

The Orion logo features the word "ORION" in a bold, white, sans-serif font. A white swoosh underline starts under the 'O' and extends to the right, curving upwards and then downwards to the left, framing the text.

Building well-being

# Remuneration report 2023

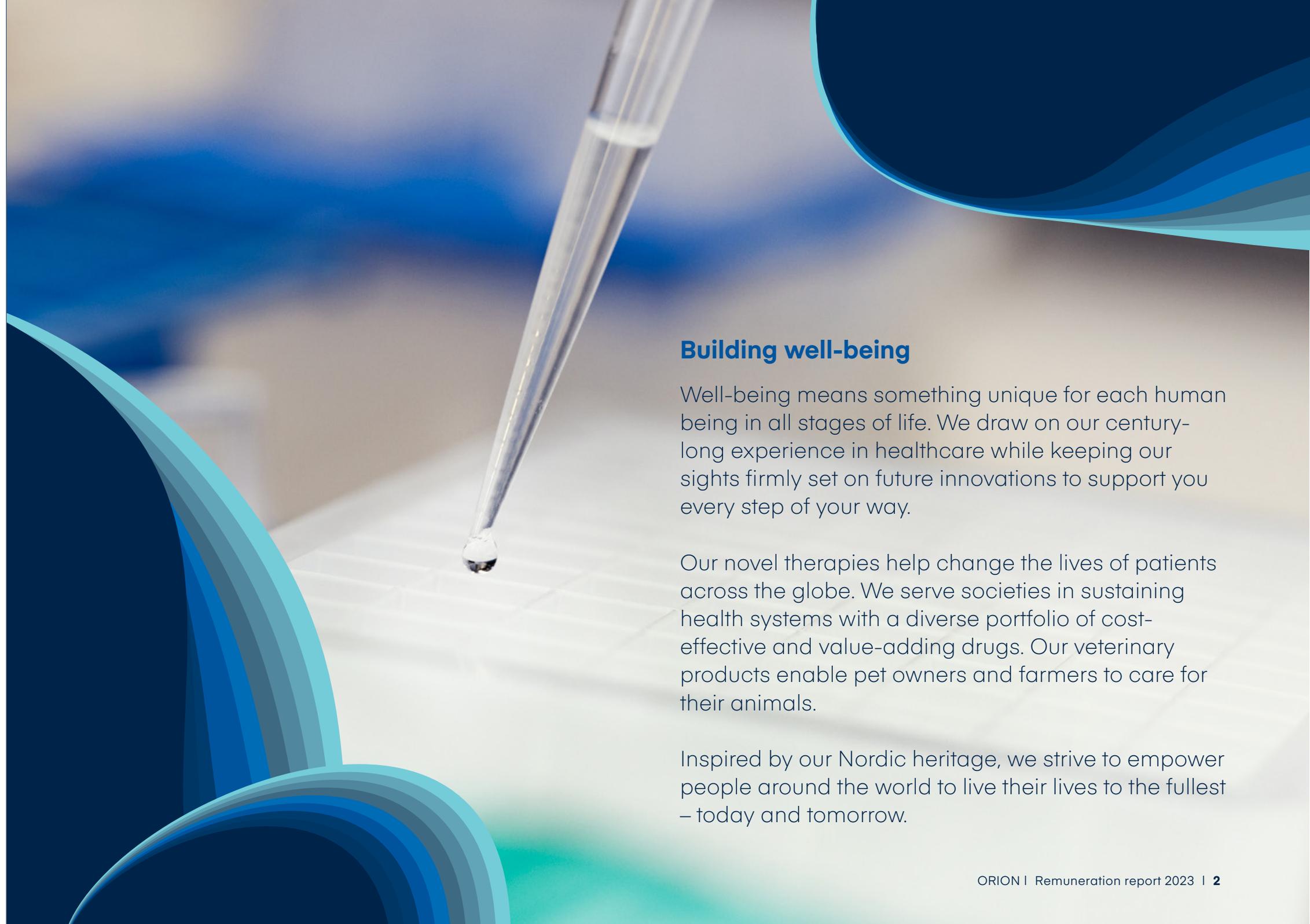


## Remuneration report 2023

### Introduction

The Board of Directors' remuneration  
for the previous financial year

The President and CEO's remuneration  
for the previous financial year

The background of the page is a blurred image of a laboratory setting, featuring a glass pipette with a single drop of liquid hanging from its tip, positioned over a white microplate. The scene is bathed in soft, blue-toned light, creating a clean and scientific atmosphere. Abstract blue and teal wave-like shapes are overlaid on the left and top right corners of the page.

