# Beijer Ref

# Remuneration report 2020

**Introduction**

This remuneration report provides an outline of how Beijer Ref’s guidelines for executive remuneration (the “remuneration guidelines”), adopted by the annual general meeting 2020, have been implemented in 2020. The report also provides details on the remuneration of Beijer Ref’s CEO. In addition, the report contains a summary of Beijer Ref’s outstanding share and share-price related incentive programs. The report has been prepared in compliance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 6 (Employees and remuneration of employees) on page 88-89 in the annual report 2020. Information on the work of the remuneration committee in 2020 is set out in the corporate governance report and is available on p. 62 in the annual report 2020.

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 6 on p. 88-89 in the annual report 2020.

**Key Developments 2020**

The CEO summarizes the company’s overall performance in his statement on p. 9-11 in the annual report 2020.

**The company’s remuneration guidelines: scope, purpose and deviations**

The aim of Beijer Ref’s remuneration policy for senior executives is to offer competitive and market-based remuneration, so that competent and skilled employees can be attracted, motivated and retained. These guidelines allow Beijer Ref to offer the executives a competitive total remuneration. Under the guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. Variable cash remuneration shall be based on predetermined, well-defined and measurable financial target for the group and at group and individual level such as profit growth, sales growth and change in working capital. For 2020 there was generally a low variable cash remuneration due to the pandemic.

The guidelines, adopted by the annual general meeting 2020, can be found on p. 62 in the annual report 2020. The auditor’s report regarding whether the company has complied with the guidelines is available on the company’s website [General meeting - Beijer Ref (English)](https://www.beijerref.com/general-meeting/).

**Total remuneration of the CEO in 2020 (kSEK)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Base salary | Other benefits | One-year variable | Pension expense | Total Remuneration | Proportion fixed/variable |
| Per Bertland, CEO | 5,953 | 145 | 400 | 1,786 | 8,284 | 95/5 |

The CEO, Per Bertland, has received a base salary of SEK 5,953K (incl vacation pay) and other benefits amounting to SEK 145K. He has also received a bonus payment of SEK 400K. An annual amount equivalent to 30 per cent of his gross salary is appropriated to a pension insurance scheme (SEK 1,786K). The pension is contribution based. This equals to a total amount of SEK 8,284K, where the proportion of fixed and variable nomination is 95/5. During 2020 the CEO decreased his salary with 5% during 5 months as a part of a saving package connected to Covid 19. The CEO did not receive any remuneration from another entity within the Group.

**Share based remuneration**

Outstanding share and share/price related incentive programs.

Beijer Ref AB’s long term incentive programme was approved by the shareholders at the annual general meeting in 2018. The program, which was adopted by 57 persons, meant that the participants had the opportunity to acquire, at market price, call options in respect of Beijer Ref AB (publ) class B shares and that in connection with the transfer of the call options the participants received a subsidy in the form of a gross salary supplement corresponding to 50 per cent of the premium paid for the options. The incentive program runs between 2018 and 2021 and in total, the participants in the program acquired 890,000 options.

Remuneration of the CEO in shares and share options

The CEO participates in the incentive program with 30.000 options.

**Application of performance criteria**

The performance measures for the CEO’s variable remuneration are based on three variables: net sales growth, net profit growth and cash convention improvement, where net profit represent 50 per cent of the relative weighting and the other two 25 per cent each. The CEO can receive a maximum amount equal to 55 per cent of annual salary.

**Compliance with the remuneration guidelines and application of performance criteria**

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, it is necessary that the company offers competitive remuneration. Beijer Ref’s remuneration guidelines enable the company to offer the CEO a competitive total remuneration. Total remuneration of the CEO during 2020 has complied with the company’s remuneration guidelines.

**Comparative information on the change of remuneration and company performance**

Below you will find the change of remuneration during the last five years for CEO and average employee in EU. You will also find actual numbers for 2020.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2015 vs 2016 | 2016 vs 2017 | 2017 vs 2018 | 2018 vs 2019 | 2019 vs 2020 | 2020 actual |
| Group operating profit | 4.6% | 22.2% | 49.7% | 13.4% | -16% | 1,035,566 |
| CEO base & benefits | 6% | 4% | 10% | 2% | 3% | 6.098 |
| CEO variable remuneration | -52% | 208% | 18% | 7% | -87 | 400 |
| CEO Total remuneration | -9% | 32% | 12% | 4% | -28% | 6,498 |
| Average base & Benefits/FTE (EU) | -8% | 5% | 6% | 7% | -5% | 451 |
| Average variable remuneration/FTE (EU) | -74% | 72% | 24% | 19% | -23% | 25 |
| Average total remuneration/FTE (EU) | -15% | 7% | 7% | 7% | -6% | 478 |