



Remuneration Report 2022



YIT Remuneration Report

The Remuneration Policy at YIT aims to support our ability to create better living environments and accelerate strategic transformation. Our goal is to deliver higher, predictable level of profit and be the leader in developing and building urban environments. The four corner stones of our remuneration policy are:

YIT REMUNERATION

Strengthens our culture and supports shareholder value creation

Motivates our people and supports to retain and recruit the talents needed

Promotes strategy execution and management by key results

Is responsibly managed, flexible and in line with our long-term financial goals

The strategic priorities and the corner stones of our Remuneration Policy are built in our remuneration elements. Base pay and benefits are at a competitive level to recruit, motivate and retain talents and the level of these is benchmarked regularly with the market practices. Driving long and short-term financial performance, successful strategic transformation, success with our customers and sustainability related targets are supported by the long-term and the short-term incentive plans.

Short-term incentive payments made based on 2022 performance are higher than in recent years. With long-term incentive plans (LTI) and earning periods 2020-2022, 2021-2023 and 2022-2024, the KPI performance development has been inadequate. Of the LTI KPIs, NPS and sustainability have developed positively whereas both ROCE and absolute TSR have remained below their threshold levels.

This Remuneration Report is based on the Finnish Corporate Governance Code 2020 of the Securities Market Association and provides the details of the remuneration paid to members of the Board of Directors, President and CEO and his Deputy.

The remuneration of the Board of Directors and the President and CEO follows the principles of the YIT Remuneration Policy 2020–2023 approved at the Annual General Meeting on 12 March 2020.

The Remuneration Policy 2020–2023 has been followed during year 2022 without exceptions.

REMUNERATION DEVELOPMENT

YIT's strategy emphasises sustainable growth. Development in the area of sustainability has been supported by remuneration for a long time. Since 2020, especially the weight of environment related metrics has been increased progressively.

President and CEO (EUR) ¹	2022	2021	2020 ²	2019	2018
Heikki Vuorenmaa, CEO 28 Nov 2022 onwards	47,575				
Markku Moilanen, CEO from 1 Apr 2021 to 27 Nov 2022	1,887,515	547,497			
Antti Inkilä, Interim CEO from 23 Oct 2020 to 31 Mar 2021	—	180,280	91,143		
Kari Kauniskangas, CEO to 22 Oct 2020	—	—	1,655,303	887,225	815,723

Board of Directors (EUR)	2022	2021	2020 ²	2019	2018
YIT Board of Directors	812,064	777,600	751,000	690,300	556,050

Employee average remuneration (EUR)	2022	2021	2020 ²	2019	2018
YIT Employee ³	55,780	51,986	44,213	46,569	43,621

¹ Remuneration details in this table do not include supplementary pension

² COVID-19 pandemic related temporary layoffs and cost saving measures impact the 2020 figures

³ Calculated by dividing total salary and rewards costs by the average number of the employees. Pension and other social costs paid by the employer are not included in these figures. 2022 and 2021 employee average remuneration reflect continuous operations. 2018–2020 figures have not been restated.

FINANCIAL KEY METRICS (IFRS)

Revenue (MEUR)	2022	2021	2020 ¹	2019	2018
YIT	2,403	2,652	3,069	3,392	3,138

Operating profit (MEUR)	2022	2021	2020 ¹	2019	2018
YIT	102	56	35	80	100

Order book (MEUR) ²	2022	2021	2020 ¹	2019	2018
YIT	3702	3847	3528	4,131	4,286

YIT has restated financial information for comparative period 2021 reflecting the reporting of sold Russian businesses as discontinued operations. Balance sheet and cash flow statement for comparative periods were not restated.

¹ Sales of the Pavement business to Peab in 2020 contributes to the decrease in Order book and Revenue numbers and has a one-time positive impact to Operating profit in 2020.

² The comparability is affected by the sale of Russian businesses. Comparative periods' figures before 2021 have not been restated.

REMUNERATION OF THE BOARD OF DIRECTORS

The Annual General Meeting decides on the annual remuneration of the Board of Directors and the Board Committees. Based on the decision of the Annual General Meeting on 17 March 2022 members of the Board were required to acquire YIT corporation shares from a regulated market (Nasdaq Helsinki Ltd) with an amount equal to 40% of their fixed fee. The shares in question were purchased directly on behalf of the members of the Board within a two-week period following the disclosure of the Q1 2022 quarterly report. In addition to a fixed fee, the Board members were paid based on their positions as chair or members of the Board committees.

