyday extraordinary. In 2024, we are celebrating our 375th anniversary. Since 1649, we have designed products of timeless, purposeful, and functional beauty, while driving innovation and sustainable growth.

Read more: fiskarsgroup.com