SUSTAINABILITY

Sustainability at Schweiter Technologies

BUSINESS MODEL

Schweiter Technologies AG is the holding company of the global 3A Composites Group, operating at production sites, distribution facilities, and administrative buildings at 30 locations in Europe, the Americas, and the Asia/Pacific region, with a workforce of some 4 500 employees.

The business of Schweiter Technologies comprises the development, production and distribution of high-quality composites, paper and synthetic sheets, lightweight boards and core materials based on balsa wood, aluminum, paper sheets, and synthetic foams. These materials are used in lightweight applications, primarily in the areas of visual communication, architecture, wind energy, industry, railway and bus construction and shipbuilding. Typical products are composite sheets for displays, façade and roof panels, foam boards used in vehicles, ships and furniture, rotor blades for wind turbines as well as functional composite parts for railway and industry applications.

The Schweiter Group is active in four main business areas:

- **3A Composites Display**
  (41% of net sales)
  3A Composites Display is a global manufacturer of products used in digital and screen printing, exhibition stand building, shop design and shop window decoration, interior design, photo mounting, for signage, POS/POP displays and furniture construction and many more.
- **3A Composites Core Materials**
  (22% of net sales)
  3A Core Materials is a global leader in sandwich composite technology. The portfolio consists of high-performance, lightweight core materials either made of recyclable polymers (e. g., PET) or from balsa trees planted in company-owned operations.
- **3A Composites Architecture**
  (21% of net sales)
  3A Composites is a global manufacturer of aluminum composite panels for façades and construction applications. The products enable concepts that adapt to multiple locations. Their exceptional weather resistance, durability, and lightweight properties make them suitable for installation in diverse locations and conditions.
- **3A Composites Transport & Industry**
  (16% of net sales)
  3A Composites Transport & Industry manufactures cast and extruded synthetic sheets, aluminum composite materials, and lightweight foam boards for sectors including agricultural and commercial vehicles, caravans, sanitary ware, furniture, and shipbuilding. They also produce integrated lightweight systems with advanced composite materials, offering adaptable solutions to support sustainable mobility across various vehicle types.

Key raw materials for 3A Composites products are aluminum, synthetic materials, wood, and paper-based materials. The majority of balsa wood for the wind turbine blades and applications in the marine, automotive and railway, building and construction and industrial sectors is grown by 3A Composites Core Materials in its own plantations in Ecuador and Papua New Guinea. These plantations, where around one-third of Schweiter Technologies' own workforce is employed, are 100% FSC®-certified.

The most important sales markets are Europe (58% of net sales), North and South America (29% of net sales), and Asia/Pacific (12% of net sales). Further information on the sales structure is available on p. 5.

ESG GOVERNANCE STRUCTURE

Sustainability is an integral part of the business strategy at Schweiter Technologies.

The ultimate responsibility for all strategic aspects of ESG lies with the Board of Directors. Its tasks include validating the sustainability strategy and targets as well as reviewing the performance and the Sustainability Report. To foster sustainability initiatives and manage the strategic delivery of ambitious projects, a Sustainability Board and an Operational Team, coordinated by the Global Director Sustainability, have been established in the last two years.

The Global Director Sustainability informs the Senior Management at regular intervals regarding the corporate sustainability performance, progress towards targets, as well as opportunities and risks arising from ESG issues. Besides, he coordinates the Sustainability Operational Team, which assesses and consolidates this information, outlines the sustainability strategy and advances the associated concepts and measures – to submit for approval to the Senior Management. The Sustainability Operational Team, consisting of representatives from all regions and business areas, further develops the yearly Corporate Sustainability report for Schweiter Technologies.

The members of the Sustainability Board are the Group CEO, Group CFO, CEO 3A Composites Americas, CEO Display Europe, CEO 3A Mobility, Chief Human Resources Officer, General Counsel, and Global Director Sustainability. The Sustainability Board meets three times a year to review, prioritize, and approve sustainability initiatives and is accountable to the Board of Directors.

The Operational Team meets in monthly sessions and prepares the agenda for the Sustainability Board. A Core Team within the Operational Team works on current topics and prediscusses subjects that will be researched, implemented and executed with the entire Operational Team. Overall, this results in a three-stage analysis and decision-making process that covers the entire sustainability management.

In view of the decentralized company structure, operational sustainability initiatives and projects are planned and implemented in close cooperation by the respective location managers and the CEOs responsible for the corresponding region and business area, respectively.

Body function	ESG responsibility	Operational tasks
Board of Directors	Ultimate ESG responsibility	– Validate corporate ESG strategy – Validate Sustainability Report (yearly)
Sustainability Board (including Global Director Sustainability)	Main implementation responsibility	– Approval of sustainability topics – Approval of concepts to implement strategy – Review of performance and initiation of corrective measures – Review of ESG risks and opportunities – Review of Sustainability Report
Sustainability Operational Team (including Global Director Sustainability)	Development & Monitoring responsibility	– Assessment of sustainability topics – Assessment of ESG risks and opportunities – Development of the sustainability strategy (incl. targets and KPIs) – Development of concepts and measures to implement strategy and to track performance (monthly and on demand) – Development of the Sustainability Report (yearly)
CEOs of business areas	Operational responsibility	– Implement measures such as initiatives and projects – Track performance towards targets – Data and information delivery for sustainability reporting (continuously)

SUSTAINABILITY STRATEGY

Schweiter Technologies creates value for its employees, customers, and shareholders. The company positions itself as a reliable partner and supplier. A responsible approach to business is firmly rooted in the corporate culture. The strategic foundation for sustainability management at Schweiter Technologies is composed of its material topics.

Corporate sustainability strategy

Incorporating environmental and social considerations into an economically viable Group Management is the basis of sustainable corporate management as Schweiter Technologies understands it. From the customers' point of view, the most important factor is certainly that 3A Composites products help make end users' applications more sustainable, e.g., by using fewer resources and less energy. Schweiter Technologies' businesses are therefore part of an economic chain that is designed for sustainability – and CleanTECH innovation is at the core of this business strategy (for more information see chapters "Leaders in innovation" and "Products with a sustainable impact"). Schweiter's CleanTECH approaches involve technology and product development teams from all business areas, in specific workstreams focused on energy efficiency, product improvement, circularity, and responsible supply chain; individual examples of CleanTECH initiatives and achievements are highlighted with green markers across the entire report).

Contribution to the UN SDGs

A milestone for Schweiter Technologies sustainability engagement was participating in the UN Global Compact in August 2024, which underlines the commitment to sustainability in general. This voluntary initiative aligns businesses around the world with Ten Principles in the areas of human rights, labor, environment, and anti-corruption, and supports broader UN goals, including the Sustainable Development Goals (SDGs).

WE SUPPORT UN GLOBAL COMPACT

By participating in the UN Global Compact, Schweiter Technologies pledges to:

1. Uphold human rights
Respect and support the protection of internationally proclaimed human rights, ensuring that Schweiter Technologies is not complicit in any human rights abuses.

2. Promote fair labor practices
Commit to upholding labor rights, eliminating forced and child labor, ensuring fair wages, promoting workplace diversity, and respecting workers' freedom of association.

3. Support environmental responsibility
Schweiter Technologies is dedicated to reducing environmental impact, promoting sustainable resource use, and encouraging innovation in environmental technology to combat climate change.

4. Combat corruption
Schweiter Technologies stands firm against all forms of corruption, including bribery and extortion, and promote transparency and accountability in all of our business dealings.

The approach to sustainability practiced by Schweiter Technologies is guided by the 17 United Nations' Sustainable Development Goals (SDG). According to Schweiter Technologies' and its operating 3A Composites businesses, the following SDGs are of particular importance in this respect:

Decent work and economic growth (SDG 8)
Schweiter Technologies strives for creating decent jobs in its global activities that comply with the principles of fair pay and respects labor rights. Thus, Schweiter Technologies takes the responsibility to contribute to the development of the respective local communities and economy.

Industry, innovation and infrastructure (SDG 9)
Schweiter Technologies wants to position itself as a pioneer in the development of sustainable products in its fields – including business areas providing infrastructural components and solutions. The company considers the sustainability of its products to be a primary objective that is an equal economic growth driver compared to technical characteristics and performance.

Responsible consumption and production (SDG 12)
Schweiter Technologies is active both in the cultivation of raw materials and in the processing of material from various sources. In both areas, the company strives for exemplary use of resources in the sense that the impact on the environment and society is minimized and resources are used and conserved responsibly, including through recycling.

Climate action (SDG 13)
Schweiter Technologies is committed to develop products that are not only functional, but also save energy and have a long service life thanks to their materials and design. The Group is aware that the sustainability of its products must be proven throughout their entire life cycle and considers this a lever on the way to a climate-friendly economy worldwide.

Life on land (SDG 15)
To a large extent, Schweiter Technologies is not just an industrial manufacturer, but also a forestry producer of raw materials, which entails a special responsibility to protect and use terrestrial ecosystems sustainably and halt biodiversity loss. In 3A Composites Core Materials plantations, the Group strives to make use of the ecosystem and natural resources in a responsible way.

In this context, the focus is on the five SDGs the company can implement most effectively:

