



REMUNERATION REPORT 2024

Letter from the Chair of the People Committee

Dear Shareholder,

I am pleased to present Raute Corporation's Remuneration Report for 2024 on behalf of the Board of Directors. This report outlines how Raute implements the remuneration policy approved by the Annual General Meeting and includes a remuneration statement for both the Board of Directors and the CEO for the financial year 2024. This report is based on the recommendations of the Finnish Corporate Governance Code 2025 issued by the Securities Market Association and the requirements of the Securities Markets Act and the Companies Act. The report will be presented at Raute's Annual General Meeting in 2025 for an advisory vote by the shareholders.

Supporting business strategy and long-term value creation

Raute's remuneration principle is based on supporting the company's value growth, ensuring top performance, and adhering to responsibility, consistency, and competitiveness. Remuneration is tied to business objectives, financial performance, and the implementation of our strategy, which is strongly centered on sustainable development.

Improving profitability and growth are key strategic objectives at Raute. These objectives are emphasized in both short-term and long-term incentive metrics. Raute's revenue and profitability improved in 2023 compared to the previous loss-making year. Based on this, the CEO's remuneration in 2024 included paid incentives from short-term and long-term incentive programs based on previous years' performance. Additionally,

as part of the total remuneration, a retention bonus was paid from the conditional share reward system, which was granted to the CEO upon starting in his position. The company's positive development in terms of growth and profitability improvement continued in 2024.

Remuneration policy

In 2024, Raute's Board of Directors updated the company's remuneration policy for governing bodies. The new policy was presented at the 2024 Annual General Meeting for an advisory vote. The remuneration of the Board of Directors and the CEO for the financial year 2024 was in accordance with the remuneration policy. There were no deviations from the remuneration policy, and no remuneration was reclaimed or adjusted during the financial year 2024.

Developing remuneration

After the 2024 Annual General Meeting, Raute's Board of Directors established a People Committee at its organizational meeting to support its work. The People Committee prepares matters related to remuneration for the Board's decision-making. It is important for Raute that remuneration levels and components are competitive and motivating. They should be engaging and promote the company's long-term financial success and positive development of shareholder value.

Laura Raitio

Chair of the Board of Directors and People Committee,
Raute Corporation



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, 2024, and it is based on the recommendations of the Corporate Governance Code 2025 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/en/.

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 2023 was presented at Raute's Annual General Meeting on April 4, 2024. The report was approved, and the resolution will serve as a advisory shareholder vote. The remuneration report 2024 will be presented at Raute's Annual General Meeting on April 15, 2025 for an advisory shareholder vote.

The composition of the Board of Directors changed during the financial year, as the Annual General Meeting elected three (3) new members. The total number of Board members remained seven (7).

Mika Saariaho has been the President and CEO of Raute Corporation during whole financial year 2024. 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 14, 2024, and which the Annual General Meeting addressed and approved on April 4, 2024. The remuneration policy shall be applied until the Annual General Meeting of 2028 unless substantial changes are made, in which case it will be brought to an earlier meeting. No deviations were made from the remuneration policies during the 2024 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 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 2024

Remuneration paid to the members of the Board for January 1 – December 31, 2024

The Annual General Meeting on April 4, 2024 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.

For the separate committee work, it was decided that the meeting fee for the Chair of the Audit Committee is EUR 1000 per meeting, and the meeting for the chair of other committees and committee members is EUR 500 per meeting. Board of Directors decided at its meeting on May 2, 2024, to establish an Audit Committee and a People Committee to support the work of the Board of Directors.

Board members at 31 December 2024 (EUR 1,000)	Committee membership	2024 Annual fee	2024 Committee fees	Total
Laura Raitio, Chair of the Board of Directors	People committee, Chair	48	1	49
Joni Bask, Vice-Chair of the Board of Directors from AGM 2024	Audit committee	24	2	26
Ari Harmaala	People committee	24	1	25
Ari Piik	People committee	24	1	25
Mikko Kettunen, member from AGM 2024 onwards	Audit committee, Chair	16	4	20
Julius Manni, member from AGM 2024 onwards	Audit committee	16	2	18
Jenni Virnes, member from AGM 2024 onwards	Audit committee	16	2	18
Former Board members				
Mika Mustakallio, Vice-Chair of the Board of Directors until AGM 2024	-	8		8
Patrick von Essen, member until AGM 2024	-	8		8
Petri Perttula, member until AGM 2024	-	8		8
Total		192	13	205

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 2024

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 2024 in total EUR 606 thousand. The CEO does not have special pension arrangements.

