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Remuneration Statement 2021



YIT Remuneration Report

The aim of remuneration at YIT is to support our ability to create better living environments and accelerate strategic transformation where the aim is to deliver higher, well predicted, level of profit and being 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 long-term and short-term incentive plans.

Year 2021 was marked by the release of new strategy and starting actions to improve business performance. Financially the year was mixed, there was continuous success in the Housing segments and good performance in many projects but as a group we did not reach our profitability targets. Moderate short-term incentive payments are made based on 2021 performance. YIT's long-term incentive KPI performance has been inadequate during the 2020–2022 and 2021–2023 earning periods. Of the LTI KPIs, NPS and Sustainability have developed positively whereas ROCE and absolute TSR depending on YIT share value development, remained both 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 of YIT follows the principles of YIT's remuneration policy 2020–2023 approved at YIT's Annual General Meeting in 12 March 2020.

Remuneration policy 2020–2023 has been followed during year 2021.

REMUNERATION DEVELOPMENT

During past five years, the most significant single event for the YIT was the merger of YIT and Lemminkäinen 1 February 2018 into the new YIT. The remuneration of the Board of Directors and the President and CEO was reviewed following the merger.

President and CEO (EUR) ¹	2021	2020 ⁵	2019	2018	2017
YIT CEO ²	547,497	91,143	-	-	-
YIT Interim CEO ³	180,280	-	-	-	-
YIT former CEO ⁴	0	1,655,303	887,225	815,723	-
YIT CEO before the merger	-	-	-	-	841,824
Lemminkäinen CEO before the merger	-	-	-	-	642,340

Board of Directors (EUR)	2021	2020 ⁵	2019	2018	2017
YIT Board of Directors	777,600	751,000	690,300	556,050	-
YIT Board of Directors before the merger	-	-	-	-	457,900
Lemminkäinen Board of Directors before the merger	-	-	-	-	449,500

Employee remuneration (EUR)	2021	2020 ⁵	2019	2018	2017
YIT employee	52 2021	44,213	46,569	43,621	-
YIT employee before the merger	-	-	-	-	41,460
Lemminkäinen employee before the merger	-	-	-	-	55,743

¹ Remuneration details in this table do not include supplementary pension

² Markku Moilanen, YIT President and CEO since 1 April 2021

³ Antti Inkiälä, Interim President and CEO 23 October 2020–31 December 2020 and 1 January 2021–21 March 2021

⁴ Kari Kauniskangas, Former President and CEO since 23 October 2020. Remuneration includes final salary and severance payments for EUR 999,708.

⁵ COVID-19 pandemic related temporary layoffs and cost saving measures impact the 2020 figures.

FINANCIAL KEY METRICS (IFRS)

Revenue (EUR million)	2021	2020 ²	2019	2018	2017
YIT ¹	2,855.8	3,069.0	3,391.5	3,201.0	-
YIT before the merger	-	-	-	-	1,993.8
Lemminkäinen before the merger	-	-	-	-	1,847.2
Operating profit (EUR million)	2021	2020 ²	2019	2018	2017
YIT ¹	65.0	35.0	80.5	99.7	-
YIT before the merger	-	-	-	-	85.5
Lemminkäinen before the merger	-	-	-	-	41.8
Order backlog (EUR million)	2021	2020 ²	2019	2018	2017
YIT ¹	4,041.7	3,528.2	4,130.5	4,285.6	-
YIT before the merger	-	-	-	-	2,912.7
Lemminkäinen before the merger	-	-	-	-	1,305.6

¹Pro forma figures incorporating Lemminkäinen's financial statement from 1 January–31 January 2018.

²Sales of the Pavement business to Peab in 2020 contributes to the decrease in Order backlog and Revenue numbers and has a one-time positive impact to Operating profit in 2020.

REMUNERATION OF THE BOARD OF DIRECTORS

The Annual General Meeting decides on the annual remuneration of the Board of Directors and the members of the Board Committees. Based on the decision of the Annual General Meeting on 18 March 2021 members of the Board were required to acquire YIT corporation shares from a regulated market (Nasdaq Helsinki Ltd) with 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-weeks period following the disclosure of the Q1 2021 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 18 March 2021.