Decent work and economic growth

Industry, innovation, and infrastructure

Responsible consumption and production

Climate action

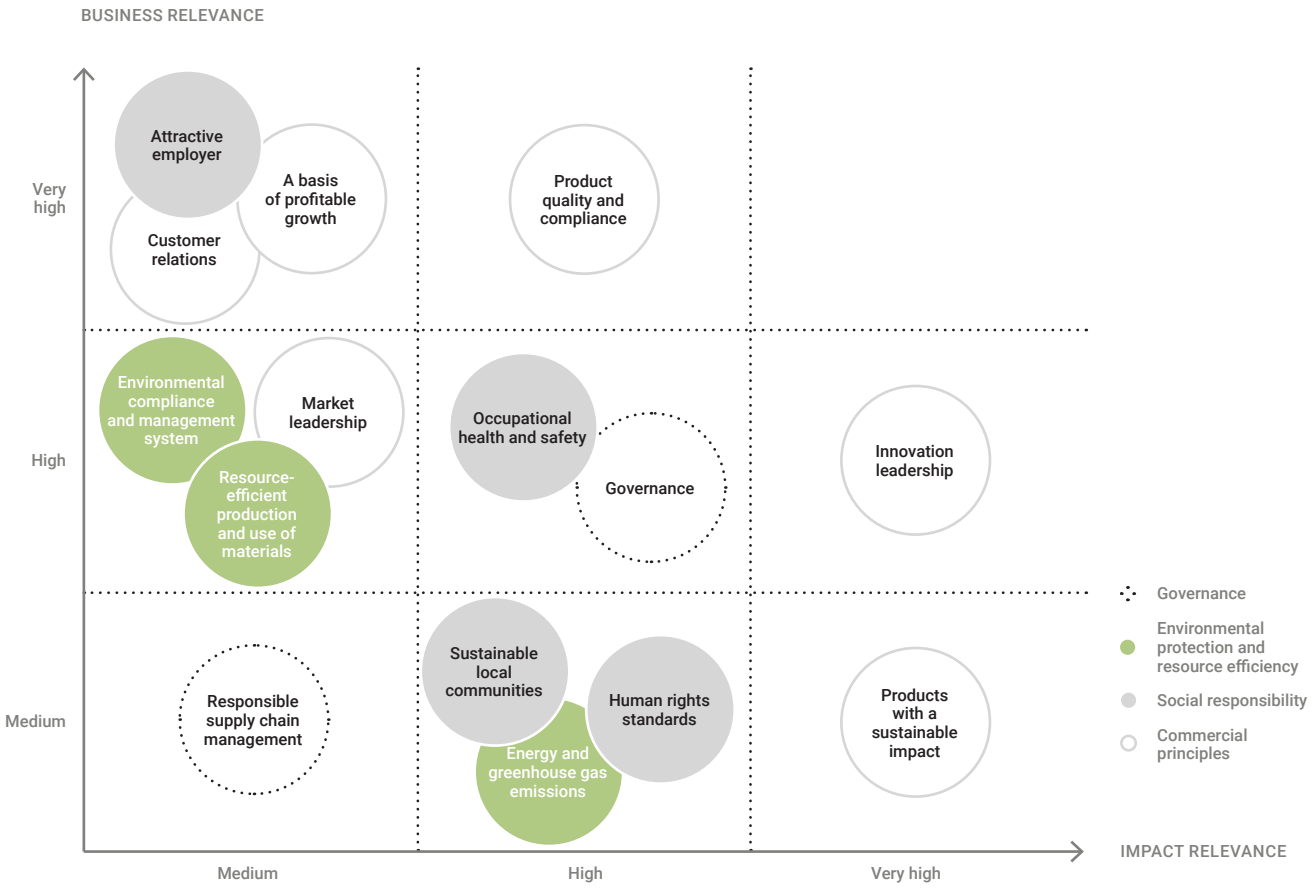
Life on land

MATERIALITY

Schweiter Technologies conducted a materiality analysis in 2021 in line with the principles of double materiality. The starting point for this analysis was a list of topics derived from an analysis of comparable companies, internal sources (documents, guidelines, and directives), sustainability standards, and industry-specific information. Following comprehensive analysis, the most important topics were evaluated in a management workshop to establish their relevance to the business success of Schweiter Technologies and their impact on sustainable development. The process was supported by an external specialist and the result summarized in a matrix.

Schweiter Technologies reviews the validity of the material topics annually in advance of the reporting process. In 2024, the existing and thorough materiality matrix has been confirmed. The materiality matrix presents the 15 topics which are material for Schweiter Technologies. They form the core of this Sustainability Report.

MATERIALITY MATRIX



STAKEHOLDER MANAGEMENT

The establishment and maintenance of good relationships with various stakeholder groups is a key element in the business activities of Schweiter Technologies. The most important stakeholders are employees, customers, suppliers, and shareholders. Membership of associations is one aspect of stakeholder management, helping to promote the transfer of knowledge among other benefits.

To identify the most relevant stakeholder groups, Schweiter Technologies uses management reviews, SWOT analyses, and specific stakeholder identification processes. Schweiter Technologies remains in regular close contact with stakeholder groups in order to understand their needs. Direct contact with stakeholder groups is Schweiter Technologies' preferred form of communication. Regular contact with customers and suppliers together with staff dialog helps the company identify any risks at an early stage, respond to concerns, and anticipate potential change.

Schweiter Technologies' customers demand high-quality lightweight product solutions. Requirements relating to sustainability are becoming increasingly important. Trail-blazing technologies and reliable products help customers to develop their own sustainable processes.

Schweiter Technologies and its business areas are members of various associations. The focus of the memberships is on networking with other players in the industry and accessing information relevant to business development.

Focus areas	Membership associations examples
Materials	– European Aluminium Association (EAA) – European Coil Coating Association (ECCA) – European Chemical Industry Council (CEFIC) – American Composites Manufacturers Association (ACMA)
Aluminum, recycling, window and façade construction	– A|U|F e.V.
Construction	– German Sustainable Building Council (DGNB) – German Institute of Construction and Sustainability (IBU)
Economy	– Ecuadorian–Swiss Chamber of Commerce, Industry and Services – Greensboro Chamber of Commerce

Innovation and quality

INNOVATION LEADERSHIP

The development of efficient and resource-saving solutions takes a high priority in research and development activities at Schweiter Technologies. Our innovations meet customer needs, save costs, and make a significant contribution to ecological sustainability.

Schweiter Technologies is actively driving innovation in Europe to enhance its unique selling propositions and distinguish its product range from competitors. In the 3A Composites Core Materials business area, as well as in the Display business in Europe, multiple products with increased recycled raw material content now complement the extensive offering. Globally, this commitment is also evident, and in North America, a new product range featuring increasingly sustainable solutions has been successfully launched.

In the 3A Composites Transport & Industry business area, the Group is engaged in international lightweight construction research and technology projects. A key focus of this research is on weight-saving composite patches for vehicle bodies. Among the latest innovations are cost-efficient underfloor heating systems for rail passenger vehicles, reflecting the Group's dedication to advanced, sustainable solutions.

Over the past two years, 3A Composites Europe has invested in five new production lines across various sites. By 2024, XL format sheet extrusion lines achieved targeted improvements in efficiency and product quality, thanks to advanced extruder, calander, and visual inspection technologies. Additionally, the DISPA® production line was enhanced with new embossing rollers, enabling the introduction of a 5 mm sheet thickness to further expand the product range.

Our innovations keep at the core of developing sustainable products. Schweiter Technologies can look back on a successful history as an innovation leader in the composites industry. Its products of the AIREX®, BALTEK®, ALUCOBOND®, DIBOND®, FOREX®, SMART-X®, and KAPA® lines are formidable innovative examples, essentially being based on an intelligent combination of materials (foams and composite materials). Efficient amalgamation of the individual raw and other materials yields optimized product characteristics – despite the reduced use of resources.

The Group leverages its expertise to drive further improvements that aim at reducing both Schweiter's as well as its customers' environmental impact (for more details see chapter "Products with a sustainable impact"). The research and development departments at Schweiter Technologies work continuously to improve technologies. Innovation is the key to opening new markets and reinforcing market differentiation.

Innovations: Product Portfolio Transformation

As a long-term technical leader in the composites industry and a key supplier to the wind energy sector, Schweiter Technologies and its business areas are leveraging their expertise to transform our product portfolio to reduce both the company's and customers' environmental impact.

Through innovation, emissions are reduced, resource usage is optimized, and technologies and processes are applied responsibly to support recycling and circularity.

The CleanTECH approach engages technology and product development teams from all business areas in dedicated workstreams focused on energy efficiency, product improvement, circularity, and responsible supply chain management. Clean technology offers significant potential for reducing environmental impact, though prioritizing these opportunities can be challenging. Industry association memberships and discussions with key customers have been leveraged to identify areas where technical advancements can deliver the greatest sustainability impact for both Schweiter Technologies and its clients. A comprehensive double materiality analysis could further refine strategic pillars and future KPIs in 2025.

CleanTECH innovations at a glance:

- FIVE-DOT-MISSION update to 2.0, with more focus on LCA and product carbon footprint (PCF)
- By 2030, 3A Composites Display & Industry Europe aim at producing 80% of products within score 7 of the FIVE-DOT-MISSION
- Implementing ISO 9001, 14001 and 45001 certifications for all sites
- Recycling Concept Aluminium Composites Germany
- LCI followed by LCA assessments for all products of 3A Composites Europe.
- Comprehensive road map for the 3A Composites Display, Architecture & Industry product portfolio with more recycled material. The so-called RE product line
- 3A Composites International is a member of Operation Clean Sweep
- EcoVadis site assessments for all European sites and global 3A Composites Core Materials sites.
- Relocation of production line from Glasgow to Kentucky, US, for significant reduction in upstream Scope 3 emissions.
- Recycling of acrylic glas with one of 3A Composites Industry Europe's key accounts.
- Leading European manufacturers of coaches and buses are using selected body components from 3A Composites in the construction of the next generation of their efficient buses
- 3A Composites Core Materials not only harvest balsa trees, but also plant about 2.5 million new trees per year.
- For the production of wind blades, lightweight, high rigidity core materials support the mechanical properties and have a positive effect on energy efficiency and wear.

Additional examples of Schweiter Technologies' CleanTECH initiatives aimed at reducing environmental impact can be found in this report, highlighted with a green marker.

PRODUCTS WITH A SUSTAINABLE IMPACT

Schweiter Technologies aims to reduce its ecological footprint. The selection of materials is a key factor in this: The Group considers it particularly important for products to contain a high proportion of reused, recycled and naturally renewable raw materials. At the same time, Schweiter products support the efforts of customers to achieve their own sustainability goals.

The stakeholders' increased awareness of sustainability matters provides a great opportunity for the Group since its main product sales arguments include reducing the environmental footprint of customers' applications. The provision of components with a small ecological footprint improves the overall ecological performance of devices, instruments and customer solutions. Additionally, lightweight Schweiter products in mobility applications promote energy savings during their use phase, which is an important sales argument both ecologically and economically. Further, some products of the Group contribute to competitive renewable energy production.

Schweiter Technologies uses its industry association memberships and discussions with key customers to identify the most promising technical advancements to promote sustainability for both Schweiter Technologies and its clients. Expanding the range of more sustainable products in its portfolio is playing a significant part in reducing Schweiter Technologies' own ecological footprint. As Schweiter Technologies processes large quantities of aluminum and synthetic materials, the optimized use of materials is a key area of development.

Products with a reduced CO_2 footprint

Customers increasingly request information on sustainability issues related to products and processes. They are interested in the ecological footprint and the share of recycled materials contained in the products and are increasingly obliged to provide supplier verification resulting from national and international legal regulations themselves. To obtain comparable and standardized data records, individual individual business areas have purchased Life Cycle Assessment (LCA) software licenses and are working with external experts on life cycle analyses. In particular, all products of 3A Composites Europe are subject to Life Cycle Inventory data evaluation and subsequent LCAs. These are used to provide customers with information to guide their purchasing decisions. Products are often in use for decades, which is why it is worth calculating and factoring in costs and environmental impact across the entire life cycle. Evaluating the environmental performance of products according to Schweiter Technologies' FIVE-DOT-MISSION™ supports sales by providing product declaration in a transparent and structured manner.

Schweiter Technologies can reduce the CO_2 footprint of specific products by developing products from recycled materials. For example, the products used in the manufacture of wind turbine blades offer a particularly low carbon footprint as AIREX® and BALTEK® products are among the best in the industry according to certified Environmental Product Declarations (EPDs), particularly so for BALTEK® components, featuring a negative carbon footprint. In 2024, the Group achieved several advancements in promoting the ecological performance of its products, for example:

- The sourcing of recycled raw materials for AIREX® PET was significantly increased during the reporting year and R&D was strongly geared towards qualification of new sources of recycled raw materials. The manufacturing units aim at using polyethylene terephthalate (PET) exclusively from recycled raw materials.
- In a cooperation with one of 3A Composites Transport & Industry's key clients, a recycling process for acrylic glass was established, yielding recycled raw materials.
- In Germany, production sites have developed a recycling concept for aluminum, which is expected to add value in the future.
- The 3A Composites Display, Architecture and Transport & Industry's business areas have created a comprehensive road map to offer a product portfolio with more recycled materials: the so-called RE product line.

