

Making the everyday
extraordinary.

Fiskars, Gerber, Iittala,
Royal Copenhagen, Waterford,
Wedgwood, Arabia, Gilmour,
Royal Albert, Royal Doulton,
Rörstrand

About this report



The Fiskars Fundamentals bring together our vision, our mission, our values and our core belief. Our promise to consumers, making the everyday extraordinary, combines all the key elements in our Fundamentals. It is our daily destination and goal.

In this Annual Review, we discuss our year 2017 through our key Fundamentals.

We focus on the progress we have made in achieving our mission – building a family of iconic lifestyle brands. We look at our sustainability approach in the context of our vision, which is to create a positive lasting impact on our quality of life. And most of all, we explore areas where we have taken important steps forward in making the everyday extraordinary.

In 2016, we published our first public report on sustainability. Following this introduction into our sustainability thinking, we have now incorporated information regarding the material elements in our sustainability approach, activities implemented in 2017, as well as our plans for the future in this Annual Review.

In addition to this Annual Review, our Annual Report includes our Corporate Governance Statement, Remuneration Statement, Financial Statements and GRI Supplement for 2017. These are available on our website at fiskarsgroup.com.

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Making the everyday extraordinary



Our lives happen in the everyday. It is the little things that shape us, Monday mornings and Wednesday afternoons, the hellos and goodbyes that set the pace for the day. It is the conversations at a coffee table at work and the long hours spent learning a new skill. We live our lives as we come home in the evening, set the table, cook and eat together. It is the quiet moments spent tucked in with a good book, or out in the garden watching the seasons change that matter, just as well as the moments spent outdoors or the celebrations and festivities that mark our milestones.

To be able to delight someone, not by accident but again and again, you need to know them well. But even more importantly, you need to know yourself well. You need to know what you believe in, and how to

translate your values into actions – only then you can confidently invite others to join you.

Through our brands, we are there in peoples' everyday activities and rituals, transforming the mundane into extraordinary. We are there when life happens.

We help people create new things that leave a visible mark on the fabric of the world, but also moments that we remember, and that leave an invisible but lasting mark on ourselves.

We believe in the well-crafted, and our attention to detail and our intimate understanding of the ways our products are used help us create solutions that last, and that transform everyday events into moments of delight.



Our journey started 368 years ago in 1649, when Peter Thorwöste founded the Fiskars ironworks.

Today, Fiskars serves consumers and customers around the world with a family of globally recognized brands, including Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford, and Wedgwood. Fiskars Group employs 7,900 people in over 30 countries, and our products are sold in more than 100 countries.

In 2016, we defined our strategic priorities, and at the start of 2017 we reorganized ourselves in a way that reflects our strategy. We took a step forward towards our global ambition and shifted from a region-based organization to form two strategic business units, Living and Functional, and a unified supply chain.



Building on our strong position in the global consumer goods business today, we are increasing our speed and agility, deepening our relationship with the consumer and working to create value to our stakeholders.

Our business



It all begins with the consumer. A profound understanding and insight of our consumers and their needs is the starting point for brand, product and portfolio development as well as marketing activities. Consumer insight is also a key input when developing our manufacturing and sourcing operations to ensure that our way of working meets with the requirements of the increasingly demanding global consumer. And to be able to provide a true omnichannel experience, we need to know how our consumers live and act across all the channels and platforms, both physical and digital.

The brand, marketing, and product development are critical in ensuring our offering is always relevant for the consumer and represents the uniqueness of our

brands. To complement our internal teams we collaborate with external designers, product development studios and agencies as well as research institutions. In addition, brand storylines, marketing concepts and activities are defined by brand and marketing in order to present our offering in the best and most attractive way in all the markets and consumer touchpoints.

Supply chain plays a critical role in manufacturing and sourcing the products to the specifications set by the businesses. We have own manufacturing units in Asia, Europe and North America. Own manufacturing is complemented by a wide supplier network; finished products, parts and components, as well as raw materials. Regardless of the source, supply chain works to ensure our product quality, production



methods and all social and environmental aspects of our network live up to the requirements of sustainable ways of working.

The sales and distribution is going through a fundamental change globally. Traditional channels are facing challenges, new digital platforms are emerging and the roles of various players are shifting. We know the consumer is already living in an omnichannel world. We need to do the same and offer seamless omnichannel experiences across various platforms and touchpoints; digital-physical, own – third party, commerce – marketing. For us, own retail is growing in importance and we interact more and more directly with the consumers both online and offline through own branded touchpoints. At the same time, traditional

third party channels (e.g. department stores and DIY-chains) are renewing their business models and we need to stay relevant in those as well. This is where our sales units play a paramount role in executing the everyday interactions with the consumer and in offering our trade partners attractive solutions and concepts.

President's review

The year 2017 was marked by many changes and progress at Fiskars. We took a step forward towards our global ambition, improved our competitiveness with several initiatives, and delivered another year of growing profits.

Following many years of acquisitions, divestments and organizational changes, in 2017 we have focused on removing internal complexities, aligning our ways of working and consistently cultivating the core products, markets and brands, including Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford, and Wedgwood.

We have proceeded on our strategic journey, and are progressing towards our long-term financial targets having improved the EBITA margin in 2017. In 2018, we expect to continue the profitable growth and increase our comparable net sales and comparable EBITA from 2017.

SUSTAINABILITY

In today's world, resource scarcity is impacting production everywhere. At the same time, the consumer is becoming more aware of the consequences of their individual choices, and increasingly interested in alternative business models that add value to their everyday lives. Urban environments are becoming more congested, calling for creative new solutions when designing for the home and garden.

Our sustainability ambition is to become a leader in building a more sustainable world. This ambition has been further articulated into our sustainability focus areas, and in 2017 we took important steps forward in each of these areas.

We are committed to helping people make better choices by offering them quality products with lasting design. We continuously monitor and improve the materials and production methods we use, and invest in recycling and reusing resources as much as possible.

Our aim is to provide a safe and inspiring working environment, respecting human rights and caring for the people involved in our value chain. Our Code of Conduct lays out our expectations, helping people understand and maintain our high standards.

Our employee survey results show that we have made progress in providing clear direction for all employees, however there is still room to improve in the ways we communicate and collaborate across businesses and teams.

We are committed to promoting a circular economy throughout our value chain. We combat climate change by taking actions to reduce our emissions and our use of energy and to promote renewable energy sources. We have explored new take-back and recycling models, and will pilot some of these in 2018 with Fiskars and Arabia, among other brands.

FINANCIAL HIGHLIGHTS

During 2017, Fiskars Group increased both its net sales, excluding net sales of businesses divested in 2016, and comparable EBITA. We made progress during the year, however we also experienced challenges in some markets.

Comparable net sales in the Living segment decreased year-on-year, impacted by the English & Crystal Living business in the U.S. and Australia. Comparable net sales increased in the Scandinavian Living business, especially in the Nordic markets. We took steps to revitalize the position of the brands, including Waterford, Wedgwood, Royal Albert and Royal Doulton, and focused on operational discipline. These activities will continue in 2018.

The Functional business made solid progress during the year, increasing the comparable net sales and comparable EBITA. The growth was supported by the Functional Americas and Functional EMEA businesses, offsetting the decline in the Outdoor business in the U.S.

During 2017, we celebrated many anniversaries, as Finland turned 100 years, Fiskars Classic Scissors 50 years and Iittala's Taika series 10 years. Next year, Fiskars, the oldest company in Finland, will celebrate its 370th birthday. Our path has taken us from an ironworks into a global company with world leading brands and products sold in more than 100 countries, and we are eager to continue to grow.

I was honored and delighted to be appointed Fiskars' President and CEO last year. I look forward to leading Fiskars forward, aiming for further success and added value to all our stakeholders. Together with the entire team, we rely on our values of integrity, teamwork, accountability and innovation to guide us as we continue to make the everyday extraordinary.

JAANA TUOMINEN

President and CEO, Fiskars Group



Navigating the everyday



At Fiskars, we know that we must have a deep understanding of the societal, social and technological changes that are taking place around us. Only by understanding our consumer and the world around us, can we be at the forefront of creating new markets and leading positive change. With our brands we are well positioned to respond to these changes, and to become a leader in building a more sustainable world.

INDIVIDUAL CHOICES

In a world where almost everything is possible, people want to create their own style, and pre-defined formats are losing their appeal. We appreciate innovative, creative and unique combinations and approaches that might at first seem mismatched – but actually reflect the uniqueness in each of us. We want to engage with the world as our own individuals instead of simply following someone else's lead.

We are no longer limited by the offering available in our local brick and mortar store but have access to global brands and global trends anytime we want.

We surf the web and travel the world and want our purchases to match the multi-faceted lives we lead.

With so many options available at our fingertips, brands need not only to stand out, but more importantly, stand for something for us to believe in them.

URBAN ENVIRONMENTS

In urban environments people live in smaller and more compact homes than before. This makes us more and more aware of the consequences of our choices. The things we have in our homes must be durable, adaptive and please the eye, as they are often kept in view. When we use the same items again and again, they acquire symbolic value that connects them to shared experiences and rituals – they become a part of the fabric that makes a home.

To complement the products we want to own, we seek services and experiences to excite and inspire us. We are also increasingly interested in service models that allow us to share, rent and reuse products.



DIGITAL OPPORTUNITIES

This dialogue between brands and people is amplified by new digital platforms and environments that are not bound by geographical borders.

Digitalization also erodes the boundaries between digital and physical spaces; we operate in hybrid environments. People, especially the younger generations, are already quite adapted to the digital environment and expect to be always connected, and want to engage with the brand directly at their convenience. People are willing to share their personal data, but expect companies to handle it in a responsible manner.

As digitization makes industries more transparent, it also calls for stronger global consistency and demands that brands back up their claims with verifiable concrete actions.

RESOURCE SCARCITY

Digitization also allows companies to address resource scarcity in new and innovative ways. At Fiskars, we too are investigating opportunities of circular economy,



A solid foundation in our values



Our values – innovation, integrity, accountability and teamwork – guide our decisions every day. In 2017, we reinforced our commitment to our core values through over a hundred culture workshops and leadership training courses globally.

Our Code of Conduct lays out our expectations and guiding principles for appropriate workplace behavior, helping all our employees understand how to do business in a safe, sustainable, transparent and efficient manner, in line with our values.

To make sure everyone at Fiskars Group knows how to operate in their day-to-day work, we organize mandatory code of conduct trainings for all employees. In 2017, 98% our employees were trained on important matters such as health and safety, data protection, and anti-bribery and corruption.

INNOVATION

Our heritage builds on innovation. Our brands have always been at the forefront of design and functionality to bring joy to people's lives.

For us innovation is not just about creating innovative products – it is the way we do all things.

To truly allow people to innovate, we must embrace failure as well. We take measured risks, and we know we will not always get it right the first time. We will learn from our mistakes to get it right the next time.

