



# ANNUAL REPORT

2024





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# Transformation program as accelerator for profitable growth

Datwyler generated revenue of CHF 1'107.7 million and increased its adjusted EBIT margin to 10.7% in 2024, despite weak markets and tangibly negative currency effects. Solid free cash flow allows an unchanged cash dividend of CHF 3.20 per bearer share to be proposed to the Annual General Meeting. The «ForwardNow» transformation program will accelerate the planned growth in revenue and profitability. The one-off costs associated with this program had a negative impact of CHF 37.9 million on the result in the reporting year, with the reported EBIT amounting to CHF 80.2 million. Over the medium-term and in a normal operating environment, the company expects annual organic revenue growth in the higher single-digit percentage range and an EBIT margin of 17% plus. In light of market forecasts, Datwyler is cautiously optimistic and expects to see a continuous increase in revenue and profitability.



**1'107.7** million  
Net revenue



**10.7** %  
EBIT margin  
adjusted



**118.1** million  
Operating result (EBIT)  
adjusted



**848.8** million  
Average capital  
employed



**13.9** %  
ROCE



**45.9** million  
Capital expenditures



# 7'951

Full-time equivalents

## 1 Management Report

### 1.1 Letter to the shareholders

Datwyler continued to invest in its growth capability and achieved a solid result in a challenging market environment in the 2024 reporting year. The acquisition of many new customer projects shows that long-term growth trends are intact in the markets that the company serves, despite the current weakness in demand. By launching the «ForwardNow» transformation program, Datwyler will accelerate the planned increase in revenue and profitability.

#### Solid revenue development despite declining markets

# 1'107.7 CHF

million

**Revenue**

In the year under review, Datwyler generated revenue of CHF 1'107.7 million (previous year: CHF 1'151.5 million). In a weak environment in four out of five relevant markets, this corresponds to a currency-adjusted decline of 1.4%. Around half of this is attributable to the loss of revenue of high-margin components for COVID-19 vaccines. Negative currency effects, primarily due to the strong Swiss franc, amounted to CHF 27.4 million or 2.4%.

In the key healthcare market in particular, demand remained weak due to customers' reduction of safety stocks. The automotive market contracted slightly and volume growth in battery electric vehicles was slower than originally expected. In the election year, the US energy market was dominated by high levels of uncertainty and caution.

## Adjusted EBIT margin above prior year

**10.7** %

**EBIT margin**

adjusted

As announced in December 2024, Datwyler recognized one-off costs of CHF 37.9 million for the «ForwardNow» transformation program at the level of the operating result (EBIT) in the reporting year. The reported EBIT was thus CHF 80.2 million, while the EBIT margin came to 7.2%. Taking into account these one-off effects, the adjusted EBIT margin increased to 10.7% (previous year: 10.5%) despite declining revenues. In absolute terms, the adjusted EBIT of CHF 118.1 million was broadly in line with the previous year's figure (CHF 120.4 million). Lower financial and tax expenses led to a reported net result of CHF 31.1 million. Taking the one-off effects into account, the adjusted net result amounted to CHF 69.0 million, which is slightly higher than the previous year's figure (CHF 66.8 million).

This corresponds to CHF 4.06 (previous year: CHF 3.93) per share. The strong Swiss franc also had a negative impact on the profit figures. The «ForwardNow» transformation program will already lead to cumulative earning improvements of around CHF 52 million during the three-year program period from 2025 to 2027. After the successful implementation of all measures, Datwyler anticipates sustainable earnings improvements of around CHF 24 million per year.



Proposal of a cash **dividend**  
of **CHF 3.20** per bearer share

## Strong free cash flow enables stable dividend proposal

Cash from operating activities fell to CHF 171.7 million in the reporting year (previous year: CHF 194.9 million). The previous year was influenced by an extensive reduction in safety stocks related to the pandemic at the Datwyler sites. Systematic action made it possible to reduce trade receivables in the year under review. Due to investments made in previous years, particularly in infrastructure, investment activity was again well below the long-term average. Although the free cash flow of CHF 127.9 million was down on the previous year's high figure (CHF 136.7 million), this is nevertheless a strong result in view of the difficult environment, and one that enables us to further strengthen the balance sheet. The Board of Directors plans to propose a cash dividend of CHF 3.20 per bearer share and CHF 0.64 per registered share to the Annual General Meeting.

## Transformation program to accelerate profitable growth

To accelerate the planned growth in revenue and profitability, the Board of Directors and the Executive Committee have launched a comprehensive transformation program called «ForwardNow», as was announced in December 2024. This program will enable the company to exploit key synergies, become even more competitive and position itself better for the future. The potential improvements will be addressed over a period of three years (2025 to 2027) via four action areas:

- ➔ Optimization of the international production network  
By optimizing our production footprint and better aligning our production technologies toward customer needs in the individual regions and markets, Datwyler will be able to serve its customers around the world even more quickly and efficiently.
- ➔ Strengthening of commercial excellence  
The sales organization will focus specifically on market segments and customer groups in which Datwyler can achieve profitable growth and position the company even more strongly as a preferred development partner.
- ➔ Streamlining of the product portfolio  
The strategic focus on high-quality products with a solid margin profile and the gradual elimination of products outside the core business will enable the company to reduce internal complexity and deploy its resources more effectively, among other things for innovative new products.
- ➔ A future-proof target operating model  
Datwyler will exploit key synergies by gradually adapting its organizational structure and introducing globally aligned processes and company-wide standards. In doing so, it will lay a solid foundation for future growth.



The action areas will be broken down into individual initiatives, advanced within the company and brought together by a dedicated transformation team. In parallel with the transformation program, Datwyler is continuing to invest systematically in innovation and growth projects and is pushing ahead with key activities in the areas of healthcare and the transformation to e-mobility as matters of high priority. The innovation projects are progressing according to plan.

The company has put an industrial-scale pilot production line for electroactive polymers (EAPs) into operation. Initial EAP products are currently being evaluated by several customers for various applications. SoftPulse® soft dry electrodes for measuring and monitoring biosignals are in commercial use in a wide range of applications. Development projects with global innovation leaders in the area of smart, wearable devices confirm the high performance of Datwyler's dry electrodes.

## **Medium-term margin target of 17% plus in a normal operating environment**

Datwyler has launched the «ForwardNow» transformation program proactively and from a position of strength. The company enjoys leading positions in attractive markets with long-term growth potential and high barriers to entry. With its clear focus on system-critical components, Datwyler makes a key contribution to the functionality and quality of end products while accounting for a very low proportion of the overall costs of customers' systems.

Thanks to our leading competencies in materials, engineering and technology, we generate added value for the demanding applications of our customers, all of whom are innovation leaders with a global presence in their respective industries. With its transformation program, Datwyler is making a targeted investment in its growth capability and ensuring that the company is ideally prepared for the recovery in the markets. Based on the forecasted development of the relevant markets and the sustainable improvements resulting from the transformation program, we expect annual organic revenue growth in the higher single-digit percentage range and an EBIT margin of 17% plus in the medium-term in a normal operating environment.

## **Further progress with sustainability**

Datwyler also made further progress in terms of sustainability in the reporting year. By taking targeted measures, we were able to increase the share of electricity from renewable sources from 38.3% in 2023 to 64.1%. As a result, the Scope 1 and 2 CO<sub>2</sub> emissions of our sites decreased by 32%. Water withdrawal also declined at our sites, falling by 7.9% compared to previous year. By joining the Science Based Targets Initiative (SBTi), Datwyler has committed to working toward specific greenhouse gas reduction targets. We already carried out a double materiality assessment in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) and integrated sustainability criteria even more firmly into our existing risk management system in the year under review.

By doing so, we paved the way for our next Sustainability Report for the 2025 financial year to meet the requirements of the CSRD. The current Sustainability Report complies with the GRI Standards and the TCFD recommendations as external reporting frameworks as well as Articles 964a-c of the Swiss Code of Obligations. In recognition of our sustainability performance, the internationally renowned rating agency EcoVadis awarded us the Platinum medal, its highest standard, for the first time in 2024. This places Datwyler in the top 1% of more than 150'000 rated companies from over 185 countries.



[!\[\]\(2b9000c261447981d88674ebdb52dc1e\_img.jpg\) Read the media release on the award of the EcoVadis Platinum Standard](#)

[!\[\]\(7e49c700e4adaed94ad5398cf2e7059e\_img.jpg\) Read the media release on joining the Science Based Target initiative](#)

## **Executive Committee and Board of Directors strengthened**

Since 1 February 2025, the Executive Committee has been strengthened by Michael Höller, who has taken over as Head of the Industrial Solutions business area. Previously, this area had been managed directly by CEO Volker Cwielong under a dual mandate. Michael Höller brings with him more than 30 years of experience in global leadership positions in production and quality management and holds a degree in industrial engineering.

As already communicated, Britt Hendriksen will be proposed for election as a new Director and representative of the public shareholders at the Annual General Meeting on 18 March 2025. She has extensive experience in the global healthcare industry, most recently as Group CFO of Unilabs. Previously, she held various global management positions at Novartis for more than 20 years. In response to the Board of Directors' request, Chairman Paul Hälg has accepted to oversee and support the transformation program until the 2027 Annual General Meeting before stepping down from his role for age-related reasons.

## **Outlook for 2025: market environment expected to improve**

Datwyler expects a gradual improvement in the market environment in 2025. The Healthcare Solutions business area is seeing a gradual increase in incoming orders, and is confident that the low point has been passed in terms of customer destocking. In addition, Datwyler will commence serial production of high-quality, FirstLine® standard plungers for drugs for weight reduction (GLP-1) during the first quarter of 2025.



Most forecasts for the global automotive market indicate that there will be slight growth. However, growth in the area of hybrid and battery electric vehicles will be well above the market average, especially in the key market of China. The Mobility business unit has significantly increased the proportion of newly acquired customer projects for electrified applications particularly in the important Chinese market. In the Connectors business unit, the proportion of attractive high-voltage applications in new projects has increased strongly.

Given the new US government's latest position, we expect to see rising demand from the energy industry, which is important for our General Industry business unit. Stable growth is predicted for the global capsule coffee market. Thanks to our close collaboration with the two leading suppliers of coffee capsules, our Food & Beverage business unit should continue to develop well. In light of market forecasts, we are cautiously optimistic and expect to see a continuous increase in revenue and profitability for the company as a whole.

Issues such as general economic trends in key countries, geopolitical tensions and events and increasingly protectionist policies of the new US government are uncertainty factors that could influence the presumed market developments. With its own production sites in the three most important economic regions of Asia, Europe and Americas, Datwyler is also well positioned for this scenario. We are capable of serving our customers predominantly local for local from plants in the corresponding regions.

## **Thank you to our employees, customers and shareholders**

Our employees deserve a big thank you for their exceptional work in a very challenging environment. It is their expertise and commitment that determine Datwyler's performance and potential and it is they who will successfully implement the «ForwardNow» transformation program.

We would also like to thank our customers for the trust they place in us with every new order, and our shareholders for their loyalty toward our business.

On behalf of the Board of Directors and the Executive Committee



**signed: Dr. Paul Hälg**

Chairman



**signed: Volker Cwielong**

CEO

## 1.2 Business Area Healthcare Solutions

Datwyler is a leading supplier of system-critical elastomer components for injectable drug delivery systems. These components are used in billions of prefilled syringes, glass vials and cartridges worldwide, improving patients' lives. With a worldwide network of highly automated production facilities, Datwyler is able to supply locally manufactured components to global pharmaceutical companies in the key economic regions. The market for healthcare components is low cyclical and is characterized by high entry barriers and long-term growth trends such as the aging society in industrialized countries or the increase in living standards in emerging markets.



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### Products and services

- **High-quality rubber components**  
for prefilled syringes, pens and injection systems
- **Components and closures**  
for injectable drugs in vials
- **Rubber components**  
for blood collection systems, IV administration sets, disposable syringes, etc.
- **Rubber components**  
for diagnostics and medical devices

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### Target groups

- Pharmaceutical and biotech companies
- Manufacturers and contract fillers of injectable drugs
- Manufacturers of diagnostic and medical products

- Manufacturers of parenteral drug delivery systems
- 

## Geographical markets

- Europe
  - North and South America
  - Asia
  - Australia
- 

Healthcare Solutions well prepared for expected market recovery

**446.0** CHF million  
**Revenue**

In the Healthcare Solutions business area, the 2024 financial year was still heavily impacted by customers' reduction in safety stocks of elastomer components for drug delivery systems. This led to revenue of CHF 446.0 million (previous year: CHF 469.0 million). Despite constituting a currency-adjusted decline of 2.5% compared to previous year, this is the fourth-highest result in Datwyler's history.

The previous year still included CHF 7.5 million in revenue of high-margin components for COVID-19 vaccines. During the reporting year, Datwyler was able to further intensify cooperation with new and existing healthcare customers and increase the revenue share of high-value projects in the development pipeline. This is particularly important in relation to the future development of the revenue shares.

## Market weakness utilized to increase efficiency

Due to the lower demand and the negative currency effects, the adjusted operating result (EBIT) declined to CHF 61.8 million (previous year: CHF 74.4 million). The adjusted EBIT margin came to 13.9% (previous year: 15.9%). After allocating one-off costs for the announced transformation program, reported EBIT amounted to CHF 47.0 million. Datwyler took advantage of the market weakness in the year under review to further optimize processes at the production sites and reduce the complexity of workflows. At the same time, capacities and skills were specifically maintained in order to be well prepared for the expected market recovery.

# 13.9%

**EBIT margin**

adjusted



## **Cooperation with leading pharmaceutical companies intensified**

In recent years, Datwyler has systematically invested in the expansion of its global production presence and of its product portfolio, as well as in market development and technical and scientific customer support. As a result, the Healthcare Solutions business area has substantially improved its market position and significantly intensified its cooperation with leading companies from the pharmaceutical sector.

Today, Datwyler is involved in its customers' development process for complex projects at an earlier stage and more frequently. Furthermore, when collaborating with system manufacturers of vials, syringes, pens and auto-injectors, it is our pure component strategy that differentiates us from our competitors and makes us a preferred partner for many providers.

## High customer demand for NeoFlex™ products

Customer interest in coated NeoFlex™ plungers for the fast-growing market segment of prefilled syringes and cartridges has increased noticeably. Thanks to the unique spray coating method used by Datwyler, NeoFlex™ combines maximum chemical stability for highly sensitive large-molecule drugs with leading functionality and ideal machineability for pharmaceutical companies' filling systems. In the year under review, the NeoFlex™ product family was therefore expanded to include plungers for large-volume biopharmaceuticals in automatic and wearable injectors with 10 ml prefilled syringes and cartridges.

Especially for large-volume components, the advantages of spray coating generate high customer value. In total, the project pipeline for NeoFlex™ products grew strongly, which will have a corresponding impact on subsequent serial revenues. Successes like this form the basis for Datwyler's future profitable growth and expected gains in market share.

 [Reade the media release on the expansion of our NeoFlex™ product familiy](#)



## Serial production for GLP-1 applications in the first quarter of 2025

The cooperation with leading providers of drugs for weight reduction (GLP-1) was further advanced and intensified in the reporting year. With its comprehensive range of components and services, Datwyler is also an expert partner for GLP-1 providers.



The GLP-1 projects are in various phases and include both market entry as a second source for existing GLP-1 drugs and the role of development partner for future GLP-1 drugs.

During the first quarter of 2025, Datwyler will commence serial production of high-quality plungers from the FirstLine® standard for GLP-1 applications.

## **Return to long-term growth trend**

The Healthcare Solutions business area is seeing a gradual recovery in incoming orders and is confident that the low point has been passed in terms of customer destocking. Industry experts predict that the continuously growing market share of biopharmaceuticals, increasing regulatory standards (such as GMP Annex 1 in the EU) and the growth in sales of drugs with a wide range of uses and broad acceptance such as GLP-1 will accelerate growth in high-quality drug delivery systems and the components required for them. Datwyler is in an excellent position to benefit from this trend overproportionally.

## **1.3 Business Area Industrial Solutions**

Datwyler is a leading supplier of system-critical elastomer components to the attractive global Mobility, Connectivity, General Industry and Food & Beverage markets. For instance, customer-specific components make an important contribution to driver and passenger safety in more than every second car worldwide. Leading core competencies in solution design, material expertise and operational excellence as well as a worldwide presence with its own production sites form the successful basis for this. As a recognized development partner, Datwyler maintains close, long-standing relationships with global innovation leaders and has in-depth knowledge of business models, technologies and development trends in the markets it serves.



## Development partner for **innovation leaders**

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### **Products and services**

- **System-critical components**  
for cars with all drive concepts. Applications include batteries and powertrains in electric vehicles, brake systems, interior and active assistance and safety systems in all cars as well as fuel and engine management and exhaust gas aftertreatment in combustion engines
  - **Seals and components**  
for electrical connectors for demanding applications in various markets such as mobility, aerospace or the manufacturing industry
  - **Sealing components**  
for upstream systems in the oil and gas industry, aerospace, heavy machinery, power tools and process and water treatment industries
  - **Sealing solutions**  
for portioned food and beverages
- 

### **Target groups**

- Automotive system suppliers
  - Electrical connector manufacturers
  - Oil and gas service companies
  - Aerospace and heavy machinery
  - Manufacturers of power tools
  - Process and water treatment industries
  - Manufacturers of portioned food products
- 

### **Geographical markets**

- Europe
  - North and South America
  - Asia
- 

Industrial Solutions with  
significant margin improvement

Despite a largely weak market environment, the Industrial Solutions business area was able to generate revenue of CHF 664.8 million in 2024 (previous year: CHF 688.2 million). Adjusted for currency effects, this corresponds to a decline of 1.0%.

**664.8** CHF million  
**Revenue**

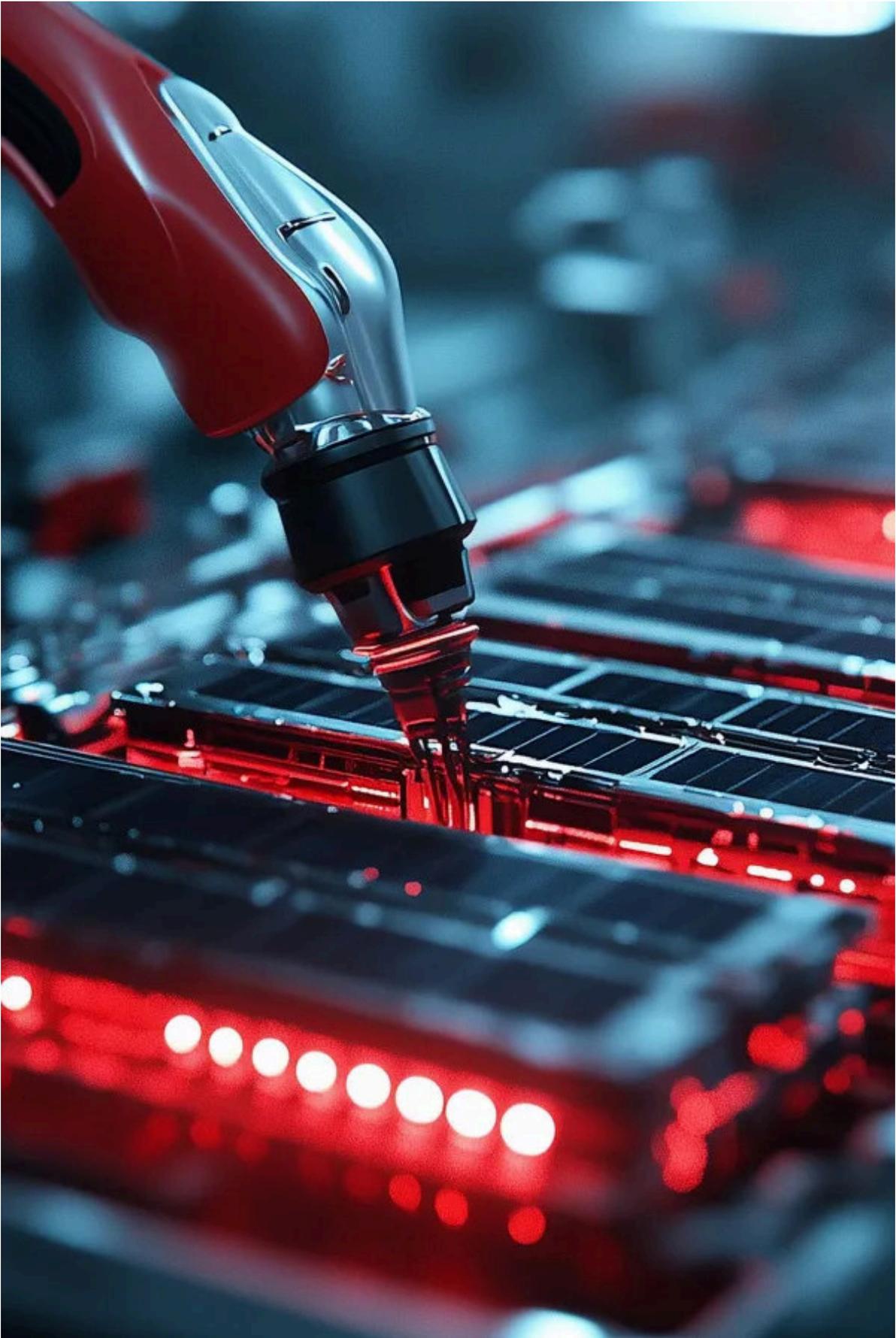
## Increased operating profitability in a challenging market

**8.5** %  
**EBIT margin**

adjusted

Despite the tangible headwind caused by the strong Swiss franc, the business area was able to increase its adjusted operating result (EBIT) by 22.4% to CHF 56.3 million (previous year: CHF 46.0 million). The adjusted EBIT margin increased accordingly by 180 basis points to 8.5% (previous year: 6.7%).

After offsetting of the one-off costs for the transformation program announced, EBIT amounted to CHF 33.2 million. The higher adjusted profitability is the result of systematic price and cost management and targeted optimization measures, in particular at the sites in North and South America.



## **Good performance in a weak automotive sector**

Global production of passenger cars was down slightly in the year under review and volume growth in battery electric vehicles was slower than originally expected. The Mobility business unit was able to acquire attractive new business in the e-mobility segment for applications involving pneumatic suspensions, brake systems and drive trains and further strengthen its position with regard to vehicle battery components. Within the Connectors business unit, gradual improvements at the production sites made it possible to almost entirely absorb the impact that lower revenues had on results.

## **Significant increase in new business for electric vehicle applications**

Most forecasts for the global automotive market indicate that there will be slight growth. However, the expected increase in the area of hybrid and battery electric vehicles will be well above the market average, especially in China. The Mobility business unit has significantly increased the proportion of newly acquired customer projects for electrified applications particularly in the important Chinese market.

In the Connectors business unit, the proportion of attractive high-voltage applications in new projects has increased strongly. Datwyler mainly acts as a tier 2 supplier in the automotive market, primarily supplying system partners of vehicle manufacturers for brake systems, electrical connectors, driver assistance systems and high-voltage batteries. Thanks to this positioning and the products' broad spectrum of applications, the company is strongly diversified and is not dependent on the business performance of individual carmakers.





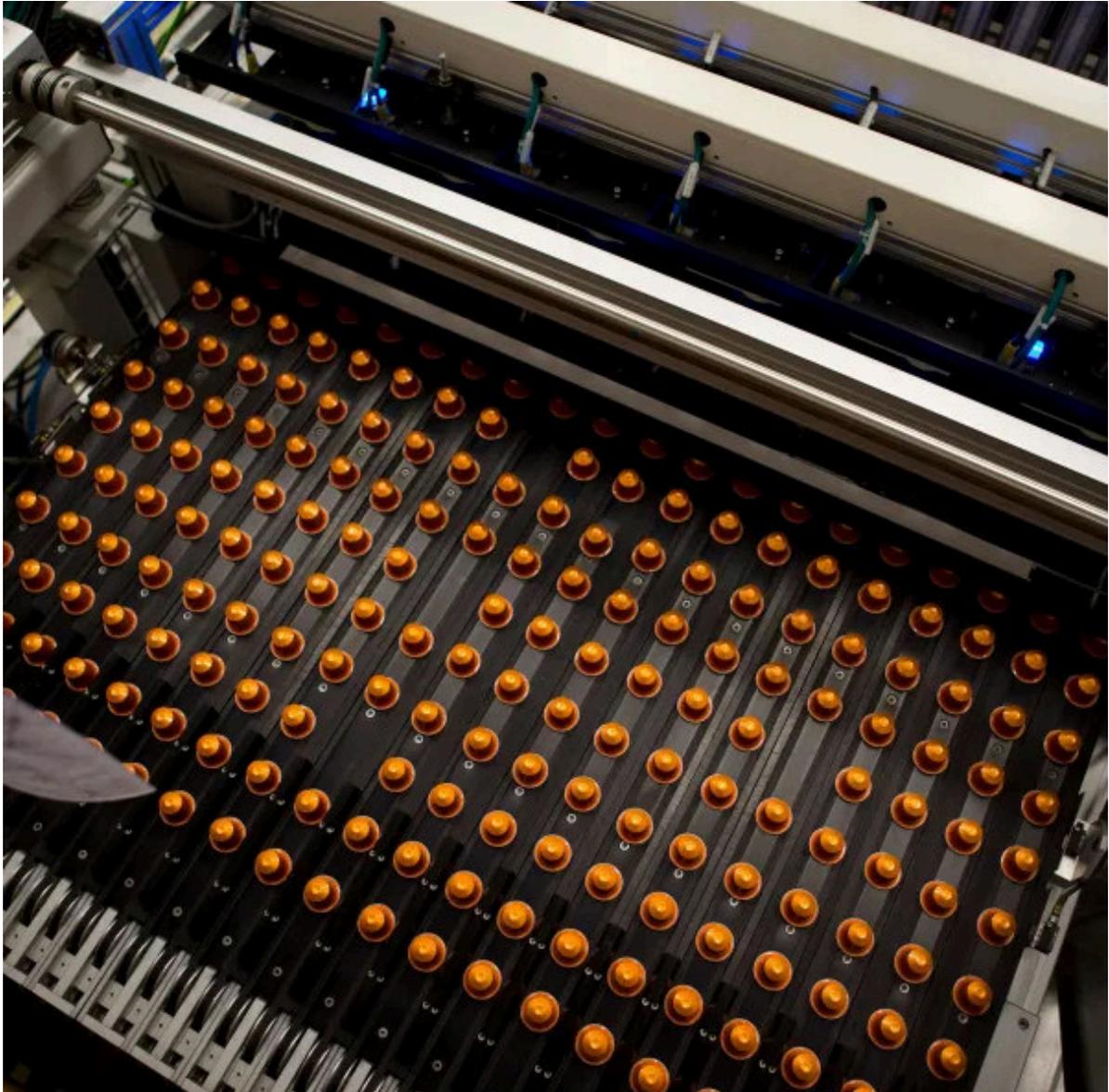
## **Well positioned for the recovery in the energy market**

In the US election year, the oil and gas industry was dominated by high levels of uncertainty and caution. Recessive tendencies also limited sales potential in the general industrial markets. The General Industry business unit used the weak market environment to optimize its production infrastructure and reallocate product lines within the existing sites. This will improve profitability as soon as demand picks up again. A digitalization initiative in marketing, sales and order processing is enabling Datwyler to improve its market access and accelerating the acquisition of profitable new orders.

In the reporting year, the General Industry business unit gained promising new business in the sanitary systems, medical device and heating, ventilation and air conditioning markets. Given the new US government's latest position, Datwyler expects to see rising demand from the oil and gas industry.

## Growth trend for aluminum in the capsule coffee market

The global capsule coffee market performed well in the reporting year with stable growth. Thanks to close collaboration with the two leading suppliers of coffee capsules, the Food & Beverage business unit significantly outgrew the market.



A new European Union regulation stipulates that packaging and packaging waste must be recyclable in future. Aluminum meets this requirement and is distinguished by its outstanding functionality in the coffee machine, good conservation properties and existing recycling systems for coffee capsules.

Industry experts also assume that the new EU regulation will lead to an increase in the replacement of existing plastic capsules with aluminum capsules. As a leading manufacturer of aluminum capsules that primarily uses recycled aluminum, Datwyler is in an excellent position. Additional supply contracts were secured in 2024, triggering an expansion in capacities.

## 2 Sustainability Report

For Datwyler, sustainability means operating successfully in the present, while also being oriented toward the long term and delivering more value for all stakeholders.



### Subchapters

- 2.1 [About sustainability](#)
- 2.2 [ESG strategy](#)
- 2.3 [Governance topics](#)
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Achievement of the **EcoVadis Platinum rating**, ranking us in the top 1% of all evaluated companies worldwide

Environment / Social / Governance



**Human rights risk assessments** successfully conducted at our sites

Social



**100'000 sign-ins** to our learning management system

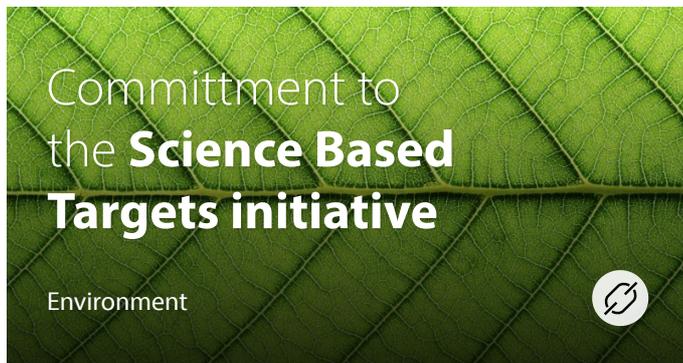
Social



Increased the amount of **electricity from renewable sources from 38% to 64%**

Environment





## 2.1 About sustainability

This Sustainability Report is part of Datwyler's Annual Report, offering readers a comprehensive and differentiated understanding of our commitment to sustainability and our progress. Datwyler reports in accordance with the GRI standards and [TCFD](#) as external reporting frameworks and Articles 964a-c of the Swiss Code of Obligations. A separate [reference table](#) links our material topics to statutory non-financial matters.

For Datwyler, sustainability means operating successfully in the present, while at the same time focusing on the long term and creating more value for all stakeholders. The company aims not only to react to market trends, but also to play a proactive role in shaping a sustainable future. A long-term orientation means balancing economic, environmental and social aspects in all our decision-making. Our progress is measured by sustainability ratings, giving us a complete overview of our performance across diverse sustainability aspects. Our goal is to be in the top 25% of our industry in all relevant sustainability ratings by 2030.

Datwyler aims to be a truly sustainable company focused on people, planet and profit. This vision reflects the company's commitment to protecting what matters to its stakeholders, including customers, employees, investors and communities.

By integrating material ESG topics into its strategy, governance and risk management framework, Datwyler takes an integrated and proactive approach to managing material environmental, social and governance issues.

# News and stories

Datwyler is continuously working on the implementation of its sustainability objectives and reports on this in current news and stories on its website.

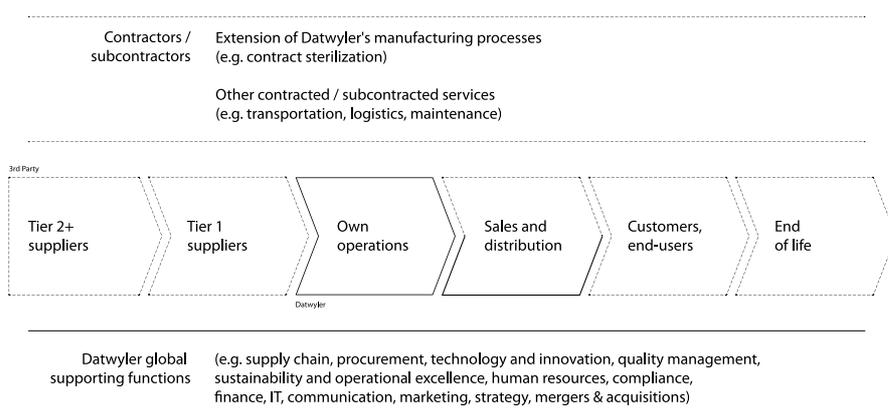


# Business model

Datwyler produces system-critical elastomer components for global markets such as Healthcare, Mobility, Connectivity, General Industry and Food & Beverage. Key materials include elastomers, plastics, aluminum, metals and operating supplies. With over 25 sites on four continents, Datwyler has a global production footprint with own elastomer mixing sites, mold shops and sales and R&D centers near customers.

Datwyler's value chain encompasses product engineering, designing of production processes, manufacturing of product-related equipment such as molds, compound mixing, internal manufacturing processes like calendaring, molding and trimming, and packaging of components. The components are then supplied to over 1'000 customers in more than 100 countries, where they are assembled into final systems or a final product. Our net revenue, totaling CHF 1'107.7 million, is mainly generated in Europe (CHF 590.3 million), North and South America (CHF 296.2 million) and Asia (CHF 215.7 million), while remaining regions are summarized as "other markets" (CHF 5.5 million).

Further product and service details are available in chapter 1 of this report and on our website.



*Datwyler generic value chain (reflecting input from a diverse team of internal specialists).*

## Tier 2+ suppliers

- Suppliers of monomers, base chemicals
- Suppliers of silicon (silicon sand mining)
- Suppliers of aluminum ore (bauxite mining)

## Tier 1 suppliers

- Suppliers of raw materials and semi-finished parts (rubber, silicon, aluminum, inserts, etc.)
- Suppliers of trading / finished goods
- Suppliers of packaging materials

- Suppliers of other ores and minerals (e.g. talc clay mining) / Suppliers of natural rubber
- Suppliers of processed raw materials used by tier 1
- Suppliers of indirect materials (e.g. solvents, mold release agents, dry trimming solutions, maintenance/spare parts, internal consumption)
- Suppliers of machinery/fixed assets/molds/parts for molds
- Utilities suppliers/providers

### **Own operations**

- Engineering of products
- Designing of production processes
- Tooling
- Developing and mixing of compounds
- Internal manufacturing processes (e.g. calendaring, molding, trimming)
- Packaging
- Waste/scrap and water treatment in own operations

### **Sales and distribution**

- Sales activities to promote and sell Datwyler products
- Distributors of Datwyler products

### **Customers, end-users**

- Assembly of Datwyler components into final systems (direct customers)
- Assembly system into final product (OEMs)
- Use of the final product (end-user/consumer)

### **End of life**

- Disposal, reuse, recycling of Datwyler components
- Disposal, reuse, recycling of final products using Datwyler components

## **Impacts along our value chain**

Datwyler provides its partners with system-critical components in value-adding applications and attractive markets. Despite systematic and comprehensive efforts to avoid or at least mitigate them, negative impacts on the environment, people, society and the economy can occur throughout our products' life cycle – from raw material extraction to production, distribution, use and end of life. Our activities and products have an impact in the following ways:

Our **environmental impacts** occur mainly in the upstream value chain, in the form of greenhouse gas emissions as well as air, soil and water pollution from raw material production, our own operations, transport and final disposal. They affect all employees along the value chain as well as the communities near our production sites. We are aware of the environmental footprint of our activities and those for which we are indirectly responsible, and we seek to avoid, minimize and mitigate the negative impacts on the environment. To further reduce the environmental impact, we are working with our mobility customers to enable the transition to greener mobility with our new components and solutions for electrified vehicles.

Various external stakeholders across our value chain are affected by our **social impacts**. These could potentially range from environmental issues impacting human rights to occupational health and safety, labor conditions or consumer and product safety. The focus of our efforts to avoid negative impacts is on protecting employee health and human rights. Our Healthcare components for injectable drugs are of crucial importance for the health and wellbeing of humanity. At a strategic level, our focus is on securing the availability of important medicine components in partnership with our customers.

Datwyler also has potentially significant **impacts on employees**. Work factors such as pay, vacation, ergonomics and corporate culture can affect employees' health, both physical and mental. This is especially true for production workers, who may face additional risks. They may be in contact with hazardous substances or operate in a noisy environment. Datwyler has systematic and comprehensive internal processes in place that help mitigate health and safety-related risks and protect our employees.

As a globally active company, Datwyler has a potential **impact on governance practices**. By operating transparently, ethically and in accordance with legal and regulatory standards, Datwyler strives to safeguard the interests and foster the trust of its stakeholders. This includes the strict prohibition of any form of preferential treatment, bribery, corruption or any other form of fraud. A lack of ethical and transparent corporate governance can lead to a reduced sense of fairness and accountability, which in turn can undermine trust in the company and in the industry as a whole.

## ESG Governance

### Oversight and execution of the sustainability (ESG) strategy at Datwyler

To effectively embed ESG principles across all levels of our organization, we have established clear roles and responsibilities to ensure alignment, accountability and active participation in our sustainability goals. Each level, from the Board of Directors to individual employees, plays a vital role in achieving our ESG objectives and fostering a culture of ethical and sustainable business practices. Below is an overview of key roles and their responsibilities in advancing our ESG commitments.

Each team's active involvement ensures that our ESG efforts are consistently reflected in both strategic decisions and everyday actions.

- ➔ **Board of Directors**  
Responsible for overseeing the overall ESG strategy, setting goals and ensuring accountability throughout the organization.
- ➔ **Executive Committee**  
Executes the ESG strategy and ensures alignment with corporate objectives, reporting progress and challenges to the Board.
- ➔ **Group functions** (e.g. Risk, Compliance, HR)  
Integrate ESG considerations into their respective areas, managing risks, setting policies and supporting compliance with ESG standards.

→ **Business units**

Implement ESG initiatives at the operational level, aligning daily activities with the company's ESG objectives and targets.

→ **Employees**

Uphold ESG policies and practices in their roles, contributing to the company's culture of ethical behavior, sustainability and social responsibility.

## **Board of Directors**

The highest governance body at Datwyler is the Datwyler Board of Directors (BoD), which has overall responsibility for Datwyler's ESG strategy and reporting.

The Board oversees the Executive Committee on matters required to enable:

- The Datwyler Group to operate on a sustainable basis for the benefit of current and future generations
- The development and adoption of the Datwyler Sustainability (ESG) Strategy and related policies, including the Sustainability focus areas and long-term goals
- The effective management of ESG-related risks
- The communication of critical concerns to the highest governance body
- The development of ESG knowledge at BoD and group level
- The approval and supervision of employee incentives

## **Executive Committee**

While the Board oversees the sustainability strategy, the Executive Committee ensures the implementation.

The Executive Committee has defined sustainability as a crucial element of the company strategy and has set sustainability-related objectives.

The CSO (Chief Sustainability Officer) coordinates the sustainability activities within the organization and has regular exchange meetings with the Executive Committee members, with the BoD and with relevant people within the organization.

## **Business integration**

Everyday sustainability topics are managed by the sustainability team, business areas, business units, sites and other global functions such as human resources, procurement, technology and innovation, communications, engineering and compliance.

All Datwyler employees contribute to the sustainability journey.

## **Collective knowledge of the highest governance body**

Annual knowledge exchange sessions are organized for the BoD members with the goal of advancing the collective knowledge, skills and experience in sustainable development.

In 2024, the following topics were presented to the BoD:

- Review of the sustainability strategy including SWOT analysis, long-term ambition and top priorities (strategy meeting September 2024)
- Deep dive into the new legal requirements for reporting on non-financial matters (strategy meeting September 2024)
- Approval of the outcome of the double materiality assessment (DMA) with regards to CSRD (Audit Committee and BoD meeting December 2024)
- Approval of the 2024 sustainability report including TCFD (Climate report in line with Swiss Code of Obligations) (Audit Committee and BoD meeting 2025)

## **Evaluation of the performance of the highest governance body**

Each year the BoD Chair initiates an independent evaluation of the Board members' skills through a questionnaire covering leadership, culture, role clarity, teamwork, accountability, decision-making, communication and Board operations, including economic, environmental, social and governance questions.

BoD members complete the questionnaire individually, and the Chair reviews it. Actions to close gaps related to the Board's operation and skill set are taken if needed.

↑↓ [3.3 Internal organization](#)

## **Communication of critical concerns**

Critical concerns relate to the organization's actual or potential negative impacts on stakeholders, raised through grievance mechanisms and other processes, as well as issues related to the organization's conduct in its operations and business relationships.

At Datwyler, the CEO, CFO or CSO immediately reports critical concerns to the BoD. An overview of critical concerns is included in the compliance report and in the annual risk management report and is disclosed by the CFO to the BoD.

## **ESG risk management**

As a globally active company, Datwyler has an institutionalized and systematic risk management system. Risks are divided into four categories: strategic, operational, financial and compliance. Since 2024, the risk report has also covered sustainability and human resource risks separately.

For **environmental risks**, Datwyler is exposed to physical and transition risks. Natural disasters or droughts, caused by global warming, could affect our supply chain, our own operations and our employees. In addition, we monitor the evolution of more stringent environmental regulations, such as carbon taxes, which may increase raw materials and energy costs, or potentially restrict certain chemicals (e.g. fluoropolymers). Environmental risks can therefore increase our costs and can have an impact on our products and business models (see TCFD report).

 [Discover the TCFD report](#)

**Social risks** arise from interactions with employees, communities, consumers and broader societal expectations. Human rights, particularly in the value chain, are receiving increased attention and regulation. As a result, non-compliance with human rights in the supply chain poses reputational, financial and litigation risks for Datwyler.

Datwyler is exposed to **employee-related risks** due to its dependence on a committed and skilled workforce. Because of demographic trends, there is a potential risk of a shortage of suitable workers in the future, as the workforce ages and shrinks. Failure to meet employees' expectations of a modern working environment, including the promotion of diversity, equity, inclusion and belonging, could affect talent attraction and employee retention.

**Governance risks** arise from increased regulation and stakeholder expectations, increasing our administrative requirements to ensure transparent reporting and compliance with relevant and new ESG requirements or laws. There is further a particular focus on how companies deal with corruption risks. Corruption incidents can negatively impact business and investor relationships and damage Datwyler's reputation. In addition, corruption can cause direct financial damage to local companies and the Group.

↑↓ [More information is available in the risk management section of the Corporate Governance chapter](#)

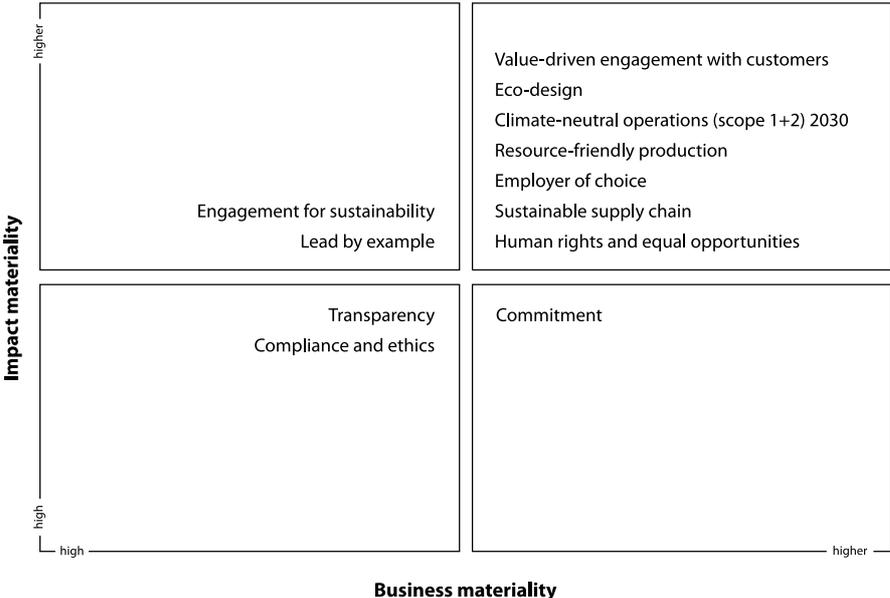
## 2.2 ESG strategy

### Materiality

Datwyler's first materiality analysis in 2016 compiled a long list of topics, including those rooted in sustainability standards, industry relevance and alignment with Datwyler's corporate strategy. These topics were discussed in workshops with the extended management team and the Executive Committee and assessed in terms of relevance from the perspective of management and stakeholders.

In 2021, as part of the development of its sustainability strategy, Datwyler revisited and updated its material topics, assessing Datwyler's impact on the economy, society and the environment. The result was validated and approved by the Executive Committee and the Board of Directors.

In 2023, Datwyler reviewed the materiality analysis again. Four material topics were adjusted to better reflect the evolving sustainability landscape, while all were assessed for business relevance (business materiality) and impact on the economy, society and the environment (impact materiality). The result was approved by the Executive Committee and the Board of Directors.



The twelve focus topics form the core of Datwyler's ESG strategy. Due to a revision of our strategic priorities, we have removed the non-ESG topics from our materiality analysis compared to last year's report.

In 2024, Datwyler conducted a new double materiality assessment (DMA) in line with the framework provided by the European Sustainability Reporting Standards (ESRS), which supports compliance with the EU Corporate Sustainability Reporting Directive. This assessment incorporated input from various stakeholders. The 2025 Sustainability report will be structured to align with the CSRD requirements.

A separate allocation of Datwyler's material topics on non-financial matters according to the Swiss Code of Obligations is given in a corresponding reference table.

 [Discover the Swiss Code of Obligations \(CO\) reference table](#)

# Environmental focus topics – reduce footprint



**Climate-neutral operations 2030**  
Scope 1+2 emissions (Science Based Targets)



**Eco-design**  
Life-cycle thinking, sustainable products



**Resource-friendly production**  
Waste, water, materials



**Sustainable supply chain**  
Scope 3 emissions, sustainable solutions through supplier and customer base



# Social focus topics – deliver more value



## **Employer of choice**

Employee commitment & satisfaction, employer branding, safe and healthy workplace



## **Value-driven engagement with customers**

Interactions, collaboration, positive social impact



## **Human rights and equal opportunities**

Diversity, equity, inclusion and belonging, protecting human rights of all stakeholders



## **Engagement for sustainability**

Volunteering for activities for company, customers, society

## Governance focus topics – be responsible



### **Transparency**

Reporting, standards, ratings



### **Compliance and ethics**

Policies, proactive chemical compliance



### **Lead by example**

ESG integration at all levels of the organization



### **Commitment**

Budget & resources, principles, memberships, remuneration

## ESG goals 2030

To further strengthen its sustainability management and to make the focus topics more tangible, Datwyler has defined its top 10 sustainability goals for 2030.



## **Climate-neutral operations (scope 1+2) by 2030**

KPI: Difference in absolute scope 1 and 2 emissions in tons CO<sub>2</sub> equivalent (eq) compared to base year 2023

Compared to 2023, the absolute CO<sub>2</sub>eq emissions were reduced by 32% in 2024, leading to emissions of 61'289 tons.

→ [Climate-neutral operations 2030](#)



## **ISO 14001, ISO 45001 and ISO 50001 certificates at all production sites**

KPI: Percentual coverage of ISO 14001, ISO 45001 and ISO 50001 at all production sites

At the end of 2024, 77% of the production sites were certified according to ISO 14001, 50% according to ISO 45001, and 8% according to ISO 50001.

