



Raisio plc

Remuneration Report 2022

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Dear Raisio plc's shareholders,

This is the third 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 2020, as well as the Remuneration Report for the years 2020 and 2021, 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 year 2022 was completely exceptional in many ways; Russia's attack on Ukraine led to Raisio's withdrawal from the Russian market. In addition to this, there was a significant increase in the energy and raw material prices, challenges in the availability of raw materials and an increase in inflation. During the past term, the People Committee focused especially on evaluating personnel's rewards and incentives in a challenging operating environment. The responsibility aspect was taken into account in the rewards by linking them to the goals set in Raisio's responsibility programme.

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.

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. Raisio's values are **Courage, Fairness** and **Drive**. Based on these values, the company's remuneration systems shall be fair and motivating. Raisio's remuneration policy covers all of the company's personnel.

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 scheme in order to estimate, how well these advance the achievement of the company's strategy and economic success.

This Remuneration Report contains description on how the Remuneration Policy was implemented during the financial year 2022. Raisio's Board of Directors hereby presents this Remuneration Report to the AGM convening in spring 2023 for its advisory resolution.



Arto Tiitinen
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 2022 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 2022, 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 2023. During the financial year 2022, the People Committee consisted of Arto Tiitinen as the Chairman and Erkki Haavisto and Leena Niemistö as members.

This Remuneration Report 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 2022, as well as compliance with the Remuneration Policy.

Raisio's auditing company Ernst & Young Oy 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 2018.

Numbers per year	2018	2019	2020	2021	2022
Board remuneration annually k€ (excl. meeting fees and expenses)	180	210	210	180	180
CEO annual salary k€	609	604	807	742	782
Personnel remuneration annually ca. k€ *	52	58	56	56	58
Average number of personnel	335	328	348	381	342
Group financial performance					
Earnings before interest (EBIT)	M€ 26.5	M€ 27.3	M€ 27.7	M€ 22.1	M€ 18.4
	11.2 %	11.5 %	11.9 %	9.0 %	8.3 %
Net sales (NS)	M€ 228.2	M€ 236.3	M€ 233.6	M€ 246.4	M€ 220.8
Company's market value 31 Dec** M€	368.2	533.8	504.1	535.2	399.2

* 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 2022

Raisio's Annual General Meeting held on 12 April 2022 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.

In 2022, Raisio's Supervisory Board has consisted of 25 members. The Supervisory Board has convened three (3) times in 2022. The Supervisory Board has set up a Nomination Committee and a Sustainability Committee from among its members. In 2022 the Nomination Committee convened five (5) times. The Sustainability Committee did not convene in 2022.

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 co-operations within undertakings 1333/2021), 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 2022 the Chairman of the Supervisory Board Paavo Myllymäki attended 22 meetings of the Board of Directors.

Supervisory Board's remuneration 2018-2022

Supervisory Board's remuneration (EUR)	2018	2019	2020	2021	2022
Chairman	20,050	20,070	20,400	20,750	22,500
Members (excl. staff representatives)	23,450	23,450	27,300	26,950	21,700
In total	43,500	44,200	47,700	47,700	44,200

Members of the Supervisory Board and their remuneration in 2022 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 € 1,050, Nominating Committee meetings € 1,750, Board meetings € 7,700 (of which € 350 was paid in January 2023)	€ 22,500
Holger Falck, <i>Deputy Chairman</i>	-	Supervisory Board meetings € 1,050, Nominating Committee meetings € 1,750	€ 2,800
Henrik Brotherus, <i>member</i>	-	Supervisory Board meetings € 350, Nominating Committee meetings € 1,400	€ 1,750
Iris Erlund, <i>member</i>	-	Supervisory Board meetings	€ 1,050
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
Timo Könttä, <i>member</i>	-	Supervisory Board meetings	€ 1,050
Linda Langh, <i>member</i>	-	Supervisory Board meetings € 1,050, Nominating Committee meetings € 1,750	€ 2,800
Tuomas Levomäki, <i>member</i>	-	Supervisory Board meetings € 1,050, Nominating Committee meetings € 1,400	€ 2,450
Elina Liinaharja, <i>member</i>	-	Supervisory Board meetings	€ 1,050
Wilhelm Liljeqvist, <i>member</i>	-	-	-
Juha Marttila, <i>member</i>	-	-	-
Jukka Niittyöja, <i>member</i>	-	Supervisory Board meetings	€ 1,050
Yrjö Ojaniemi, <i>member</i>	-	Supervisory Board meetings	€ 1,050
Kalle Poso, <i>member</i>	-	Supervisory Board meetings	€ 700
Olli-Pekka Saario, <i>member</i>	-	Supervisory Board meetings	€ 350
Juha Salonen, <i>member</i>	-	Supervisory Board meetings	€ 350
Jari Sankari, <i>member (staff representative)</i>	-	-	-
Matti Seitsonen, <i>member</i>	-	Supervisory Board meetings	€ 350
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	€ 700
Tuomas Virsiheimo, <i>member (staff representative)</i>	-	-	-
In total			€ 44,200

3. Remuneration of the Board of Directors during financial year 2022

In accordance with the resolution by Raisio's AGM held on 12 April 2022, 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 2023. 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 12 April, 2022, 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 consisted of five members. In total the Board convened twenty-two (22) times, of which one was the organizing meeting after AGM. In 2022 the Board's Audit Committee convened six (6) times and the People Committee eight (8) times.