INTEGRITY

We are proud of the heritage of our company and of the portfolio of incredible brands that we have cherished and that have accumulated their value over the years. We have worked hard to achieve this – and we understand that all this can be lost in an instant if we don't hold on to our highest quality standards and our integrity.

When it comes to integrity, there are no hierarchies; we are all encouraged, allowed and expected to call it out if things are not done right.

For us integrity means respect – we respect our heritage, our brands, our people, our customers, con-



sumers, the communities we work in, and we want to make sure we always do the right thing to add real sustainable value to the world.

ACCOUNTABILITY

We are all accountable for driving our business forward; not just our own personal results but also those of the Fiskars Group.

We respect our colleagues, our customers, and our consumers. We hold ourselves accountable for helping our colleagues thrive. We understand that accountability does not equal control; we all contribute towards common targets and goals.

We are accountable as individuals but also as teams, as one company. We always think beyond our immediate selves to find solutions that take us all forward and eventually drive great business results.

TEAMWORK

We are a globally diverse team with a joint mission. We make the everyday extraordinary by inventing and

crafting solutions that transform daily activities into moments of delight.

We believe in speed, efficiency and engagement through alignment; we focus on the things we have in common and manage our differences as we work towards our goals.

We always assume the best of intentions from our colleagues and peers. We overcome misunderstandings and challenges together through dialogue and mutual respect.

Building a family of iconic lifestyle brands



Imagine a pair of scissors. What color is the handle?

Our Classic Scissors are an example of an iconic product. It's the image that pops up when you look at the dictionary definition for scissors.

With our products and brands, we have many landmarks such as our Classic Scissors and the Aalto vase – products that define a category – and we are now striving to build on our capabilities and our legacy to elevate our entire portfolio of brands to the same iconic level.

Iconic brands command a premium, they outperform the market and disrupt the status quo. Iconic brands lead and in turn deliver cultural impact by being more valuable to consumers.

As Fiskars Group, we are building a foundation and a platform that lets the light shine on the brands we hold.

In 2017, the iconic Classic Scissors turned 50 years. Since their launch, the scissors have found their way into households, craft rooms and fashion

"Fiskars are involved in the creative process almost the whole time. These scissors I have used for my entire life, and specifically, my entire artistic portfolio has been created with these scissors. I am really excited to explore the iconic orange color. I hope people have a sensory experience, where they're looking at something beautiful, they are able to walk close to it and really see the shapes, and for them to have the takeaway that this is all handcut, hand-assembled, handmade. These Fiskars scissors are really what interpret the idea."

ELOISE CORR DANCH
Multidisciplinary visual artist



houses everywhere, and are even part of the permanent exhibition at the Museum of Modern Art.

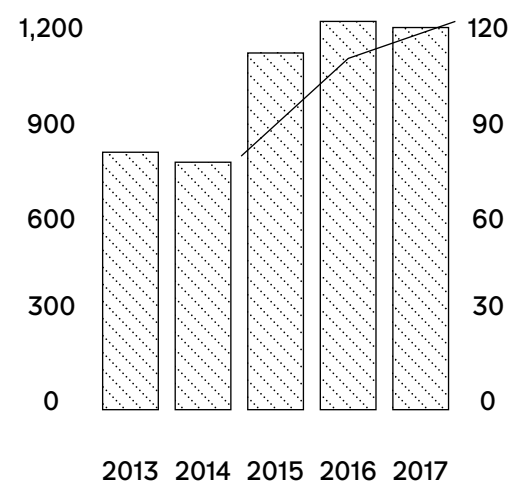
To celebrate the design icon's important role in creative processes everywhere, Fiskars invited a range of creative talents to make birthday artworks inspired by the scissors. The creations were showcased at a unique anniversary exhibition named Our Scissors, which took place at the Helsinki Design Museum and featured 30 artists, designers and creatives from across the globe.

Among the participating artists was Eloise Corr Danch, whose birthday artwork Petal's Edge (featured above) celebrated the scissors through many intricately cut orange paper flowers. Among other artists featured in the exhibition were Karen Bit Vejle, Klaus Haapaniemi, JUDiTH+ROLFE and Minä Perhonen. The artworks were also exhibited on Fiskars' website and social media channels, where a wide audience got to see how the iconic scissors continue to inspire and empower creativity.

2017 highlights

NET SALES

1,185.5 EUR million



— Comparable EBITA
 Net sales

COMPARABLE EBITA

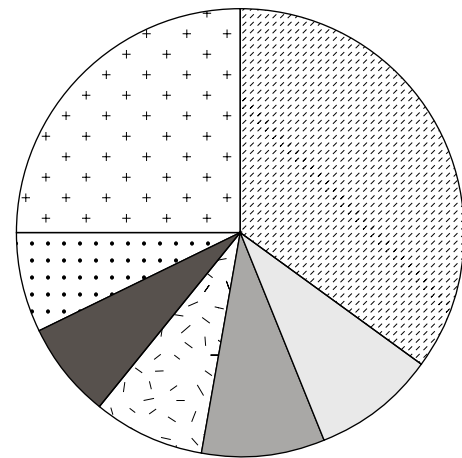
119.0 EUR million

Items affecting comparability include items such as costs, impairment or provisions charges and releases, integration related costs, and gain and loss from the sale of businesses. EBITA comparison figures only available from 2015 onwards.

In February, Fiskars Group established long-term financial targets that cover four areas: growth, profitability, capital structure and dividend.

- Growth: The average annual net sales growth to exceed 5%, through a combination of organic growth and targeted acquisitions
- Profitability: EBITA margin to exceed 10%
- Capital structure: Net gearing below 100%
- Dividend: Fiskars aims to distribute a stable, over time increasing dividend, to be paid biannually

SALES BY BRAND



Fiskars Gerber
 Waterford Royal Copenhagen
 Wedgwood Other brands
 Iittala

LOST TIME INCIDENT FREQUENCY (LTIF)

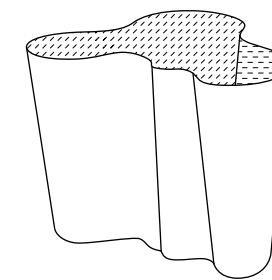
4.5 (2016: 6.6)

Lost Time Incident Frequency (LTIF) reflects the number of injuries resulting in an absence of at least one workday per million hours worked.

In June, Fiskars Corporation made a donation of EUR 250,000 to Aalto University, to the field of art and design, to contribute to the development of high-quality design and art education in Finland. With the donation, Fiskars wants to foster innovation, cherish creativity and help develop new materials and processes, nurturing future talents that are critical for the company's continued success.

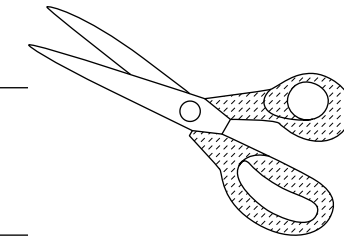
Fiskars was one of the official partners of the "Finland 100" project. As part of this partnership, Fiskars Group donated the park area of Dagmar in

NET SALES BY REPORTING SEGMENT 2017



49%
Living

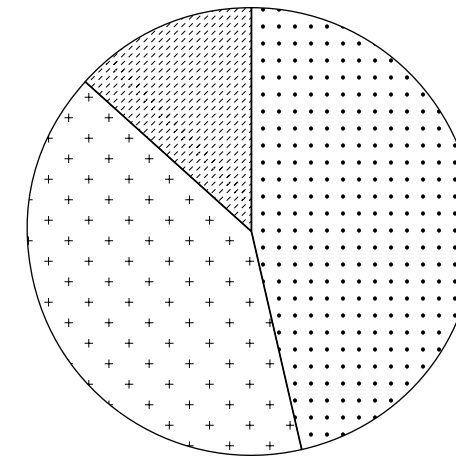
573.9
EUR million



51%
Functional

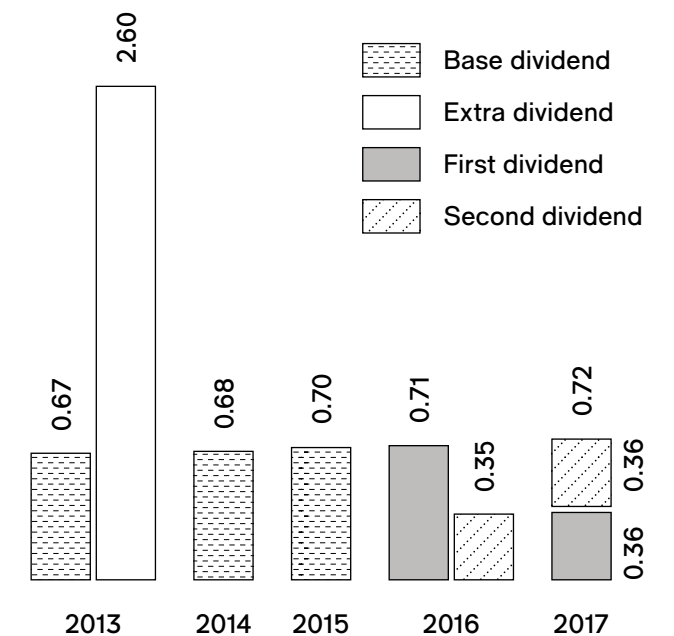
607.8
EUR million

NET SALES BY GEOGRAPHICAL AREA 2017



Asia-Pacific 13%
 Americas 39%
 Europe 48%

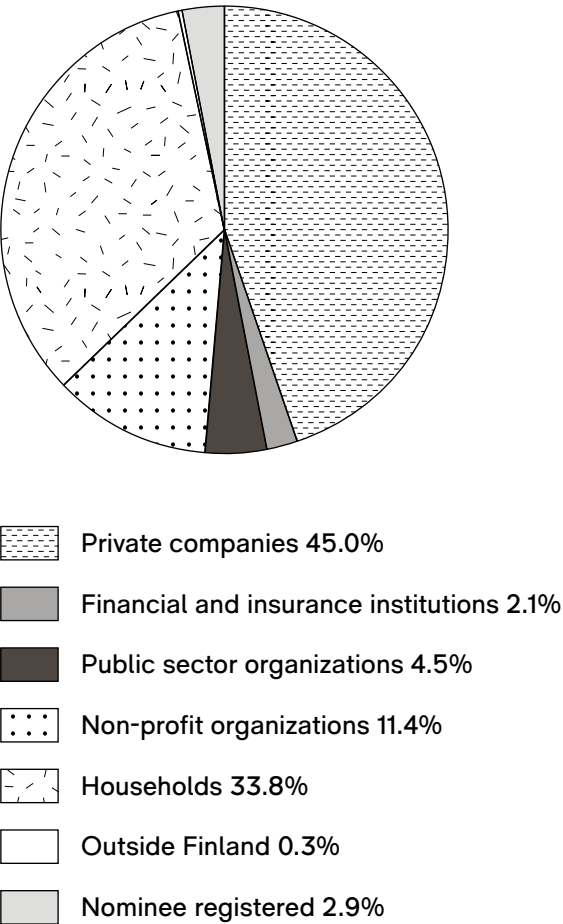
DIVIDEND PER SHARE (DPS) HISTORY 2013–2017 EUR



Källviken, Finland, to Finns and friends of Finland for one hundred years for a token rent of 1 euro per year. Before the area was handed over, Fiskars' employees renovated the park together.