→ [Climate-neutral operations 2030](#)  
→ [Resource-friendly production](#)  
→ [Employer of choice](#)



## **Product carbon footprint available for each new product**

KPI: Percentage of new products covered by a product carbon footprint (PCF) analysis

PCFs for new products are conducted upon customer request, either as specific studies for a particular part or as general calculations for a product category. Although some initial PCF analyses have been completed, the coverage remains below 1%, since PCF analyses are not yet part of the product development process. For existing products, analyses are conducted on an ad hoc basis.

→ [Eco-design](#)



## **Strive for all quality- critical suppliers to sign Supplier Code of Conduct**

KPI: Percentage of quality-critical suppliers that have signed the Supplier Code of Conduct

At the end of 2024, 99% of the quality-critical suppliers had signed the Supplier Code of Conduct.

→ [Sustainable supply chain](#)



### **Employee commitment rates above industry benchmark for all sites**

KPI: Employee commitment rate assessed via employee survey

The employee commitment rate in 2023 was 85 out of 100, exceeding the industry benchmark of 82. Employee surveys are conducted every two years, so there is no updated figure for 2024.

→ Employer of choice



### **High rankings in customer service rating for sustainability**

KPI: Score for sustainability-related questions in customer questionnaires

As part of the customer survey in 2023, customers rated our sustainability performance better than that of our peers. Customer surveys are conducted every two years, so there is no updated figure for 2024.

→ Value-driven engagement with customers



### **Strive for zero accidents, zero injuries and a healthy working environment**

KPI: Accident severity rate (absences due to work-related accidents in days / total hours worked \*1'000)

In 2024, there were 1'864 days of absence due to work-related accidents, corresponding to an accident severity rate of 0.12.

→ Employer of choice



### **Embed human rights due diligence and considerations in all applicable key processes, contracts and relationships along the value chain**

KPI: Number of processes and documents where human rights topics are embedded

In 2024, human rights topics were embedded in seven key processes and documents, such as in supplier performance monitoring, while the integration into six processes / documents is still ongoing.

→ Human rights and equal opportunities



### **At least one annual external community activity per location**

KPI: Percentage of locations that engage in at least one external community activity

In 2024, 70% of all locations engaged in at least one external community activity.

→ [Engagement for sustainability](#)



### **Be among the top 25% within our industry in all relevant sustainability ratings**

KPI: Percentage of relevant ratings where we are among the top 25% within our industry

In 2024, Datwyler already achieved this for the following ratings: EcoVadis (top 1% within our industry) and Sustainalytics (top 22% within our industry).

→ [Overarching](#)

## **Contribution to the SDGs**

As part of its sustainability strategy, Datwyler aims to make a global contribution to sustainable development in line with the [Sustainable Development Goals of the United Nations \(SDGs\)](#) . Of the 17 global goals, Datwyler has prioritized eight SDGs to which its business model makes a particular contribution.



#### [Sustainable Development Goal #3](#)

Ensure healthy lives and promote well-being for all at all ages.

→ [Customer health and safety and chemical compliance](#)



#### [Sustainable Development Goal #4](#)

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

→ [Employer of choice](#)



### Sustainable Development Goal #5 [↗](#)

Achieve gender equality and empower all women and girls.

- Employer of choice
- Human rights and equal opportunities



### Sustainable Development Goal #8 [↗](#)

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

- Resource-friendly production
- Employer of choice



### Sustainable Development Goal #9 [↗](#)

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

- Eco-design
- Resource-friendly production
- Sustainable supply chain



### Sustainable Development Goal #12 [↗](#)

Ensure sustainable consumption and production patterns.

- Resource-friendly production
- Eco-design



### Sustainable Development Goal #13 [↗](#)

Take urgent action to combat climate change and its impacts.

- Climate-neutral operations 2030
- Sustainable supply chain



### Sustainable Development Goal #17 [↗](#)

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

- Value-driven engagement with customers

## 2.3 Reporting on governance topics

In the area of governance, Datwyler focuses on transparency, compliance and ethics, lead by example and commitment.



FOCUS TOPIC

### Transparency

Datwyler believes transparency is fundamental for stakeholders – such as investors, customers, regulators and (potential) employees – to recognize the company as a reliable partner. Transparent reporting enables stakeholders to assess our ESG performance, fostering trust by showing how we manage sustainability risks and meet regulatory requirements. A lack of transparency could expose Datwyler to reputational damage or regulatory penalties, while embracing transparency enhances brand value, attracts responsible investment and talents, and differentiates Datwyler in competitive markets through strong ESG engagement.



## Our long-term ambition

To ensure that transparency is central to our business, providing key stakeholders with clear insight into our practices and sustainability efforts.



## Our future key targets

Be among the top 25% within our industry in all relevant sustainability ratings.



## Our approach

Datwyler has consistently reported its ESG performance based on leading frameworks and published a sustainability report in accordance with GRI and the ten principles of the UN Global Compact since 2009.

We have disclosed our energy consumption and resulting CO<sub>2</sub> emissions to the Carbon Disclosure Project (CDP) since 2013, and since 2022 we have also reported on water consumption and deforestation impacts. This standardized reporting helps stakeholders understand our environment-related efforts.

To enhance visibility in our corporate social responsibility, Datwyler has submitted to EcoVadis since 2019. After receiving the Gold award from EcoVadis in 2023, Datwyler received the Platinum rating in 2024, placing us in the top 1% of more than 150'000 rated companies from 185 countries.



[Read more about Datwyler's EcoVadis rating](#)



## Open dialog with all stakeholders

Engaging in open dialogue with all stakeholders is crucial to our transparency commitment. By referring to our ESG strategy and our climate transition plan at our shareholder and investor touchpoints and by discussing ESG topics with our customers, suppliers and contractors, we regularly collect external feedback. The Datwyler Group also maintains an open dialog with its employees. Regular employee surveys provide the foundation for continuous improvements. Employees are free to join trade unions or internal employee representative bodies, and we engage constructively with them in accordance with legal requirements.

## Audit by independent third parties

To enhance the credibility of its non-financial information, in 2024 Datwyler obtained limited assurance on selected KPIs by KPMG. The following KPIs were verified:

- Greenhouse gas (CO<sub>2</sub>eq) emissions (scope 1 and 2) and greenhouse gas emissions intensity
- Percentage of suppliers that are certified according to sustainable certificates (ISO 14001, ISO 45001, ISO 50001)
- Net promoter score
- Accident severity rate
- Number of confirmed corruption incidents



The verified KPIs are marked and reported. Assured by KPMG



FOCUS TOPIC

## Compliance and ethics

Datwyler is committed to conducting its business in compliance with all applicable laws and ethical principles and protecting stakeholder interests while promoting fairness and accountability, which enhances trust in the company and the industry in general. By complying with all legal requirements, Datwyler can minimize the risk of litigation related to corruption or anti-competitive behavior.



### Our approach

#### A fair and responsible partner

As a global company with over 25 sites, Datwyler's business model involves a variety of business relationships at the local, national and international levels. Datwyler strives to have an industry-leading ESG policy framework that is continuously evaluated and improved.

The company's commitment to the highest ethical standards is anchored in Datwyler's Code of Conduct. The code requires the Group's companies and employees to respect national laws, human rights, personal dignity and the privacy of each individual, and is binding for all employees across the Group. The Code of Conduct articulates how to deal with business partners and competitors.

Regular training sessions ensure employees understand and comply with relevant laws and our Code of Conduct. To foster compliance, Datwyler has implemented a new digital reporting channel, conducts internal audits and has improved its compliance case tracking and handling. In addition, site directors have to confirm annually that they comply with the general compliance standards required at the Group level.

With a publicly available tax strategy, Datwyler assumes its social responsibility and commits not to engage in aggressive tax planning.

## **Ethical standards in the supply chain**

Sustainability is integrated throughout our supply chain, with expectations for suppliers outlined in a separate Supplier Code of Conduct. To put this into practice, topics related to human rights and sustainability have been embedded in various policies and processes within the Datwyler Group (see more in the chapter "Sustainable supply chain").

## **Whistleblower reporting system**

A visible whistleblowing reporting system that is actively promoted builds trust and mitigates the risk of corruption and other fraud cases. Employees are informed about the whistleblowing hotline as part of the Code of Conduct training. When dealing with whistleblowing cases, the general requirements of the EU Whistleblowing Directive (Directive (EU) 2019/1937) and applicable local laws are followed. Internal Audit processes and analyzes the cases, presenting and discussing potential measures with the Group Compliance Officer. In the reporting year, 26 relevant reports were received, seven of which contained substantial information. None of these reports were related to a corruption case. All reports are treated confidentially.

↑↓ [More information is available in the whistleblower hotline section of the Corporate Governance chapter](#)

## **Anti-corruption and anti-bribery**

Datwyler operates in countries with a certain risk of bribery and strictly prohibits any special treatment, bribery, corruption, or any other form of fraud or money laundering activities. An anti-fraud and anti-money-laundering policy were officially launched and introduced to the site directors at the beginning of the year. Our anti-corruption measures are intended to promote an open and honest culture and to make our employees aware in advance of any disadvantages or other damage caused by corruption incidents.

Preventive measures such as refresher Code of Conduct training or creating awareness for the whistleblowing hotline help us to avoid greater damage and enhance the understanding of each individual employee. In the reporting year, none of the whistleblower reports received were in connection with a proved corruption case<sup>1</sup>.

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1. Assured by KPMG



FOCUS TOPIC

## Lead by example

Leading by example is about implementing sustainability at all levels of the organization. For Datwyler, this means that the Board of Directors and Executive Committee serve as role models. Only leaders who truly embody our values can successfully inspire employees to act sustainably. A strong corporate culture fosters personal growth, psychological safety and efficiency, helping Datwyler achieve its ESG strategy while enhancing its reputation.



## Our long-term ambition

Integrate sustainability into every level of decision-making, ensuring that all leaders actively promote responsible practices.



## Our future key targets

- Ensure sustainability is fully integrated into the company's strategic objectives, with 100% of business unit strategies incorporating sustainability goals
- Provide sustainability governance training to all business unit leads, ensuring that they understand their roles in promoting sustainability practices and ethical decision-making
- At least 20% female representation in Executive Committee by 2030
- At least 30% female representation on Board level by 2025



## Our approach

Leading by example means that Datwyler's Board of Directors and Executive Committee take responsibility and act as role models. For Datwyler, this entails diversity in leadership positions.

### Diversity in Datwyler's Board of Directors and Executive Committee

Diversity, equity, inclusion and belonging are vital and should be reflected in leadership roles. Datwyler has set targets in line with the Swiss regulations: 30% female representation on the Board by 2025 and 20% on the Executive Committee by 2030. While required competencies are paramount, qualified candidates who enhance diversity will be prioritized.

By the end of 2024, female representation was 12.5% on the Board and 40% on the Executive Committee, meaning we have already met the target for the Executive Committee.

 [Read more about the current composition of Datwyler's Executive Committee](#)

 [Read more about the current composition of Datwyler's Board of Directors](#)



#### FOCUS TOPIC

## Commitment

For Datwyler, commitment means embedding sustainability across the organization. Specifically, this means that sustainability is a success factor for all employees as well as for management and the Board of Directors. This enables Datwyler to act as a role model in the industry and strengthen the concept of sustainability, which can have a positive impact on the company's reputation and positioning.

As part of our sustainability strategy, the Board of Directors has introduced a sustainability performance indicator in the variable incentive model, which has accounted for 20% of incentives for the Executive Committee and eligible employees since 2022.

The previous indicators – net revenue growth and EBIT – each represent 40%. The sustainability performance indicator is based on our twelve focus topics and can be redefined annually by the Board.

For 2024, the following parameters were set:

- ➔ Reduction of CO<sub>2</sub>eq emissions (scope 1 and 2) in relation to net revenue compared to 2023 (weighted at 50%)
- ➔ Accident severity rate (25%)

→ Employee commitment (25%)

Each parameter has minimum and maximum thresholds to determine its contribution to target achievement.

↑↓ [Read more in the current remuneration report](#)

## 2.4 Reporting on environmental topics

In the environmental area, Datwyler focuses on climate-neutral operations 2030, eco-design, resource-friendly production and sustainable supply chain.



FOCUS TOPIC

# Climate-neutral operations (scope 1+2) 2030

Datwyler is committed to achieving climate-neutral operations by 2030, acknowledging the environmental impacts of our production. As we reduce our environmental footprint, we also recognize the risks posed by climate change, such as the potential for natural disasters and evolving regulations that may impact our costs and operational stability. Through proactive measures, we aim to minimize these impacts, safeguarding both our business resilience and the surrounding communities.



## Our long-term ambition

To meet near-term emission reduction goals validated by the Science Based Targets initiative (SBTi), aligning our efforts with the latest climate science to limit global warming.



## Our future key targets

- Climate-neutral operations (scope 1 + 2) by 2030
- Annual reduction in absolute scope 1 and 2 emissions in line with the 1.5°C pathway recommended in the Paris Climate Agreement
- Set SBTi-validated targets for the near-term
- ISO 14001 and ISO 50001 certificates at all production sites



## Our approach

Energy management at the production sites is part of the integrated Environmental Management System (EMS). Twenty sites (77%) are already certified to ISO 14001 and two sites (8%) to ISO 50001.

## Ambitious commitment to climate target

Datwyler aims to achieve climate neutrality for its own operations (scope 1 and 2) by 2030. In addition, Datwyler has committed to the SBTi and is now working on binding greenhouse gas reduction targets for the near term. The SBTi offers a reduction pathway to calculate Datwyler's "fair share" in reducing carbon emissions in order to help achieve the 1.5°C level. Datwyler's emission reduction plan includes purchasing renewable energy, increasing energy efficiency and investing in its own generation of renewable energy. We define 2023 as our base year for internal purposes, but this will be reviewed once targets are submitted to the SBTi.

The actions defined are intended to drastically reduce greenhouse gas emissions despite forecasted business growth. In addition, Datwyler will engage in beyond-value-chain mitigation for emissions that continue to occur in order to achieve climate neutrality. Datwyler is aware that the greenhouse gas emissions outside our operations – so called scope 3 emissions – exceed the ones of our own operations. Scope 3 accounts for approximately 84 percent of our emissions and is described in the chapter "Scope 3 analysis".

## Focusing on renewable electricity and energy efficiency

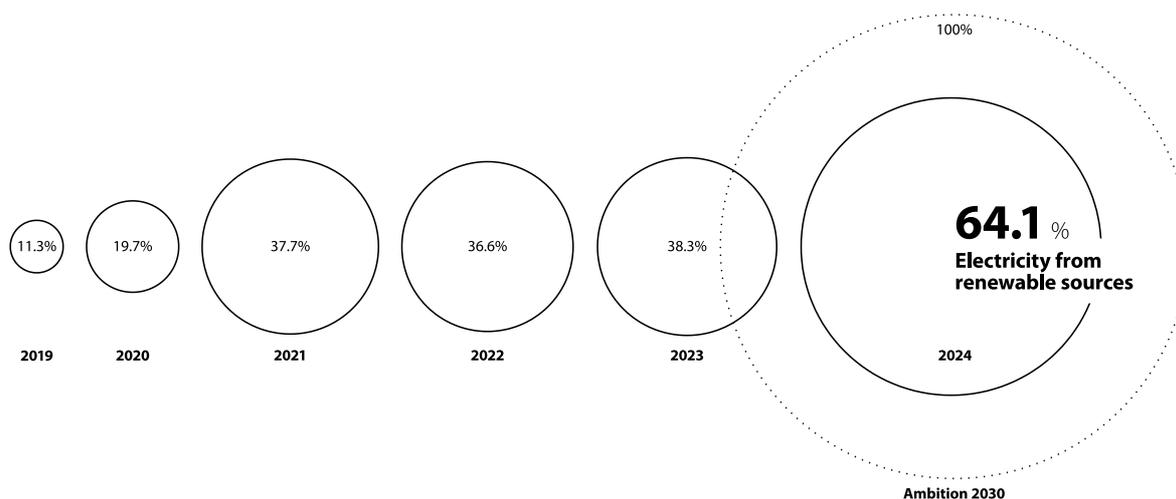
Purchasing renewable energy and the self-generation of electricity are key strategies in achieving our sustainability targets. In 2024, we intensified our focus on renewable electricity by providing clear guidance, training and support to our sites on renewable electricity procurement. This proactive approach enabled nine additional production sites to transition to renewable electricity sourcing, bringing the total to twenty sites. They now derive the majority – or all – of their electricity from renewable sources.

Our commitment to self-generation continues to grow. By 2023, eight sites had installed photovoltaic (PV) systems, collectively generating 4'390 MWh annually. In 2024, we further expanded this capacity, achieving a total generation of 6'203 MWh. These efforts contributed to an increase in the share of renewable electricity used across our operations, from 38.3% in 2023 to 64.1% in 2024.

In parallel with expanding renewable energy use, we are investing in energy efficiency improvements across our sites. To foster continuous improvement, we prioritize the visibility of environmental performance metrics within the organization and have started to facilitate knowledge sharing through exchange meetings. These initiatives empower sites to learn from one another and adapt effective energy-saving measures.



Data table



Further investments in PV systems and the extensions of contracts to procure renewable electricity increased the share of electricity from renewable sources from 38.3% to 64.1%.

## Improving data completeness

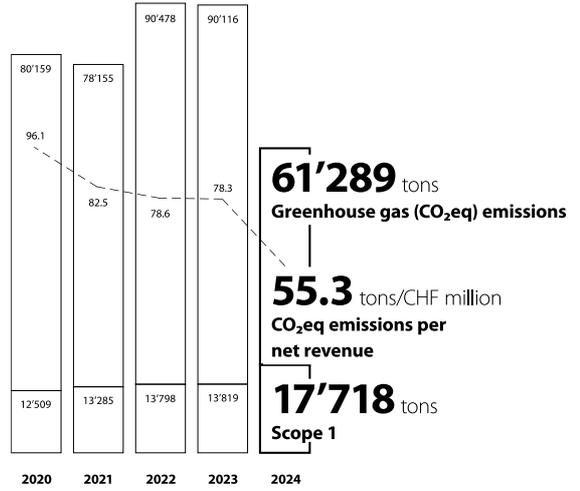
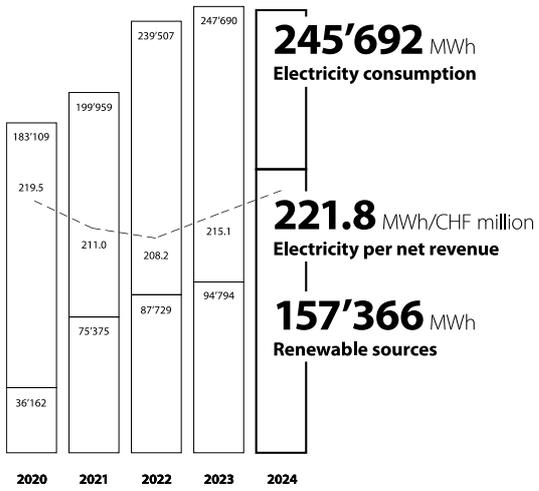
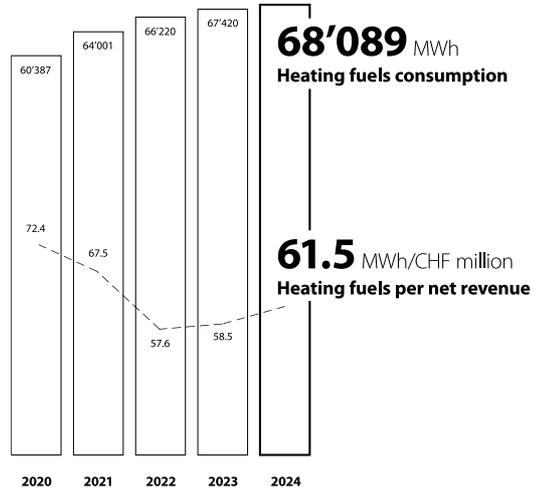
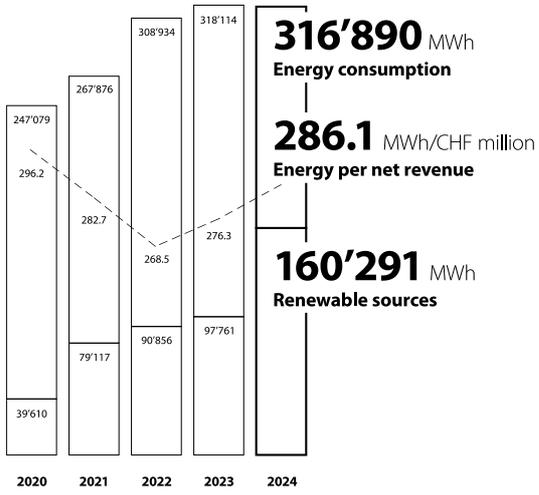
In 2024, we significantly improved data completeness for our scope 1 and 2 emissions. Previously excluded due to their low impact, emissions from office locations are now included, starting in 2024. Additionally, scope 1 reporting has been expanded to incorporate emissions from our vehicle fleet, fugitive emissions through refrigerants and emissions from oxidation in our catalytic oxidizer systems (CatOx), providing a more comprehensive view of our overall emissions profile.

## Decreased emissions

The five-year track record reveals an increase in energy consumption mainly resulting from business growth, new sites and acquisitions.

In 2024, Datwyler's operations were responsible for emissions of about 61'289 tons CO<sub>2</sub>eq (scope 1 and 2), which results in a decrease of 32.0% compared to 2023. At the same time, relative CO<sub>2</sub>eq emissions decreased by 29.3%. This is especially remarkable given the fact that additional emissions categories and locations are included for the first time. The main reason for this reduction is the increase in renewable electricity, as mentioned above.

 [Data table](#)



# Eco-design

Datwyler is aware of the impact that our products have on the environment with respective consequences for the climate. There is no question about the urgency of implementing sustainable practices. Eco-design is the approach of proactively seeking such opportunities at the stage of product development. By integrating eco-design in addition to high quality standards and safety requirements, Datwyler can decrease the emissions associated with our portfolio, reduce material costs and increase resource efficiency. Ultimately, it promotes innovation, leading to higher demand and limiting regulatory risks.



## Our long-term ambition

Eco-design is integrated into all new product developments.



## Future key targets

Product carbon footprint available for each new product.



## **Our approach**

Eco-design considers the entire product life cycle, focusing on developing more sustainable elastomer compounds, optimizing design to save on materials, reducing process-related waste and using reusable or recyclable packaging. Datwyler continuously invests in even better materials, process technologies, production equipment and testing methods.

## **Statutory information obligations as minimum standards**

Raw materials, and therefore substances used across the material portfolio, go through a very accurate and rigorous selection process when it comes to new developments. Any newly introduced raw material is checked in a very pro-active way. Although not yet scrutinized by regulatory bodies, certain materials will nevertheless be refused under Datwyler's internal rules because of early signs of controversy for such materials. All substances are subject to the highest levels of chemical regulatory compliance and are discarded in new developments based on their properties if dangerous to the environment or worker health.

With its proactive chemical compliance management, Datwyler goes above and beyond legal requirements. In its effort to proactively address critical substances, internally called "SoCs" (Substances of Concern), Datwyler is further engaging in analytical testing of finished products to determine if a full replacement is needed.

## **Integration of eco-design in development and production**

Eco-design principles offer a critical perspective when developing products that reduce the environmental impact across all their life cycle stages while maintaining their functional qualities.

As a starting point, we have implemented the "eco-design checklists", which allow early identification of potential critical points and the development of strategies to counteract them. The next step is to add the emissions associated with a product as a determinative parameter for future design in order to select the optimal concept in terms of environmental performance. Product Carbon Footprints (PCF) or Life Cycle Assessments (LCA) support these efforts, and we have already conducted several studies both in Healthcare and Industrial Solutions. Our goal is to have such assessments for all new products by 2030. To achieve it, we will extend our expertise in the subject with more products categories, in order to complement the product development tool with necessary functionality to facilitate quick and easy calculation.

The first results of these studies reveal a significant contribution from the materials, making it clear where the primary efforts should be focused on finding concrete solutions.

Our dedication to minimizing our environmental impact is further complemented by innovations that drive resource optimization. By identifying and addressing seal issues before they lead to failures, we minimize the need for premature replacements and the associated environmental impact of manufacturing, transporting and disposing of parts. This approach of predictive maintenance helps optimize resource use, lowering energy consumption and reducing the overall carbon footprint of operations. With its new soft-sensing technology, Datwyler is developing a solution that supports our customers in recognizing when sealing materials reach the end of their lifespans and automatically giving users early, advance feedback.



*Datwyler systematically integrates eco-design into the product development process. In this way, the company creates value for its customers and promotes sustainability.*

## **Sustainability also considered as criteria in new material developments**

Researching new materials not only involves assessing the cost, manufacture and performance of the final product, but also its environmental impact, from the sustainability of the raw materials to the compostability and overall recyclability of the component.

Datwyler is currently working on a number of projects that focus on the use of renewable raw materials to reduce the need for fossil fuels in the elastomer manufacturing process. Such projects include replacing oil-based polymers with a polymer derived from sugar cane, using a plasticizer of vegetable rather than petroleum oil origin, and replacing plastic-based fibers with modified cellulose fibers.

The use of recycled materials is another important area for sustainability, and we have been investigating how scrap material produced during manufacture can be used in new components. The process involves reworking leftover material down to a fine powder, which is then added back to the raw material at the beginning. Not only does this reduce the volume of discarded material in the original process, but it also increases the amount of reclaimed materials in new products.

All these upcoming developments, together with material changes that have already been successfully completed like the use of recycled aluminum in the Food & Beverage Business Unit, will help Datwyler to reduce its carbon footprint. A second successful development is in our Healthcare business for our flip caps. A polypropylene disc that covers the stopper on a vial and is made from renewable sources instead of petrol has been successfully validated. In a next step, waste oil will also be validated as a raw material source for polypropylene.

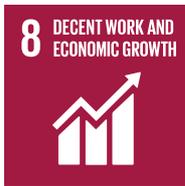
In support of the initiatives for sustainable material development, Datwyler has been a member of the Circular Rubber Platform since the end of 2024. The platform connects companies across the entire value chain and creates an environment that stimulates developments, while providing an overview of existing technologies and opportunities.



FOCUS TOPIC

## Resource-friendly production

At Datwyler, responsible use of resources is central to minimizing our environmental impact and safeguarding our business. Our commitment to reducing waste and water consumption mitigates risks from regulatory pressure, resource scarcity and operational costs. Our resource-efficient production and waste-reduction innovations minimize our footprint and build resilience. This approach not only upholds our sustainability goals but also unlocks opportunities to attract eco-conscious customers and drive industry leadership in resource-friendly practices.



## Our long-term ambition

Low-waste and highly water-efficient production.



## Future key targets

- Reduce water withdrawal relative to net revenue by 3% per year
- Reduce waste volume relative to net revenue by 3% per year
- ISO 14001 certificate at all production sites



## Our approach

Datwyler's priority is the gradual reduction of waste and water consumption, in addition to improved energy efficiency and increased use of renewable energies. Energy- and emission-related activities are reported in the focus topic Climate-neutral operations 2030.

We also recognize the importance of biodiversity and the link between water consumption, waste and the release of greenhouse gases to the loss of biodiversity. Our corporate environmental goals contribute to the protection of biodiversity.

## Environmental Management System (EMS)

With our environmental management system, we aim to minimize the impact of the company's operations and products on the environment by designing and manufacturing products and processes that use natural resources sustainably and reduce the company's carbon footprint.

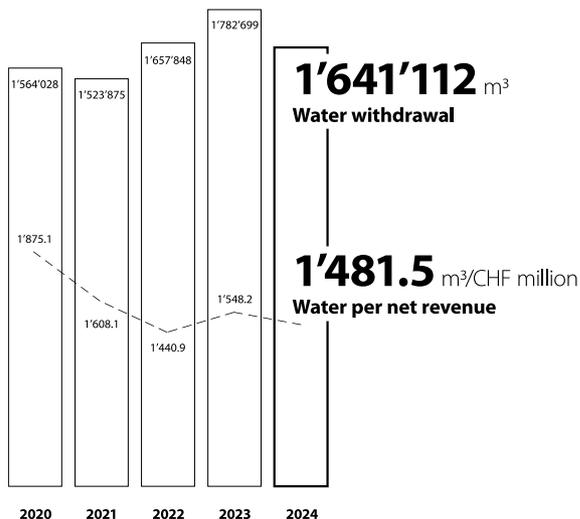
Twenty or some 77% of Datwyler's sites have already achieved environmental certification in accordance with the ISO 14001 standard and other sites are laying the groundwork to achieve this certification.

## Water withdrawal

Most of Datwyler's total water withdrawal is attributable to the specific requirements of its production processes. Both the cooling systems used in the Food & Beverage business unit's production and the washing of components in the Healthcare sector require significant amounts of water. Specifically, approximately 38% of Group-wide water withdrawal occurs due to the groundwater cooling system used in Switzerland. Since this is a closed-loop system at our production site, the authority-approved groundwater withdrawal in Switzerland is reported separately.

The long-term target (2015 to 2025) is to reduce relative water withdrawal per net revenue by 3% each year. In 2024, absolute water withdrawal was reduced by 7.9% and relative water withdrawal by 4.3% compared to the previous year. One of the measures implemented is the switching off of unneeded control cabinet cooling in Schattdorf. Further, Alken is currently building a new plant for wastewater treatment, where most of the wastewater will be collected, treated and processed to fully purified water.

 Data table



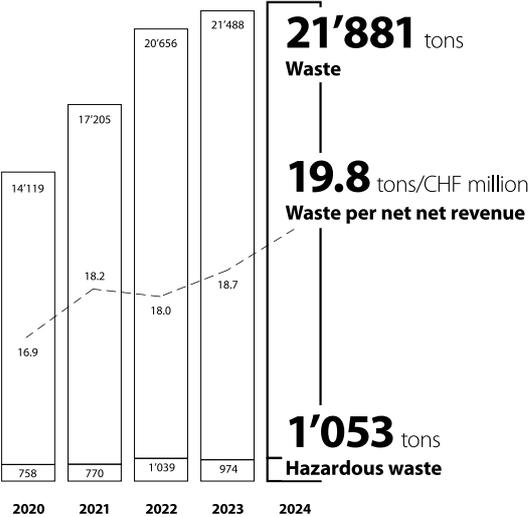
## Waste disposal

Datwyler has set itself the goal of reducing the volume of waste in relation to net revenue (tons/CHF million) by 3% annually. The company has succeeded in increasing the amount of elastomer waste used in downcycled products. For example, the company's process-related elastomer waste is used in the production of surface coverings for sports fields. The amount of recycled and reused waste was increased from 68.3% in 2017 to 74.1% in 2024.

Our Kesurdi site has achieved a remarkable milestone in reducing plastic waste by 90 metric tons annually through innovative practices and adherence to the principles of reduce, reuse and recycle. This initiative, implemented without capital investment, delivers dual benefits: significant environmental footprint reduction and cost savings.

The absolute volume of waste increased by 1.8% from 21'488 tons in 2023 to 21'881 tons in 2024. With an increase in waste per net revenue of 5.9%, the target of a reduction could not be reached. One of the reasons is that some of our sites improved data completeness and now report more waste categories. In 2024 we assessed the waste volumes by different categories, in order to identify the hotspots. Measures defined for 2025 are to start with pilot projects and put an even higher focus on reducing process waste in the product development process. At the same time, we are working on improving data accuracy, since some sites are only able to estimate their waste volumes for some categories.

 Data table



# Sustainable supply chain

At Datwyler, a sustainable supply chain is fundamental to our mission of delivering responsible, high-quality solutions. By actively collaborating with suppliers to stimulate greener products and ideas and reducing packaging, we actively work to minimize our environmental impact. Our procurement team drives innovation and sustainability, fosters long-term partnerships with suppliers who share our values and prioritizes local-for-local sourcing to mitigate geopolitical risks. This approach reduces our environmental footprint and strengthens our competitive edge and access to essential materials for sustainable growth.



## Our long-term ambition

Continuously improve ESG-compliant processes and supply chain and bring in sustainability solutions through our supplier base to further reduce our environmental footprint.



## Future key targets

- Strive for all quality-critical suppliers to sign Supplier Code of Conduct
- Annual increase of the ESG maturity level of our supplier base
- Our sourcing strategy encourages suppliers to bring in more sustainable solutions
- Ensure availability of the most important raw materials through pro-active risk management. This includes, among other things, local-for-local and whenever possible dual sourcing of materials
- In sourcing, identify five product replacements with better sustainability performance annually by 2030
- Further enhancement of risk management, focusing on both supply chain risks and sustainability risks



## Our approach

Our supplier Code of Conduct and sustainable procurement guidelines form the basis for ethical and environmentally friendly supply chains. By embedding ESG criteria into its procurement processes, Datwyler strives to continuously increase the sustainability level of its suppliers.

To ensure adherence to guidelines, Datwyler provides annual training for its purchasers, including refresher training sessions conducted in 2024.

## Global standardized guidelines and supplier management processes

Datwyler sources raw materials like elastomeric materials, plastics, aluminum, metals and other operating supplies globally, with approximately 65% of raw materials coming from Europe, 20% from Asia and 15% from the Americas. Around one-third of the purchasing volume is sourced from the ten largest suppliers.

The broad and established supplier base and processes prove their worth, especially when faced with ongoing material shortages, product discontinuation, force majeure, etc., which do not affect our ability to supply our customers. Besides these efforts, Datwyler continues to drive forward the further development of the sustainability level of its suppliers by:

- Integrating ESG into the supplier management processes, such as supplier development, supplier selection and monitoring practices, and supplier audits
- Asking suppliers to suggest more sustainable products and share ideas, emphasizing the importance of lowering the environmental footprint of supplied materials
- Exchanging ideas with suppliers and learning from them

## Embedding ESG to improve supply chain sustainability

### Selection of suppliers

Datwyler's updated Code of Conduct for suppliers forms the basis for its ethical and environmentally friendly supply chains. One of Datwyler's goals is to strive for all quality-critical suppliers to sign the Code or present equivalent internal guidelines, and a 2024 analysis revealed that 99%<sup>1</sup> of the quality-critical suppliers were already meeting this requirement. At Datwyler, quality-critical suppliers are those whose products directly impact the final quality of our products. This includes suppliers of raw materials, processing aids, outsourced processes, and packaging materials within the Healthcare Solutions business unit.

Datwyler also asks its non-quality-critical suppliers to sign the Code, but does not yet monitor coverage at a global level. In addition, suppliers must be in compliance with certain ISO norms.

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## Monitoring and development

Datwyler developed its own Supplier Sustainability Assessment program to increase the sustainability maturity of its suppliers and approximately 750 suppliers were assessed in 2024. The program awards points for:

- signing Datwyler's Supplier Code of Conduct
- sustainability certificates (ISO 14001, ISO 45001, ISO 50001)
- sustainability reporting (in accordance with GRI, disclosing of energy and water footprints and work-related incidents)
- tier-1 suppliers that have a Supplier Code of Conduct for their supplier base
- a defined position responsible for sustainability

In 2024, our suppliers scored 37%<sup>1</sup> of available points (previous year: 35%), while large suppliers (representing 80% of our spend) scored 76%.

Each quarter, the status of all available supplier certificates is reviewed and updated. Currently, 47%<sup>1</sup> of our quality-critical suppliers are certified according to ISO 14001 (previous year: 46%), 17%<sup>1</sup> according to ISO 45001 (previous year: 16%), and 14%<sup>1</sup> according to ISO 50001 (previous year: 15%). These three certificates are proof that suppliers have a systematic approach to the topics of environment, health & safety, and energy. As a customer, we can rely on the efficiency of the systems implemented as they are audited externally.

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The parameters from the Sustainability Assessment program can also be verified in on-site audits. Suppliers have to pre-fill a questionnaire on topics such as working conditions and environmental impact, which is then discussed during the audit. Supplier selection for planned audits is based on risk management and only targeted audits take place.

Datwyler has an incident management process that not only reports quality-related matters but also deviations that could harm the environment or impact safety of workers.

## Facilitating sustainable solutions through supply chain engagement

Datwyler encourages suppliers to propose sustainable materials to replace existing products or for new developments. The goal is to identify five product replacements annually by 2030, and in 2024, we gathered 12 ideas from suppliers that are currently being reviewed by the material development team of Datwyler (see chapter "Sustainability also considered as criteria in new material developments").

Datwyler aims to increase its share of locally sourced materials in the long-term, starting with packaging materials, and extending to raw materials and indirect materials, where the validating phase requires continued efforts, since the specifications are more demanding than with packaging materials. This strategy will also reduce the company's supply chain continuity risks.

Complementing these initiatives, Datwyler also prioritizes delivering its raw materials in large volumes by dry-bulk tankers or returnable packaging, which cuts down on packaging materials significantly.

## Supply risk management

In order to guarantee the availability of materials, Datwyler proactively assesses risks and carefully selects suppliers. Criteria taken into account include having appropriate ISO systems in place, supplier's ESG maturity level, financial stability and having multiple manufacturing sites.

Additional actions may be implemented to further minimize the risk. These could include, but are not limited to, keeping safety inventories on site or at external warehouses, stock agreements with suppliers, shortening the supply chain through local sourcing and the validation of backup materials.

In addition, the performance of suppliers of the most critical ingredients such as elastomers and fillers is continuously monitored in order to identify risks in a timely manner and improve our supplier base.

## Scope 3 analysis

Datwyler identified and quantified its scope 3 emissions, such as in the procurement of materials for production, for the first time in 2023, using data from the financial year 2022. All 15 scope 3 categories were screened, but Datwyler concluded that not all of them are relevant. In 2024, the analysis was refined to improve data accuracy. For the calculation of the relevant categories, data from 2023 was used. An update of 2024 data will be provided in the course of 2025. For many of the categories, the state-of-the-art expenditure-based method was applied.

As already anticipated in last year's report, due to the improvement of completeness and accuracy of the data, scope 3 emissions increased compared to the last assessment. Datwyler's total scope 3 emissions for the year 2023 are estimated to be approximately 460'000 metric tons CO<sub>2</sub>eq, with the largest category, purchased goods and services, accounting for around 85 percent of emissions of scope 3 emissions.

Our scope 3 emissions are therefore responsible for roughly 84% of our total emissions, demonstrating the importance of our supply and value chain engagement to reduce emissions.

Initiatives such as applying eco-design in product development help to identify measures to reduce scope 3 emissions in the future, such as by choosing low-carbon materials and reducing material consumption. Specific targets on scope 3 emission reduction are not currently set but will be developed in the course of 2025.

## 2.5 Reporting on social topics

In the social area, Datwyler focuses on employer of choice, value-driven engagement with customers, human rights and equal opportunities and engagement for sustainability.



FOCUS TOPIC

### Employer of choice

Datwyler is often one of the largest employers in the regions in which we operate. Therefore, we have a potentially significant impact on the jobs available. We aim to create professional opportunities, attract talent and provide opportunities for career and life advancement. Central to our mission is the cultivation of talent and nurturing leadership. We place a strong emphasis on empowerment and entrepreneurial spirit in each and every employee.

We are aware of potential risks for our employees and prioritize providing equitable, transparent and safe working conditions for all. Datwyler has systematic and comprehensive internal processes in place that help mitigate health and safety-related risks to protect our employees.



## Our long-term ambition

To collaborate as a skilled and inclusive network of ambassadors and contributors, enabling the company to stay on top of labor market trends and be a great place to work.



## Future key targets

- Employee commitment rate above industry benchmark for all sites
- Strive for zero accidents, zero injuries and a healthy working environment
- ISO 45001 certificate at all production sites



## Our approach

### Established health and safety management

Datwyler is committed to protecting the health and safety of all employees, temporary workers, contractors and visitors by adhering to legal standards and best practices. Datwyler's health and safety management focuses on developing and coordinating systems to improve workplace conditions and prevent accidents. Through its "zero accidents" approach, Datwyler aims to reduce accident rates globally. A multidisciplinary team collaborates to promote and coordinate global health and safety initiatives.

Continuous improvement in health and safety requires standardized processes, transparency and verification of the effectiveness of measures. Datwyler encourages its sites to organize training courses, to perform regular internal and external audits, and to encourage employees to report any safety observations. As part of its commitment, Datwyler strives to certify all sites according to the safety standard ISO 45001. Thirteen sites are already certified, covering around two thirds of Datwyler's workforce.

## Creating visibility with a dashboard

Datwyler is working on systematically recording and visualizing accidents and their severity and absences. In 2024, an interdisciplinary team developed a dashboard for visualizing key workforce analytics, including accident data, to identify trends early and support proactive planning. Datwyler fosters knowledge-sharing within the EHS community, inviting all EHS managers to collaborate and exchange insights.

## Enhancing workplace health and safety metrics

Datwyler defines a workplace accident as an event occurring in the professional environment which results in an injury, occupational illness or fatality of an employee, while taking local regulatory definitions into account. Over the course of 2024, Datwyler recorded 106 workplace accidents, resulting in 1'864 absence days. Datwyler tracks the accident severity rate, calculated as days of absence due to workplace accidents divided by total hours worked multiplied by 1'000. This figure equates to 0.12 for 2024 (prior year: 0.10).

Absences due to illness decreased compared to 2023, totaling 44'035 days in the reporting year (previous year: 48'508), or 5.48 days per full-time equivalent (prior year: 5.84), which is above the target of four days of absence due to illness a year per full-time equivalent.

Datwyler remains committed to reducing absences and enhancing workplace motivation through systematic absence management and individual consultations.

### Data table



*Employee health and safety is a top priority for Datwyler.*

## **Learning and development**

Datwyler supports training and retraining programs to enhance employees' technical and social skills at all levels. This includes apprenticeships, training possibilities and professional and personal growth opportunities. Datwyler envisions becoming a self-learning organization, fostering a culture where everyone strives to reach their full potential.

Learning and development plays a pivotal role in cultivating the culture and growth mindset necessary to achieve this vision. In 2024, Datwyler expanded its digital learning offerings within its Learning Management System (LMS) with courses on topics such as digital mindset, workplace behavior and human rights. A notable milestone was reaching 100'000 sign-ins to the LMS in September 2024, reflecting the sustained interest in exploring the learning and development catalog. Additionally, a new external catalog targeting business partnering skills was integrated into the system.

## **Leadership and people empowerment**

Datwyler strives to create a psychologically safe, trusting and vital workplace in which people can speak out, challenge the status quo and voice and work on their ideas. At Datwyler, we are aware that creating and sustaining a vital and high-performance workplace starts at the top.

In 2024, Datwyler continued to empower employees through leadership-focused training, fostering a culture of respect and recognition. The WeLead program, a modular series of off-the-job training initiatives, is at the core of this strategy. Each module has specific learning objectives tailored to help leaders apply effective leadership styles in a business environment of constant change.

Throughout 2024, 131 employees actively participated in 10 WeLead sessions, including two new modules designed to strengthen our leaders' crucial conversation skills and help experienced leaders to cope with leadership paradoxes.

In response to regional growth and increased demand, Datwyler invested in on-site sessions in Germany, Switzerland and the Czech Republic to further enhance the quality of the courses and deliver an impactful learning experience.

## **Talent and succession management**

In 2024, Datwyler reaffirmed its commitment to talent and succession management. Performance / potential calibration sessions of teams serve as a basis for talent conferences at a site, business unit and Datwyler level. Datwyler offers talented employees a portfolio of development opportunities such as personal career guidance.

## Performance management

### Gradual roll-out of a global job architecture and job grading

Datwyler continued the roll-out of a global job architecture and job grading system. This system aims to establish consistent HR practices and standards worldwide, enhancing career development, performance management, employee development and compensation practices.

### Personal performance appraisals support development

At Datwyler, individual targets are no longer used for determining variable remuneration. However, individual goals remain an integral part of supporting each employee's personal development. At least once a year, all leaders and employees engage in a structured dialog to discuss key tasks and Datwyler competencies and agree on development opportunities.



*Datwyler emphasizes fair and secure working conditions and an attractive, inclusive and agile work environment for all its more than 8'000 employees.*

## Compensation and benefits — pay transparency for equal pay

In preparation for the EU Pay Transparency Directive due in 2027, Datwyler is proactively analyzing, monitoring and assessing pay equity to ensure readiness. Supported by a market-leading pay analytics tool, we are currently undertaking the analysis first regionally for Europe.

## Employee surveys

Engaged, adaptable and motivated employees are essential to Datwyler's success. To measure employee satisfaction and engagement across a range of parameters, Datwyler regularly conducts a comprehensive employee survey, most recently in 2023 for the entire group. The score of 85 (out of 100)<sup>1</sup> reflects consistency with the previous survey in 2020 and surpasses the industry benchmark of 82. Our goal for next year is to maintain this high standard. In 2024, we took the preparatory steps for next year's survey, while continuing to implement the measures set out before.

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#### FOCUS TOPIC

## Value-driven engagement with customers

Datwyler collaborates closely with its customers, who predominantly operate in socially important market segments. Together with them, Datwyler can amplify its impact and create high-quality end-consumer products that save lives. Datwyler's components are essential in billions of syringes and in every second car worldwide, enhancing patient and driver safety under demanding conditions. At a strategic level, our focus is on securing the availability of important medicine components in partnership with our Healthcare customers. Through these strategic partnerships, Datwyler drives innovation and sustainability in delivering system-critical components.



## **Our long-term ambition**

To be perceived as a sustainability leader by customers.



## **Future key targets**

High rankings in customer service rating for sustainability.



## **Our approach**

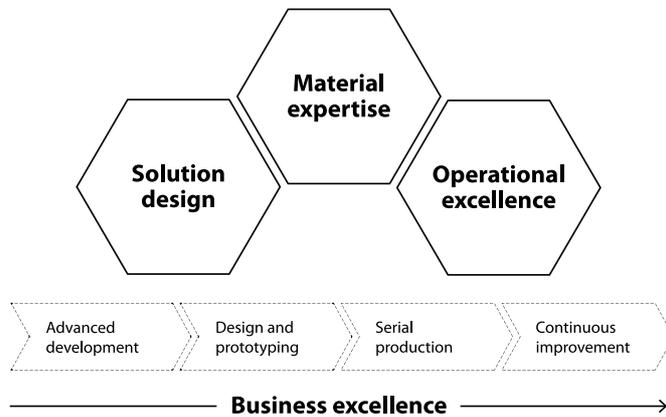
With more than 100 years of experience and a global production footprint, Datwyler's material, engineering and production expertise helps to make it a market leader for system-critical elastomer components.

Datwyler's zero-defect philosophy and Quality by Design approach ensure high standards in design and manufacturing, while sustainability has become an integral part of Datwyler's customer value proposition.

## **Supplying system-critical elastomer components**

Datwyler's core competencies of solution design, material expertise and operational excellence form the basis for its value-driven engagement and co-engineering approach with customers across industries. They allow Datwyler to support customers as a development partner – from the original design study and prototype phase through to global production of billions of parts throughout the entire life cycle of the product.