## Building well-being

Well-being means something unique for each human being in all stages of life. We draw on our century-long experience in healthcare while keeping our sights firmly set on future innovations to support you every step of your way.

Our novel therapies help change the lives of patients across the globe. We serve societies in sustaining health systems with a diverse portfolio of cost-effective and value-adding drugs. Our veterinary products enable pet owners and farmers to care for their animals.

Inspired by our Nordic heritage, we strive to empower people around the world to live their lives to the fullest – today and tomorrow.



Remuneration report  
2023

Introduction

The Board of Directors' remuneration  
for the previous financial year

The President and CEO's remuneration  
for the previous financial year

# Remuneration report 2023

Introduction .....	4
Development of remuneration, presentation of comparison information .....	5
The Board of Directors' remuneration for the previous financial year .....	8
The President and CEO's remuneration for the previous financial year.....	9
Fees paid for the President and CEO in the 2023 financial year .....	9
Performance-based annual bonus paid in 2023 and STI plan criteria for 2023.....	10
Share-based incentive plans paid and granted in 2023 .....	11
The President and CEO's due remuneration .....	12

## Introduction

Orion Corporation's ("Orion") remuneration report has been prepared in accordance with the governance code for Finnish listed companies (Corporate Governance Code 2020) by the Securities Markets Association. The report continues the transparency of Orion's remuneration schemes, and is intended to show how Orion's remuneration schemes promote the company's competitiveness, long-term financial success, and the achievement of the company's targets and execution of its strategy. In addition, the goal is to explain how remuneration schemes contribute the favourable development of shareholder value. Long-term financial success also supports the company's systematic work to continuously promote sustainability in line with the strategy.

Orion's remuneration policy, which sets out the principles for the remuneration of Orion's Board of Directors and the President and CEO, has been approved in accordance with the Board of Directors' proposal by Orion's Annual General Meeting ("AGM") in 2020. The remuneration policy shall be presented to shareholders at the AGM at least once every four years for an advisory vote. The Board of Directors evaluates the effectiveness of the remuneration policy and the need for amendments. The next presentation of the remuneration policy to shareholders will take place at the AGM in 2024, when Board of Directors will present the amended policy to the AGM for an advisory vote. Remuneration policy's central principle is that the remuneration of the Board of Directors and the President and CEO promotes the achievement of the aforementioned objectives and offers a package that is competitive and the level and structure of which is in line with the market practice. During the financial year 2023, the remuneration of the Board of Directors and the President and CEO was based on remuneration policy, and there were no deviations. There were no grounds for clawback of remuneration.

Remuneration within the Orion Group aims to encourage good performance and to motivate the personnel to long-term work to achieve the company's goals. Remuneration is one of the means by which the company strives to ensure the availability of skilled and motivated persons for each position on all levels of the organisation. These principles also apply to the remuneration of the members of the Board of Directors and the President and CEO.

In accordance with Orion's remuneration policy, the remuneration of the President and CEO consists of monthly salary with fringe benefits, an annual performance-based bonus (STI) and long-term share-based incentive plan (LTI). The President and CEO's pension is determined by the Finnish legislation (i.e., President and CEO had no supplementary pension arrangement in 2023). In accordance with the remuneration policy, a significant portion of the President and CEO's remuneration consists of variable remuneration components: a STI and LTI plan. This ensures a strong link between the company's strategy, financial objectives and the President and CEO's remuneration, because the performance objectives for the STI and

the LTI plans are directly connected to the implementation of the company's strategy and its financial success over short and long terms. The President and CEO's remuneration structure as well as shareholding principle set for the President and CEO, contribute to the alignment of interests with shareholders and promote decisions that are in line with the long-term interests of the company.

In accordance with Orion's remuneration policy, the AGM resolves on the remuneration of the Board members. The recommendation on the remuneration presented in the notice to the AGM is prepared by the company's Nomination Committee. Orion's long-standing practice of paying a portion of the Board members' annual fees in the company's B shares, as well as shareholding requirement for the Board members, both contribute to the alignment of interest with shareholders and promote decisions in favour of the company's long-term financial success.

