

# Remuneration report

The principles of remuneration include shareholder value creation, competitive remuneration, incentives aligned with business strategy, and pay for performance. Sustainability targets are included in our incentive plans.



# Introduction

This report has been prepared according to the Finnish Corporate Governance Code 2020 and approved by the Board of Directors. It will be presented to the Annual General Meeting in April 2025.

The report presents how Outokumpu rewarded the Board members and the President and CEO for 2024. The materialized remuneration is in line with the Remuneration Policy of the governing bodies of Outokumpu, approved at the Annual General Meeting in 2024.

Outokumpu's Annual General Meeting on April 4, 2024 approved the remuneration report 2023 in an advisory vote. Approximately 98% of the votes cast were in favour of the remuneration report. In this remuneration report 2024, we continue the solid remuneration disclosure practice established earlier, and in addition provide more details regarding the impact of the CEO change on 2024 remuneration.

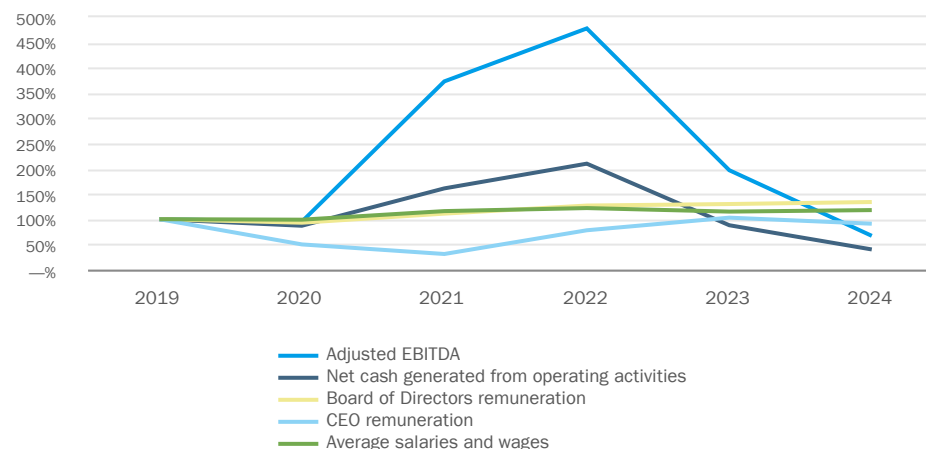
In 2024, the Annual General Meeting re-elected the same Board members as in 2023. However, Kati ter Horst stepped down as Vice Chairman to assume the role of President and CEO of Outokumpu. Her position in the Board was not filled, resulting in the Board continuing without a Vice Chairman and operating with seven members instead of eight as of October 1.

For 2024, the CEO remuneration was in line with the framework and principles set forth in the [Remuneration Policy](#). The remuneration of the employees follows the same principles, which include shareholder value creation as the underlying focus of the reward strategy, competitive remuneration, business strategy aligned incentives, and pay for performance. In line with this last principle, no short-term incentives will be paid to management in 2025 for 2024 because of weak financial results.

Sustainability in all its aspects continues to be at the core of our operations. Safety has been a target in all short-term incentive plans, including for the CEO, for many years. Since 2023, diversity has also been included as a target in the short-term incentive plan for top leaders, though it does not apply to the CEO. CO<sub>2</sub> emission reduction also remained a key target in our long-term incentive program, the Performance Share Plan, in which the CEO and close to 200 leaders participate.

Going forward, we will continue to review our remuneration framework to ensure it supports value delivery for all our stakeholders.

## Performance and remuneration trends 2020–2024 from 2019 baseline



## Development of financial performance and remuneration

	2024	2023	2022	2021	2020
Adjusted EBITDA <sup>1)</sup> , € million	177	517	1,256	980	250
Net cash generated from operating activities, € million	147	325	778	597	322
Board of Directors <sup>2)</sup> , €	947,840	917,501	898,200	780,600	658,400
CEO <sup>3)</sup> , €	2,294,423	2,603,709	1,965,022	795,840	1,264,729
Employee average <sup>4)</sup> , €	63,879	62,152	66,013	62,677	53,637
Ratio CEO/employee average	36	42	30	13	24

<sup>1)</sup> 2020 includes discontinued operations.