Meanwhile, the focus has broadened to more frequently include the testing of organic materials, such as natural fibers and wood. In support of this, Schweiter Technologies has submitted a project in Switzerland for biomaterials and is currently working to improve the ecological footprint of used materials. Schweiter Technologies has also invested in expanding its portfolio of paper-based products.

In the European Display and Transport & Industry's business areas, the focus in 2024

has been on increasing the recycled content in products. DISPA®re, composed of fully recycled paper layers, was presented on the FESPA trade show early in 2024. The customers now have the choice to select from 100% virgin fiber or 100% recycled paper-based DISPA® for their campaigns. The latest product development was the next generation of PVC foam boards, FOREX®re and FOAMALITE®re, with 30% post-industrial and post-consumer white polyvinyl chloride (PVC) foam waste, including digital print cut-offs. In addition, this product platform exhibits key elements for a circular economy of printed PVC sheet waste for Schweiter Technologies' customers and the printing industry.

To quantify improvements in achieved product carbon footprints (PCFs), the sites of the European 3A Composites business areas have started to prepare LCAs of their products using the commercial tool of Ecochain Technologies B.V. PCFs are communicated to interested customers to help them make smart choices to achieve their sustainability ambitions. In the 3A Composites Architecture Europe business area, carbon footprint documentation has been updated with new EPD's for ALUCOBOND® PLUS and ALUCOBOND® A2. The focus in this business area increasingly is on offering novel products containing layers produced with a high share of recycled aluminum, featuring a PCF reduced by more than 30%.

Considering their large potential to reduce product CO_2 footprints, Schweiter Technologies closely cooperates with suppliers to access new and secure existing sources of recycled raw materials, particularly in the 3A Composites Core Materials business area. Common projects promote the collection of residual materials and waste to support the circular economy.

Products as climate transition enablers

3A Composites Core Materials can supply the wind power industry with lightweight core material solutions made from balsa or polyethylene terephthalate (PET). For example, lightweight, high stiffness components support the mechanical properties in the manufacture of wind blades and positively affect energy efficiency and wear. Additionally, 3A Composites Transport & Industry components in vehicles can cut fuel consumption in the air, rail and marine transport sectors through weight reduction. long service life of 3A Composites products is also key to sustainability. For example, not only are ALUCOBOND® aluminum façades 100% recyclable and returnable to the aluminum cycle, but they are often in use for some 40 years. Due to their highly effective insulating properties and low maintenance and service costs compared to conventional solutions such as brickwork, these products help to save energy and reduce CO_2 emissions.

In Europe, the 3A Composites Transport & Industry business area is focusing on lightweight designs to meet standards and market requirements. Lightweight construction is integral to their business philosophy and design principles. Where possible, locally sourced aluminum with a high recycled content and core materials of low ecological harm such as chlorofluorocarbon (CFC)-free foams, recycled PET, and natural fillers are prioritized. 3A Composites Transport & Industry developed a floor panel containing, beside PET, an organic material-based core material. Initial trials have been conducted using structural adhesive systems without harmful elements.

Continuous challenges

While Schweiter Technologies has made significant strides in sustainable product innovation, the development and production of more sustainable products requires further efforts. Technical challenges require considerable research and development efforts to unlock the potentials of using higher shares of recycled raw materials without compromising product quality. For specific materials in our portfolio, we are proactively exploring recycling options and alternative raw materials to ensure compliance with newly applicable technical standards and regulations. The risks related to such regulatory changes are strategically assessed on a Group-wide basis to provide all units with timely notice. This enables the generation of forward-looking mitigation concepts and measures, which are largely handled on the level of 3A Composites business areas or individual locations.

PRODUCT QUALITY AND COMPLIANCE

Products from Schweiter Technologies are used in demanding applications. In addition to a competitive price, product quality is crucial for market success, both with existing customers and when acquiring new customers.

First-class product quality is an excellent means of differentiating 3A Composites' product range from the competition and can further enhance Schweiter Technologies' business brands reputation. In short, reliable quality is one of the most important criteria in calls for tender. Thus, high quality and compliance with contractual requirements must be maintained consistently, otherwise the reputation of the product brands could be put at risk. An additional argument is the operational safety and extended service life of the high-quality products Schweiter Technologies offers.

Global approach

To ensure consistently high-quality performance, Schweiter Technologies focuses on the prevention of quality issues through certification of their business areas with internationally recognized quality management systems (for more information see table p. 41) as well as systematic monitoring, controls and assessments.

Almost all of Schweiter Technologies' production locations implement the ISO 9001 quality management system (22 out of 26 sites). In the mobility sector, quality standards are a fundamental prerequisite for the supply of components. The international railway industry standards (IRIS/ISO/TS 22163) applied at the 3A Composites Transport & Industry sites in Altenrhein, Switzerland, and Mielec, Poland, have a key role in the European passenger transport sector. As concerns the automotive sector, IATF 16949 provides the basic guidelines at the Osnabrück site in Germany. In the mid-term, Schweiter aims to certify all production sites according to ISO 9001. Annual audits by external bodies ensure continuous alignment with the most recent regulations and uphold the certified status of the sites – enabling unproblematic recertification every third year. Furthermore, 3A Composites Core Materials has adopted Advanced Product Quality Planning (APQP4) with internal specialists to fulfill the strict requirements in the wind energy industry.

Technical data sheets record all aspects of product quality along with testing standards. Quality measurements are recorded and filed and any deviations in product quality are systematically investigated, documented, and rectified. Schweiter Technologies has a structured complaints management system in place that is fed back to production and development, so that quality standards can be maintained, and any risks can be minimized in the short term. Quality checks include quality assurance for product samples; the products are tested for compliance with specifications and safety standards. Customers are provided with information on the correct safe handling and processing of products.

There were no infringements concerning quality-related effects of products and services on the health and safety of customers during the reporting year.

Regional requirements as a challenge

3A Composites products must meet the standards and requirements of the large number of countries, regions and business areas in which Schweiter Technologies operates. This is a considerable challenge and poses the risks of local regulatory non-compliance as well as customer dissatisfaction.

One very prominent example is fire safety of façade materials. Concerning this fundamentally relevant issue in the 3A Composites Architecture business area, the regulations are being tightened rather frequently. For example, the EN 13501-1 standard, which sets out fire performance classifications for construction products, has seen multiple updates within the past two decades to improve fire safety in building materials and design. This standard is primarily used in the European Union and in countries that follow European standards. Globally, there is no single set of regulations; instead, each country formulates its own requirements. Naturally, the aim at Schweiter Technologies is to satisfy all regulations with each façade product such as ALUCOBOND® in every country of installation.

The responsibility for maintaining quality standards and norms lies with the individual production sites. Product certifications are a key element in this respect. In Germany and France, Schweiter Technologies has obtained licenses for product sales. Besides, Alucobond® products receive fire certifications to launch them on the market. The product management team and local research and development departments ensure that the respective standardization processes are complied with.

“FIVE-DOT-MISSION”.

MINIMIZING OUR ECOLOGICAL FOOTPRINT IN ALL AREAS AND ALONG THE ENTIRE VALUE CHAIN.

To fulfill its product sustainability pledge effectively, 3A Composites Display and Transport & Industry Europe has devised a “FIVE-DOT-MISSION”. It characterizes products regarding the use of materials, the recycled resource content, the carbon footprint, the product life cycle, and recyclability, and awards points for each category. The total score is displayed in the form of a colored dot. A maximum of three points can be awarded in each of the five categories. In 2024, the FIVE-DOT-MISSION was updated with a stronger focus on Life Cycle Assessments and Product Carbon Footprints (PCFs). This concept is to be extended to further business areas and regions in the short and medium term.

The “FIVE-DOT” score illustrates product features that are strong indices of their total environmental impact. Schweiter Technologies has recently been able to improve specific sustainability aspects of certain products and has set Group-wide targets for the carbon footprint of all products as well as their compatibility with the principles of a circular economy.

Bio-based content

We look at the percentage of renewable raw materials used in our products. Our aim is to increase the percentage.

Recycled content

This category is where we gauge the proportion of high quality recycled raw material in our products’ total material input.

CO_2 footprint

In this category we monitor the kg CO_2 eq/kg per product which is released into the environment during manufacture.

Product life

In this category we show our panels’ average service life. Life cycles can range from approximately 1 year to more than 30 years depending on the different materials.

Recyclability

One of the most important aspects of sustainability is contributing to environmental protection by cutting down use of valuable raw materials, conserving resources and avoiding waste. There are already established recycling loops for various products. At some production sites, the material can be returned for reuse and recycling. We are actively working with partner companies to establish sustainable and future-oriented recycling solutions for closed-loop recycling management.

1–4 5–6 7–8 9–10 11–15

Engineers are working hard on developing new products and product improvements, including conducting product life cycle analyses. The overall FIVE-DOT score (max. 15 points) provides customers with a transparent decision-making aid to choose the desired supplies, as well as to assess improvements of the sustainability performance of their own products and applications when using a specific component from 3A Composites. Providing customers with a good understanding of the sustainability performance of 3A Composites products is an important strategic pillar for promoting Schweiter Technologies’ market position – and ultimately securing continuous and increasing business success.

At the same time, the FIVE-DOT score provides the business areas’ product management with the valuable information required to target further improvements or trigger the search for a more sustainable production process. 3A Composites Europe has set a goal to achieve 80% of the revenue from products that attain a score of ≥7 in the FIVE-DOT classification by 2028.

Environmental protection and resource efficiency

ENVIRONMENTAL COMPLIANCE AND MANAGEMENT SYSTEM

Environmental management systems help Schweiter Technologies to record its processes systematically, extract data, and optimize production. They are key to ensure compliance with guidelines and laws and guarantee exercising environmental due diligence in line with Schweiter Technologies' responsibility.

Schweiter Technologies as a global and decentrally organized group does not prescribe a company-specific management system. In contrast, the Group largely provides their business areas with flexibility for regionally optimized management approaches. To ensure some Group-wide harmonization and standards, Schweiter has its business areas certified according to internationally recognized management systems. Production locations each have their own environment managers responsible for the implementation and monitoring of the standardized processes. This helps to guarantee reproducible high-quality work and improve management efficiency through structured procedures. Thus, certifications are a simple and comprehensible way to ensure regulatory compliance, transparent information, and high environmental standards and to identify risks at an early stage. Increasingly, this is also what customers are expecting.

Management systems and certification as a requirement

To date, the majority of plants are certified in accordance with current management systems. These include standards for environmental, energy and quality management as well as for occupational health and safety. At the end of the reporting year, three additional sites – resulting in a total of 21 out of 26 – were certified with the environmental management system in accordance with ISO 14001. Among other specifications, quality management systems include process efficiency and waste reduction guidelines – and thus indirectly also contribute to improvements of environmental performance. Compliant processes are mainly ensured by adherence to ISO 9001, the international railway industry standards (IRIS/ISO/TS 22163), as well as certification with ISO/TS 16949, relating to the automotive sector.