Fixed fees decided by the Annual General Meeting on 17 March 2022:

- Chair of the Board: EUR 105,000
- Vice chairman of the Board and chairs of the committees unless same person serves as chairman or vice chairman of the Board: EUR 73,500
- Members of the Board: EUR 52,500

In addition, EUR 800 per meeting is paid to members of the Board located in Finland and EUR 2,000 per meeting to members of the Board located in Europe outside Finland. The same fees are paid also for the Board committee meetings for the committee members, chairs of the committees are paid EUR 1,600 fee per meeting.

Travel related costs in the home country and abroad are reimbursed and daily allowances are paid according to YIT's Travel Policy and rules set by the tax authorities.

The remuneration paid to the members of the Board of Directors for the calendar year 2022 totals EUR 812,064 (EUR 777,600 in 2021). None of the Board members have an employment relationship or service contract with YIT Group and they are not covered by YIT Group's short- or long-term incentive schemes or pension plans. Board remuneration in total and YIT shares purchased with the set proportion of the fixed fee are disclosed in the tables below.

BOARD OF DIRECTORS' FEES IN TOTAL (EUR)

Member of the Board	Position	Fixed Fee	Board meeting fees	Committee meeting fees	Total 2022	Total 2021	Total 2020	Total 2019	Total 2018
Harri-Pekka Kaukonen	Chairman of the Board	105,672	22,400	16,800	144,872	143,200	129,200	127,900	117,750
Eero Heliövaara	Vice Chairman of the Board	73,970	12,000	19,200	105,170	114,000	108,600	95,500	78,800
Frank Hyldmar	Member of the Board	52,836	18,000	7,200	78,036	94,000	91,000	78,000	-
Sami Laine	Member of the Board	21,569	4,800	1,600	27,969	-	-	-	-
Olli-Petteri Lehtinen	Member of the Board	73,970	11,200	8,000	93,170	93,200	79,800	86,650	58,800
Casimir Lindholm	Member of the Board	52,836	10,400	5,600	68,836	-	-	-	-
Jyri Luomakoski	Member of the Board	52,836	10,400	4,000	67,236	-	-	-	-
Keith Silverang	Member of the Board	21,569	4,800	1,600	27,969	-	-	-	-
Barbara Topolska	Member of the Board	52,836	18,000	10,800	81,636	108,000	125,000	88,000	-
Kerttu Tuomas	Member of the Board	73,970	9,600	8,000	91,570	-	-	-	-
Previous members of the Board, total		0	4,800	20,800	25,600	225,200	217,400	214,250	170,350
Total		582,064	126,400	103,600	812,064	777,600	751,000	690,300	556,050

SHARES PURCHASED WITH THE FIXED FEES

Member of the Board	Position	YIT shares purchased in 2022	YIT shares purchased in 2021	YIT shares purchased in 2020	YIT shares purchased in 2019	YIT shares purchased in 2018
Harri-Pekka Kaukonen	Chairman of the Board	10,735	7,321	7,615	7,436	7054
Eero Heliövaara	Vice Chairman of the Board	7,514	5,125	5,330	5,205	4,937
Frank Hyldmar	Member of the Board	5,367	3,660	3,807	3,718	-
Sami Laine	Member of the Board	3,363	-	-	-	-
Olli-Petteri Lehtinen	Member of the Board	7,514	5,125	5,330	5,205	2,527
Casimir Lindholm	Member of the Board	5,367	-	-	-	-
Jyri Luomakoski	Member of the Board	5,367	-	-	-	-
Keith Silverang	Member of the Board	3,363	-	-	-	-
Barbara Topolska	Member of the Board	5,367	3,660	3,807	3,718	-
Kerttu Tuomas	Member of the Board	7,514	-	-	-	-
Previous members of the Board, total		0	10,980	11,421	11,154	15,625
Total		61,471	35,871	37,310	36,436	30,143

REMUNERATION OF THE PRESIDENT AND CEO

The Board of Directors decides on the remuneration, benefits and other terms of the service contract of the YIT President and CEO. The President and CEO's remuneration consists of a fixed base salary, fringe benefits, annual short-term incentive plan, long-term incentive plan and supplementary pension plan. Same remuneration components form the total remuneration also for the Deputy to President and CEO.

