



Remuneration Report 2021

Raisio plc



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Dear Raisio plc's shareholders,

This is the second Remuneration Report that the Board of Directors has prepared to be presented to the Annual General Meeting ("AGM") as per implementation of the EU's Shareholders' Rights Directive. The Remuneration Policy, which describes the key principles of remuneration of the company's governing bodies (i.e. the Board of Directors, the Supervisory Board and the CEO) as resolved by the AGM of 2021, as well as the Remuneration Report for 2020 and the Remuneration Statements for previous years starting from 2010, are available on the company's website www.raisio.com/en/investors/corporate-governance/statements/.

The goal of Raisio's Healthy Growth Strategy for the years 2022-2025 aims at growth, made possible by capabilities, capacity and product categories brought about by the investments made in recent years. The company's growth is based on three focus areas; Benecol and plant stanol ester solutions, value added oats and ingredients, and plant-based products. Raisio acknowledges that consumer choices are increasingly directed towards healthy and sustainably produced, plant-based food. Raisio's Healthy Growth strategy is strongly supported by health, plant-based food and appreciation for sustainable food production. This is why we set ambitious goals for our responsibility work and also intend to incorporate these goals as part of the criteria for remuneration.

Raisio's values are **Courage**, **Fairness** and **Drive**. Based on these values, the company aims to maintain and develop remuneration systems that are fair, motivating and also reward for a good performance. Raisio's remuneration policy covers all of the company's personnel - it is the company's principle to offer competitive compensation to its personnel in all of the countries, in which it operates and in all business areas.

The Board of Directors has approved both short-term (STI) and long-term (LTI) incentive schemes, which aim to advance the achievement of the company's strategy and reward its key personnel for their accomplishments.

In spring 2021 the name of the Remuneration Committee was changed to People Committee. The People Committee consists of the Chairman and two other members of the Board. The company's Chief People Officer and the CEO attend the Committee's meetings. The Committee works actively to prepare the personnel's remuneration and incentive schemes. The People Committee monitors the remuneration and the incentive schemes, as well the realisation of social and other benefits in order to estimate, how well these advance the achievement of the company's strategy and economic success. During the past term the People Committee has focused in particular on assessing the responsibility of remuneration and developing indicators by which remuneration can be linked to the success in responsibility objectives. The year 2021 was further marked by the Covid-19 pandemic and minimization of its effects. However, the Board of Directors and its committees, as well as the Supervisory Board and its committees were able to hold a sufficient number of meetings, if necessary remotely.

This Remuneration Report contains description on how the Remuneration Policy was implemented during the financial year 2021. Raisio's Board of Directors hereby presents this Remuneration Report to the AGM convening in spring 2022 for its advisory decision.



Chairman of the Board and its People Committee

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1. Introduction

Raisio's AGM, which convened on 27 April, 2020, resolved to confirm the company's Remuneration Policy. This Remuneration Report contains description on how the Remuneration Policy was implemented during the financial year 2021 in the remuneration of the Supervisory Board, the Board of Directors and the CEO. The company has temporarily deviated from its Remuneration Policy in order to secure the long-term benefit of the company. For 2021, the Board of Directors decided on a special reward option for the CEO for short-term incentive scheme to encourage to achieve particularly challenging strategic growth targets. However, this reward was not realized.

In terms of remuneration, Raisio also follows the applicable legislation and the Corporate Governance Code for Finnish listed companies (2020), available at <https://cgfinland.fi/en/corporate-governance-code/>. The company's Board of Directors puts forward this Remuneration Report, prepared by the Board's People Committee, to the Annual General Meeting that will convene in spring 2022. During the financial year 2021, the People Committee comprised of Arto Tiitinen as the Chairman and Erkki Haavisto and Leena Niemistö as members.

This Remuneration Reports describes, in accordance with the law and the Corporate Governance Code, both paid and earned remuneration of the company's governing bodies (Board of Directors, Supervisory Board and CEO) during 2021, as well as compliance with the Remuneration Policy.

Raisio's auditing company KPMG Oy Ab has verified that this Remuneration Report has been issued and that it contains the information as required by Section 3 of the Finnish Decree of the Ministry of Finance of the remuneration report (608/2019).