<sup>2)</sup> Total remuneration paid to the Board of Directors, including annual remuneration and meeting fees for all members.

<sup>3)</sup> Total remuneration paid to the CEO, including salary, employee benefits and incentives, for Roeland Baan from January 1, 2020 to May 15, 2020, for Heikki Malinen from May 16, 2020 to September 30, 2024 and for Kati ter Horst from October 1, 2024.

<sup>4)</sup> Personnel expenses without indirect employee costs and termination benefits, divided by the average number of employees during the year. In 2020, the employee headcount was used for the calculation. From 2021 onwards, the calculation is based on full-time equivalent (FTE).

# Fees of the Board of Directors

Outokumpu's Board members are compensated for their time, commitment, knowledge, and required experience for contributing to the long-term financial performance and success of the company. In 2024, the composition of the Board remained unchanged except for Kati ter Horst who left the Board on September 30, upon her becoming President and CEO of Outokumpu.

Observing general market trends and in accordance with the proposal by the Nomination Board, the Annual General Meeting 2024 decided to increase the remuneration of the Board of Directors as presented in the table below.

40% of the annual remuneration is paid in the company's own shares using treasury shares or shares to be purchased from the market at a price formed in public trading and in accordance with the applicable insider regulations.

If a Board member, on the date of the Annual General Meeting, owns shares of the company, which based on the closing price of that day represent a value exceeding the annual remuneration, he or she can opt to receive the remuneration in cash.

The annual fee is paid once a year, and in addition to the annual remuneration, all the members of the Board of Directors are paid a fee for each meeting they attend. The members of the Board are not entitled to any other share-based rewards. The Board members are not eligible for any pension schemes.

## Set fees of the Board of Directors

€	2024		2023	
	Annual remuneration	Meeting fee	Annual remuneration	Meeting fee
Chairman	180,000	800	174,000	800
Vice Chairman	96,500	800	93,500	800
Board members	75,000	800	72,500	
Meeting held in the country of residence		800		800
Meeting held outside the country of residence		1,600		1,600

## Board of Directors' remuneration and meeting fees paid in 2024 and 2023

Members of the Board of Directors	Paid in 2024			
	Annual compensation			Total
	Share portion	Cash portion	Meeting fees <sup>1)</sup>	
Kari Jordan, Chairman	0	180,000	22,640	202,640
Kati ter Horst, Vice Chairman <sup>2)</sup>	0	96,500	24,000	120,500
Heinz Jörg Fuhrmann, Member	30,446	44,554	28,800	103,800
Päivi Luostarinen, Member	30,446	44,554	16,800	91,800
Jyrki Mäki-Kala, Member and Chairman of the Audit Committee	39,179	57,321	16,800	113,300
Petter Söderström, Member	30,446	44,554	16,800	91,800
Pierre Vareille, Member	30,446	44,554	32,000	107,000
Julia Woodhouse, Member <sup>3)</sup>	30,446	44,554	42,000	117,000
<b>Total</b>	<b>191,409</b>	<b>556,591</b>	<b>199,840</b>	<b>947,840</b>

<sup>1)</sup> Meeting fees are entered in the table on the year when they are paid and include committee meeting fees and tax on benefits/gifts.

<sup>2)</sup> Vice Chairman until September 30, 2024.

<sup>3)</sup> Meeting fees include 14,000€ meeting fees for the ESG (environmental, social and governance) Board

Members of the Board of Directors	Paid in 2023			
	Annual compensation			Total
	Share portion	Cash portion	Meeting fees <sup>1)</sup>	
Kari Jordan, Chairman	0	174,000	18,886	192,886
Kati ter Horst, Vice Chairman	0	93,500	26,750	120,250
Heinz Jörg Fuhrmann, Member	29,458	43,042	21,843	94,343
Päivi Luostarinen, Member	29,458	43,042	20,625	93,125
Jyrki Mäki-Kala, Member and Chairman of the Audit Committee <sup>3)</sup>	37,996	55,504	12,800	106,300
Petter Söderström, Member	29,458	43,042	19,202	91,702
Vesa-Pekka Takala, Member <sup>3)</sup>	0	0	7,614	7,614
Pierre Vareille, Member	29,458	43,042	25,338	97,838
Julia Woodhouse, Member <sup>4)</sup>	29,458	43,042	40,943	113,443
<b>Total</b>	<b>185,286</b>	<b>538,214</b>	<b>194,001</b>	<b>917,501</b>

<sup>1)</sup> Meeting fees are entered in the table on the year when they are paid and include committee meeting fees and tax on benefits/gifts.