Datwyler's system-critical elastomer components are a key contribution to ensuring systems function properly and safely for customers in the socially important global Healthcare, Mobility, Connectivity, General Industry and Food & Beverage market segments.



## Driving sustainability through collaboration

Datwyler actively promotes its sustainability strategy as a value-add for customers. It is Datwyler's explicit goal to encourage sustainability-related collaborations with customers to maximize impact. Increasingly, customers are engaging Datwyler on environmental and social topics, with rising expectations for transparency on metrics like product carbon footprints.

The urgent need for emission reductions requires partnerships along the entire value chain. As a founding member of the Alliance to Zero, Datwyler actively contributes to this non-profit membership association, which represents the pharmaceutical supply chain. The Alliance aims to facilitate the pharma sector's transition to net-zero emissions, aligning with the goals of the Paris Climate Agreement.

## Customer satisfaction

Datwyler surveys customer satisfaction regularly, most recently in the fourth quarter of 2023. The survey was sent to all customers and we received around 500 meaningful customer responses in a fully self-developed digital survey to enhance sustainability. The results were published on a digital reporting platform, and a detailed overview was provided to initiate continuous improvement measures and action plans. All organizational units and sites were encouraged and supported in analyzing the results, extracting key measures for improvement and transparently sharing the feedback in our organization. Customers had the option to indicate the extent to which they agreed with various statements, resulting in a score from 0 to 10.

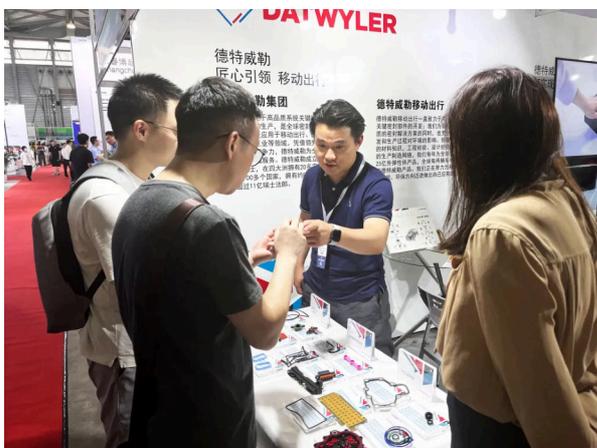
One key outcome of this survey was how Datwyler is perceived in the market, where the following ratings (0 to 10 – compared to our peers) were achieved:

- Datwyler offers high-quality products and services – rating 8.2
- Datwyler is a preferred partner/supplier for me – rating 7.9
- Datwyler is an innovative, technically advanced player – rating 7.9

At the end of the survey, the standard net promoter score (NPS) question, "How likely are you to recommend us on a scale from 0 to 10?" was asked, which resulted in the customer satisfaction rating measurement. In 2023, we achieved an NPS of 46.50<sup>1</sup> and our customers rated us better compared to our peers across all criteria. While we received a lower NPS than our previous survey in 2020 (56.50), our ambition does not stop here; we will continuously improve our products and services for our customers, the industry and markets.

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*Datwyler representatives regularly attend trade fairs to engage in dialog with customers and other partners and learn more about their needs.*

Datwyler includes sustainability-focused questions in its customer surveys to better understand how its efforts are perceived. Customers rated Datwyler's commitment to sustainability, governance practices, ability to meet sustainability requirements, and sustainable innovations, comparing these aspects to industry peers. Across all sustainability-related questions, customers rated Datwyler's performance as stronger than that of its competitors, reflecting Datwyler's dedication to high standards in environmental and social responsibility.

## **Customer health and safety and chemical compliance**

Datwyler complies with various chemical regulations at its production sites, meeting both statutory information obligations and specific industry and customer requirements. Key regulations include EU REACH (Regulation 1907/2006) and CLP (Regulation 1272/2008), recognized as among the strictest globally for the safety and handling of chemicals.

Through proactive chemical compliance management, Datwyler exceeds legal requirements to safeguard employee and customer health, ensuring products meet the demands of a dynamic global market. In 2024, Datwyler reported zero incidents of non-compliance concerning product health and safety standards.



FOCUS TOPIC

## Human rights and equal opportunities

Datwyler is committed to supporting and respecting human rights and labor standards and requires its business partners to do the same. By raising awareness of human rights issues and potential human rights impacts throughout its value chain, Datwyler can safeguard respect for the fundamental rights and dignity of all individuals in its workforce and throughout its value chain and minimizing operational and reputational risks related to human rights and labor standards.



## **Our long-term ambition**

Human rights considerations naturally taken into account in all business decisions.



## **Future key targets**

Embed human rights due diligence and considerations in all applicable key processes, contracts and relationships along the value chain.



## **Our approach**

Datwyler seeks to enhance awareness of human rights issues and their potential impacts across its global operations and workforce. With this increased awareness and focus on the topic, we expect that we and our business partners will become increasingly more proactive and effective in identifying, addressing and successfully preventing, ceasing or mitigating potential human rights issues.

## **Our commitment**

Datwyler is committed to high standards of business ethics and integrity. Our commitment to human rights is reflected in our official company values and in our Code of Conduct, as well as in the fact that we joined the UN Global Compact in 2009.

We recognize that business, wherever it operates, may potentially have an impact on human rights either through its own operations or via business relationships along the value chain. As such, Datwyler's respect for human rights extends to all individuals within its own operations and along the value chain, including all its employees, material customers, suppliers, business partners and other parties directly linked to its operations, products and services.

To further formalize our commitment to support and respect human rights by adopting responsible business practices aligned with internationally recognized human rights standards, we developed a dedicated Human Rights Policy, which was approved by both our Board and Executive Committee in 2023.

As part of Datwyler's risk management processes, this policy sets out an effective and proactive framework for our risk management of human rights issues through a human rights due diligence ("HRDD") process.

We are guided by international human rights frameworks, which include but are not limited to the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), the Core Labor Conventions of the International Labour Organization (ILO), the UNICEF Children's Rights and Business Principles (CRBP), and the OECD Guidelines for Multinational Enterprises.

## Progress in the reporting year

In 2024, we focused and delivered on the following:

- Refining our grievance and whistleblowing channels for reporting suspected human rights violations
- Conducting of our first CSR supplier audits
- Promoting human rights criteria in supplier-related topics such as supplier performance monitoring, sustainable procurement guidelines, and social and environmental clauses in procurement contracts
- Training for site leadership teams

In parallel, more actions were initiated and are moving forward in an orderly manner, for example embedding human rights topics in various HR processes, integration of human rights requirements in the supplier selection procedure, additional training and communication materials as well as human rights risk assessment of all operational sites and targeted suppliers.

 [More about human rights due diligence](#)

## Equal opportunities

Datwyler has zero tolerance for discrimination, humiliation, oppression, harassment or insults relating to anyone's gender, origins, nationality, culture, religion or color.

Our vision is to create an inclusive culture, where all of us can flourish – and build a sustainable future, together. One of our metrics to take our company's diversity, equity, inclusion and belonging (DEIB) pulse is the number of female employees in management positions, where the quota increased from 19.9% to 22.0%.

 [Data table](#)



FOCUS TOPIC

## Engagement for sustainability

At Datwyler, we're not just about doing business; we're about making a positive lasting impact in the neighborhoods where we operate. Through our engagement for sustainability, we strive to help our local communities thrive.

We encourage volunteering, make donations and enhance local infrastructure through local projects that make a real difference to people's lives. We believe that our success is closely linked to the well-being of the people living in the places we operate in. We're a part of your community, joining forces for a better future.



## **Our long-term ambition**

Engage Datwyler people at all our locations in relevant community work.



## **Future key targets**

At least one external community activity per location, per year.



## **Our approach**

### **Contributing to society**

In May 2024, the Brazilian state of Rio Grande do Sul was hit by severe weather that caused floods with extensive damage to the region where we operate. Datwyler and its teams around the globe demonstrated remarkable solidarity by offering financial assistance for immediate needs and donating to alleviate basic necessities, providing much-needed relief during a challenging time.

### **Fostering local communities**

Datwyler's major facilities significantly contribute to the local economies, providing both direct employment and indirect economic benefits. Municipalities benefit not only from the taxes paid by Datwyler and its employees, but also from the impactful community projects initiated at the sites. These projects are focused on education, addressing critical human needs, and promoting the inclusion of minority groups. As part of its broader educational initiatives, Datwyler supports the targeted development of talented students and strengthens Switzerland's position as a center of innovation through its contributions to the ETH (Federal Institute of Technology Zurich) Foundation.

In 2024, a consistent 70% of all locations engaged in at least one external community activity. By regularly sharing our stories, both internally and externally, we aim to create a ripple effect that inspires others to go above and beyond.

Our teams dedicate time to community service, having a positive local impact while strengthening team bonds. In 2024, our location in Middletown, USA, did team volunteering work at Our Daily Bread and our team in Viadanica, Italy, accompanied a group of young adults with disabilities on a skiing day. By participating in a running competition, a team from Alken, Belgium, collected money to donate to Pelicano to help children to sign up for sports.

## 2.6 Regulations, standards and frameworks

### TCFD report

Datwyler reports on climate-related risks and opportunities in alignment with TCFD guidelines (Task Force on Climate-Related Financial Disclosures), covering governance, strategy, risk management, and key metrics and targets.

 [TCFD report](#)

### Reference table on the non-financial matters of the Swiss Code of Obligations

This annual and sustainability report covers the information on non-financial matters required by the Swiss Code of Obligations. The table attached shows the relationship between the material topics for Datwyler and the non-financial matters in accordance with Article 964b of the Swiss Code of Obligations.

 [Swiss Code of Obligations](#)

### Human rights due diligence

Datwyler commits to support and respect human rights as outlined in the United Nations Guiding Principles on Business and Human Rights (UNGPs).

 [Human rights due diligence](#)

### GRI content index

Datwyler's Sustainability Report is an integral part of the Annual Report 2024. The reporting was compiled in accordance with GRI Standards 2021.

*The GRI content index will be available once the Content Index – Essentials Service has been completed by GRI Services.*

# UN Global Compact

Since 2009, Datwyler has been a member of the UN Global Compact. At the link below, you will find the Communication on Progress, which summarizes significant aspects of the ten principles of the UN Global Compact.



# TCFD report

Datwyler reports on climate-related risks and opportunities in alignment with TCFD guidelines (Task Force on Climate-Related Financial Disclosures), covering governance, strategy, risk management, and key metrics and targets. We provide insight into how we identify and manage both physical and transition risks and opportunities arising from climate change and their estimated impacts on the group. Utilizing scenario analysis to evaluate various future climate conditions, Datwyler's approach emphasizes resilience and adaptability in mitigating risks and leveraging opportunities in an evolving landscape.

## 1 Governance

To effectively embed ESG principles across our organization, we have established clear roles and responsibilities to ensure alignment, accountability, and active participation in our sustainability goals.

### 1.1 Role of Board of Directors

The Board of Directors holds ultimate responsibility for Datwyler's ESG strategy and reporting, supervising the Executive Committee and tracking progress towards goals, including employee incentives tied to climate targets. The sustainability report, which includes Datwyler's climate objectives, is reviewed and approved by the Board annually. Climate-related topics are discussed at any Board meeting when necessary.

## 1.2 Role of Executive Committee

While the Board oversees the sustainability strategy, the Executive Committee ensures the implementation, particularly in relation to climate issues. The CEO oversees risk assessments and manages budgets for climate initiatives. The CEO works closely with the Chief Sustainability Officer (CSO), who ensures the implementation of sustainability activities, including the development of the climate transition plan and the integration of climate-related considerations into the company's strategy. The CSO also works closely with Datwyler's Global Sustainability Team, which oversees sustainability efforts across all plants. The Sustainability Team, supported by EHS officers at the sites, is responsible for assessing climate risks and opportunities, monitoring progress on climate targets, and managing climate-related value chain engagement.

More detailed information on business integration can be found in the Sustainability Report.

 [Sustainability Report 2024](#)

To strengthen the focus on sustainability, the Board has integrated sustainability metrics into the company's variable incentive model. These indicators, accounting for 20% thereof, have applied to the Executive Committee and eligible employees since 2022. Three sustainability metrics are used, with greenhouse gas (GHG) reduction being weighted at 50%. This incentivizes employees to contribute to Datwyler's target of achieving climate-neutral operations by 2030.

## 2 Strategy

### 2.1 Identified climate-related physical and transition risks and opportunities

A distinction is drawn between physical and transitional climate-related risks. Physical risks arise from direct climate events, impacting operations, while transition risks arise from the decarbonization of the economy or from the resulting legal, social, economic or technological framework conditions. Datwyler assessed risks and opportunities in both categories and categorized them into short-term (1-3 years), medium-term (3-10 years) or long-term risks (10-30 years).

Physical risks were assessed using data-based tools like the WWF Risk Filter Suite or Thinkhazard, local and regional hazard-specific risk maps and interviews with the responsible on-site personnel. Transition risks and opportunities were assessed by internal stakeholder input, market screening, benchmarking and literature reviews.

## 2.2 Physical risks

Datwyler's relevant physical risks are summarized in pairs of chronic and acute risks, as they can be characterized and described in conjunctions. The risks identified are presented at an aggregated level, although we recognize that the assessments of the individual sites are heterogeneous. Further, Datwyler is fully aware of the interrelation of certain risks, like water scarcity and hot temperatures, and associated risks that are not explicitly addressed, like wildfires as extreme outcomes of water scarcity. These and further physical risks are part of Datwyler's regular business continuity and risk assessment.

### Changing temperature (chronic) and heat (acute)

#### Characterization

- short, medium and long term
- very likely
- small to medium impact
- upstream and own operations

#### Description and impact

Higher temperatures pose risks to all business units, impacting employees' health, increasing energy demand for cooling systems, and potentially causing production disruptions. Improving energy efficiency is essential to counter rising operational costs and maintain safe working conditions.

#### Approach

Datwyler is addressing rising temperatures by upgrading cooling systems, improving ventilation and implementing heat-related safety measures for employees, such as longer breaks in heat periods. At the same time, Datwyler invests in increasing energy efficiency to minimize production disruptions and manage increased energy consumption.

### Water scarcity (chronic) and drought (acute)

#### Characterization

- short, medium and long term
- likely
- medium impact
- upstream and own operations

## **Description and impact**

Regional water scarcity and occasional droughts pose a climate-related risk for operations, particularly impacting Healthcare production sites, where indirect costs may rise. Water-intensive processes in the upstream value chain are also vulnerable, with some plants already experiencing water availability challenges.

## **Approach**

To mitigate this risk, Datwyler is implementing water-efficient processes, recycling systems, and exploring alternative sources, such as soil extraction. Conducting water risk assessments is a key strategy, although this issue is not yet widespread across all operations.

## **Extreme weather (chronic) and related (acute) flooding, tropical cyclones etc.**

### **Characterization**

- short, medium and long term
- likely
- medium impact
- upstream and own operations

## **Description and impact**

Increasingly frequent extreme weather events, such as intense wind or heavy rainfall, are a growing risk to the value chain. Flood risks increase and endanger human safety, disrupt supply chains and threaten property, causing economic losses. Widespread storms and coastal flooding associated with tropical cyclones threaten infrastructure, logistics and entire communities with direct physical damage or detrimental effects, for example on water and energy supply.

## **Approach**

Datwyler strengthens facilities in high-risk areas and diversifies supply chains to adapt to extreme events. Key strategies include supply chain risk management through dual sourcing, regional contingency planning and building location-specific expertise to ensure continuity and minimize financial impact.

## 2.3 Transition risks and opportunities

Like the physical risks, transition risks and opportunities are presented on an aggregate level while being subject to deviances between regions, markets, etc.

### Risks

#### Reputational damage

##### Characterization

- medium and long term
- unlikely
- medium to high impact
- own operations

##### Description and impact

Reliance on fossil fuel-derived raw materials poses reputational risks as stakeholders increasingly emphasize sustainability and emission reductions, especially among customers with ambitious climate goals. Incidents, such as oil leaks, could further damage environmental perception, though this challenge is industry-wide and affects all market participants similarly.

##### Approach

Datwyler is advancing projects aimed at reducing fossil fuel reliance in elastomer manufacturing and is exploring the use of recycled materials, focusing on repurposing manufacturing scrap into new components. Global alignment of sustainability goals is prioritized to ensure consistency, enhancing Datwyler's resilience and distinguishing its reputation in sustainable innovation.

#### Strong regulatory constraints

##### Characterization

- medium and long term
- likely to very likely
- medium impact
- upstream and own operations

##### Description and impact

Climate-related regulations imposing costs on greenhouse gas emissions at Datwyler's production plants could raise operational expenses. Potential material bans also present a risk, prompting Datwyler to proactively seek alternatives.

## Approach

Datwyler reduces GHG emissions to lessen reliance on carbon certificates, aligning closely with its ambitious renewable electricity goals. Additionally, the company continuously monitors regulatory trends to stay prepared and proactively addresses potential restrictions on materials.

## Increased cost of raw materials and market demand shifts

### Characterization

- short and medium term
- very likely
- high impact
- upstream and downstream

### Description and impact

Datwyler relies on specialized raw materials, and shifting market preferences, regulations or supply chain disruptions could increase material costs, presenting a financial risk. Availability may also be impacted by geopolitical factors, potentially leading to shortages in essential inputs like synthetic rubber.

## Approach

Datwyler regularly re-evaluates its supply chain and raw materials as well as market demands and customer preferences, actively seeking and adopting alternatives to ensure resilience. For example, while dual sourcing or market analyses are priorities to mitigate risks, Datwyler also focuses on improving material efficiency and reducing waste.

## Risk of technology obsolescence

### Characterization

- medium and long term
- unlikely to likely
- small impact
- own operations and downstream

### Description and impact

The shift toward lower-emission alternatives may reduce demand for certain products, potentially impacting Datwyler's revenue and requiring investment. As industries increasingly prioritize sustainability, new applications are expected to emerge, favoring solutions with minimal fossil carbon content.

## **Approach**

Datwyler is committed to the continuous development of products and services, gradually introducing new offerings while phasing out older ones to support customer transitions toward sustainability. For example, Datwyler is developing new sustainable products. Careful timing of product introductions is critical, as substituting old products does not automatically guarantee better suitability for evolving needs.

## Opportunities

### **Enhancing a strong reputation**

#### **Characterization**

- medium term
- likely
- medium impact
- own operations and downstream

#### **Description and impact**

Datwyler's commitment to sustainable operations and value chain practices is expected to attract customers prioritizing sustainability in their supply chains. While sustainability influences sourcing decisions, Datwyler must balance its commitments to avoid increased costs or losing its competitive edge. Sustainability's reputational importance varies globally but maintaining strong practices can help secure business in the future.

## **Approach**

By proactively engaging in sustainability efforts, transparent disclosures and achieving high ratings, Datwyler strengthens its position and differentiates itself in the market. Adapting offerings and timing to align with each market's regulations allows sustainability to serve as a unique selling point.

### **Renewable energy adoption**

#### **Characterization**

- short to medium term
- very likely
- medium to high impact
- own operations

## **Description and impact**

Transitioning to renewable energy could provide Datwyler with a competitive advantage and strategically buffer rising fossil fuel costs. However, this must be well balanced with the feasibility of a strict transition or required energy storage capacity, as the financial impact may be significant; purchasing renewable electricity from the market still exposes the company to some price fluctuations.

## **Approach**

Datwyler has a clear transition plan that meets both economic and environmental requirements and is well on track to achieving 100% renewable electricity in 2030. The energy transition is a core part of Datwyler's resilience strategy, including the expansion of energy partnerships.

## **Diversifying business activities**

### **Characterization**

- medium to long term
- very likely
- high impact
- own operations and downstream

## **Description and impact**

Regulation following international agreements, like the Paris Agreement, or disruptive developments like new technology foster changing and evolving markets. These are subject to regional differences but offer potentially growing revenues and market shares.

## **Approach**

Datwyler identifies related market opportunities and explores new market niches. Datwyler emphasizes diversifying business activities and agility and employs a tailored approach to broaden addressable market potential.

## **Development of new products**

### **Characterization**

- short to medium term
- likely
- medium to high impact
- own operations and downstream

## **Description and impact**

Diversifying business activities goes hand in hand with developing new innovative products that could reduce the demand for fossil fuels in the elastomer manufacturing process. As creating entirely new markets is unlikely, it is more feasible to develop new products or services within existing markets.

## **Approach**

Datwyler is actively exploring new and alternative raw materials, along with developing fossil-free materials. Eco-design checklists are integrated into the product design process, aiming for global solutions that advance sustainability, such as sourcing sustainable alternatives for existing materials.

## **Resource efficiency**

### **Characterization**

- ➔ medium term
- ➔ likely to very likely
- ➔ low to medium impact
- ➔ own operations

## **Description and impact**

Implementing more efficient production and distribution processes enhances operating efficiency. However, significant investments – such as replacing old equipment – may be required. While this increases costs in the short term, these efficiency improvements are essential for building resilience regarding resource dependency.

## **Approach**

Improving metrics for energy, raw material and water intensity across the product value chain, alongside waste reduction, is critical to Datwyler's sustainability goals. Key actions include investing in energy- and resource-saving technologies, and increasing recycling efforts. Data tracking and analytics play a major role, as will regular energy audits to identify further efficiency improvements.

## 2.4 Impact of climate-related risks and opportunities on business activity, financial planning and strategy

Climate-related risks and opportunities (CRROs) have direct and growing financial implications and are integrated strategically: Carbon pricing from regulatory and market-based systems incentivizes us to further decarbonize our energy supply and to intensify our efforts to investigate the development and use of fossil-free alternatives for raw materials. For example, twenty production sites are already sourcing renewable electricity, and eight are using solar power generated on site. Also, Datwyler's local procurement teams are provided with global standardized guidelines and supplier management processes that are aligned with our ESG strategy. This includes encouraging suppliers to propose more sustainable materials to replace existing products completely or to be used in new developments.

Several risks and opportunities relate to specific markets Datwyler serves. For example, electric mobility as a general transformative trend underpins our commitment to the global ambition of reducing GHG emissions and we deliver a diverse range of updated and novel technological concepts and parts. Risks may also turn into opportunities, depending on socio-economic contexts and Datwyler's capacity to leverage them.

## 2.5 Scenario analysis

As part of our strategic considerations, we performed a climate scenario analysis, using three official IPCC scenarios, i.e. combinations of shared socio-economic pathways (SSP) and representative concentration pathways (RCP). A sustainable "green road", a "middle of the road" and a fossil-fuel-dominated "rocky road" scenario were considered.

### SPP and RCP scenarios

#### **SSP1 2.6 "Sustainability – taking the green road"**

##### **Description**

- The world shifts gradually, but pervasively, toward a more sustainable path.
- Global collaboration and coordination foster adaptation and mitigation.
- Environmental boundaries are respected.
- Inequality is reduced between and within countries, due to increasing commitment to achieving the SDGs.
- Consumption is oriented toward low material consumption, lower resource and energy intensity.
- Anthropogenic GHG emissions are drastically reduced by 2030, aiming to keep global warming well below 2°C, ideally around 1.5°C, by 2100.

## Impacts

- ➔ **Sustainability focus**  
Increased demand for environmentally friendly and sustainable products. Meeting expected market demands, Datwyler continues to adapt products and services with a focus on sustainability and circularity.
- ➔ **Regulatory compliance**  
Stricter environmental regulations require investment in green technologies and sustainable practices but offer opportunities for innovation and leadership in eco-friendly products.
- ➔ **Market growth**  
Positive growth in global markets due to reduced inequalities and increased investment in sustainable infrastructure.
- ➔ **Energy efficiency**  
Lower resource and energy intensity, leading to reduced operational costs.
- ➔ **Global collaboration**  
Stronger international collaboration could streamline supply chains and reduce trade barriers.

## SSP2 4.5 "Middle of the road"

### Description

- Social, economic and technological trends do not shift markedly.
- Only slight and slow global collaboration and coordination.
- Environmental systems experience degradation, despite some improvements.
- Development and income growth proceed unevenly, with some countries making progress while others fall short. Inequality persists between and within countries.
- Socio-economic and environmental challenges remain. The intensity of resource and energy use declines but not uniformly.
- GHG emissions peak around mid-century (2040-2050) and drop by half until 2100, leading to global warming between 2°C and 3°C.

### Impacts

- ➔ **Moderate demand**  
Steady demand for high-quality elastomer components across various sectors, with moderate emphasis on sustainability.
- ➔ **Uneven growth**  
Varied growth rates across different regions, with developed countries experiencing slower growth compared to emerging markets.
- ➔ **Regulatory variability**  
Inconsistent regulatory environments may create operational challenges and necessitate diverse compliance strategies.
- ➔ **Supply chain stability**  
Relatively stable but sometimes inefficient supply chains due to uneven global collaboration and moderate resource use efficiency.

→ **Competitive landscape**

Competition remains steady, with potential opportunities in regions making progress in economic development.

## SSP3 7.0/8.5 "Regional rivalry – a rocky road"

### Description

- Regional and national conflicts increase competition and security concerns.
- Low collaboration and priority for climate and the environment.
- High challenges for climate change adaptation and mitigation.
- Strong environmental degradation due to exploitation of natural resources and intensive use of fossil energy.
- Uneven growth of average income, with some regions experiencing stagnation or decline, increased inequalities.
- High consumption and energy use, particularly in developing regions.
- GHG emissions keep rising until 2100, global warming exceeds 3°C, potentially reaching or surpassing 4°C.

### Impacts



**High operational costs**

Increased costs due to high energy consumption and intense competition for natural resources.



**Market instability**

Economic and political instability in key regions may disrupt production and sales.



**Regulatory challenges**

Diverse and possibly stringent local regulations create complexities in compliance and increase operational risks.



**Supply chain disruptions**

Frequent disruptions in global supply chains due to regional conflicts and low international cooperation, leading to increased lead times and higher costs.

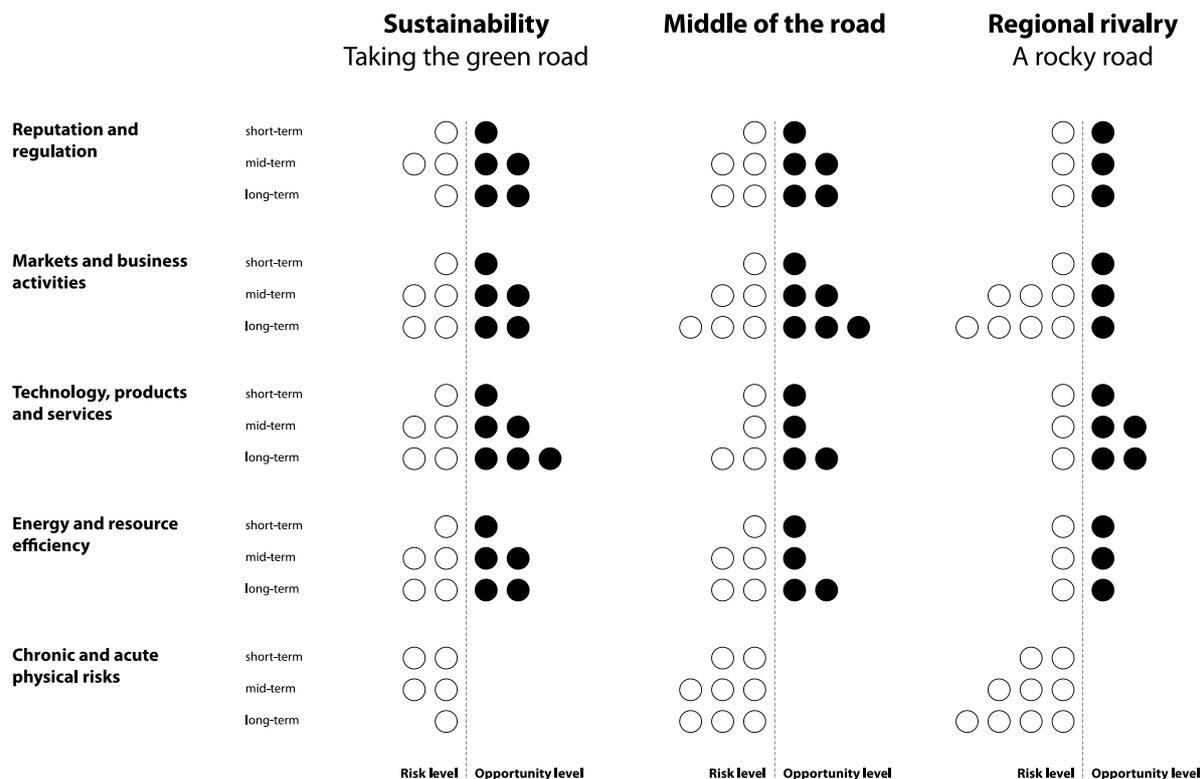


**Inequality and consumption**

High population growth in developing countries may increase demand for certain products, but economic disparities could limit market potential in these regions.

## Scenario analysis

The selected scenarios were assessed across short-, medium- and long-term timeframes. As part of the scenario analysis, transition risks and opportunities were aggregated into meaningful categories. Each category was then evaluated regarding its potential impact and probability. The products of these specific ratings are shown in the chart below, providing the respective risk and opportunity level on a range from low (1 circle) to very high (4 circles).



## Strategic points

The scenario analysis underscored several strategic points.

## Physical risks

Acute and chronic physical risks do not bear the potential for direct opportunities but are indirectly related to transition opportunities, e.g. regarding their implications on water resource efficiency. Physical risks are expected to increase across all scenarios. In the "Regional rivalry" scenario, however, these risks become nearly unmanageable in the long term, putting large parts of the value chain at risk. This scenario demands significant financial expenditures (e.g. insurance). The other scenarios show more manageable physical risks and pose less of a financial burden, peaking in the mid-term at a lower magnitude in the "Sustainability" scenario and stabilizing in the "Middle of the road" scenario.

## Transition risks and opportunities

Across the four aggregated transition categories, risks and opportunity trade-offs vary by scenario:



### Regional rivalry scenario

Risks are generally low but so are opportunities – except for "Technology, products and services" related to fossil fuels, which can advance with few restrictions. However, "Markets and business activity" shows the highest risks over time due to expected supply chain disruptions and market segregation. A strategy could be developed by Datwyler to leverage minor opportunities, but the overarching challenges remain predominant.

### → **Middle of the road scenario**

This scenario presents medium to high risk and opportunity levels, often balancing each other. This reflects significant uncertainty as it lacks a clear trend toward either sustainability or regional rivalry. In this scenario, a less defined strategic approach is required for Datwyler, as the significant uncertainty forces reactive measures to adapt to changing circumstances. Decision-making tends to focus on relatively short-term actions.

### → **Sustainability scenario**

Opportunities outweigh risks here, with global cooperation and sustainability providing Datwyler the chance to differentiate itself as a market leader. In this sustainable setting, Datwyler's transition plan, which includes large fractions of renewable energy, dual-sourcing supply chains and new materials and technology, is expected to be beneficial.

## 2.6 Resilience

Datwyler has developed a comprehensive approach to managing climate-related risks and leveraging opportunities to enhance resilience. Climate risks are embedded into Datwyler's business continuity and risk management process, enclosing climate adaptation and mitigation into its business strategy. This includes emergency plans regarding natural hazards. Further, Datwyler has set ambitious climate-related goals and committed to Science-Based Targets.

Since 2023, we have expanded our assessment of climate-related risks and opportunities (CRROs), refining methods to include site-specific evaluation. We conduct climate scenario analyses to evaluate CRROs across various climate projections in order to ensure our future resilience. According to the results of these analyses, we consider ourselves to be equipped for various future developments, seeing most opportunities in the sustainability scenario.

To mitigate climate risks and capture growth opportunities, Datwyler is diversifying its supply chain, increasing renewable energy use and investing in sustainable products. Strong global collaboration and alignment with regulatory standards help the company to maintain operational stability and competitiveness. By regularly assessing different risk and opportunity categories, Datwyler adapts its business strategy to maximize opportunities and minimize risks, ensuring the continued resilience of its business model.

## 3 Risk management

### 3.1 Risk identification process

Climate-related risks are integrated into the overall business continuity and risk management process. Risks are continuously re-evaluated and communicated between different levels of the company. Scenario analyses are conducted to explore opportunities and address the growing scope of risks. The management of each business area is responsible for identifying significant risks, and informing the Executive Committee and the Board of Directors about potential developments.

## 3.2 Risk management

Once risks are identified and assessed, management develops and implements measures to reduce the likelihood of occurrence and mitigate potential impacts. These measures are regularly monitored and reviewed as part of the continuous risk management process. Datwyler employs business continuity planning (BCP) to assess and mitigate climate-related risks, with the goal of preventing disruptions to critical operations and ensuring quick recovery. The BCP process includes key ESG risks, such as climate change, and accounts for events like natural disasters and fires. The risk management system at Datwyler production sites is based on ISO 31000 standards, incorporating regular audits to ensure compliance and readiness.

## 3.3 Risk integration

Climate-related risks are embedded into Datwyler's institutionalized risk management system. Sustainability risks, including those related to climate change and the supply chain, are classified based on their impact at the Group, business unit and production site levels. The CFO and the Head of Internal Audit oversee the risk management process through active exchanges and meetings with business areas. Risks are consolidated, reviewed and reported annually to the Board of Directors, ensuring uniform evaluation across the Group. The Board holds the ultimate responsibility for assessing risks, with coordination led by the Head of Internal Audit.

# 4 Metrics and goals

Datwyler assesses progress and discloses comprehensive key metrics and targets on sustainability and GHG emissions as part of the sustainability reporting. All climate-related metrics and targets can be found in the chapter "[Environmental](#)" in the Sustainability Report. Progress regarding our transition plan is measured based on several of these indicators.

The corresponding climate transition plan is available in the chapter "[Climate-neutral operations 2030](#)". Highlighting the fraction of renewable energy as one of Datwyler's core metrics, we are well on track to achieving the set targets, e.g. electricity from renewable sources increased from 38% in 2023 to 64% in 2024.

Datwyler engages regularly with shareholders and investors, integrating their feedback on the ESG strategy and the climate transition plan. By aligning our operations with sustainability goals and focusing on GHG reductions, Datwyler aims to strengthen its market position and significantly lower its environmental footprint.

# Swiss Code of Obligations

This annual and sustainability report covers the information on non-financial matters required by the Swiss Code of Obligations. The table attached shows the relationship between the material topics for Datwyler and the non-financial matters in accordance with Article 964b of the Swiss Code of Obligations.

This non-financial report has been established in accordance with Art. 964a et. seq. of the Swiss Code of Obligations (CO). As per the Swiss Code of Obligations, companies are required to report annually on non-financial concerns and implement a due diligence process to cover potential child labor and conflict minerals risks. With regard to conflict minerals due diligence, after evaluation it has been determined that this is a topic not applicable to Datwyler, since we do not import any of the materials in scope (tin, tantalum, tungsten, and gold). However, we cannot exclude the possibility that traces of some of these materials are present in certain metal-based materials that we purchase, but the import and processing volumes are definitely well below the threshold values.

With regard to child labor due diligence, Datwyler makes use of the exception of the law and adheres to the international standards in their entirety, which means that we are implementing a Human Rights Due Diligence (HRDD) process according to international standards, namely the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises.

## Human Rights Due Diligence

The content of the non-financial report is based on the legal requirements set out by the CO and focuses on environmental matters, social matters, labor matters, respect for human rights, and combating corruption. However, since it is structured according to our twelve focus topics, the following CO reference table should serve as a guide.

# Swiss Code of Obligations (CO) reference table

Non-financial matters according to Art. 964b CO

| Material topic                           | Chapter of the non-financial report |
|--|-------------------------------------|
| <b>Environmental matters</b>             |                                     |
| └ Climate-neutral operations 2030        | 2.4 Environmental topics            |
| └ Eco-design                             | 2.4 Environmental topics            |
| └ Resource-friendly production           | 2.4 Environmental topics            |
| └ Sustainable supply chain               | 2.4 Environmental topics            |
| <b>Social matters</b>                    |                                     |
| └ Compliance and ethics                  | 2.3 Governance topics               |
| └ Value-driven engagement with customers | 2.5 Social topics                   |
| └ Human rights and equal opportunities   | 2.5 Social topics                   |
| └ Engagement for sustainability          | 2.5 Social topics                   |
| <b>Employee matters</b>                  |                                     |
| └ Employer of choice                     | 2.5 Social topics                   |
| └ Human rights and equal opportunities   | 2.5 Social topics                   |
| <b>Respect for human rights</b>          |                                     |
| └ Compliance and ethics                  | 2.3 Governance topics               |
| └ Human rights and equal opportunities   | 2.5 Social topics                   |
| <b>Combating corruption</b>              |                                     |
| └ Compliance and ethics                  | 2.3 Governance topics               |

The Board of Directors of Datwyler approved the non-financial report for 2024.

On behalf of the Board of Directors and the Executive Committee



**signed: Dr. Paul Hälgi**

Chairman



**signed: Volker Cwielong**

CEO

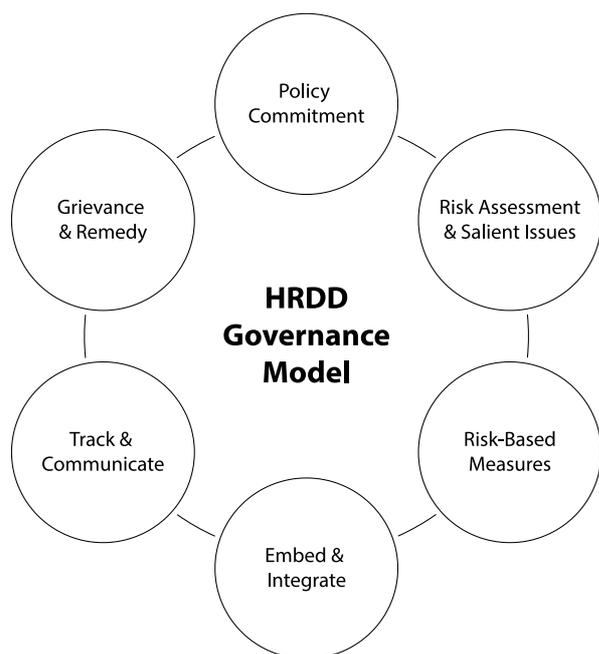


**signed: Sabrina Gérard**

Chief Sustainability Officer (CSO)

# Human Rights Due Diligence (HRDD)

Datwyler's goal is to conduct a human rights due diligence process throughout the business to proactively identify, assess, cease, prevent, or mitigate actual or potential human rights risks and impacts along the value chain. To this end, we are committed to align our HRDD framework with internationally recognized standards such as the UNGPs and the OECD Guidelines for Multinational Enterprises.



This HRDD framework encompasses the following six steps, as also covered by our [Human Rights Policy](#):

1. Policy commitment
2. Identify, assess, and prioritize actual and potential human rights impacts
3. Cease, prevent, or mitigate adverse human rights impacts
4. Embed and integrate respect for human rights
5. Track and communicate performance
6. Access to grievance and remedy

Each of these interconnected steps is further detailed below.

## 1 Policy commitments

The dedicated Human Rights Policy further reinforces Datwyler's commitment to support and respect human rights and guides the implementation of the HRDD framework for the company.

Approved and signed by our Chairman and CEO, this policy is globally valid and underlies all business activities and relationships.

The Human Rights Policy has been developed by consulting different stakeholders, both internal and external, such as those participating in the different workshops that led to the identification and approval of the salient human rights issues in our value chain.

## 2 Identify and assess actual and potential impacts and prioritize human rights issues

Datwyler does not attribute more importance to one human right over another. Nevertheless, for the practical implementation of its human rights commitment, Datwyler focuses on the following topics (in alphabetical order), to the extent they may have adverse human rights impacts, that are the most salient to our business according to their scale, scope, and remediability:

- Child labor
- Consumer and product safety
- Corruption
- Environmental issues impacting human rights
- Forced labor
- Labor conditions
- Occupational health and safety

The whole process of identifying, assessing and prioritizing our salient human rights issues involved the consultation of over thirty internal and external stakeholders from different sectors, functions and geographies, assessing the potential severity of each issue's impact and the company's leverage.

These salient human rights issues will be periodically re-assessed via systematic human rights risk and impact assessments conducted in accordance with the UNGPs.

Also, and despite the non-attribution of more importance to one human right over another, when it comes to children rights we commit to: (i) respect children's right to be free from child labor, (ii) permit safe work for children above the applicable minimum age, if such work exists, and (iii) seek to follow the higher standards, where and when feasible, whenever local laws are less stringent than Datwyler's policies and internationally recognized human rights and labor standards.

### 3 **Cease, prevent, or mitigate adverse human rights impacts**

Based on the human rights risks and impacts identified and in a continued dialog with internal and external stakeholders, Datwyler defines and implements appropriate measures to cease, prevent, or mitigate adverse human rights impacts across the value chain. An important step in this process is the adequate implementation of human rights standards across the company and the progressive embedding of these standards in different business processes.

In the next financial year we will focus on the following:

- Continue progressively embedding human rights topics into our internal processes
- Provide training to the organization to continue building awareness on human rights
- Perform supplier risk assessment to identify those with heightened human rights risk
- Perform own operations risk assessment to identify those with heightened human rights risk
- Continue refining our grievance and whistleblowing channels
- Take measures to cease, prevent or mitigate identified human rights risks and impacts in our own operations and supplier risk assessments

### 4 **Embed and integrate respect for human rights**

In order to further disseminate human rights-related prevention and mitigation measures, these will be, to the extent possible, progressively integrated into the company processes, training courses and documents.

Having taken the initial measures in 2023, including publication and dissemination of our Human Rights Policy, initial training and communication and update of our employee and supplier Code of Conduct, in 2024 we focused and delivered on the following:

- Refining our grievance and whistleblowing channels for reporting suspected human rights violations
- Conducting of our first CSR supplier audits
- Promoting human rights criteria in supplier-related topics such as supplier performance monitoring, sustainable procurement guidelines, and social and environmental clauses in procurement contracts
- Training for site leadership teams

In parallel, more actions were initiated and are moving forward in an orderly manner, for example embedding human rights topics in various HR processes, integration of human rights requirements into the supplier selection procedure, additional training and communication materials as well as human rights risk assessments of all operational sites and targeted suppliers.

## 5 Track and communicate performance

Datwyler commits to report, in its annual sustainability report, on the progress of its efforts to address the identified and prioritized human rights issues and mitigation measures.

To monitor and track the effectiveness of our defined mitigation measures, we use a management system with specific key performance indicators that allows us to have a clear view of the progress being made.

In 2024, Datwyler achieved good progress with an overview of the key performance indicators below:

- Number of processes and documents in which human rights issues are included: 13 processes and documents, of which seven are completed and six are ongoing (see chapter 4)
- Number of suppliers that are assessed for human rights risks: clear criteria have been defined, the risk assessment will be carried out accordingly starting in 2025
- Number of sites that are assessed for human rights risks: all sites completed the risk assessment
- Number of human rights due diligence training sessions: two sessions were provided to site directors and site leadership team of all locations

## 6 Access to grievance and remedy

Datwyler attaches great importance to living a culture of integrity and shared responsibilities. Anyone who has a legitimate concern can freely speak up, without fear of retaliation, verbally or in writing, either with the appropriate manager or via our Compliance and Whistleblowing Hotline. This whistleblowing system ensures anonymity and data protection and is available in 10 languages.

Our Code of Conduct, Human Rights Policy, and other internal documentation and training also include detailed descriptions of our reporting channels.

When adverse human rights impacts are uncovered due to Datwyler business activities or from links to its operations, the company is committed to taking timely and transparent action to remediate in a fair and equitable manner in line with the UNGPs. Where Datwyler finds impacts directly linked to its business relationships, to the extent possible, it will use its influence to encourage suppliers and business partners to respect human rights.

## 2.7 Appendix

### ESG data tables

#### Energy consumption

|  | 2020    | 2021    | 2022    | 2023    | 2024    |
|--|---------|---------|---------|---------|---------|
| <b>Total energy</b><br>(MWh)                           | 247'079 | 267'876 | 308'934 | 318'114 | 316'890 |
| └ of which<br>renewable<br>sources (MWh)               | 39'610  | 79'117  | 90'856  | 97'761  | 160'291 |
| └ Proportion of<br>renewable<br>sources                | 16.0 %  | 29.5 %  | 29.4 %  | 30.7 %  | 50.6 %  |
| Total energy per<br>net revenue<br>(MWh/CHF millions)  | 296.2   | 282.7   | 268.5   | 276.3   | 286.1   |
| <b>Heating fuels</b><br>(MWh)                          | 60'387  | 64'001  | 66'220  | 67'420  | 68'089  |
| Heating fuels per<br>net revenue<br>(MWh/CHF millions) | 72.4    | 67.5    | 57.6    | 58.5    | 61.5    |
| Overview<br>electricity +<br>district heating<br>(MWh) | 186'692 | 203'848 | 242'714 | 250'694 | 248'801 |
| <b>Of which<br/>electricity</b> (MWh)                  | 183'109 | 199'959 | 239'507 | 247'690 | 245'692 |

|  | 2020   | 2021   | 2022    | 2023    | 2024    |
|--|--------|--------|---------|---------|---------|
| └ of which self-generated electricity (photovoltaic) (MWh) | X      | X      | X       | 4'390   | 6'203   |
| └ of which renewable sources (MWh)                         | 36'162 | 75'375 | 87'729  | 94'794  | 157'366 |
| └ Proportion of renewable sources                          | 19.7 % | 37.7 % | 36.6 %  | 38.3 %  | 64.1 %  |
| └ Electricity per net revenue (MWh/CHF millions)           | 219.5  | 211.0  | 208.2   | 215.1   | 221.8   |
| <b>Of which district heating (MWh)</b>                     | 3'583  | 3'889  | 3'207   | 3'004   | 3'109   |
| └ of which renewable sources (MWh)                         | 3'448  | 3'715  | 3'127   | 2'967   | 2'925   |
| └ Proportion of renewable sources                          | 96.2 % | 95.5 % | 97.5 %  | 98.8 %  | 94.1 %  |
| <b>Net revenue (CHF millions)</b>                          | 834.1  | 947.6  | 1'150.6 | 1'151.5 | 1'107.7 |

For the reporting of energy consumption, all controlled entities, as per financial statement are included in 2024. For newly acquired companies, energy consumption was included in the first full calendar year until 2021. Since 2022, the newly acquired companies are included right after the successful acquisition. The energy consumption of the acquired company Xinhui (China) was included for the first time in March 2022 and QSR (USA, Mexico and China) in May 2022.