The table below shows the development of the Board's and CEO's remuneration compared with the average remuneration on the personnel and Raisio Group's financial performance as of 2017. The information below is based on the numbers for the continuing businesses stated in the financial statements for each year

| Numbers per year | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------|----------|----------|----------|----------|
| Board remuneration annually k€ (excl. meeting fees and expenses) | 210 | 180 | 210 | 210 | 180 |
| CEO annual salary k€ | 646 | 609 | 604 | 807 | 742 |
| Personnel remuneration annually ca. k€ * | 54 | 52 | 58 | 58 | 56 |
| Average number of personnel | 415 | 335 | 328 | 348 | 381 |
| Group financial performance | | | | | |
| Earnings before interest (EBIT) | M€ 37.8 | M€ 25.6 | M€ 27.3 | M€ 27.7 | M€ 22.1 |
| | 12.3 % | 11.2 % | 11.5 % | 11.9 % | 9.0 % |
| Net sales (NS) | M€ 306.8 | M€ 228.2 | M€ 236.3 | M€ 233.6 | M€ 246.4 |
| Company's market value 31 Dec** M€ | 604.1 | 368.2 | 533.8 | 504.1 | 535.2 |

* Personnel costs based on the Annual accounts and divided by the average number of staff members.

** Not including treasury shares.

2. Remuneration of the Supervisory Board during financial year 2021

Raisio's Annual General Meeting held on 13 April 2021 resolved on the remuneration of the Chairman and the members of the Supervisory Board. The Chairman has been paid yearly remuneration of EUR 12,000 in two equal instalments in June and in December. The Chairman and the members have been paid a fee of EUR 350 for each meeting that they have attended. In addition, their travel expenses have been compensated and they have received per diem allowance for meeting days according to the company's travelling rules. Meeting fee, travel expenses and per diem allowance have been paid right after each meeting.

In 2021, Raisio's Supervisory Board has consisted of 25 members. The Supervisory Board has convened three (3) times in 2021. The Supervisory Board has set up a Nomination Committee and a Sustainability Committee from among its members. In 2021 the Nomination Committee convened six (6) times and the Sustainability Committee convened once (1).

Remuneration to the Chairman and the members has been made in cash. The members of the Supervisory Board are not employed by Raisio and they are not included in the short and/or long term incentive schemes or pension programmes (except for the staff representatives in the Supervisory Board, who are employed by the company and may therefore be included in the incentive schemes).

The Supervisory Board of Raisio plc also includes three representatives selected by and from among the personnel (Act on personnel representatives in the company's Board of Directors, 725/1990), who are not paid any attendance fee. Travel expenses accrued by the selected members of personnel for attendance at Supervisory Board meetings are reimbursed in accordance with the company's travel rules.

The Chairman of the Supervisory Board and in the Chairman's absence, the Deputy Chairman of the Supervisory Board, have the right to be present at the meetings of the Board of Directors and the Chairmen are paid EUR 350 for each Board meeting that they attend. In 2021 the Chairman of the Supervisory Board Paavo Myllymäki attended 19 meetings of the Board of Directors and the Deputy Chairman of the Supervisory Board Holger Falck attended one meeting instead of the Chairman.

Supervisory Board's remuneration 2017-2021

| Supervisory Board's remuneration (EUR) | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|---------------|---------------|---------------|---------------|---------------|
| Chairman | 21,450 | 20,050 | 20,750 | 20,400 | 20,750 |
| Members (excl. staff representatives) | 22,400 | 23,450 | 23,450 | 27,300 | 26,950 |
| In total | 43,850 | 43,500 | 44,200 | 47,700 | 47,700 |

Members of the Supervisory Board and their remuneration in 2021 are presented in the table on the following page.

