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Remuneration Statement 2020

YIT Remuneration Report

The aim of remuneration in YIT is to support our ability to create better living environments and accelerate strategic transformation to become the leader in sustainable urban development. The four corner stones of remuneration policy are:

YIT REMURATION

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 is supported by long-term and short-term incentive plans.

Year 2020 was financially challenging for YIT due to COVID-19 and project related losses. Not reaching the profitability targets meant that no annual short-term incentive payments were earned from this year. For same reasons and decrease in YIT share value during 2020, with long-term incentives and earning period 2020-2022, the KPI performance development has been inadequate. After 2020, of the LTI KPIs, NPS has developed positively whereas ROCE and TSR remained below the threshold levels.

This Remuneration Report is based on Finnish Corporate Governance Code 2020 of the Securities Market Association and it 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 in YIT's Annual General Meeting in 12 March 2020. Remuneration policy 2020-2023 has been followed during year 2020.

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 new YIT. The remuneration of the Board of Directors and the President and CEO was reviewed following the merger.

President and CEO remuneration (EUR)	2020[3]	2019	2018	2017	2016
YIT Interim CEO[1]	91,143	-	-	-	-
YIT CEO[2]	1,655,303	887,225	815,723	-	-
YIT CEO before the merger	-	-	-	841,824	600,862
Lemminkäinen CEO before the merger	-	-	-	642,340	612,971

Board of Directors' total remuneration (EUR)	2020[3]	2019	2018	2017	2016
YIT Board of Directors	751,000	682,300	556,050	-	-
YIT Board of Directors before the merger	-	-	-	457,900	331,550
Lemminkäinen Board of Directors before the merger	-	-	-	449,500	386,500

Employee average annual remuneration (EUR)	2020[3]	2019	2018	2017	2016
YIT Employee (average)	44,213	46,569	43,621	-	-
YIT Employee (average) before the merger	-	-	-	41,460	38,612
Lemminkäinen Employee (average) before the merger	-	-	-	55,743	59,001

[1] Interim CEO remuneration from period 23 October 2020 – 31 December 2020.
[2] Since 23 October 2020 Former CEO. Remuneration includes final salary and severance payments for EUR 999,708.
[3] COVID-19 pandemic related temporary layoffs and cost saving measures impact the 2020 figures

FINANCIAL KEY METRICS (IFRS)

Revenue (EUR million)	2020[2]	2019	2018	2017	2016
YIT[1]	3,069	3,392	3,201	-	-
YIT before the merger	-	-	-	1,994	1,678
Lemminkäinen before the merger	-	-	-	1,847	1,682

Operating profit (EUR million)	2020[2]	2019	2018	2017	2016
YIT[1]	35	80	105	-	-
YIT before the merger	-	-	-	86	18
Lemminkäinen before the merger	-	-	-	42	68

Order book (EUR million)	2020[2]	2019	2018	2017	2016
YIT[1]	3,528	4,131	4,286	-	-
YIT before the merger	-	-	-	2,913	3,048
Lemminkäinen before the merger	-	-	-	1,305	1,265

[1] Pro forma figures incorporating financial statement of Lemminkäinen from 1 January – 31 January 2018.
[2] Sale of Nordic paving and mineral aggregates businesses to Peab in 2020 contributes to decrease in order book and revenue numbers.

REMUNERATION OF THE BOARD OF DIRECTORS

The Annual General Meeting decides on annual remuneration of the Board of Directors and members of Board Committees. Based on the decision of Annual General Meeting at 12 March 2020, 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 two weeks of the publication of the interim report for the period 1 January–31 March 2020. In addition to fixed fee, Board members were paid based on their positions as chair or members of the Board committees.

Fixed fees decided by the Annual General Meeting at 12 March 2020.

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

As part of the measures to mitigate the impacts of the economic slowdown to the company, the members of the Board unanimously decided to reduce their annual fixed fee with 10% in 2020.

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

Travel related costs in home country and abroad are reimbursed and daily allowances are paid in accordance with YIT Corporation's and tax authorities' travelling compensation regulations.

The remuneration paid to the members of the Board of Directors for calendar year 2020 totals EUR 751,000 (EUR 690,300 in 2019). 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.