A significant portion of the President and CEO's remuneration consists of variable remuneration components based on the achievement of the objectives set by the Board of Directors for the earning periods of the STI and LTI plans. The length of the earning period of the STI plan is always one (1) year and the length of the current earning periods of the LTI plans in force are three (3) years. The Board of Directors assesses and confirms the achievement of the objectives annually, or in case of earning periods of three (3) years, at the end of each earning period. Consequently, a significant portion of the President and CEO's remuneration is determined based on the performance during the years preceding the year when the remuneration is paid.

The President and CEO's annual performance-based bonus and long-term share-based incentives are based on Orion Group's financial performance indicators. In 2023, the STI plan criteria were related to the Orion Group's operating profit and cash flow, as well as personal objectives set by the Board of Directors. Environmental, social and governance (ESG) linked targets in executive compensation support the implementation of the strategy and therefore personal objectives of the President and CEO included a sustainability index. The sustainability index comprised of three ESG themes and their corresponding indicators, aiming to balance sustainability perspectives in remuneration. These themes encompassed ensuring reliable global supply of products, addressing climate change and promoting occupational safety.

The rewards for the earning periods of the LTI plans, which commenced in 2019 and 2022, are based on the achievement of targets related to the operating profit and net sales. All variable remuneration components paid to the President and CEO have been based on pre-defined performance criteria.

Introduction

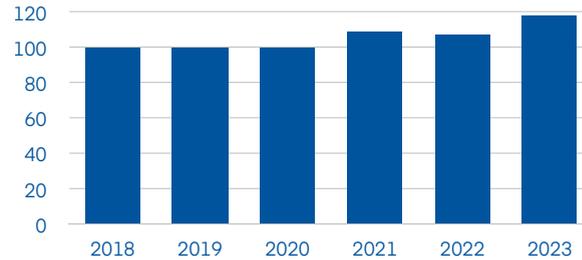
[Development of remuneration,  
presentation of comparison  
information](#)

The Board of Directors' remuneration  
for the previous financial year

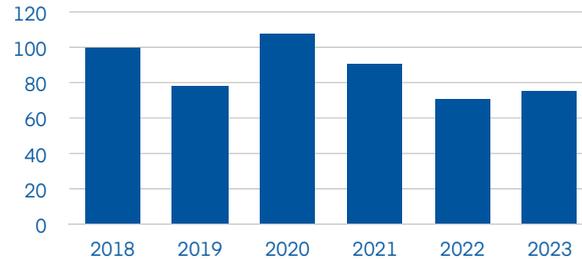
The President and CEO's remuneration  
for the previous financial year

## Development of remuneration, presentation of comparison information

### Development of the Board of Directors' average remuneration, annual fees, %



### Development of the Board of Directors' average remuneration, meeting fees, %



*The development of remuneration, comparative data is presented for 2019–2023, with the base year 2018 (100%). Remuneration paid to the members of the Board of Directors as annual and meeting fees is resolved by the AGM. Both average annual and meeting fees have been calculated by dividing the total fees by the number of the Board members. The average remuneration value depends on the number of members elected to the Board of Directors for each term as well as on the composition of the Board committees and frequency of meetings.*

Annual fees for the members of the Board were the following:

- EUR 100,000 for the chair
- EUR 61,000 for the vice chair
- EUR 50,000 for the member

However, if a member of the Board acts as the chair of the Audit Committee or the R&D Committee, her/his annual fee was EUR 61,000.

Fees for each meeting of the Board and its committees attended were the following:

- EUR 1,200 for the chair
- EUR 900 for the vice chair
- EUR 600 for the member

In 2023 the annual fees increased, while the meeting fees remained unchanged from the previous year. The meeting attendance fees of Board members permanently resident outside Finland were doubled if the meeting was held outside the country of residence of such a member and the person attended the meeting at the place of the meeting.

## Remuneration report 2023

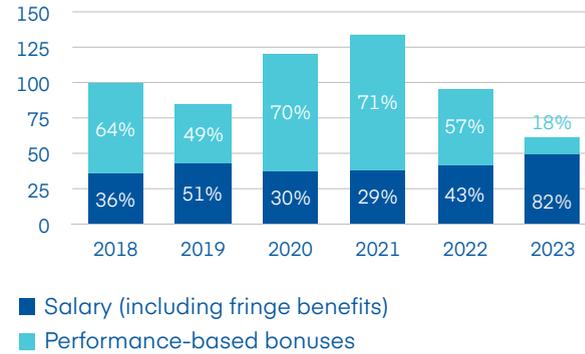
### Introduction

[Development of remuneration,  
presentation of comparison  
information](#)

