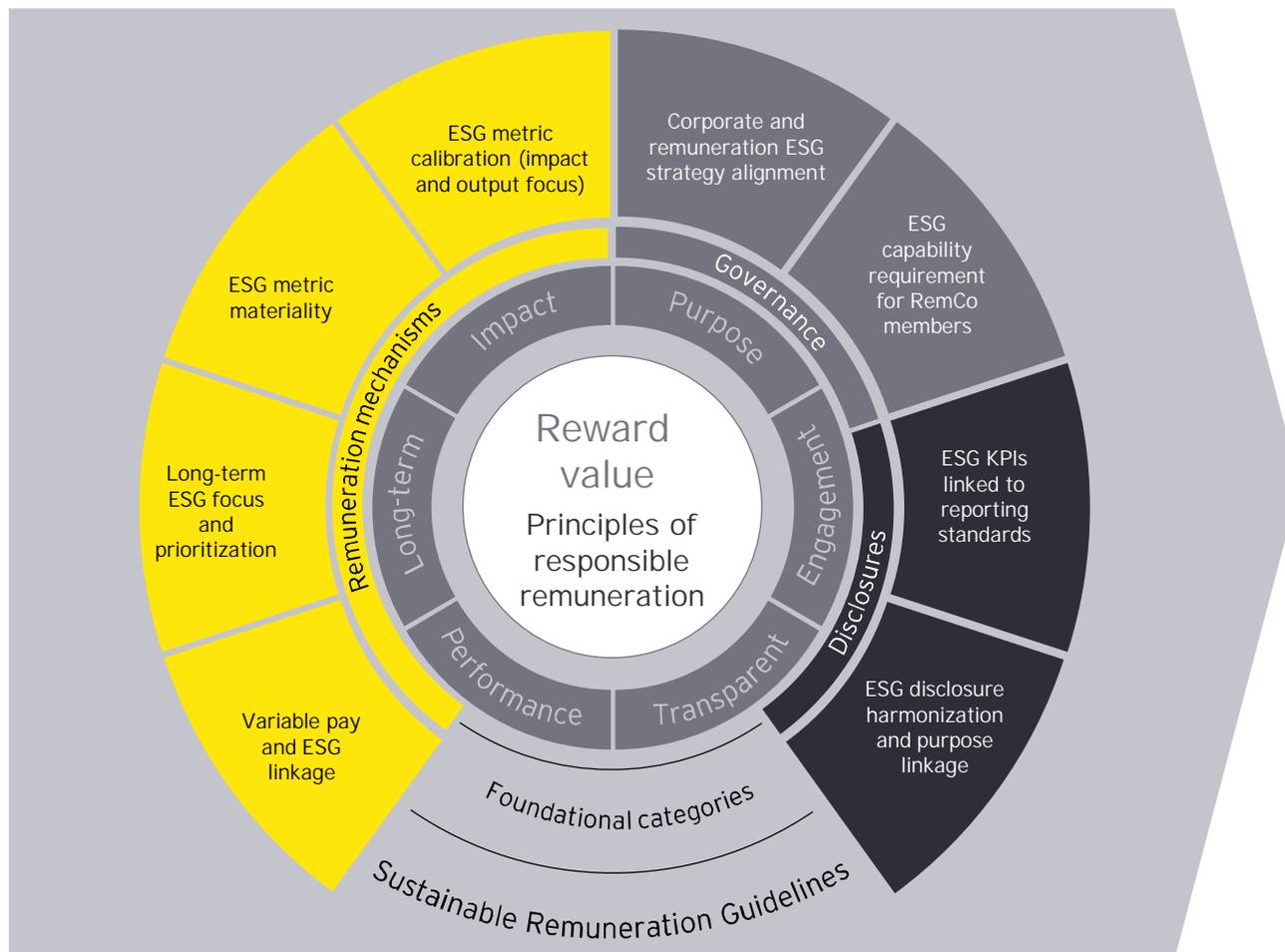


Sustainable remuneration framework - activation

Linking principles of responsible remuneration with sustainable remuneration guidelines



Sustainable remuneration guidelines

- 1 Link ESG KPIs (key performance indicators) within variable pay
Incorporate ESG KPIs in variable pay (either by means of balanced scorecards, multiplier or underpin/threshold).
- 2 Prioritize ESG KPIs within LTI (long-term incentives)
Emphasise LTI within executive remuneration mix to reinforce ESG's long-term and strategic implications.
- 3 Select material ESG metrics
Develop ESG KPI/metric materiality thresholds for incorporating ESG into variable pay programs - STI (short term incentives) and LTI plans.
- 4 Identify impact-focused ESG metrics
Establish short-term ESG KPIs that are based on output assessments in support of long-term ESG goals and KPIs that are based on impact assessments.
- 5 Align corporate ESG and total remuneration
Align corporate ESG strategy with total remuneration strategy to support organization purpose and strategy.
- 6 Include ESG competence for Remuneration Committee selection criteria
Prioritise ESG as a core competency for Remuneration Committee membership selection criteria.
- 7 Link ESG metrics to reporting standards
Align ESG remuneration KPIs/metrics with reporting standards to support transparency and comparability.
- 8 Harmonize ESG disclosures and align with purpose
Harmonize and simplify all corporate ESG disclosures (i.e., strategic, sustainability and remuneration reports).

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