Heikki Vuorenmaa started as the President and CEO of the YIT Corporation on 28 November 2022. Markku Moilanen served as the President and CEO of the YIT Corporation from 1 April 2021 to 27 November 2022. Since 1 August 2021 the Deputy to President and CEO has been Antti Inkilä who served also as the Interim President and CEO from 23 October 2020 to 31 March 2021.

According to the Remuneration Policy, the President and CEO is paid for performance, and the variable pay, i.e. short- and long-term incentives, therefore forms a large part of his remuneration mix.

ANNUAL SHORT-TERM INCENTIVES (ANNUAL STIP)

The President and CEO's short-term incentive earning opportunity in the earning period 2022 was at the target level 45% and at the maximum level 90% of the annual fixed base salary (including fringe benefits). Earning opportunities for the other roles for both the 2022 and 2021 earning periods are listed below.

Earning opportunity

Role	2022		2021	
	Target	Maximum	Target	Maximum
President and CEO ¹	45%	90%	45%	90%
Deputy to President and CEO ²	25%	50%	30%	60%
Interim CEO ²			30%	60%

¹ Heikki Vuorenmaa is not eligible for Annual STIP from 2022 earning period.

² Antti Inkilä, the Interim President and CEO from 23 October 2020 to 31 March 2021 and the Deputy to President and CEO since 1 August 2021. Before him the Deputy to President and CEO was Ilkka Salonen.

CEO Annual STIP metrics and results 2022

KPI	Weight	Performance
Adjusted EBIT	70%	75.1%
Operative Cash Flow	20%	81.2%
Customer satisfaction	5%	38.5%
Work Safety ¹	5%	0.0%
Group adjusted EBIT as on/off type of trigger		On
Total	100%	70.8%

CEO Annual STIP metrics and results 2021

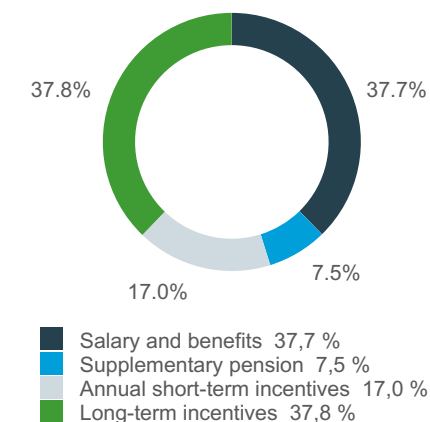
KPI	Weight	Performance
Adjusted EBIT	50%	0%
Operative Cash Flow	30%	100.0%
Customer satisfaction	10%	54.0%
Work Safety	10%	50.0%
Group adjusted EBIT as on/off type of trigger		On
Total	100%	40.4%

The former President and CEO Markku Moilanen shall receive an estimated short-term incentive payment of EUR 432,969 from the earning period 2022 in 2023 and the Deputy to President and CEO Antti Inkilä EUR 96,672. In 2022, Markku Moilanen was paid EUR 89,898 from the earning period 2021 and Antti Inkilä EUR 77,000.

¹ Work safety outcome is set to zero for the CEO and the entire Group Management Team due to two fatal accidents at our construction sites.

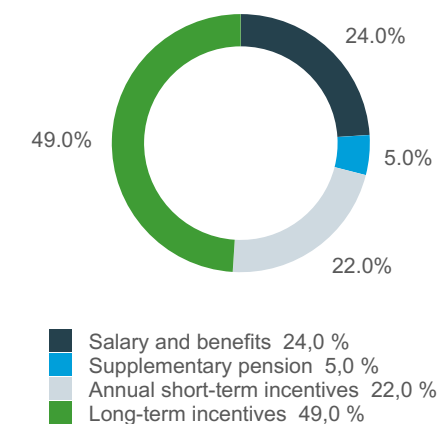
CEO REMUNERATION MIX (TARGET, MEUR¹)

At the target level, total rewards of the President and CEO add up to 1,33 MEUR of which fixed pay forms 46 % and variable pay 54 %.



CEO REMUNERATION MIX (MAX, MEUR¹)

At the maximum level, total rewards of the President and CEO add up to 2,06 MEUR of which fixed pay forms 29 % and variable pay 71 %.



¹ Long term-incentive earning potential target and maximum calculated with YIT share rate 2,88 €/share.