- Chair of the Board: EUR 100,000
- Vice chair of the Board and chairs of the committees unless same person serves as chair or vice chair of the Board: EUR 70,000
- Members of the Board: EUR 50,000

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 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 2021 totals EUR 777,600 (EUR 751,000 in 2020). 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)

Name	Position	Fixed Fee	Board meeting fees	Committee meeting fees	Total 2021	Total 2020	Total 2019	Total 2018
Harri-Pekka Kaukonen	Chair of the Board	100,000	12,000	31,200	143,200	129,200	127,900	117,750
Eero Heliövaara	Vice Chair of the Board	70,000	11,200	32,800	114,000	108,600	95,500	78,800
Alexander Ehrnrooth	Member of the Board	50,000	12,000	28,000	90,000	90,600	71,600	-
Frank Hyldmar	Member of the Board	50,000	28,000	16,000	94,000	91,000	78,000	-
Olli-Petteri Lehtinen	Member of the Board	70,000	12,000	11,200	93,200	79,800	86,650	58,800
Kristina Pentti-von Walzel	Member of the Board	50,000	12,000	6,400	68,400	61,800	68,300	68,800
Barbara Topolska	Member of the Board	50,000	30,000	28,000	108,000	125,000	88,000	-
Tiina Tuomela	Member of the Board	50,000	12,000	4,800	66,800	65,000	66,650	61,550
Previous members of the Board, total		-	-	-	-	-	7,700	170,350
Total		490,000	129,200	158,400	777,600	751,000	690,300	556,050

SHARES PURCHASED WITH THE FIXED FEES

Name	Position	YIT shares purchased in 2021	YIT shares purchased in 2020	YIT shares purchased in 2019	YIT shares purchased in 2018
Harri-Pekka Kaukonen	Chair of the Board	7,321	7,615	7,436	7,054
Eero Heliövaara	Vice Chair of the Board	5,125	5,330	5,205	4,937
Alexander Ehrnrooth	Member of the Board	3,660	3,807	3,718	-
Frank Hyldmar	Member of the Board	3,660	3,807	3,718	-
Olli-Petteri Lehtinen	Member of the Board	5,125	5,330	5,205	2,527
Kristina Pentti-von Walzel	Member of the Board	3,660	3,807	3,718	3,527
Barbara Topolska	Member of the Board	3,660	3,807	3,718	-
Tiina Tuomela	Member of the Board	3,660	3,807	3,718	3,527
Previous members of the Board, total		-	-	-	8,571
Total		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 Group President and CEO. The President and CEO's remuneration consists of a fixed base salary, holiday bonus pay, 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 Interim President and CEO and the Deputy to President and CEO.

Markku Moilanen started as the President and CEO of the YIT Group on 1 April 2021. From 23 October 2020 to 31 March 2021 Antti Inkilä served as YIT Group's Interim CEO. Kari Kauniskangas served as the President and CEO of the YIT Group up until 22 October 2020. He is referred in this report as the Former CEO. Ilkka Salonen, the Chief Financial Officer of the YIT Group served as the Deputy to President and CEO to 31 July 2021. Later in this report he is referred as Former Deputy to President and CEO. Since 1 August 2021 the Deputy to President and CEO has been Antti Inkilä.

According to the remuneration policy, the President and CEO is paid for performance and 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 target incentive opportunity in the earning period 2021 was 45% at the target level and 90% at the maximum level, based on the annual fixed base salary (including fringe benefits but excluding holiday bonus pay). Earning opportunities for the other roles for both the 2021 and 2020 earning periods are listed below.

