

REMUNERATION REPORT 2023

PREFACE

This remuneration report contains information about the remuneration of Raute Corporation's Board of Directors ("Board") and President and CEO ("CEO") for the period January 1 – December 31, 2023, and it is based on the recommendations of the Corporate Governance Code 2020 for listed companies issued by the Finnish Securities Market Association and on the requirements of the Finnish Companies Act and the Securities Markets Act. The Code is available on the Securities Market Association's website www.cgfinland.fi.

The report describes the development of the average salary of the employees and the company's performance over the past five years, as compared to the remuneration of the Board and the CEO.

The remuneration report for 2022 was presented at Raute's Annual General Meeting on March 30, 2023. The remuneration report 2023 will be presented at Raute's Annual General Meeting on April 4, 2024 for an advisory shareholder vote.

The composition of the Board of Directors remained unchanged during the financial year.

Mika Saariaho has been the President and CEO of Raute Corporation during whole financial period. He started in the position on October 1, 2022.

Key principles of remuneration

The remuneration of Raute Corporation's governing bodies is based on the remuneration policy, which the Board approved in its meeting held on February 12, 2020, and which the Annual General Meeting addressed and approved on March 31, 2020. The remuneration policy shall be applied until the Annual General Meeting of 2024. No deviations were made from the remuneration policy during the 2023 financial year and no remuneration of the Board or the CEO has been reclaimed or restated.

Raute's remuneration principles are based on: supporting the growth of the value of the company, ensuring leading performance, and responsibility, consistency and competitiveness. Through remuneration, we support the implementation of the company's values and strategy. We encourage strong

performances and behavior that is in accordance with Raute's values, and we reward world-class expertise, performances, and results.

The aim of short-term incentive plans is to encourage implementation of the short-term business plan and to reward accordingly.

The purpose of the share-based long-term incentive plans is to align the objectives of the owners and management in order to develop the company's value for the long term, as well as to commit the company's management and key persons to the company and to achieving the company's strategic goals.

Key principles of the remuneration of the CEO

The remuneration of the CEO is in line with our culture of encouraging strong performance. A significant part of the CEO's remuneration is based on a variable share. In order to maintain a strong connection between the company's result and the CEO's remuneration, the performance targets of both the short-term and long-term incentive plans are directly linked to Raute's business result. In addition, the CEO is expected to use a share, as specified by the Board, of the net remuneration of the long-term incentive plan to accrue his shareholding until the shareholding reaches the level specified by the Board. This is to ensure that the interests of the CEO and the shareholders are aligned.

REMUNERATION OF THE BOARD OF DIRECTORS 2023

Remuneration paid to the members of the Board for January 1 – December 31, 2023

The Annual General Meeting on March 30, 2023 decided that the remuneration of the members of the Board of Directors will continue to be EUR 48,000 for the Chair of the Board and EUR 24,000 for the Vice-Chair of the Board and a member of the Board of Directors for the term of office and that the expenses of the members of the Board of Directors will be paid in accordance with the company's travel policy.

Board member (EUR 1,000)	2023
Laura Raitio, Chair of the Board of Directors	48
Mika Mustakallio, Vice-Chair of the Board of Directors	24
Joni Bask	24
Ari Harmaala	24
Patrick von Essen	24
Petri Perttula	24
Ari Piik	24
Total	192

In addition to the annual fee, Board members are compensated for travel expenses in accordance with the company's travel policy. The Board's fees are paid in cash. The Board members are not included in the incentive plans or performance-based remuneration.

All paid fees are in accordance with the Remuneration policy.

REMUNERATION OF THE CEO 2023

The evaluation of CEO's performance is based on the achievement of strategic and operational targets. In addition to fixed annual salary, the CEO's remuneration consists of variable remuneration, such as an annual performance-based short-term incentive and a share-based long-term incentive.

Remuneration has been paid to Raute's CEO during 2023 in total EUR 307 thousand.

The CEO does not have special pension arrangements.