The Board of Directors' remuneration  
for the previous financial year

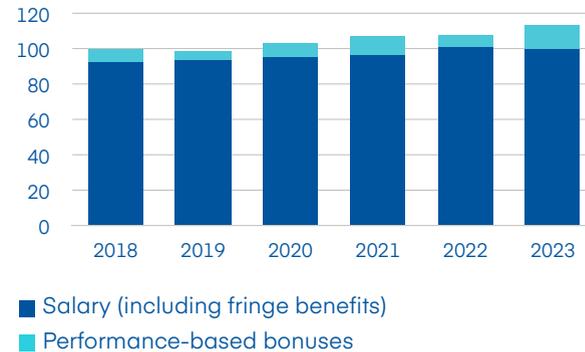
The President and CEO's remuneration  
for the previous financial year

### Development of the President and CEO's remuneration, %



Salaries (including fringe benefits) are fixed and performance-based bonuses are variable remuneration components. The development of remuneration, comparative data is presented for 2019–2023, with the base year 2018 (100%). Due to the change of Orion's President and CEO in 2022, performance-based bonuses paid in 2023 are reported on pro-rated basis to the time as the President and CEO.

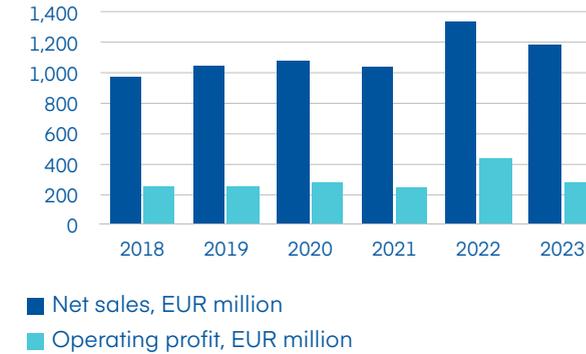
### Development of Orion employees' average remuneration, %



The values are based on average number of employees and information as reported in the consolidated financial statement. Values have been converted from local currencies into euros using the same exchange rates as in the consolidated financial statements. The information in the table is presented on a cash-flow basis (incl. LTI plans and other performance-based bonuses). The development of remuneration, comparative data is presented for 2019–2023, with the base year 2018 (100%).

Orion employees' average remuneration includes the remuneration paid each year: the fixed annual salary with fringe benefits, the performance-based annual bonus and rewards paid based on LTI plans.

### Orion Group's financial performance, key figures





## Remuneration report 2023

### Introduction

[Development of remuneration,  
presentation of comparison  
information](#)

**The Board of Directors' remuneration  
for the previous financial year**

**The President and CEO's remuneration  
for the previous financial year**

### Development of the Orion Group and remuneration, change, year-on-year

	2018	2019	2020	2021	2022	2023
<b>Development of the Orion Group</b>						
Net sales		8%	3%	-3%	29%	-11%
Operating profit		0%	11%	-13%	81%	-37%
<b>Development of remuneration</b>						
The Board of Directors' average remuneration (annual fees)		0%	0%	9%	-2%	11%
The Board of Directors' average remuneration (meeting fees)		-22%	38%	-16%	-21%	5%
The President and CEO's remuneration		-15%	44%	10%	-28%	-37%
Orion employees' average remuneration		-1%	4%	4%	1%	5%
Orion employees' average fixed remuneration (annual salary, including fringe benefits)		1%	1%	2%	5%	-2%

FIRST YEAR OF COMPARISON

**Changes** in remuneration, net sales and the operating profit (**%**, year-on-year).

The development of Orion employees' average remuneration is calculated by dividing personnel expenses (including indirect employee costs) by the average number of employees during the year.

Introduction

[The Board of Directors' remuneration for the previous financial year](#)

[The President and CEO's remuneration for the previous financial year](#)

## The Board of Directors' remuneration for the previous financial year

The Board of Directors' remuneration is for work carried out within the Board and its committees. In accordance with the decision of the 2023 AGM, the Board of Directors annual fees were paid in cash (60%) and in the Orion Corporation B shares (40%). The Board members are required to retain ownership of the Orion Corporation B shares paid as fees for a period of two years from the date of payment of the fees. However, if the person's membership of the Board of Directors of the Company were to end before the expiry of the restriction on transfer, the restriction on transfer shall expire at the end of the membership of the Board of Directors. In accordance with the decision of the AGM, Orion has in addition paid the transfer tax related to the part of the annual fee of the Board of Directors paid in shares.