## Greenhouse gas emissions (CO<sub>2</sub>eq)

|  | 2020   | 2021   | 2022    | 2023                 | 2024                 |
|--|--------|--------|---------|----------------------|----------------------|
| <b>Total scope 1 and 2 (market-based) emissions</b> (tons)                     | 80'159 | 78'155 | 90'478  | 90'116 <sup>6</sup>  | 61'289 <sup>6</sup>  |
| └ of which scope 1 <sup>1</sup> (tons)   | 12'509 | 13'285 | 13'798  | 13'819 <sup>6</sup>  | 17'718 <sup>6</sup>  |
| └ of which scope 2 <sup>2</sup> - market-based (tons)                          | 67'650 | 64'870 | 76'680  | 76'297 <sup>6</sup>  | 43'571 <sup>6</sup>  |
| └ of which scope 2 <sup>3</sup> - location-based (tons)                        | –      | 80'419 | 94'901  | 101'905 <sup>6</sup> | 100'287 <sup>6</sup> |
| <br>   |        |        |         |                      |                      |
| Total scope 1 and 2 emissions per net revenue <sup>4</sup> (tons/CHF millions) | 96.1   | 82.5   | 78.6    | 78.3 <sup>6</sup>    | 55.3 <sup>6</sup>    |
| <br>   |        |        |         |                      |                      |
| Net revenue (CHF millions)   | 834.1  | 947.6  | 1'150.6 | 1'151.5 <sup>6</sup> | 1'107.7 <sup>6</sup> |
| <br>   |        |        |         |                      |                      |
| Biogenic emissions <sup>5</sup> - outside of scopes tons                       | 1'207  | 1'300  | 1'094   | 1'038 <sup>6</sup>   | 1'024 <sup>6</sup>   |

For the reporting of CO<sub>2</sub>eq emissions, all controlled entities, as per financial statement are included in 2024. Consolidating GHG emissions is based on the financial control approach. For newly acquired companies, CO<sub>2</sub>eq emissions were included in the first full calendar year until 2021. Since 2022, the newly acquired companies are included right after the successful acquisition. The CO<sub>2</sub>eq emissions of the acquired company Xinhui (China) were included for the first time in March 2022 and QSR (USA, Mexico and China) in May 2022. The greenhouse gas inventory was calculated in line with WRI/WBCSD Greenhouse Gas Protocol guidelines. Scope 1: direct GHG emissions. Emission factor used: DEFRA. Scope 2: indirect GHG emissions arising from the production of electricity and district heating purchased by the companies. Emissions factors used: IEA, EPA eGRID and DEFRA.

1. GHG emissions reported in scope 1 are from stationary (non-transport) combustion of fossil fuels at the facilities (e.g. boilers, turbines, process heat). Since 2024, direct GHG emissions associated with fuel combustion from mobile sources (vehicle fleet), direct fugitive emissions from refrigeration / air conditioning and emissions from oxidation in our catalytic oxidizer systems (CatOx) are also included. These additional categories increased our scope 1 emissions by 3'716 tons.
2. To calculate emissions from a 'market-based approach', for sites with renewable electricity, the emissions factors reflect emissions from electricity that sites have purposefully chosen (contractual agreements with electricity providers) and for the rest of the sites the national grid emission factors were used.
3. To calculate emissions from a 'location-based approach', national grid emission factors were used for all sites.
4. The GHG intensity ratio is based on scope 1 and scope 2 (market-based) emissions per net revenue, as this is the best available approximation of the development of production output.
5. Biogenic emissions reported stem from district heating at the site in Switzerland, which obtains process and heating energy from a nearby wood-fired heating plant, and take into account the direct carbon dioxide (CO<sub>2</sub>) impact of burning biomass, assuming 100% conversion of the energy burned. The corresponding methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) emissions are reported in Scope 2 as of 2023.
6. Assured through KPMG

## 2023

|  | tons    | %  |
|--|---------|----|
| <b>Total scope 1 emissions</b>               | 13'819  | 2  |
| <b>Total scope 2 emissions</b>               | 76'297  | 14 |
| <b>Total scope 3 emissions</b>               | 461'901 | 84 |
| └ Purchased goods and services               | 396'644 | 72 |
| └ Capital goods                              | 2'879   | 1  |
| └ Fuel- and energy-related activities        | 6'898   | 1  |
| └ Upstream transportation and distribution   | 19'237  | 3  |
| └ Waste generated in operations              | 2'383   | 0  |
| └ Business travel                            | 4'657   | 1  |
| └ Employee commuting                         | 12'648  | 2  |
| └ Downstream transportation and distribution | 5'488   | 1  |
| └ End-of-life treatment of sold products     | 11'067  | 2  |

For the reporting of CO<sub>2</sub> emissions, all controlled entities, as per financial statement are included.

## Water withdrawal

|  | 2020      | 2021      | 2022      | 2023      | 2024      |
|--|-----------|-----------|-----------|-----------|-----------|
| <b>Groundwater cooling system<sup>1</sup></b><br>(m <sup>3</sup> ) | 828'087   | 913'404   | 1'057'769 | 747'230   | 1'024'054 |
| <b>Drinking/industrial water</b> (m <sup>3</sup> )                 | 1'564'028 | 1'523'875 | 1'657'848 | 1'782'699 | 1'641'112 |
| Water per net revenue<br>(m <sup>3</sup> /CHF millions)            | 1'875.1   | 1'608.1   | 1'440.9   | 1'548.2   | 1'481.5   |

|                               |       |       |         |         |         |
|-------------------------------|-------|-------|---------|---------|---------|
| Net revenue<br>(CHF millions) | 834.1 | 947.6 | 1'150.6 | 1'151.5 | 1'107.7 |
|-------------------------------|-------|-------|---------|---------|---------|

For the reporting of water withdrawal, all 27 production sites are included in 2024. Locations where only office activities take place were excluded due to their low impact. For newly acquired companies, water consumption was included in the first full calendar year until 2021. Since 2022, the newly acquired companies are included right after the successful acquisition. The water consumption of the acquired company Xinhui (China) was included for the first time in March 2022 and QSR (USA, Mexico and China) in May 2022.

1. Groundwater withdrawal in Switzerland for the groundwater cooling system. Since this is a closed-loop system at our production site, it is reported separately and is not included in either the "Drinking/industrial water" line or the "Water per net revenue" line.

## Waste disposal

|   | 2020   | 2021   | 2022    | 2023    | 2024    |
|---|--------|--------|---------|---------|---------|
| <b>Total waste</b> (tons)                             | 14'119 | 17'205 | 20'656  | 21'488  | 21'881  |
| └ of which<br>regular waste<br>(tons)                 | 13'361 | 16'435 | 19'617  | 20'514  | 20'828  |
| └ of which<br>hazardous<br>waste (tons)               | 758    | 770    | 1'039   | 974     | 1'053   |
| └ of which<br>recycling /<br>reuse (tons)             | 10'253 | 12'750 | 14'452  | 15'440  | 16'224  |
| └ of which<br>incinerators /<br>landfill (tons)       | 3'866  | 4'455  | 6'204   | 6'048   | 5'657   |
| Proportion of<br>waste sent for<br>recycling or reuse | 72.6 % | 74.1 % | 70.0 %  | 71.9 %  | 74.1 %  |
| Total waste per net<br>revenue<br>(tons/CHF millions) | 16.9   | 18.2   | 18.0    | 18.7    | 19.8    |
| <br>  |        |        |         |         |         |
| Net revenue<br>(CHF millions)                         | 834.1  | 947.6  | 1'150.6 | 1'151.5 | 1'107.7 |

For the reporting of waste volume, all 27 production sites are included in 2024. Locations where only office activities take place were excluded due to their low impact. For newly acquired companies, waste volume was included in the first full calendar year until 2021. Since 2022, the newly acquired companies are included right after the successful acquisition. The waste volume of the acquired company Xinhui (China) was included for the first time in March 2022 and QSR (USA, Mexico and China) in May 2022.

## Employee structure

|  | 2020   | 2021   | 2022   | 2023   | 2024   |
|--|--------|--------|--------|--------|--------|
| <b>Headcount annual average</b>                                    | 6'539  | 6'794  | 8'191  | 8'431  | 8'154  |
| └ thereof female   | 37.4 % | 36.4 % | 35.7 % | 35.8 % | 34.5 % |
| Average permanent headcount  | 5'928  | 6'035  | 7'371  | 7'674  | 7'370  |
| └ thereof female   | 39.4 % | 38.1 % | 36.9 % | 36.7 % | 36.1 % |
| Average temporary headcount  | 611    | 759    | 820    | 757    | 784    |
| Average full-time headcount  | 5'692  | 5'830  | 7'145  | 7'441  | 7'104  |
| └ thereof female   | 38.7 % | 37.4 % | 36.2 % | 36.2 % | 35.7 % |
| Average part-time headcount  | 199    | 188    | 205    | 208    | 218    |
| └ thereof female   | 63.3 % | 63.8 % | 62.4 % | 58.2 % | 53.7 % |
| Average headcount with higher management function                  | 165    | 169    | 227    | 256    | 250    |
| └ thereof female   | 18.8 % | 18.3 % | 19.4 % | 19.9 % | 22.0 % |
| Headcount end of period  | 6'456  | 6'909  | 8'698  | 8'178  | 8'030  |
| Employees joining (new, growth in existing functions/replacements) | 654    | 1'447  | 1'271  | 1'530  | 1'730  |
| Employees leaving  | 1'082  | 994    | 1'348  | 2'050  | 1'878  |
| └ thereof voluntary leaves   | 622    | 911    | 1'129  | 1'491  | 1'569  |

|   | 2020   | 2021   | 2022   | 2023   | 2024   |
|---|--------|--------|--------|--------|--------|
| Rate of new hires   | 11.0 % | 24.0 % | 17.2 % | 19.9 % | 23.5 % |
| Turnover rate   | 10.5 % | 15.1 % | 15.3 % | 19.4 % | 21.3 % |
| The turnover rate is calculated by dividing the number of those leaving voluntarily by the average headcount for the year (not including temporary employment contracts). |        |        |        |        |        |

## Voluntary leaves

|                                     | 2020   | 2021   | 2022   | 2023   | 2024   |
|-------------------------------------|--------|--------|--------|--------|--------|
| Male                                | 375    | 505    | 635    | 875    | 949    |
| └ turnover rate                     | 10.4 % | 13.5 % | 13.6 % | 18.0 % | 20.2 % |
| Female                              | 247    | 406    | 494    | 616    | 620    |
| └ turnover rate                     | 10.6 % | 17.6 % | 18.2 % | 21.9 % | 23.3 % |
| Under 30                            | 240    | 333    | 407    | 683    | 735    |
| 30-50                               | 337    | 513    | 603    | 717    | 738    |
| Over 50                             | 45     | 65     | 119    | 91     | 96     |
| Higher management (mgmt)            | 23     | 19     | 24     | 13     | 26     |
| Team leader (tl)                    | 9      | 5      | 8      | 8      | 32     |
| Office worker (excl. mgmt & tl)     | 50     | 101    | 126    | 125    | 146    |
| Production worker (excl. mgmt & tl) | 540    | 786    | 971    | 1'345  | 1'365  |
| Full-time equivalents average YTD   | 6'405  | 6'710  | 8'104  | 8'303  | 8'040  |

## Full-time equivalents

|                                      | 2020   | 2021   | 2022   | 2023   | 2024   |
|--------------------------------------|--------|--------|--------|--------|--------|
| Full-time equivalents end of period  | 6'357  | 6'805  | 8'596  | 8'056  | 7'951  |
| └ thereof in Asia                    | 36.8 % | 35.3 % | 38.7 % | 38.6 % | 39.4 % |
| └ thereof in North and South America | 18.2 % | 19.4 % | 26.1 % | 25.4 % | 24.9 % |
| └ thereof in Switzerland             | 9.0 %  | 9.5 %  | 7.0 %  | 7.1 %  | 7.1 %  |
| └ thereof in rest of Europe          | 36.0 % | 35.8 % | 28.2 % | 28.9 % | 28.6 % |

## Absences

|   | 2020      | 2021      | 2022      | 2023              | 2024              |
|---|-----------|-----------|-----------|-------------------|-------------------|
| Total available working days FTE (TAWD)                 | 1'687'029 | 1'840'544 | 1'946'404 | 2'204'351         | 2'129'169         |
| Total absences other than vacation days                 | 75'485    | 67'313    | 83'978    | 77'724            | 73'994            |
| Total absences other than vacation days in % of TAWD    | 4.5 %     | 3.7 %     | 4.3 %     | 3.5 %             | 3.5 %             |
| └ thereof absences due to work related accidents (days) | 2'098     | 2'099     | 1'319     | 1'668             | 1'864             |
| Work-related accidents in days per FTE (annual average) | 0.33      | 0.31      | 0.17      | 0.20              | 0.23              |
| Accident severity rate (annual average)                 | –         | –         | 0.09      | 0.10 <sup>1</sup> | 0.12 <sup>1</sup> |
| └ thereof absences due to illness (days)                | 41'878    | 44'736    | 48'340    | 48'508            | 44'035            |
| Illness in days per FTE (annual average)                | 6.54      | 6.67      | 6.37      | 5.84              | 5.48              |

FTE = Full time equivalent. TAWD = Total available working days.

1. Assured through KPMG

**Independent limited assurance report  
on selected sustainability information**



# Independent limited assurance report on selected sustainability information of Dätwyler Holding AG

## To the Board of Directors of Dätwyler Holding AG, Altdorf

We have undertaken a limited assurance engagement on Dätwyler Holding AG's and its subsidiaries (the Group) following selected Sustainability Information in the Sustainability Report for the year 2024 (hereinafter "Sustainability Information").

Our limited assurance on selected Sustainability Information consists of key performance indicators in the areas «Greenhouse gas (CO<sub>2</sub>eq) emissions (scope 1 and 2) and greenhouse gas emissions intensity», «Percentage of suppliers that are certified according to sustainable certificates», «Net Promoter Score», «Accident severity rate» and «Number of confirmed corruption incidents» for the year 2024, which are marked with a checkmark .

Our assurance engagement does not extend to information in respect of earlier periods or future looking information included in the Sustainability Report 2024, information included in the Financial Report 2024, information included in the Business Report 2024, information linked from the Sustainability Report 2024, information linked from the Financial Report 2024 or any images, audio files or embedded videos.

### Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the 'Summary of the work we performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information in the areas «Greenhouse gas (CO<sub>2</sub>eq) emissions (scope 1 and 2) and greenhouse gas emissions intensity» and «Number of confirmed corruption incidents» is not prepared, in all material respects, in accordance with the GRI Sustainability Reporting Standards (GRI SRS) and the Sustainability Information in the categories «Percentage of suppliers that are certified according to sustainable certificates», «Net Promoter Score» and «Accident severity rate» is not prepared in accordance with the self-developed criteria.

We do not express an assurance conclusion on information in respect of earlier periods or future looking information included in the Sustainability Report 2024, information included in the Financial Report 2024, information included in the Business Report 2024, information linked from the Sustainability Report 2024, information linked from the Financial Report 2024 or any images, audio files or embedded videos.

### Understanding how Dätwyler Holding AG has Prepared the Sustainability Information

The GRI SRS have been used as criteria references for the disclosures of «Greenhouse gas (CO<sub>2</sub>eq) emissions (scope 1 and 2) and greenhouse gas emissions intensity» and «Number of confirmed corruption incidents». For the areas «Percentage of suppliers that are certified according to sustainable certificates», «Net Promoter Score» and «Accident severity rate» the self-developed criteria, as disclosed in the chapters «Embedding ESG to improve supply chain sustainability», «Customer satisfaction» and «Enhancing workplace health and safety metrics», of the Sustainability Report, were applied. Consequently, the Sustainability Information needs to be read and understood together with the criteria.



### **Inherent Limitations in Preparing the Sustainability Information**

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

### **Dätwyler Holding AG's Responsibilities**

The Board of Directors of Dätwyler Holding AG is responsible for:

- Selecting or establishing suitable criteria for preparing the sustainability information, taking into account applicable law and regulations related to reporting the sustainability information;
- The preparation of the sustainability information in accordance with the criteria;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

### **Our Responsibilities**

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our independent conclusion to the Board of Directors of Dätwyler Holding AG.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by the Board of Directors, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

### **Professional Standards Applied**

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB).

### **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

### Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Sustainability Information included, among others:

- Assessment of the design and implementation of systems, processes and internal controls for determining, processing and monitoring sustainability performance data, including the consolidation of data;
- Inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- Inspection of selected internal and external documents to determine whether quantitative and qualitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of the data collection, validation and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations;
- Analytical assessment of the data and trends of the quantitative disclosures included in the scope of the limited assurance engagement;
- Assessment of the consistency of the disclosures applicable to Dätwyler with the other disclosures and key figures and of the overall presentation of the disclosures through critical reading of the Sustainability Report 2024.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

KPMG AG



Manuel Odoni  
Licensed Audit Expert



Melanie Gamma  
Licensed Audit Expert

Zurich, 4 February 2025

# 3 Corporate Governance Report

As a company committed to creating long-term value, Datwyler has a clear framework of management and control policies in place to ensure compliance with the principles of good corporate governance. These policies are set out in the Articles of Association and the Rules of Organisation and Business Conduct of Dätwyler Holding Inc. They are presented below following the applicable Directive issued by the SIX Swiss Exchange.

Where appropriate, reference is made to issues that are discussed in detail in the notes to the financial statements and in the Remuneration Report. Where information required under a section of the SIX Directive has been omitted, it is either not applicable to Datwyler or the corresponding situation does not exist at Datwyler or does not apply to Datwyler.

at 31 December 2024



## Subchapters

- 3.1 Group structure and shareholders
- 3.2 Capital structure
- 3.3 Internal organization
- 3.4 Risk management and compliance
- 3.5 Board of Directors and Executive Committee
- 3.6 Remuneration, shareholdings, and loans
- 3.7 Shareholders' participation rights
- 3.8 Statutory auditors
- 3.9 Information policy

## 3.1 Group structure and shareholders

Datwyler is focusing on high-quality, system-critical elastomer components and has leading positions in attractive global markets such as healthcare, mobility, connectivity, general industry and food & beverage.

With its recognised core competencies and technological leadership, the company delivers added value to its customers in the markets served. Datwyler concentrates on markets that offer opportunities to create more value and sustain profitable growth.

### Substantial shareholders and shareholder structure

The ownership structure of Datwyler is the result of the Dätwyler family succession arrangements of 1990. The family's primary objective was to ensure the long-term independence of the company.

Following the 1986 IPO, Peter and Max Dätwyler's interest had been reduced to roughly 50% of capital and just below 80% of votes. They placed this ownership interest without compensation in a company they had founded, Pema Holding AG (PeMa = Peter and Max). Today, the Board of Directors of Dätwyler Holding Inc. controls these assets and the associated voting rights on a fiduciary basis and without beneficial ownership.

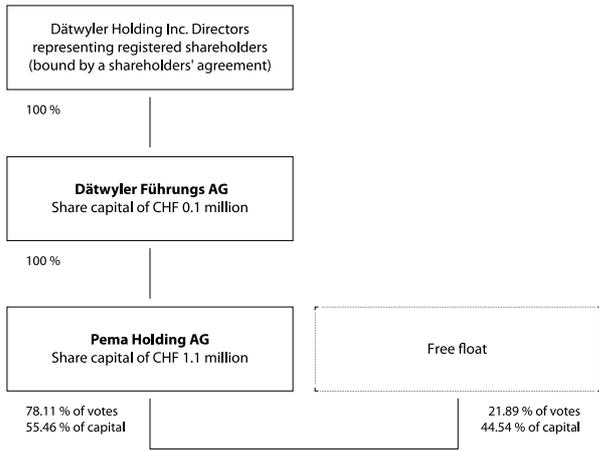
It does so through Dätwyler Führungs AG, likewise founded by the Dätwyler brothers in 1990. The members of the Board of Directors of Dätwyler Holding Inc. are concurrently members of the Board of Directors of Pema Holding AG and hold equal interests of CHF 0.1 million in the share capital of Dätwyler Führungs AG.

A shareholders' agreement requires departing Board members to pass their shares in Dätwyler Führungs AG on to their successors at par value and without financial gain. The Board members are not entitled to receive dividend payments from Dätwyler Holding Inc. Dividends are retained by Pema Holding AG and can be reinvested in Dätwyler Holding Inc.

Under the shareholders' agreement, Pema Holding AG may invest only in Dätwyler and its spin-offs. It therefore has no conflicts of interest with other shareholdings and completely reflects the interests of the bearer shareholders. Disposal of a majority of votes is permitted only by a qualified majority, and only in the event that it is no longer economically feasible to maintain Dätwyler Holding Inc. as an independent going concern. In this case, Dätwyler Führungs AG and Pema Holding AG are to be liquidated, with the proceeds going to the Dätwyler Foundation.

Anchor shareholder Pema Holding AG may be compared to a family of entrepreneurs who hold the majority of the capital and voting rights in a listed company. The restriction relating to Dätwyler Holding Inc., as set out in the shareholders' agreement, allows Pema Holding AG a management mandate with an obligation to create long-term value. The representatives of public shareholders on the Board of Directors of Dätwyler Holding Inc. are not member of the Boards of Directors of Pema Holding AG or of Dätwyler Führungs AG. Concluded in 1990, these Dätwyler family succession arrangements entailed a waiver of claims to substantial assets and are unique.

Pema Holding AG currently owns all 22 million registered shares and 5'027'590 of the total of 12.6 million bearer shares of Dätwyler Holding Inc. This represents 78.11% of the voting rights and 55.46% of the share capital. Furthermore, UBS Fund Management (Switzerland) AG holds more than 3% of total voting rights. The corresponding disclosure notice was submitted on 3 May 2024 (share of voting rights at that time: 3.41%). No further disclosure notices were received in the reporting year).



Shareholder structure

## Group structure and companies

Datwyler has combined its market and production activities in the two business areas Healthcare Solutions and Industrial Solutions. These two market units are supported by the three service units Technology & Innovation, Sustainability & Operational Excellence and Finance & Shared Services. This organizational structure strengthens Datwyler's market focus, core competencies and agility.



Organizational structure

Additional information on the company's structure can be found in the following sections of the Annual Report and on our website:

- Segment reporting (Financial Report 2024, page F17)
- List of subsidiaries and investments (Financial Report 2024, page F35)
- Worldwide locations

No listed companies are included in the consolidation of Dätwyler Holding Inc. There are no cross-shareholdings with other companies.

## 3.2 Capital structure

### Composition of share capital

At **December 31st 2024**, in CHF

|   |         |
|---|---------|
| 22'000'000 registered shares of CHF 0.01 each | 220'000 |
| 12'600'000 bearer shares of CHF 0.05 each     | 630'000 |
| Total ordinary share capital                  | 850'000 |
| Authorised additional share capital           | none    |
| Authorised contingent share capital           | none    |
| Participation certificates                    | none    |
| Profit-sharing certificates                   | none    |
| Registration and voting restrictions          | none    |
| Opting-out and opting-up provisions           | none    |

All shares are fully paid-up and – irrespective of their value – are entitled to vote and rank for dividend.

Information about changes in equity for 2024 and 2023 is presented in the statement of changes in equity in the Financial Report 2024 (page F09).

Changes in equity for 2023 and 2022 are shown in the statement of changes in equity in the Financial Report 2023 (page F09).

### Convertible bonds and share options

As at December 31st 2024, Datwyler did not have any outstanding convertible bonds or options.

There are two ordinary bonds (Financial Report 2024, page F28, note 18, Bonds)

- On 30 April 2024, a 1.70% CHF 120 million bond was placed. The bond is repayable on 31 October 2029.
- On 15 June 2022, a 2.10% CHF 240 million bond was placed. The bond is repayable on 15 June 2027.

## 3.3 Internal organization

### Role of the Board of Directors

The Board of Directors is the ultimate decision-making, management and governing body of Datwyler. The Board consists of no fewer than five and no more than eleven members. At 31 December 2024, the Board comprised eight Directors. The roles of the Chairman and Chief Executive Officer (CEO) are separate. The Directors or companies and organisations which they influence have no executive functions in the Group and do not have any business relationship with the Datwyler Group. Two members of the Board of Directors are former Datwyler CEOs: Chairman Paul Hälgi headed the company from 2004 to 2016 and Director Dirk Lambrecht from 2017 to 2024.

The other members of the Board never served in executive functions for the Datwyler Group. No Director holds cross-directorships with other Directors through involvement in other listed companies. When members are appointed to the Board of Directors, care is taken to ensure that the kinds of competencies important to Datwyler with regard to the various industries, technologies and markets are suitably represented.

Directors are elected for one-year terms. They are eligible for re-election for further periods, with no limit on the number of terms they may serve. Each class of shares is entitled to nominate at least one representative to the Board. The average age of the Directors currently in office is 63.5 and their average tenure is 7.9 years.

Each member of the Board of Directors is subject to a periodic tenure review, usually every five years. This is prepared by the Nomination and Compensation Committee and discussed by the full Board.

### Main responsibilities and operation of the Board

The Board organises itself. Its main responsibilities are defined in Art. 716a of the Swiss Code of Obligations. In order to discharge these responsibilities efficiently, the Board has authority under the Rules of Organisation and Business Conduct of Dätwyler Holding Inc. to appoint Committees from among its members to deal with specific matters. There are currently two Committees: the Audit Committee and the Nomination and Compensation Committee.

In accordance with the Rules of Organisation, the Board holds at least five regular meetings a year, each lasting between half a day and one full day. A two-day annual strategy workshop is held to review and develop the strategy. The strategy workshop is usually combined with a visit to one of the locations. Special Board meetings are held when necessary.

The Board has a quorum when at least a majority of its members is present. Its resolutions are passed by a majority of the members present. The Chairman is also a voting member and has the casting vote in the event of a tie. Resolutions may also be adopted by telephone conference or by circular letter. In 2024, the Board met for six meetings. One Director was absent for one meeting. The CEO and CFO and the other members of the Executive Committee were present at each meeting for the discussion of items relating to them. In 2024, no external specialists were called in.

## Meeting attendance 2024

|                                |     |
|--------------------------------|-----|
| Paul Hälg                      | 6/6 |
| Hanspeter Fässler              | 6/6 |
| Jens Breu                      | 6/6 |
| Claude Cornaz                  | 5/6 |
| Jürg Fedier                    | 6/6 |
| Martin Hirzel                  | 6/6 |
| Gabi Huber                     | 6/6 |
| Dirk Lambrecht <sup>1</sup>    | 4/6 |
| Judith van Walsum <sup>1</sup> | 2/6 |

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1. At the Annual General Meeting on 14 March 2024, Judith van Walsum stepped down as a Director. At the same General Meeting, Dirk Lambrecht was newly elected to the Board of Directors.

Agendas for Board meetings are set by the Chairman in consultation with the CEO and CFO. Any Director may request that an item be placed on the agenda or that a special meeting be held. The Board appoints the secretary. Directors receive papers and information in good time in advance of meetings to allow them to prepare for discussion of each item.

Depending on the nature of the business to be transacted, the Chairman may invite members of the Executive Committee to provide information at Board meetings and participate in an advisory capacity. The Board operates as a team and strives to reach decisions unanimously, wherever possible. If a unanimous decision cannot be reached, the minutes of the meeting must give the names of who voted and how they voted.

Once a year, usually at the end of the year, the Board of Directors carries out a self-assessment of its work and that of its committees. For this purpose, each member completes a standardized questionnaire covering topics such as strategy, discussion culture, organization of meetings, and competencies of the members. In addition, the Chairman conducts a separate structured discussion with each member on an annual basis. The evaluation of the questionnaires and the findings from the individual discussions are reviewed by the Board. Any potential for improvement is recorded and implemented in the following business year. In addition to the annual self-evaluation, a "private meeting" is usually held at the end of each board meeting without the participation of management representatives. The purpose of this meeting is, among other things, to assess the discussions and decision-making at the meeting and to draw any lessons from them.

# Operation of the Committees

The Committees have written terms of reference specifying their responsibilities. In addition to these written terms, the Audit Committee has defined its tasks and responsibilities in a detailed checklist. The Committees generally prepare the groundwork for decision-making by the full Board. They meet at the call of their chairmen as often as necessary to discharge their duties, but at least once a year. Their meetings usually last half a day. All Directors, Executive Committee members and the external auditors may request a meeting of the Committees. Depending on the nature of the business to be transacted, meetings are attended by the CEO, CFO or, if required, a representative of the external auditors or a specialist in an advisory capacity.

The agendas for Committee meetings are set by the respective chairmen in agreement with the CEO and CFO. Committee members receive papers and information in advance of meetings to allow them to prepare for discussion of each item. At least two members must be present to constitute a quorum. The Committees pass their resolutions by an absolute majority of the votes cast. In the event of a tie, the chairman has the casting vote. The Committees keep a record of their decisions and recommendations in minutes submitted to the Board and report the results of their activities at the next Board meeting.

## Audit Committee

The Audit Committee consists of at least three Directors, each of whom has experience in finance and accounting, who are appointed by the Board from among its members for a period of one year. The Audit Committee appoints its chairman. Members of the Audit Committee are: Jürg Fedier (Chairman), Gabi Huber and Martin Hirzel (public shareholders' representative). In 2024, the Audit Committee held four meetings with all members present, each of which was attended by the CEO and CFO.

The reporting of the internal audit is a standard agenda item at the meetings of the Audit Committee. The representatives of the external auditors attended all the meetings for the discussion of selected items. In 2024, other external specialists were not called in.

Responsibilities of the Audit Committee:

- To ensure a comprehensive and effective audit programme for Dätwyler Holding Inc. and the Datwyler Group.
- To comment on the annual and consolidated financial statements.
- To comment on the audit plan and results of audits.
- To receive recommendations from the external auditors, discuss the recommendations with the Executive Committee and provide a summary for the Board of Directors.
- To present the Executive Committee's proposal for the appointment of Dätwyler Holding Inc.'s external auditors to the Board of Directors for consideration by the Annual General Meeting of Shareholders.

## Meeting attendance 2024

|                                |     |
|--------------------------------|-----|
| Jürg Fedier                    | 4/4 |
| Gabi Huber                     | 4/4 |
| Martin Hirzel                  | 4/4 |
| Judith van Walsum <sup>1</sup> | 1/4 |

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1. At the Annual General Meeting on 14 March 2024, Judith van Walsum stepped down as a Director and as member of the Audit Committee.

## Nomination and Compensation Committee

The responsibilities of the Nomination and Compensation Committee are recorded in the Remuneration Report.

## Division of responsibilities between the Board of Directors and Executive Committee

The authority and responsibilities delegated to the Board of Directors and Executive Committee are laid down in the "Rules of Organisation" as provided in Article 20 of the Articles of Association of Dätwyler Holding Inc. These rules are updated on a regular basis. They describe the duties and responsibilities of the Board of Directors and define the duties and responsibilities of the Executive Committee, presided over by the CEO. In addition to the non-delegable functions reserved for the Board of Directors by law, the Rules of Organisation delegate the following duties, among others, to the Board:

- To determine the principles of corporate strategy.
- To make decisions on financial policy.
- To adopt resolutions on the establishment of new business units and discontinuation of existing ones.
- To adopt resolutions on the setting up of new sites and closure of existing ones.
- To adopt resolutions on the acquisition and disposal of equity holdings.
- To adopt resolutions on the acquisition, encumbrance and disposal of land and buildings.
- To review the risk management system.

As a rule, the Board of Directors approves major projects it deems expedient together with the rolling forecast. For urgent capital expenditures not included in the budget, levels of authority are defined and a return on investment analysis must be prepared. Capital expenditures exceeding CHF 3 million must be approved by the full Board of Directors.

The policies set out in the “Rules of Organisation” are supplemented and defined by the “Investment Manual” for all business and functional areas. Datwyler operates a systematically decentralised management system within a clear framework. The Group fosters an entrepreneurial culture where decisions are taken at the lowest possible level close to the market and customers.

## **Information and control systems for monitoring the Executive Committee**

The Board has an internal control system in place to monitor and control the Executive Committee. This is based on an institutionalised, annual management process cycle, of which the key elements available to the full Board of Directors are as follows:

- Monthly report with a business area and Group consolidation: actual and forecast figures, including variance analyses.
- Interim and annual report.
- Review and approval of rolling forecasts per end of February, June and October. The February forecast covers the current financial year only. The June and October forecast also cover the full subsequent financial year. Furthermore, review and approval of the three-year strategic plan.
- Annual review and approval of the updated Group and business area strategies.
- Uniform Group-wide management system with integrated risk evaluation for strategic projects.
- Special reports on major items of capital expenditures, acquisitions and alliances and other significant non-routine transactions..
- Inclusion of Executive Committee members at Board and Committee meetings.

In addition to these institutionalised information and control systems, the Chairman of the Board and CEO engage in regular dialogue regarding all important business. In addition, the CEO and CFO are required to inform the Chairman of the Board without delay of any important unusual events or developments.

## **Internal Audit**

Internal Audit reports to the Audit Committee and is under the direct administrative line management of the CFO. Every year it draws up a risk-based audit plan, which is approved by the Audit Committee. The interval between audits of Group companies varies between two and five years, depending on the size and importance of the individual company. To optimise cooperation, the Head of Internal Audit meets regularly with the representatives of the external auditors. At their meetings they harmonise audit plans and audit priorities and exchange useful information.

Internal Audit verifies compliance with the division of responsibilities and monitors the internal control system, risk management and the efficiency of the structures and processes. The findings and recommendations of Internal Audit are recorded in written reports.

Following completion of the audit, the findings are reviewed and discussed with the local management. In coordination with Internal Audit, the local management and, if necessary, the management of the relevant business unit define specific corrective measures and a timetable for implementation. The report (including the corrective measures, the timetable for implementation and the opinions) is sent to the line managers, the external auditors, Executive Committee and the Audit Committee. The Head of Internal Audit presents the significant findings contained in the audit reports at the respective next meeting of the Audit Committee. Comments and suggestions of the Audit Committee and the external auditors are taken into consideration in planning and conducting audits. Internal Audit also ensures that all discrepancies raised by its audits are addressed within the prescribed period and submits a report on such matters to Executive Committee and the Audit Committee.

## 3.4 Risk management and compliance

### Risk Management

Datwyler is aware of the importance of systematic risk management for lasting corporate success. Final responsibility in assessing risks lies with the Board of Directors. The Head of Internal Audit is responsible for the Group-wide coordination of risk management. He is supported by the owners of the specific risks in both business areas and Group Functions.

As part of an ongoing process to ensure business continuity, risks are continuously identified and assessed throughout the Group. An open exchange of views on opportunities and risks is encouraged at all levels of the company and is part of the corporate culture.

The management of each business area is responsible for significant risks and informs the Executive Committee and the Board of Directors. The findings are recorded in a risk management software. The CFO and the Head of Internal Audit monitor the risk management process through active exchanges and quarterly meetings with the business areas. In particular, risks are regularly discussed at the meetings between the business area management and the Executive Committee. These reviews ensure that uniform valuation approaches are applied and that similar risks are treated equally across the Group business areas. The consolidation of risks and the annual reporting to the Board of Directors are carried out by the Head of Internal Audit.

The company-wide risk management process is also supported by a Business Continuity Process (BCP), which has been in place at all production sites for almost 20 years. Business continuity planning establishes risk management processes and procedures that aim to prevent interruptions to mission-critical services, and reestablish full function to the organisation as quickly and smoothly as possible. The underlying business continuity plans consider various unpredictable events, such as natural disasters, fires, disease outbreaks, cyberattacks, and other external threats. The underlying risk management at the sites is based on ISO 31000 and integrates regular audits. The BCP process at the production sites includes key ESG risks such as climate change, framework conditions in the supply chain, and access to skilled labor.

Datwyler basically divides the risks recorded into four categories: Strategic risks, operational risks, financial risks and compliance risks. Strategic risks include risks relating to the industry and the market, external stakeholders, social and environmental developments, corporate governance and catastrophic events. Datwyler also regularly assesses and minimises the risks of criminal cyber attacks as part of its strategic risks.

For their part, operating risks include risks along the value chain, risks from investment activities and personnel and cultural risks. The financial risks category includes market risk, liquidity and credit risk, capital structure and compliance with tax and accounting regulations. Finally, compliance risks are defined as the risks arising from laws, regulations and other rules and regulations. This includes existing and new regulations on sustainability issues.

Risks are assessed on the basis of the probability of occurrence and the potential loss amount. Once the individual risks have been identified and assessed, it is the responsibility of the business area management to develop a series of measures to reduce the risk of occurrence and the loss potential for each risk. The implementation of these measures is monitored as part of the continuous risk management process and taken into account in the next risk evaluation.

Global sustainability risks such as climate change and other environmental, social and governance risks are assigned to the appropriate risk category based on their strategic, operational, financial or compliance impact, at Group level as well as at business areas and production site level.

More information about sustainability risk management is available in the [sustainability report](#) of this annual report.

## **Code of Conduct and whistleblowing reporting channel**

Datwyler's ethically sound business practices are supported by its zero tolerance objectives. The Group works proactively to prevent cases of corruption or justified legal action against Group companies. This is based on the Code of Conduct and policies on anti-fraud and anti-money laundering. The Code of Conduct forms an integral part of every person's employment contract, and every employee is expected to be familiar with its content and to report any circumstances that suggest a violation of the code. The points of contact for reporting are an employee's direct line manager, the manager responsible, the personnel department responsible, or the Group Compliance Officer (currently the Group Chief Financial Officer). Datwyler had already been offering its global employees whistleblowing reporting channels for reporting code violations since 2009. A formal whistleblowing policy in line with the requirements of the EU whistleblowing directive as well as national requirements formalizes the whistleblowing process.

Details of the whistleblowing reporting channels are displayed at all sites, and this function is reviewed on a regular basis during internal audits. Whistleblower reports are forwarded directly to the internal audit department where each report is treated confidentially in accordance with the relevant data protection provisions and investigated conscientiously. Most reports do not stand up to detailed scrutiny or are resolved locally with the Group Compliance Officer acting as intermediary. In the reporting year, 26 relevant reports were received, seven of which contained substantial information, although this did not necessarily indicate violations of the Code of Conduct. The reports also refer to local leadership problems that can be eliminated by improving processes or structures. Datwyler used the findings of these incidents to improve and further develop its processes and guidelines. To help promote ethically sound collaboration, Datwyler also offers its suppliers an email address for code of conduct issues, which is also managed by the Group's internal audit department. No reports were made during the reporting year. On 1 January 2025, a new digital whistleblowing reporting channel was introduced for employees and all external stakeholders.

## **Compliance reporting process**

Datwyler has a standardized compliance reporting process, available to management and employees on the company's intranet. The management teams at individual subsidiaries are responsible for implementing the Code of Conduct and upholding various national laws and standards. All employees complete an online training course once a year with an integrated test on the Code of Conduct and compliance topics.

Additionally, the general managers of all subsidiaries annually formally confirm with the Group Compliance Officer (currently the Group Chief Financial Officer) that all new employees have received a copy of the Code of Conduct and understand its principles; that any violations of the Code of Conduct have been reported; that the processes and procedures for ensuring compliance with the Code of Conduct are regularly reviewed and adapted; that they are aware of the main risks for their area of responsibility regarding «compliance and fraud»; and that they monitor these risks via suitable processes and checks. Based on the compliance reporting process, no complaints relating to anti-competitive conduct, or the forming of anti-competitive cartels or monopolies were filed against Datwyler in 2024 and no significant fines or non-monetary penalties for infringements of legal provisions were imposed.

## **3.5 Board of Directors and Executive Committee**

### **Members of the Board of Directors**

The Directors of Dätwyler Holding Inc. are – with the exception of the representative of the public shareholders – also Directors of Pema Holding AG and Dätwyler Führungs AG. Pema Holding AG is the majority owner of Dätwyler Holding Inc. See [substantial shareholders and shareholder structure](#).

Pursuant to Article 14 of the Dätwyler Holding Inc. Articles of Association, the number of activities members of the Board of Directors are permitted to perform in functions comparable to those of the Board of Directors, the Advisory Board and the Executive Board at other companies with a commercial purpose is restricted as follows: Four mandates in exchange-listed enterprises and ten mandates in unlisted enterprises.



**Dr. Paul Hälg**

1954, Swiss

Chairman – *term expires in 2025*



**Dr. Hanspeter Fässler**

1956, Swiss

Vice Chairman / Chairman of the Nomination and Compensation Committee – *term expires in 2025*



**Jens Breu**

1972, Swiss

Director / Public shareholders' representative /  
Member of the Nomination and Compensation  
Committee – *term expires in 2025*



**Claude R. Cornaz**

1961, Swiss

Director / Member of the Nomination and  
Compensation Committee – *term expires in 2025*



## **Jürg Fedier**

1955, Swiss

Director / Chairman of the Audit Committee – *term expires in 2025*



## **Martin Hirzel**

1970, Swiss

Director / Public shareholders' representative /  
Member of the Audit Committee – *term expires in 2025*



### **Dr. Gabi Huber**

1956, Swiss

Director / Member of the Audit Committee – *term expires in 2025*



### **Dirk Lambrecht**

1960, German/Swiss

Director / Public shareholders' representative – *term expires in 2025*

 [Detailed portraits of the current Board of Directors](#)

## **Changes in the Board of Directors in the reporting year**

At the Annual General Meeting 2024, Judith van Walsum stepped down from the Board of Directors. Dirk Lambrecht was elected as a new Director and representative of the public shareholders. All other Directors were elected for a further term of office of one year.

## **Significant events after balance sheet date**

At the 2025 Annual General Meeting, all existing Directors will be available for re-election. In addition, Britt Hendriksen will be proposed for election as a Director. ([media announcement dated 3 October 2024](#)).

## Members of the Executive Committee

Pursuant to Article 19 of the Dätwyler Holding Inc. Articles of Association, the number of activities members of the Executive Management are permitted to perform in functions comparable to those of the Board of Directors or the Advisory Board at other companies with a commercial purpose is restricted as follows: Two mandates in exchange-listed enterprises and five mandates in unlisted enterprises.



**Volker Cwielong**

1977, German

Chief Executive Officer (CEO), Head of Business Area Industrial Solutions / Chief Operating Officer (COO)



**Dr. Judith van Walsum**

1964, Dutch

Chief Financial Officer (CFO), Head of Group Finance



## **Dirk Borghs**

1963, Belgium

Chief Operating Officer (COO), Head of Business Area Healthcare Solutions



## **Sabrina Gérard**

1968, Belgium

Chief Sustainability Officer (CSO), Head of Group Function Sustainability and Operational Excellence



## **Dr. Frank Schön**

1975, German/Swiss

Chief Technology Officer (CTO), Head of Group Function Technology & Innovation

☞ Detailed portraits of the  
current Executive Committee

## **Changes in the Executive Committee in the reporting year**

In the 2024 reporting year, Volker Cwielong replaced Dirk Lambrecht as Datwyler CEO on 1 April 2024. On 1 June 2024, Judith van Walsum took over the CFO function from Walter Scherz.

## **Significant events after balance sheet date**

On 1 February 2025, Michael Höller joined Datwyler's Executive Management and took over as Head of the Industrial Solutions business area. Previously, this business area was managed directly by CEO Volker Cwielong.

## **Management contracts**

There are no management contracts with external individuals or companies to perform management tasks for the Datwyler Group.

## **3.6 Remuneration, shareholdings, and loans**

The information on remuneration and loans as well as the information on the shareholdings of the members of the Board and the Executive Committee are recorded in the Remuneration Report.

## **3.7 Shareholders' participation rights**

The shareholders' participation rights comply with the provisions of Swiss Corporation Law, subject to the one-share-per-vote principle presented below. The Articles of Association contain no quorum requirements that differ from those prescribed by law.

## **Voting restrictions and proxy voting**

There are no restrictions on registration or voting. Under the Articles of Association of Dätwyler Holding Inc., each share carries one vote at general meetings regardless of its par value. Persons representing shareholders must present a written proxy. Legal representatives of shareholders do not need a proxy appointment. Shareholders who are unable to attend a general meeting may also appoint and instruct an independent proxy to represent them. To do so, an electronic solution is available. The independent proxy is elected annually by the Annual General Meeting for the next ordinary Annual General Meeting.

## **Calling of general meetings and additions to the agenda**

The procedures for calling general meetings and adding items to the agenda are set out in the Articles of Association of Dätwyler Holding Inc. in accordance with the Swiss Code of Obligations (Art. 699 f.). Shareholders holding no less than 10% of the share capital are entitled to submit agenda items in writing. The deadline for submitting agenda items is published in advance in the Swiss Official Gazette of Commerce.

## **Share registration**

Every person whose name is entered in the share register no later than 14 days prior to a general meeting is recognised by the company as a shareholder and holder of all rights attached to the registered shares.

## **Change of control and defensive measures**

The Articles of Association do not contain any «opting out» or «opting up» provisions. Dätwyler Holding Inc. does not have any change of control clauses which benefit Directors or Executive Committee members.

## **3.8 Statutory auditors**

KPMG has been the statutory auditor of Dätwyler Holding Inc. since the 2018 Annual General Meeting. The statutory is appointed by the Annual General Meeting of Shareholders for a period of one year. The auditor in charge has been in this role since 2018. In accordance with the Swiss Code of Obligations, the normal rate of rotation for the auditor in charge is seven years. Some of the Group companies are audited by other audit firms.

## Fees paid in 2024 to the statutory and other auditors

In CHF

|                            | Statutory auditors | Other auditors |
|----------------------------|--------------------|----------------|
| Auditing services, total   | 615'000            | 244'000        |
| Additional services, total | 62'000             | 369'000        |
| └ Tax consulting           | 10'000             | 364'000        |
| └ Legal consulting         | –                  | 5'000          |
| └ Other services           | 52'000             | –              |

Representatives of the statutory auditors usually attend the first and last meeting of the Audit Committee in the financial year for the discussion of certain items. At those meetings, the statutory auditors present a written report on the progress of their work. The core element of the auditors' reporting is the annual audit report with recommendations to the Audit Committee.

The supervisory body for the external statutory auditors is the overall Board of Directors. It conducts an annual evaluation of the statutory auditors. This is based on the following criteria:

- Professional competence
- Scope and quality of their written reports and verbal statements
- Practicability of recommendations
- Priority setting
- Transparent and effective communication and coordination
- Ability to meet deadlines
- Independence
- Fees

The members of the Board of Directors rely on the competencies and experience they have gained in similar roles with other companies, on the statutory auditors' reports as well as on the comments made by the Audit Committee. The responsibilities of the Audit Committee are defined in the chapter Internal organization.

## 3.9 Information policy

Datwyler maintains an open dialogue with all stakeholders. In the interests of shareholders, Datwyler especially fosters relationships with investors, banks and media representatives. Communication takes place through the Annual Report, Interim Report, Annual General Meeting and at least one press and analyst conference every year. Through press releases and on its website [datwyler.com](https://www.datwyler.com), Datwyler provides up-to-the-minute information on all important projects as required by the ad hoc publicity rules of SIX Swiss Exchange.

The ad hoc press releases are available in the [archive](#) on the website. On the website, interested persons can also register for the distribution list for the ad hoc announcements. Contact details as well as a financial calendar with the important dates are also available on the website. Official notices concerning Datwyler are published in the Swiss Official Gazette of Commerce. Notices and invitations to registered shareholders are made in writing.