Remuneration of the CEO for January 1–December 31, 2024

(EUR 1,000)	Remuneration paid to CEO in 2024	Proportion from total
Base salary and fringe benefits	327	54%
Short-term incentive	159	26%
Long-term incentive	120	20%
Total	606	100%

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 2024 was based on the key targets for 2023 set by the Board at the start of the 2023 financial year, related to the Group's financial, strategic and operational targets. The Board set short-term incentive criteria for 2024 at the start of the 2024 financial year to support business development. Payouts for these 2024 related short-term incentives will take place in 2025. Target level short term incentive for the CEO is 30% and maximum is 60% of the annual pay.

Details of the short-term incentive plan 2023 and 2024 for the CEO:

STI 2023, payout in 2024

Description of the criteria	Weight	Performance (0-200)	
		Threshold 0% Target 100% Maximum 200%	STI payout (EUR 1,000)
Group Comparable EBITDA (meur)	50%		
Group Net Sales (meur)	20%	173%	159
Individual targets	30%		

STI 2024, potential payout in 2025

Description of the criteria	Weight
ESG: Safety development (LTIF)	10%
Group Comparable EBITDA (meur)	60%
Group Net Sales (meur)	20%
Individual target	10%

Long-term share-based plans

In the financial year 2024, the on-going Raute's Performance Share Plans (PSP) included three 3-year performance periods, calendar years 2022-2024, 2023-2025 and 2024-2026. PSP 2021-2023 performance period ended by the end of 2023, and payouts for it took place in 2024. 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 and 2024-2026 are 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 third plan was established at the beginning of 2024 and it covers the years 2024-2026. 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 that 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.

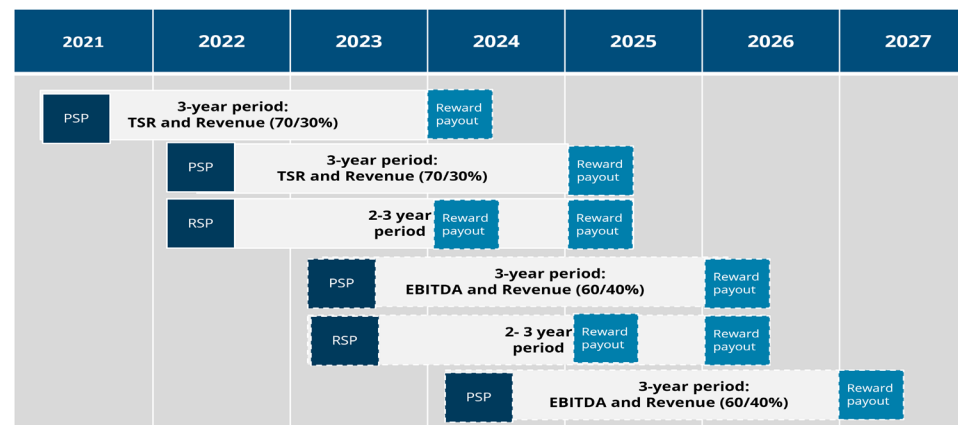
The maximum long-term incentive allocations at grant in the ongoing Performance Share Plans for the CEO Mika Saariaho are described as follows: :

	PSP 2022-2024 to be paid 2025, shares pcs max.*	PSP 2023-2025 to be paid 2026, shares pcs max.*	PSP 2024-2026 to be paid 2027, shares pcs max.*
President and CEO Mika Saariaho	7330	20 290	17 930

* 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 2021 and 2022. In addition to this, CEO Mika Saariaho has a share allocation of 5482 Raute's shares in the ongoing Restricted Share Program RSP 2022-2024, payment taking place in 2025. First part of this plan, 10964 shares were paid in 2024 as per plan rules. 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. RSP 2024-2026 has not been activated by the Board of Directors in 2024.

Overview of the activated long-term incentive plans:



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

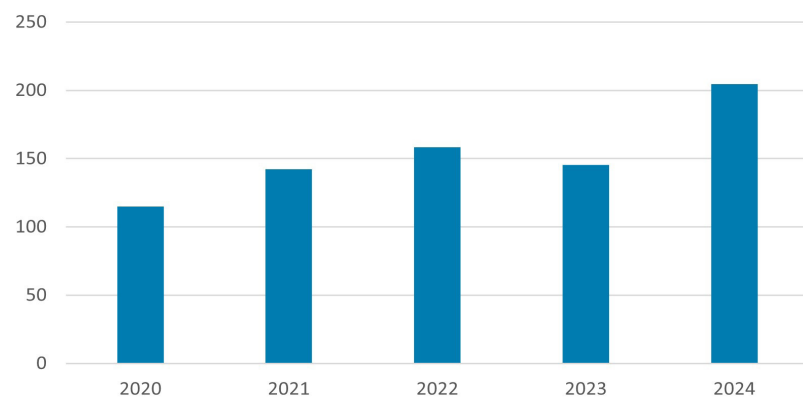
The fringe benefits (car, phone and housing) of the CEO are included in the base salary component.