At the end of the reporting year, Forest Stewardship Council (FSC) management systems apply to four sites including the balsa wood plantations in Ecuador and Papua New Guinea. Re-certification has been conducted on a regular basis since then. This is fundamental to convince stakeholders of the environmental compatibility of obtained raw materials.

In the mid-term, Schweiter aims to certify all production sites in accordance with ISO 14001. Annual audits by external bodies ensure continuous alignment with the most recent regulations and uphold the certified status of the sites – enabling unproblematic recertification every third year.

Key certifications

Type of certification	Number of sites[1]
DIN EN ISO 14001 – Environmental management	21/26
DIN EN ISO 45001 – Occupational health and safety	19/26
DIN EN ISO 9001 – Quality management	23/26
FSC Forest Management (FSC-CO19065), FSC Forest Management (FSC-C125018), FSC-STD-40-004 (version 3.0)	4/4
IRIS ISO/TS 22163 – Quality management for railway applications	2/2
IATF 16949 – Automotive quality management (replaces ISO/TS 16949)	1/1

[1] Depending on the respective business models, some management systems are only applicable to few of the total of 26 sites with manufacturing operations.

Chemicals management and legal requirements

For Schweiter Technologies, the European REACH regulation (Registration, Evaluation, Authorization and Restriction of Chemicals) is of particular relevance to product manufacturing. As sophisticated chemicals are used in some manufacturing processes, compliance with REACH is essential. Misconduct could lead to legal consequences or loss of reputation and consequently a market disadvantage of 3A Composites products.

Chemical management is organized with local responsibility by the local EHS or site managers, supported by R&D experts, often chemists or chemical engineers. The business areas have established local inventories of all chemicals and harmful substances as well as the required documentation, safety datasheets and work instructions based on risk assessments – to comply with the national chemical legislation frameworks, e.g., the REACH regulation for the European manufacturing sites. Risks of storage and handling of chemicals are monitored. All employees in production or otherwise involved in the handling of chemicals are regularly trained in standard procedures and hazardous situations. Annual instructions of all employees are documented.

Precursor chemicals used in the manufacturing process, e.g., polymeric resins, adhesives, lacquer systems and processing additives or pigments, are converted into inert and harmless synthetic products. Solvents are typically evaporated in the manufacturing process and removed with RTO or filter systems. Powdery filler materials, pigments and UV stabilizer substances are bound in the polymeric matrix of synthetic products, coatings or binders. Substances of very high concern are neither used nor intentionally added during the manufacturing processes and do not exceed threshold levels of 0.1% or 0.01% respectively in the final product. Conformity with e.g., the European REACH regulation and RoHS (Restriction of Hazardous Substances in Electrical and Electronic Equipment) rules is declared for the products of the European 3A Composites business areas. Other substances of concern can be present in the products in concentrations low enough that a declaration in safety datasheets according to the Global Harmonized System (GHS) is not required or applicable.

Targets are defined to minimize use, handling and waste of hazardous or toxic chemicals, also called substances of concern (SOC). Substances of high concern like SVHC, CMR, PBT or endocrine disruptors, are avoided or replaced wherever possible. Based on annual reviews, projects are defined to replace SOC with less harmful chemicals. Furthermore, avoidance of critical substances (SOC) is a key element in the development of new products.

ENERGY AND GREENHOUSE GAS EMISSIONS

As a provider of solutions benefiting climate transition, Schweiter Technologies contributes to emissions reduction of its customers (see chapter "Products with a sustainable impact"). This chapter covers the Group's own greenhouse gas emissions and its mitigation approach to assume its climate protection responsibility. Energy use is typically the source of CO_2 emissions – varying in quantity depending on the energy carrier consumed. Schweiter's commitment to climate change prevention, or otherwise minimization, mitigation and remediation is set out in the overarching principles stated in the corporate Code of Conduct.

Schweiter Technologies aims to reduce its climate impact through reducing energy consumption as well as transitioning to renewable energy carriers. Apart from embracing responsibility to protect the environment, financial motivators have been considerable increases in energy prices in Europe in 2023, the uncertainty of global developments in the short and medium term, as well as risks due to rising CO_2 prices. To address and coordinate the necessary transition, Schweiter has set up a task force in 2023, aimed at systematically identifying and realizing energy saving and emissions reduction opportunities. Furthermore, the Group expects progress from ISO 41001 and 50001 certifications (for further information see chapter "Environmental compliance and management system"), which prescribe framework conditions for the handling of energy and environmental management in general.

Dependency on fossil energy carriers

3A Composites operations are spread across the globe. At many sites, the energy market does not provide suitable alternatives to fossil-based power. Moreover, Schweiter Technologies cannot count on the reliable supply of environmentally harmless energy at all locations. Energy grids that are heavily eschewed towards hydropower are vulnerable to climate change and the effects of droughts. This led to increased grid emission factors in some 3A Composites locations as fossil fuels were more frequently used as energy carriers for electricity production. Additionally, many 3A Composites sites installed diesel generators to bridge energy outages and keep operations stable when necessary.

Furthermore, some products can currently only be manufactured at a reasonable cost if the required heat is produced with natural gas. For example, 3A Composites Core Materials entities rely on both gas and electricity to operate energy-intense production processes such as extrusion, where heating of input materials is required. At present, it is thus not possible to avoid the use of natural gas in many production processes. The dependency on natural gas poses a regulatory as well as a reputational risk for Schweiter Technologies and is in contradiction to a stronger commitment to reducing greenhouse gas emissions.

Another climate impact which is difficult to avoid originates in the manufacture of foams as this requires propellants. These readily evaporate, causing emissions of volatile organic compounds (VOCs), which themselves can be strong greenhouse gases.

Awareness of the corporate CO_2 footprint

Schweiter Technologies is striving to reduce its CO_2 footprint. The Sustainability Board works with the business areas to identify and prioritize initiatives and to coordinate and manage the individual emissions mitigation projects. The main levers are reducing energy consumption and switching to low-emission energy carriers.

The Group Sustainability Director yearly delegates the collection of information on emissions to selected data owners per business area. The consumption data are consolidated, and emissions calculated to provide the management with a picture of the Group's performance and potential need or scope for action.

Schweiter Technologies continues to work in improving the baseline information for its energy consumption and the related emissions in Scopes 1 and 2. For example, the production sites in Europe currently evaluate their energy consumption every month. In recent years, the quality of data has significantly improved despite the complex and decentralized structure of Schweiter Technologies. In the reporting year, Schweiter Technologies has undertaken great effort to evaluate the applicability of a digital data platform to simplify the data collection and to ensure further improvements in quality – fundamental requirements to closely track achievements and set meaningful and realistic emissions reduction targets.

Key figures: energy and emissions[1]

	2024[2]	2023[3]
ENERGY		
Energy consumption (total) in MWh	**338 190**	**328 458**
Of which renewable	50 365	56 452
Electricity	**159 454**	**155 651**
Total renewable electricity	49 259	56 736
Heating	**164 296**	**160 629**
Natural gas	159 204	152 960
Heating oil	641	532
District heating/steam	4 450	7 137
Fuels	**14 440**	**12 178**
Diesel	9 490	8 536
Petrol and LPG	4 951	3 642
Greenhouse gas emissions[4] (total) in t CO_2e	**87 935**	**82 803**
Scope 1	**33 067**	**31 347**
Natural gas	29 375	28 223
Heating oil	161	134
Diesel	2 388	2 148
Petrol and LPG	1 142	842
Scope 2	**54 869**	**51 457**
Electricity[5]	54 069	50 174
District heating/steam	800	1 283

Basis for data and calculations

1 The environmental figures cover all manufacturing companies in the Schweiter Technologies Group. The newly acquired sites JMB Budno, Poland and JMB Palhaca, Portugal were excluded due to insufficient data quality. Distribution companies and the headquarters in Steinhausen are not included because of their relatively low environmental impact. Sites acquired or closed within the business year are not included.

2 For the 2024 business year, figures for consumption were collected for the first three quarters and a projection calculated for the full year.

3 For the 2023 business year, environment figures were reassessed using full-year data sets, which benefit from improved data accuracy and availability.

4 The greenhouse gas inventory was calculated in line with WRI/WBCSD Greenhouse Gas Protocol guidelines. Scope 1: emissions from combustibles and fuels. Scope 2: emissions arising from the production of electricity and district heating purchased by the companies. Emissions factors used: current versions of IEA and DEFRA.

5 The greenhouse gas emissions associated with energy production were reported in line with the location-based approach and in accordance with the Greenhouse Gas Protocol Scope 2 standard. The IEA emissions factors were appended with corrections as a result of energy trading (imports/exports) in order to give a more accurate presentation of the emissions actually caused.

Focus on more renewable electricity

The main realistic emissions mitigation approach for Schweiter Technologies is a transition to renewable electricity. In Switzerland for example, the consumed electricity at the production sites is hydropower exclusively. Several other locations of 3A Composites also already consume renewable electricity such as solar, hydro and wind energy, while others are currently transitioning to low-emission technologies. However, not all production sites have access to a grid fulfilling their requirements with low-emission power. Where possible, 3A Composites business areas overcome this limitation by building their own photovoltaic systems. As a side effect, the locations producing solar power build resilience to fluctuation in energy prices.

Road towards decarbonisation

Schweiter Technologies owns plantations to grow balsa wood required in the manufacture of core materials, planting about 2.5 million trees per year. The Group has made progress in quantifying carbon capture from commercial plantations and conservation areas in Ecuador. Whenever the biomass removal in such an area is lower than the regrowth rate, it can be determined that a carbon sink is generated. The CO_2 removals from commercial plantations have been externally verified before 2021. This shows the potential to compensate for emitted greenhouse gases within Schweiter Technologies' own boundaries to eventually reach net zero emissions. The Group continuously studies the applicability of the carbon sink – developing a meaningful characterization and methodology for its implementation in accounting.

RESOURCE-EFFICIENT PRODUCTION AND USE OF MATERIALS

Material-economic production processes and recycling form the basis of material efficiency. Schweiter Technologies is highly committed to reducing the consumption of raw materials while manufacturing products of the highest quality. This not only preserves natural resources, but reduces operational expenditures – to the benefit of both the environment and customers.

The responsible use of resources, raw materials, and energy is a decisive factor in progressing towards more sustainable operation at Schweiter Technologies. The Group largely uses raw materials (aluminum, synthetic materials, and paper-based raw materials) that are compatible with the principles of a circular economy. 3A Composites brands stand for the development of innovative products with a high recycling ratio and the use of bio-based products. All business areas are working on improvements of material efficiency, size optimization, options for reuse and recycling, and the selection of source materials with a high rate of recycled content. Schweiter Technologies' global and decentralized structure allows regional proximity to suppliers and customers to avoid long transport distances – promoting energy efficiency also in this perspective. Delivery routes are continuously optimized. For example, where possible, aluminum is not obtained from the Far East, but from nearby sources.

Economic challenges

Because resource efficiency is closely linked to cost efficiency, the subject has already garnered significant attention. Increasing energy and material efficiency in manufacturing process reduces expenditure and improves resilience in procurement. The comprehensive utilization of materials also results in lower costs for waste disposal.