### Trading blackout periods

Datwyler has an insider trading policy that sets out, among other things, the general blackout periods for trading in Datwyler shares or other Datwyler securities during the preparation of the annual and half-year reports. The trading blackout periods apply to all employees who are involved in the preparation of the annual report and half-year report or who have access to the relevant figures or systems. Access to confidential information makes these employees insiders. In addition to the members of the Board of Directors and Executive Committee, these are employees from the Finance, IT and Communications departments. The general trading blackout periods apply from 1 December to the date of publication of the annual report and from 1 June to the date of publication of the half-year report.

In the reporting year, the trading blackout periods therefore applied from 1 December 2023 to the morning of 7 February 2024 and from 1 June 2024 to the morning of 23 July 2024. The employees concerned are reminded twice a year by e-mail from the Chief Financial Officer of the legal basis, the general trading blackout periods and their duties as insiders. In the case of strategic projects that have the potential to significantly influence the Datwyler share price, the employees involved must sign a specific non-disclosure agreement including trading blackout periods. Failure to comply with the trading blackout periods has disciplinary consequences, up to and including dismissal. In principle, no exceptions to the trading blackout periods are granted.

# 4 Remuneration Report

The Remuneration Report describes the governance framework and principles of remuneration of the Board of Directors and Executive Committee of Datwyler. It also provides information on remuneration plans and remuneration paid for the 2024 fiscal year.

The Remuneration Report complies with the Swiss Code of Obligations, in particular the fourth section "Remuneration of companies whose shares are listed on a stock exchange", the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange and the Swiss Code of Best Practice for Corporate Governance of economiesuisse.



## Subchapters

- 4.1 [Governance framework](#)
- 4.2 [Remuneration structure Board of Directors](#)
- 4.3 [Remuneration structure Executive Committee](#)
- 4.4 [Reporting year](#)
- 4.5 [Outlook](#)
- 4.6 [Report of the statutory auditor](#)

## 4.1 Remuneration governance framework

### Nomination and Compensation Committee

The Nomination and Compensation Committee generally consists of three members of the Board of Directors who are elected individually each year by the Annual General Meeting. The Nomination and Compensation Committee appoints its chairman.

At the end of 2024, the members of the Nomination and Compensation Committee were: Hanspeter Fässler (Chairman), Jens Breu (public shareholders' representative) and Claude R. Cornaz. In 2024 the Nomination and Compensation Committee met for six meetings.

### Meeting attendance 2024

|                   |     |
|-------------------|-----|
| Hanspeter Fässler | 6/6 |
| Jens Breu         | 6/6 |
| Claude Cornaz     | 5/6 |

## Responsibilities of the Nomination and Compensation Committee:

- Basic human resource matters (e.g. talent management, succession planning, etc.) of the Datwyler Group.
- Nominations to the Board of Directors and Executive Committee taking into account the gender guidelines under Swiss law.
- Preparation of the maximum compensation amounts to the Board of Directors and Executive Committee to be submitted to shareholders' vote at the Annual General Meeting.
- Determination of remuneration for members of the Board of Directors within the parameters of the maximum amount approved by the Annual General Meeting and in compliance with Art. 21b of the Articles of Association.
- Employment terms for members of the Executive Committee.
- Determination of performance-based remuneration for members of the Executive Committee within the parameters of the maximum amount approved by the Annual General Meeting and in compliance with Art. 21c of the Articles of Association.
- Monitoring of structure and development of remuneration.
- Oversight of compliance by the members of the Board of Directors and Executive Committee with the provisions of the Articles of Association concerning the number of mandates in top management and supervisory bodies of legal entities outside the Datwyler Group (Art. 14 section 5 and Art. 19 section 3 of the Articles of Association) including any necessary measures.
- Compliance with regulations concerning the disclosure of remuneration of members of the Board of Directors and Executive Committee.
- Preparation of the remuneration report.

The Nomination and Compensation Committee has written terms of reference setting out its responsibilities. The Committee generally prepares the groundwork for proposals and decision-making by the full Board. It has executive authority only within the remuneration framework already approved in principle by the Annual General Meeting or Board of Directors and where expressly provided in the Articles of Association or a policy. It meets upon invitation of its Chairman as often as necessary, but at least once a year. The Chairman and the CEO attend the meetings by invitation and in an advisory capacity, and the HR officer of the Group takes the minutes.

At the agenda points, where his own performance and remuneration are being discussed, the CEO does not attend. The members of the Committee receive documentation before meetings to enable them to prepare for the individual agenda items. At least two members must be present to adopt decisions. The committees pass resolutions by an absolute majority of the votes cast. In the event of a tie, the Chairman casts the deciding vote. The Nomination and Compensation Committee keeps a record of its decisions and recommendations in minutes submitted to the full Board of Directors and reports the results of its activities at the next Board meeting.

## Approval levels

|   | <b>Proposal</b>                       | <b>Review</b>                         | <b>Approval</b>                            |
|---|---------------------------------------|---------------------------------------|--|
| <b>Remuneration principles (Articles of Association)</b>                      | Nomination and Compensation Committee | Board of Directors                    | Annual General Meeting (binding vote)      |
| <b>Remuneration models for the Board of Directors and Executive Committee</b> | Nomination and Compensation Committee |                                       | Board of Directors                         |
| <b>Remuneration Report</b>  | Nomination and Compensation Committee | Board of Directors                    | Annual General Meeting (consultative vote) |
| <b>Maximum aggregate amount of remuneration for Board of Directors</b>        | Nomination and Compensation Committee | Board of Directors                    | Annual General Meeting (binding vote)      |
| <b>Individual remuneration of Board of Directors members</b>                  | Nomination and Compensation Committee |                                       | Board of Directors                         |
| <b>Maximum aggregate amount of remuneration for Executive Committee</b>       | Nomination and Compensation Committee | Board of Directors                    | Annual General Meeting (binding vote)      |
| <b>Remuneration CEO</b>   | Nomination and Compensation Committee |                                       | Board of Directors                         |
| <b>Individual remuneration other members of Executive Committee</b>           | CEO                                   | Nomination and Compensation Committee | Board of Directors                         |

## Determination procedure for the remuneration system

The remuneration system is normally reviewed every three years by the Nomination and Compensation Committee and may be adjusted to reflect the evolving business environment.

The Datwyler Group's remuneration policy is compared against common standards for similar positions at comparable companies. The process for determining the elements and levels of remuneration for the Board of Directors and Executive Committee is based on a periodic benchmarking analysis on the basis of remuneration surveys and of remuneration disclosures published by comparable companies in their annual reports.

Comparable companies are defined as international industrial companies listed on the SIX Swiss Exchange with similar geographic scope, revenue, complexity, capitalisation and employee headcount. They include: ALSO, Belimo, Bucher Industries, DKSH, Dormakaba, Emmi, Forbo, Galenica, Georg Fischer, Idorsia, Landis+Gyr, OC Oerlikon, SFS Group, Sigfried, Sulzer, Tecan and VAT Group.

The Annual General Meeting approves the proposals of the Board of Directors concerning the maximum aggregate amount for remuneration of the Board of Directors each year for the period up to the next ordinary Annual General Meeting pursuant to Art. 21b of the Articles of Association, and of remuneration for the Executive Committee for the following fiscal year pursuant to Art. 21c of the Articles of Association.

The amount of remuneration for members of the Board of Directors is based on service on the individual committees. It is determined annually by the Nomination and Compensation Committee within the parameters of the maximum amount approved by the Annual General Meeting and in compliance with Art. 21b of the Articles of Association. The Board of Directors approves the result. Members of the Board of Directors have a right to be consulted at these meetings of the Board of Directors.

The effective performance-based remuneration of members of the Executive Committee is determined annually by the Nomination and Compensation Committee within the parameters of the maximum amount approved by the Annual General Meeting and in compliance with Art. 21c of the Articles of Association. The Board of Directors approves the result.

Under Art. 21a section 5 of the Articles of Association, the company is authorised to pay an additional amount of up to 50% of the applicable aggregate amount of the applicable maximum total remuneration of the Executive Committee to members of the Executive Committee who join the Executive Committee or assume additional duties during a period for which Executive Committee remuneration has already been approved in the event that the approved maximum aggregate amount of remuneration is insufficient for this period.

The Remuneration Report is submitted to the Annual General Meeting for approval in an consultative vote.

## **Remuneration philosophy and principles**

The remuneration philosophy, as set forth in the Articles of Association, is aligned with the business strategy of sustainable, profitable growth and aims to promote and support the four core values of the Datwyler Group:

- We are entrepreneurs.
- We excel at what we do.
- We bring value to our customers.
- We have respect for others.

The framework for implementing these remuneration principles is set forth in the Articles of Association.

- ① **Pay for performance**  
The variable incentive plan for Executive Committee rewards the collective performance of the company.
- ① **Sustainability performance as a remuneration criterion**  
By considering sustainability performance for the calculation of the variable incentive, Datwyler promotes responsible behavior.
- ① **Reward long-term value creation**  
Part of the remuneration is paid in the form of blocked shares for the Board of Directors and in the form of performance share units for the Executive Committee in order to encourage a long-term view and to create alignment with the interests of the shareholders. Furthermore, the variable incentive plan for Executive Committee has no excessive leverage and therefore does not encourage inappropriate risk-taking.
- ① **Market competitiveness**  
Remuneration levels are in line with competitive market practice and are designed to attract, retain and develop the best talent.
- ① **Fairness and transparency**  
Remuneration programmes are straightforward, transparent and fair.

## 4.2 Remuneration structure of the Board of Directors

The remuneration of members of the Board of Directors is determined based on the responsibility and time requirements of their function and includes a base fee for Board membership and additional fees for special functions such as committee chairmanship and membership. The additional fees are cumulative in the case of multiple functions.

Members of the Board of Directors receive their remuneration in the form of a fixed fee in cash and a grant of bearer shares of Dätwyler Holding Inc., blocked for five years. The number of bearer shares granted is calculated from the fixed amount and the average price on 20 trading days prior to the grant date. In the event of death or disability of a Board member, the shares may be subject to early un-blocking if the participant or their beneficiaries so choose. They remain blocked in all other instances.

## Remuneration model for members of the Board of Directors

|                           | Cash<br>(CHF) | Blocked shares<br>(CHF) |
|---------------------------|---------------|-------------------------|
| <b>Base fee</b>           |               |                         |
| For Board membership      | 30'000        | 150'000                 |
| <b>Additional fee</b>     |               |                         |
| For special functions     |               |                         |
| └ Board chairmanship      | 100'000       | 180'000                 |
| └ Board vice-chairmanship |               | 50'000                  |
| └ Committee chairmanship  | 40'000        |                         |
| └ Committee membership    | 20'000        |                         |

The elements and levels of remuneration for the Board of Directors is based on benchmarking analysis with a group of comparable international industrial companies listed on the SIX Swiss Exchange with similar geographic scope, revenue, complexity, capitalisation and employee headcount. They include: ALSO, Belimo, Bucher Industries, DKSH, Dormakaba, Emmi, Forbo, Galenica, Georg Fischer, Idorsia, Landis+Gyr, OC Oerlikon, SFS Group, Sigfried, Sulzer, Tecan and VAT Group.

Board members may receive additional compensation for assuming special duties, as well as for participation in meetings of a temporary additional committee (other than the Audit Committee and the Nomination and Compensation Committee). Both the special duty and the additional committee and the corresponding compensation must be determined in advance by the Board of Directors.

Fees are paid and shares allocated in June for the current year of Board service. They are subject to regular social security contributions but are not pensionable. Members of the Board of Directors receive no additional reimbursement of business expenses beyond actual expenditures for business travel.

## 4.3 Remuneration structure of the Executive Committee

The remuneration of Executive Committee members is determined based on the scope and responsibilities of their position and consists of a fixed base salary, a variable incentive, a long-term incentive plan with performance share units and benefits such as retirement pension, insurance and perquisites.

### Remuneration model for the Executive Committee

|  | <b>Instrument</b>   | <b>Purpose</b>  |
|--|---|---|
| <b>Fixed base salary</b>                                       | Monthly cash payments   | To compensate for performance of duties and for qualifications required to perform the role                   |
| <b>Variable incentive</b>                                      | Annual cash payment   | To reward collective business performance in the reporting year (revenue, profit and sustainability criteria) |
| <b>Long-term incentive plan</b>                                | Annual granting of performance share units with a vesting period of three years | To drive sustainable results and create long-term alignment with shareholders' interests                      |
| <b>Employer social insurance contributions and perquisites</b> | Retirement pension, insurance and perquisites                                   | To protect against risks and reimburse business expenses  |

### Fixed base salary

The amount of the fixed base salary depends on the scope of the position, the qualifications and experience required to perform the role together with the market environment. The objective is to pay fixed salaries in line with those offered by comparable companies for similar positions.

# Variable incentive

The variable incentive plan rewards the collective performance of the company over a time horizon of one year. The variable incentive is capped at 150% of the annual fixed base salary for the CEO and individually between 50% to 100% for the other members of the Executive Committee.

In alignment with the overall strategy of sustainable profitable growth, the variable incentive will be measured on the basis of three performance indicators with different weightings:

- Net revenue growth compared to previous year, relative to a peer group of companies (weighting 40%);
- EBIT improvement (earnings before interest and tax) compared to previous year, relative to the same peer group of companies (weighting 40%);
- Sustainability measurement parameters (weighting 20%).

The comparison of the two performance indicators net revenue growth and EBIT improvement with the performance of similar companies is performed by an independent consulting firm. The peer group includes industrial firms that have a comparable base of products, technology, customers, suppliers or investors and thus are exposed to similar market cycles as Datwyler. It is identical for all members of the Executive Committee.

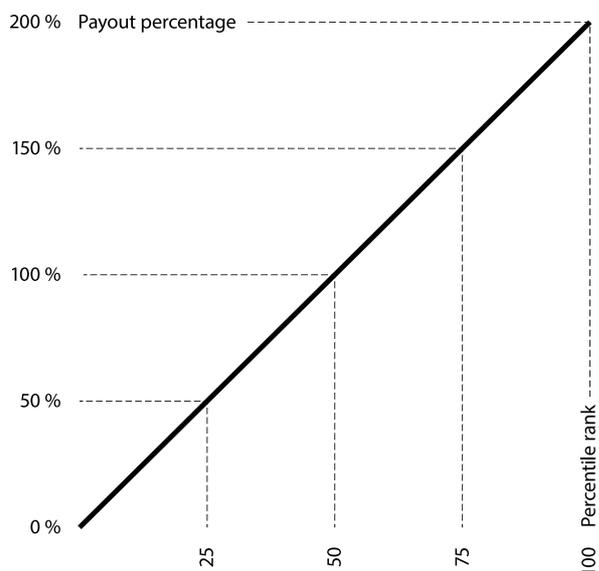
The intention of measuring the performance relatively to peer companies is to neutralise the effect of market cycles and external factors that impact the company's performance but are outside of the control of management. The external market cycles being neutralised, the true performance of the company can be better assessed.

The performance indicators net revenue growth and EBIT improvement together determine 80% of the variable incentive. To achieve the target amount of a 100% payout for these two performance indicators, the median performance of the peer group must be reached for both indicators.

The maximum payout of 200% can only be achieved if Datwyler achieves the best ranking among all peer companies on both net revenue growth and EBIT improvement. Should Datwyler perform below all peer companies on both indicators, there is no payout for these two performance indicators. The payout percentage for any point between the lowest ranking (0% payout), the median (100%) and the best ranking (200%) is determined by linear interpolation.

The sustainability performance indicator determines 20% of the variable incentive. The measurement parameters for the sustainability performance indicator are derived from the 12 focus topics of the sustainability strategy. They can be redefined and weighted by the Board of Directors annually.

For all three parameters, there is a minimum threshold that has to be achieved in order to be taken into consideration and a maximum limit above which the contribution to target achievement no longer increases. The three measurement parameters for the sustainability performance indicator cannot be compared with the companies from the peer group. By taking sustainability measurement parameters into account in the variable incentive for all eligible employees, Datwyler is promoting awareness of the sustainability focus areas.



*Payout curve for the performance indicators net revenue growth and EBIT improvement*

## Overview of the performance indicators and their weighting for calculating the variable incentive

| Target values in % of annual fixed base salary | CEO   | COO, CFO, CTO, CSO |
|--|-------|--------------------|
| Net sales growth relative to peers             | 30 %  | 10 % – 20 %        |
| EBIT improvement relative to peers             | 30 %  | 10 % – 20 %        |
| Sustainability measurement parameters          | 15 %  | 5 % – 10 %         |
| Total (at target)                              | 75 %  | 25 % – 50 %        |
| Total (at maximum)                             | 150 % | 50 % – 100 %       |

## Peer group of companies to measure the collective performance

The Board of Directors may decide to adjust both performance indicators to reflect currency effects, extraordinary effects such as one-time costs or sale of real estate and structural changes such as acquisitions or divestments affecting net sales by more than 10% of the previous year figure. In case of a negative net result, the Board of Directors reserves the right to deviate from the above-mentioned calculation approach.

The model for calculating the variable incentive with three collective performance indicators including sustainability measurement parameters and a uniform peer group applies to all employees of the company who are entitled to a variable incentive. In this way, Datwyler promotes agile collaboration across hierarchical levels and departments and accelerates the implementation of customer requests and development projects. In addition, Datwyler uses the concept of Objectives and Key Results (OKR) to focus the activities of all employees on a clearly defined number of key corporate objectives.

Peer group in the reporting year:

- Aluflexpack
- Amcor
- Amgen
- Amphenol
- Aptargroup (Pharma)
- Aptiv
- Atrion Corp.
- Becton Dickinson & Company (Medical)
- Bridgestone Corporation
- Carlisle (Interconnect Technologies)
- Continental (ContiTech)
- Gerresheimer
- Hexpol AB
- Hirose Electric
- Johnson Control
- Nipro Corporation
- Parker-Hannifin (Diversified Industrial)
- Sanofi
- Schott Pharma
- Stoneridge
- TE Connectivity
- Trelleborg
- Valeo
- Vitesco Technologies
- West Pharmaceutical
- ZF Friedrichshafen

## **Long-term incentive plan**

The long-term incentive plan measures Datwyler's performance relative to comparable peer companies over a three-year period. This is intended to neutralise the effect of market cycles and external factors that impact the company's performance but are outside of the control of management. The external market cycles being neutralised, the true performance of the company can be better assessed.

Share-based remuneration will be awarded under a long-term incentive plan in future in the form of performance share units (PSUs). A PSU is a conditional right to receive shares of the company subject to the fulfilment of certain conditions during a three-year vesting period. The vesting conditions will include both the achievement of predetermined performance objectives (performance conditions) and continuous employment at the end of the vesting period (service condition).

As a basis for the allocation of PSUs, a target amount for the long-term incentive plan was determined for each member of the Executive Committee. This target amount is based on the relevant compensation benchmarks.

At grant date (1 January), the target incentive amount will be converted to a number of PSUs on the basis of the average closing share price during the twenty trading days before the grant date. The PSUs will be subject to a three-year vesting period, conditional on continued service within the company and on the following performance targets being achieved:

- Relative net sales growth, with one-third weight
- Relative ROCE growth, with one-third weight
- Relative total shareholder return (TSR), with one-third weight

Datwyler's performance on all three indicators is compared annually with a peer group of companies. The peer group is a consolidation of the peer companies that are already considered for the calculation of the annual variable incentive.

## **Peer group**

The peer group is confirmed by the Board of Directors prior to the annual grant of PSUs and may be adjusted if required.

The peer group in the reporting year consists of the following companies:

- Aluflexpack
- Amcor
- Amgen
- Amphenol
- Aptargroup
- Aptiv
- Atrion Corp.
- Becton Dickinson & Company
- Bridgestone Corporation
- Carlisle
- Continental
- Gerresheimer
- Hexpol AB
- Hirose
- Johnson Control
- Nipro Corporation
- Parker-Hannifin
- Sanofi
- Schott Pharma
- Stoneridge

- TE Connectivity
- Trelleborg
- Valeo
- Vitesco Technologies
- West Pharmaceutical
- ZF Friedrichshafen

## **Reward for long-term performance**

With the long-term incentive plan, a significant portion of Executive Committee compensation is linked to the company's long-term performance. This strengthens the alignment to shareholders' interests. Datwyler's relative performance will be expressed as a percentile rank, which determines a payout factor between 0% and 200%:

- Ranking < 25% of the peer group (threshold): 0% payout
- Ranking at the median of the peer group: 100% payout
- Ranking > 75% of the peer group (cap): 200% payout
- Linear interpolation between those points

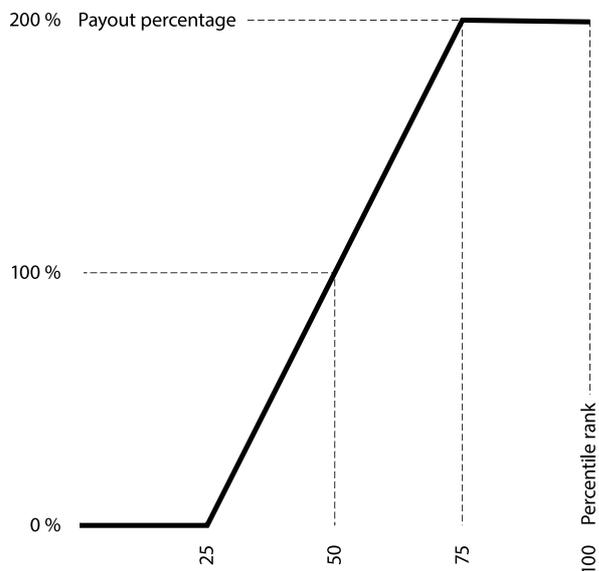
The combined payout factor is a weighted average of the payout factors for relative sales growth (one-third weight), relative ROCE growth (one-third weight) and relative TSR (one-third weight) over the three-year vesting period. An independent external specialist will calculate the level of relative performance achievement and the combined payout factor.

If Datwyler reports a negative profit after tax (i.e. a loss) from continuous operations during the last year of the three-year vesting period, or if the Board of Directors believes that an adequate dividend cannot be paid out to shareholders, the Board of Directors reserves the right to determine whether and to what extent the PSUs for this period should be forfeited, irrespective of the combined payout factor achieved.

In the case of someone leaving, the PSUs are usually forfeited, except in the case of retirement, death, disability or change of control of the company where they are converted into shares for the number of months up to the time of leaving based on the payout factor achieved (pro-rata vesting).

In the event of death, the pro-rata payout is made at the time of leaving (accelerated vesting). It follows the regular vesting schedule in the other cases.

If Datwyler is required to prepare an accounting/financial restatement, clawback and malus provisions will apply to PSUs or shares awarded under the long-term incentive plan. Datwyler shall have the right to forfeit (malus provision) and/or to obtain reimbursement (clawback provision) of any PSU or shares that were granted or allocated to the participant in the case that fraud or misconduct by the participant has led to the booking correction.



*Payout curve for the long-term incentive plan*

The total number of shares transferred to the participant after the vesting period will be calculated as follows:

|  |   |                                 |   |                              |
|--|---|---------------------------------|---|------------------------------|
| Number of PSUs originally granted to the participant | × | Combined payout factor (0-200%) | = | Number of shares transferred |
|--|---|---------------------------------|---|------------------------------|

## Employer social insurance contributions

Members of the Executive Committee belong to the regular social security and pension plans of the respective countries in which their employment contracts were concluded. The social and pension benefits are mainly paid into state social insurance plans, pension plans and health and accident insurance plans. The purpose is to provide employees or their dependents with adequate benefits in the event of retirement, disability, death, accident or illness.

Members of the Executive Committee with a Swiss employment contract participate in the regular employee pension plan provided by Datwyler to all employees in Switzerland. The pension plan consists of a basic plan covering annual earnings up to the sixfold of the maximal retirement pension of the Swiss Governmental Old-Age, Survivors' and Disability Insurance (AHV) and a supplementary plan in which earnings in excess of this limit are insured up to a maximum of the tenfold of the upper limiting amount according to the Swiss Federal Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG). The benefits provided under the pension fund exceed the legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG) and are in line with typical market practice of other industrial companies in Switzerland.

## **Perquisites**

Members of the Executive Committee do not receive any particular executive benefits. They are entitled to a company car and a fiscally approved entertainment allowance, in accordance with the expense rules applicable to all employees at management levels. Since representation allowance represent a reimbursement of expenses, they are not included in the remuneration tables.

## **Employment contracts**

Employment contracts with members of the Executive Committee stipulate a notice period of 6 to 12 months and of 12 months for the CEO. They contain neither a severance provision in the event of termination of employment, nor any change of control clauses.

The employment contracts of Executive Committee members contain a clawback clause allowing the company, where necessary under applicable Swiss law and the Articles of Association, to recover remuneration already paid, insofar as and to the extent that such remuneration was paid before approval by the Annual General Meeting and the next Annual General Meeting fails to approve the proposals of the Board of Directors.

## **4.4 Remuneration in the reporting year 2024**

The remuneration to current and former members of the Board of Directors and Executive Committee and persons connected with them are presented below. Explanations are available after the tables. Tables 1 to 10 have been audited by the statutory auditors.

## Remuneration Board of Directors in 2024 (term)

Table 1, in CHF

| Name                       | Function      | Fixed base salary, gross | Share participation <sup>2</sup> Number | Share participation <sup>2</sup> Fair value | Employer social insurance contributions | Total remuneration |
|----------------------------|---------------|--------------------------|---|---|---|--------------------|
| Paul Hälgi <sup>1</sup>    | Chairman      | 130'000                  | 1'805                                   | 330'008                                     | 27'382                                  | 487'390            |
| Hanspeter Fässler          | Vice Chairman | 70'000                   | 1'094                                   | 200'016                                     | 15'452                                  | 285'468            |
| Jens Breu                  | Director      | 50'000                   | 821                                     | 150'103                                     | 13'974                                  | 214'077            |
| Claude R. Cornaz           | Director      | 50'000                   | 821                                     | 150'103                                     | 13'974                                  | 214'077            |
| Jürg Fedier                | Director      | 70'000                   | 821                                     | 150'103                                     | 12'582                                  | 232'685            |
| Martin Hirzel              | Director      | 50'000                   | 821                                     | 150'103                                     | 13'974                                  | 214'077            |
| Gabi Huber                 | Director      | 50'000                   | 821                                     | 150'103                                     | 11'097                                  | 211'200            |
| Dirk Lambrecht             | Director      | 30'000                   | 821                                     | 150'103                                     | 12'160                                  | 192'263            |
| <b>Total for Directors</b> |               | <b>500'000</b>           | <b>7'825</b>                            | <b>1'430'642</b>                            | <b>120'596</b>                          | <b>2'051'238</b>   |

1. Highest remuneration

2. The shares were granted on 3 June 2024. The reported market value corresponds to the average share price of CHF 182.83 in the time frame from 16 April to 15 May 2024.

## Remuneration Board of Directors in 2023 (term)

Table 2, in CHF

| Name                       | Function      | Fixed base salary, gross | Share participation <sup>2</sup> Number | Share participation <sup>2</sup> Fair value | Employer social insurance contributions | Total remuneration |
|----------------------------|---------------|--------------------------|---|---|---|--------------------|
| Paul Hälg <sup>1</sup>     | Chairman      | 130'000                  | 1'487                                   | 330'203                                     | 26'543                                  | 486'746            |
| Hanspeter Fässler          | Vice Chairman | 70'000                   | 901                                     | 200'076                                     | 14'941                                  | 285'017            |
| Jens Breu                  | Director      | 50'000                   | 676                                     | 150'113                                     | 13'588                                  | 213'701            |
| Claude R. Cornaz           | Director      | 50'000                   | 676                                     | 150'113                                     | 13'588                                  | 213'701            |
| Jürg Fedier                | Director      | 70'000                   | 676                                     | 150'113                                     | 12'196                                  | 232'309            |
| Martin Hirzel              | Director      | 50'000                   | 676                                     | 150'113                                     | 13'588                                  | 213'701            |
| Gabi Huber                 | Director      | 50'000                   | 676                                     | 150'113                                     | 10'711                                  | 210'824            |
| Judith van Walsum          | Director      | 50'000                   | 676                                     | 150'113                                     | 13'588                                  | 213'701            |
| <b>Total for Directors</b> |               | <b>520'000</b>           | <b>6'444</b>                            | <b>1'430'957</b>                            | <b>118'744</b>                          | <b>2'069'701</b>   |

1. Highest remuneration

2. The shares were granted on 1 June 2023. The reported market value corresponds to the average share price of CHF 222.06 in the time frame from 17 April to 15 May 2023.

The fixed base salary of the Board of Directors remained nearly unchanged compared to the previous year. The fixed base salary of the individual Directors depends on their membership in the two committees (see also [Structure of remuneration of the Board of Directors](#)).

The share participation for the members of the Board of Directors for the year 2024 was determined by the Nomination and Compensation Committee and approved by the Board of Directors in accordance with the maximum aggregate amount approved by the Annual General Meeting and Art. 21b of the Articles of Association.

The grant of Datwyler bearer shares as of 3 June 2024 was based on a fixed amount and the average share price of CHF 182.83 in the time frame from 16 April to 15 May 2024. Due to the lower share price compared to the previous year, the number of shares granted increased in the reporting year. The granted shares are blocked for a period of five years.

## Remuneration Executive Committee in 2024

Table 3, in CHF

| Name                                       | Function | Fixed base salary, gross | Variable incentive, gross <sup>3</sup> | Performance Share Units <sup>4</sup> Number | Performance Share Units <sup>4</sup> Grant value | Employer social insurance contributions | Perquisites | Total remuneration |
|--|----------|--------------------------|--|---|--|---|-------------|--------------------|
| Volker Cwielong <sup>1</sup>               | CEO      | 432'000                  | 404'611                                | 1'135                                       | 225'164  | 246'496                                 | 22'625      | 1'330'897          |
| Total for Executive Committee <sup>2</sup> |          | 1'801'213                | 1'257'593                              | 4'017                                       | 796'975  | 1'037'443                               | 171'671     | 5'064'896          |

1. Highest remuneration; for 9 months since 1 April 2024.
2. As at 31 December 2024, the Executive Committee comprised five members. During the reporting year, there were a few months in which two functions were staffed by two people due to two personnel changes.
3. First estimate at the time of publication of the annual report.
4. The performance share units of the long-term incentive plan were granted on 1 January 2024 based on the Datwyler bearer share price of CHF 198.40 (average closing price 20 trading days prior to the grant date).

## Remuneration Executive Committee in 2023

Table 4, in CHF

| Name                                       | Function | Fixed base salary, gross | Variable incentive, gross <sup>3</sup> | Performance Share Units <sup>4</sup> Number | Performance Share Units <sup>4</sup> Grant value | Employer social insurance contributions | Perquisites | Total remuneration |
|--|----------|--------------------------|--|---|--|---|-------------|--------------------|
| Dirk Lambrecht <sup>1</sup>                | CEO      | 655'000                  | 377'299                                | 3'475                                       | 650'103  | 352'664                                 | 10'690      | 2'045'756          |
| Total for Executive Committee <sup>2</sup> |          | 1'760'421                | 626'587                                | 6'336                                       | 1'185'339  | 927'949                                 | 83'922      | 4'584'217          |

1. Highest remuneration
2. In the reporting year 2023, the Executive Committee comprised five members.
3. The variable incentives paid to the Executive Management in 2024 reporting year and relating to the 2023 fiscal year were in total CHF 294'934 lower than the estimate published in the 2023 Annual Report, with the degree of target achievement being lower than expected. The social insurance contributions have also been adjusted accordingly.
4. The performance share units of the long-term incentive plan were granted on 1 January 2023 based on the Datwyler bearer share price of CHF 187.08 (average closing price 20 trading days prior to the grant date).

## Remuneration of the Executive Committee

The fixed base salary of the five members of the Executive Committee amounted to CHF 1'801'213 in the year under review. As at 31 December 2024, the Executive Committee comprised five members. During the reporting year, there were a few months in which two functions were staffed by two people due to two personnel changes. The Executive Committee's variable incentive for the 2024 reporting year was calculated according to the model described in detail under Variable incentive.

This involved comparing net revenue growth and EBIT improvement with a peer group of similar companies. Based on the available revenue and earnings figures for the first nine months of the year under review, Datwyler has made best estimates for calculating the variable incentive. The company expects to outperform its peer group by 47.0% in net revenue growth and 63.0% in EBIT improvement for the full year. In the model with a target value of 100% and a maximum payout factor of 200% per performance indicator, these values correspond to a payout factor of 94.0% for net revenue growth and a payout factor of 126.0% for EBIT improvement.

For the sustainability performance indicator, the Board of Directors had defined the following three measurement parameters for the year 2024: Reduction of CO<sub>2</sub> emissions (Scope 1 and 2) in relation to revenue, reduction of accident severity, and employee satisfaction. These measurement parameters cannot be compared with the companies in the peer group. However, they are also estimates based on nine-month figures as at the end of September 2024. In terms of CO<sub>2</sub> emissions, Datwyler is expected to achieve a reduction of 21.3 tons per million revenue compared to the previous year. With a maximum value of -19.5 tons per million revenue, this results in a payout factor of 200% . Acquisition- and currency-adjusted values are used for the calculation.

For the accident severity rate, Datwyler is expected to achieve a value of 0.09. With a defined maximum and minimum value of 0.06 and 0.22 respectively, this results in a payout factor of 162.5%. To evaluate employee commitment, Datwyler will conduct a survey in January and February 2025. The values of this survey are taken into account for the calculation of the variable incentive to be effectively paid out. For the best estimate of the variable incentive in this annual report, the employee commitment from the survey at the beginning of 2023 was used. The employee commitment value at that time was 85 (on a scale from 1 to 100). With a defined maximum value of 90 and a target value of 70 for employee commitment, this results in a payout factor of 175%.

Taking into account the weighting of the three performance indicators (net revenue growth (40%), EBIT improvement (40%) and sustainability (20%)), the aggregate provisional payout factor amounts to 125%. Accordingly, the provisional figure for the Executive Committee's variable incentive amounts to CHF 1'257'593. Due to the higher payout factor and the temporary double staffing due to personnel changes, this figure is significantly higher than in the previous year.

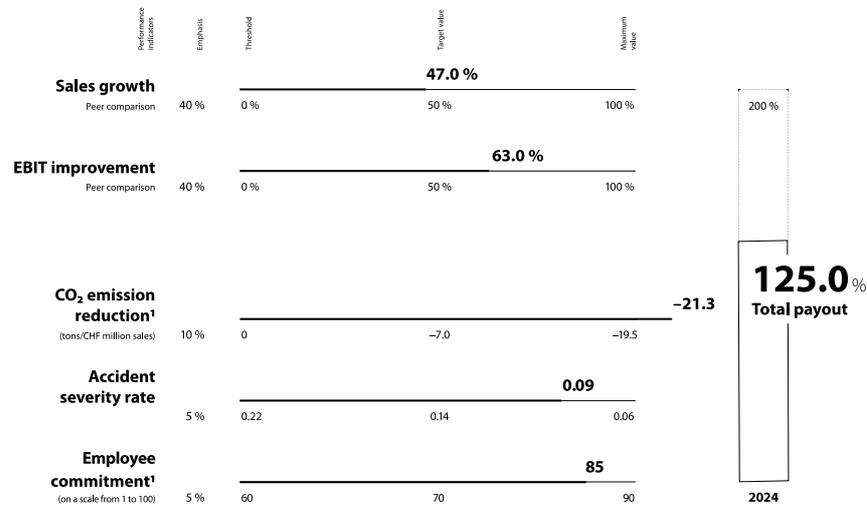
An external, independent specialist calculated the provisional figures for net revenue growth and EBIT improvement relative to peer groups of similar companies.

Based on the annual reports published by peer companies, the same specialist will ascertain the definitive figures in April 2025 before the date on which the variable incentive is paid out. The actual variable incentive paid out will be published in next year's Remuneration Report.

Under the long-term incentive plan, 4'017 performance share units (PSUs) worth CHF 796'975 were granted on 1 January 2024 to the members of the Executive Committee. This was based on the average closing price of the Datwyler bearer share of CHF 198.40 over the 20 trading days prior to the grant date. The two changes in the Executive Committee and the slightly higher share price compared to the previous year resulted in a significantly lower number of PSUs allocated in the reporting year.

The heading "Employer social insurance contributions" includes all employer expenditures for pension plans and social security contributions. Perquisites reflect the employer's contribution to private use of business vehicles, child allowances and, in the reporting year, further one-off allowances due to personnel changes.

The total remuneration of the Board of Directors and the Executive Committee is below the maximum total remuneration figures of CHF 2.35 million and CHF 7.9 million respectively, which the shareholders approved for the 2024 fiscal year at the 2023 and 2024 Annual General Meetings.



1. The scales of the sustainability measurement parameters of CO<sub>2</sub> emission reduction and employee commitment are purposely not linear.

## Long-term incentive plans

Includes members of Executive Committee as of 31 December 2024

| Plan      | Participants                    | Grant date PSU | Performance period | Vesting date PSU | Number of PSU granted | Value of PSU at grant date in CHF | Vesting level in % of grant | Number of shares (vesting) | Value of shares at vesting date in CHF |
|-----------|---------------------------------|----------------|--------------------|------------------|-----------------------|-----------------------------------|-----------------------------|----------------------------|--|
| LTIP 2021 | (Executive Committee incl. CEO) | 01.01.2021     | 2021–2023          | 31.12.2023       | 1'197                 | 295'240                           | 112%                        | 1'341                      | 231'188                                |
| LTIP 2022 | (Executive Committee incl. CEO) | 01.01.2022     | 2022–2024          | 31.12.2024       | 828                   | 320'477                           | To be determined            | To be determined           | To be determined                       |
| LTIP 2023 | (Executive Committee incl. CEO) | 01.01.2023     | 2023–2025          | 31.12.2025       | 1'952                 | 365'180                           | To be determined            | To be determined           | To be determined                       |
| LTIP 2024 | (Executive Committee incl. CEO) | 01.01.2024     | 2024–2026          | 31.12.2026       | 3'779                 | 749'754                           | To be determined            | To be determined           | To be determined                       |

The number of shares awarded in spring 2024 for the long-term incentive plan 2021-2023 was calculated according to the model described in detail under [Long-term incentive plan](#).

In the 2021-2023 performance period, Datwyler achieved the following results for the three performance conditions compared to the peer group:

- Relative net revenue growth: 79.3% of peer group companies outperformed
- Relative ROCE growth: 34.7% of peer group companies outperformed
- Relative total shareholder return: 42.3% of peer group companies outperformed

Based on these results, the payout factor was 112%. The members of the Executive Committee serving as of the end of 2024 were allocated a total of 1'197 performance share units (PSUs) with a value of CHF 295'240 as of 1 January 2021. The payout factor increased the originally granted PSUs to 1'341 shares with a value of CHF 231'188 as of the vesting date of 31 December 2023.

As only the nine-month figures of the companies of the peer group are available at the time of publication of the annual report, the share allocation from the long-term incentive plan is reported in the following year. In this way, estimates can be avoided. The PSUs from the long-term incentive plan are recognised as remuneration and reported in the year in which they were originally allocated.

## **Remuneration of former members of the Board of Directors and Executive Committee**

In the year under review, two former members of the Executive Committee who are now retired or left the company received 3'726 shares worth CHF 642'362 from the long-term incentive plan 2021-2023. No further remuneration was paid to former members of the Board of Directors or the Executive Committee in the year under review, nor was any non-arm's length remuneration paid to persons connected with current or former members of the Board of Directors or Executive Committee.

## **Loans and credits**

No loans and/or credits were granted to current or former members of the Board and Executive Committee or related parties.

## **Shareholdings of the Board of Directors and Executive Committee**

At the end of 2024, the Directors held a total of 111'436 Datwyler bearer shares and the Executive Committee members held 5'284 Datwyler bearer shares. The shareholdings of Directors and Executive Committee are detailed below in accordance with Article 734d of the Swiss Code of Obligations.

# Board of Directors shareholdings 2024

Table 5, as of 31 December 2024

| Name              | Function      | Number of shares | % of voting rights | Of which blocked until |       |       |       |       |
|-------------------|---------------|------------------|--------------------|------------------------|-------|-------|-------|-------|
|                   |               |                  |                    | 2025                   | 2026  | 2027  | 2028  | 2029  |
| Paul Hälgi        | Chairman      | 39'344           | 0.113711           | 2'016                  | 1'125 | 1'092 | 1'487 | 1'805 |
| Hanspeter Fässler | Vice Chairman | 14'680           | 0.042428           | 1'406                  | 682   | 662   | 901   | 1'094 |
| Jens Breu         | Director      | 4'409            | 0.012743           | 917                    | 512   | 497   | 676   | 821   |
| Claude R. Cornaz  | Director      | 5'198            | 0.015023           | 917                    | 512   | 497   | 676   | 821   |
| Jürg Fedier       | Director      | 8'498            | 0.024561           | 917                    | 512   | 497   | 676   | 821   |
| Martin Hirzel     | Director      | 2'506            | 0.007243           | 0                      | 512   | 497   | 676   | 821   |
| Gabi Huber        | Director      | 10'867           | 0.031408           | 917                    | 512   | 497   | 676   | 821   |
| Dirk Lambrecht    | Director      | 25'934           | 0.074954           | 0                      | 0     | 0     | 0     | 821   |

Share type: Bearer share, nom. CHF 0.05

Voting rights per bearer share: 0.00000289%

## Board of Directors shareholdings 2023

Table 6, as of 31 December 2023

| Name              | Function      | Number of shares | % of voting rights | Of which blocked until |       |       |       |       |
|-------------------|---------------|------------------|--------------------|------------------------|-------|-------|-------|-------|
|                   |               |                  |                    | 2024                   | 2025  | 2026  | 2027  | 2028  |
| Paul Hälgi        | Chairman      | 37'539           | 0.108494           | 2'168                  | 2'016 | 1'125 | 1'092 | 1'487 |
| Hanspeter Fässler | Vice Chairman | 14'586           | 0.042156           | 1'511                  | 1'406 | 682   | 662   | 901   |
| Jens Breu         | Director      | 3'588            | 0.010370           | 986                    | 917   | 512   | 497   | 676   |
| Claude R. Cornaz  | Director      | 4'377            | 0.012650           | 986                    | 917   | 512   | 497   | 676   |
| Jürg Fedier       | Director      | 7'677            | 0.022188           | 986                    | 917   | 512   | 497   | 676   |
| Martin Hirzel     | Director      | 1'685            | 0.004870           | 0                      | 0     | 512   | 497   | 676   |
| Gabi Huber        | Director      | 10'046           | 0.029035           | 986                    | 917   | 512   | 497   | 676   |
| Judith van Walsum | Director      | 1'173            | 0.003390           | 0                      | 0     | 0     | 497   | 676   |

Share type: Bearer share, nom. CHF 0.05

Voting rights per bearer share: 0.00000289%

## Executive Committee shareholdings 2024

Table 7, as of 31 December 2024

| Name              | Function | Number of shares | % of voting rights | Of which blocked until |      |      |      |      |
|-------------------|----------|------------------|--------------------|------------------------|------|------|------|------|
|                   |          |                  |                    | 2025                   | 2026 | 2027 | 2028 | 2029 |
| Volker Cwielong   | CEO      | 0                | –                  | 0                      | 0    | 0    | 0    | 0    |
| Judith van Walsum | CFO      | 1'173            | 0.003390           | 0                      | 0    | 497  | 676  | 0    |
| Dirk Borghs       | COO      | 2'396            | 0.006925           | 0                      | 0    | 0    | 0    | 0    |
| Sabrina Gérard    | CSO      | 0                | –                  | 0                      | 0    | 0    | 0    | 0    |
| Frank Schön       | CTO      | 1'715            | 0.004957           | 0                      | 0    | 0    | 0    | 0    |

Share type: Bearer share, nom. CHF 0.05  
Voting rights per bearer share: 0.00000289%

## Executive Committee shareholdings 2023

Table 8, as of 31 December 2023

| Name              | Function | Number<br>of shares | % of<br>voting rights | Of which<br>blocked until |      |      |      |      |
|-------------------|----------|---------------------|-----------------------|---------------------------|------|------|------|------|
|                   |          |                     |                       | 2024                      | 2025 | 2026 | 2027 | 2028 |
| Dirk<br>Lambrecht | CEO      | 22'160              | 0.064046              | 0                         | 0    | 0    | 0    | 0    |
| Walter Scherz     | CFO      | 2'850               | 0.008237              | 0                         | 0    | 0    | 0    | 0    |
| Dirk Borghs       | COO      | 1'623               | 0.004691              | 0                         | 0    | 0    | 0    | 0    |
| Sabrina<br>Gérard | CSO      | 0                   | –                     | 0                         | 0    | 0    | 0    | 0    |
| Frank Schön       | CTO      | 1'147               | 0.003315              | 0                         | 0    | 0    | 0    | 0    |

Share type: Bearer share, nom. CHF 0.05  
Voting rights per bearer share: 0.00000289%

## Functions of the members of Board of Directors in other companies

Table 9. In accordance with Article 734e of the Swiss Code of Obligations. Includes members of the Board of Directors as of 31 December 2024.

|                              |                                  |              | As of 31<br>December 2023 | As of 31<br>December 2024 |
|------------------------------|----------------------------------|--------------|---------------------------|---------------------------|
| <b>Paul Hälg</b>             |                                  |              |                           |                           |
| └ Director<br>Delegate       | Aranos AG                        |              | x                         | x                         |
| └ Director                   | Dätwyler IT Infra AG             |              | x                         | x                         |
| └ Chairman                   | Sika AG                          | stock listed | x                         |                           |
| └ Director                   | Sonceboz Group SA                |              | x                         | x                         |
| <b>Hanspeter<br/>Fässler</b> |                                  |              |                           |                           |
| └ Director                   | ANYbotics AG                     |              | x (Chairman)              | x                         |
| └ Vice<br>Chairman           | Axpo Holding AG                  |              | x                         |                           |
| └ Director                   | Dätwyler IT Infra AG             |              | x (Chairman)              | x                         |
| └ Chairman                   | Drone Harmony AG                 |              | x                         | x                         |
| └ Chairman                   | Gravis Robotics AG               |              | x                         | x                         |
| └ Director                   | Hatebur<br>Umformmaschinen<br>AG |              | x                         | x                         |
| └ Director                   | So Real Digital Twins<br>AG      |              | x                         | x                         |
| <b>Jens Breu</b>             |                                  |              |                           |                           |
| └ CEO                        | SFS Group AG                     | stock listed | x                         | x                         |
| <b>Claude R. Cornaz</b>      |                                  |              |                           |                           |
| └ Vice<br>Chairman           | Cornaz AG-Holding                |              | x                         | x                         |

|                    |                         |              |   |   |
|--------------------|-------------------------|--------------|---|---|
| ↳ Vice<br>Chairman | H. Goessler AG          |              | x | x |
| ↳ Chairman         | Vetropack Holding<br>AG | stock listed | x | x |

### Jürg Fedier

|            |                               |              |   |   |
|------------|-------------------------------|--------------|---|---|
| ↳ Director | Ascom Holding AG              | stock listed | x | x |
| ↳ Director | OC Oerlikon<br>Corporation AG | stock listed | x | x |

### Martin Hirzel

|                    |                      |              |              |   |
|--------------------|----------------------|--------------|--------------|---|
| ↳ Director         | Bucher Industries AG | stock listed | x            | x |
| ↳ Director         | IPZ Property AG      |              | x            | x |
| ↳ Director         | Lantal Textiles AG   |              | x            | x |
| ↳ Vice<br>Chairman | Ronal AG             |              | x (Director) | x |
| ↳ Chairman         | Testex AG            |              | x (Director) | x |

### Gabi Huber

|                      |                               |  |   |   |
|----------------------|-------------------------------|--|---|---|
| ↳ Vice<br>Chairwoman | UBS Switzerland AG            |  | x | x |
| ↳ Director           | Credit Suisse<br>(Schweiz) AG |  | x |   |

### Dirk Lambrecht

|            |                      |  |              |   |
|------------|----------------------|--|--------------|---|
| ↳ Chairman | Dätwyler IT Infra AG |  | x (Director) | x |
|------------|----------------------|--|--------------|---|

CEO = Chief Executive Officer

## Functions of the members of the Executive Committee in other companies

Table 10. In accordance with Article 734e of the Swiss Code of Obligations. Includes members of Executive Committee as of 31 December 2024.

|                          |            |                                 | As of 31<br>December 2023 | As of 31<br>December 2024 |
|--------------------------|------------|---------------------------------|---------------------------|---------------------------|
| <b>Volker Cwielong</b>   | –          | –                               |                           |                           |
| <b>Judith van Walsum</b> | –          | –                               |                           |                           |
| <b>Dirk Borghs</b>       | Director   | Target Foods NV                 | x                         | x                         |
| <b>Sabrina Gérard</b>    | Chairwomen | Mentor Management Consulting BV | x                         | x                         |
| <b>Frank Schön</b>       | –          | –                               |                           |                           |

## 4.5 Remuneration outlook

The Board of Directors will propose the following maximum total sums to the 2025 ordinary Annual General Meeting for remuneration of the Board of Directors for their service during the period up to the 2026 ordinary Annual General Meeting and for remuneration of the Executive Committee for the 2026 fiscal year:

- Board of Directors: CHF 2'350'000, of which CHF 650'000 for cash remuneration plus CHF 1'700'000 for granting of Dätwyler Holding Inc. bearer shares.
- Executive Committee: CHF 7'500'000, of which CHF 5'200'000 for cash remuneration (fixed base salary CHF 2'200'000, variable incentive CHF 2'000'000, employer social insurance and perquisites CHF 1'000'000) plus CHF 2'300'000 for the maximum value at grant of the Performance Share Units awarded under the new long-term incentive plan.