In October, Jaana Tuominen joined Fiskars Corporation as President and CEO. Tuominen joined Fiskars from Paulig Group, where she had worked since 2008 as Chief Executive Officer.

SHAREHOLDERS,
DEC 31, 2017



Q1

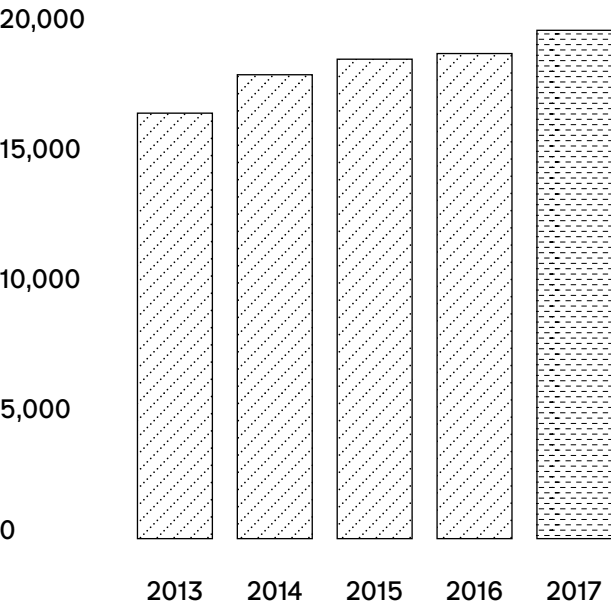
In January, Fiskars Waterwheel received an honorary mention in the Fennia Prize awards. The Fennia Prize, Finland’s biggest design competition for companies and organizations, recognizes exemplary use of design in both designing and realizing products, services, business processes or concepts.

In February, the 50th anniversary celebrations of Fiskars Classic Scissors were launched at the Ambiente fair in Germany, driving growth in the scissors category in Europe. With over a billion pairs sold world-wide, the orange-handled scissors have made Fiskars the biggest scissors brand in the world. In honor of the event, Fiskars invited artists and creative individuals from around the world to participate in the ‘Our Scissors’ exhibition with their inspired birthday greetings at the Design Museum in Helsinki.

NUMBER OF SHAREHOLDERS
DEC 31, 2017

19,536

NUMBER OF SHAREHOLDERS
DEC 31, 2017



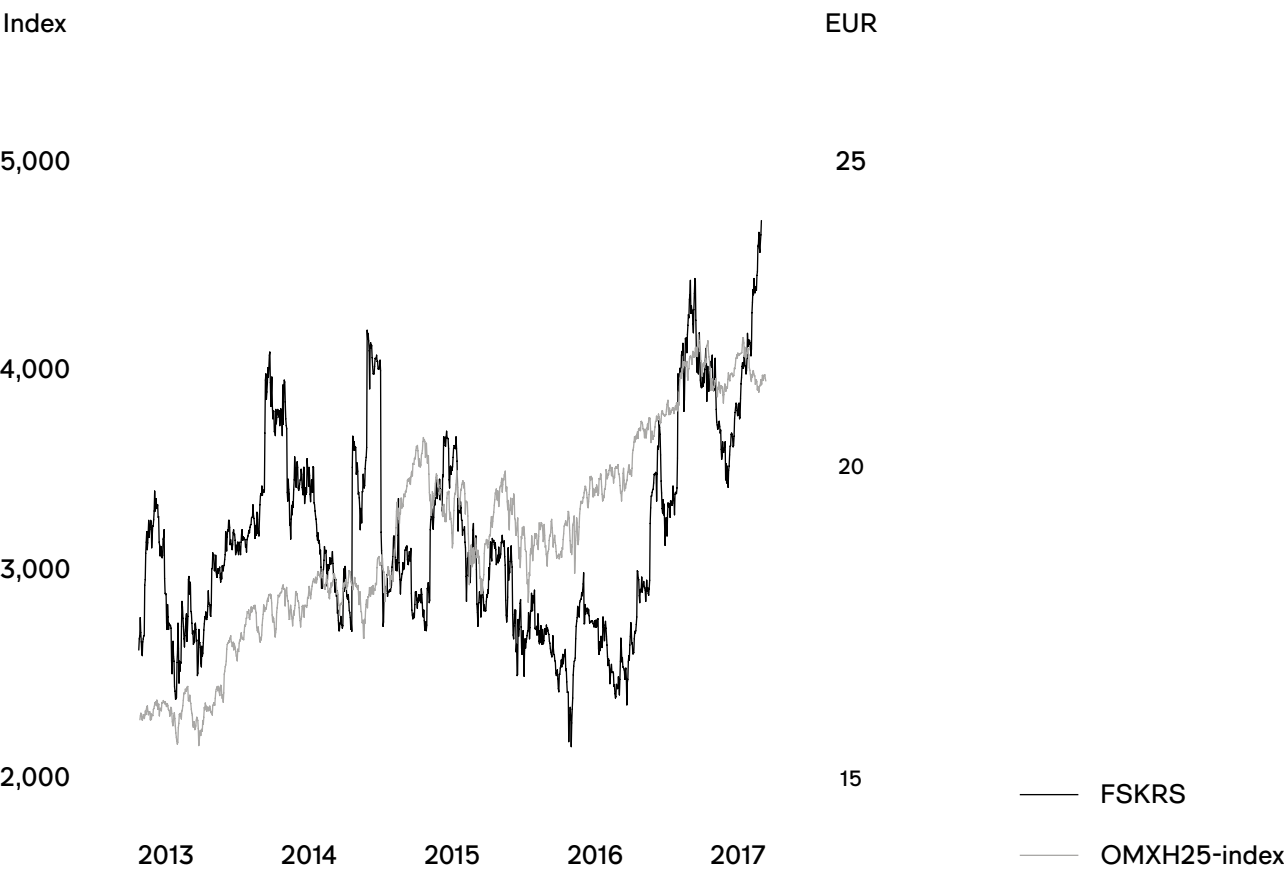
Q2

In May, Wedgwood partnered with the Royal Horticultural Society (RHS) in the UK, representing a milestone in the renewal of Wedgwood into a premium British lifestyle brand. Through this platform, Wedgwood showcased its new experiential retail concept, and new product collections across three RHS flower shows: Chelsea, Chatsworth and Tatton Park.

In one of the world’s largest design competitions, Red Dot Design Award, Fiskars was awarded the title “Red Dot: Best of the Best” for top design quality and ground-breaking design to Fiskars PowerGear™ X Pruners and the title “Red Dot” for high design quality to Fiskars PowerGear™ X Tree Pruners.

Fiskars successfully implemented a new global people management tool, Workday. This was an important milestone in our efforts to establish global people processes across the organization, so that together we can offer an inspiring place to work for all our employees.

FISKARS SHARE PRICE, EUR
JAN 1, 2013 – DEC 31, 2017



Q3

The modern classic and one of Iittala’s most beloved series, Taika tableware, celebrated its 10-year anniversary with a successful campaign and new product introductions.

Gerber entered a new category as it introduced a new fishing collection for the adventurous angler, with sales starting in the U.S. in 2018.

Learning® Magazine awarded Fiskars two 2018 Teachers’ Choice Awards for the Classroom in the U.S. The Color Change Student Scissors and Color Change Pointed-Tip Kids Scissors were selected as the very best in classroom tested, teacher-recommended products.

Q4

Arabia introduced a new series of stackable tableware, Mainio Sarastus. The series is versatile, practical, light, and can be used for serving, preparing, and storing food. Mainio Sarastus is inspired by key trends of urbanization and small homes.

Waterford celebrated New Year’s Eve in Times Square, New York. For 19 years, the iconic Waterford Times Square New Year’s Eve Ball has counted down to the New Year with celebrators from all over the world.

Fiskars won 11 GOOD DESIGN® 2017 Awards, which emphasize quality design of the highest form, function, and aesthetic. The awards were given to a wide range of Fiskars and Gilmour branded products, including cutting tools, knives, scissors and watering products.

Our transformation journey



Our operating environment is changing; our trade partners are consolidating and consumers' purchasing behavior is evolving. At the same time, Fiskars as a company has changed fundamentally during the past years. To respond to these changes, in 2017 we continued the transformation programs that have been initiated during the past years.

We established a Strategic Business Unit based management model and a unified Supply Chain. We started the implementation of a new operating model that is aligned with the new strategy and structure.

The changes have included new business guidelines, business transfers, legal structure changes as well as efficiency improvement actions.

The solid results speak of our ability to create value, generate growth with our strong brands and drive operational efficiencies.

With an organization with many inherited complexities, a lot of dedication and commitment goes into aligning our ways of working, and ensuring we operate together in a seamless manner that benefits the consumer.

We have made considerable progress on our strategic journey to build global businesses and brands, making 2017 a suitable time to establish our financial ambitions for the long-term performance of the company. In February, Fiskars established long-term financial targets that cover four areas: growth, profitability, capital structure, and dividend.

In the UK, we relocated our distribution center operations and staff from Stafford to a new purpose-built partner-operated facility in Stoke. This transfer gives us more flexibility and helps us provide an optimal service to our customers, meet the demands of our increasing e-commerce, and support our competitiveness in this area.



In June, we saw a group of our European sales units transition to a new operating model, and the implementation continues in Asia and Americas. The new way of working allows our sales units to focus on nurturing the relationship with our customers while the strategic business units ensure compliance and alignment and provide globally optimized platforms our brands can plug into to grow and shine.

Royal Copenhagen Japan Ltd and Waterford Wedgwood Japan Limited merged to form a new legal entity, Fiskars Japan Co., Ltd, in September. For the past few years the teams have been deepening their collaboration, and the formal merger creates further opportunities for the brands to thrive as we continue to build a family of luxury lifestyle brands in Japan.

In 2015, Fiskars announced a restructuring program to optimize its global supply chain network in Europe and Asia. The Supply Chain 2017 program

was set up to improve the competitiveness of Fiskars' manufacturing operations and distribution network, and was completed in 2017.

The Alignment program was announced in November 2016, and the majority of the program activities were completed by the end of 2017. The program focused on the structural changes in the organization, proposed headcount reductions announced in November, and the full integration of the English & Crystal Living business, acquired in 2015.