In the reporting year, fluctuating energy prices and the volatile cost of materials posed risks for the Group's profitability. To build resilience, Schweiter Technologies relies on agility in the supply chain and maintains a comprehensive global network of suppliers. Furthermore, Schweiter Technologies strives for increased resource efficiency in its manufacturing processes. However, reducing material

input can pose a challenge to maintain product performance and quality at a high standard. This requires great efforts – e.g., in the 3A Composites Core Materials business area, research and development teams are working continuously to optimize combinations of quality and properties to make polyethylene terephthalate (PET) and balsa wood products even more lightweight and sustainable. PET foams have been developed to absorb substantially less resin when processed into composite material components by the customer, thus preventing excessive consumption of materials and saving on the total cost of ownership.

Responsible resource use

Schweiter Technologies trusts in certification when it comes to management of resource consumption at the individual locations. In 2024, 21 out of 26 production sites have operated in accordance with ISO 14001 (for more information see chapter "Environmental compliance and management system").

Most 3A Composites plants use enterprise resource planning systems to track key performance indicators such as ground material rates, production yield, energy use, and water consumption. By comparing resource inputs against production targets, managers can estimate the individual sites' performance regarding material efficiency.

Waste

At Schweiter Technologies, waste management is entirely a responsibility of the 3A Composites business areas and sites, respectively – and the overarching principles are derived from the corporate Code of Conduct. As an effect, the business areas continuously work on optimizing manufacturing processes to reduce waste and reuse residual materials.

Upon request of the Global Sustainability Director, each location regularly evaluates the quantity of waste generated, divided into hazardous and non-hazardous substances, whereby an additional distinction is made between waste treatment methods. The locations further track the costs of processing or disposing of the waste to assess the economic effect of waste reduction progress. Returning used materials to the production process can further lead to cost savings for resource inputs. 3A Composites European production sites even monitor their use of materials, process efficiency, and specific rates of waste on a monthly basis.

Recent years' data reveal that the business areas' priorities in waste management are avoiding waste generation, promoting reuse and recycling as well as minimizing landfilling of hazardous waste (<1% over the past three years). According to a full year projection of waste figures for Q1-Q3 2024, the downward trend of total waste generation observed for the past years (2022 to 2023: –2 436 tons, excl. separately disclosed biomass) appears to be temporarily halted due to improved data availability. This also slows the increase in the recycling rate (2022: 33.0%, 2023: 38.2%, 2024: 35.2%).

Individual 3A Composites site's concepts include reducing and recycling packaging, where possible, as well as avoiding single-use materials. In the 3A Transport & Industry business area, for example, any used metals are fully recycled and an isocyanate recycling scheme is maintained with suppliers of polyurethane adhesives. In Poland, 3A Transport & Industry operates a closed molding process and water-based coating systems that provide better process efficiencies than their predecessors. 3A Composites Core Materials internally recycles foam parts and upcycles PET into new products. Further, the site in Ecuador links resource and energy efficiency by using large quantities of waste as a source for heat generation (e.g., biomass such as saw dust from production processes; Plantabal: 6 136 tons, Kokopo: +6 113 tons). 3A Composites sites continuously aim to develop production processes that allow the return of cut-offs as well as scrap and surplus products to the material cycle.

Wherever recycling is not an option, the business areas send waste to incineration facilities to avoid landfilling. An eminent exception is biomass from cut-offs and scrap material from balsa wood production in the 3A Composites Core Materials business area, which is partially composted in the fields surrounding the Kokopo site in Papua New Guinea (4 075 tons) and the Plantabal site in Ecuador (11 314 tons)

Key figures: waste management[1]

	2024[2]	2023[3]
Waste (total) in t	**17 847**	**16 653**
Commercial waste	**17 031**	**15 874**
Incineration[4]	2 958	2 229
Landfill[5]	7 420	7 557
Recycling	6 653	6 088
Hazardous waste	**817**	**779**
Incineration	626	482
Landfill	8	23
Recycling	183	274

Basis for data and calculations

1 The environmental figures cover all manufacturing companies in the Schweiter Technologies Group. The newly acquired sites JMB Budno, Poland and JMB Palhaca, Portugal were excluded due to insufficient data quality. Distribution companies and the headquarters in Steinhausen are not included because of their relatively low environmental impact. Sites acquired or closed within the business year are not included.

2 For the 2024 business year, figures for waste were collected for the first three quarters and a projection calculated for the full year. Likely, 2024 values are overestimated.

3 For the 2023 business year, figures for waste were reassessed using full-year data sets, which benefit from improved data accuracy and availability.

4 At the Kokopo and Plantabal sites, there was additional organic production waste amounting to 14'287 t (2024) and 25'590 t (2023) which was incinerated on site as biogenic heating fuels.

5 At the Kokopo and Plantabal sites, there was additional organic production waste amounting to 16748 t (2024) and 28'760 t (2023) which was used as biodegradable soil amendment by on-site landfilling.

Social responsibility

OCCUPATIONAL HEALTH AND SAFETY

The health and safety of employees is a top priority for Schweiter Technologies. The commitment to occupational health and safety is accordingly high, with the production plants as the focal points. External and internal safety audits together with appropriate training help provide a safe working environment and minimize absenteeism.

One of Schweiter Technologies' fundamental values is to uphold the highest standards of health and safety. Therefore, responsibility for the health and safety strategy lies at the highest management level: at the Board of Directors. The Group's promotion of occupational health and safety focuses on employees working in raw material production and processing facilities, where they may be handling challenging materials and operating plant machinery.

Schweiter Technologies' main health and safety concepts are:

- ensure high, internationally recognized standards across the production facilities through certification and regular checks and audits
- prevent injuries and occupational illness through regular occupational health examinations, the provision of protective equipment and access to health promotion measures
- provide a sound and state-of-the-art working environment: clear regulation of intensity and hours of work and focus on a healthy working environment through appropriate health protection and occupational safety measures
- improve response capability through an emergency response plan and systematic prevention
- provide information through awareness training and communications via various channels

Schweiter Technologies aims at an impeccably safe working environment, which entails zero accidents. Striving towards this goal, health and safety is anchored as an important part of the corporate culture. The Group-wide incentive policy for all employees (for further information, see chapter "Attractive employer"), industrial as well as office staff, thus consists of one part linked to health and safety objectives. The business areas are flexible in disbursing bonus payments of up to ±10% for achieving objectives.

Certification

For a globally active and decentrally managed company such as Schweiter Technologies, the establishment of reliable standards throughout the entire corporate structure is of paramount importance for the prevention of grievances. Thus, the Group strives towards full certification coverage of its production sites with the internationally recognized occupational health and safety management system ISO 45001. At the end of 2024, 19 out of 26 sites operate according to this standard (see table of certifications in the section "Environmental compliance and management system"). Annual audits by external bodies ensure continuous alignment with the most recent regulations and uphold the certified status of the sites – enabling unproblematic recertification every third year.

Comprehensive training

Information about, and active participation in, safety training is important for raising the profile of health and safety. Schweiter Technologies therefore organizes frequent safety courses and meetings for all employees and prioritizes the transparent dissemination of up-to-date information. Both managers and employees carry out safety checks as part of their work routine. In addition, site management evaluates health and safety performance against targets on a monthly basis and decides on corrective action.

Safety training is mandatory for new employees and forms a part of the induction program in all manufacturing sites and offices. The safety

training covers a wide range of topics, including courses on the disposal of hazardous waste, leaks, fire prevention, the handling of dangerous chemicals, safe operation of specialist equipment, and safety risks in the workplace. Managers receive additional targeted information on the topic of safety.

In some 3A Composites business areas, a special National Safety Week or Safety Day allows employees and managers to exchange views and experiences regarding health and safety topics during training courses or workshops. Over the year, clear information on safety issues has been shared across the entire company to raise awareness among employees.

Health & Safety management at site level

The site managers are responsible for safety at each location. They are supported by Environment, Health & Safety (EHS) Managers who lead, coordinate, and check compliance with programs and measures on site. Schweiter Technologies has procedures for hazard detection and risk assessment in place, and all employees must participate in the risk assessment procedures. The aim is to identify and contain risks relating to working procedures, equipment, machinery, as well as the storage and handling of hazardous substances such as highly flammable petroleum compounds.

All employees together are responsible for preventing accidents and harm to health within their scope of responsibility. Inappropriate behavior and negligence when handling hazardous substances and operating machinery may lead to dangerous situations. Schweiter Technologies has developed location-specific safety management guidelines, protocols, procedures, and programs designed to minimize accidents, raise employees' awareness of health and safety issues at work, at home, and during leisure time, and to communicate the Group's expectations of every employee. Technical or organizational measures to reduce chemicals exposure are in place and appropriate personnel protective equipment is mandatory. For example, products containing potentially dangerous substances are clearly labeled according to law. Precursor chemicals considered Substances of Concern (SOCs) used in the manufacturing process, e.g., polymeric resins, adhesives, lacquer systems and processing additives or pigments, are converted into inert and harmless synthetic products that are safe to handle. Substances of Very High Concern (SVHCs) are neither used nor intentionally added during the manufacturing processes.

The sites of the business areas have precautions in place to avoid unhealthy concentrations of solvent vapors, for example from foaming agents, and dust particles from cutting, milling, or drilling processes of wood, paper, foam or composite materials. Measurements to track compliance with Occupational Exposure Limits (OELs) are carried out where necessary to protect the workforce. Concentrations above certain thresholds would be a health threat to employees and non-compliant with legislation and certified standards.

Alarm plans and risk assessments are regularly updated by local EHS teams. This includes more general subjects like fire prevention and fire drills or the handling of potentially dangerous tools, or specific procedures e.g., regarding wearing of personal protective equipment (PPE), working at height, working with electrical equipment, working with cranes and suspended loads and so forth. The respective trainings and refreshments are mandatory at sites of Schweiter Technologies, particularly at the production sites involved in forestry and extrusion. The right to reject dangerous work is also guaranteed.

If a work-related illness or incident occurs in spite of all precautions, training, and risk management strategies, site management is notified, along with the nature of the injury, its primary cause, and its effects. An investigation is carried out following each accident and incident, enabling Schweiter Technologies to create action plans to reduce future hazards. Internal audit checks and evaluations of the relevant accident figures like lost time injuries and illness rates are performed on a regular basis. According to the outcomes, preventive measures are prepared and implemented under the responsibility of the local EHS management.

Key figures: occupational safety[1]

	2024[2]	2023[3]
Number of employees covered by a management system for occupational safety and health	**3 927.4**	3 942.43
Number of occupational accidents[4]	**28**	37
Absences due to occupational accidents (days)[4]	**329.6**	775.0

Basis for data and calculations

1 The occupetaional health and safety figures cover all manufacturing companies in the Schweiter Technologies Group. The newly acquired sites JMB Budno, Poland and JMB Palhaca, Portugal were excluded due to insufficient data quality. Distribution companies and the headquarters in Steinhausen are not included because of their relatively low environmental impact. Sites acquired or closed within the business year are not included.

2 For the 2024 business year, figures were collected for the first three quarters and a projection calculated for the full year. The aquisition of JMB Wind Engineering contributed a significant number of additional accidents (10 accidents in 9 months) compared to the previous year.

3 For the 2023 business year, occupational health and safety figures were reassessed using full-year data sets, which benefit from improved data accuracy and availability.

