

# Scandi Standard's remuneration report for 2023

## Introduction

This remuneration report contains information on how Scandi Standard AB's (publ) guidelines for remuneration to the senior management (the "**remuneration guidelines**"), adopted by the annual general meeting 2023, have been applied during the financial year 2023. The report also provides details on the remuneration of the group's CEO (the "**CEO**").

In addition, the report contains a summary of the company's outstanding long-term share-related incentive programs. The report has been prepared in compliance with Chapter 8, sections 53 a and 53 b of the Swedish Companies Act as well as the Swedish Corporate Governance Board's *Rules on Remuneration of the Board and Executive Management and on Incentive Programmes* dated 1 January 2021.

The remuneration guidelines, adopted by the annual general meeting 2023, are included on pages 31,51 and 52 of the company's annual report for 2023. Information on the general performance of the company during 2023 is available in the CEO statement on pages 5–7 of the annual report for 2023. Information on the work of the remuneration committee in 2023 is set out in the corporate governance report, which is available on pages 116–123 of the annual report for 2023. Information required pursuant to Chapter 5, sections 40–44 of the Swedish Annual Accounts Act is available in note 5 on pages 51–53 of the annual report for 2023.

Remuneration of the members of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 5 on pages 51–53 in the annual report for 2023.

## Overview of compliance with the remuneration guidelines

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer senior managers a competitive total remuneration. Under the remuneration guidelines, remuneration to the senior management may consist of fixed salary, variable salary, pension and other benefits. The remuneration shall be based on principles of performance, competitiveness and fairness.

Pursuant to the remuneration guidelines, fixed salary shall be in line with market conditions and based on the senior manager's responsibility, expertise and performance. Variable salary shall be based on a set of financial, sustainability related and/or personal objectives determined in advance. Such objectives shall be designed to contribute to the company's business strategy and long-term interests,

including its sustainability, by for example being clearly linked to the business strategy or promote the senior manager’s long-term development.

The remuneration guidelines adopted at the annual general meeting 2023 have been fully implemented and complied with. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor’s report regarding the company’s compliance with the guidelines is available on [www.scandistandard.com](http://www.scandistandard.com).

No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-related incentive programs, which are described in the section “*Long-term share-related incentive programs*” in this report.

## Remuneration of the CEO

### *Remuneration of the CEO during 2023*

During the financial year 2023, the CEO received fixed salary, variable salary, pension and other benefits covered by the remuneration guidelines as presented in the table below.

Name	Fixed remuneration		Variable remuneration <sup>4)</sup>		Extraordinary items <sup>4)</sup>	Pension expenses <sup>3)</sup>	Total remuneration	Proportion of fixed and variable remuneration
	Base salary <sup>1)</sup>	Other benefits <sup>2)</sup>	One-year variable	Multi-year variable <sup>3)</sup>				
Managing Director Jonas Tunestål	5,031,936	213,762	3,592,368 <sup>4)</sup>	-	-	1,522,402	10,360,468	Variable: 35% Fixed: 65%
1) Base salary relates to fixed salary and holiday pay according to agreement. 2) Other benefits relate to company car and housing. 3) Defined contribution. 4) The variable remuneration is based on the group’s financial results and financial targets.								

In addition to the above remuneration, the CEO has during 2023 participated in the company’s currently outstanding long-term share-related incentive programs, see the section “*Long-term share-related incentive programs*” below.

The remuneration of the CEO was paid by Scandinavian Standard Nordic AB. No other group company paid any remuneration to the CEO during 2023.

No variable remuneration of the CEO was reclaimed during 2023.

### *Application of performance criteria for the variable cash remuneration*

Pursuant to the remuneration guidelines, the variable salary shall be based on a set of financial, sustainability related and/or personal objectives determined in advance. The variable salary may not amount to more than 75 per cent of the fixed salary. To which extent the objectives for awarding variable salary has been satisfied shall be determined when the relevant measurement period of the performance criteria has ended. The board of directors is responsible for the decision of the variable salary to the CEO.

## **Long-term share-related incentive programs**

### ***Outstanding share-related incentive programs***

Remuneration resolved upon by the general meeting is not covered by the remuneration guidelines. The annual general meeting 2021 adopted a long-term share-related incentive program for 33 senior executives and key employees, the annual general meeting 2022 adopted a long-term share-related incentive program for 28 senior executives and key employees and the annual general meeting 2023 adopted a long-term share-related incentive program for 32 senior executives and key employees (“**LTIP 2021**”, “**LTIP 2022**” and “**LTIP 2023**”). These incentive programs are designed to promote the long-term value growth and sustainability of the company and to increase alignment between the interests of the participating employees and the company’s shareholders. Under the incentive programs, the participating employees may be allotted shares in the company free of charge, subject to a three-year vesting period and provided that certain performance criteria (including the compound annual growth rate of earnings per share, “**EPS CAGR**”) are fulfilled. No shares may be awarded under LTIP 2021, a maximum of 267,015 shares may be awarded under LTIP 2022 and a maximum of 196,572 shares may be awarded under LTIP 2023 excl social security contributions. In order to further increase alignment between the long-term interests of the participants and the company’s shareholders, a requirement for participation is that the participant undertakes to retain all allotted shares (except for such shares that are sold to cover for tax due to the allotment of shares) for a period of two years from the date of the allotment of the shares. More information on the company’s share-related long-term incentive programs, including the performance criteria which the outcome depends on, is available on company’s website, [www.scandistandard.com](http://www.scandistandard.com).

### ***Long-term share-related incentive programs that vested during 2023***

As EPS CAGR for the period January 1, 2020 – December 31, 2022 did not meet the conditions for the program, no allotment of shares under this program took place during 2023.

### Remuneration of the CEO under share related incentive programs

	Main conditions				Financial year 2023			
					Opening balance	During the year		Closing balance
	LTP	Performance period	Award date	Vesting date	Share rights held at beginning of year	Awarded	Vested (i.e. shares received)	Subject to performance requirement
Managing Director Jonas Tunestål	2022 <sup>1)</sup>	2022–2025	May 2022	May 2025	100,337			66,891
	2023 <sup>2)</sup>	2023-2026	May 2023	May 2026	-	70,446		46,964

Value at award: SEK 3.6 million, calculated as the market price per share at award of performance share rights and matching share rights (SEK 35.88) multiplied by the number of performance share rights awarded and matching share rights.

2) Value at award: SEK 3.7 million, calculated as the market price per share at award of performance share rights and matching share rights (SEK 53.15) multiplied by the number of performance share rights awarded and matching share rights.

### Change of the remuneration of the CEO compared to the company's performance and remuneration of other employees of the group

In order to put the remuneration of the CEO into further context, the following table presents the annual change in remuneration of the CEO, for the company's results and for the average remuneration within the Scandi Standard group for other full-time equivalent employees during the three previous financial years.

	2023	2022	2021	2020
CEO remuneration <sup>1)</sup>	-8%	-23 %	0 %	+16 %
Other full-time equivalent employees of the group (excl. the CEO)	-5%	0 %	+1 %	+6 %
Operating income	+57%	+31 %	-37 %	-17 %
Adjusted operating income	+54%	+36 %	-48 %	+10 %

1) Otto Drakenberg during 1 January–31 March 2022 and Jonas Tunestål during 1 April–31 December 2022.

\* \* \*

Stockholm in March 2024  
 Scandi Standard AB (publ)  
*The board of directors*