<sup>2)</sup> Appointed as a Board member on March 30, 2023.

<sup>3)</sup> Board member until March 30, 2023.

<sup>4)</sup> Meeting fees include 10,500€ meeting fees for the ESG (environmental, social and governance) Board.

# Remuneration of the CEO

The remuneration of the CEO consists of a base salary, benefits and an annually determined short-term incentive plan. In addition, the CEO participates in long-term incentives comprising performance share plans launched on a yearly basis.

Heikki Malinen's base salary and incentive earning opportunity remained unchanged during 2024, but a supplementary pension plan was added to his remuneration package for EUR 200,000 yearly. He resigned on May 2 and his last day as a President and CEO was September 30. Consequently, no incentive will be paid out in 2025 based on the performance in 2024 and earlier. Heikki Malinen however received a short-term incentive for 2023 results and a share reward based on the performance from 2021 to 2023.

Kati ter Horst's base salary is EUR 850,000 annually, including benefits. She is also entitled to a gross travel and housing allowance of EUR 80,000 per annum, and has a supplementary pension plan for EUR 170,000 yearly. Her regular incentive levels (in percentage of salary) are the same as they were for Heikki Malinen. Additionally, she received a sign-on bonus of EUR 106,250 and a grant of 150,000 restricted shares (gross) to be delivered in 2025, 2026 and 2027, in recognition of lost incentives from her previous assignment.

The service contract of the CEO is valid until further notice. The notice period was 6 months for Heikki Malinen, but is extended to 9 months for Kati ter Horst. For the company, the notice period remains 6 months, and the severance payment in such a case also stays 12 months. Kati ter Horst's retirement age is 65 years, like it was for her predecessor. Besides the supplementary pension plan specified above, she participates in the Finnish statutory pension system, like was Heikki Malinen's case.

## Remuneration paid to the CEO

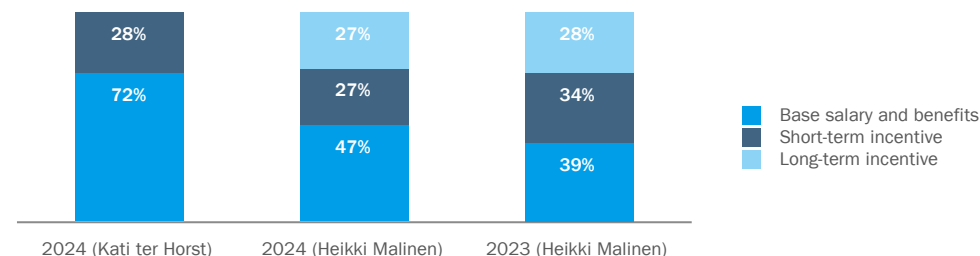
EUR	2024 (Kati ter Horst)	2024 (Heikki Malinen)	2023 (Heikki Malinen)
Base salary <sup>1)</sup>	232,440	723,810	986,190
Short-term incentives <sup>2)</sup>	106,250	515,755	871,388
Long-term incentive <sup>2)</sup>	0	507,097	729,208
Benefits <sup>3)</sup>	42,560	166,511	16,923
<b>Total remuneration</b>	<b>381,250</b>	<b>1,913,173</b>	<b>2,603,709</b>

<sup>1)</sup> Heikki Malinen until September 30, 2024, Kati ter Horst as of October 1, 2024.

<sup>2)</sup> Incentives are entered in the table for the year when they are paid. Short-term incentives are typically earned during the previous year, however, in 2024, Kati ter Horst's short-term incentive was a sign-on bonus. Long-term incentives are earned during the previous three years.

<sup>3)</sup> Benefits include telephone, car and supplementary pension but exclude insurances and statutory pension.

## CEO realized pay mix



## Short-term incentive of the CEO

In 2024, the CEO's short-term incentive earning opportunity stayed unchanged at 50% of the annual gross base salary on a target level and 100% on a maximum level.

