

This document is a translation of the Swedish original. In the event of discrepancies, the Swedish original shall prevail

Remuneration report 2023

Introduction

This remuneration report provides an outline of how Holmen AB (publ) (Holmen) guidelines for executive remuneration, adopted by the annual general meeting 2023, have been implemented in 2023. The report also provides details on the remuneration of Holmen's CEO and deputy CEO. In addition, the report contains a summary of Holmen's outstanding share related incentive programmes. The company has not provided the board of directors with any remuneration in excess of what has been resolved by the annual general meeting. Remuneration to the board of directors is therefore not covered by this report but is disclosed in the annual report for 2023 (note 4).

Further information on executive remuneration and the work of the remuneration committee can be found in the company's annual report (note 4 and the corporate governance report).

Key developments 2023

The CEO summarizes the company's overall performance in his statement on page 4 in the annual report 2023.

Overview of the application of the remuneration guidelines

Holmen has applied the remuneration guidelines adopted by the Annual General Meeting 2023. Under Holmen's remuneration guidelines, remuneration to senior executives shall be market-based and competitive in the market in which the executive operates and be related to the executive's responsibilities, authority, and performance. Remuneration may consist of fixed salary, variable remuneration, other benefits, and pension. The variable compensation must be calculated on outcomes in relation to measurable goals and not exceed 50% of the fixed annual salary. Other benefits may include, among others, health insurance, housing benefit and car benefit. Such benefits shall, where they occur, constitute a maximum of 10 percent of the fixed salary.

The remuneration guidelines can be found in note 4 in the annual report 2023. The auditor's report regarding compliance with the guidelines is available on the company's website www.holmen.com.

Total remuneration to CEO and deputy CEO is presented in table 1 below. In addition to remuneration covered by the remuneration guidelines, the annual general meeting resolves on long-term share-based incentive plans for senior management.

Table 1 – Total remuneration paid to CEO and deputy CEO during 2023 (SEK)

	Fixed remuneration		Variable remuneration ¹	Extra-ordinary items ²	Pension expense ³	Total remuneration	Proportion fixed/variable
	Base salary	Other benefits ⁴					
Henrik Sjölund VD	11 040 000	453 054	5 520 000	n/a	6 171 350	23 184 404	76%/24%
Anders Jernhall vVD	5 640 000	94 918	2 820 000	n/a	2 721 028	11 275 946	75%/25%

Share based remuneration

A long-term share-based incentive programme was approved by the 2022 Annual General Meeting with a duration from May 2022 until May 2025 (the Programme). Further information about the Programme and the performance condition can be found on the company's website www.holmen.com.

The managing director has invested in 1,900 savings shares and the deputy managing director in 989 savings shares. At the end of the program, they are entitled to up to 6.5 (the managing director) / 5.5 (deputy managing director) shares per savings share, depending on fulfillment of the program's conditions.

Use of the right to reclaim

No remuneration has been reclaimed by the company from the CEO or deputy CEO.

Compliance with the remuneration guidelines

Remuneration paid to the managing director and deputy managing director in 2023 has been in accordance with the company's remuneration guidelines.

Derogations and deviations from the remuneration guidelines and from the procedure for implementation of the guidelines

There have been no deviations from the procedures set out in the remuneration guidelines nor any derogations from the remuneration guidelines themselves. There have not been any significant changes regarding remuneration.

¹ Variable remuneration refers to short-term incentive program to be paid in 2024.

² Non-recurring benefits (sign-on fees, redundancy payments etc.).

³ The pension plan is defined contribution. The disclosed expenses include costs for an option to retire at the age of 60 and cost for health insurance. Mandatory social security fees are excluded.

⁴ Benefits in kind that are taxable for the recipient.



Comparative information on the change of remuneration and company performance

Table 2 – Change of remuneration and company performance over the last five reported financial years⁵

	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	2023 ⁶
CEO, TSEK	+10 (+0%)	+720 (+8%)	+4 (0%)	+966 (+10%)	+6 260 (+58%)	17 013
Deputy CEO, TSEK	+239 (+6%)	+371 (+8%)	+21 (0%)	+359 (+7%)	+3 223 (+60%)	8 555
Operating profit ⁷ , MSEK	-131 (-5%)	+134 (+6%)	+1 582 (+64%)	+3 201 (+79%)	-2 507 (-35%)	4 755
Profit after tax, MSEK	+6 463 (+285%)	-6 751 (-77%)	+1 025 (+52%)	+2 870 (+96%)	-2 711 (-37%)	3 697
Average remuneration, TSEK ⁸	+6 (+1%)	+17 (+3%)	+5 (+1%)	+29 (+5%)	+44 (+8%)	612

Information on shareholder vote

No views or comments on the guidelines or the report have been put forward by shareholders.

⁵ Excluding remuneration under share based programmes adopted by the shareholder's general meeting and pension expenses. For total remuneration, please refer to table 1.

⁶ Total figures previous reported financial year.

⁷ Excluding items affecting comparability.

⁸ Reported personnel cost on a full-time equivalent bases of employees of the parent company, excluding members of group executive management.