Earning opportunity

Role	2021		2020	
	Target	Maximum	Target	Maximum
President and CEO ¹	45%	90%	-	-
Deputy to President and CEO ²	30%	60%	-	-
Interim CEO ²	30%	60%	25%	50%
Former CEO ³	-	-	35%	70%
Former Deputy to President and CEO ⁴	25%	50%	25%	50%

CEO Annual STIP metrics and results 2021

KPI	Weight	Performance
Adjusted operating profit	50%	0%
Operative Cash Flow	30%	100.0%
Customer satisfaction	10%	54.0%
Work Safety	10%	50.0%
Group adjusted operating profit as on/off type of trigger		On
Total	100%	40,4%

Former CEO Annual STIP metrics and results 2020

KPI	Weight	Performance
Adjusted operating profit	35.0%	0.0%
Operative Cash Flow	25.0%	100.0%
Work Safety	15.0%	71.6%
Customer Satisfaction	10.0%	50.0%
Strategic objectives	15.0%	0.0%
Group adjusted operating profit as on/off type of trigger		Off
Total	100,0%	0,0%

The Interim President and CEO² and the Former Deputy to President and CEO⁴ received during 2021 no annual short-term incentive payment from the earning period 2020.

The President and CEO shall receive a short-term incentive payment of EUR 89,898 from the earning period 2021 in 2022. The Interim President and CEO² has received a short-term incentive payment of EUR 60,000 from the earning period 2021 in 2021. The new Deputy to President and CEO will receive a payment of EUR 77,000 from the earning period 2021 in 2022. The Former Deputy to President and CEO⁴ shall receive a short-term incentive payment of EUR 26,987 from the earning period 2021 in 2022.

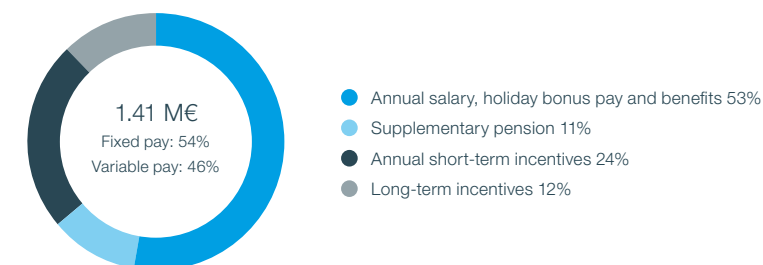
¹Markku Moilanen, the President and CEO since 1 April 2021

²Antti 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

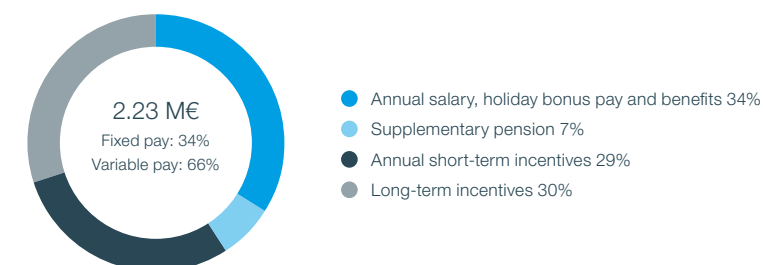
³Kari Kauniskangas, the Former CEO since 23 October 2020

⁴Ilkka Salonen, the Former Deputy to President and CEO since 1 August 2021

CEO REMUNERATION MIX (TARGET, MEUR¹)



CEO REMUNERATION MIX (MAX, MEUR¹)



CEO REMUNERATION MIX (2021 ACTUAL, MEUR²)



¹Long term-incentive earning potential target and maximum calculated with YIT share rate at the end of 2021, 4.31 €/share.

²Consists of salary, holiday bonus pay, benefits and supplementary pension earned from 1 April, 2021 to 31 December 2021, no short-term or long-term incentive payments made to the new CEO between 1 April 2021 and 31 December 2021.

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 has 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 and the second earning period from 1 January 2021 to 31 December 2023. The potential share reward from the 2020–2022 earning period will be made in 2023 and from the 2021–2023 earning periods in 2024.