### Short-term incentive earning opportunity (Heikki Malinen)

EUR	% <sup>1)</sup>	€
Threshold	0.5%	4,750
Target	50%	475,000
Maximum	100%	950,000

<sup>1)</sup> Percentage of annual base salary.

### Short-term incentive performance measures and outcome (Heikki Malinen)

In 2024, adjusted EBIT fell below the threshold set in the short-term incentive plan. The plan therefore will not pay out, despite other targets being met.

Performance measures	Weight	Outcome	Outcome in %	Payout, €
Safety (TRIFR) <sup>1)</sup>	10%	1.5	100%	0
Adjusted EBIT, million €	70%	-43	—%	0
Strategy implementation (score 1–5) <sup>2)</sup>	20%	N/A	N/A	0
<b>Total</b>	<b>100%</b>		<b>N/A</b>	<b>0</b>

<sup>1)</sup> Total recordable injury frequency rate. Despite reaching maximum performance, the pay-out would have been zero for the CEO because of a contractor fatality that occurred in Mexico in January 2024.

<sup>2)</sup> Discretionary assessment of strategy phase two implementation and delivery of projects that are key for Outokumpu's future. Not rated in 2024 due to significant negative changes in the market.

## Long-term incentives and shareholding of the CEO

In 2024, the long-term incentive target and maximum levels remained at 50% and respectively 75% of the annual base salary at time of grant. The Performance Share Plan (PSP) 2022–2024 partly met its performance criteria and the executives participating in the plan will receive in 2025 85.4% of the shares granted at target level. The CEO will not however receive this reward, since Heikki Malinen resigned and Kati ter Horst did not receive a grant under this plan.

### Long-term incentive earning opportunity

	RSP 2024–2026 (Kati ter Horst)	PSP 2024–2026 (Kati ter Horst)	PSP 2023–2025 (Kati ter Horst)	PSP 2022–2024 (Heikki Malinen)	PSP 2021–2023 (Heikki Malinen)
Threshold <sup>1)</sup>	–	25%	25%	25%	25%
Target <sup>1)</sup>	–	50%	50%	50%	50%
Maximum <sup>1)</sup>	–	75%	75%	75%	75%
No of shares granted (gross) <sup>2)</sup>	150,000	78,900	43,100	85,300	168,800
Grant date	2/10/2024	2/10/2024	2/10/2024	15/3/2022	15/3/2021
No of shares earned (gross)				0	123,730
No of shares delivered (net)				0	64,608
Share delivery date	Vesting 1 by 31/03/2025 Vesting 2 by 31/03/2026 Vesting 3 by 31/03/2027	By 31/03/2027	By 31/03/2026	–	21/02/2024
Share price at delivery, €				–	4.10
Value of the reward (gross), €				0	507,097

<sup>1)</sup> In percentage of annual base salary at the time of grant. Pay-out levels in percentage of annual base salary at the time of payment may differ, depending on salary and share price development. In PSP 2023–2025 and 2024–2026 the levels were prorated to time in position during the performance period.

<sup>2)</sup> Number of gross shares at target level. For PSP plans, the number of shares was determined using the average share price of 90 calendar days prior to Board approval.

## Long-term incentive earning performance measures

	PSP 2024–2026	PSP 2023–2025	PSP 2022–2024
<b>Return on capital employed</b>			
Weight	80%	80%	80%
Measurement	Average of 2024, 2026 and 2026	Average of 2023, 2024 and 2025	Average of 2022, 2023 and 2024
Outcome			8.8% = 69% pay-out
<b>CO<sub>2</sub> emission per ton crude steel</b>			
Weight	20%	20%	20%
Measurement	SBTi target 2026 (1.46)	SBTi target 2025 (1.52)	SBTi target 2024 (1.58)
Outcome			1.42 = 150% pay-out
<b>Total outcome (weighted average)</b>			85.4%

The members of Outokumpu's Leadership Team, including the CEO, are expected to own Outokumpu shares they receive in the company's share-based incentive programs corresponding to at least the value of their annual gross base salary. Half of the net shares received from the share-based incentive programs must be used to fulfil that ownership recommendation.

### Shares owned by the CEO

On December 31	2024 (Kati ter Horst)	2023 (Heikki Malinen)
Number of shares owned	39,609	117,361
Closing share price, €	2.905	4.484
Value of the shares, €	115,064	526,247
Value of the shares in % of annual base salary	14%	55%