Changing landscape



Creating new business models is essential to staying relevant in the changing business landscape. Circular economy, as an example, provides opportunities to create value and support Fiskars in mitigating the use of non-renewable materials. Fiskars is committed to promoting efficiency and identifying new solutions throughout our value chain.

During 2017, we have had thorough discussions regarding new business models and process innovations around circular economy. Many of our brands

have initiatives already ongoing, or included in their near-future plans. New service models, take-back concepts and new material innovations are important areas for us to develop in the future.

Fiskars has been promoting recycling in Finland for more than 10 years with recycling campaigns for old and used pans, pots and cutlery. In 2018, the campaign will be extended to cover gardening products and to reach other European countries as well. Reclaiming used materials and recycling them as

parts of new products enhances the efficient use of resources, while supporting cleaner production and resource optimization.

We believe in design that stands the test of time, thanks to its visual appeal, high quality and attention to detail. The lifecycle of a product does not need to end when the consumer is looking for a change – instead, the products can find new homes with new consumers. We have explored different take-back concepts and models to help prolong the lifecycle of

a product. Arabia will be piloting a take-back concept in their flagship store in Helsinki in early 2018.

Our factories have implemented many initiatives to reuse and recycle all the waste streams from the factories. In our Iittala factory all waste is recycled or reused through our partners. We have also invested in our Thailand and Slovenia factories to reduce the amount of waste to landfill.

Our brands

FISKARS®

GERBER®

iittala

ROYAL COPENHAGEN
PURVEYOR TO HER MAJESTY THE QUEEN OF DENMARK

WATERFORD

WEDGWOOD
ENGLAND 1759

ARABIA
1873

Gilmour

ROYAL ALBERT
ENGLAND 1904

ROYAL DOULTON
LONDON

Rörstrand

We are building a family of iconic lifestyle brands. In 2017, we refined the target groups for each of our brands, and sharpened our brands' purposes. We also worked on common capabilities and shared platforms that will benefit all our brands in a way that best suits them.

To help us target our actions, in 2017 we have been harmonizing our approach to utilizing Net Promoter Score as an indicator on brand performance across our brands.

FISKARS

Fiskars is a premium lifestyle brand that makes high-quality gardening, cooking, and crafting tools that empower enthusiasts' everyday creativity through purposeful design.

GERBER

Gerber is a leading global supplier of personal knives, multi-tools and problem-solving gear. Built on the pillars of craftsmanship, innovation, and an unrelenting commitment to quality, the trusted brand features a diverse portfolio of equipment for recreational and professional end users.

IITTALA

As a pioneer of Nordic design, Iittala is dedicated to the pursuit of better living. For us, design is a human issue, a way of looking forward. We believe in striving for balance by focusing on the essential things in life.

ROYAL COPENHAGEN

Founded in 1775, Royal Copenhagen has for more than 240 years made products with not only the deepest respect for tradition, but also the highest standards of craftsmanship. Today, Royal Copenhagen is a highly distinguished brand, renowned for its exclusive quality porcelain products and its immaculate design.

WATERFORD

An icon of Irish conviviality since 1783. Today more than two hundred years later Waterford has the finest quality crystal sought after by collectors and connoisseurs around the world and the reputation for creating glass of unsurpassed beauty and quality has transcended the intervening centuries.

WEDGWOOD

Founded in 1759 by Josiah Wedgwood, an astonishing craftsman and potter but also an exceptional pioneer, philanthropist and marketer, Wedgwood cherishes Josiah's principles of design, quality and innovation to make the highest quality fine bone china dinnerware, teaware, and iconic Jasperware, as well as beautifully crafted ornamental pieces.

ARABIA

Arabia is one of Finland's most beloved brands. For over 140 years, Arabia has been part of Finnish homes, celebrations and the everyday. Beautiful, practical and made to last, Arabia tableware brings people together in treasured everyday moments. Arabia. All set for life.

GILMOUR

Gilmour, a category leader in watering, has a long-standing reputation for innovation with a complete portfolio of products, including hoses, nozzles, sprinklers and accessories. Designed for quality, efficiency and control, Gilmour tools empower passionate doers to achieve the outdoor spaces they envision.

ROYAL ALBERT

For over 100 years, Royal Albert has been passionate about pretty floral teaware. Royal Albert is the quintessentially English floral gifting brand, adding an element of fun, romance, nostalgia and indulgence. Enjoyed today and treasured forever.

ROYAL DOULTON

Established in London in 1815, Royal Doulton has been at the forefront of contemporary lifestyle design, setting trends in tableware and interiors. From casual dinnerware to wedding gifts, decorative collectables to urban wall art, the brand is original and eclectic.

RÖRSTRAND

The Swedish tableware brand Rörstrand was founded in Stockholm in 1726, and is hereby the second oldest porcelain brand in Europe. Its timeless, beautiful porcelain helps you to enjoy every meal in style.

Our organization

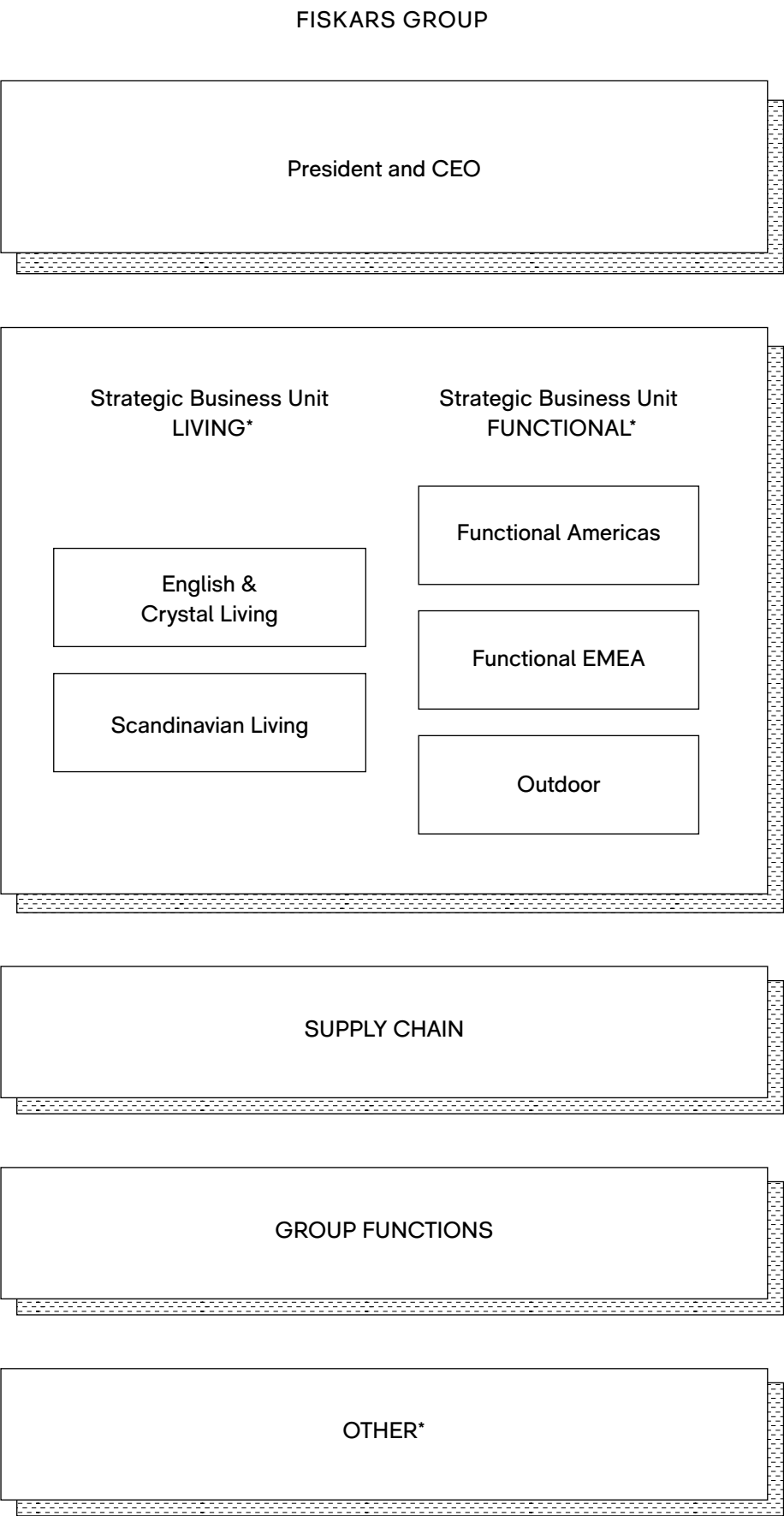
Fiskars’ organization is built around two Strategic Business Units (SBU), Living and Functional, and a unified supply chain. Both SBUs have accountability for the global consumer experience, including brands, product management, new product development, marketing and sales. This new structure, effective from January 1, 2017, allows us to operate more efficiently on a global scale as we build our family of iconic lifestyle brands.

Building on our strong position in the global consumer goods business today, with our new structure we are increasing our speed and agility, deepening our connections with the consumer and aiming to create value to our stakeholders.

Fiskars’ Other segment contains the Group’s investment portfolio, real estate unit, corporate headquarters and shared services.

The real estate unit is in charge of managing and developing real estate property in Finland that is used by the Group for manufacturing or commercial purposes, along with the Group’s other real estate assets, including the Fiskars Village, and the sustainably managed forests, owned by the Group. The unit’s income consists mainly of timber sales and rental income.

At the end of 2017, the market value of Fiskars’ active investments was EUR 572.4 million consisting entirely of shares in Wärtsilä, with a closing price of EUR 52.60 per Wärtsilä share.



* Reporting segments

Living



Fiskars Living business offers a unique portfolio of luxury and premium brands in the tabletop, giftware and interior décor categories. The Living business consists of English & Crystal Living and Scandinavian Living businesses, with strong premium and luxury brands such as Iittala and Royal Copenhagen, known for their Scandinavian design, as well as Wedgwood and Waterford, synonymous with expressive luxury.

The Living business strategy is to become a global leader within the industry, building brand equity through consumer-centric focus, whilst leveraging common service platforms to increase efficiencies.

In 2017, the Living business sharpened its roadmap for 2018–2020.

Close collaboration between the Scandinavian Living and English & Crystal Living businesses will aim to strengthen the impact and efficiency of joint marketing activities towards the trade customers.

In addition to transforming our organization and our ways of working, we are repositioning our brands to ensure that new consumers will find them relevant and engaging. We have also established partnerships with market leaders and universities to develop future products, services, and solutions.



Wedgwood, a British icon, is reaching new consumers through an updated product portfolio and experiential retail. The launch of the Wedgwood Tea Conservatory at Royal Horticultural Society Flower Shows was inspired by the English conservatory and garden, as a place to relax and enjoy time whilst engaging with the Wedgwood brand. A well-being tea pairing menu has been created to enhance the multi-sensory tea tasting experience.