LONG-TERM INCENTIVES

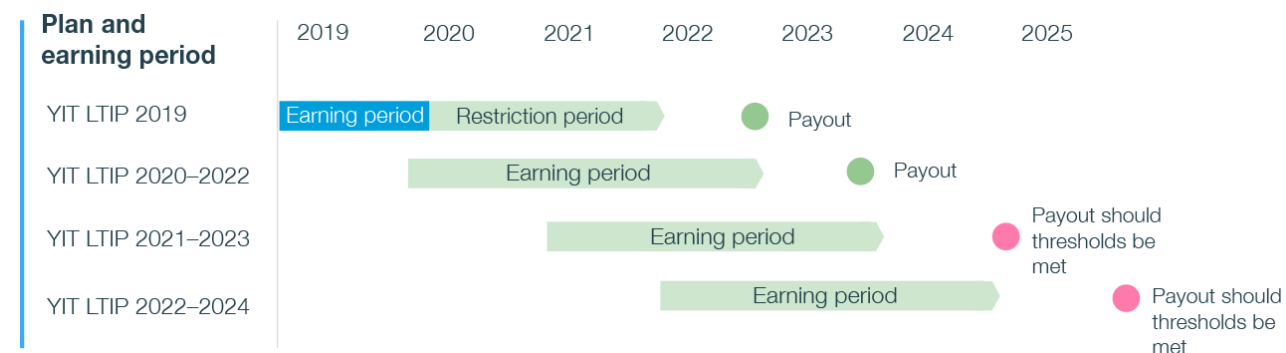
YIT has long-term incentive plans (abbreviated LTIP) in use to drive strategic transformation, long-term financial performance and retain key persons.

The Board of Directors decided in 2019 to establish an LTI Performance Share Plan with a three-year earning periods of which the first runs from 1 January 2020 to 31 December 2022, the second earning period from 1 January 2021 to 31 December 2023 and the third from 1 January 2022 to 31 December 2024. The potential share reward from the 2020–2022 earning period will be made in 2023, from the 2021–2023 earning period in 2024 and from the 2022–2024 earning period in 2025.

YIT's previous LTI Performance Share plan 2017–2019 had three one-year earning periods. There was a two-year commitment period associated with each earning period, after which the shares were transferred to participants still employed by YIT. The rewards from the earning period 2019 were paid out partly in cash and partly in company shares in May 2022. The purpose of the cash payment was to cover the taxes arising from the share reward.

The Deputy to President and CEO Antti Inkiä received a share payment of 12,540 shares and a cash payment of EUR 62,742 on May 7 2022 based on the 2019 performance measures ROCE and NPS.

LTI programs



LTI plan metrics and results

Plan and earning period	KPI	Weight	Performance
YIT LTIP 2022–2024	Absolute TSR	90%	Results can be assessed and disclosed after the earning period end.
	Sustainability	10%	
YIT LTIP 2021–2023	ROCE	45%	Results can be assessed and disclosed after the earning period end.
	Absolute TSR	45%	
	Sustainability	10%	
YIT LTIP 2020–2022	ROCE	70%	6.1%
	Absolute TSR	20%	
	NPS	10%	
YIT LTIP 2017–2019, earning period 2019	ROCE	80%	62.7%
	NPS	20%	

PRESIDENT AND CEO'S SUPPLEMENTARY PENSION

The President and CEO of YIT has a supplementary defined contribution pension scheme. The same pension scheme applies also to the Deputy to President and CEO. The annual contribution of the plan was 20% of the fixed base salary in 2019-2022.

The contributions made to the supplementary pension scheme are disclosed in the below table.

Pension contributions (EUR)		2022	2021	2020	2019	2018
Heikki Vuorenmaa	President and CEO 28 Nov 2022 onwards	8,373				
Markku Moilanen	President and CEO 1 Apr 2021 to 27 Nov 2022	135,973	109,499			
Antti Inkilä	Interim President and CEO 23 Oct 2020 to 31 Mar 2021		24,000	11,535		
Kari Kauniskangas	President and CEO to 22 Oct 2020			98,598	112,116	3,795
Antti Inkilä	Deputy to President and CEO 1 Aug 2021 onwards	73,376	40,000			
Ilkka Salonen	Deputy to President and CEO to 31 Jul 2021		37,243	63,845	60,245	58,397

TERMINATION COMPENSATION

In respect to the service contract of the former YIT President and CEO Markku Moilanen, the following final salary and severance payments were agreed upon. The payment of the notice pay started on 1 December 2022 and ends 31 May 2023. The other elements of final salary and severance payments are made in course of 2022-2024.