Remuneration of the CEO for January 1 – December 31, 2023

(EUR 1,000)	Remuneration paid to CEO in 2023
Base salary and fringe benefits	307
Short-term incentive	-
Long-term incentive	-
Total	307

Amounts represent the payments made during the financial period. For short-term incentives, the payments are made in the following year. The long-term incentives are described below.

Short-term incentive plan

The performance based short-term incentive paid in 2023 was based on the key targets for 2022 set by the Board at the start of the 2022 financial year, related to the Group's financial, strategic and operational targets. As CEO Mika Saariaho started at Raute only at the end of 2022 in October, he did not have a short-term incentive plan in 2022.

The Board set short-term incentive criteria for 2023 at the start of the 2023 financial year to support business development.

Long-term share-based plans

In the financial year 2023, the on-going Raute's Performance Share Plans (PSP) included three 3-year performance periods, calendar years 2021-2023, 2022-2024 and 2023-2025. The performance targets of the plans 2021-2023 and 2022-2024 are Absolute Total Shareholder Return with a weight of 70 percent and net sales with a weight of 30 percent. The performance targets of the plan 2023-2025 is EBITDA with the weight of 60 percent and net sales, with the weight of 40 percent. The Board of Directors is entitled to limit the rewards paid under the long-term incentive plan PSP if the reward would exceed the threshold value related to the fixed annual gross salary of the President and CEO.

In addition to the PSP, Board of Directors of the company established in 2022 a Restricted Share Program (RSP) as a complementary share-based long-term incentive scheme for the company. The program consists of annually commencing individual share plans and the on-going first individual plan covers the years 2022-2024. The second plan was established in the beginning of 2023 and covers the years 2023-2025. The commencement of each individual plan is conditional on a separate decision of the Board of Directors. The maximum value of the reward payable based on RSP is limited by a cap which is linked to Raute's share price development with a multiplier set by the company.

The rewards payable based on the PSP and on the RSP will at the company's choice either be paid in listed shares of Raute or in cash based on the value of the share reward at the time of payment. The payment of the reward is conditional on the individual's continued employment or service relationship with Raute.

In accordance with the ownership recommendation of the company abides by, the CEO is expected to accrue and, after attaining, to retain in his ownership an amount of the company's shares that equals his gross annual fixed salary.

The maximum long-term incentive allocations at grant in the ongoing Performance Share Plans for the CEO Mika Saariaho are described as follows:

	PSP 2021-2023 to be paid 2024, shares pcs max.	PSP 2022-2024 to be paid 2025, shares pcs max.	PSP 2023-2025 to be paid 2026, shares pcs max.
President and CEO Mika Saariaho	3 507	7 330	20 290

As President and CEO has started in his position October 1, 2022, the maximum allocations at grant have been approved by the Board of Directors on pro rata -basis to the ongoing plans. In addition to this, CEO Mika Saariaho has a share allocation of 16,466 Raute's shares in the ongoing Restricted Share Program RSP 2022-2024. The payment will take place in two parts, first part in 2024 and the second part in 2025. CEO has a share allocation of 16,910 Raute's shares in the Restricted Share Program RSP 2023-2025. The payment will be made in two parts, first part in 2025 and the second part in 2026.

Other financial benefits, such as fringe benefits, signing bonus, retention bonus or severance package

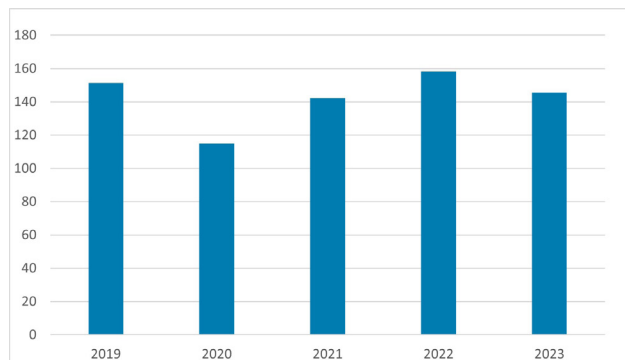
The fringe benefits (car, phone and housing) of the CEO are included in the base salary component. The CEO does not have any other special benefits or pension arrangements.