In terms of other Living highlights, the 100th Independence Anniversary of Finland was successfully celebrated by special editions from Iittala and



Arabia. The modern classic and one of Iittala's most beloved series, Taika tableware, celebrated its 10-year anniversary with new product introductions. Denmark celebrated 150 years of diplomatic relations with Japan, and Royal Copenhagen leveraged on these events in two key markets with successful campaigns and sales.

Functional



SBU Functional creates tools for use in and around the home as well as outdoors, and is driven by Fiskars, Gerber, Gilmour, and a number of local brands. Fiskars has grown to be the world's #1 scissors brand and is also recognized as a leading global lifestyle brand for the gardening, crafting, and cooking categories. Fiskars promotes achievement and self-expression by focusing on easy to use, innovative tools to make tasks more enjoyable.

In 2017, the Functional Americas, Functional EMEA and Outdoor businesses came together and started operating under one leadership. Paul Tonnesen was appointed as President, SBU Functional, in March. "Our brands are present in people's everyday lives, helping in tasks in and around the home. I'm honored

to start leading the global SBU Functional, and continue to build our strong brands", said Paul Tonnesen. "We have a great opportunity to expand our market share, increase competitiveness and work together across regions to make the everyday extraordinary".

The Functional team's year was very orange, with the 50th anniversary of the Classic Scissors being one of the key marketing highlights. Fiskars celebrated the anniversary by inviting artists, designers and creatives from across the globe to share artwork made with or inspired by the iconic product. Over one billion pairs of our orange-handled scissors have been sold worldwide.

In addition to the iconic Classic Scissors, other products also received praise for their innovative

design and outstanding quality. Fiskars Waterwheel received an honorary mention in the Fennia Prize awards, and in one of the world's largest design competitions, Red Dot Design Award, Fiskars was awarded the title "Red Dot: Best of the Best" for top design quality and ground-breaking design.

Eleven of Fiskars products, among them Fiskars PowerGear® Cutting Tools and Gilmour Circular and Rectangular Sprinklers, were recognized for their innovative and cutting-edge design by GOOD DESIGN®, the oldest and one of the most prestigious awards program organized worldwide.

Fiskars has rapidly expanded into a new category by launching professional-grade hardware tools. Recognized for their innovation by Fast Company's



Innovation by Design awards in 2016, the category launched with a striking tool line and continued to grow in 2017 with the launch of a cutting tool line and expansion in Europe.

Gerber entered a new category as it introduced a new fishing collection for the adventurous angler. The new collection will launch in spring 2018, when the products become available for purchase globally.

To ensure there are innovative and iconic products to celebrate in the future as well, the Functional team has partnered with organizations and universities to innovate future products, services and solutions.

Delivering omnichannel consumer experiences

"People already live in an omnichannel environment. They move freely between digital and offline channels, devices and environments, and expect brands to be recognizable and consistent at every encounter. We are working on ensuring we can confidently meet our consumers in an omnichannel world, address them in a way that resonates with them personally, and excites them to join us."

ALEXANDER MATT
Chief Marketing Officer at Fiskars Group

In 2017, Fiskars sharpened its omnichannel strategy, and as a key priority is now investing in ways to gather high-quality data to help us steer our actions.

"The data available nowadays is fantastic! Digital technology allows us to learn so much about our consumers. It is not just insights regarding their past behavior, but we can also predict what they might want from us so that we can serve them better. At the same time there is an enormous responsibility on us to treat this data with utmost care, and we are taking this responsibility very seriously", Alexander explains.

"It is a fact that consumers' habits are changing rapidly. We know that people are willing to switch retailers for their preferred delivery option. Click and collect, for example, is increasing its popularity. At the same time, the role of physical stores is evolving", Alexander continues. Omnichannel is not just an excit-

ing possibility, it is something companies need to get right to stay relevant.

"What all the omnichannel trailblazers have in common is their focus on the consumer. Our starting point is to improve the consumer experience, and we do this by leveraging digital as a key enabler", Alexander explains.

DIGITAL AS AN ENABLER

Digitization provides us with new opportunities both in terms of our internal operations as well as for our consumer touchpoints.

"From a technology point of view, our goal is to unite our businesses under a single platform, while providing a flexible and robust architecture that allows each brand to express themselves in their own unique way", Alexander describes.

In 2017, we saw Royal Copenhagen transition its online presence to a new consumer relationship management (CRM) system, joining Iittala and its Mylittala loyalty program, already living on this new platform since 2016.

"And there's also the social aspect, responding to the ways people use different media in their interactions with different companies and brands. The Gerber brand, for example, has nurtured a social media following thanks to an innovative brand ambassador program".

THE NEED FOR SPEED

The consumer market is changing at speeds never seen before. With the consumer leading the way, companies have both an opportunity and a challenge in ensuring they are able to increase the

speed of their capability building to ensure a digital cultural shift.

In 2017, we established several lighthouse pilots, giving us a focal point for acceleration and innovation. We have also set up Touchpoint, a digital community connecting the talent we have across the business, to share best practices and speed up our learning curve. In 2018 both programs will continue to evolve.



Growing the core



To be relevant in the global marketplace and to build iconic lifestyle brands, we need to have a clear understanding of what is at the core of our business – and stay focused on it. To this end, we are making sure we sufficiently invest our time, effort and other resources in our core portfolio of brands, markets and products.

Offering superior products based on innovation, lasting design and functionality remains at the core of our brands, and continues to be something we build on. We have defined our key international brands – Fiskars, Gerber, Iittala, Royal Copenhagen, Water-

ford, and Wedgwood – and in 2017 we continued to define the core offering for each of these brands. In addition, we have a number of regional brands that have strong foothold in their local markets, such as Arabia, Rörstrand, and Royal Doulton.

Growing the core also means focusing and investing sufficiently in core markets that offer the best opportunities for value creation. Our Living business focuses on premium and luxury retail in large cities, where most of our consumers are. Functional products are mainly sold through large retailers and thus we

“We wanted to think about the pieces of tableware being used for more than just presenting food. Ceramic tableware can be versatile if that is how it is designed. People often use plates as lids and bowls for storage, but the pieces may not necessarily fit together perfectly. We wanted to create a concept that works perfectly.”

IRINA VIIPPOLA

Arabia's Design Manager, main designer of the Mainio Sarastus tableware



are focusing on selling our solutions through national and international chains.

In our product development, we want to consider each new product launch to make sure we are responding to a consumer need, or breaking new terrain with new innovations. With a carefully curated and relevant selection, we help the consumer make meaningful choices.

In November, our Arabia brand introduced its first new product line in more than a decade. Mainio Sarastus is a stackable series of tableware, which

can be used for serving, preparing, and storing food. Mainio is inspired by urbanization and small homes. The development of the Mainio tableware series was sparked by the idea of creating a relaxed tableware set that could be used for many purposes and that took small spaces into consideration.



Building common global capabilities



Fiskars Group operates as an integrated consumer goods company, with the Group providing direction and common platforms for all our brands. Our two strategic business units partner with a unified supply chain, and through common priorities, increased transparency and shared capabilities and resources, we are creating efficiencies that will help improve our business performance.

Cross-functional collaboration allows us to increase our speed. Direct and respectful communications, market intimacy, learning from each other, sharing of success models and using common platforms enables us to leverage our competencies.

COMMON TOOLS AND PROCESSES

We are establishing unified ways to collect, store and analyze information about the way we run our operations and our business, and the impact of our actions. Having easy access to high-quality information is essential to running a successful business

in our ever-changing business environment, and in 2017 we have taken important steps forward with the introduction of our new people management system, a new contract lifecycle management solution, and a common information management program.

UNIFIED SUPPLY CHAIN

As part of this effort, we have been working on developing a common scorecard for product development across the Group. Its purpose is to help us evaluate a product's sustainability potential already in the early phases of product development. The scorecard includes guidance on the use of the most common packaging and product materials and the rating of the preferred materials and materials to be avoided.

In 2017, we conducted an assessment of substances of concern. Based on the assessment, we are preparing a Chemical Policy for Fiskars Group, and creating clear targets to support our long-term target to find innovative new solutions to replace substances



of concern, and to reduce the use of substances of concern by 30% by 2027.

We implemented a first version of the scorecard for the materials used in products and packaging in our Scandinavian Living business while continuing the implementation throughout the whole Living business. We plan to take the scorecard into use also in our Functional business.

IT AND BUSINESS PROCESSES

In 2017, Fiskars continued to invest in IT systems and processes to ensure a competitive infrastructure in building global businesses and brands. We have been implementing common business processes in sales, supply chain and finance, as well as continued the global deployment of a new, shared Enterprise Resource Planning (ERP) system.

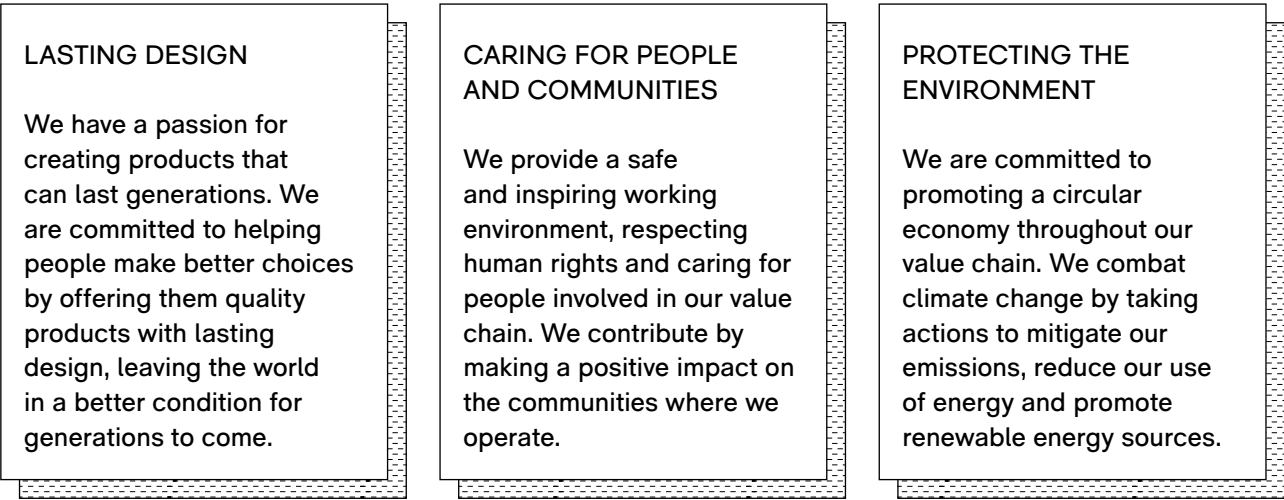
We were also very pleased to see communities forming across our business. These communities might not exist on an organization chart, but are driv-

ing business benefits and innovation all the same. In the past, we had different approaches to category management at different parts of the world. Now, with the help of our internal social platform, we have set up a virtual Category Management community.