4 Only occupational accidents resulting in at least three full day's absence were taken into account in 2024 (at least one full day's absence in 2023).

Non-compensation health benefits

Employees at Schweiter Technologies have access to a wide range of occupational health services, including health promotion schemes for the most part. These vary depending on the business area and location and may, for example, include health check-ups at the workplace, free inoculations, health advice, financial incentives for sporting activities, financial support for private medical care or access to company doctors or telemedicine services. In Germany, the employees can participate in fitness programs organized by an external provider or join the internal sports group. In the 3A Composites Core Materials business area, where balance pads and gymnastic mats are manufactured, employees are invited to participate in short daily gymnastics programs. Other business areas also organize weekly yoga or stretching sessions. In Papua New Guinea and Ecuador, employees are provided with an area to perform sports activities such as soccer, tennis, or gymnastic exercises in their leisure time in a secured area.

ATTRACTIVE EMPLOYER

Being an attractive employer is key to Schweiter Technologies' ability to compete. The Group seeks to attract new talents and reinforce loyalty among existing employees so that it can continue to be innovative and profitable. The key elements of a wide range of approaches include offering career plans, flexible working hours, and attractive social benefits.

Fostering a cooperative working environment based on a culture of trust, respect, an entrepreneurial mindset and professionalism, backed up by swift decentralized decision-making and open-minded collaboration, is essential to the leadership style at Schweiter Technologies. Bringing forth the best in every employee includes providing opportunities for personal development, growth and a satisfying career at Schweiter Technologies.

At Schweiter Technologies, the respective Human Resources departments are responsible, together with management staff and the Chief Human Resources Officer (CHRO), for establishing and maintaining the Group's reputation as an attractive employer; the positive image of many Schweiter Technologies brands helps in this respect. Internships and occupational training play a specific role in this respect, since attracting career starters is increasingly challenging in many parts of the world. Currently, about 50 apprentices are employed with Schweiter Technologies worldwide.

Straightforward foundamental projects and apprenticeships pave the way for future recruitment. For example, in Papua New Guinea, Schweiter Technologies established a playschool in 2014, and by 2024 106 students have graduated from the schools with the ability to read and write.

Apart from competitive pay, elements of an active employer branding are safe and healthy workplaces (see chapter occupational health and safety), treating employees respectfully and equally at all times, and providing possibilities to develop professional skills, including leadership skills, and soft skills, as well as offering opportunities to contribute to developments within the company, e.g., regarding product refinement and process improvements along the whole value chain.

Recruiting activities and tools

Schweiter Technologies' business areas use their career website, social media presence, and job fairs to recruit new specialists and young talents. To recruit new professionals and retain employees, Schweiter Technologies and its 3A Composites business areas have put together a bundle of measures: Apprentices should be taken on whenever feasible. Additionally, the corporate culture of Schweiter Technologies should be communicated to applicants and employees more effectively to foster a sense of identification with the 3A Composites employer brands. Therefore, the social media communication over 3AC LinkedIn Channel as well as Instagram EU Careers Channel and TikTok for apprentices in Germany has been reinforced and supported by a social media plan as well as a policy developed in the reporting year, respectively. In addition, Schweiter Technologies launched a corporate video in 2024, strengthening the employer brands and helping to familiarize potential candidates with the company.

Employee skills and career development

Schweiter Technologies operates in a dynamic environment with rapidly developing technology, so initial training and continued professional development of employees is a significant success factor. In-person and online training sessions improve employees' qualifications and therefore their career opportunities. During 2024, internally designed and implemented sustainability training courses in Europe were performed via online meetings or video recording to sensibilize all employees in that field and to motivate them to act in line with our values and ESG targets. To more effectively address customer demands, local changes, and requirements, Schweiter Technologies implemented the promotion of internal candidates to key positions in 2024, such as CEO 3AC Display Europe, CEO Industry Europe and the CEO Americas. Additionally, an AI-based software trained on internal affairs was implemented to support the sales, technical service as well as customer service across Schweiter Technologies to find accurate information linked to products and their specifications more rapidly. Ultimately, the aim is to improve the ability to more efficiently support customers in their buying decisions. The sales teams in the European 3A Composites Architecture, Display and Transport & Industry business areas have successfully completed a series of sales training courses to reinforce value-based selling and best-practice procedures across all business areas. In addition, they aligned on key priorities to obtain and strengthen the commitment to "go the extra mile" on supplementary sales targets.

Leadership training is also a priority. In 2024, the six-month online coaching courses for managers were continued mainly in Europe to provide individual support and further development in the leadership role. In Kokopo, Papua New Guinea, leadership courses were continued to prepare local employees for management roles, to inspire and enable them, and to have a positive effect on the site organization and the community. Schweiter Technologies is proud to confirm that for the first time in the history of the Kokopo plantation, half of the leadership team consists of local nationals. This enables cost-efficient and sustainable succession planning and continuity in leadership, as well as perspectives for local skilled employees for career development.

An optimized appraisal process and transparent, structured succession planning should be used to give talented staff the opportunity to manage their careers more effectively. In all business areas, a digital goal setting and personal development process is accessible for employees owning a company email address to track and follow up on agreed company (financial and EHS targets) as well as personal targets and individual career progression. For production employees, a standardized paper evaluation process is available instead.

Gender equality

Schweiter Technologies employs 19% female talents in 2024 compared to 16% in 2023. A pilot women engagement and mentoring program has been started in Ecuador in 2023 and continued in 2024 to support growth and empowerment towards gender equality and to increase the number of women in manufacturing and leadership positions. The program consists of specific workshops and training courses as well as participations at conferences to exchange with or inspire other women on that journey. Around a quarter of the participating women got a promotion from 2023 to 2024.

Regular salary benchmarking is performed by the individual sites and business areas. In 2021, as per legal obligation, the Swiss manufacturing sites achieved a very good result of 0.1% transformed discrimination factor in a gender equality analysis that covered 200 employees

Compensation policy

The Group compensation policy applicable to the Board of Directors and Group Management is documented in the Yearly Group Compensation Report (for further information see Annual Report, p. 101). The compensation policy of employees below Group Management follows the same principles and is aimed at developing long-term working relationships based on, simple, transparent, and attractive compensation programs.

The compensation policy is built along the following principles:

- The compensation programs support the long-term and sustainable success of Schweiter Technologies and promote the corporate values. Executives, and as per local compensation policy employees, are rewarded for business success and their individual contributions.
- The compensation scheme is in line with market practice.
- The compensation programs are defined and managed on the level of business areas or sites and are simple and transparent. At most locations, employees participate in a program called IPE (Incentive for Employees).
- The compensation includes fixed elements, such as base salary and benefits (social contributions, insurances, etc.), as well as variable components, such as performance-based short-term compensation.

In line with the principles of the business strategy, a portion of the compensation of employees consists of a variable incentive based on financial and individual, as well as EHS performance. The decisive objectives are set at the beginning of the year by the Board of Directors and cascaded through Group Management and Human Resources to all employee levels. The compensation structure of employees who fall under collective agreements is defined in the corresponding labor agreements.

The Group Management and Management Teams of the business areas, as well as selected key contributors have the opportunity to benefit in Schweiter Technologies' long-term success through a long-term incentive program.

Opinions and data as the basis for information

The HR departments monitor recruitment and retention figures at site and Group level. This allows for tracking staff turnover on a quarterly basis at all locations and comparing with figures of relevant market benchmarks. Further insightful data and information to evaluate the success of implemented measures are the social media response rate, the number of applicants, participation in training, qualification results, staff feedback via annual employee performance reviews with line managers, career development, return-to-work and exit interviews, as well as staff satisfaction surveys. Around 35% of the workforce was invited to complete an online staff satisfaction survey in 2024.

As in the previous year, the results show that employees rate the areas "Focus on achieving targets", "Strategy, vision, and culture" and "Relationships with colleagues" best at a score of over 4 on a 5 point scale. With a completion rate of 83% and a positive net promoter score for Schweiter Technologies, the results serve as the basis for the teams exploring improvement opportunities and initiating processes to optimize areas such as "Autonomy" and "Feedback and communications".

The Group's ambitious target is a zero voluntary turnover rate. Despite not achieving this idealistic value in 2024, an average Group-wide staff turnover of 15% does not indicate employee departures above the German Metal- & Electro-Industry of 17%.

Figures for employees, trainees, and fixed-term contracts

	2024		2023	
	Salaried staff	Waged staff[4]	Salaried staff	Waged staff[4]
Number of employees[1]	**1 214**	**3 382**	**1 171**	**3 017**
Male	756	2 982	745	2 761
Female	458	400	426	256
New appointments (total)	**196**	**460**	**173**	**315**
Internal	56	58	37	56
External	140	402	136	259
Departures (total)[2]	**195**	**499**	**159**	**437**
Turnoverrate (unwanted)[3]	**8.0%**	**6.0%**	**8.5%**	**5.5%**
Average age	**42.4**	**41.2**	**43.3**	**40.3**
Average length of service	**10.2**	**9.0**	**10.6**	**9.3**

1 Employee with either unlimited or limited contract with the company; Headcount used not FTE as part-time employees counted in full
2 All employees leaving the Group including retirements, employee resignations and employer terminations incl. termination agreements
3 Turnover unwanted defined as "unwanted fluctuation", i.e. employee resignations
4 Including plantation workers

HUMAN RIGHTS STANDARDS

Schweiter Technologies recognizes the rights and dignity of all workers consistent with the United Nations Universal Declaration of Human Rights throughout its worldwide operations in all business areas. Schweiter Technologies expects equal commitments from its business partners.

Schweiter Technologies has around 30 locations worldwide. Some operations of the 3A Composites Core Materials business areas, e.g., in Ecuador or Papua New Guinea, are located in countries whose human rights record is viewed critically by independent bodies. Accordingly, Schweiter Technologies affirms its Group-wide commitment to upholding human rights with clear standards defined in the Code of Conduct and to promote operation under the premise that all employees deserve a living wage and that their rights, especially the fundamental ones, are respected. Violations of human rights are not to be tolerated under any circumstance. The corporate Code of Conduct explicitly sets out the following principles applicable at local, national, and international levels:

- respect for human rights
- prohibition of discrimination
- recognition of individual freedom
- zero tolerance of threats, intimidation, or attacks against human rights defenders

Workers' rights

Complementing the United Nations Universal Declaration of Human Rights, Schweiter Technologies respects the core conventions of the International Labour Organization (ILO) to protect the rights and dignity of all, approximately 4500 employees. The Group-wide Code of Conduct specifies uniform rules for interaction and collaboration at the workplace, which is of particular importance considering the global activity of the company and the consequently large diversity of the workforce:

- Discrimination on the basis of race, gender, national origin, religion, age, sexual orientation or politics is prohibited
- The use of inappropriate language, including profanity, swearing, vulgarity or verbal abuse is prohibited
- Coercion and intimidation are prohibited
- Forced and child labor is prohibited and shall be opposed to
- The freedom of employees to participate in unions or organize collective bargaining associations shall be recognized

- Equitable and transparent remuneration systems shall be implemented
- The improvement of employee skills and competencies shall be promoted by regular performance reviews and educational initiatives such as training and coaching, as appropriate

The human rights aspects prioritized in the different 3A Composites business areas can vary depending on the business model and locations of operation. Thus, guidelines and handbooks at the levels of business areas and sites supplement the corporate Code of Conduct to cover the requirements of locally applicable legislation.