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.

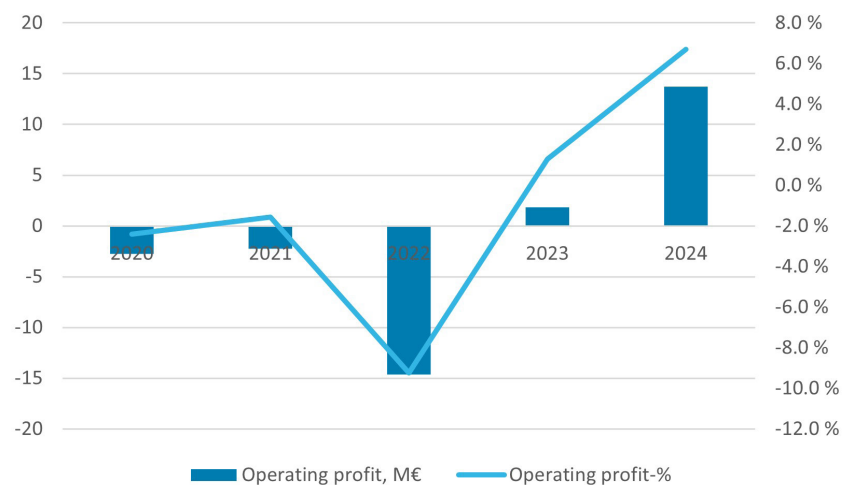
COMPANY PERFORMANCE OVER THE LAST FIVE YEARS

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€ 2020-2024



Operating result M€ 2020-2024



Earnings per share, Share price and Dividend 2020-2024

	2020	2021	2022	2023	2024
Earnings per share, €	-0.20	-0.39	-2.56	0.22	1.96
Share price at Dec. 31, €	21.51	18.77	7.83	9.84	13.10
Dividend, €	0.76	0	0	0.10	0.55*

* Board's proposal to the AGM 2025.

DEVELOPMENT OF REMUNERATION OVER THE LAST FIVE YEARS

Average remuneration (EUR 1,000)	2020	2021	2022	2023	2024
Chair of the Board of Directors	48	48	48	48	49
Vice-Chair of the Board of Directors (from AGM 2024)	24	24	24	24	26
Other members of the Board of Directors (full year members)	24	24	24	24	25
CEO	532	330	784	307	606
Raute employee*	53	54	57	57	57

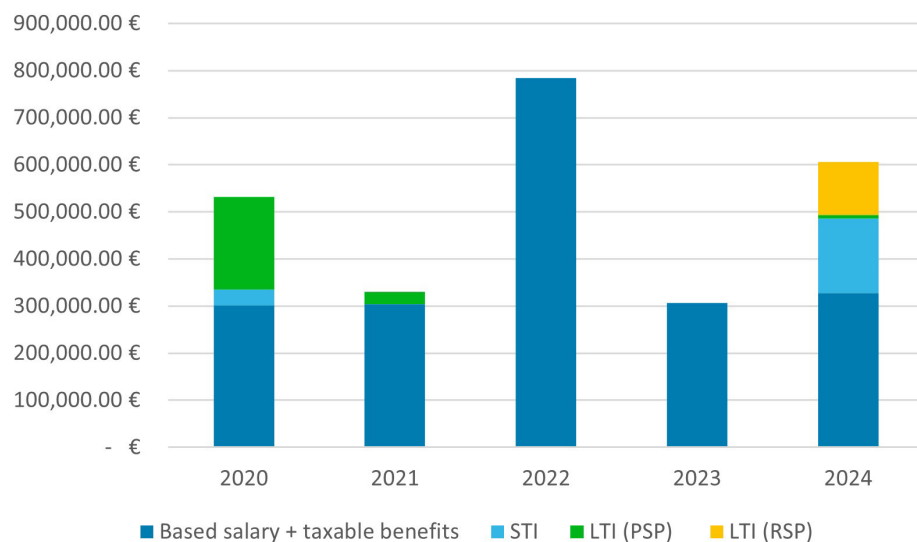
* The pay development of Raute's average employee is based on personnel expenses, excluding non-wage labor costs, divided by the average number of employees during the year. Raute is a global company whose remuneration varies considerably in the markets where it operates. For that reason, the calculation applies the remuneration data of Raute's Finnish personnel. Finnish employees account for 70% of the total number of employees.

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

AUDITING OF THE REMUNERATION REPORT

Raute's auditor for the 2024 financial period, PricewaterhouseCoopers Oy, has verified that the remuneration report contains the information required by legislation.

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.



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