| Name / position | Yearly remuneration | Meeting fees | In total |
|---|---------------------|--|-----------------|
| Paavo Myllymäki, <i>Chairman</i> | € 12,000 | Supervisory Board meetings € 700, Nominating Committee meetings € 1,750, Board meetings € 6,300 | € 20,750 |
| Holger Falck, <i>Deputy Chairman</i> | - | Supervisory Board meetings € 1,050, Nominating Committee meetings € 2,100, Sustainability Committee meeting € 350, Board meeting € 350 | € 3,850 |
| Henrik Brotherus, <i>member</i> | - | Supervisory Board meetings € 700, Nominating Committee meetings € 1,750 | € 2,450 |
| Iris Erlund, <i>member as of 13 April, 2021</i> | - | Supervisory Board meetings | € 700 |
| Mårten Forss, <i>member until 13 April, 2021</i> | - | Supervisory Board meetings | € 350 |
| Timo Himberg, <i>member (staff representative)</i> | - | - | - |
| John Holmberg, <i>member</i> | - | Supervisory Board meetings | € 1,050 |
| Mikael Holmberg, <i>member</i> | - | Supervisory Board meetings | € 350 |
| Kimmo Inovaara, <i>member</i> | - | Supervisory Board meetings | € 1,050 |
| Heikki Keisari, <i>member until 13 April, 2021</i> | - | Supervisory Board meetings | € 350 |
| Markku Kiljala, <i>member until 13 April, 2021</i> | - | Supervisory Board meetings € 350, Nominating Committee meeting € 350 | € 700 |
| Timo Könttä, <i>member</i> | - | Supervisory Board meetings | € 1,050 |
| Linda Langh, <i>member</i> | - | Supervisory Board meetings € 1,050, Nominating Committee meetings € 2,100 | € 3,150 |
| Tuomas Levomäki, <i>member</i> | - | Supervisory Board meetings | € 1,050 |
| Elina Liinajarja, <i>member as of 13 April, 2021</i> | - | Supervisory Board meetings | € 700 |
| Wilhelm Liljeqvist, <i>member as of 13 April, 2021</i> | - | Supervisory Board meetings | € 700 |
| Juha Marttila, <i>member</i> | - | Supervisory Board meetings € 1,050, Sustainability Committee meeting € 350 | € 1,400 |
| Jukka Niittyoja, <i>member</i> | - | Supervisory Board meetings | € 1,050 |
| Yrjö Ojaniemi, <i>member</i> | - | Supervisory Board meetings | € 1,050 |
| Kalle Poso, <i>member as of 13 April, 2021</i> | - | Supervisory Board meetings | € 350 |
| Olli-Pekka Saario, <i>member</i> | - | Supervisory Board meetings € 700, Sustainability Committee meeting € 350 | € 1,050 |
| Juha Salonen, <i>member</i> | - | Supervisory Board meetings | € 700 |
| Jari Sankari, <i>member (staff representative)</i> | - | - | - |
| Matti Seitsonen, <i>member</i> | - | Supervisory Board meetings | € 700 |
| Urban Silén, <i>member</i> | - | Supervisory Board meetings | € 700 |
| Mervi Soupas, <i>member</i> | - | Supervisory Board meetings | € 1,050 |
| Johannes Tiusanen, <i>member</i> | - | Supervisory Board meetings | € 1,050 |
| Tuomas Virsiheimo, <i>member (staff representative)</i> | - | - | - |
| Tapio Ylitalo, <i>member until 13 April, 2021</i> | - | Supervisory Board meetings | € 350 |
| | | In total | € 47,700 |

3. Remuneration of the Board of Directors during financial year 2021

In accordance with the resolution by Raisio's AGM held on 13 April 2021, the Chairman of the Board of Directors has been paid a monthly remuneration of EUR 5,000 and each member EUR 2,500. Of the remuneration, ca. 20 percent has been made in the form of the company's own shares and ca. 80 percent in cash. The payments have been made in two instalments, in June and in December. The payment made in December also contained the remuneration payable for the period of January-March 2022. Regarding the shares received by the Chairman and Board members for their service, no rules or instructions have been given e.g. about the time of ownership or further disposal of shares.

Based on the decision of the AGM on 27 April, 2020, the Chairman and the Chairmen of the Board's Committees have been paid EUR 800 for each meeting and EUR 400 for each teleconference and each member of the Board has been paid EUR 400 for each meeting and EUR 200 for each teleconference. Based on the decision of the AGM on 13 April, 2021, the Chairman and the Chairmen of the Board's Committees have been paid EUR 800 for each meeting and each member of the Board has been paid EUR 400 for each meeting.

The members of the Board have been paid daily allowances and were reimbursed for travel expenses for meeting days according to the company's travel rules.

The Chairman and Board members are not covered by the company's share-based incentive schemes and they are not employed by the company.

Raisio's Board of Directors has comprised of six members until the AGM of 13 April, 2021 and thereafter of five members. In total the Board convened twenty (20) times, of which one meeting was organized through decisions made via e-mail and one was the organizing meeting after AGM. In 2021 the Board's Audit Committee convened seven (7) times and the People Committee seven (7) times.