For the sustainability performance indicator, which accounts for 20% of the variable salary component, the Board of Directors has defined the following two measurement parameters for the year 2025:

- Reduction in CO<sub>2</sub> emissions (scopes 1 and 2) relative to revenue (10% of variable incentive component)
- Reduction of elastomer waste in tons relative to value of goods manufactured (10% of the variable incentive component)

For the two parameters, there is a minimum threshold that has to be achieved in order to be taken into consideration and a maximum limit above which the contribution to target achievement no longer increases. The two measurement parameters for the sustainability performance indicator cannot be compared with the companies from the peer group. By taking sustainability measurement parameters into account in the variable incentive for all eligible employees, Datwyler is promoting awareness of the sustainability focus areas.

Furthermore, the Board of Directors has decided to adjust the calculation model for the variable incentive of the Executive Committee. From 2025, there will be a fourth performance indicator that measures the improvement in operating cash flow compared to an internal budget figure and determines 20% of the variable incentive. For the operating cash flow performance indicator, there is a minimum threshold that has to be achieved in order to be taken into consideration and a maximum limit above which the contribution to target achievement no longer increases. Accordingly, the weighting of the two existing performance indicators net revenue growth and EBIT improvement compared to the previous year and relative to a peer group of companies will be reduced from 40% each to 30% each of the variable incentive. In addition, separate peer groups of companies for relative performance measurement will be introduced for the two business areas Healthcare Solutions and Industrial Solutions from 2025. For the members of the Executive Committee, the results of the two business areas are weighted according to their share of revenue. This approach also applies to all other employees who are entitled to a variable incentive but cannot be allocated to one of the two business areas.

## 4.6 **Report of the statutory auditor on the Remuneration Report**



# Report of the statutory auditor

To the General Meeting of Dätwyler Holding AG, Altdorf

## Report on the Audit of the Remuneration Report

### Opinion

We have audited the Remuneration Report of Dätwyler Holding AG (the Company) for the year ended 31. December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables 1 to 10 in section «Remuneration in the reporting year 2024» and the sections «Remuneration of former members of the Board of Directors and Executive Committee» and «Loans and credits» of the Remuneration Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the Remuneration Report complies with Swiss law and the Company's articles of incorporation.

### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Remuneration Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables 1 to 10 in section «Remuneration in the reporting year 2024» and the sections «Remuneration of former members of the Board of Directors and Executive Committee» and «Loans and credits» in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Board of Directors' Responsibilities for the Remuneration Report**

The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

#### **Auditor's Responsibilities for the Audit of the Remuneration Report**

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Remuneration Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

A handwritten signature in blue ink, appearing to read 'Toni Wattenhofer'.

Toni Wattenhofer  
Licensed Audit Expert  
Auditor in Charge

A handwritten signature in blue ink, appearing to read 'Melanie Gamma'.

Melanie Gamma  
Licensed Audit Expert

Zurich, 4 February 2025

Enclosure:  
- Remuneration Report

# 5 Financial Report

This section contains the complete financial report, including the consolidated financial statements and the financial statements of Dätwyler Holding Inc., the alternative performance measures and key financial figures for the company and the share over the past five years.

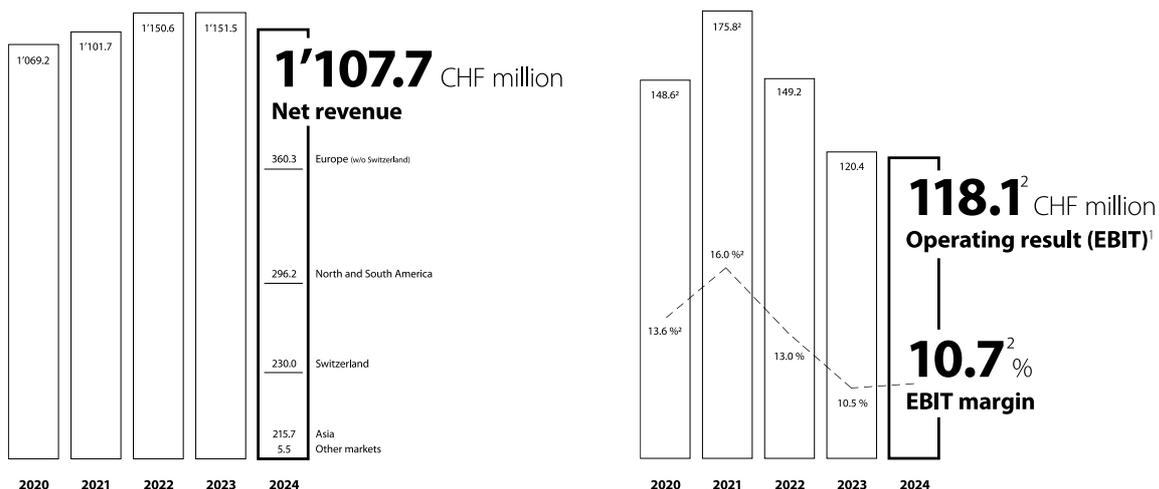
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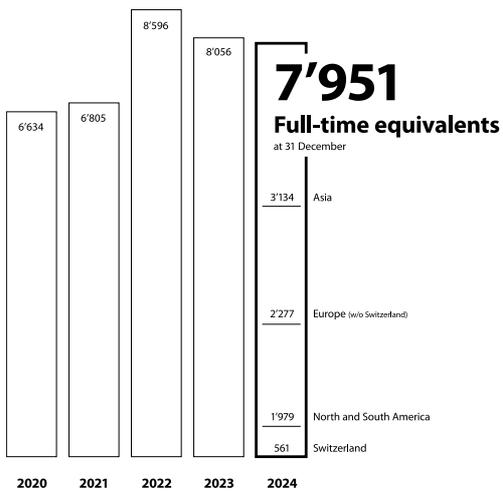
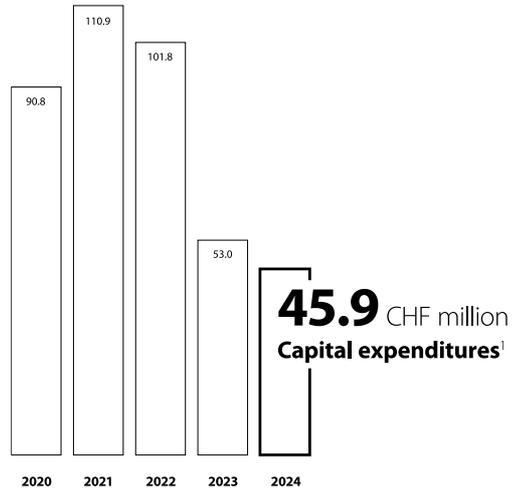
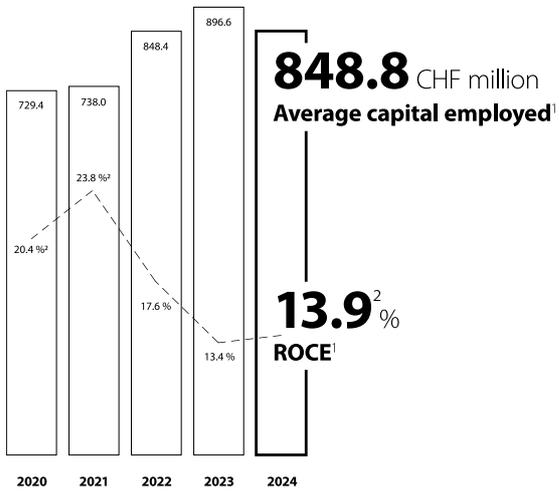
- 5.1 [Key figures](#)
- 5.2 [Shareholder information](#)
- 5.3 [Consolidated Financial Statements](#)
- 5.4 [Financial Statements of Dätwyler Holding Inc.](#)

## 5.1 Key figures

### Group

Reported, 12 months ended at **31 December**, in CHF million





1. Datwyler Group uses certain financial performance measures that are not defined by Swiss GAAP. The definitions of these Alternative Performance Measures (APM) are explained in the Financial Report 2024 (pages F54–F55).

2. Adjusted

|  | <b>2024</b> | <b>2023</b> | <b>Change</b> |
|--|-------------|-------------|---------------|
| <b>Net revenue</b>   | 1'107.7     | 1'151.5     | -3.8 %        |
| <b>EBITDA before transformation program<sup>1</sup></b>                  | 199.3       | 200.6       | -0.6 %        |
| └ as % of net revenue  | 18.0 %      | 17.4 %      | n/a           |
| <b>Operating result (EBIT) before transformation program<sup>1</sup></b> | 118.1       | 120.4       | -1.9 %        |
| └ as % of net revenue (EBIT margin)                                      | 10.7 %      | 10.5 %      | n/a           |
| <b>Operating result (EBIT)</b>   | 80.2        | 120.4       | -33.4 %       |
| └ – as % of net revenue (EBIT margin)                                    | 7.2 %       | 10.5 %      | n/a           |
| <b>Net result</b>  | 31.1        | 66.8        | -53.4 %       |
| └ as % of net revenue  | 2.8 %       | 5.8 %       | n/a           |
| <b>ROCE<sup>1</sup></b>  | 13.9 %      | 13.4 %      | n/a           |
| <b>Average capital employed<sup>1</sup></b>                              | 848.8       | 896.6       | -5.3 %        |
| <b>Net cash from operating activities</b>                                | 171.7       | 194.9       | -11.9 %       |
| <b>Net cash used in investing activities</b>                             | -43.8       | -58.2       | -24.7 %       |
| <b>Free cash flow<sup>1</sup></b>  | 127.9       | 136.7       | -6.4 %        |
| <b>Net cash from financing activities</b>                                | -124.9      | -109.7      | +13.9 %       |
| <b>Net change in cash and cash equivalents<sup>1</sup></b>               | 3.0         | 27.0        | -88.9 %       |
| <b>Cash, cash equivalents and money market investments</b>               | 127.4       | 122.5       | +4.0 %        |

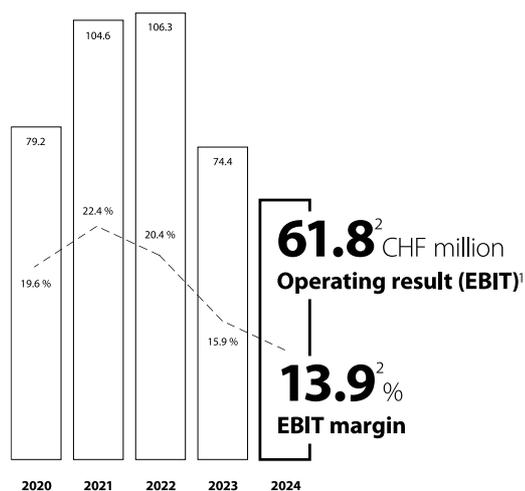
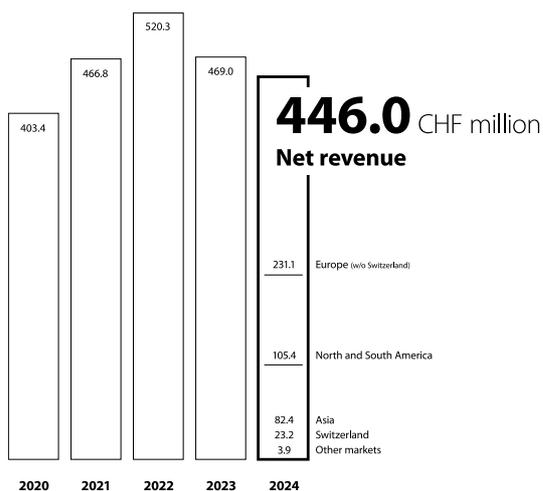
|   | 2024    | 2023    | Change  |
|---|---------|---------|---------|
| <b>Capital expenditures<sup>1</sup></b>     | 45.9    | 53.0    | -13.4 % |
| <b>Total assets</b>                         | 1'150.2 | 1'200.8 | -4.2 %  |
| <b>Equity</b>                               | 368.5   | 386.2   | -4.6 %  |
| └ as % of total assets                      | 32.0 %  | 32.2 %  | n/a     |
| <b>Number of employees</b> at 31 December   | 8'030   | 8'178   | -1.8 %  |
| <b>Full-time equivalents</b> at 31 December | 7'951   | 8'056   | -1.3 %  |

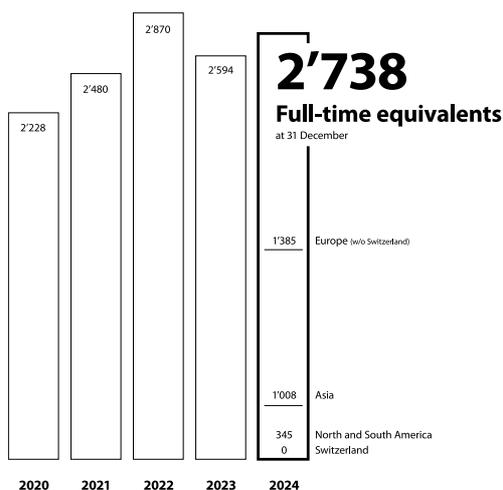
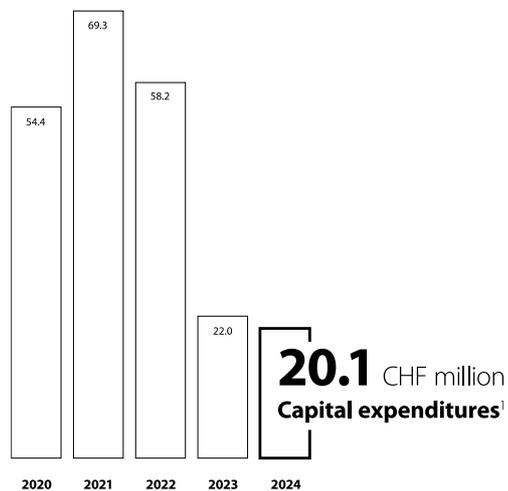
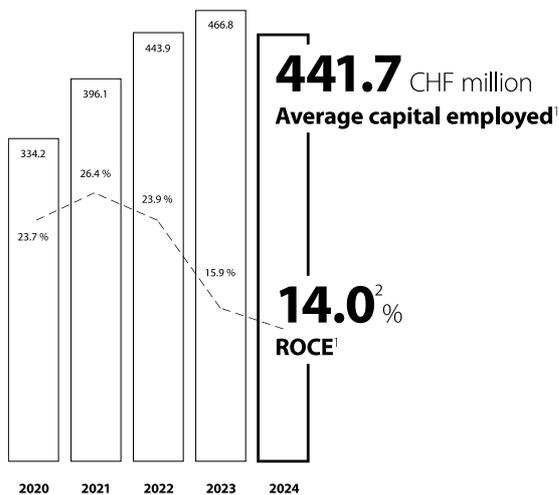
1. Datwyler Group uses certain financial performance measures that are not defined by Swiss GAAP. The definitions of these Alternative Performance Measures (APM) are explained in the [Financial Report 2024](#) (pages F54–F55)

2. Adjusted

## Healthcare Solutions

12 months ended at **31 December**, in CHF million





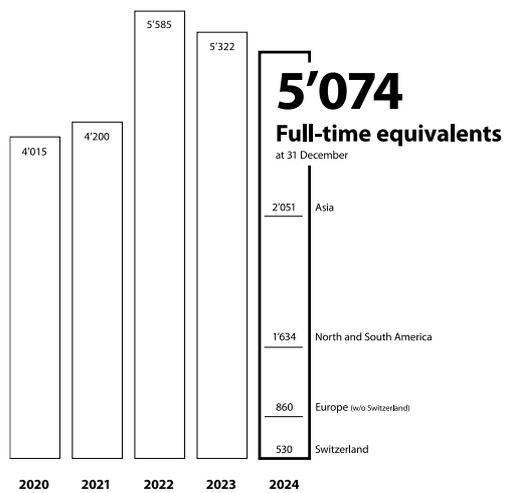
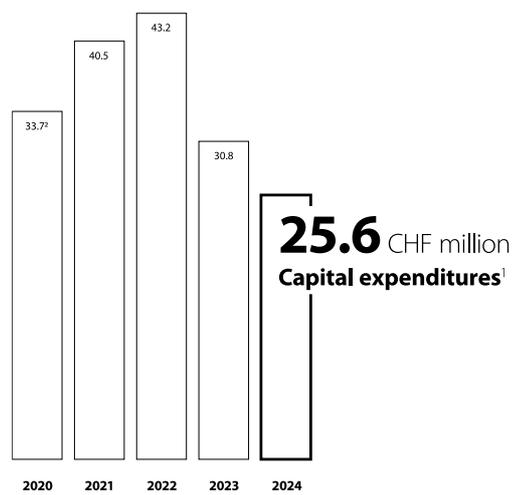
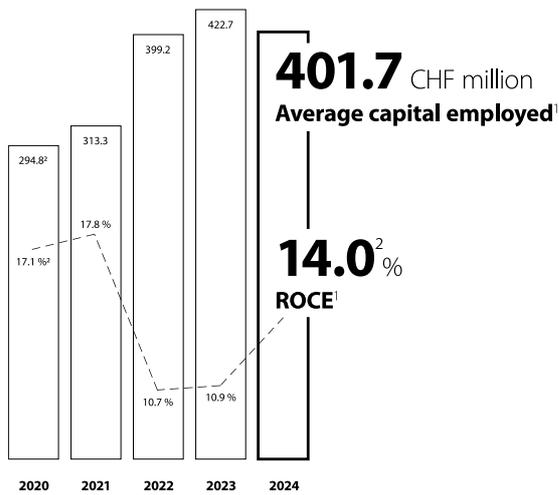
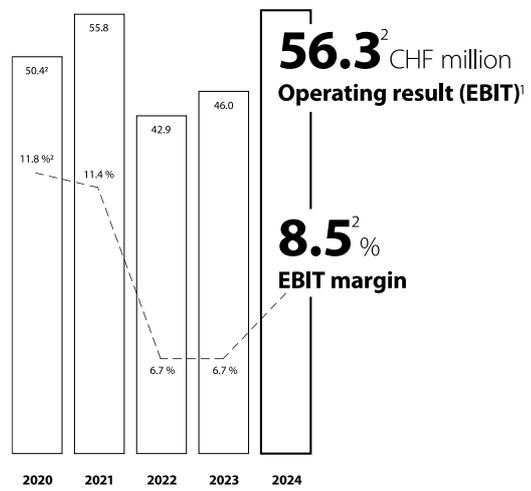
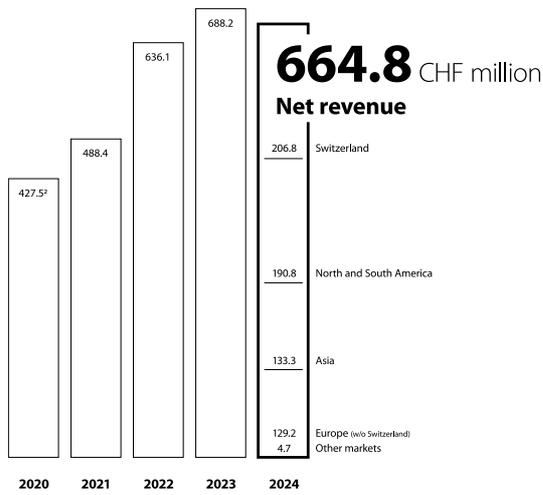
|  | 2024   | 2023   | Change  |
|--|--------|--------|---------|
| <b>Net revenue</b>   | 446.0  | 469.0  | -4.9 %  |
| <b>Operating result (EBIT) before transformation program<sup>1</sup></b> | 61.8   | 74.4   | -16.9 % |
| ↳ as % of net revenue (EBIT margin)                                      | 13.9 % | 15.9 % | n/a     |
| <b>ROCE<sup>1</sup></b>  | 14.0 % | 15.9 % | n/a     |
| <b>Average capital employed<sup>1</sup></b>                              | 441.7  | 466.8  | -5.4 %  |
| <b>Capital expenditures<sup>1</sup></b>                                  | 20.1   | 22.0   | -8.6 %  |
| <b>Full-time equivalents at 31 December</b>                              | 2'738  | 2'594  | +5.6 %  |

1. Datwyler Group uses certain financial performance measures that are not defined by Swiss GAAP. The definitions of these Alternative Performance Measures (APM) are explained in the [Financial Report 2024](#) (pages F54–F55)

2. Adjusted

# Industrial Solutions

Industrial Solutions, 12 months ended at **31 December**, in CHF million



|  | 2024   | 2023   | Change  |
|--|--------|--------|---------|
| <b>Net revenue</b>   | 664.8  | 688.2  | -3.4 %  |
| <b>Operating result (EBIT) before transformation program<sup>1</sup></b> | 56.3   | 46.0   | +22.4 % |
| ↳ as % of net revenue (EBIT margin)                                      | 8.5 %  | 6.7 %  | n/a     |
| <b>ROCE<sup>1</sup></b>  | 14.0 % | 10.9 % | n/a     |
| <b>Average capital employed<sup>1</sup></b>                              | 401.7  | 422.7  | -5.0 %  |
| <b>Capital expenditures<sup>1</sup></b>                                  | 25.6   | 30.8   | -16.9 % |
| <b>Full-time equivalents</b> at 31 December                              | 5'074  | 5'322  | -4.7 %  |

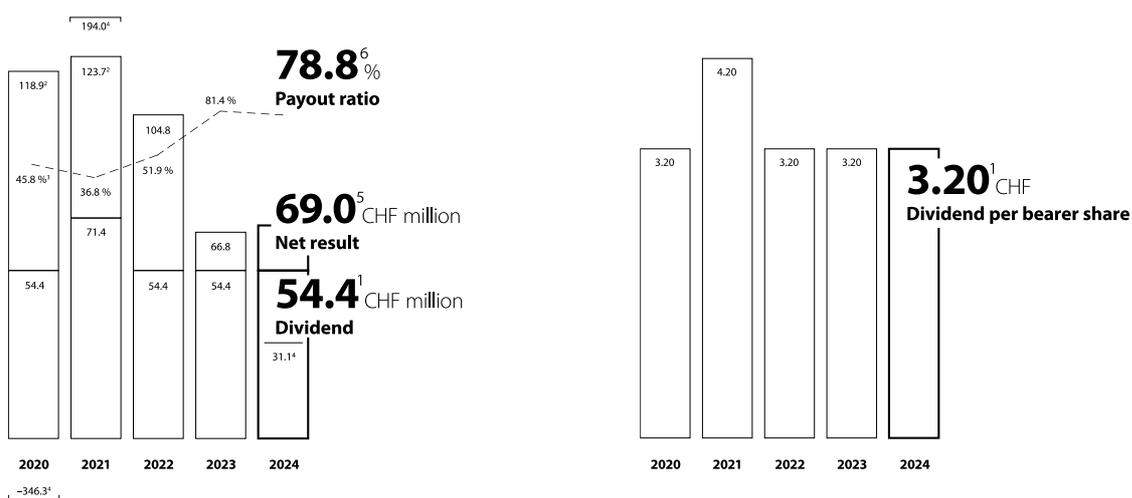
1. Datwyler Group uses certain financial performance measures that are not defined by Swiss GAAP. The definitions of these Alternative Performance Measures (APM) are explained in the [Financial Report 2024](#) (pages F54–F55)

2. Adjusted

## 5.2 Shareholder information

### Dividend and share information

12 months (unaudited) ended at **31 December**, in CHF



|   | <b>2024</b>       | <b>2023</b>     |
|---|-------------------|-----------------|
| <b>Earnings per bearer share</b>                | 1.83              | 3.93            |
| <b>Dividend per bearer share</b>                | 3.20 <sup>1</sup> | 3.20            |
| <b>Dividend yield</b> at 31 December            | 2.4 %             | 1.6 %           |
| <b>Market price (high/low) per bearer share</b> | 202.50 / 131.60   | 250.50 / 154.20 |

- 
1. Board of Director's proposal to the Annual General Meeting
  2. Continuing operations
  3. In relation to the net result continuing operations
  4. Reported net result
  5. Net result before transformation program
  6. In relation to the net result before transformation expenses

## **Alternative Performance Measures (APM)**

### **5.3 Consolidated Financial Statements**

- Group Financial Review
- Consolidated Income Statement
- Consolidated Balance Sheet
- Consolidated Cash Flow Statement
- Consolidated Statement of Changes in Equity
- Notes to the Consolidated Financial Statements
- Report of the Statutory Auditor on the Consolidated Financial Statements

### **5.4 Financial Statements of Dätwyler Holding Inc.**

- Income Statement
- Balance Sheet
- Notes to the Financial Statements

- Proposed Appropriation of Retained Earnings
- Report of the Statutory Auditor on the Financial Statements

# DATWYLER FINANCIAL REPORT 2024

## Consolidated Financial Statements

|  |     |
|--|-----|
| Group Financial Review   | F02 |
| Consolidated Income Statement  | F06 |
| Consolidated Balance Sheet   | F07 |
| Consolidated Cash Flow Statement   | F08 |
| Consolidated Statement of Changes in Equity                              | F09 |
| Notes to the Consolidated Financial Statements                           | F10 |
| Report of the Statutory Auditor on the Consolidated Financial Statements | F36 |

## Group Financial Review

### CONSOLIDATED INCOME STATEMENT DATWYLER GROUP

In 2024, the Datwyler Group generated net revenue of CHF 1'107.7 million (previous year CHF 1'151.5 million). This corresponds to a decrease of 3.8%. The negative exchange rate effect due to consolidation in Swiss francs amounted to -2.4%. Adjusted for these factors, there was an organic decrease of 1.4%.

#### Change in net revenue

| in CHF millions                      | 2024         | %            | 2023       | %           |
|--------------------------------------|--------------|--------------|------------|-------------|
| Acquisition/disposal of subsidiaries | –            | –            | 55.0       | 4.8%        |
| Foreign currency translation to CHF  | –27.4        | –2.4%        | –50.4      | –4.4%       |
| Organic change                       | –16.4        | –1.4%        | –3.7       | –0.3%       |
| <b>Total change in net revenue</b>   | <b>–43.8</b> | <b>–3.8%</b> | <b>0.9</b> | <b>0.1%</b> |

The gross profit margin increased to 21.5% (previous year 20.9%). Gross profit was negatively impacted by negative currency translation effects of 2.6% and positively impacted by lower raw material prices of 1.6%. The remaining organic change in gross profit amounted to 0.2%.

#### Change in gross profit

| in CHF millions                      | 2024        | %            | 2023         | %            |
|--------------------------------------|-------------|--------------|--------------|--------------|
| Acquisition/disposal of subsidiaries | –           | –            | 9.3          | 3.6%         |
| Foreign currency translation to CHF  | –6.2        | –2.6%        | –14.3        | –5.6%        |
| Impact raw material purchases        | 3.7         | 1.6%         | –4.7         | –1.8%        |
| Other organic change                 | 0.6         | 0.2%         | –5.3         | –2.1%        |
| <b>Total change in gross profit</b>  | <b>–1.9</b> | <b>–0.8%</b> | <b>–15.0</b> | <b>–5.9%</b> |

In 2024, the operating result (EBIT) amounted to CHF 80.2 million (previous year CHF 120.4 million) and the EBIT margin was 7.2% (previous year: 10.5%), with this change occurring as follows:

#### Change in operating result

| in CHF millions                         | 2024         | %             | 2023         | %             |
|---|--------------|---------------|--------------|---------------|
| Acquisition/disposal of subsidiaries    | –            | –             | 4.3          | 2.9%          |
| Foreign currency translation to CHF     | –3.0         | –2.5%         | –6.6         | –4.4%         |
| Other organic change                    | –37.2        | –30.9%        | –26.5        | –17.8%        |
| <b>Total change in operating result</b> | <b>–40.2</b> | <b>–33.4%</b> | <b>–28.8</b> | <b>–19.3%</b> |

The operating result is influenced by extraordinary measures in connection with the transformation program communicated on 18 December 2024 in the amount of CHF 37.9 million (previous year none).

With lower interest expenses of CHF 10.7 million (previous year CHF 14.6 million), the financial result shows a lower net expense of CHF 27.9 million (previous year CHF 28.7 million) compared to the previous year. The income tax expense fell to CHF 21.2 million (previous year CHF 24.9 million) and the tax rate rose to 40.5% (previous year 27.2%) as a result of individual special charges from the transformation program, on which no deferred tax assets were recognized. The weighted average income tax rate for the Group is 21.4% (previous year 22.5%). The net result amounted to CHF 31.1 million (previous year CHF 66.8 million).

## **CONSOLIDATED BALANCE SHEET DATWYLER GROUP**

Total assets decreased by CHF 50.6 million compared to the previous year to CHF 1'150.2 million (previous year CHF 1'200.8 million). Trade receivables fell to CHF 215.5 million (previous year CHF 227.2 million) and inventories increased slightly to CHF 168.5 million (previous year CHF 166.7 million). With trade payables of CHF 73.2 million (previous year CHF 81.6 million), net current assets decreased by 0.5% to CHF 310.8 million (previous year CHF 312.3 million). Cash and cash equivalents increased by CHF 4.8 million to CHF 127.2 million.

Equity decreased by CHF 17.7 million compared to the previous year to CHF 368.5 million (previous year CHF 386.2 million). This corresponds to an equity ratio of 32.0% (previous year 32.2%). The main changes in equity were the net result of CHF 31.1 million (previous year CHF 66.8 million), the dividend payment of CHF 54.4 million (previous year CHF 54.4 million), and positive currency translation differences of CHF 5.8 million (previous year negative CHF 27.7 million) on the equity of foreign subsidiaries.

All current and non-current liabilities to banks were repaid in the financial year 2024 (previous year CHF 5.9 million short-term bank debt and CHF 46.1 million long-term bank debt). Taking into account the bonds of CHF 359.4 million (previous year CHF 389.6 million) and the loans granted by Pema Holding of CHF 215.0 million (previous year CHF 198.0 million), the net debt position amounted to CHF 447.0 million (previous year CHF 517.1 million).

Current assets decreased by 4.1% to CHF 551.0 million (previous year CHF 574.7 million). Non-current assets decreased by 4.3% to CHF 599.2 million (previous year CHF 626.1 million).

## **CONSOLIDATED CASH FLOW STATEMENT DATWYLER GROUP**

With a net result of CHF 31.1 million (previous year CHF 66.8 million), the Datwyler Group achieved a net cash flow from operating activities of CHF 171.7 million (previous year CHF 194.9 million). This cash flow was used to pay for investments in property, plant and equipment in the amount of CHF 36.0 million (previous year CHF 51.8 million). This corresponds to an investment ratio (investments as a % of net sales) of 3.2% (previous year 4.5%). The repayment of bank debt amounted to CHF 54.6 million net (previous year repayment of bank debt of CHF 93.7 million). Loans in the amount of net CHF 17.0 million (previous year CHF 44.0 million) were granted by Pema Holding AG. The 0.625% bond of CHF 150.0 million was redeemed by issuing a 1.7% bond of CHF 120.0 million. The cash inflows and outflows resulted in a net change in cash and cash equivalents of CHF 3.0 million (previous year CHF 27.0 million). This resulted in cash and cash equivalents of CHF 127.2 million (previous year CHF 122.4 million).

## ADDITIONAL INFORMATION

Comments on the main events of the current financial year can be found in the Letter to Shareholders and in the Business Areas section of the Annual Report.

### Full-time equivalents

The average number of full-time equivalents for the year was 8'040 (previous year: 8'303).

### Risk assessment

As part of its duty to oversee the management of the Group, the Board of Directors of Daetwyler Holding Inc. conducts a systematic risk assessment at least once a year. At the meeting on 23 September, 2024, the Board of Directors took note of the management report on Group-wide risk management and approved the measures proposed therein

### Financial risk management

The Datwyler Group's global operations expose it to various financial risks such as currency risk, interest rate risk, credit risk, liquidity risk and market price risk. The nature of these risks has not changed significantly compared to the previous year. The Group's financial risk management, which remains unchanged from the previous year, is aimed at minimizing potential negative effects on the financial result that may arise from unforeseeable developments on the financial markets. To this end, derivative financial instruments are also used to economically hedge risks and positions.

### Liquidity reserves

| in CHF millions                 | 31.12.2024   | 31.12.2023   |
|---------------------------------|--------------|--------------|
| Cash and cash equivalents       | 127.2        | 122.4        |
| Money market investments        | 0.2          | 0.1          |
| Available credit lines          | 323.8        | 313.5        |
| <b>Total liquidity reserves</b> | <b>451.2</b> | <b>436.0</b> |

### Net cash surplus

| in CHF millions           | 31.12.2024   | 31.12.2023   |
|---------------------------|--------------|--------------|
| Cash and cash equivalents | 127.2        | 122.4        |
| Money market investments  | 0.2          | 0.1          |
| Less short-term bank debt | –            | –5.9         |
| <b>Net cash surplus</b>   | <b>127.4</b> | <b>116.6</b> |

### Order intake and backlog

Orders received amounted to CHF 1'091.7 million (previous year CHF 1'082.6 million) and orders on hand at the end of the year totalled CHF 372.8 million (previous year CHF 400.8 million).

### Research and development expenses

Research and development expenses are disclosed in the consolidated income statement. Research and development activities relate to various projects for customers and products.

**Exceptional events**

On 18 December 2024, the Group Executive Board announced a transformation program according to which, in the period from 2025 to 2027, the production network will be streamlined, commercial excellence strengthened, the product portfolio focused and synergies unlocked through a gradual adjustment of the organizational structure. In the financial year 2024, one-time costs and impairment charges on property, plant and equipment totaling CHF 37.9 million were recognised with respect to this transformation program.

**Future outlook**

The estimates relating to the future outlook are presented in the letter to the shareholders and in the chapter Business Areas of the annual report.

## Consolidated Income Statement

| in CHF millions                             | Note | 2024           | 2023           |
|---|------|----------------|----------------|
| <b>Net revenue</b>                          | 3    | <b>1'107.7</b> | <b>1'151.5</b> |
| Cost of goods sold                          |      | -869.4         | -911.3         |
| <b>Gross profit</b>                         |      | <b>238.3</b>   | <b>240.2</b>   |
| Research and development expenses           |      | -42.6          | -41.5          |
| Marketing and selling expenses              |      | -32.3          | -32.6          |
| General and administrative expenses         |      | -67.9          | -66.9          |
| Other operating income                      | 4    | 22.9           | 21.6           |
| Other operating expenses                    | 4    | -38.2          | -0.4           |
| <b>Operating result</b>                     | 3    | <b>80.2</b>    | <b>120.4</b>   |
| Net finance result                          | 8    | -27.9          | -28.7          |
| <b>Earnings before tax (EBT)</b>            |      | <b>52.3</b>    | <b>91.7</b>    |
| Income tax expenses                         | 9    | -21.2          | -24.9          |
| <b>Net result</b>                           |      | <b>31.1</b>    | <b>66.8</b>    |
| <b>Net result per bearer share (in CHF)</b> | 24   | <b>1.83</b>    | <b>3.93</b>    |

For both years, there were no dilutive effects affecting the net result per share.

The accompanying notes on pages F10 to F35 are an integral part of these consolidated financial statements.

# Consolidated Balance Sheet

## Assets

| in CHF millions                     | Note | 31.12.2024     | 31.12.2023     |
|-------------------------------------|------|----------------|----------------|
| Cash and cash equivalents           | 10   | 127.2          | 122.4          |
| Money market investments            | 10   | 0.2            | 0.1            |
| Trade accounts receivable           | 11   | 215.5          | 227.2          |
| Inventories                         | 12   | 168.5          | 166.7          |
| Other receivables                   | 13   | 27.7           | 43.7           |
| Prepayments made and accrued income |      | 11.9           | 14.6           |
| <b>Current assets</b>               |      | <b>551.0</b>   | <b>574.7</b>   |
| Property, plant and equipment       | 14   | 507.6          | 536.7          |
| Intangible assets: Software         | 15   | 32.9           | 31.4           |
| Deferred income tax assets          | 22   | 56.7           | 56.1           |
| Miscellaneous financial assets      | 16   | 2.0            | 1.9            |
| <b>Non-current assets</b>           |      | <b>599.2</b>   | <b>626.1</b>   |
| <b>Total assets</b>                 |      | <b>1'150.2</b> | <b>1'200.8</b> |

## Liabilities and equity

| in CHF millions   | Note | 31.12.2024     | 31.12.2023     |
|---|------|----------------|----------------|
| Trade accounts payable  | 19   | 73.2           | 81.6           |
| Short-term bank debt  | 17   | –              | 5.9            |
| Short-term bonds  | 18   | –              | 150.0          |
| Current provisions  | 21   | 27.9           | 11.9           |
| Other current liabilities                                     | 20   | 45.8           | 31.2           |
| Accrued expenses and deferred income                          |      | 35.9           | 34.2           |
| <b>Current liabilities</b>                                    |      | <b>182.8</b>   | <b>314.8</b>   |
| Long-term bank debt   | 17   | –              | 46.1           |
| Long-term interest-bearing liabilities due to Pema Holding AG | 31   | 215.0          | 198.0          |
| Long-term bonds   | 18   | 359.4          | 239.6          |
| Long-term provisions  | 21   | 15.7           | 4.3            |
| Deferred income tax liabilities                               | 22   | 5.8            | 9.1            |
| Pension liabilities   | 6    | 2.9            | 2.5            |
| Other long-term liabilities                                   |      | 0.1            | 0.2            |
| <b>Long-term liabilities</b>                                  |      | <b>598.9</b>   | <b>499.8</b>   |
| <b>Total liabilities</b>                                      |      | <b>781.7</b>   | <b>814.6</b>   |
| Share capital   | 23   | 0.9            | 0.9            |
| Treasury shares   | 25   | –              | –              |
| Additional paid-in capital                                    |      | 205.1          | 205.1          |
| Goodwill offset against equity                                | 15   | –838.7         | –838.7         |
| Retained earnings   |      | 1'134.3        | 1'157.8        |
| Cumulative translation adjustments                            |      | –133.1         | –138.9         |
| <b>Equity</b>   |      | <b>368.5</b>   | <b>386.2</b>   |
| <b>Total liabilities and equity</b>                           |      | <b>1'150.2</b> | <b>1'200.8</b> |

The accompanying notes on pages F10 to F35 are an integral part of these consolidated financial statements.

## Consolidated Cash Flow Statement

| in CHF millions   | Note | 2024          | 2023          |
|---|------|---------------|---------------|
| <b>Net result</b>   |      | <b>31.1</b>   | <b>66.8</b>   |
| Income tax expenses   | 9    | 21.2          | 24.9          |
| Depreciation and amortisation   | 7    | 90.6          | 80.2          |
| Share award and long-term incentive plan                                  |      | 2.3           | 2.7           |
| Currency differences  |      | -21.8         | 36.5          |
| Gain on sale of property, plant and equipment, net                        |      | -0.0          | -0.1          |
| Change in long-term provisions and pension liabilities                    |      | 13.2          | 0.3           |
| Interest income   | 8    | -1.8          | -0.8          |
| Interest expense  | 8    | 10.7          | 14.6          |
| Operating cash flow before changes in working capital                     |      | 145.5         | 225.1         |
| Change in trade accounts receivable                                       |      | 17.9          | 6.7           |
| Change in other receivables, prepayments made and accrued income          |      | 22.2          | -15.1         |
| Change in inventories   |      | 2.7           | 29.7          |
| Change in trade accounts payable  |      | -10.0         | -8.9          |
| Change in other current liabilities, accrued expenses and deferred income |      | 11.4          | 4.0           |
| Change in current provisions  |      | 14.4          | -1.8          |
| Interest received   |      | 1.7           | 0.8           |
| Interest paid   |      | -11.1         | -14.9         |
| Income tax paid   |      | -23.0         | -30.7         |
| <b>Net cash from operating activities</b>                                 |      | <b>171.7</b>  | <b>194.9</b>  |
| Disbursements relating to purchases of / investments in:                  |      |               |               |
| – Property, plant and equipment   |      | -36.0         | -51.8         |
| – Intangible assets   |      | -8.2          | -7.7          |
| – Earnout payments  |      | –             | -0.5          |
| – Financial assets  |      | -0.1          | -0.1          |
| – Money market investments  |      | -0.3          | -0.1          |
| Proceeds from sale of:  |      |               |               |
| – Property, plant and equipment   |      | 0.6           | 2.0           |
| – Money market investments  |      | 0.2           | –             |
| <b>Net cash used in investing activities</b>                              |      | <b>-43.8</b>  | <b>-58.2</b>  |
| Repayment of short- and long-term bank debt                               | 17   | -54.6         | -93.7         |
| Proceeds from 1.700% bond due on 30 October 2029                          | 18   | 119.7         | –             |
| Repayment of 0.625% bond on 30 May 2024                                   | 18   | -150.0        | –             |
| Proceeds from loan payable to Pema Holding AG                             | 31   | 80.0          | 44.0          |
| Repayment of loan payable to Pema Holding AG                              | 31   | -63.0         | –             |
| Change in other long-term liabilities                                     |      | -0.1          | -1.4          |
| Purchase of treasury shares   |      | -2.5          | -4.2          |
| Dividend paid to shareholders   |      | -54.4         | -54.4         |
| <b>Net cash from financing activities</b>                                 |      | <b>-124.9</b> | <b>-109.7</b> |
| <b>Net change in cash and cash equivalents</b>                            |      | <b>3.0</b>    | <b>27.0</b>   |
| Cash and cash equivalents at 1 January                                    | 10   | 122.4         | 101.3         |
| Effect of exchange rate changes on cash and cash equivalents              |      | 1.8           | -5.9          |
| <b>Cash and cash equivalents at 31 December</b>                           | 10   | <b>127.2</b>  | <b>122.4</b>  |

The accompanying notes on pages F10 to F35 are an integral part of these consolidated financial statements.

## Consolidated Statement of Changes in Equity

in CHF millions

|                                      | Note | Share capital | Treasury shares | Additional paid-in capital | Goodwill offset against equity | Retained earnings | Cumulative translation adjustments | Total equity |
|--------------------------------------|------|---------------|-----------------|----------------------------|--------------------------------|-------------------|------------------------------------|--------------|
| <b>At 1 January 2023</b>             |      | <b>0.9</b>    | <b>–</b>        | <b>205.1</b>               | <b>–838.2</b>                  | <b>1'147.0</b>    | <b>–111.2</b>                      | <b>403.6</b> |
| Net result                           |      | –             | –               | –                          | –                              | 66.8              | –                                  | 66.8         |
| Dividends                            |      | –             | –               | –                          | –                              | –54.4             | –                                  | –54.4        |
| Purchase of treasury shares          | 25   | –             | –4.2            | –                          | –                              | –                 | –                                  | –4.2         |
| Share award plan                     | 26   | –             | 1.4             | –                          | –                              | –                 | –                                  | 1.4          |
| Long-term incentive plan             | 26   | –             | 2.8             | –                          | –                              | –1.6              | –                                  | 1.2          |
| Offset of goodwill from acquisitions | 15   | –             | –               | –                          | –0.5                           | –                 | –                                  | –0.5         |
| Currency translation differences     |      | –             | –               | –                          | –                              | –                 | –27.7                              | –27.7        |
| <b>At 31 December 2023</b>           |      | <b>0.9</b>    | <b>–</b>        | <b>205.1</b>               | <b>–838.7</b>                  | <b>1'157.8</b>    | <b>–138.9</b>                      | <b>386.2</b> |
| Net result                           |      | –             | –               | –                          | –                              | 31.1              | –                                  | 31.1         |
| Dividends                            |      | –             | –               | –                          | –                              | –54.4             | –                                  | –54.4        |
| Purchase of treasury shares          | 25   | –             | –2.5            | –                          | –                              | –                 | –                                  | –2.5         |
| Share award plan                     | 26   | –             | 1.5             | –                          | –                              | –                 | –                                  | 1.5          |
| Long-term incentive plan             | 26   | –             | 1.0             | –                          | –                              | –0.2              | –                                  | 0.8          |
| Currency translation differences     |      | –             | –               | –                          | –                              | –                 | 5.8                                | 5.8          |
| <b>At 31 December 2024</b>           |      | <b>0.9</b>    | <b>–</b>        | <b>205.1</b>               | <b>–838.7</b>                  | <b>1'134.3</b>    | <b>–133.1</b>                      | <b>368.5</b> |

Holding company's share capital: CHF 850'000 (previous year CHF 850'000).

Cumulative translation adjustments: Arising on translation of subsidiaries' equity and income statements denominated in foreign currencies.