The period of notice for the resignation or termination of employment of the CEO is six months. If the employment relationship ends for a reason attributed to Raute, the CEO is entitled to severance pay equaling a 12 months' full salary.

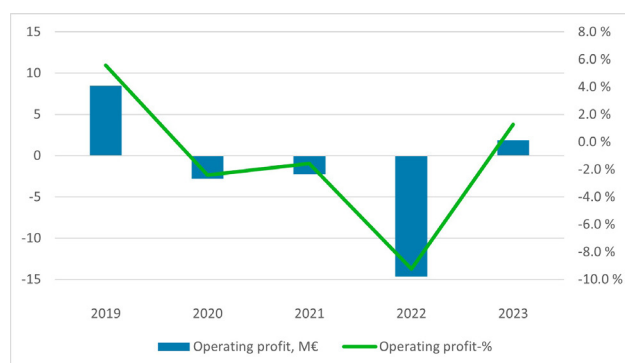
COMPANY PERFORMANCE OVER THE LAST FIVE YEARS

The company's financial performance has varied over the past five years. The development of Net Sales and Operating Profit is presented in the following graphs:

Net sales M€ 2019-2023



Operating result M€ 2019-2023



Earnings per share, Share price and Dividend 2019-2023

	2019	2020	2021	2022	2023
Earnings per share, €	1.71	-0.20	-0.39	-2.56	0.22
Share price at Dec. 31, €	23.69	21.51	18.77	7.83	9.84
Dividend, €	1.37	0.76	0	0	0.10*

* Board's proposal to the AGM 2024.

DEVELOPMENT OF REMUNERATION OVER THE LAST FIVE YEARS

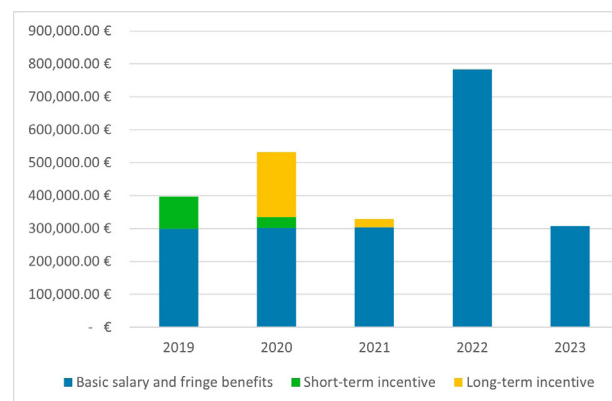
Average remuneration (EUR 1,000)

	2019	2020	2021	2022	2023
Chair of the Board of Directors	48	48	48	48	48
Vice-Chair of the Board of Directors	23	24	24	24	24
Other members of the Board of Directors	23	24	24	24	24
CEO	397	532	330	784	307
Raute employee*	56	53	54	57	57

* The pay development of Raute's average employee is based on personnel expenses, excluding non-wage labor costs, divided by the average number of employees during the year. Raute is a global company whose remuneration varies considerably in the markets where it operates. For that reason, the calculation applies the remuneration data of Raute's Finnish personnel. Finnish employees account for 68% of the total number of employees.

** All the sums presented in the Table refer to remuneration paid during the year.

DEVELOPMENT OF REMUNERATION OF THE CEO OVER THE LAST FIVE YEARS



The year 2022 amount included remunerations paid to previous CEO Tapani Kiiski, interim CEO Petri Strengell and as of October 1, 2022 to Mika Saariaho.

AUDITING OF THE REMUNERATION REPORT

Raute's auditor for the 2023 financial period, PricewaterhouseCoopers Oy, has verified that the remuneration report contains the information required by legislation.



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