Summary of remuneration of the Board during 2017-2021.

| Year | Board's annual remuneration in total | Board's meeting fees in total |
|-------------|---|--------------------------------------|
| 2017 | € 210,000 (11,235 Raisio V shares, ca. 20%) | € 72,000 |
| 2018 | € 180,000 (11,815 Raisio V shares, ca. 20%) | € 36,200 |
| 2019 | € 210,000 (12,859 Raisio V shares, ca. 20%) | € 55,200 |
| 2020 | € 210,000 (12,629 Raisio V shares ca. 20%) | € 57,400 |
| 2021 | € 180,000 (10,104 Raisio V shares, ca. 20%) | € 62,200 |

Annual remuneration and meeting fees paid to the members of the Board in 2021

| Name / position | Total remuneration | Amount of Raisio V shares of the remuneration | Remuneration in cash | Board meeting fees* | Committee meeting fees | In total |
|---|---------------------------|---|----------------------|---------------------|------------------------|------------------|
| Ilkka Mäkelä, <i>Chairman of the Board and the Remuneration Committee until 13.4.2021</i> | Remuneration paid in 2020 | Received in 2020 | Received in 2020 | € 2,800 | € 1,600 | € 4,400 |
| Arto Tiitinen, <i>member of the Board and the Remuneration Committee until 13.4.2021 and Chairman of the Board and People Committee as of 13.4.2021</i> | € 60,000 | 3,368 Raisio V shares, ca. 20% | € 48,000 | € 12,400 | € 4,400 | € 64,800 |
| Ann-Christine Sundell, <i>Deputy Chairman of the Board and Chairman of the Audit Committee</i> | € 30,000 | 1,684 Raisio V shares, ca. 20% | € 24,000 | € 7,000 | € 5,200 | € 36,200 |
| Erkki Haavisto, <i>member of the Board and the People Committee</i> | € 30,000 | 1,684 Raisio V shares, ca. 20% | € 24,000 | € 7,000 | € 2,400 | € 33,400 |
| Leena Niemistö, <i>member of the Board and the Audit Committee, member of the People Committee as of 13.4.2021</i> | € 30,000 | 1,684 Raisio V shares, ca. 20% | € 24,000 | € 6,800 | € 4,200 | € 35,000 |
| Pekka Tennilä, <i>member of the Board and the Audit Committee</i> | € 30,000 | 1,684 Raisio V shares, ca. 20% | € 24,000 | € 6,200 | € 2,200 | € 32,400 |
| In total | € 180,000 | 10,104 Raisio V | € 144,000 | € 42,200 | € 20,000 | € 206,200 |

*remuneration is not paid for meetings held via e-mail

4. Remuneration of the CEO during financial year 2021

The Board of Directors decides on the remuneration of the CEO.

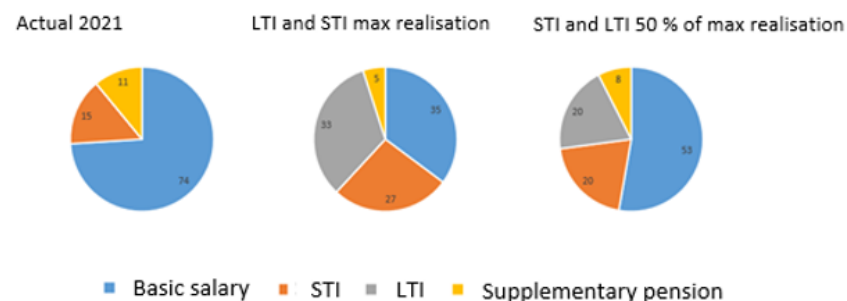
The remuneration of the CEO and president Pekka Kuusniemi has comprised of fixed basic salary and supplementary pension, fringe benefits, as well as the short-term (STI) and long-term (LTI) incentive schemes. The CEO's pension is determined according to the Finnish employment pension scheme and he is also covered by the group pension insurance scheme for Raisio Group's management. The CEO's retirement age is 62 years. A sum equivalent to 15 percent of the CEO's basic annual salary (salary in cash and taxation value of car benefit) is paid into the group pension insurance each year. As of 1 January, 2021, the CEO's fixed base salary was increased by 4.80 percent.

| CEO and president Pekka Kuusniemi | Paid in 2021 | Earned in 2021 (payable in 2022) |
|--|--------------|-------------------------------------|
| Basic salary | € 532,098 | - |
| Fringe benefits | € 22,409 | - |
| Group pension insurance | € 79,800 | - |
| Short term incentive scheme (STI) | | |
| Earning period 2020 | € 107,906 | - |
| Earning period 2021 | - | € 0 |
| Long term incentive scheme (LTI) shares and € * | | |
| Earning period 2018-2020 | - | - |
| Earning period 2019-2021 | - | 82.3% of maximum allocation |

*Exact amounts will be confirmed after the completion of the Remuneration Report, in April 2022. Amounts will be updated on the company's website www.raisio.com/en/investors/corporate-governance/remuneration/.