All sites focus on equal employment opportunity, prevention of discrimination, harassment-free workplaces, prevention of child labor, use of legal and documented labor, adequate wages, equal pay for work of equal value, and whistleblowing options to report grievances. The American business area's Employee Handbook covers various specific employees' rights aspects beyond the corporate Code of Conduct, including accommodations for minorities such as persons with disabilities, standards of conflict, timekeeping and overtime, sick leave, safety and security, as well as background checks. The latter are applied during the hiring process to verify eligibility of candidates using standardized and audited processes including the I9 process prescribed by regulatory authorities. Apart from its employees, the business areas also rely on the work of people who are not employed by the company in various functions including IT and consulting personnel, janitors, security, maintenance, and sales representatives. While these non-employees do not sign the Code of Conduct, the expectation of compliance with the Code of Conduct is specified on each purchase order used for contracted workers. Detected infringements would result in corrective action including termination of service contracts where necessary.

The 3A Composites Core Materials business area has a stronger focus on the prevention of forced labor and child labor, legal work, adequate wages, freedom of association, diversity and inclusion, and the prevention of discrimination. Over the last few years, the business areas have developed protocols to prevent violence and human rights violations. Apart from preventive initiatives such as training and awareness campaigns, the 3A Composites Core Materials business area performs due diligence to validate compliance with human rights at its own plants (for further information see the chapter "Responsible supply chain management"). This is of particular relevance for the locations operating plantations in Papua New Guinea and Ecuador. These sites have rules and control mechanisms in place to prevent child labor and slavery and to ensure freedom of association – including age verification of new hires and mandatory recording of candidate profiles, stipulated wages, as well as onboarding and termination protocols, to allow for traceability and verification.

Rights to freedom of association and collective bargaining

Schweiter Technologies acknowledges freedom of association as an international human right and grants it to its employees. Therefore, all applicable local laws and regulations are respected. In total 10 collective bargaining agreements are in place. No concerns or violations of collective bargaining were reported in 2023 and 2024.

Regular audits and checks

Internal measures taken to safeguard the dignity and rights of employees are upheld at Schweiter Technologies through regular checks. Certification and regular audits of the management systems at the individual business areas' sites (for further information see chapters "Environmental compliance and management system", "Occupational health and safety", and "Product quality and compliance") provide further reassurance of compliance with human rights. In Papua New Guinea and Ecuador, for example, this includes audits within the framework of FSC® and ISO certification. Managers of the business areas also conduct regular site visits to identify serious infringements.

No confirmed cases of discrimination or human rights violations were unveiled during the reporting year.

Communities and supply chain

Human rights aspects regarding Schweiter Technologies' affected communities and supply chain are covered in the chapters "Responsible supply chain management" and "Sustainable local communities". Both aspects are of relevance particularly for the 3A Composites Core Materials division with its plantation business. An overarching principle to prevent infringements of human rights is certification of the management system

of these plantations, requiring compliance with the legal frameworks and protection of the rights of indigenous communities.

SUSTAINABLE LOCAL COMMUNITIES

Schweiter Technologies operates around 30 production sites worldwide. All sites are embedded in their respective local environment – through relationships with partner companies, local authorities, residents, and employees. Schweiter Technologies cultivates these relationships – in line with particular local circumstances – with the aim of generating added value for its own business as well as the local settings. Due consideration for local communities in terms of environmental and health and safety concerns is anchored in Schweiter Technologies' corporate Code of Conduct.

Several sites of the globally operating Group are located in small urban and rather rural regions. In some cases, they rank among the largest employers in their vicinity. The European and American 3A Composites sites consider local communities to be within the extended urban radius of big cities and equally large spheres of influence around smaller towns and in rural regions, respectively. The exemption is procurement, which is referred to as "local" if goods and services are purchased from suppliers in the entire European Union and from US companies, respectively.

Plant managers and local Human Resources departments maintain contact with communities and are responsible for training and hiring local workers. Where possible, the business areas procure from the surrounding community, aiming to promote local suppliers' ability to operate sustainably. The US-based business areas employ all workers from within their definition of local communities. Further, 98% of the purchased goods are delivered by domestic business partners – only three suppliers from outside the Group are located in foreign countries. Approximately 95% of employees working at the sites of 3A Composites Europe were hired from the local talent pool. Packaging materials are mainly procured from suppliers within the Union, while raw materials are purchased globally.

Impacts of Schweiter operations on local communities

In particular, 3A Composites production sites have impacts on the communities nearby. Many effects of the sites' business activities improve the quality of life locally, especially the creation of value, jobs, and training opportunities. Schweiter Technologies also invests in infrastructure, extending transport routes and improving access to electricity and water, particularly in the vicinity of the larger production plants. Schweiter Technologies further supports initiatives beyond its core business interests and activities (see individual efforts in the subchapter "Local bonds beyond business"). Disadvantages for local communities near the production sites may also arise, for example due to the emission of noise or wastewater. A fundamental element of respectful behavior towards the local communities is the commitment upheld in the Code of Conduct applicable throughout the entire Group to prevent negative impacts or otherwise minimize, mitigate or remediate them. Several sites of the business areas are subject to strict environmental regulations promoting the prevention of adverse health impacts on their local communities. Schweiter Technologies is not aware of any significant health and safety incidents caused by the operations of its business areas.

The operations within the 3A Composites Core Materials business area with its rural balsa wood plantations in Papua New Guinea and Ecuador is particularly noteworthy. The certification of the balsa plantations with FSC® ensures that Schweiter Technologies' balsa wood is deforestation-free, excluding negative impacts on local communities due to deforestation of natural ecosystems. Schweiter Technologies continuously works on improving its due diligence process to guarantee avoiding such impacts also from the selected balsa forestry partners. The usage of forestry machinery is responsible for the main diesel and gasoline consumption across the Group and associated emission of noise and air pollutants. To prevent adverse effects, the sites monitor their environmental impacts and pursue mitigation measures beyond the legal requirements.

With 1 408 employees each (out of around 4 500 at Schweiter Technologies), the Papua New Guinea and Ecuador sites are major employers within their local communities. It is noteworthy to mention that the employed plantation workers

are generally covered by a management system for occupational health and safety and that working conditions and wages are aligned with the local laws. The challenge in this industry is that due to fluctuating demands, many temporary workers are required in regions with high administrative hurdles for employment – resulting in a dependency on the involvement of contractors. Furthermore, Schweiter Technologies also relies on farming plantations belonging to third parties, who sometimes have their own staff collaborating in forestry activities. Regarding environmental and social aspects, Schweiter Technologies is convinced that the certified forestry management of balsa wood harvesting at 3A Composites Core Materials plantations compares rather favorably with forestry conducted by smaller groups of businesspeople or plantations in the habitat of and managed by unattended indigenous peoples, which is criticized to be problematic by NGOs such as the WWF. Nevertheless, Schweiter Technologies and its business areas have also reached some agreements with indigenous communities that link the Group's technological and educational support with supply. These are also important contributions to the well-being of the communities, since the balsa wood boom in this region has led to many unattended and unsuccessful small businesses with poor technical know-how and dubious social standards.

Local bonds beyond business

Positive local relationships form the basis for the development of the sites and their innovative solutions – importantly, together with and to the benefit of local communities. A good reputation within the local communities reinforces the brand reputation and employer attractiveness and promotes acceptance of certain disadvantages arising from 3A Composites business activities. It can also increase competitiveness by facilitating access to local resources and markets.

The commitment by Schweiter Technologies includes interplay with local communities beyond direct business-related aspects. Schweiter Technologies believes in long-term benefits from supporting social initiatives and programs that benefit the general well-being of the local residents within the sites' communities. The support of initiatives and projects is managed on site level – and emerged to focus on educational matters. The topics of food security, water quality and general infrastructure complement the range of Schweiter Technologies' main community involvement. A few examples are listed below:

- In Europe, interaction with local communities encompasses close collaboration with schools and universities, as well as support for numerous local organizations and social, cultural and sports projects.
- Schweiter Technologies also supports several social initiatives such as the food bank in Singen, Germany, and a youth center in Darwen (England).
- In Switzerland, Schweiter Technologies offers work experience and special courses for young professionals.
- In Papua New Guinea, Schweiter Technologies is working to improve living standards in the surrounding communities: securing water, food, and housing for employees, suppliers, and partners is a permanent area of focus in the segment's business activity. Moreover, it holds the first public library in the town as well as a preschool and elementary school for children of employees.
- The US sites of the 3A Composites Architecture & Display business area donate funds to support local schools and other educational events, food donation initiatives and facilities as well as homeless shelters, health care institutes and initiatives such as Cancer Funds and programs for children, as well as sports clubs and communities. In 2024, on account of the destruction caused by the hurricane Helene, the management initiated a donation of needed supplies and provided monetary support to the United Way of Asheville and Buncombe County to assist with immediate disaster response and long-term recovery efforts.
- In Ecuador, where there is community engagement with more than 200 plantations where all neighbors have been mapped in a census and joint development projects are financed including improving road access and supporting critical infrastructure.

Governance

GOVERNANCE

The success of Schweiter Technologies stands or falls by its fair and ethical business conduct. The Group therefore attaches great importance to effective and transparent corporate governance. The corporate Code of Conduct contains the fundamental values and rules applicable for all employees, management and board functions – and is expected to be also upheld by any business partner.

Schweiter Technologies operates in business areas delivering to large global companies who expect their suppliers' business ethics and practices to be fair, responsible, and conducted with integrity. Compliance with their own standards is commonly a contractually stipulated obligation. Any suspicion of environmental or social non-compliance could trigger investigations with potential direct consequences for Schweiter Technologies' customer base, including cancellation of active orders, hesitation in awarding new contracts and long-lasting reputational damage to the Group's employer and product brands.

The basic prerequisites for sustainable governance that meets Schweiter Technologies' stakeholder expectations are compliance with all legal requirements as well as ethical conduct regarding people and the natural environment. Besides social and environmental topics, the Group's Code of Conduct defines sound practices with respect to a broad range of business integrity aspects:

- Compliance with international trade regulations and agreements
- Responsible bookkeeping and records
- Fair business practices and integrity
- Competition issues and free market economy
- Bribery and corruption including gifts and entertainment
- Conflicts of interest
- Insider trading

The Sustainability Board is responsible for corporate governance within Schweiter Technologies and manages the principles of application and monitoring. The CEOs of the 3A Composites business areas ensure, with guidance from the legal departments, that laws are complied with and order corrective action in the event of infringement. Good corporate governance makes Schweiter Technologies a reliable partner. It additionally strengthens the brands of 3A Composites products and the recognition of the individual business areas as attractive employers.

Training on the Code of Conduct

The Code of Conduct is made accessible to all Schweiter Technologies employees in the languages of their countries, and they must confirm that they have received and understood the rules and intend to comply with them.