As part of our omnichannel and digital strategies, we set up Touchpoint, which is a community that brings together people interested in omnichannel experiences and strategies and who are willing to share their experiences and best practices. As we look for innovative new ways to delight the consumer, we are tapping on the incredible talent and insight we have in house, both as consumers and as professionals.

Creating a positive lasting impact on our quality of life

SUSTAINABILITY FOCUS AREAS



Sustainability is at the core of the way we do business. In 2016, we published our first public report on sustainability. Following this introduction into our sustainability thinking, we have now incorporated information regarding the material elements of our sustainability approach, activities implemented in 2017, as well as our plans for the future in this Annual Review.

We are proud of our long heritage and of the incredible brands and products we have. Our brands have accumulated their value over the years, and we have a big responsibility to both past and future generations to make sure we are seizing our opportunities and keeping our brands relevant and alive.

For us, continued focus on sustainability offers opportunities to create value, manage risks and identify new business opportunities. During the year, we have conducted major work in developing our sustainability, improving the accuracy of our data and reporting, and further developing both our long-term and short-term targets.

In 2017, we had the pleasure of partnering with many creative forces to come up with new innovative ways to both improve our products but also make our processes and production methods more transparent, efficient and sustainable.

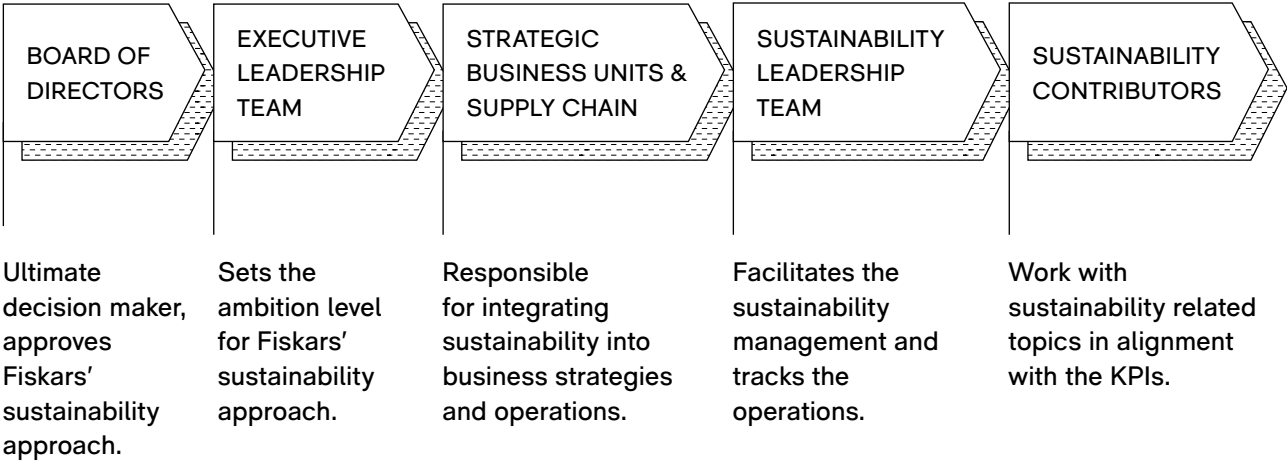
As an example, we collaborated with Aalto University in Helsinki to work on urban growing in the context of smart homes and sharing economy. We also sought ways to improve our customer services with the help of automation.

BECOMING A LEADER IN BUILDING A MORE SUSTAINABLE WORLD

Our ambition is to empower positive change, and to be a leader in building a more sustainable world. Our ambition is further articulated into our sustainability focus areas, which guide our decision making and help us prioritize our actions.

On the following pages, we take a closer look at our sustainability governance, and provide examples of the progress we have made in delivering on our sustainability focus areas.

SUSTAINABILITY GOVERNANCE IN 2017



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

During 2017, the newly established Sustainability Leadership Team with representatives from both Strategic Business Units, supply chain and group functions, met five times to discuss and review our progress against the KPIs we have set for ourselves.

- The Board of Directors is the ultimate decision maker, and approves Fiskars' sustainability approach and ambition level. The Board of Directors also regularly evaluates progress against the key performance indicators, and conducts a comprehensive review of the sustainability approach and ambition once a year.
- The Executive Leadership Team sets the ambition level for Fiskars' sustainability approach, and signs off the sustainability report, compliance and data. Sustainability is on the regular agenda of the Executive Leadership Team, and in 2017 they for example reviewed our short-term targets and action plans for the future development.

- The Strategic Business Units and supply chain are responsible for integrating sustainability into business strategies, operations and brands' purpose. The Strategic Business Units also contribute and advance sustainability in dedicated leadership team meetings.
- We also have people who operate as Sustainability contributors, focusing on sustainability related topics in alignment with the KPIs. These contributors have a key role in managing sustainability focus areas, gathering data and reporting.
- The Ethics Advisory Group works with Fiskars Leadership to foster a culture of high ethical conduct within Fiskars. It reviews, approves and assesses Code of Conduct and Anti-Corruption and Anti-Bribery programs and other communication initiatives to ensure effective and efficient implementation.

Deepened collaboration with our suppliers

Fiskars' production strategy builds on our own manufacturing operations and collaboration with selected suppliers. We are building a strong supplier network that can meet our business needs and as well as our corporate values and expectations regarding social and environmental requirements.

In October, we invited our main suppliers again to our annual Supplier Day to learn more about the Fiskars' strategy, our ways of working and our sustainability focus. Through long-term collaboration we have been able to further strengthen our suppliers' commitment to our values and our culture.

FOLLOWING UP ON OUR SHARED COMMITMENTS

Fiskars established a supplier audit program already in 2011, and it has been continuously developed. The decision to make 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 suppliers in high risk countries are audited on-site by Fiskars. Fiskars has a professional team of four auditors that performs audits in the Far East and South-East Asia. In addition, we use third party audit services to complement our own audits when needed.

An audit consists of document reviews, factory tours, and workers' interviews. The questions are divided into three levels of significance (zero tolerance, normal, advanced) and the results are described with a percentage score.

In 2017, we conducted 57 audits to our finished goods suppliers. Since the beginning of the Fiskars Auditing Program in 2011 we have conducted approximately 400 on-site audits of our suppliers, addressing 1,500 findings and closing 150 zero tolerance cases. In 2017, we further extended our supplier risk assess-

"We are consistently working together with our suppliers to increase awareness on environmental matters and to promote safe working practices. In collaboration with our suppliers, we have been able to change practices that do not meet our requirements, resulting in safer and more engaging working environments for the people who work with our products."

ALECK HE

Sustainability Manager, Sourcing at Fiskars

ment to cover second tier suppliers. In the auditing program we covered for example 16 packaging suppliers in Asia and two decal suppliers of our suppliers.

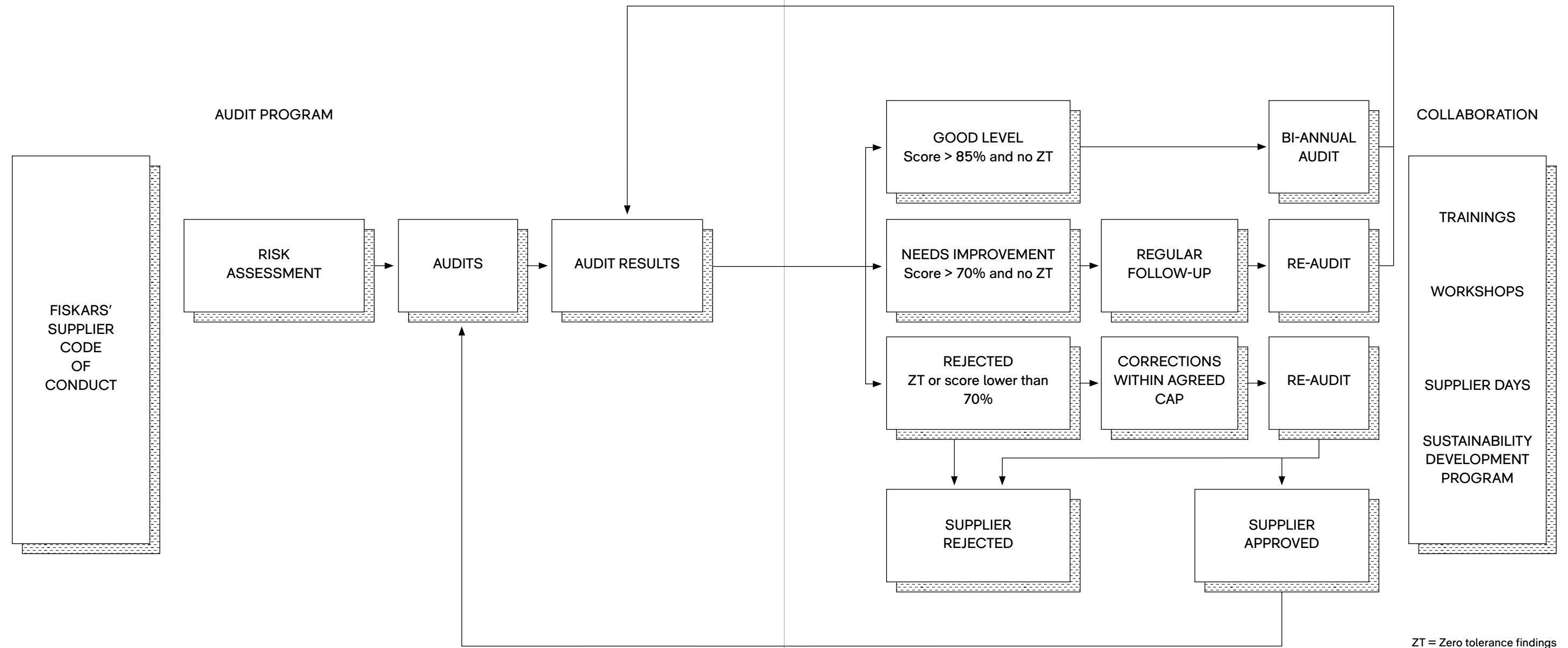
STRONG FOCUS ON HEALTH AND SAFETY AND ENVIRONMENT

In 2017, we introduced an updated version of the Fiskars Supplier Code of Conduct. One of the new requirements was restricting the daily working hours, even if the local law would allow longer days. These new requirements have been challenging for some of our suppliers. In many cases we were able to develop a new way of working together with the supplier, but unfortunately there were also some suppliers who were not willing to comply with our requirements, leading to us terminating our cooperation.

During 2017 we focused in environmental topics, such as effluent treatment. We provided training for

our sourcing employees and our suppliers. In China the publicly available environmental data (PAED), new laws and a new blacklist by the Institute of Public and Environmental Affairs (IPE), significantly increased transparency and deepened our work with our suppliers. During 2017 we have worked together with our suppliers to support them in updating the Environmental Impact Assessments (EIA), or mitigating their emissions to air or water.