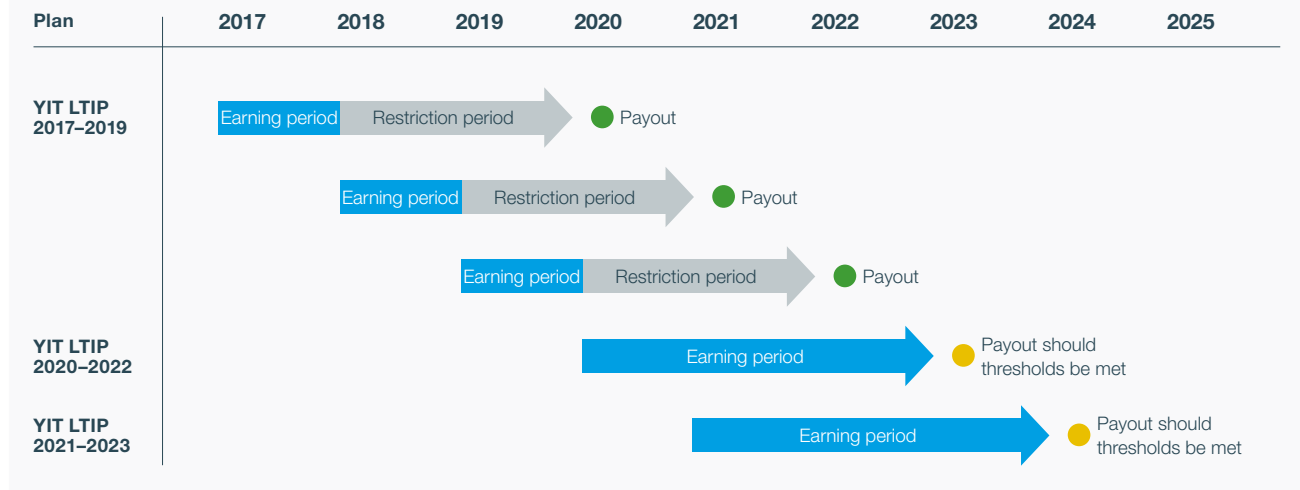
YIT's previous LTI Performance Share plan 2017–2019 had three one-year earning periods. There is a two-year commitment period associated with each earning period, after which the shares are transferred to participants still employed by YIT. The rewards from the earning period 2018 were paid out partly in cash and partly in company shares in May 2021. The purpose of the cash payment was to cover the taxes arising from the share reward.

The share rewards earned from the next earning period, 2019, will be paid out in 2022.

The Former Deputy to President and CEO¹ received a share payment of 1,000 shares and a cash payment of EUR 6,316 on 6 May 2021 based on the 2018 performance measures ROCE and NPS.

¹Ilkka Salonen, Former Deputy to President and CEO since 1 August 2021.

Current and legacy LTI programs in use in YIT



LTI PLAN METRICS AND RESULTS

Plan	KPI	Weight	Result
YIT LTIP 2021–2023	ROCE	45%	Results can be assessed and disclosed after the earnig period ends.
	Absolute TSR	45%	
	Sustainability	10%	
YIT LTIP 2020–2022	ROCE	70%	Results can be assessed and disclosed after the earnig period ends.
	Absolute TSR	20%	
	NPS	10%	
YIT LTIP 2017–2019, earning period 2019	ROCE	80%	62.7%
	NPS	20%	
YIT LTIP 2017–2019, earning period 2018	ROCE	80%	4.9%
	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 Interim President and CEO and the new Deputy to President and CEO and to the former Deputy to President and CEO. The annual contribution of the plan was 20% of the fixed base salary in 2019, 2020 and 2021.

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

Pension contributions (EUR)	2021	2020	2019	2018
President and CEO ¹	109,499	0	0	0
Deputy to President and CEO ²	40,000	0	0	0
Interim President and CEO ³	24,000	11,535	0	0
Former President and CEO ⁴	0	98,598	112,116	3,795
Former Deputy to President and CEO ⁵	37,243	63,845	60,245	58,397

¹Contributions to President and CEO Markku Moilanen from 1 April 2021 to 31 December 2021

²Contributions to Deputy to President and CEO Antti Inkilä from 1 August, 2021 to 31 December 2021

³Contributions to Interim President and CEO Antti Inkilä from 23 October 2020 to 31 December 2020 and from 1 January 2021 to 31 March 2021

⁴Contributions to Former President and CEO Kari Kauniskangas from 1 January 2020 to 22 October 2020

⁵Contributions to Former Deputy to President and CEO Ilkka Salonen from 1 January 2021 to 31 July 2021

TERMINATION COMPENSATION

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 are made in course of 2021 and 2022.