### Remuneration paid in 2023 to the members of the Board for the financial year 2023

	Total annual fee, EUR <sup>1</sup>	Portion of the fee paid in B shares, pcs	Portion of the annual fee paid in shares, EUR	Portion of the annual fee paid in cash, EUR	Meeting fees, EUR	Total, EUR	Committee memberships
<b>Members of the Board on 31 Dec 2023</b>							
Mikael Silvennoinen, Chair	100,000	940	40,000	60,000	23,400	123,400	Personnel and remuneration (Chair), Nomination (Chair)
Hilpi Rautelin, Vice Chair	61,000	573	24,400	36,600	20,100	81,100	R&D (Chair), Personnel and remuneration, Nomination
Kari Jussi Aho	50,000	470	20,000	30,000	11,400	61,400	Audit, R&D
Maziar Mike Doustdar	50,000	470	20,000	30,000	10,800	60,800	Personnel and remuneration
Ari Lehtoranta	61,000	573	24,400	36,600	11,400	72,400	Audit (Chair)
Veli-Matti Mattila	50,000	470	20,000	30,000	11,400	61,400	Personnel and remuneration, R&D
Eija Ronkainen	50,000	470	20,000	30,000	11,400	61,400	Audit, R&D
Karen Lykke Sørensen	50,000	470	20,000	30,000	16,800	66,800	Audit, R&D
<b>Total Board fees</b>	<b>472,000</b>	<b>4,436</b>	<b>188,800</b>	<b>283,200</b>	<b>116,700</b>	<b>588,700</b>	

<sup>1</sup> Total annual fee consists of a portion paid in shares and a portion paid in cash.

The Board of Directors share ownership requirements have been met in 2023. The members of the Board of Directors have not had any other financial benefits from the company, and they are not included in the company's other incentive schemes.

## The President and CEO's remuneration for the previous financial year

### Fees paid for the President and CEO in the 2023 financial year

The salaries, fees, fringe benefits and performance-based bonuses paid to the President and CEO in the financial year 2023 totalled EUR 819,500 (EUR 1,291,548 in 2022), of which 18% (57%) consisted of variable remuneration components.

President and CEO	Fixed remuneration	Variable remuneration				Total
	Fixed annual salary (including fringe benefits)	Performance-based annual bonus	Share-based incentive plan: cash portion (inc. also transfer tax)	Share-based incentive plan: share portion	Share-based incentive plan: portion paid in B shares, pcs	
Liisa Hurme	668,340	101,942	24,609	24,609	556 (prorated part as President and CEO is 2/36)	819,500
	82%					100%

All values are in Euros unless otherwise stated.

The remuneration paid to the President and CEO in the 2023 financial year included a fixed annual salary with fringe benefits (car and mobile phone), STI bonus based on the performance during the 2022 financial year and LTI plan as the President and CEO.

The President and CEO's pension is determined by the Finnish legislation (i.e., President and CEO had no supplementary pension arrangement in 2023).

In accordance with remuneration policy, variable remuneration components – the performance-based annual bonus and the rewards paid from LTI plans – represent a significant portion of the remuneration of Orion's President and CEO. In this report, due to the change of Orion's President and CEO in 2022, STI 2022 and LTI (earning period 2020–2022) paid in 2023 are reported on pro-rated basis to the time as the President and CEO. Therefore in 2023, variable remuneration represented 18% of the total remuneration, and the fixed annual salary represented 82% of the total remuneration.

Orion does not have a deputy CEO in line with chapter 6, section 19, subsection 2 of the Finnish Companies Act.

Introduction

The Board of Directors' remuneration  
for the previous financial year

The President and CEO's remuneration  
for the previous financial year

[Fees paid for the President and CEO  
in the 2023 financial year](#)

The President and CEO's due  
remuneration

## Performance-based annual bonus paid in 2023 and STI plan criteria for 2023

In 2022, the criteria for the STI plan were related to the Orion Group's operating profit and cash flow, as well as personal objectives including an ESG indicator, set by the Board of Directors. The weighting of the 2022 STI plan criteria, the earning opportunity and the reward payout for the President and CEO:

STI plan	Performance criteria	Weight %	Performance outcome %	Earning opportunity	Reward payout	Payment year
2022	Operating profit	45%	100%	In 2022 prorated: 2 months' salary as the President and CEO	1.92 months' salary, EUR 101,942	2023
	Cash flow	15%	100%			
	Personal objectives	40%	90.00%			

The annual performance-based bonus of the President and CEO for 2023 was no more than twelve (12) months' salary. In 2023, the criteria for the STI plan were related to the Orion Group's operating profit and cash flow, as well as personal objectives including a sustainability index, set by the Board of Directors. The weighting of the 2023 STI plan criteria and the earning opportunity for the President and CEO:

President and CEO	STI plan	Performance criteria	Weight %	Earning opportunity	Payment year
Liisa Hurme	2023	Operating profit	45%	12 months' salary	2024
		Cash flow	15%		
		Personal objectives	40%		

Introduction

The Board of Directors' remuneration  
for the previous financial year

The President and CEO's remuneration  
for the previous financial year

Fees paid for the President and CEO  
in the 2023 financial year

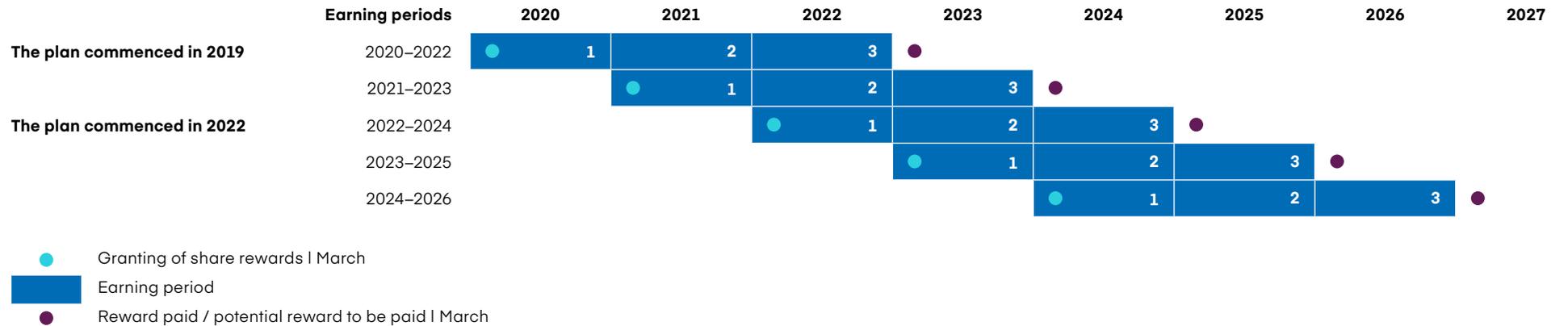
The President and CEO's due  
remuneration

## Share-based incentive plans paid and granted in 2023

The rewards paid to the President and CEO based on LTI plan in the 2023 financial year were determined in line with the incentive plan that commenced in 2019. For the plan that commenced in 2019, the earning period paid in 2023 was the calendar years 2020–2022. The President and CEO Dr. Hurme has been a participant of this LTI plan as Senior Vice President, Global Operations and a member of Orion's Executive Management Board, and as the President and CEO since November 2022. Dr. Hurme's remuneration based on her previous role is not reported. Performance-based rewards paid from LTI plan consist of a cash portion and a portion paid in Orion Corporation B shares.

Remuneration paid to the President and CEO based on the LTI plan in the financial year 2023:

Earning period	Performance criteria	Weight %	Performance outcome %	Earning opportunity	Reward payout
2020–2022	Operating profit	70%	100%	556 Orion Corporation B shares and a cash payment corresponding to the value of the shares (prorated part as President and CEO is 2/36)	556 Orion Corporation B shares and a cash payment corresponding to the value of the shares (prorated part as President and CEO is 2/36)
	Net sales	30%	100%		



The earning periods, both current and the ones ended during the reporting period, of the Group's share-based incentive plans in force (LTI 2019 and LTI 2022).

## Remuneration report 2023

### Introduction

#### The Board of Directors' remuneration for the previous financial year

#### The President and CEO's remuneration for the previous financial year

##### [Fees paid for the President and CEO in the 2023 financial year](#)

##### [The President and CEO's due remuneration](#)

The commitment impact of an LTI plan is based on the fact that the duration of the current earning periods is always three (3) years.