Responsible supplier management



Fiskars' production strategy is based on combining our own manufacturing operations with 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.

Fiskars Supplier Code of Conduct (SCOC) outlines the non-negotiable minimum standards Fiskars requires all its suppliers to comply when doing business with Fiskars, illustrating the values and principles that are core for Fiskars' operations worldwide.

The SCOC covers important topics such as health and safety, environmental protection and human and labor rights.

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

Nature as a source of inspiration



In 2017, Finland celebrated the first centenary of its independence with a series of events, all under a common theme – “together”. Fiskars joined the celebrations with a selection of blue and white products, but also by working together to restore Dagmar Park, a beautiful piece of land in Källviken, Finland. In August, Fiskars handed over the area for Finns and friends of Finland to use as a hiking and recreational area for the next hundred years.

Before the area was handed over, a total of more than 750 man-hours of work was done by Fiskars employees.

FORESTS AND GARDENS ALIKE

In 2017, Wedgwood announced an exciting new partnership with the Royal Horticultural Society (RHS). This partnership marks the reunion of two iconic British brands with a shared history and vision.

Through this platform Wedgwood has showcased the brand, new product lines, and an experiential retail concept across the RHS Garden Shows.

Garden designer Sam Owens created a Wedgwood garden for the RHS Chatsworth Flower Show, and went on to win gold. The central feature of the garden was a contemporary and conceptual take on a living space, inspired by Wedgwood’s attitude to



“I am proud of the effort made by Fiskars’ employees to contribute to our gift for Finland’s centenary, the Dagmar Park. The enthusiasm and team spirit on display when restoring and protecting the park area demonstrated how important nature is to Fiskars’ teams: it is a source of well-being and inspiration.”

PEKKA SALMI

VP, Sales, North-East

Finland 100 Project leader at Fiskars Group



interior living blurring, the relationship between indoors and outdoors, bringing nature and natural elements to people’s homes to strengthen their quality of life.

THINKING BIG AND SMALL

Our offices are also turning greener and greener. Our Gerber team has established a “Green Team” to address both questions regarding workplace safety but also ways to progress with our zero waste to landfill target. In 2017, the team has started to recycle styrofoam.

Our office and distribution center in Monmouth County, New Jersey, U.S. was converted into a more

sustainable facility by installing a solar rooftop. The installation will have the capacity to provide nearly 90% of the electrical needs of the facility through solar energy, thus creating a carbon dioxide offset of 841 tons per year.

Our teams in Thailand had an unforgettable field day, releasing 1,500 fish and planting 500 trees near the Khun Dan dam in Nakhon Nayok province. Our factory staff in Indonesia continued their traditional sustainability initiatives, marking important local festivities by giving back to the community, and by fighting erosion by planting mangrove trees in the Tangerang Regency of Banten in Java, Indonesia.

Caring for people

We are committed to offering a safe and engaging working environment to all our employees. We have implemented lean methodologies at our sites and work in collaboration with our teams to continuously improve our processes. In 2017, we implemented countless of small local improvements that contribute to our overall wellbeing, starting from risk reduction measures within the workplace to sponsored sports clubs and employee celebrations.

Throughout our history, we have also been closely involved in the everyday life of the communities we operate in. Today, over 100 artisans call Fiskars Village home and it has become one of Finland's top creative hubs and tourist locations.

A key component in our sustainability efforts is engaging with our different stakeholders, and supporting the communities where we operate. We know that it is possible to both drive a positive change and to bring value to our business and brands.

In 2017, we redefined our Community Engagement Policy so that we can both drive a positive change in the communities we operate in and bring value to our business and brands. We further developed our community engagement approach to focus on topics where we believe we have a lot to offer.

FISKARS GROUP
Fiskars Group has been a proud partner of SOS Children's Villages in Finland since 2012. The organization 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. This year we again offered our consumers an opportunity to donate when making a purchase at our Arabia and Iittala stores, and also hosted a charity auction as part of our Finland's centenary celebrations.

Fiskars Group made a donation of EUR 250,000 to Aalto University, to the field of art and design, to contribute to the development of high-quality design and art education in Finland. With the donation, we want to foster innovation, cherish creativity and help develop new materials and processes, nurturing future talents that are critical for the company's continued success.

FISKARS BRAND
Fiskars has partnered with the Boys & Girls Clubs of America (BGCA) over the past five years. The partnership includes a donation to support arts and crafts programming in Clubs nationwide, and support of annual events like BGCA's Back-to-School Campaign

COMMUNITY ENGAGEMENT KEY TOPICS

PROMOTING CULTURE AND INNOVATION

We cherish and develop craftsmanship and creativity.

We foster innovations and technological development of materials and processes in our industry.

CARING FOR CHILDREN AND FOSTERING EQUAL OPPORTUNITIES

We promote equal access for girls and boys to quality education.

We work to empower women and girls: gender equality remains a persistent challenge for countries worldwide and the lack of equality is a major obstacle to sustainable development.

PROTECTING THE ENVIRONMENT AND OUR DIVERSE NATURAL HERITAGE

We work to protect biodiversity: tackling deforestation, support for species, habitats, and cultural heritage under a risk due to changing environment.

We aim to prevent natural catastrophes and support local communities.

and the Youth of the Year Event. This year Fiskars also donated shovels, loppers, saws, and other supplies in partnership with The Boys & Girls Club and the Madison community to the grief-stricken Houston community recovering from Hurricane Harvey.

Fiskars Project Orange Thumb awarded 30 applicants USD 3,500 in gift cards and tools in the coming year, with Project Orange Thumb having provided over USD 1.7 million to more than 210 community groups since the program began in 2002. "Fiskars provides Project Orange Thumb grants to grow gardens across the U.S. and Canada and bring long-lasting benefits to local communities," said President, SBU Functional Paul Tonnesen. "We're proud to continue to support and inspire these passionate, hard-working non-profit organizations."

GERBER
Gerber announced a long-term partnership with Team Red, White, and Blue (Team RWB). The multi-year program directly supports the organization's mission of enriching the lives of America's veterans by connecting them to their community through physical and social activity. Gerber's contributions include financial support and product donations that will help enable outdoor events for chapters throughout the United States.

RÖRSTRAND
Rörstrand is a proud sponsor of Pink Ribbon campaign – a campaign that raises money for the Swedish Cancer Society and their vision to find the cure for cancer. Together with other Swedish companies we have this year contributed to the overall result – a record of SEK 84 million.

Our people



DIVERSITY AND INCLUSION

At Fiskars Group, at the end of 2017, 53% of our employees were female and 47% male. The gender division in managerial positions was balanced, with 45% of all managerial positions being held by a female. In the Executive Leadership team, the gender balance was 50/50.

Our HR teams are trained to tackle unconscious biases when it comes to hiring talent. We have zero tolerance towards any kinds of harassment and exclusion.

2027 TARGETS

As we are aiming to a globally collaborative culture, we need diverse teams to be able to serve our consumers in the best possible way. Our long-term target is to attract, develop and retain a diverse team of high-performing people with different backgrounds and cultures.

- Reach a higher level of diversity in our workforce: we want to attract, develop and retain a diverse team of high-performing people and to prolong the Fiskars career path of young talents by 25%

- Women and men are equally enabled and engaged, with women's enablement and engagement improved to the high-performing norm level
- 70% of senior leader positions are filled by promoting internal talent

KEEPING EVERYONE SAFE

Ensuring the safety and wellbeing of our employees and people involved in our value chain is a key priority. We place a high emphasis on ensuring that everyone at Fiskars is effectively trained to carry out their duties in a safe manner.

We aim to actively promote a culture of zero harm, and believe that safety is our shared responsibility. We expect all employees to be proactive in helping us to prevent any accidents and work-related illnesses. In 2017, Fiskars Group reviewed its safety organization and arrangements, and worked to harmonize its safety processes. We launched a new Safety Policy for our supply chain. A global reporting platform was developed with new KPIs. We initiated the planning of global safety concepts, such as Safety Day and Safety Tours to improve our safety culture. The initiatives are to be implemented in 2018.

We actively undertake and review risk assessments in an effort to continuously improve our health and safety standards in the light of new technology, legislation and best practices.

Fiskars' safety target for 2027 is to have zero Lost Time Incidents, taking into account not just our own employees, but our contractors and key suppliers as well. Our efforts to improve our safety performance paid off and in 2017 the Lost Time Incident Frequency (LTIF) was 4.5 (6.6), 32% lower than in previous year.

PROTECTING HUMAN RIGHTS

We honor and promote universal human rights and equal opportunities in everything we do. To demonstrate our commitment, Fiskars joined the United Nations Global Compact, the world's largest corporate sustainability initiative, in 2016.

In 2017, we initiated a human rights assessment, evaluating our performance against the United Nations Guiding Principles on Business and Human Rights. The assessment will be completed in 2018 to give us a clear understanding of the risks and opportunities, and to help us develop processes to support the management of human rights in our value chain.

CREATING COMMON PEOPLE PROCESSES

In 2017, we saw the successful launch of Workday, our new global people management system.

To be able to make the best use of the incredible talent we have within the Fiskars Group, we need to have transparent common processes, and to manage this, we need to know our employees, their capabilities, objectives, development and career aspirations. To have reliable data, we need to give people access and control of their own information, with processes and a system that is simple and easy to use. We also need a common platform that can help us facilitate common global people processes that help us ensure an inspiring place to work for us all.

Designing for the future



Thanks to the vast amount of information available, we are more aware of the consequences of our choices than ever before. There is an increased appreciation for lasting design – the things we acquire for our homes must be durable, safe to use and please the eye, and they must reflect our values.

It's difficult to create simplicity that works. How to ensure consistent quality and lasting design all throughout our products, when our offering ranges from exquisite porcelain and everyday glassware to multi-tools and fishing gear? Our product development is based on continuous improvement, leveraging new techniques and methods, and innovative solutions, with an aim to ensure the quality of the experience. This is something that goes beyond the product itself.

Design is a process that covers a broad variety of components, such as manufacturing and distribution, the materials you use, your retail concepts, how you instruct the consumer how to use the product, the companies you work with, the list goes on. By ensuring that all these components communicate and follow the same principles we can create designs that last.

In 2017, Fiskars Group made a donation to Aalto University, to the field of art and design, to contribute to the development of high-quality design and art education in Finland. With the donation, we want to foster innovation, cherish creativity and help develop new materials and processes, nurturing future talents that are critical for the company's continued success.

By 2027 we aim to:

- Have 50% of all materials used in products from renewable or recycled sources
- Innovate new solutions to replace substances of concern. The use of substances of concern reduced by 30%
- Have all wood used in our products FSC™ certified (whole Chain of Custody)



Responsible use of resources



Responsible use of resources and the careful reduction, reuse and recycling of the materials is central to Fiskars' supply chain strategy. Fiskars' environmental and energy approach is guided by two principles: supporting long-term competitiveness and reducing negative impacts.