Total equity: At 31 December 2024 shareholders' equity includes legal reserves of CHF 258.2 million (previous year CHF 279.3 million), of which CHF 30.6 million (previous year CHF 30.4 million) are not distributable.

The accompanying notes on pages F10 to F35 are an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

## I / SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Basis of preparation**

The consolidated financial statements give a true and fair view of the financial position, results of operations and cash flows of the Datwyler Group. They have been prepared in accordance with all existing accounting standards (Swiss GAAP FER) and are based on the financial statements of the subsidiaries prepared in accordance with uniform accounting policies as at December 31. The consolidated financial statements are based on the principle of historical cost and are prepared on a going concern basis. The accounting principles of Swiss GAAP FER did not change in the reporting year. Furthermore, the provisions of the Listing Rules of the SIX Swiss Exchange and Swiss company law were complied with.

The revised standard “Swiss GAAP FER 30 - Consolidated Financial Statements” came into force on January 1, 2024 and will be applied by the Datwyler Group for the first time in the 2024 financial year. The key changes in ARR 30 relate to goodwill/negative goodwill including earn-outs, step acquisitions and disposals, foreign currency recycling and application of the equity method. Based on the transitional provisions, the Datwyler Group has decided not to make any retrospective adjustments in relation to previous acquisitions. Accordingly, the first-time application of FER 30 has not led to restatements. The new requirement to identify and recognize previously unrecognized intangible assets relevant to decision-making will be primarily relevant for future acquisitions. As no acquisitions were made in the reporting year, this change had no impact on these consolidated financial statements.

At its meeting on 4 February, 2024, the Board of Directors of Datwyler Holding Inc. approved the consolidated financial statements for submission to the Annual General Meeting on 18 March, 2025.

### **Use of estimates**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management’s best judgment at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The valuation of inventories and estimates relating to provisions and deferred tax assets involve significant exercise of judgment.

### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of Dätwyler Holding Inc. domiciled in Altdorf (Switzerland) and all subsidiaries that belonged to the Group during the year and over which Dätwyler Holding Inc. had the power to govern the financial and operating policies so as to obtain benefits from their activities. At Datwyler Group, this is achieved when more than 50% of a subsidiary’s share capital or voting rights is unconditionally owned directly or indirectly by Dätwyler Holding Inc. A list of the subsidiaries included in the consolidation is presented in note 33.

### **Consolidation method**

The reporting date for Dätwyler Holding Inc., all subsidiaries and the consolidated financial statements is 31 December except for the Indian subsidiaries (31 March).

The full consolidation method is applied to all subsidiaries included in the consolidation. Their assets, liabilities, income and expenses are incorporated in full. Minority interests are presented as a separate component of the Group’s equity and net result. The purchase method of accounting is used to account for the acquisition of subsidiaries. Under this method, the carrying amount of the investment in a subsidiary is offset against the Group’s share of the fair value of the subsidiary’s net assets.

Intercompany transactions and balances are eliminated. Unrealised intercompany profits on goods and services supplied within the Group but not yet sold to third parties are eliminated on consolidation.

Companies over which the Group has the power to exercise significant influence, generally accompanying a shareholding of between 20% and 50% of the voting rights, are classified as associates and accounted for using the equity method. At year-end of the current reporting year, the Group had no investments classified as associates.

Companies acquired or established or those in which the Group increases its interest and thereby obtains control during the year are consolidated from the date of formation or date on which control commences. Companies are deconsolidated from the date that control effectively ceases upon disposal or a reduction in ownership interest.

### Foreign currency translation

#### TRANSLATION FOR CONSOLIDATION PURPOSES

The financial statements of foreign subsidiaries are prepared in local currencies. For the purpose of consolidation, the local financial statements are translated into Swiss francs (CHF), which is the Group's presentation currency. The principal exchange rates used to translate foreign currencies in the Datwyler Group were as follows:

|         | 2024                   |                           | 2023                   |                           |
|---------|------------------------|---------------------------|------------------------|---------------------------|
|         | Closing rate at 31.12. | Average rate for the year | Closing rate at 31.12. | Average rate for the year |
| 100 CNY | 12.41                  | 12.24                     | 11.79                  | 12.71                     |
| 1 EUR   | 0.94                   | 0.95                      | 0.93                   | 0.97                      |
| 1 USD   | 0.91                   | 0.88                      | 0.84                   | 0.90                      |

For the purpose of presenting consolidated financial statements, assets and liabilities for each balance sheet are translated at the closing rate at the balance sheet date, while income statements, cash flow statements and other movements are translated at average exchange rates for the year.

Exchange differences arising from the translation of balance sheets and income statements of foreign subsidiaries are taken directly to reserves (currency translation reserve in equity) and not recognised in the income statement.

#### TRANSLATION OF BALANCES AND TRANSACTIONS IN THE ACCOUNTS OF SUBSIDIARIES

In preparing the financial statements of the individual subsidiaries, assets and liabilities denominated in foreign currencies are translated at the closing rates used in the consolidation. Exchange differences resulting from the settlement of foreign currency transactions and from the translation of assets and liabilities denominated in foreign currencies are recognised as foreign exchange gains or losses in the income statement. Exchange differences from the valuation of equity-like loans denominated in foreign currencies or in CHF at foreign subsidiaries are directly charged to equity.

### Income statement and balance sheet

#### REVENUE RECOGNITION

In the Healthcare Solutions and Industrial Solutions business areas revenues are mainly generated from the sale of products from own production and from distribution of goods for resale and from rendering of services. Revenue arising from the sale of manufactured products and goods for resale is recognised when the significant risks and rewards of ownership have passed to the buyer, which generally coincides with their delivery, depending on the terms agreed for instance ex works or on arrival at the customer's destination. Revenue under long-term multiple supply contracts is recorded when each instalment is delivered, according to the quantity delivered. Revenue from services rendered is recognised by reference to the stage of completion in the period in which the services were rendered.

#### GROSS PROFIT

The income statement is presented using the functional format where gross profit represents net revenue less cost of goods sold.

#### RESEARCH AND DEVELOPMENT

Research expenditure is recognised as an expense in the period in which it is incurred. Development costs are capitalised only if it can be demonstrated that future economic benefits will be generated. Otherwise they are charged to the income statement.

#### INCOME TAX EXPENSE

Current income tax is calculated on taxable profits for the year and recognised on an accrual basis.

Deferred income tax is provided, using the liability method, on all temporary differences and recognised as tax liabilities or assets. Temporary differences arise between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The same method is also used to provide for differences arising on acquisitions between the fair value and tax base of the assets acquired. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right and intends to settle its current tax assets and liabilities on a net basis. Deferred tax is calculated using local tax rates that have been enacted by the balance sheet date.

Tax losses carried forward and other temporary valuation differences are recognised as deferred tax assets to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Provision is made for tax that will arise on the distribution of profits retained by subsidiaries, mainly comprising non-refundable withholding tax and income tax in the parent company, if it is intended to remit such profits in the form of dividends.

#### **CASH AND CASH EQUIVALENTS AND MONEY MARKET INVESTMENTS**

Cash and cash equivalents comprise cash in hand, deposits in postal and bank accounts, and money market investments with original maturities of three months or less as of the balance sheet day. They are stated at nominal value. Money market investments with an original maturity of 91 to 360 days as of the balance sheet day are also stated at nominal value and classified separately in the balance sheet.

#### **TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT RECEIVABLES**

Trade accounts receivable and other current receivables are recognised at nominal value less provision for any impairment.

Doubtful debts are provided for by way of specific provisions and taking into account the actual losses expected based on past experience. Delinquency in payment by customers, or the probability that the debtor will enter bankruptcy or financial reorganisation are considered indicators of impairment. The provision for impairment of receivables is presented separately. The amount of the provision is the difference between the receivable's carrying amount and its current estimated recoverable amount. When receivables are no longer collectible, they are written off against the provision for impairment. Changes in the carrying amount of the provision for impairment and income from recoveries of receivables previously written off are recognised in the income statement.

#### **INVENTORIES**

Inventories are stated at the lower of cost and net realisable value. Purchasing discounts received are offset against the production cost of inventories. Production cost comprises all direct material and manufacturing costs as well as those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method. Appropriate provisions are made for slow-moving inventories and obsolete inventories are fully written off. If the net realisable value of inventories is lower than their purchase price or production cost, then their carrying amount is written down as necessary.

#### PROPERTY, PLANT AND EQUIPMENT

Land is stated at cost. Land use rights, buildings, plant and equipment are stated at cost less depreciation, calculated on a straight-line basis to write off the assets over their estimated useful lives, and less any impairment losses. Cost comprises the purchase price and any costs directly attributable to bringing the assets into working condition for their intended use. The estimated useful lives and depreciation periods are as follows:

|   | Years |
|---|-------|
| Buildings:  |       |
| – Building structures                                 | 20–40 |
| – Interiors   | 20    |
| Installations, storage equipment, tanks, silos, etc.  | 10–20 |
| Production equipment                                  | 10–15 |
| Production equipment: electrical/electronic equipment | 5–8   |
| Machinery   | 8–10  |
| Moulds and tools                                      | 3     |

Land is generally not depreciated, but any impairment loss is recognised.

Costs of maintenance and renovations, other than improvements, are charged to the income statement. Borrowing costs of long-term projects actually incurred during construction in progress are capitalised, all other financing costs are expensed as incurred.

The residual values and useful lives of property, plant and equipment are reviewed annually and adjusted, if appropriate.

#### LEASES

The Datwyler Group leases certain assets. Finance leasing and operating leasing agreements are treated differently. In a finance lease, the lessor transfers substantially all the risks and rewards relating to ownership of the leased asset to the Datwyler Group. The fair value of such assets or, if lower, the net present value of the future minimum lease payments is therefore recognised as a non-current asset and as a finance lease liability in the balance sheet. Assets acquired under finance leases are depreciated over the shorter of their estimated useful lives or the lease term. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

#### INTANGIBLE ASSETS

Intangible assets mainly include software as well as licences, patents and other intangible assets which are capitalised at cost and amortised on a straight-line basis over their estimated useful lives. Useful lives of software are between 3 and 5 years. Only the blueprints for the implementation of the enterprise resource planning system are amortised over a 10 year period.

#### GOODWILL

Goodwill arising on business combinations represents the excess of the cost of acquisition over the Group's interest in the fair value of the acquired assets and liabilities at the date of acquisition. Goodwill from acquisitions is fully offset against equity at the date of acquisition. The impact of the theoretical capitalisation and amortisation of goodwill is disclosed in the notes to the consolidated financial statements. On sale of an acquired subsidiary, goodwill from acquisitions formerly directly offset against equity is charged to income at original cost when calculating the gain or loss on sale. For the determination of goodwill from acquisitions, parts of the purchase price contingent on future performance are estimated best possible at the date of acquisition. Accordingly, goodwill offset against equity is modified for adjustments resulting later from the final purchase price determination. Goodwill may also arise upon investments in associates, being the excess of the cost of investment over the Group's share of the fair value of the net assets recognised.

#### **IMPAIRMENT OF NON-CURRENT ASSETS AND GOODWILL**

At every balance sheet date an assessment is made for non-current assets (in particular property, plant, equipment, intangible assets, financial assets as well as goodwill offset against equity) whether indicators for an impairment exist. If indicators for a continuous impairment exist, the recoverable amount of the asset is determined. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset belongs.

When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statement. As goodwill is fully offset against equity at the date of acquisition, an impairment of goodwill will not affect income, but only be disclosed in the notes to the consolidated financial statements.

#### **DERIVATIVE FINANCIAL INSTRUMENTS**

Derivative financial instruments used for hedging balance sheet items are recognised at fair value on the date a derivative contract is entered into and are recorded as other receivables or other current liabilities. Derivatives are subsequently remeasured to their current fair value at each balance sheet date, with unrealised gains and losses recognised in the income statement. Fair values of derivative financial instruments are determined by reference to current market prices on the balance sheet date. Changes in the fair value of derivative financial instruments used to hedge future cash flows are directly recognised in equity until realised.

The Group uses forward exchange contracts and currency options to hedge its exposure to foreign currency risk.

#### **MISCELLANEOUS FINANCIAL ASSETS**

Miscellaneous financial assets include loans to third parties and minority shareholdings. Loans receivable and minority shareholdings are stated at cost less appropriate impairment losses.

#### **TRADE ACCOUNTS PAYABLE**

Trade accounts payable are recognised at nominal value.

#### **PROVISIONS**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. A provision for the expected costs associated with a possible restructuring is recognised when a detailed restructuring plan has been developed and the measures have been approved before the balance sheet date. For long-term provisions material discounting effects are considered.

#### **BANK DEBT**

Bank debt is recognised at nominal value. Discounts are netted with bank debt and recognised on a straight-line basis in the financial result of the income statement over the period of the respective bank loan. Bank debt is classified as current liabilities unless the Group has the right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### **BONDS**

Bonds are initially recorded at issue price net of issue costs. Issue costs and any discount or premium are recognised in the financial result of the income statement over the period of the respective bond.

#### **DIVIDENDS**

Dividend payments to shareholders are recognised as a liability in the balance sheet in the period in which the dividends are approved by shareholders.

#### **PENSION BENEFITS**

Pension benefit obligations of subsidiaries are recognised in the consolidated financial statements according to legal regulations and local rules of the respective countries. The actual economic impact of pension schemes for a Group company is calculated as at balance sheet date. An economic benefit is recorded, if it will be used for future pension contributions made by the company. An economic obligation is recognised if the requirements to record a provision are met. Unrestricted employer contribution reserves are capitalised as an asset.

The Swiss subsidiaries of the Group have their own legally independent pension schemes financed by employer and employee contributions. The economic impact of a funding surplus or deficit of pension schemes for the Group, the change in employer contribution reserves and the contributions accrued for the period are charged to income as personnel expenses. The calculation of a funding surplus or deficit is made based on the annual financial statements of the respective pension schemes prepared in accordance with Swiss GAAP ARR 26.

There are no significant pension schemes in foreign countries. Certain foreign subsidiaries have unfunded pension schemes and recognise the respective benefit obligation as a provision directly in the balance sheet. Such pension liabilities are calculated using methods accepted in the respective countries with changes charged to income as personnel expenses. In addition, in certain countries there are comprehensive coverages with insurance companies where the paid insurance premiums are recorded as an expense.

#### **SHARE AWARD PLAN AND LONG-TERM INCENTIVE PLAN**

The share award plan was introduced in 2007 and from 2019 only directors have been participating in this plan, see note 26. The awarding of shares is based on a fixed monetary amount. The number of shares to be awarded, representing the fixed monetary amount, is determined based on market value. Share-based payments under the share award plan are recognised as personnel expenses in full at issue date, because the voting and dividend rights of shares awarded are transferred to the beneficiaries at issue date. The shares awarded under the share award plan may not be sold for a period of five years after issue date.

Since 2018, a long-term incentive plan for senior executives has existed, granting the participants a conditional right to receive bearer shares of Dätwyler Holding Inc. subject to fulfillment of certain conditions after completion of a three-year vesting period. Participants leaving the company before completion of the three-year vesting period usually will forfeit the right to receive shares. The number of shares to be received after completion of the vesting period is dependent on the share price performance as well as on achieving three performance targets in comparison with a peer group of companies.

#### **CAPITAL MANAGEMENT**

The Group has a solid equity base. It consequently focuses the management of its capital structure on the equity of the Group as a whole, the following objectives and policies being relevant:

- Where possible and economically viable, the Group finances its operations through equity, the objective being to maintain an equity ratio of at least 40%.
- A portion of profits generated is paid out to owners as dividends, taking into account current financing needs and compliance with legal requirements. The current dividend policy is generally to maintain a payout ratio of about 40% of the Group's net result for the year.

## **2 / CHANGES IN SCOPE OF CONSOLIDATION**

Changes in scope of consolidation during 2024 and 2023 are shown below.

### **Transactions 2024**

#### **MERGERS**

None.

### **Transactions 2023**

#### **MERGERS**

In 2023, Quality Synthetic Rubber GmbH merged into Dätwyler Sealing Solutions Deutschland GmbH & Co. KG.

### 3 / SEGMENT INFORMATION

| in CHF millions                      | Healthcare Solutions | Industrial Solutions | Eliminations | Total Group    |
|--------------------------------------|----------------------|----------------------|--------------|----------------|
| <b>2024</b>                          |                      |                      |              |                |
| Revenue from external customers      | 445.7                | 662.0                | –            | 1'107.7        |
| Inter-segment revenue                | 0.3                  | 2.8                  | –3.1         | –              |
| <b>Total net revenue</b>             | <b>446.0</b>         | <b>664.8</b>         | <b>–3.1</b>  | <b>1'107.7</b> |
| <b>Operating result</b>              | <b>47.0</b>          | <b>33.2</b>          | <b>–</b>     | <b>80.2</b>    |
| Operating result as % of net revenue | 10.5%                | 5.0%                 | –            | 7.2%           |

| in CHF millions                      | Healthcare Solutions | Industrial Solutions | Eliminations | Total Group    |
|--------------------------------------|----------------------|----------------------|--------------|----------------|
| <b>2023</b>                          |                      |                      |              |                |
| Revenue from external customers      | 468.9                | 682.6                | –            | 1'151.5        |
| Inter-segment revenue                | 0.1                  | 5.6                  | –5.7         | –              |
| <b>Total net revenue</b>             | <b>469.0</b>         | <b>688.2</b>         | <b>–5.7</b>  | <b>1'151.5</b> |
| <b>Operating result</b>              | <b>74.4</b>          | <b>46.0</b>          | <b>–</b>     | <b>120.4</b>   |
| Operating result as % of net revenue | 15.9%                | 6.7%                 | –            | 10.5%          |

The Datwyler Group is a focused industrial supplier organised into the two business areas Healthcare Solutions and Industrial Solutions, both with leading positions in global and regional market segments.

The result of the Group management functions is allocated to the two business areas Healthcare Solutions and Industrial Solutions using a revenue-based key.

The Business Area Healthcare Solutions offers system-critical components for containers and delivery systems for injectable drugs and diagnostics in the pharmaceutical and medical markets. The significant manufacturing and distribution companies are located in Belgium, Germany, Italy, the USA, India and China.

The Business Area Industrial Solutions manufactures customised system-critical components for applications in the Mobility, Connectors, General Industry and Food & Beverage markets. The significant manufacturing and distribution companies are located in Switzerland, Germany, Italy, the Czech Republic, China, South Korea, the USA, Brazil and Mexico.

The business area Healthcare Solutions accounted for CHF 14.8 million and the business area Industrial Solutions for CHF 23.1 million out of the total transformation costs of CHF 37.9 million in the financial year 2024.

## Net revenue by geographical region

| in CHF millions         | 2024           | 2023           |
|-------------------------|----------------|----------------|
| Switzerland             | 230.0          | 210.1          |
| Rest of Europe          | 360.3          | 398.0          |
| North and South America | 296.2          | 316.7          |
| Asia                    | 215.7          | 219.9          |
| Other markets           | 5.5            | 6.8            |
| <b>Total Group</b>      | <b>1'107.7</b> | <b>1'151.5</b> |

Net revenue by geographical region corresponds to revenue from external customers by destination.

## 4 / ADDITIONAL INCOME STATEMENT DISCLOSURES

Material expense of CHF 374.4 million (previous year CHF 395.6 million) is included in the income statement.

Other operating income includes income from services of CHF 17.9 million (previous year CHF 18.5 million), profit from the sale of property, plant and equipment of CHF 0.3 million (previous year CHF 0.5 million), government grants of CHF 1.0 million as well as ancillary income and rental income.

Other operating expenses include one-time costs for measures amounting to CHF 37.9 million (previous year none) in connection with the transformation program. These are made up of provisions for severance payments and other transformation costs and impairment charges on fixed assets in the amount of CHF 9.4 million.

## 5 / PERSONNEL EXPENSES

| in CHF millions                       | Note | 2024         | 2023         |
|---------------------------------------|------|--------------|--------------|
| Wages and salaries                    |      | 277.9        | 293.7        |
| Benefit costs                         |      | 67.1         | 66.2         |
| – State social security contributions |      | 39.8         | 38.6         |
| – Pension costs                       | 6    | 10.5         | 10.0         |
| – Other benefit costs                 |      | 16.8         | 17.6         |
| Other employee costs                  |      | 34.2         | 16.8         |
| <b>Total personnel expenses</b>       |      | <b>379.2</b> | <b>376.7</b> |

Since 2007, directors and senior executives receive a portion of their remuneration in the form of bearer shares of Dätwyler Holding Inc., see note 26.

Other personnel costs include CHF 17.6 million in connection with the transformation program (previous year none).

## 6 / EMPLOYEE BENEFIT SCHEMES

### Economic benefit / obligation and pension costs

| in CHF millions  | Funding surplus/deficit according to Swiss GAAP ARR 26 | Economic impact Group | Economic impact Group | Changes not affecting income | Change to prior year or charge to income current year | Contributions for the period | Pension costs in personnel expenses | Pension costs in personnel expenses |
|--|--|-----------------------|-----------------------|------------------------------|---|------------------------------|-------------------------------------|-------------------------------------|
|  | 31.12.24   | 31.12.24              | 31.12.23              |                              |   |                              | 2024                                | 2023                                |
| Welfare funds Switzerland                                    | 0.4  | –                     | –                     | –                            | –   | –                            | –                                   | –                                   |
| Pension schemes without funding surplus/ deficit Switzerland | –  | –                     | –                     | –                            | –   | –                            | –                                   | 4.8                                 |
| Pension schemes with funding surplus Switzerland             | 12.9   | –                     | –                     | –                            | –   | 6.3                          | 6.3                                 | 1.6                                 |
| Pension schemes without funding surplus/ deficit abroad      | –  | –                     | –                     | –                            | –   | 3.2                          | 3.2                                 | 3.0                                 |
| Unfunded pension schemes abroad                              | –  | –2.9                  | –2.5                  | –0.1                         | 0.5   | 0.5                          | 1.0                                 | 0.6                                 |
| <b>Total</b>   | <b>13.3</b>  | <b>–2.9</b>           | <b>–2.5</b>           | <b>–0.1</b>                  | <b>0.5</b>  | <b>10.0</b>                  | <b>10.5</b>                         | <b>10.0</b>                         |

Changes not affecting income: currency translation differences.

At year-end 2024, as at the end of the previous year, no employer contribution reserves (ECR) existed. The Swiss pension schemes calculate their pension benefit obligations using the statistical assumptions of the VZ 2020 mortality tables and a discount rate of 1.0% and 1.25%, respectively (as in the previous year). The pension conversion rates in the current year were 4.8% in both pension funds.

### Summary of pension costs

| in CHF millions   | Switzerland | Abroad     | Total       |
|---|-------------|------------|-------------|
|   | 2024        | 2024       | 2024        |
| Contributions to pension schemes expensed at Group companies                      | 6.3         | 3.7        | 10.0        |
| Contributions to pension schemes made from employer contribution reserves (ECR)   | –           | –          | –           |
| Total contributions   | 6.3         | 3.7        | 10.0        |
| +/- Changes in ECR due to asset performance, value adjustments, discounting, etc. | –           | –          | –           |
| <b>Contributions and changes in employer contribution reserves</b>                | <b>6.3</b>  | <b>3.7</b> | <b>10.0</b> |
| Increase/reduction economic benefit Group from excess coverage                    | –           | –          | –           |
| Reduction/increase economic obligation Group from insufficient coverage           | –           | 0.5        | 0.5         |
| Total change in economic impact from excess/insufficient coverage                 | –           | –          | –           |
| <b>= Pension costs included in personnel expenses for the period</b>              | <b>6.3</b>  | <b>4.2</b> | <b>10.5</b> |

| in CHF millions   | Switzerland | Abroad     | Total       |
|---|-------------|------------|-------------|
|   | 2023        | 2023       | 2023        |
| Contributions to pension schemes expensed at Group companies                      | 6.4         | 3.6        | 10.0        |
| Contributions to pension schemes made from employer contribution reserves (ECR)   | –           | –          | –           |
| Total contributions   | 6.4         | 3.6        | 10.0        |
| +/- Changes in ECR due to asset performance, value adjustments, discounting, etc. | –           | –          | –           |
| <b>Contributions and changes in employer contribution reserves</b>                | <b>6.4</b>  | <b>3.6</b> | <b>10.0</b> |
| Increase/reduction economic benefit Group from excess coverage                    | –           | –          | –           |
| Reduction/increase economic obligation Group from insufficient coverage           | –           | –0.0       | –0.0        |
| Total change in economic impact from excess/insufficient coverage                 | –           | –0.0       | –0.0        |
| <b>= Pension costs included in personnel expenses for the period</b>              | <b>6.4</b>  | <b>3.6</b> | <b>10.0</b> |

## 7 / DEPRECIATION AND AMORTISATION

| in CHF millions                               | Note | 2024        | 2023        |
|---|------|-------------|-------------|
| Depreciation of property, plant and equipment | 14   | 73.0        | 74.2        |
| Amortisation of intangible assets             | 15   | 7.5         | 6.0         |
| Impairment charges                            | 14   | 10.1        | –           |
| <b>Total depreciation and amortisation</b>    |      | <b>90.6</b> | <b>80.2</b> |

CHF 9.4 million of the impairment losses of CHF 10.1 million in the current year are attributable to the transformation program announced on 18 December 2024 and an impairment loss of CHF 0.7 million on a machine in the business area Industrial Solutions.

## 8 / NET FINANCE RESULT

| in CHF millions                                       | 2024         | 2023         |
|---|--------------|--------------|
| Interest expense on bonds, bank and other loans       | 10.7         | 14.6         |
| Fair value loss on forward exchange contracts         | 33.6         | –            |
| Net foreign exchange loss on financing activities     | –            | 29.2         |
| Finance charges                                       | 0.6          | 0.7          |
| <b>Total interest and finance expenses</b>            | <b>44.9</b>  | <b>44.5</b>  |
| Interest income on bank deposits and loans receivable | –1.8         | –0.8         |
| Fair value gain on forward exchange contracts         | –            | –15.0        |
| Net foreign exchange gain on financing activities     | –15.2        | –            |
| <b>Total interest and finance income</b>              | <b>–17.0</b> | <b>–15.8</b> |
| <b>Net finance result (expenses, net)</b>             | <b>27.9</b>  | <b>28.7</b>  |

## 9 / INCOME TAX EXPENSES

| in CHF millions                  | 2024        | 2023        |
|----------------------------------|-------------|-------------|
| Current income tax expense       | 22.1        | 30.8        |
| Deferred taxes                   | -0.9        | -5.9        |
| <b>Total income tax expenses</b> | <b>21.2</b> | <b>24.9</b> |

The effective tax charge on earnings before tax, using the weighted average income tax rate of 21.4% (previous year 22.5%) of the Group, can be analysed as follows:

| in CHF millions   | 2024        | 2023        |
|---|-------------|-------------|
| Earnings before tax   | 52.3        | 91.7        |
| Income tax expense calculated at the weighted average tax rate                              | 11.2        | 20.6        |
| Effect of current year tax losses not recognised and reassessment of tax loss carryforwards | 12.2        | 4.3         |
| Effect of previously unrecognised tax loss carryforwards used against taxable profits       | -           | 0.0         |
| Change in tax rates for deferred income taxes   | 2.4         | -2.5        |
| Expense and income items treated differently for tax purposes                               | -5.4        | -0.4        |
| Non-refundable taxes on intra-group charges and dividends                                   | 2.2         | 2.8         |
| Prior year tax adjustments  | -0.0        | 0.9         |
| Other effects   | -1.4        | -0.8        |
| <b>Total (current and deferred) income tax expenses</b>                                     | <b>21.2</b> | <b>24.9</b> |

Taxable results differing by region are responsible for changes in the weighted average tax rate.

The Datwyler Group falls within the scope of the OECD model regulations (OECD Pillar Two). The corresponding legislation was enacted in Switzerland from 1 January 2024.

From 1 January 2024, the Datwyler Group will be required to pay a supplementary tax on the difference between its effective tax rate per country and the minimum tax rate of 15%. According to the analyses and calculations carried out for each country, no supplementary tax is payable for the current financial year and accordingly, no liabilities were recognized in this regard.

## 10 / CASH, CASH EQUIVALENTS AND MONEY MARKET INVESTMENTS

| in CHF millions   | 31.12.2024   | 31.12.2023   |
|---|--------------|--------------|
| Cash in hand and at bank  | 107.0        | 121.8        |
| Money market investments (original maturities up to 90 days as of the balance sheet date)   | 20.2         | 0.6          |
| <b>Total cash and cash equivalents</b>  | <b>127.2</b> | <b>122.4</b> |
| Money market investments (original maturities 91 to 360 days) as of the balance sheet date) | 0.2          | 0.1          |
| <b>Total cash, cash equivalents and money market investments</b>                            | <b>127.4</b> | <b>122.5</b> |

## 11 / TRADE ACCOUNTS RECEIVABLE

| in CHF millions  | 31.12.2024   | 31.12.2023   |
|--|--------------|--------------|
| Trade accounts receivable from third parties, gross            | 216.7        | 228.5        |
| Provision for impairment of trade accounts receivable          | -1.3         | -1.3         |
| <b>Total trade accounts receivable from third parties, net</b> | <b>215.4</b> | <b>227.2</b> |
| Trade accounts receivable from related parties                 | 0.1          | 0.0          |
| <b>Total trade accounts receivable, net</b>                    | <b>215.5</b> | <b>227.2</b> |

### Aging analysis of gross trade accounts receivable from third parties

| in CHF millions  | 31.12.2024   | 31.12.2023   |
|--|--------------|--------------|
| Not yet due  | 184.6        | 189.1        |
| Past due 1–30 days   | 20.4         | 25.1         |
| Past due 31–60 days  | 5.6          | 7.5          |
| Past due 61–90 days  | 1.9          | 1.9          |
| Past due 91–180 days   | 1.9          | 3.4          |
| Past due more than 180 days                                      | 2.3          | 1.5          |
| <b>Total trade accounts receivable from third parties, gross</b> | <b>216.7</b> | <b>228.5</b> |

### Movements in the provision on trade accounts receivable

| in CHF millions                          | 2024       | 2023       |
|--|------------|------------|
| At 1 January                             | 1.3        | 1.4        |
| Charge for the year                      | 0.5        | 0.4        |
| Unused amounts reversed                  | -0.3       | -0.4       |
| Receivables written off as uncollectible | -0.3       | 0.0        |
| Exchange differences                     | 0.1        | -0.1       |
| <b>At 31 December</b>                    | <b>1.3</b> | <b>1.3</b> |

## 12 / INVENTORIES

| in CHF millions                         | 31.12.2024   | 31.12.2023   |
|---|--------------|--------------|
| Raw material, gross                     | 56.9         | 55.8         |
| Consumables, gross                      | 31.7         | 28.0         |
| Work in progress, gross                 | 23.4         | 23.4         |
| Finished goods, gross                   | 70.1         | 72.9         |
| Goods for resale, gross                 | 9.5          | 8.4          |
| Provision for impairment of inventories | -23.1        | -21.8        |
| <b>Total inventories</b>                | <b>168.5</b> | <b>166.7</b> |

## 13 / OTHER RECEIVABLES

| in CHF millions                                      | Note | 31.12.2024  | 31.12.2023  |
|--|------|-------------|-------------|
| Withholding, capital and value added tax receivables |      | 3.8         | 4.0         |
| Current income tax assets                            |      | 13.7        | 10.5        |
| Prepayments made, advances given and deposits made   |      | 5.1         | 3.3         |
| Derivative assets: forward exchange contracts        | 28   | 0.2         | 20.2        |
| Miscellaneous receivables                            |      | 4.9         | 5.7         |
| <b>Total other receivables</b>                       |      | <b>27.7</b> | <b>43.7</b> |

## 14 / PROPERTY, PLANT AND EQUIPMENT

| in CHF millions                             | Note | Real estate   | Machinery and production equipment | Office equipment, IT infrastructure, vehicles | Assets under construction | Total property, plant and equipment |
|---|------|---------------|------------------------------------|---|---------------------------|-------------------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT 2024</b>   |      |               |                                    |   |                           |                                     |
| <b>At cost</b>                              |      |               |                                    |   |                           |                                     |
| At 1 January 2024                           |      | 357.8         | 806.7                              | 47.1  | 32.6                      | 1'244.2                             |
| Additions                                   |      | 1.5           | 9.7                                | 2.4   | 24.1                      | 37.7                                |
| Disposals                                   |      | -0.6          | -7.2                               | -1.2  | -                         | -9.0                                |
| Transfers                                   |      | 5.5           | 21.3                               | 1.4   | -28.2                     | -                                   |
| Exchange differences                        |      | 12.3          | 17.8                               | 0.8   | 0.5                       | 31.4                                |
| <b>At 31 December 2024</b>                  |      | <b>376.5</b>  | <b>848.3</b>                       | <b>50.5</b>                                   | <b>29.0</b>               | <b>1'304.3</b>                      |
| <b>Accumulated depreciation</b>             |      |               |                                    |   |                           |                                     |
| At 1 January 2024                           |      | -145.4        | -528.2                             | -33.9   | -                         | -707.5                              |
| Depreciation expense and impairment charges | 7    | -19.3         | -59.0                              | -4.8  | -                         | -83.1                               |
| Disposals                                   |      | 0.6           | 6.7                                | 1.2   | -                         | 8.5                                 |
| Exchange differences                        |      | -3.7          | -10.2                              | -0.7  | -                         | -14.6                               |
| <b>At 31 December 2024</b>                  |      | <b>-167.8</b> | <b>-590.7</b>                      | <b>-38.2</b>                                  | <b>-</b>                  | <b>-796.7</b>                       |
| <b>Net book values</b>                      |      |               |                                    |   |                           |                                     |
| At 1 January 2024                           |      | 212.4         | 278.5                              | 13.2  | 32.6                      | 536.7                               |
| <b>At 31 December 2024</b>                  |      | <b>208.7</b>  | <b>257.6</b>                       | <b>12.3</b>                                   | <b>29.0</b>               | <b>507.6</b>                        |

| in CHF millions                           |      |               |                                    |   |                           |                                     |
|---|------|---------------|------------------------------------|---|---------------------------|-------------------------------------|
|   | Note | Real estate   | Machinery and production equipment | Office equipment, IT infrastructure, vehicles | Assets under construction | Total property, plant and equipment |
| <b>PROPERTY, PLANT AND EQUIPMENT 2023</b> |      |               |                                    |   |                           |                                     |
| <b>At cost</b>                            |      |               |                                    |   |                           |                                     |
| At 1 January 2023                         |      | 344.9         | 805.3                              | 46.6  | 96.6                      | 1'293.4                             |
| Additions                                 |      | 1.7           | 8.7                                | 2.9   | 32.0                      | 45.3                                |
| Disposals                                 |      | -1.7          | -11.8                              | -2.9  | -                         | -16.4                               |
| Transfers                                 |      | 37.8          | 51.5                               | 3.3   | -92.6                     | -                                   |
| Exchange differences                      |      | -24.9         | -47.0                              | -2.8  | -3.4                      | -78.1                               |
| <b>At 31 December 2023</b>                |      | <b>357.8</b>  | <b>806.7</b>                       | <b>47.1</b>                                   | <b>32.6</b>               | <b>1'244.2</b>                      |
| <b>Accumulated depreciation</b>           |      |               |                                    |   |                           |                                     |
| At 1 January 2023                         |      | -141.5        | -511.3                             | -33.1   | -                         | -685.9                              |
| Depreciation expense                      | 7    | -13.6         | -55.7                              | -4.9  | -                         | -74.2                               |
| Disposals                                 |      | 1.5           | 10.9                               | 2.1   | -                         | 14.5                                |
| Exchange differences                      |      | 8.2           | 27.9                               | 2.0   | -                         | 38.1                                |
| <b>At 31 December 2023</b>                |      | <b>-145.4</b> | <b>-528.2</b>                      | <b>-33.9</b>                                  | <b>-</b>                  | <b>-707.5</b>                       |
| <b>Net book values</b>                    |      |               |                                    |   |                           |                                     |
| At 1 January 2023                         |      | 203.4         | 294.0                              | 13.5  | 96.6                      | 607.5                               |
| <b>At 31 December 2023</b>                |      | <b>212.4</b>  | <b>278.5</b>                       | <b>13.2</b>                                   | <b>32.6</b>               | <b>536.7</b>                        |

### Other details of property, plant and equipment

As in the previous year, no property, plant and equipment under finance leases existed. Property, plant and equipment in the amount of CHF 5.1 million (previous year CHF 8.4 million) were pledged or assigned to secure own liabilities. Assets under construction include prepayments made in the amount of CHF 7.4 million (previous year CHF 7.8 million). Additions to property, plant and equipment include no capitalised borrowing costs (previous year none). At balance sheet date, commitments for capital expenditure on property, plant and equipment amounted to CHF 14.7 million (previous year CHF 8.8 million). In the reporting year, subsidies amounting to CHF 0.5 million were offset against investments.

Additions include own work capitalized in the amount of CHF 0.2 million (previous year CHF 0.5 million).

The impairments in the 2024 financial year relate to machines in both business areas and are attributable to the transformation program.

## 15 / INTANGIBLE ASSETS: SOFTWARE

| in CHF millions                 | 2024         | 2023         |
|---------------------------------|--------------|--------------|
| <b>At cost</b>                  |              |              |
| At 1 January                    | 58.7         | 55.3         |
| Additions                       | 8.2          | 7.7          |
| Disposals                       | -1.7         | -0.8         |
| Exchange differences            | 1.3          | -3.5         |
| <b>At 31 December</b>           | <b>66.5</b>  | <b>58.7</b>  |
| <b>Accumulated amortisation</b> |              |              |
| At 1 January                    | -27.3        | -23.5        |
| Amortisation expense            | -7.5         | -6.0         |
| Disposals                       | 1.7          | 0.8          |
| Exchange differences            | -0.5         | 1.4          |
| <b>At 31 December</b>           | <b>-33.6</b> | <b>-27.3</b> |
| <b>Net book values</b>          |              |              |
| At 1 January                    | 31.4         | 31.8         |
| <b>At 31 December</b>           | <b>32.9</b>  | <b>31.4</b>  |

Additions include no capitalized development costs (previous year CHF 0.8 million). Total own work capitalized amounts to CHF 1.7 million (previous year CHF 2.7 million).

### Goodwill from acquisitions

Goodwill from acquisitions is fully offset against equity at the date of acquisition. The impact of the theoretical capitalisation and amortisation of goodwill is disclosed below:

#### Theoretical movement schedule for goodwill

| in CHF millions                      | 2024          | 2023          |
|--------------------------------------|---------------|---------------|
| <b>At cost</b>                       |               |               |
| At 1 January                         | 838.7         | 838.2         |
| Adjustments from earn-out agreements | –             | 0.5           |
| <b>At 31 December</b>                | <b>838.7</b>  | <b>838.7</b>  |
| <b>Accumulated amortisation</b>      |               |               |
| At 1 January                         | –471.4        | –342.1        |
| Amortisation expense                 | –110.6        | –129.3        |
| Impairment charges                   | –20.4         | –             |
| <b>At 31 December</b>                | <b>–602.4</b> | <b>–471.4</b> |
| <b>Theoretical net book values</b>   |               |               |
| At 1 January                         | 367.3         | 496.1         |
| <b>At 31 December</b>                | <b>236.3</b>  | <b>367.3</b>  |

Goodwill is theoretically amortised on a straight-line basis usually over 5 years. The carrying amounts of goodwill existing on conversion from IFRS to Swiss GAAP ARR at 1 January 2009 have been included in the theoretical movement schedule above using the closing rates prevailing at 1 January 2009. Goodwill from new acquisitions is converted once to Swiss francs using the closing rate as at acquisition date. As a result of this procedure, no exchange differences occur in the movement schedule above.

The impairment of CHF 20.4 million is related to the transformation program communicated on 18 December 2024 and concerns the business area Healthcare Solutions.

#### Impact on income statement

| in CHF millions   | 2024   | 2023   |
|---|--------|--------|
| Operating result according to income statement              | 80.2   | 120.4  |
| Amortisation and impairment of goodwill                     | –131.0 | –129.3 |
| Theoretical operating result incl. amortisation of goodwill | –50.8  | –8.9   |
| Net result according to income statement                    | 31.1   | 66.8   |
| Amortisation of goodwill                                    | –131.0 | –129.3 |
| Theoretical net result incl. amortisation of goodwill       | –99.9  | –62.5  |

## Impact on balance sheet

| in CHF millions  | 31.12.2024 | 31.12.2023 |
|--|------------|------------|
| Equity according to balance sheet  | 368.5      | 386.2      |
| Theoretical capitalisation of goodwill (net book value)                  | 236.3      | 367.3      |
| Theoretical equity incl. net book value of goodwill                      | 604.8      | 753.5      |
| Equity according to balance sheet  | 368.5      | 386.2      |
| Equity as % of total assets  | 32.0%      | 32.2%      |
| Theoretical equity incl. net book value of goodwill                      | 604.8      | 753.5      |
| Theoretical equity incl. net book value of goodwill as % of total assets | 43.6%      | 48.1%      |

## 16 / MISCELLANEOUS FINANCIAL ASSETS

| in CHF millions                             | 31.12.2024 | 31.12.2023 |
|---|------------|------------|
| Long-term loans to third parties            | 0.4        | 0.5        |
| Other financial investments                 | 1.6        | 1.4        |
| <b>Total miscellaneous financial assets</b> | <b>2.0</b> | <b>1.9</b> |

## 17 / BANK DEBT

| in CHF millions                                       | 31.12.2024 | 31.12.2023  |
|---|------------|-------------|
| Bank overdrafts                                       | –          | –           |
| Current portion of long-term bank loans               | –          | 5.9         |
| <b>Total short-term bank debt</b>                     | <b>–</b>   | <b>5.9</b>  |
| Long-term bank loans                                  | –          | 46.1        |
| <b>Total bank debt</b>                                | <b>–</b>   | <b>52.0</b> |
| Secured portion of short-term and long-term bank debt | –          | 5.9         |

Short-term bank debt in CNY and EUR were subject to an average interest rate of 3.4% and long-term bank debt in USD were subject to an average interest rate of 6.75%. There was no more bank debt at the end of the current financial year. For the acquisition of QSR, a long-term loan agreement of originally USD 175.0 million was entered into in the financial year 2022. USD 100.0 million was repaid in the 2023 and the remaining USD 55.0 million in 2024. USD 20 million and USD 100 million were repaid in the 2022 and 2023 financial years, respectively, and the remaining USD 55.0 million in the 2024 financial year.

## Maturity of long-term bank debt

| in CHF millions                  | 31.12.2024 | 31.12.2023  |
|----------------------------------|------------|-------------|
| Within 2 years                   | –          | –           |
| Within 3 years                   | –          | –           |
| Within 4 years                   | –          | 46.1        |
| Within 5 years                   | –          | –           |
| Beyond 5 years                   | –          | –           |
| <b>Total long-term bank debt</b> | <b>–</b>   | <b>46.1</b> |

## 18 / BONDS

On 26 April 2024, a 1.7% CHF 120.0 million bond was placed with a five and a half years term and annual interest payments starting on 30 October 2024. This bond was paid up on 30 April 2024 at an issue price of 100.017%. The 0.625% bond of CHF 150.0 million from 30 May 2018 was repaid on the due date of 30 May 2024. On 13 July 2022 the company placed a 2.1% CHF 240.0 million bond with an issue price of 100.035% and a five-year term. The annual interest payments began on 13 July 2023.

## 19 / TRADE ACCOUNTS PAYABLE

Trade accounts payable include accounts payable to related parties of CHF 0.0 million (previous year CHF 0.0 million).

## 20 / OTHER LIABILITIES

### Other current liabilities

| in CHF millions                                    | Note | 31.12.2024  | 31.12.2023  |
|--|------|-------------|-------------|
| Customer advances received                         |      | 2.9         | 5.3         |
| Social security liabilities                        |      | 3.5         | 3.5         |
| Current income tax liabilities                     |      | 12.5        | 10.2        |
| Capital and value added tax liabilities            |      | 0.9         | 0.9         |
| Deferred earn-out obligations                      |      | –           | 1.5         |
| Derivative liabilities: forward exchange contracts | 28   | 13.8        | 0.3         |
| Accrued interest payable                           |      | 2.7         | 3.2         |
| Miscellaneous current liabilities                  |      | 9.5         | 6.3         |
| <b>Total other current liabilities</b>             |      | <b>45.8</b> | <b>31.2</b> |

## 21 / PROVISIONS

| in CHF millions              | Employees and social security | Restructuring/ Transformation | Warranty and liability claims | Other      | Total       |
|------------------------------|-------------------------------|-------------------------------|-------------------------------|------------|-------------|
| <b>PROVISIONS 2024</b>       |                               |                               |                               |            |             |
| At 1 January 2024            | 13.1                          | –                             | 1.7                           | 1.4        | 16.2        |
| Charges                      | 21.0                          | 28.5                          | 1.2                           | 0.5        | 51.2        |
| Uses                         | –21.2                         | –                             | –1.6                          | –0.7       | –23.5       |
| Unused amounts reversed      | –                             | –                             | –                             | –0.6       | –0.6        |
| Exchange differences         | 0.2                           | –                             | 0.1                           | 0.0        | 0.3         |
| <b>At 31 December 2024</b>   | <b>13.1</b>                   | <b>28.5</b>                   | <b>1.4</b>                    | <b>0.6</b> | <b>43.6</b> |
| Thereof current provisions   | 9.3                           | 16.7                          | 1.4                           | 0.5        | 27.9        |
| Thereof long-term provisions | 3.8                           | 11.8                          | –                             | 0.1        | 15.7        |

| in CHF millions              | Employees and social security | Restructuring/ Transformation | Warranty and liability claims | Other      | Total       |
|------------------------------|-------------------------------|-------------------------------|-------------------------------|------------|-------------|
| <b>PROVISIONS 2023</b>       |                               |                               |                               |            |             |
| At 1 January 2023            | 14.3                          | –                             | 1.3                           | 3.0        | 18.6        |
| Charges                      | 22.2                          | –                             | 1.7                           | 0.5        | 24.4        |
| Uses                         | –22.6                         | –                             | –0.9                          | –1.6       | –25.1       |
| Unused amounts reversed      | –                             | –                             | –0.2                          | –0.5       | –0.7        |
| Exchange differences         | –0.8                          | –                             | –0.2                          | 0.0        | –1.0        |
| <b>At 31 December 2023</b>   | <b>13.1</b>                   | <b>–</b>                      | <b>1.7</b>                    | <b>1.4</b> | <b>16.2</b> |
| Thereof current provisions   | 9.4                           | –                             | 1.7                           | 0.8        | 11.9        |
| Thereof long-term provisions | 3.7                           | –                             | –                             | 0.6        | 4.3         |

### Discounting

Long-term provisions amounting to CHF 1.2 million were discounted using discount rates between 1.5% and 7.0%.

### Employees and social security

This provision covers holiday pay, overtime, statutory termination benefits, long-term employee retention plans and similar liabilities. The provisions are calculated based on actual data.

