

Remuneration report 2023

Introduction

This report describes how the guidelines for executive remuneration of Duni AB, adopted by the annual general meeting 2020, were applied in 2023. The report also provides information on remuneration to the CEO and the deputy CEO. The report has been prepared in accordance with the Swedish Companies Act and the *Rules on Remuneration of the Board and Executive Management and on Incentive Programmes* issued by the Swedish Corporate Governance Board and administered by the Stock Market Self-Regulation Committee.

Further information on executive remuneration is available in note 16 (Salaries and other remuneration) on pages 110-111 in the Annual and sustainability report 2023. Information on the work of the remuneration committee in 2023 is set out in the Corporate Governance Report on page 73 in the Annual and sustainability report 2023.

Remuneration 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 16 on page 110 in the Annual and sustainability report 2023.

Key developments 2023

The CEO summarizes the company's overall performance in his statement on pages 8-9 in the Annual and sustainability report 2023.

The company's remuneration guidelines: scope, purpose and deviations

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 executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and shall be related to the senior executive's responsibility and authority. The total remuneration consists of fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be limited in advance to a maximum amount and be based on the outcome of predetermined and measurable criteria of result, designed with the purpose to promote the business strategy and long-term interests of the company, including its sustainability. The annual variable cash remuneration (annual bonus) shall amount to a maximum of 75% of the fixed cash salary.

The complete guidelines can be found in the Corporate Governance Report on the pages 74-75 in the Annual and sustainability report 2023. During 2023, Duni AB has complied with the applicable remuneration guidelines adopted by the general meeting. 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.dunigroup.com/corporate-governance/. No remuneration has been reclaimed. Duni AB has no long-term share-related incentive programmes.

Total remuneration to the CEO and the deputy CEO 2023

2023, TSEK	Base salary ¹	Variable remuneration ²	Other Benefits ³	Pension expense ⁴	Severance pay	Total remuneration	Proportion of fixed and variable remuneration ⁴
Robert Dackeskog CEO	4,399	3,335	81	1,681	-	9,496	65/35
Magnus Carlsson deputy CEO	2,255	1,179	115	788	-	4,337	73/27

- 1) Fixed remuneration including holiday compensation of TSEK 564 to Robert Dackeskog and TSEK 408 to Magnus Carlsson
- 2) Variable remuneration refers to accounting year 2023 but is paid in 2024.
- 3) Other benefits include company car, fuel and health insurance.
- 4) Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

Application of performance criteria for variable remuneration

The performance criteria for the variable remuneration shall contribute to the company's strategy and sustainability objective and encourage behaviour which is in the long-term interest of the company. The strategic objectives as well as short-term and long-term business priorities for the financial year shall also be taken into account. The performance criteria for variable remuneration for the financial year 2023 consist of a financial performance measure and a sustainability measure.

- The financial performance measure is called Residual Income and consists of operating income minus 8.5% interest (WACC) of managed capital. Operating income means EBIT before restructuring costs and amortization of intangible assets identified in connection with business acquisitions. Managed capital refers to fixed assets and working capital. By including both the operating income for the year and the efficiency of the net assets, a healthy balance between long-term and short-term is promoted in the decisions.
- The sustainability measure refers to a climate index to achieve the 2030 sustainability goal of net zero emissions of carbon dioxide for scope 1 and 2.

To achieve a bonus outcome, the starting point is that the previous year's Residual Income is exceeded. At the beginning of each year, the range for bonus outcome is revalued based on the conditions prevailing in the rest of the world for the forthcoming financial year. The starting point is often slightly lower than the outcome, this to take into account negative factors that can be difficult to counteract within a year. The maximum outcome shall correspond to a significant improvement. For 2023, a range between index 110 and index 170 has been decided, a particularly high target as 2023 was expected to be a year of strong recovery.

For the sustainability measure, the reduction in carbon dioxide intensity for scope 1 and 2, with 2019 as the base year (index 100), shall not exceed index 39 for 2023 which corresponds to a reduction of 5% for the year compared to 2022. The focus is therefore on the own business where direct decisions are possible and can have a direct positive effect. In the long run, the measure can be updated to also include scope 3, when methodology and data sources are more robust. This year's outcome amounted to an index of 39.

The CEO may receive a maximum of 75% of the base salary in variable remuneration, of which 7.5% is sustainability-related and 67.5% is performance-related. The deputy CEO may receive a maximum of 50% of the base salary in variable remuneration, of which 5% is sustainability-related and 45% is performance-related. The outcome for the financial year 2023 amounts to 100%. The ambition is to eventually increase the relative weighting of the sustainability goal.

Comparative information on the change of remuneration and company performance

Multi-Year Comparison	2019	2020	2021	2022	2023
Total remuneration to the CEO, TSEK ¹⁾²⁾	8,809	12,755	5,701	8,810	9,496
Total remuneration to the deputy CEO, TSEK ¹⁾	3,642	1,634	2,836	3,976	4,337
Average remuneration of employees in the group, TSEK ³⁾	408	368	359	428	498
Average remuneration change compared to prev year, %	4.3%	-9.8%	-2.3%	19.1%	16.4%
The Group's reported operating income, EBIT, MSEK	408	70	173	326	648

¹⁾ 2019, 2022 and 2023 includes variable remuneration.

²⁾ 2020 includes severance payment of MSEK 7.9.

³⁾ Average remuneration on a full time equivalent basis of employees of the group excluding members of the group executive management.

Malmö in April 2024

DUNI AB (publ)

The Board of Directors