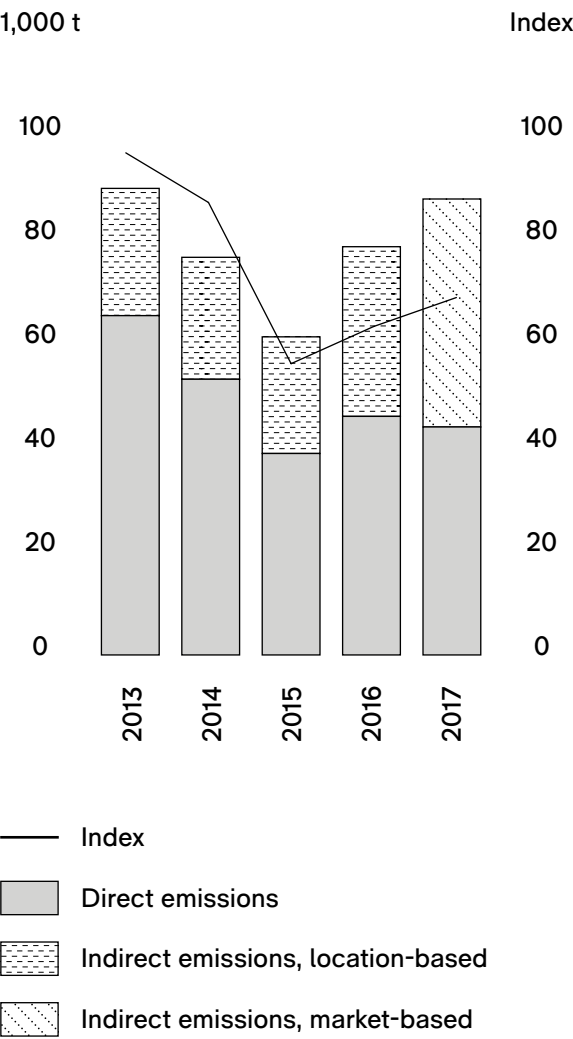
International standards and guidelines, such as ISO 14001, create an important foundation for Fiskars' environmental management. This year, Fiskars established an Environmental Policy for our supply chain, to emphasize our common targets and ways of working in our own manufacturing units. Our Supplier Code of Conduct outlines the expectations regarding our suppliers' environmental standards, and every supplier must sign and commit to it to do business with Fiskars.

We also defined short-term targets for 2017–2020 to support our efforts in achieving our long-term targets. To track our development in a more robust way with a clear audit trail for the reported data, Fiskars implemented a new global platform to gather environmental data from its manufacturing units and distribution centers.

By 2027 we aim to:

- Recover or recycle 100% of waste generated within our manufacturing facilities - no waste to landfill
- Reduce group-wide energy consumption by 30%
- Reduce group-wide CO₂ emissions of own production by 50%
- Reduce emissions (scope 3) by 30%
- Support our key suppliers in reducing their energy consumption by 30%

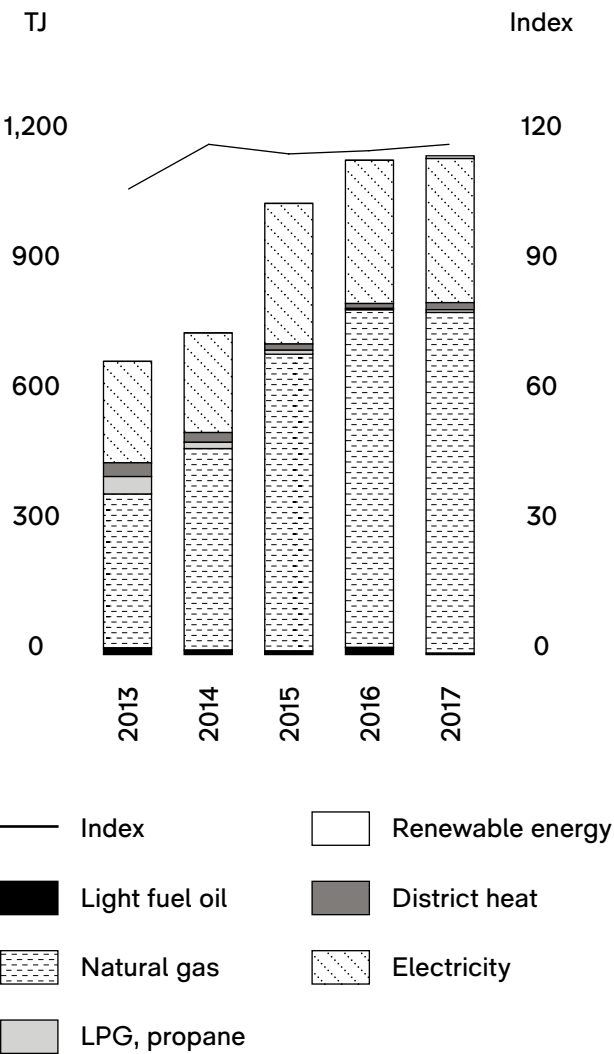
CO₂ EMISSIONS



The index is proportioned to Fiskars' net sales. For comparison, the reference year is 2013 = 100 index value. The figures from 2016 onwards describe Fiskars' current structure. Market-based emissions were calculated for the first time in 2017, to form a baseline for our long-term target for emission reduction.

KEY HIGHLIGHTS
We initiated a global energy management project in 2017 as a part of the continuous development of our real estate. The aim is to have all our manufacturing units managed through the same energy monitoring system. An improved reporting platform enables us to detect potential savings more efficiently. As an example, our Sorsakoski factory in Finland lowered their energy consumption by 39% from 2010 to 2017 through improved energy management.
We are mapping the opportunities around green electricity. Our Waterford factory in Ireland is already using 100% renewable energy.

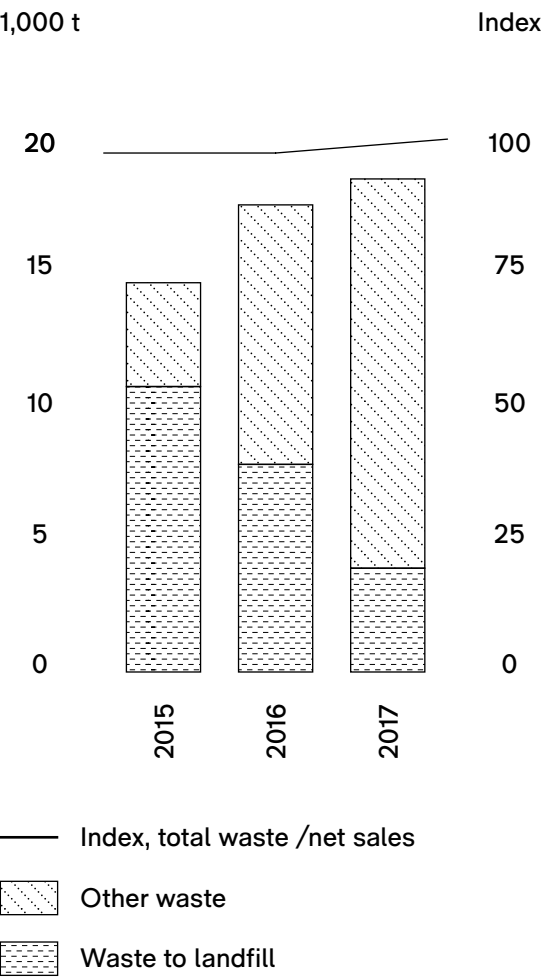
ENERGY CONSUMPTION



The index is proportioned to Fiskars' net sales. For comparison, the reference year is 2013 = 100 index value. The figures from 2016 onwards describe Fiskars' current structure. 2017 energy consumption includes also Fiskars' distribution centers (DCs). The share of the DCs is 25TJ from the total energy consumption. Renewable energy includes the solar panels in our distribution center in Wall, New Jersey, U.S.

In 2016, we conducted a comprehensive climate change risk mapping, which was finalized with concrete management actions in 2017. To further develop our sustainability risk management, these risks will be integrated firmly to the Group's risk management processes.
Our Rogaška factory in Slovenia completed two major sustainability projects in acid neutralization. Both projects are extremely important not just for the company, but also for the community in Rogaška. We can now recycle gypsum and reuse it in other industries, meaning that none of this waste stream goes to landfill. We have also been able to reduce the

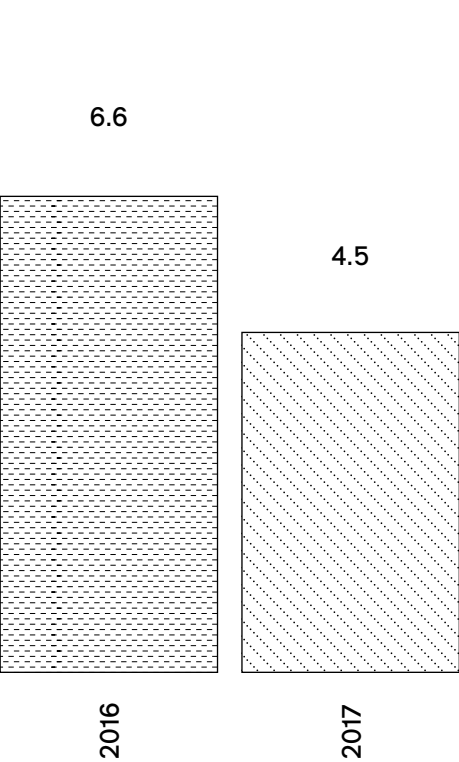
ANNUAL WASTE & WASTE TO LANDFILL



The index is proportioned to Fiskars' net sales. For comparison, the reference year is 2015 = 100 index value. The figures from 2016 onwards describe Fiskars' current structure. Other waste includes waste that is for example recycled, reused or used for energy recovery.

amount of acid that is needed for the neutralisation plant by 360 tons per year.
Mostly as a result of projects completed in our Rogaška factory, we were able to reduce the amount of waste going to landfill by 50% compared to last year.
Total energy consumption increased from 1,113TJ to 1,120 TJ, compared to last year. This was because we included all of our distribution centers to the reporting in 2017. When comparing the energy consumption of our factories, we were able to reduce the total consumption by 1.5%.
The location based emissions factors for the indirect energy were updated in 2017 and the 2017

LOST TIME INCIDENT FREQUENCY



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

figure is not fully comparable to previous years. 2017 was the first year we gathered both location-based and market-based emissions. Location-based indirect emissions were 34,000 (32,000) tCO₂ and market-based indirect emissions were 43,000 tCO₂. We will use the market-based emissions as a baseline for our long-term target to reduce the emissions.

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