President and CEO's earning opportunity based on the share-based incentive plan, commenced in 2022, granted in 2023:

Earning period	Performance criteria	Weight %	Earning opportunity	Payment year
2023–2025	Operating profit	60%	25,000 Orion Corporation B shares and a cash payment corresponding to the value of the shares	2026
	Net sales	40%		

Remuneration to be paid to the President and CEO from a share-based incentive plan can be reduced if the limits set for the Orion Group's long-term incentive payments within a single calendar year are exceeded.

For the LTI plan commenced in 2022, the Board of Directors shall have the right to cancel the reward and/or recollect paid rewards, fully or partly, if the Group's financial statements have to be amended and those amendments affect or would have affected the amount of the reward, if the plan's earnings criteria and targets established for them have been manipulated or if it has been acted against law or against the Code of Conduct of the Company. This right to cancel the reward and/or recollect paid rewards shall be in force for three (3) years from the payment of the reward.

For the LTI plan that commenced in 2019, the right to cancel the reward or recollect paid rewards are subject to transfer restriction. For the earning periods 2020–2022 and 2021–2023, there is no transfer restriction involved.

## The President and CEO's due remuneration

### Annual performance-based bonus (STI) for 2023, due in the financial year 2024

The annual performance-based bonus (STI) of the President and CEO was no more than twelve (12) months' salary. Remuneration of the President and CEO's STI plan due in the financial year 2024:

President and CEO	STI plan	Performance criteria	Weight %	Performance outcome %	Earning opportunity	Reward payout	Payment year
Liisa Hurme	2023	Operating profit	45%	49.72%	12 months' salary	6.88 months' salary, EUR 365,294	2024
		Cash flow	15%	0%			
		Personal objectives	40%	87%			

## Remuneration report 2023

### Introduction

### The Board of Directors' remuneration for the previous financial year

### The President and CEO's remuneration for the previous financial year

Fees paid for the President and CEO  
in the 2023 financial year

### [The President and CEO's due remuneration](#)

### LTI plan earning period 2021–2023, due in the financial year 2024

The President and CEO Dr. Hurme has been a participant of the LTI plan that commenced in 2019: the earning period commenced in 2021 (calendar years 2021–2023) as Senior Vice President, Global Operations and a member of Orion's Executive Management Board, and as the President and CEO since November 2022. Dr. Hurme's remuneration based on her previous role is not reported. In 2024 Dr. Hurme will receive LTI rewards from the earning period 2021–2023, of which for 14 months as the President and CEO. The President and CEO within the LTI plan that commenced in 2019, the prorated share of reward to be paid in 2024 in shares is a maximum of 5,310 Orion Corporation B shares. These will be transferred on 1 March 2024. The value of the share reward is the volume-weighted average price of Orion Corporation B share on the date of transfer. In addition to the share reward, the President and CEO will receive a cash payment, with the maximum amount corresponding to the value of the shares.

President and CEO	Share-based incentive plan	Earning period	Performance criteria	Weight %	Performance outcome %	Earning opportunity	Reward payout	Payment year
Liisa Hurme	LTI 2019	2021–2023	Operating profit	70%	100%	5,834 Orion Corporation B shares and a cash payment corresponding to the value of the shares (prorated part as President and CEO is 14/36)	5,310 Orion Corporation B shares and a cash payment corresponding to the value of the shares (prorated part as President and CEO is 14/36)	2024
			Net sales	30%	70.06%			

President and CEO, Dr. Hurme has been a participant of LTI plans that commenced in 2019 and 2022 also previously in her role as Senior Vice President, Global Operations and a member of Orion's Executive Management Board. Dr. Hurme's remuneration based on her previous role is not reported. Liisa Hurme's share ownership meets Orion's remuneration principles.

The rewards to be paid to the President and CEO from a LTI plans can be reduced if the limits set for the Orion Group's long-term incentives to be paid within a single calendar year are exceeded.

KPMG Oy Ab, Authorised Public Accountants, who served as Orion's auditor for the 2023 financial year, have checked to ensure that the information referred to in requirements of section 3 of the decree has been provided in this report in the manner referred to in Decree 608/2019 of the Ministry of Finance.

Orion's Board of Directors approved this remuneration report on 13 February 2024. The remuneration report for the financial year 2023 will be presented to Orion's AGM on 20 March 2024.

**Orion Corporation**

Orionintie 1, P.O. Box 65  
FI-02101 Espoo, Finland  
Phone: +358 10 4261  
[www.orion.fi/en](http://www.orion.fi/en)

Follow Orion in social media