The cash payment is intended to cover the transfer tax arising from the LTI share reward.

The CEO's remuneration in 2021 and a comparison to the total remuneration, in case 50 percent or 100 percent of the maximum levels would have been achieved, is illustrated below:



Short-term incentive scheme's (STI) purpose is to encourage and reward the CEO for his realisation of the business strategy and achievement of set targets for each calendar year. The Board of Directors sets targets for each calendar year and assesses their realisation in connection with the completion of the Financial Statements. For the CEO the STI scheme for the year 2021 was based on the achievement of the EBIT and net sales targets, in accordance with the Remuneration Policy. According to the STI incentive scheme, the maximum bonus is 80 percent of the CEO's basic annual salary. For 2021, the Board of Directors decided on a special bonus option (150 percent of the bonus maximum), if the company's strategic growth targets are exceeded. The achievement of the bonus targets for the CEO is assessed after the financial year has ended and any bonus will be paid in cash by the end of March on the following year.

The levels of the short-term incentive scheme for the CEO have remained unchanged in 2021. The realization of the STI targets for 2021 in terms of earnings was below the minimum target level, and therefore the realization for the CEO was 0 percent. In 2021, in addition to the global Covid-19 pandemic, the challenges of achieving short-term incentive scheme were stalled by strategic investments and exceptional weather conditions, which had a negative impact on the profitability of certain businesses.

Description of the fulfillment of the performance criteria for Pekka Kuusniemi on the basis of the short-term incentive scheme (STI):

| Earning period | Maximum bonus % of annual salary | Performance criteria 1 | Weight | Performance criteria 2 | Weight | Realized % of annual salary |
|----------------|----------------------------------|------------------------|--------|------------------------|--------|-----------------------------|
| STI 2019 | 80% | EBIT (M€) | 60% | NS (M€) | 40% | 21.1% (paid in 2020) |
| STI 2020 | 80% | EBIT (M€) | 60% | NS (M€) | 40% | 21.4% (paid in 2021) |
| STI 2021 | 80% | EBIT (M€) | 60% | NS (M€) | 40% | 0% |

In case of the **long-term incentive scheme (LTI)** the Board assesses at the end of each earning period how the performance criteria has been met and the remuneration depends on the CEO's success in meeting these set targets. The remuneration paid to the CEO is based on the company's Total Shareholder Return (TSR) in accordance with the Remuneration Policy and is subject to the achievement of the Group's cumulative profit target (EBT, earnings before taxes and excluding non-recurring income and expenses). With regard to the CEO, there have not been any

changes in the level and structure of the incentive scheme in 2021. The targets for the LTI 2018-2020 earnings period were not achieved for the CEO, and no reward was thus paid to the CEO. In 2021, total return per share targeted by long-term incentive plans developed favourably. For the LTI 2019-2021 earnings period, which ended at the end of 2021, the realization was 82.3 percent. Remuneration for each earning period is paid partly in the form of the company's free shares and partly in cash. Purpose of the cash contribution is to cover taxes and tax-like payments arising from the fee to the recipient.

The table below shows the fulfilment of the performance criteria for Pekka Kuusniemi on the basis of the long-term (LTI) incentive scheme:

| Earning period | Maximum allocation | Performance criteria € | Weight | Realized % of the maximum allocation |
|----------------|--------------------|------------------------|--------|--------------------------------------|
| LTI 2017-2019 | 100 000 RAIIVV | TSR | 100% | 30.4 (paid in 2020) |
| LTI 2018-2020 | 100 000 RAIIVV | TSR | 100% | 0 |
| LTI 2019-2021 | 100 000 RAIIVV | TSR | 100 % | 82.3 (to be paid in 2022) |

Recovery

The Board of Directors may cancel, reduce or recover all or part of the remuneration paid to the CEO on the basis of the incentive schemes, if the CEO has acted contrary to the law or the company's ethical guidelines or otherwise unethically. During the review, no grounds for recovery have emerged.



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