Remuneration element	EUR, thousands
Salary from notice period (6 months) ¹	436.0
Unused holiday	12.0
12 months severance payment	742.0
Annual STIP 2022 ²	433.0
Long-term incentives	0.0
Total	1,623.0

¹ Includes supplementary pension

² Estimate made at year-end

In respect to the service contract of the former YIT Group President and CEO Kari Kauniskangas, the following final salary and severance payments were agreed upon. The payment of the notice pay started on 23 October 2020 and ended 21 April 2021. The other elements of final salary and severance payments were made in course of 2021 and 2022.

Remuneration element	EUR, thousands
Salary from notice period (6 months)	304.0
Unused holiday	107.0
12 months severance payment	609.0
Annual STIP 2020	0.0
Long-term incentive plan 2018-2019	308.0
Total	1,328.0

In respect to the service contract of the former CFO and Deputy to President and CEO Ilkka Salonen, the following final salary and severance payments were agreed upon. The payment of the notice pay ended 30 September 2022. The other elements of final salary and severance payments are made in course of 2022 and 2023.

Remuneration element	EUR, thousands
Salary from notice period (6 months)	159.6
Unused holiday and holiday bonus pay	0.0
6 months severance payment	159.6
Annual STIP 2021	27.3
Long-term incentive plan 2019	101.6
Total	448.1

SUMMARY OF AGGREGATED REMUNERATION

Position	2022							2021							2020	2019	2018
	Annual salary	Benefits	Severance	Short-term incentives	Long-term incentives	Suppl. pension	Total	Annual salary	Benefits	Severance	Short-term incentives	Long-term incentives	Suppl. pension	Total	Total	Total	Total
Heikki Vuorenmaa CEO 28 Nov 2022 onwards	47,553	22				8,373	55,948										
Markku Moilanen ¹ CEO 1 Apr 2021 to 27 Nov 2022	663,051	18,583	1,178,161	89,898		135,973	2,085,666	531,837	15,660				109,499	656,996			
Antti Inkilä Interim CEO 23 Oct 2020 to 31 Mar 2021								120,280	3,630		60,000		24,000	207,911	102,678		
Kari Kauniskangas CEO to 22 Oct 2020															1,901,595	999,341	848,271
Antti Inkilä Deputy to CEO 1 Aug 2021 onwards	368,314	16,126		77,000	112,039	73,376	646,856	152,316	5,103				40,000	197,419			
Ilkka Salonen Deputy to CEO to 31 Jul 2021								188,432	6,755			11,862	37,243	244,291	486,761	565,953	411,787

¹ The final Annual short-term incentive payment from 2022, EUR 432,969 based on year-end estimate, is reported as part of 2023 aggregated remuneration

YIT expects its President and CEO to hold ownership in the company. The long-term incentive program aligns business strategy with the interests of company owners and the interests of the President and CEO. The following table discloses the details of YIT shares earned from the long-term incentive program and for which they have the earning opportunity.

Position	Number of YIT shares earned but not yet transferred	Performance share earning opportunity
Heikki Vuorenmaa CEO 28 Nov 2022 onwards	0	0
Markku Moilanen CEO 1 Apr 2021 to 27 Nov 2022	0	0
Antti Inkilä ¹ Deputy to CEO 1 Aug 2021 onwards	2,624	74,000

¹ Earnings from YIT LTIP 2020–2022 earning period are due in 2023. These are gross shares before any taxes and other payments


² YIT LTIP 2021–2023 and 2022–2024 target earning opportunity disclosed. These are gross shares before any taxes and other payments




YIT is the largest Finnish and a significant North European development and construction company. We develop and build sustainable living environments: functional homes, future-proof public and commercial buildings, infrastructure for smooth mobility, and renewable energy solutions to benefit the climate. We employ around 5,000 professionals in nine countries: Finland, Sweden, Norway, Estonia, Latvia, Lithuania, the Czech Republic, Slovakia and Poland. Our revenue in 2022 was EUR 2.4 billion. YIT Corporation's share is listed on Nasdaq Helsinki. Read more: www.yitgroup.com


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