Summary of remuneration of the Board during 2018-2022.

Year	Board's annual remuneration in total	Board's meeting fees in total
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
2022	€ 180,000 (16,765 Raisio V shares, ca. 20%)	€ 74,800

Annual remuneration and meeting fees paid to the members of the Board in 2022

Name / position	Total remuneration	Amount of Raisio V shares of the remuneration	Remuneration in cash	Board meeting fees	Committee meeting fees	Cash payment in total
Arto Tiitinen, <i>Chairman of the Board and People Committee</i>	€ 60,000	5,589 Raisio V shares, ca. 20%	€ 48,000	€ 17,600 (of which € 800 was paid in January 2023)	€ 6,400	€ 72,000
Ann-Christine Sundell, <i>Deputy Chairman of the Board and Chairman of the Audit Committee</i>	€ 30,000	2,794 Raisio V shares, ca. 20%	€ 24,000	€ 8,800 (of which € 400 was paid in January 2023)	€ 4,800	€ 37,600
Erkki Haavisto, <i>member of the Board and the People Committee</i>	€ 30,000	2,794 Raisio V shares, ca. 20%	€ 24,000	€ 8,800 (of which € 400 was paid in January 2023)	€ 3,200	€ 36,000
Leena Niemistö, <i>member of the Board and member of the Audit Committee and the People Committee</i>	€ 30,000	2,794 Raisio V shares, ca. 20%	€ 24,000	€ 8,800 (of which € 400 was paid in January 2023)	€ 5,600	€ 38,400
Pekka Tennilä, <i>member of the Board and the Audit Committee</i>	€ 30,000	2,794 Raisio V shares, ca. 20%	€ 24,000	€ 8,400 (of which € 400 was paid in January 2023)	€ 2,400	€ 34,800
In total	€ 180,000	16,765 Raisio V	€ 144,000	€ 52,400 (of which € 2,400 was paid in January 2023)	€ 22,400	€ 218,800

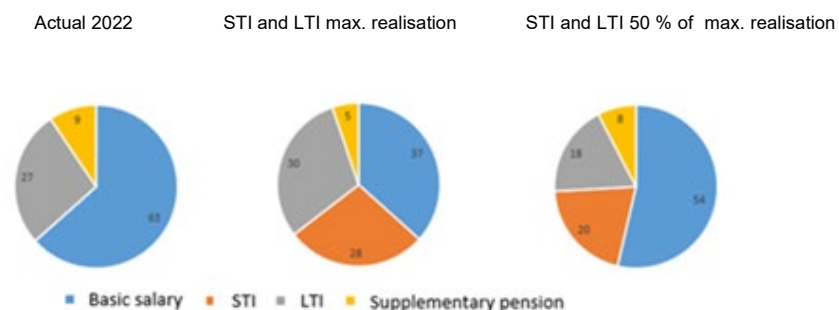
4. Remuneration of the CEO during financial year 2022

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.

CEO and president Pekka Kuusniemi	Paid in 2022	Earned in 2022 (payable in 2023)
Basic salary	€ 533,129	-
Fringe benefits	€ 21,480	-
Group pension insurance	€ 79,200	-
Short term incentive scheme (STI)		
Earning period 2021	€ 0	-
Earning period 2022	-	€ 33,924
Long term incentive scheme (LTI) shares and € *		
Earning period 2019-2021	45,000 Raisio V shares and € 101, 129.07	
Earning period 2020-2022	-	0 shares/ € 0

The CEO's remuneration in 2022 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 realization 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 realization in connection with the completion of the Financial Statements. For the CEO the STI scheme for the year 2022 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 2022, 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.

For the CEO, the only change in 2022 in the levels of the short-term incentive scheme was the addition of responsibility goals into the levels. The realization of the STI targets for 2022 in terms of earnings was below the minimum target level, and therefore the realization for the CEO was 6.43 percent. In 2022, the effect of the war in Ukraine caused challenges to achieving short-term incentive scheme e.g. due to the availability of raw materials and increase in manufacturing costs.

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

Earning period	Max. bonus % of annual salary	Performance criteria 1	Weight	Performance criteria 2	Weight	Performance criteria 3	Weight	Realized % of annual salary
STI 2020	80 %	EBIT (M€)	60 %	NS (M€)	40 %	-		21.4 % (paid in 2021)
STI 2021	80 %	EBIT (M€)	60 %	NS (M€)	40 %	-		0 %
STI 2022	80 %	EBIT (M€)	60 %	NS (M€)	35 %	responsibility	5 %	6.43 %

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 2022. For the LTI 2019-2021 earnings period, which ended in 2022, the realization was 82.3 percent and the remuneration was paid in 2022. The targets for the LTI 2020-2022 earnings period were not achieved for the CEO, and therefore no reward will be paid to the CEO in 2023. 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 2018-2020	100 000 RAI VV	TSR	100 %	0
LTI 2019-2021	100 000 RAI VV	TSR	100 %	82.3
LTI 2020-2022	100 000 RAI VV	TSR	100 %	0

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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