THE BOARD OF DIRECTORS FEES IN TOTAL (EUR)

Name	Position	Fixed Fee	Board meeting fees	Committee meeting fees	Total 2020	Total 2019	Total 2018
Harri-Pekka Kaukonen	Chairman of the Board	90,000	12,800	26,400	129,200	127,900	117,750
Eero Heliövaara	Vice Chairman of the Board	63,000	12,800	32,800	108,600	95,500	78,800
Alexander Ehrnrooth	Member of the Board	45,000	12,800	32,800	90,600	71,600	-
Frank Hyldmar	Member of the Board	45,000	32,000	14,000	91,000	78,000	-
Olli-Petteri Lehtinen	Member of the Board	63,000	12,800	4,000	79,800	86,650	58,800
Kristina Pentti-von Walzel	Member of the Board	45,000	12,800	4,000	61,800	68,300	68,800
Barbara Topolska	Member of the Board	45,000	32,000	48,000	125,000	88,000	-
Tiina Tuomela	Member of the Board	45,000	12,800	7,200	65,000	66,650	61,550
Previous members of the Board, total	-	-	-	-	-	7,700	170,350
Total		**441,000**	**140,800**	**169,200**	**751,000**	**690,300**	**556,050**

SHARES PURCHASED WITH THE FIXED FEES

Name	Position	YIT shares purchased in 2020	YIT shares purchased in 2019	YIT shares purchased in 2018
Harri-Pekka Kaukonen	Chairman of the Board	7,615	7,436	7,054
Eero Heliövaara	Vice Chairman of the Board	5,330	5,205	4,937
Alexander Ehrnrooth	Member of the Board	3,807	3,718	-
Frank Hyldmar	Member of the Board	3,807	3,718	-
Olli-Petteri Lehtinen	Member of the Board	5,330	5,205	2,527
Kristina Pentti-von Walzel	Member of the Board	3,807	3,718	3,527
Barbara Topolska	Member of the Board	3,807	3,718	-
Tiina Tuomela	Member of the Board	3,807	3,718	3,527
Previous members of the Board, total	-	-	-	8,571
Total		**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. 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 Interim President and CEO and Deputy to President and CEO. As part of the measures to mitigate the impacts of the economic slowdown to the company, the President and the CEO and other members of the Group management team unanimously decided to reduce their annual salary by the half month salary or equivalent to it.

Kari Kauniskangas served as President and CEO of YIT Group up until 23 October 2020. Going forward he is referred as Former CEO. From 23 October 2020 YIT Group's Interim CEO has been Antti Inkilä. He is referred as Interim CEO. Ilkka Salonen, Chief Financial Officer of YIT Group is also Deputy to President and CEO.

According the remuneration policy the President and CEO is paid for performance and variable pay, i.e. short- and long-term incentives, form a large part of his remuneration mix.

ANNUAL SHORT-TERM INCENTIVES (ANNUAL STIP)

Former President and CEO's short-term target incentive opportunity in earning period 2020 was 35% and the maximum 70% of the annual fixed base salary (including fringe benefits but excluding holiday bonus pay). In 2020, 35% of the incentive opportunity was tied to Group's adjusted operating profit, 25% to operating cash flow after investments, 15% work safety metrics, 10% to customer satisfaction and 15% to personal, strategic targets.

For both Interim CEO and Deputy to President and CEO, short-term target incentive opportunity was 25% and the maximum incentive opportunity 50% of the annual fixed base salary (including fringe benefits but excluding holiday bonus pay). In earning period 2020, 40% of the incentive opportunity was tied to Group's adjusted operating profit, 40% to operating cash flow after investments , 10% work safety metrics and 10% to personal, strategic targets.

Former CEO Annual STIP metrics and results 2020

KPI	Weight	Performance
Adjusted operating profit	35%	0.0%
Operating cash flow after investments	25%	100.0%
Work safety	15%	71.6%
Customer satisfaction	10%	50.0%
Strategic objectives	15%	0.0%
Group adjusted operating profit as on/off type of trigger	.	Off
Total	**100%**	**0.0%**

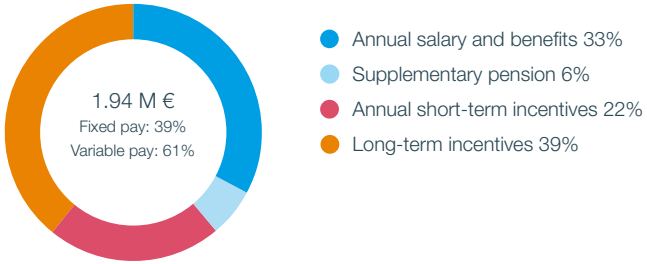
CEO Annual STIP metrics and results 2019