### Restructuring/Transformation

In the financial year 2024, a provision of CHF 28.5 million was recognized in connection with the transformation program announced on 18 December 2024. According to this program, in the period from 2025 to 2027, the production network will be streamlined, commercial excellence will be strengthened, the product portfolio will be further focused and synergies unlocked through a gradual adjustment of the organizational structure.

### Warranty and liability claims

The Datwyler Group gives warranties in connection with the products and services it provides. These are based on local legislation or contractual arrangements as well as on past experience. The provision for liability claims is based on actual claims reported, which are generally settled within one year.

### Other provisions

Other provisions among others include provisions relating to onerous contracts.

## 22 / DEFERRED INCOME TAX ASSETS/LIABILITIES

| in CHF millions                        | 2024         | 2023         |
|--|--------------|--------------|
| <b>At 1 January:</b>                   |              |              |
| Deferred income tax assets             | 56.1         | 53.8         |
| Deferred income tax liabilities        | 9.1          | 8.6          |
| <b>Deferred income tax assets, net</b> | <b>-47.0</b> | <b>-45.2</b> |
| Deferred taxes                         | -0.9         | -5.9         |
| Exchange differences                   | -3.0         | 4.1          |
| <b>At 31 December:</b>                 |              |              |
| Deferred income tax assets             | 56.7         | 56.1         |
| Deferred income tax liabilities        | 5.8          | 9.1          |
| <b>Deferred income tax assets, net</b> | <b>-50.9</b> | <b>-47.0</b> |

Deferred income taxes are calculated at every subsidiary using the local effective income tax rates applicable.

### Tax loss carryforwards

Total available tax loss carryforwards result in deferred income tax assets, gross, of CHF 25.5 million (previous year CHF 21.8 million), of which an amount of CHF 21.0 million (previous year CHF 19.6 million) was capitalised. Deferred income tax assets were impacted by valuation allowances for and non-capitalisation of the tax effects of tax loss carryforwards in the amount of CHF 4.4 million (previous year CHF 2.2 million).

## 23 / SHARE CAPITAL

### Composition

| in CHF  | 31.12.2024     | 31.12.2023     |
|---|----------------|----------------|
| 22 million registered shares of CHF 0.01 each | 220'000        | 220'000        |
| 12.6 million bearer shares of CHF 0.05 each   | 630'000        | 630'000        |
| <b>Total share capital</b>                    | <b>850'000</b> | <b>850'000</b> |

## Per share data

|   | 2024              | 2023       |
|---|-------------------|------------|
| <b>Bearer shares</b>  |                   |            |
| Par value (CHF)   | 0.05              | 0.05       |
| Number of shares issued                                     | 12'600'000        | 12'600'000 |
| Proposed/approved dividend per bearer share (CHF)           | 3.20 <sup>1</sup> | 3.20       |
| <b>Registered shares</b>                                    |                   |            |
| Par value (CHF)   | 0.01              | 0.01       |
| Number of shares issued                                     | 22'000'000        | 22'000'000 |
| Proposed/approved dividend per registered share (CHF)       | 0.64 <sup>1</sup> | 0.64       |
| <b>Total par value of shares ranking for dividend (CHF)</b> |                   |            |
| Authorised additional share capital                         | none              | none       |
| Authorised contingent share capital                         | none              | none       |
| Registration/voting restrictions                            | none              | none       |
| Opting-out and opting-up provisions                         | none              | none       |

<sup>1</sup> See Board of Directors' proposed appropriation of retained earnings.

## 24 / NET RESULT PER SHARE

Net result per share is calculated by dividing net result by the weighted average number of shares in issue and ranking for dividend, excluding the weighted average number of treasury shares. The weighted value of the 22'000'000 registered shares represents 4'400'000 bearer shares. As in the previous year, the weighted average number of bearer and registered shares outstanding was 17 million shares in total. The short-term purchase and subsequent award of treasury shares, see notes 25 and 26, had no noticeable impact on the calculation of earnings per share. The net result per share of CHF 1.83 (previous year CHF 3.93) thus arises from the simple division of the net result of CHF 31.1 million (previous year CHF 66.8 million) by the weighted average number of 17 million shares.

## 25 / TREASURY SHARES

In 2024, a total of 13'875 (previous year: 20'320) shares were acquired from the related party Pema Holding AG in two transactions. In April, 6'050 (previous year: 13'876) bearer shares were acquired at the current market price of CHF 172.40 (previous year: CHF 199.80) and allocated to the plan participants as part of the long-term participation plan. In June, a further 7'825 (previous year 6'444) bearer shares were acquired at the current market price of CHF 189.60 (previous year CHF 220.00) and allocated to the members of the board of directors as part of the share participation plan, see note 26. As at the end of 2024, no treasury shares were held, as at the end of the previous year.

## 26 / SHARE AWARD PLAN AND LONG-TERM INCENTIVE PLAN

Since 2007, directors and senior executives received a portion of their remuneration in the form of bearer shares of Dätwyler Holding Inc.

The share award plan was introduced in 2007 and since 2019 only directors have participated in this plan. The awarding of shares is based on a fixed monetary amount. The number of shares to be awarded, representing the fixed monetary amount, is determined based on current market value. Share-based payments under the share award plan are recognised as personnel expenses in full at issue date, because the voting and dividend rights of shares awarded are transferred to the beneficiaries at issue date. The shares awarded under the share award plan may not be sold for a period of five years after issue date. In June 2024, directors were awarded a total of 7'825 (previous year 6'444) bearer shares of Dätwyler Holding Inc., see also note 25. Personnel expenses relating to the share award plan amount to CHF 1.5 million (previous year CHF 1.4 million), without impact on additional paid-in capital (previous year no impact on additional paid-in capital).

Since 2018, a long-term incentive plan exists for senior executives, granting the participants a conditional right to receive bearer shares of Dätwyler Holding Inc. subject to fulfilment of certain conditions after completion of a three-year vesting period. Participants leaving the company before completion of the three-year vesting period usually will forfeit the right to receive shares. The number of shares to be received after completion of the vesting period is dependent on the share price performance as well as on achieving three performance targets in comparison with a peer group of companies. Personnel expenses for the long-term incentive plan attributable to 2024 amount to CHF 0.8 million (previous year CHF 1.5 million). Under this plan, shares were awarded April 2024, when 6'050 (previous year 13'876) bearer shares of Dätwyler Holding Inc. were distributed, see also note 25.

## 27 / SHAREHOLDERS

At year-end 2024, Pema Holding AG holds as in the previous year all 22'000'000 registered shares, plus 5'027'590 (previous year 5'041'465) of the total of 12'600'000 bearer shares of Dätwyler Holding Inc. This represents 78.11% (previous year 78.15%) of the voting rights and 55.46% (previous year 55.54%) of the share capital. The entire share capital of Pema Holding AG is held by Dätwyler Führungs AG, thereby indirectly possessing the majority of the voting rights in Dätwyler Holding Inc.

UBS Fund Management (Switzerland) AG also holds more than 3% of all voting rights. The corresponding disclosure notification was made on May 3, 2024 (share of voting rights at that time: 3.41%). No further disclosure notifications were received in the reporting year or in the previous year.

## 28 / DERIVATIVE FINANCIAL INSTRUMENTS

The Group economically hedges part of its exposure to foreign currency risk on trade accounts receivable and payable as well as intercompany loans. Forward exchange contracts and currency options, which generally have maturities of less than 12 months, are used as hedging instruments.

### Unsettled forward exchange contracts

| in CHF millions     | 31.12.2024 | 31.12.2023 |
|---------------------|------------|------------|
| Positive fair value | 0.2        | 20.2       |
| Notional amounts    | 43.5       | 436.3      |
| Negative fair value | 13.8       | 0.3        |
| Notional amounts    | 407.4      | 5.2        |

These forward exchange contracts have maturities until June 2025. Positive fair values are recorded as other receivables (see note 13), while negative fair values have been recognised in other current liabilities (see note 20).

## 29 / CONTINGENT LIABILITIES

In the ordinary course of business, the Group is exposed to a number of risks among others in connection with litigation cases and outstanding or disputed tax assessments which can lead to possible obligations (contingent liabilities). For most actual cases the amounts involved are insignificant. No provisions have been made where the outcome of such matters is uncertain or the risk is not quantifiable or an outflow of resources is not probable. Provisions have been recognised to the extent that the outcome can be reliably estimated and an outflow of resources is probable.

At year-end 2024, no guarantees in favour of third parties were outstanding. The Datwyler Group has not given any other guarantees in respect of its business relationships with third parties. Performance bonds and guarantees within the Group have been eliminated on consolidation. There are no subordination agreements with third parties.

## 30 / COMMITMENTS

### Maturities of commitments under operating leases, long-term rental and outsourcing agreements

| in CHF millions          | 31.12.2024  | 31.12.2023  |
|--------------------------|-------------|-------------|
| Less than 1 year         | 16.1        | 18.2        |
| Between 2 and 5 years    | 20.7        | 25.9        |
| Over 5 years             | 2.2         | 2.6         |
| <b>Total commitments</b> | <b>39.0</b> | <b>46.7</b> |

Total commitments include CHF 12.0 million (previous year CHF 17.6 million) relating to IT outsourcing contracts for the years 2025 to 2027. Operating lease payments recognised as an expense in the income statement amounted to CHF 7.0 million (previous year CHF 6.7 million). There are no individually significant operating leases.

## 31 / RELATED PARTY TRANSACTIONS

### Pema Holding AG

Transactions with related parties include the dividend payments to Pema Holding AG of CHF 30.2 million (previous year CHF 30.3 million) and administrative costs of CHF 120'000 (previous year CHF 120'000) for administration and accounting services provided by Alvest AG. In addition, the following transactions with Pema Holding AG and its subsidiaries occurred in 2024: Net revenue none (previous year none), material expense of CHF 0.0 million (previous year CHF 0.0 million), IT and trademark service revenues and other service revenue of CHF 8.1 million in total (previous year CHF 8.2 million) and service expenses of CHF 0.7 million (previous year CHF 0.7 million). Pema Holding AG granted long-term loans to Dätwyler Holding Inc. in the amount of CHF 215.0 million (previous year proceeds amounting to CHF 198.0 million) with interest charges of CHF 1.9 million (previous year CHF 1.3 million). The unsecured loan consists of two tranches. The first tranche of CHF 145.0 million runs from 28 April 2022 to 28 April 2027 at a fixed interest rate of 0.5%. The second tranche, with a balance of CHF 70.0 million as at the balance sheet date, runs from 30 May 2024 to 30 November 2026 and has a fixed interest rate of 1.75%. The interest rates are determined on the basis of the yields on government bonds, the SNB reference interest rate and the interest rates in accordance with the fact sheet of the Swiss Federal Tax Administration at the time the loan is issued. According to the loan agreements, repayments on both loans are possible at any time by mutual agreement.

A total of 13'875 shares (previous year 20'320 shares) of Dätwyler Holding AG were purchased from Pema Holding AG at current market prices, see notes 25 and 26. Accounts receivable and payable with Pema Holding AG and its subsidiaries are disclosed as items with related parties in notes 11 and 19.

### Pension schemes

Alvest AG charged administrative costs of CHF 0.2 million (previous year CHF 0.2 million) to the pension schemes.

### Remuneration of Directors and Executive Board members

Except for the remuneration as disclosed in the remuneration report of the annual report, no further relations or transactions existed in 2024 and 2023 with the members of the Board of Directors and the Executive Board.

## 32 / EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors and the Executive Board are not aware of any other significant events occurring up to the date of approval of the consolidated financial statements on 4 February 2025 that would cause an adjustment of the carrying amounts of the Group's assets and liabilities.

### 33 / SUBSIDIARIES

Dätwyler Holding Inc. directly or indirectly owned the following fully consolidated subsidiaries at 31 December 2024, all with a capital and voting interest of 100%. There are no minority interests.

|                       |   | Registered office | Original currency | Capital in original currency (in millions) | Healthcare Solutions | Industrial Solutions | Service and financial companies |
|-----------------------|---|-------------------|-------------------|--|----------------------|----------------------|---------------------------------|
| <b>SWITZERLAND</b>    | Alvest AG *   | Altdorf           | CHF               | 15.000                                     |                      |                      | ●                               |
|                       | CTsystems AG  | Dübendorf         | CHF               | 0.100                                      |                      | ○                    |                                 |
|                       | Dätwyler AG *   | Altdorf           | CHF               | 0.100                                      |                      |                      | ●                               |
|                       | Dätwyler IT Services AG *                               | Altdorf           | CHF               | 0.100                                      |                      |                      | ●                               |
|                       | Dätwyler Schweiz AG *                                   | Schattdorf        | CHF               | 32.000                                     |                      | ○                    |                                 |
|                       | Pohl Immobilien AG                                      | Schattdorf        | CHF               | 1.600                                      | ●                    |                      |                                 |
| <b>BELGIUM</b>        | Datwyler Pharma Packaging Belgium NV *                  | Alken             | EUR               | 17.688                                     | ○                    |                      |                                 |
| <b>BRAZIL</b>         | Datwyler do Brasil Ltda.                                | São Leopoldo      | BRL               | 36.694                                     |                      | ○                    |                                 |
| <b>CHINA</b>          | Datwyler Sealing Technologies (Anhui) Co., Ltd.         | Ningguo           | USD               | 5.000                                      |                      | ○                    |                                 |
|                       | Datwyler Sealing Technologies (Wuxi) Co., Ltd.          | Wuxi              | USD               | 5.000                                      |                      | ○                    |                                 |
|                       | Quality Synthetic Rubber (Dongguan) Co., Ltd.           | Dongguan          | CNY               | 18.401                                     |                      | ○                    |                                 |
|                       | Datwyler Pharma Packaging (Yantai) Co., Ltd.            | Yantai            | CNY               | 99.800                                     | ○                    |                      |                                 |
| <b>GERMANY</b>        | Dätwyler Pharma Packaging Deutschland GmbH              | Karlsbad          | EUR               | 2.600                                      | ○                    |                      |                                 |
|                       | Dätwyler Sealing Solutions Deutschland GmbH & Co. KG    | Cleebronn         | EUR               | 2.800                                      |                      | ○                    |                                 |
| <b>INDIA</b>          | Datwyler IT Services India LLP                          | Magarpatta, Pune  | INR               | 0.100                                      |                      |                      | ●                               |
|                       | Datwyler Pharma Packaging India Private Limited         | Kesurdi, Satara   | INR               | 656.233                                    | ○                    |                      |                                 |
| <b>HONGKONG</b>       | Quality Synthetic Rubber (Hong Kong) Limited            | Hongkong          | USD               | 0.001                                      |                      | ○                    |                                 |
| <b>LATVIA</b>         | Datwyler IT Services SIA                                | Riga              | EUR               | 0.003                                      |                      |                      | ●                               |
| <b>ITALY</b>          | Datwyler Pharma Packaging Italy S.r.L.                  | Milano            | EUR               | 2.000                                      | ○                    |                      |                                 |
|                       | Datwyler Sealing Solutions Italy S.p.A.                 | Viadanica         | EUR               | 1.300                                      |                      | ○                    |                                 |
| <b>MEXICO</b>         | Datwyler Sealing Technologies México S. DE R.L. DE C.V. | Silao             | MXN               | 82.000                                     |                      | ○                    |                                 |
|                       | Q Seals de México S. DE R.L. DE C.V.                    | Querétaro         | MXN               | 0.003                                      |                      | ○                    |                                 |
|                       | Qventas (México) S. DE R.L. DE C.V.                     | Querétaro         | MXN               | 0.010                                      |                      | ○                    |                                 |
| <b>SOUTH KOREA</b>    | Datwyler Korea Inc.                                     | Daegu             | KRW               | 1'131.000                                  |                      | ○                    |                                 |
| <b>CZECH REPUBLIC</b> | Datwyler Sealing Technologies CZ s.r.o.                 | Novy Bydzov       | CZK               | 20.000                                     |                      | ○                    |                                 |
| <b>UKRAINE</b>        | Datwyler Sealing Technologies Ukraine JSC               | Malyn             | UAH               | 12.500                                     |                      | ○                    |                                 |
| <b>USA</b>            | Datwyler Parco Holdings Inc.                            | Wilmington        | USD               | 0.000                                      |                      |                      | ●                               |
|                       | Datwyler Pharma Packaging USA Inc.                      | Pennsauken        | USD               | 0.001                                      | ○                    |                      |                                 |
|                       | Datwyler Sealing Solutions USA Inc.                     | Dayton            | USD               | 0.153                                      |                      | ○                    |                                 |
|                       | Double-E LLC  | Dallas            | USD               | 0.000                                      |                      | ○                    |                                 |
|                       | Lexington Rubber Group Inc.                             | Wilmington        | USD               | 0.000                                      |                      | ○                    |                                 |
|                       | Parco LLC   | Ontario           | USD               | 0.000                                      |                      | ○                    |                                 |
|                       | Q Holdco LLC  | Wilmington        | USD               | 0.000                                      |                      |                      | ●                               |
|                       | TAC Materials Inc.                                      | Bedford           | USD               | 0.000                                      |                      | ○                    |                                 |

- Manufacturing and sales
- Services/finance/real estate

\* = Held directly by Dätwyler Holding Inc.

# Report of the Statutory Auditor on the Consolidated Financial Statements



## Statutory Auditor's Report

To the General Meeting of Dätwyler Holding AG, Altdorf

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Dätwyler Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024 and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages F06 to F35) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter



#### REVENUE RECOGNITION

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## REVENUE RECOGNITION

### Key Audit Matter

Consolidated net revenue recognized for the year ended 31 December 2024 amounted to CHF 1'107.7 million. Revenues are an important metric to evaluate the Group's business performance and are therefore considered by external and internal stakeholders. In the Business Areas Industrial Solutions und Healthcare Solutions revenues are mainly generated from the sale of products from own production. Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer in accordance with the agreed terms and conditions. Risk and rewards of ownership generally transfer with their delivery. Revenues under long-term multiple supply contracts are recorded at delivery of each instalment, according to the quantity delivered. These circumstances have to be considered when determining the appropriate time of revenue recognition. This results in a significant risk from an audit perspective. There is a risk that Revenues may be deliberately over or understated in order for management to achieve planned results. This could for example occur by manipulating inputs in the Group's accounting system. Based on this rationale, we consider revenue recognition as a key audit matter.

### Our response

We obtained an understanding of the revenue recognition process from initiating sales orders to payment receipts. Based on this we critically assessed whether transactions are completely and accurately recorded in the consolidated financial statements.

We considered the existence (design and implementation) of the relevant controls within the Group and we tested the operating effectiveness of key controls relating to revenue recognition on a sample basis.

We assessed the appropriateness of accounting policies for revenue recognition and, specifically, for the appropriate time of revenue recognition.

In addition and among others, our procedures included the following:

- On a sample basis, we performed detailed cut-off testing of revenue transactions to either side of the balance sheet date with reference to shipping documentation and contracts. Based on that we assessed the appropriate revenue recognition based on the transfer of risks and rewards of ownership to the buyer in accordance with the agreed terms and conditions.
- On a sample basis, we obtained trade debtors confirmations and agreed the confirmations to the trade debtors balances.
- On a sample basis, we assessed the appropriateness of credit notes issued as well as the payments received after year end.
- In addition we performed analytical procedures including gross margin trend analysis on a Division level as well as on the level of various entities.

In addition to the procedures described above, we further addressed the risk of management override of controls by analysing manual journal entries related to revenue accounts.

For further information on Revenue Recognition refer to the following:

- Summary of Significant Accounting Policies on page F10
- Segment Information on page F17



#### **Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.  
KPMG AG

A handwritten signature in black ink, appearing to read 'Toni Wattenhofer'.

Toni Wattenhofer  
Licensed Audit Expert  
Auditor in Charge

A handwritten signature in black ink, appearing to read 'Melanie Gamma'.

Melanie Gamma  
Licensed Audit Expert

Zurich, 4 February 2025



# Dätwyler Holding Inc.

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## Income Statement

| in CHF                                  | Notes | 2024              | 2023              |
|---|-------|-------------------|-------------------|
| Dividend income from subsidiaries       | 2.1   | 39'404'510        | 72'007'976        |
| Trademark income                        | 2.2   | 14'701'097        | 13'757'140        |
| Reversal of provisions                  | 2.3   | 612'314           | 489'256           |
| Personnel expenses                      |       | -2'103'753        | -2'055'970        |
| Other operating expenses                | 2.4   | -1'992'097        | -2'151'458        |
| <b>Income before interest and taxes</b> |       | <b>50'622'071</b> | <b>82'046'944</b> |
| Financial expenses                      | 2.5   | -11'069'801       | -9'987'693        |
| Financial income                        | 2.6   | 17'112'560        | 16'719'416        |
| <b>Earnings before taxes</b>            |       | <b>56'664'830</b> | <b>88'778'667</b> |
| Direct taxes                            |       | -1'827'881        | -1'652'241        |
| <b>Net result</b>                       |       | <b>54'836'949</b> | <b>87'126'426</b> |

*The accompanying notes are an integral part of these financial statements.*

## Balance Sheet

### Assets

| in CHF  | Notes | 31.12.2024           | 31.12.2023           |
|---|-------|----------------------|----------------------|
| Cash and cash equivalents                                 |       | 658'963              | 751'444              |
| Other current receivables                                 |       | 9'849'598            | 13'138'782           |
| – Due from third parties                                  |       | 613'277              | 483'176              |
| – Due from subsidiaries                                   |       | 9'236'321            | 12'655'606           |
| <b>Total current assets</b>                               |       | <b>10'508'561</b>    | <b>13'890'226</b>    |
| Financial assets: Long-term receivables from subsidiaries | 2.7   | 1'180'702'600        | 1'190'688'000        |
| Investments in subsidiaries                               | 2.8   | 327'678'918          | 327'678'918          |
| Intangible assets: Trademarks                             |       | 1                    | 1                    |
| <b>Total non-current assets</b>                           |       | <b>1'508'381'519</b> | <b>1'518'366'919</b> |
| <b>Total assets</b>                                       |       | <b>1'518'890'080</b> | <b>1'532'257'145</b> |

### Liabilities and shareholders' equity

| in CHF   | Notes | 31.12.2024           | 31.12.2023           |
|--|-------|----------------------|----------------------|
| Current liabilities third parties  |       | 2'953'339            | 2'920'873            |
| Short-term interest-bearing liabilities: 0.625% Bond, repayable on 30 May 2024 | 2.9   | –                    | 150'000'000          |
| Current provisions   |       | –                    | 280'000              |
| Accrued expenses and deferred income   |       | 1'320'147            | 1'258'981            |
| <b>Total current liabilities</b>   |       | <b>4'273'486</b>     | <b>154'459'854</b>   |
| Long-term interest-bearing liabilities due to Pema Holding AG                  |       | 215'000'000          | 198'000'000          |
| Long-term interest-bearing liabilities: Bonds, repayable on 2027 and 2029      | 2.9   | 360'000'000          | 240'000'000          |
| Long-term provisions   |       | 50'000               | 667'646              |
| <b>Total long-term liabilities</b>   |       | <b>575'050'000</b>   | <b>438'667'646</b>   |
| <b>Total liabilities</b>   |       | <b>579'323'486</b>   | <b>593'127'500</b>   |
| Share capital  | 2.10  | 850'000              | 850'000              |
| Statutory capital reserves   |       | 83'000'000           | 83'000'000           |
| Statutory retained earnings  |       | 4'000'000            | 4'000'000            |
| Voluntary retained earnings  | 2.12  | 305'263'318          | 305'263'318          |
| Retained earnings available for distribution                                   |       | 546'453'276          | 546'016'327          |
| – Profit carried forward   |       | 491'616'327          | 458'889'901          |
| – Net result   |       | 54'836'949           | 87'126'426           |
| <b>Total shareholders' equity</b>  |       | <b>939'566'594</b>   | <b>939'129'645</b>   |
| <b>Total liabilities and shareholders' equity</b>                              |       | <b>1'518'890'080</b> | <b>1'532'257'145</b> |

The accompanying notes are an integral part of these financial statements.

# Notes to the Financial Statements

## 1 / VALUATION PRINCIPLES

These Financial Statements were prepared in accordance with the provisions of the Swiss Code of Obligations concerning accounting and financial reporting standards (SCO 957 ff.). Significant balance sheet items are reported as follows.

### **Financial assets and investments in subsidiaries**

Financial assets are measured at nominal value less necessary impairment charges. Investments in subsidiaries are measured individually at purchase price less necessary impairment charges.

### **Measurement of liabilities/bonds**

Liabilities including bonds are carried at nominal value.

## 2 / EXPLANATIONS CONCERNING THE FINANCIAL STATEMENTS

Dätwyler Holding Inc. is domiciled in Altdorf.

The average number of full-time equivalents in the course of a year does not exceed ten employees.

### **2.1 / DIVIDEND INCOME FROM SUBSIDIARIES**

Dividend income from subsidiaries comprises profit distributions from subsidiaries.

### **2.2 / TRADEMARK INCOME**

The right to use the trademark Dätwyler is invoiced to subsidiaries and related companies.

### **2.3 / REVERSAL OF PROVISIONS**

In 2019, a provision for onerous contracts was charged to income. In 2024 as in the previous year, a part of this provision was reversed to income.

### **2.4 / OTHER OPERATING EXPENSES**

This item comprises Dätwyler Holding Inc.'s general costs of doing business. Dätwyler Holding Inc. has no operating costs, as these are charged in full to Alvest AG and then in turn to the subsidiaries. "Stewardship costs" (Dätwyler Holding Inc. administrative expenses) are charged to Dätwyler Holding Inc.

### **2.5 / FINANCIAL EXPENSES**

Financial expenses mainly include interest expenses for bonds, interest to Pema Holding AG, foreign currency effects, commissions and finance charges.

### **2.6 / FINANCIAL INCOME**

Financial income is derived primarily from interest-bearing assets of subsidiaries and foreign currency effects.

## 2.7 / LONG-TERM RECEIVABLES FROM SUBSIDIARIES

These are Swiss franc and Euro denominated long-term loans receivable from subsidiaries. Foreign currency balances are fully hedged.

## 2.8 / INVESTMENTS IN SUBSIDIARIES

Dätwyler Holding Inc.'s direct and indirect subsidiaries are disclosed in note 33 to the consolidated financial statements.

## 2.9 / BONDS

On 26 April 2024, a 1.7% CHF 120.0 million bond was placed with a five and a half years term and annual interest payments starting on 30 October 2024. This bond was paid up on 30 April 2024 at an issue price of 100.017%. The 0.625% bond of CHF 150.0 million from 30 May 2018 was repaid on the due date of 30 May 2024. On 13 July 2022 the company placed a 2.1% CHF 240.0 million bond with an issue price of 100.035% and a five-year term. The annual interest payments began on 13 July 2023.

## 2.10 / SHARE CAPITAL

| in CHF                                       | 31.12.2024     | 31.12.2023     |
|--|----------------|----------------|
| 22'000'000 registered shares at CHF 0.01 par | 220'000        | 220'000        |
| 12'600'000 bearer shares at CHF 0.05 par     | 630'000        | 630'000        |
| <b>Share capital</b>                         | <b>850'000</b> | <b>850'000</b> |

Shares in Dätwyler Holding Inc. are listed on the SIX Swiss Exchange. Each registered share and each bearer share, regardless of nominal value, carries one vote at the General Meeting of Shareholders, with the exception of bearer treasury shares.

Pema Holding AG currently holds all 22 million registered shares and 5'027'590 of the total of 12.6 million bearer shares in Daetwyler Holding Inc. This corresponds to 78.11% of the voting rights and 55.46% of the capital.

UBS Fund Management (Switzerland) AG also holds more than 3% of all voting rights. The corresponding disclosure notification was made on May 3, 2024 (share of voting rights at that time: 3.41%). No further disclosure notifications were received in the reporting year or in the previous year.

## 2.11 / SHARE OWNERSHIP AND LONG-TERM INCENTIVE PLAN / TREASURY SHARES

In the current year, a total of 13'875 (previous year 20'320) bearer shares were acquired by Alvest AG in two transactions. In April, 6'050 (previous year 13'876) bearer shares were acquired at the current stock exchange price of CHF 172.40 (previous year CHF 199.80) and distributed to the participants of the long-term incentive plan of the group. In June, another 7'825 (previous year 6'444) bearer shares were acquired at the current stock exchange price of CHF 189.60 (previous year CHF 220.00) and then allocated to the members of the Board of Director within the scope of the share award plan with a total value of CHF 1'483'620 (previous year CHF 1'417'680), see Remuneration Report. At the end of 2024 and 2023, no treasury shares were held.

## 2.12 / VOLUNTARY RETAINED EARNINGS

The voluntary retained earnings represent a free reserve at the disposal of the General Meeting of Shareholders.

### **2.13 / SURETIES, GUARANTEES AND PLEDGE COMMITMENTS IN FAVOUR OF THIRD PARTIES**

Credit lines in the amount of CHF 18.3 million (previous year CHF 17.9 million) were granted to various group companies, of which CHF 0.5 million (previous year CHF 0.5 million) have been utilized. There are no guarantees with joint and several liability (previous year USD 55.0 million). Furthermore, no guarantees were outstanding as at the balance sheet date (previous year none).

### **2.14 / JOINT AND SEVERAL LIABILITY**

Since 1 January 2009 the company has been a member of the value-added tax group under the number CHE-116.346.605 MWST. The principal member of the group is Alvest AG, Altdorf. For the term of its membership in this group, the company bears joint and several liability pursuant to Art. 15 para. 1 lit c of the VAT Act.

### **2.15 / CONTINGENT LIABILITIES**

In the normal course of business, risks arise in connection with such matters as legal disputes and pending or disputed tax assessments that could potentially lead to liabilities (contingent liabilities). The amount involved in most current cases is immaterial. Where the outcome of such cases is unclear or the risk is unquantifiable or the likelihood of an outflow of funds is unlikely, no provisions are being made. Provisions are being made where the outcome can be estimated or an outflow of funds is probable.

### **2.16 / SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE**

None.

## Proposed Appropriation of Retained Earnings

### Retained earnings carried forward

| in CHF  | 31.12.2024         | 31.12.2023         |
|---|--------------------|--------------------|
| Profit carried forward  | 491'616'327        | 458'889'901        |
| Net result  | 54'836'949         | 87'126'426         |
| <b>Retained earnings at disposal of General Meeting of Shareholders</b> | <b>546'453'276</b> | <b>546'016'327</b> |

### Proposal of the Board of Directors on the appropriation of retained earnings

| in CHF  | 2024<br>Proposal of the<br>Board of Directors | 2023<br>Resolution of the<br>General Meeting of<br>Shareholders |
|---|---|---|
| <b>Retained earnings at disposal of General Meeting of Shareholders</b> | <b>546'453'276</b>                            | <b>546'016'327</b>  |
| Distribution of cash dividend   | -54'400'000                                   | -54'400'000   |
| – Registered shares: CHF 0.64 (previous year CHF 0.64)                  | -14'080'000                                   | -14'080'000   |
| – Bearer shares: CHF 3.20 (previous year CHF 3.20)                      | -40'320'000                                   | -40'320'000   |
| <b>To be carried forward</b>  | <b>492'053'276</b>                            | <b>491'616'327</b>  |

# Report of the Statutory Auditor on the Financial Statements



## Statutory Auditor's Report

To the General Meeting of Dätwyler Holding AG, Altdorf

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Dätwyler Holding AG (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages F42 to F46) comply with Swiss law and the Company's articles of incorporation.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

#### Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



### Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

A handwritten signature in black ink, appearing to read 'Toni Wattenhofer'.

Toni Wattenhofer  
Licensed Audit Expert  
Auditor in Charge

A handwritten signature in black ink, appearing to read 'Melanie Gamma'.

Melanie Gamma  
Licensed Audit Expert

Zurich, 4 February 2025

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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## Shareholder Information

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|--|-----|
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# Five Year Summary

## Datwyler Group

| in CHF millions                              | 2024           | 2023           | 2022           | 2021           | 2020           |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Net revenue</b>                           | <b>1'107.7</b> | <b>1'151.5</b> | <b>1'150.6</b> | <b>1'101.7</b> | <b>1'069.2</b> |
| Year-on-year change (%)                      | -3.8           | 0.1            | 4.4            | 3.0            | -21.4          |
| <b>EBITDA<sup>1,2</sup></b>                  | <b>199.3</b>   | <b>200.6</b>   | <b>225.0</b>   | <b>241.8</b>   | <b>211.0</b>   |
| <b>Depreciation and amortisation</b>         | <b>90.6</b>    | <b>80.2</b>    | <b>75.8</b>    | <b>66.0</b>    | <b>62.4</b>    |
| As % of net revenue                          | 8.2            | 7.0            | 6.6            | 6.0            | 5.8            |
| Year-on-year change (%)                      | 13.0           | 5.8            | 14.8           | 5.8            | -8.8           |
| <b>Operating result (EBIT)<sup>1,2</sup></b> | <b>118.1</b>   | <b>120.4</b>   | <b>149.2</b>   | <b>175.8</b>   | <b>148.6</b>   |
| As % of net revenue                          | 10.7           | 10.5           | 13.0           | 16.0           | 13.9           |
| Year-on-year change (%)                      | -1.9           | -19.3          | -36.3          | 18.3           | 15.5           |
| <b>Net result</b>                            | <b>31.1</b>    | <b>66.8</b>    | <b>104.8</b>   | <b>194.0</b>   | <b>-346.3</b>  |
| As % of net revenue                          | 2.8            | 5.8            | 9.1            | 17.6           | -32.4          |
| Year-on-year change (%)                      | -53.4          | -36.3          | -46.0          | n/a            | 299.9          |
| <b>Net cash from operating activities</b>    | <b>171.7</b>   | <b>194.9</b>   | <b>118.6</b>   | <b>183.5</b>   | <b>185.3</b>   |
| As % of net revenue                          | 15.5           | 16.9           | 10.3           | 16.7           | 17.3           |
| Year-on-year change (%)                      | -11.9          | 64.3           | -35.4          | -1.0           | 6.0            |
| <b>Free cash flow<sup>1</sup></b>            | <b>127.9</b>   | <b>136.7</b>   | <b>-582.9</b>  | <b>160.4</b>   | <b>115.7</b>   |
| <b>Non-current assets</b>                    | <b>599.2</b>   | <b>626.1</b>   | <b>695.1</b>   | <b>630.5</b>   | <b>609.2</b>   |
| Year-on-year change (%)                      | -4.3           | -9.9           | 10.2           | 3.5            | -3.3           |
| <b>Current assets</b>                        | <b>551.0</b>   | <b>574.7</b>   | <b>603.9</b>   | <b>630.5</b>   | <b>497.7</b>   |
| Year-on-year change (%)                      | -4.1           | -4.8           | -4.2           | 26.7           | -6.4           |
| <b>Total assets</b>                          | <b>1'150.2</b> | <b>1'200.8</b> | <b>1'299.0</b> | <b>1'261.0</b> | <b>1'106.9</b> |
| <b>Equity</b>                                | <b>368.5</b>   | <b>386.2</b>   | <b>403.6</b>   | <b>948.3</b>   | <b>735.1</b>   |
| Year-on-year change (%)                      | -4.6           | -4.3           | -57.4          | 29.0           | 8.9            |
| As % of total assets                         | 32.0           | 32.2           | 31.1           | 75.2           | 66.4           |
| <b>Total liabilities</b>                     | <b>781.7</b>   | <b>814.6</b>   | <b>895.4</b>   | <b>312.7</b>   | <b>371.8</b>   |
| Year-on-year change (%)                      | -4.0           | -9.0           | 186.3          | -15.9          | -23.6          |
| - Thereof current liabilities                | 182.8          | 314.8          | 190.2          | 143.7          | 199.6          |
| - Thereof long-term liabilities              | 598.9          | 499.8          | 705.2          | 169.0          | 172.2          |
| <b>Capital expenditures<sup>1</sup></b>      | <b>45.9</b>    | <b>53.0</b>    | <b>101.8</b>   | <b>110.9</b>   | <b>90.8</b>    |
| Year-on-year change (%)                      | -13.4          | -47.9          | -8.2           | 22.1           | -13.2          |
| <b>Personnel expenses</b>                    | <b>379.2</b>   | <b>376.7</b>   | <b>359.2</b>   | <b>321.1</b>   | <b>300.8</b>   |
| Year-on-year change (%)                      | 0.7            | 4.9            | 11.9           | 6.7            | -20.0          |
| <b>Number of employees (at year-end)</b>     | <b>8'030</b>   | <b>8'178</b>   | <b>8'698</b>   | <b>6'909</b>   | <b>6'748</b>   |
| Year-on-year change (%)                      | -1.8           | -6.0           | 25.9           | 2.4            | -15.6          |

<sup>1</sup> Datwyler Group uses certain financial performance measures that are not defined by Swiss GAAP. The definitions of these Alternative Performance Measures (APM) are explained on pages F54 to F55.

<sup>2</sup> EBITDA/EBIT: In 2021/2020 before gain/loss on sale of subsidiaries, in 2024 before expense for transformation program

## Dätwyler Holding Inc.

| in CHF millions               | 2024              | 2023  | 2022  | 2021  | 2020  |
|-------------------------------|-------------------|-------|-------|-------|-------|
| Finance and investment income | 56.5              | 88.7  | 64.7  | 77.1  | 20.2  |
| Net result                    | 54.8              | 87.1  | 67.1  | 126.6 | 317.2 |
| Equity                        | 939.6             | 939.1 | 906.4 | 910.7 | 838.5 |
| Equity as % of total assets   | 61.9              | 61.3  | 62.2  | 85.6  | 79.7  |
| Share capital                 | 0.9               | 0.9   | 0.9   | 0.9   | 0.9   |
| Distribution                  | 54.4 <sup>1</sup> | 54.4  | 54.4  | 71.4  | 54.4  |

<sup>1</sup> Board of Directors' proposal to the Annual General Meeting.

## Share Information

|   |             | 2024              | 2023      | 2022      | 2021      | 2020      |
|---|-------------|-------------------|-----------|-----------|-----------|-----------|
| <b>Market price SIX (high/low)</b>                  |             |                   |           |           |           |           |
| Bearer share – high                                 | CHF         | 202.50            | 250.50    | 410.00    | 408.50    | 263.50    |
| Bearer share – low                                  | CHF         | 131.60            | 154.20    | 150.00    | 250.50    | 125.60    |
| <b>Trading volume</b>                               |             |                   |           |           |           |           |
| Number of shares                                    |             | 2'733'320         | 2'761'027 | 3'532'073 | 2'586'728 | 6'079'477 |
| Value   | in CHF mio. | 470               | 532       | 849       | 810       | 1'107     |
| <b>Gross dividend</b>                               |             |                   |           |           |           |           |
| Bearer share  | CHF         | 3.20 <sup>1</sup> | 3.20      | 3.20      | 4.20      | 3.20      |
| Registered share                                    | CHF         | 0.64 <sup>1</sup> | 0.64      | 0.64      | 0.84      | 0.64      |
| <b>Net result per share</b>                         |             |                   |           |           |           |           |
| Bearer share  | CHF         | 1.83              | 3.93      | 6.16      | 11.41     | -20.37    |
| Registered share                                    | CHF         | 0.37              | 0.79      | 1.23      | 2.28      | -4.07     |
| <b>Net cash from operating activities per share</b> |             |                   |           |           |           |           |
| Bearer share  | CHF         | 10.10             | 11.46     | 6.98      | 10.79     | 10.90     |
| Registered share                                    | CHF         | 2.02              | 2.29      | 1.40      | 2.16      | 2.18      |
| <b>Price/earnings ratio (average)</b>               |             |                   |           |           |           |           |
|   |             | 94.0              | 49.0      | 39.0      | 27.4      | n/a       |
| <b>Equity per share</b>                             |             |                   |           |           |           |           |
| Bearer share  | CHF         | 22                | 23        | 24        | 56        | 43        |
| Registered share                                    | CHF         | 4                 | 5         | 5         | 11        | 9         |
| <b>Market capitalisation</b>                        |             |                   |           |           |           |           |
| Average for the year                                | in CHF mio. | 2'923             | 3'276     | 4'086     | 5'323     | 3'096     |
| As % of equity                                      |             | 793               | 848       | 1'012     | 561       | 421       |
| At 31 December                                      | in CHF mio. | 2'264             | 3'318     | 3'128     | 6'834     | 4'369     |
| As % of equity                                      |             | 614               | 859       | 775       | 721       | 594       |

The Articles of Association of Dätwyler Holding Inc. do not contain any opting-out or opting-up provisions pursuant to the Swiss Stock Exchange Act.

<sup>1</sup> Board of Directors' proposal to the Annual General Meeting.

## Alternative Performance Measures (APM)

### EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)

| in CHF millions                             | Note | 2024         | 2023         |
|---|------|--------------|--------------|
| <b>Revenue</b>                              |      | 1'107.7      | 1'151.5      |
| <b>Operating result (EBIT)</b>              |      | 80.2         | 120.4        |
| EBIT margin                                 |      | 7.2%         | 10.5%        |
| Depreciation and amortisation               | 7    | 90.6         | 80.2         |
| Transformation program                      | 4    | 28.5         | –            |
| <b>EBITDA before transformation program</b> |      | <b>199.3</b> | <b>200.6</b> |
| EBITDA margin adjusted                      |      | 18.0%        | 17.4%        |

### RETURN ON CAPITAL EMPLOYED (ROCE)

ROCE is calculated by dividing the operating result (EBIT) by the average capital employed. The following table illustrates the ROCE calculation:

| in CHF millions                            |   | 2024         | 2023         |
|--|---|--------------|--------------|
| <b>EBIT reported</b>                       |   | 80.2         | 120.4        |
| Transformation program                     | 4 | 37.9         | –            |
| <b>EBIT before transformation program</b>  |   | 118.1        | 120.4        |
| EBIT margin adjusted                       |   | 10.7%        | 10.5%        |
| Average capital employed                   |   | 848.8        | 896.6        |
| <b>Return on capital employed adjusted</b> |   | <b>13.9%</b> | <b>13.4%</b> |

### AVERAGE CAPITAL EMPLOYED (CE)

Average capital employed according to Datwyler's definition is calculated using the average of the trade accounts receivable, inventories, property, plant and equipment excluding assets under construction, intangible assets less trade accounts payable. Averages are calculated using the balance sheet amounts per 31 December, 30 June and 31 December of the prior year divided by 3 as illustrated on the following table:

| in CHF millions   | 31.12.2024   | 30.06.2024   | 31.12.2023   | 30.06.2023   | 31.12.2022   |
|---|--------------|--------------|--------------|--------------|--------------|
| Trade accounts receivable   | 215.5        | 233.2        | 227.2        | 249.9        | 250.3        |
| Inventories   | 168.5        | 179.3        | 166.7        | 199.4        | 209.0        |
| Property, plant and equipment excluding assets under construction | 478.6        | 507.1        | 504.1        | 542.8        | 510.9        |
| Intangible assets   | 32.9         | 32.5         | 31.4         | 33.1         | 31.8         |
| Trade accounts payable  | –73.2        | –75.9        | –81.6        | –89.7        | –95.6        |
| <b>Capital employed (CE)</b>                                      | <b>822.3</b> | <b>876.2</b> | <b>847.8</b> | <b>935.5</b> | <b>906.4</b> |
| <b>Average capital employed</b>                                   | <b>848.8</b> |              | <b>896.6</b> |              |              |

The average capital employed per 31 December 2024 is calculated using the capital employed per 31 December 2024, 30 June 2024 and 31 December 2023 dividing by 3 equalling CHF 848.8 million. Similarly, the average per 31 December 2023 equates the average of 31 December 2023, 30 June 2023 and 31 December 2022. The ROCE as presented for the Business Areas Healthcare Solutions and Industrial Solutions is calculated accordingly.

| in CHF millions                            |              | Healthcare Solutions |              | Industrial Solutions |              |
|--|--------------|----------------------|--------------|----------------------|--------------|
|  |              | 2024                 | 2023         | 2024                 | 2023         |
| <b>EBIT reported</b>                       |              | <b>47.0</b>          | <b>74.4</b>  | <b>33.2</b>          | <b>46.0</b>  |
| Transformation program                     | <sup>3</sup> | 14.8                 | –            | 23.1                 | –            |
| <b>EBIT before transformation program</b>  |              | <b>61.8</b>          | <b>74.4</b>  | <b>56.3</b>          | <b>46.0</b>  |
| EBIT margin adjusted                       |              | 13.9%                | 15.9%        | 8.5%                 | 6.7%         |
| Average capital employed                   |              | 441.7                | 466.8        | 401.7                | 422.7        |
| <b>Return on capital employed adjusted</b> |              | <b>14.0%</b>         | <b>15.9%</b> | <b>14.0%</b>         | <b>10.9%</b> |

## CAPITAL EXPENDITURES

Capital expenditures represent the additions to property, plant and equipment and intangible assets as presented in the tables of notes 14 and 15 of the consolidated financial statements (as opposed to the cash flow statement on page F08 where capital expenditures relate to cash payments only).

| in CHF millions                                       |               | Healthcare Solutions |             | Industrial Solutions |             | Datwyler Group |             |
|---|---------------|----------------------|-------------|----------------------|-------------|----------------|-------------|
|   | Note          | 2024                 | 2023        | 2024                 | 2023        | 2024           | 2023        |
| Capital expenditures in property, plant and equipment | <sup>14</sup> | 16.5                 | 19.8        | 21.0                 | 25.4        | 37.7           | 45.3        |
| Capital expenditures in intangible assets             | <sup>15</sup> | 3.6                  | 2.2         | 4.6                  | 5.4         | 8.2            | 7.7         |
| <b>Total capital expenditures</b>                     |               | <b>20.1</b>          | <b>22.0</b> | <b>25.6</b>          | <b>30.8</b> | <b>45.9</b>    | <b>53.0</b> |

## FREE CASH FLOW AND NET CHANGE IN CASH AND CASH EQUIVALENTS

Free cash flow equals net cash from operating activities reduced by net cash used in investing activities as presented in the cash flow statement on page F08.

| in CHF millions                                | 2024         | 2023         | 2022          | 2021         | 2020         |
|--|--------------|--------------|---------------|--------------|--------------|
| Net cash from operating activities             | 171.7        | 194.9        | 118.6         | 183.5        | 185.3        |
| Net cash used in investing activities          | –43.8        | –58.2        | –701.5        | –23.1        | –69.6        |
| <b>Free cash flow</b>                          | <b>127.9</b> | <b>136.7</b> | <b>–582.9</b> | <b>160.4</b> | <b>115.7</b> |
| Net cash from financing activities             | –124.9       | –109.7       | 466.8         | –113.0       | –132.7       |
| <b>Net change in cash and cash equivalents</b> | <b>3.0</b>   | <b>27.0</b>  | <b>–116.1</b> | <b>47.4</b>  | <b>–17.0</b> |

## Imprint

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Consulting and support for sustainability report: [Sustainserv, Inc.](#) 

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