Final salary and severance payments to the Former CEO

Remuneration element	EUR, thousands
Salary from notice pay (6 months)	304.0
Unused holiday and holiday bonus pay	107.0
12 months severance payment	609.0
Annual short-term incentives 2020	0.0
LTIP 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 starts in 2022. The other elements of final salary and severance payments are made in course of 2022 and 2023.

Final salary and severance payments to the former Deputy to President and CEO

Remuneration element	EUR, thousands
Salary from notice pay (6 months)	159.6
Unused holiday and holiday bonus pay	0.0
6 months severance payment	159.6
Annual short-term incentives 2021	27.3
LTIP 2019 ¹	136.4
Total	455.6

¹Long term-incentive earning potential target and maximum calculated with the YIT share rate at the end of 2021, 4,31 €/share.

SUMMARY OF AGGREGATED REMUNERATION

Remuneration (EUR)	2021				2020			2019		2018	
	CEO ¹	Deputy CEO ²	Interim CEO ³	Former Deputy CEO ⁵	Interim CEO ³	Former CEO ⁴	Deputy CEO	CEO	Deputy CEO	CEO	Deputy CEO
Annual salary	531,837	152,316	120,280	188,432	88,252	540,266	322,681	594,722	362,142	555,912	288,861
Benefits	15,660	5,103	3,630	6,755	2,891	15,111	11,925	18,200	13,163	18,155	12,210
Final salary and severance payments	0	0	0	0	0	999,708	0	0	0	0	0
Annual short-term incentives	0	0	60,000	0	0	79,151	43,717	187,374	87,543	99,300	4,005
Long-term incentives	0	0	0	11,862	0	168,760	44,593	86,929	42,861	171,109	48,314
Supplementary pension	109,499	40,000	24,000	37,243	11,535	98,598	63,845	112,116	60,245	3,795	58,397
Total compensation	656,996	197,419	207,911	244,291	102,678	1,901,595	486,761	999,341	565,953	848,271	411,787

¹Markku Moilanen, President and CEO since 1 April 2021

²Antti Inkilä, Deputy to President and CEO from 1 August 2021 to 31 December 2021

³Antti Inkilä, Interim President and CEO from 23 October, 2020 to 31 December 2020 and from 1 January 2021 to 31 March 2021

⁴Kari Kauniskangas, Former President and CEO of YIT to 22 October 2020

⁵Ilkka Salonen, Former Deputy to President and CEO from 1 January 2021 to 31 July 2021

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 which the President and CEO, the Interim President and CEO and the Deputy to President and CEO, the Former President and CEO and the Former Deputy to President and CEO have earned from the long-term incentive program and for which they have the earning opportunity.

Position	Earned but not yet transferred, No of YIT shares ⁵	Earning opportunity, no of YIT shares ⁶
President and CEO ¹	0	35,292
Interim President and CEO and new Deputy to President and CEO ²	12,540	48,000
Former President and CEO ³	0	0
Former Deputy to President and CEO ⁴	12,540	0

¹Markku Moilanen since April 1 2021

²Antti Inkilä served as Interim President and CEO from 23 October 2020 to 31 March 2021 and as Deputy to President and CEO since 1 July 2021

³Kari Kauniskangas served as President and CEO until 22 October 2020

⁴Ilkka Salonen served as Deputy to President and CEO to 31 July 2021

⁵Earnings from YIT LTIP 2017–2019 earning period 2019. Shares and related cash payments are due in three years, in 2022.

⁶YIT LTIP 2020–2022 and LTIP 2021–2023, target earning opportunity disclosed, this is 25% of max. These are gross shares before any taxes and other payments.




YIT is the largest Finnish and a significant North European development and construction company. For 110 years, we have been creating better living environments for our customers: functional homes for sustainable living, future-proof public and commercial buildings and infrastructure for smoother flow of people, businesses and society. We employ 7,000 professionals in ten countries: Finland, Russia, Sweden, Norway, Estonia, Latvia, Lithuania, the Czech Republic, Slovakia and Poland. Our revenue in 2021 was EUR 2.9 billion. YIT Corporation's share is listed on Nasdaq Helsinki Oy. YIT Corporation's share is listed on Nasdaq Helsinki Oy.


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