KPI	Weight	Performance
Adjusted operating profit	35	3.3%
Operatiing cash flow after investments	35	9.5%
Strategic objectives	30	57.5%
Group adjusted operating profit as on/off type of trigger		On
Total	**100**	**21.7%**

CEO REMUNERATION MIX (TARGET[2])



CEO REMUNERATION MIX (MAX[2])



CEO REMUNERATION MIX (2020 ACTUAL[1])



[1] Consists of salary, benefits and supplementary pension earned from 1 January 2020 to 23 October 2020, does not include final salary or severance payments. Annual short-term incentive payment made in 2020 was earned during 2019 earning period, long term incentive payment made in 2020 was earned during 2017 earning period.

[2] Long term-incentive earning potential target and maximum valuated with YIT share rate at the end of 2020 EUR 4,93 / share.

Former President and CEO received during 2020 an annual short-term incentive payment of EUR 79,151 from earning period 2019, Deputy to President and CEO a payment of EUR 43,717.

Interim President and CEO, Former President and CEO and Deputy to President and CEO shall not receive any annual short-term incentive payment from earning period 2020 in 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.

Interim President and CEO as well as Former President and CEO participated in LTI Performance Share plan 2017-2019 which 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 paid in 2020 based on earning period 2017 were paid out partly in cash and partly in company shares. The purpose of the cash payment was to cover the taxes arising from the share reward.

The share rewards earned from next earning periods, 2018 and 2019, are paid out in 2021 and 2022 respectively.

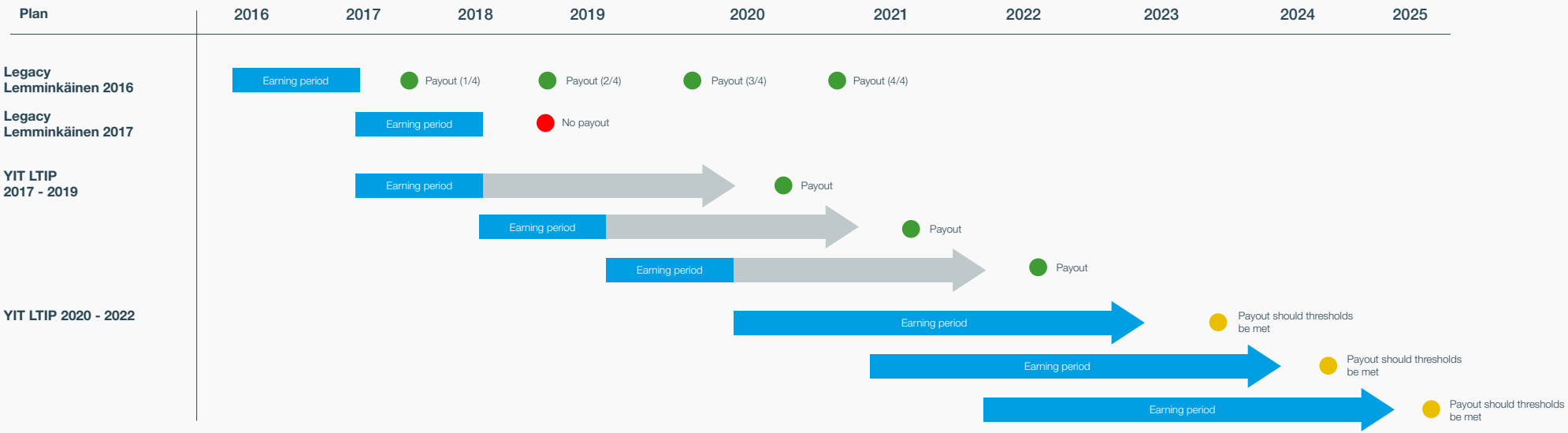
Former President and CEO received a share payment of 16,350 shares and a cash payment of EUR 88,598.92 from YIT's LTI plan on 8 May 2020 based on 2017 performance measures (ROI and NPS).

Interim President and CEO received a share payment of 8,175 shares and a cash payment of EUR 52,058.53 from from YIT's LTI plan on 8 May 2020 based on 2017 performance measures (ROI and NPS).

Deputy to President and CEO received a share payment of 4,169 YIT shares and a cash payment of EUR 22,297.12 on 10 September 2020 from legacy Performance Share Plan of Lemminkäinen Group based on 2016 performance measure (ROCE). Share rewards earned under legacy Performance Share Plan of Lemminkäinen Group from earning period 2016 were made to participants still employed by Lemminkäinen Group and later YIT in four even proportions in course of four years in 2017, 2018, 2019 and 2020. The other legacy Performance Share Plans of Lemminkäinen Group from plan period of 2017 has matured before the merger of Lemminkäinen and YIT at below threshold performance level.

The company has decided on a new LTI Performance Share Plan with a three-year earning periods of which first runs from 1 January 2020 to 31 December 2022. Potential share reward from 2020-2022 earning period is made in 2023.

Current and legacy LTI programs in use in YIT



LTI PLAN METRICS AND RESULTS

Plan	KPI	Weight	Result
YIT LTIP 2020-2022	ROCE	70%	Results can be assessed and disclosed after the earnig period end.
	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%	
YIT LTIP 2017-2019, earning period 2017	ROI	80%	54.5%
	NPS	20%	
Legacy Lemminkäinen 2016	ROCE	100%	75.0%
	Group adjusted operating profit as an on/off type of trigger		On

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 Interim President and CEO and to Deputy to President and CEO. The annual contribution of the plan being 20% of the fixed base salary.

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

Supplementary pension fees (EUR)	2020	2019	2018
Interim President and CEO[1]	11,535	0	0
Former President and CEO[2]	98,598	112,116	3,795
Deputy to President and CEO	63,845	60,245	58,397

[1] From 23 October to 31 December 2020

[2] Supplementary pension contribution of 2020 from period 1 January 2020 – 12 October 2020.

TERMINATION COMPENSATION

In respect to the service contract of the YIT Group President and CEO of Former CEO Kari Kauniskangas following elements of final salary and severance payments were agreed. Paying salary from notice period has started 23 October 2020. Other elements of final salary and severance payments are made in course of 2021 and 2022.

Final salary and severance payments to Former CEO

Remuneration element	EUR thousand
Salary from notice period (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**

SUMMARY OF AGGREGATED REMUNERATION

	2020			2019		2018	
Remuneration (EUR)	**Interim CEO[1]**	**Former CEO**	**Deputy CEO**	**CEO**	**Deputy CEO**	**CEO**	**Deputy CEO**
Annual salary[2]	88,252	540,266	322,681	594,722	362,142	555,912	288,861
Benefits	2,891	15,111	11,925	18,200	13,163	18,155	12,210
Final salary and severance payments	0	999,708	0	0	0	0	0
Annual Short-term Incentives	0	79,151	43,717	187,374	87,543	99,300	4,005
Long-term Incentives[3]	0	168,760	44,593	86,929	42,861	171,109	48,314
Supplementary pension	11,535	98,598	63,845	112,116	60,245	3,795	58,397
Total compensation	102,678	1,901,595	486,761	999,341	565,953	848,271	411,787

[1] Disclosed remuneration from the period 23 October 2020 up to 31 December 2020.

[2] Includes holiday bonus pay.

[3] Long term incentive payouts in May 2020 (YIT LTIP 2017-2019) for Interim CEO and Former CEO were based on 2017 results and payouts in September 2020 for Deputy to President and CEO (Legacy Lemminkäinen 2016) were based on 2016 results.

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. Following table discloses the details of YIT shares which Interim President and CEO, Former President and CEO and Deputy to President and CEO have earned from long-term incentive program and for which they have earning opportunity.

Position	**No of YIT shares earned but not yet transferred[1]**	**Performance share earning opportunity[2]**
Interim President and CEO	13,540	16,000
Former President and CEO[3]	30,465	0
Deputy to President and CEO	13,540	16,000

[1] Earnings from YIT LTIP 2017-2019 earning periods 2018 and 2019. Shares and related cash payments are due in 2021 and 2022 respectively.

[2] YIT LTIP 2020-2022, target earning opportunity disclosed, this is 25% of max. These are gross shares before any taxes and other payments.

[3] Earned but not yet transferred shares of Former President and CEO are converted to cash and paid out as part of final salary.

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