Employees of Schweiter Technologies receive regular training on the content of the Code of Conduct with varying implementation practices across the business areas. An introduction to the Code's contents as part of the onboarding process is a widespread practice across most sites for all employees regardless of their function – and organized in the form of personal mentorship, group or online trainings, or workshops. Recently, Schweiter Technologies started using the online learning platform SoSafe to globally train all employees with a 3A Composites business email address on the Code of Conduct. Subjects include, among other things, human rights, conflict minerals, corruption prevention and the handling of confidential information, and finalization requires verification that the contents have been understood and will be complied with. In 2024, a completion rate of 97% was achieved.

In addition, all other employees are updated on the Code of Conduct in person and the respective employees also confirm that they have received and understood the rules and intend to comply with them. For examples, the American 3A Composites Display & Architecture business areas presents Code of Conduct contents to production employees in annual group training meetings, where employees ultimately refresh their acknowledgment of the Code.

Promoting fair and responsible business practices

Schweiter Technologies is aware of its responsibility to conduct business sustainably and in line with regulatory requirements. Expectations of both the stakeholders and Schweiter Technologies as well as the range of topics of corporate responsibility have drastically increased in the past decades. The Group's efforts to ensure responsible business practices across all business areas and locations also include transparency. Thus, Schweiter Technologies commissions EcoVadis to assess the sustainability performance of its businesses. In 2024, the evaluation covered all European sites involved in the 3A Composites Display, Architecture, 3A Composites Transport & Industry as well as 3A Composites Core Materials (excluding Darwen, UK) business areas. An assessment for the US sites will be evaluated in 2025. The EcoVadis evaluation covers the four key pillars Environment, Labor & Human Rights, Ethics and Sustainable Procurement, and allows identifying improvement potential and transparently sharing performance indicators with customers. Through regular EcoVadis assessments, the Group benchmarks its sustainability performance against global standards and industry peers. This process provides transparent information for interested stakeholders and ensures that Schweiter Technologies remains accountable and can track its sustainability journey with measurable, data-driven insights.

In 2024, 3A Composites Display Europe and 3A Composites Transport & Industry underwent their first round of comprehensive assessments with EcoVadis, achieving Silver and Bronze ratings placing the production sites among the top 15% and top 35% of companies evaluated, respectively. Furthermore, the 3A Core Materials business area completed its second round of assessments, achieving a Silver rating for the majority of sites.

Additionally, Schweiter Technologies has implemented a life cycle analysis for the 3A Composites Display, Architecture, and Transport & Industry product portfolios to reveal key impact areas of each product and transparently communicate product declaration to customers (further details can be found in the FIVE-DOT-MISSION section of this report).

Fair business practices by effective corporate governance are also of utmost priority at Schweiter Technologies. To avoid single-handed violations of contracts or laws and to protect individuals from consequences of poor judgement calls, all commitments of 3A Composites business areas must be signed by at least two responsible persons as a rule to reduce the likelihood of grievances.

By applying the current financial and accounting guidelines, Schweiter Technologies can identify suspected cases of corruption or bribery at an early stage. A number of alarm signals trigger internal investigations, including

- unusual or irregular payment requests
- requests to split payments into smaller amounts
- payments in foreign currencies or to non-standard addresses
- inconsistent or incomplete documentation for payments
- unusual relationships between vendors and employees
- unreasonable prices or reimbursements

Silver; Foamalite Ltd. Loch Gowna, Ireland (sep. 2024)

Bronze; 3A Composites, Singen (nov. 2024)

In 2024, 3A Composites Transport & Industry has additionally implemented the LEXplus software, including a compliance database, to support newly defined responsible functions in verifying compliance of the applied business practices. In the reporting year, Schweiter Technologies has identified one suspicion of anti-competitive behavior, anti-trust, and monopoly practices. The business unit concerned is currently working intensively on clarifications. No legal action against Schweiter due to such infringements have been experienced in 2024.

Whistleblowing

Schweiter Technologies has decentralized channels through which potential grievances can be reported – some of these channels allow anonymous feedback. Reports are processed by the HR departments once received and detailed investigations are initiated as needed.

In the 3A Composites Core Materials business area, sites in all countries have a slightly different approach to gathering feedback on misconduct and improvement potentials. A common practice is the receptivity of various functions within the business areas, such as line managers or the HR and compliance teams. A whistleblowing hotline or a confidential whistleblowing email address are available at some sites in Ecuador, China, and Poland. The US sites use a third-party online reporting service.

The 3A Composites Architecture, Display and Transport & Industry business areas have a whistleblower software in place for the employees of European business areas and a hotline for the US sites. Via the latter, one complaint was received in the reporting year. The case was not identified an infringement of the corporate Code of Conduct. Furthermore, Schweiter Technologies is not aware of any other complaints or suspicions of Code of Conduct violations.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Schweiter Technologies is aware that commitments to sustainability also relate to the supply chain. Responsibility is therefore also placed on suppliers, via the Code of Conduct.

The manufacture and transportation of goods purchased by sites of Schweiter Technologies affects people and the environment. The overall responsibility at Schweiter Technologies for maintaining sustainable standards of supply rests with the Sustainability Board. In addition, the individual business areas monitor their purchasing practices and track suppliers' alignment with the expectations of the Group.

In order to ensure responsible management of the supply chain, Schweiter Technologies supports collaboration with long-standing partners. This increases the potential to influence the suppliers' business practices and simultaneously reduces Schweiter Technologies' risks from suppliers' shortcomings, particularly from fewer new business partners. At the same time, it improves the resilience of the supply chain – for example with regard to delivery delays and bottlenecks. Emerging due diligence regulations pose a financial risk in case of irregularities, in particular the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor. Careful supply chain management is thus of utter importance to mitigate negative impacts and associated risks.

Supplier structure and purchased goods

Schweiter Technologies maintains business relationships with over 5'000 suppliers. Compared with the previous year, the 3A Composites Architecture & Display Americas business areas have significantly reduced their number of suppliers (–17%) as a consequence of consolidation efforts and intensified relationships with long-standing partners.

Due to the range of products manufactured by Schweiter Technologies, supplies differ between business areas. The main categories purchased per area are listed in the table below:

Core Materials[1]	Architecture & Display	Transport & Industry
– Balsa wood – Synthetics such as PET, PVC, PPE – Scrim – Chemicals – General and shipping supplies	– Aluminum – Paper – Resin – Synthetic films and sheets – Chemicals	– Aluminum coils, sheets, and profiles – Steel – Foam core materials – Glass fiber – Resin – Gel coat and paints – Glue

[1] The 3A Composites Core Materials business area additionally purchases trading goods such as balsa wood, core materials and ingredients thereof

The balsa wood needed for the production of composite materials has a special role among the list of procured goods. 3A Composites Core Materials purchases up to 20% of the required material. Some aspects of this topic have been introduced in the chapter "Sustainable local communities" with a view of the communities in which balsa forestry is practiced. The high share of contractors occupied due to business growth and fluctuating demands are exposed to a variety of social risks. In particular, the low formality in terms of employment and work contracts in these regions carries the potential of negative impacts such as insecure employment, inadequate wages, and excessive working time. Schweiter Technologies is aware of these circumstances and recognizes its responsibility to promote fair conditions for all individuals involved in their value chain.

Supplier engagement

To prevent or mitigate negative impacts on people and the environment, Schweiter Technologies expects suppliers to assume responsibilities themselves. They must comply with all applicable regulations and guidelines and act with integrity, openness, and professionalism. All suppliers and business partners are asked to commit to abide the requirements set out in Schweiter Technologies' Code of Conduct. The Code refers to standards laid down by international organizations including the International Labor Organization (ILO) and contains specifications with regard to the prevention of child labor and the handling of conflict minerals (for further information on contents concerning human rights issues see chapter "Human rights standards"). Provisions containing the requirement for ecological and social responsibility are embedded in 3A Composites framework agreements and contracts with suppliers.

In addition, the individual business areas selectively apply on-site checks to make sure that suppliers keep to the rules. Infringements of the Schweiter Technologies Code of Conduct or any additional contractual agreement are prosecuted, and consequences are imposed. Ultimately, if attempts at rectification and remediation fail to satisfy the requirements of Schweiter Technologies, the business relationship is terminated.

Schweiter Technologies increasingly engages with suppliers to obtain valuable information about purchased goods, such as the origin of incorporated materials to assess the social and environmental impacts caused by their manufacture. For example, the European units of the 3A Composites Display business area request the CO_2 footprints of considerably large product deliveries from key suppliers. The data should support reasonable and responsible procurement choice and the declaration of more precise 3A Composites product carbon footprints, as well as help obtaining an overview of Scope 3 greenhouse gas emissions.

Zero tolerance for child labor and conflict minerals

The Schweiter Technologies Code of Conduct prohibits the use of child labor within the Group and by suppliers. Compliance with the Code of Conduct is strictly monitored in the 3A Composites business areas. In their own operations, this is of particular relevance for sites located in regions where risks are generally higher, such as Papua New Guinea and Ecuador. Additionally, business activities with greater potential for child labor, such as plantation operations, increase Schweiter Technologies' responsibility to ensure

that children are not involved in activities defined as child labor. A number of control mechanisms are applied to cover the provisions and monitoring of employment contracts during the recruitment process, as well as regular reviews in connection with FSC® and ISO certification, including monitoring by the auditor.

3A Composites business areas also make purchases in countries where, according to the relevant UNICEF list of countries, there is an increased risk of child labor. Examples are Bolivia, Colombia, Brazil, Mexico, South Africa, Turkey, India, and China. 3A Composites suppliers are required to respect the renunciation of child labor in their own value chain – often enforced by contractual agreement with Schweiter Technologies and its business areas. In accordance with the duty to make an effort set out in the provisions of the Swiss Code of Obligations (OR, Art. 964g ff.), selected suppliers in countries with increased risk were interviewed, i.e. 3A Composites Architecture & Display Americas engaged with all five suppliers in China, India, and Turkey. Monitoring with regard to child labor revealed that in the 2024 reporting year, there were no reasonable grounds for suspicion of child labor and Schweiter Technologies is exempt from further due diligence with relation to child labor.

Schweiter Technologies also exercises due diligence regarding conflict minerals. To minimize risk, the Group has a corporate guideline on this topic ("Policy statement on conflict minerals") in place. 3A Composites business areas do not purchase tin, tantalum, tungsten or gold, also known as 3TG metals, from conflict areas. This has been ensured, for example, for the purchase of methyl tin by a business unit of the 3A Composites Architecture & Display Americas business area. For Switzerland, it was determined that for the 2024 reporting year, Schweiter Technologies was exempt from further due diligence and duty to report with regard to minerals and metals from conflict-affected and high-risk areas.

GRI content index

Schweiter Technologies AG has reported in accordance with the GRI Standards for the period from 1 January 2024 to 31 December 2024. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. This service was carried out in the English version of the report.

The Sustainability Report of Schweiter Technologies AG, headquartered in Steinhausen, Switzerland, is published as part of the Annual Report. The report will be published on 28 February 2025. The contact person is Urs Scheidegger, CFO, investor@schweiter.com

Applied GRI 1	GRI 1: Foundation 2021		
Sector Standard used	None		

GRI Standard	Disclosure	Reference/ information*	Omission (requirement(s) omitted, reason, explanation)
GENERAL DISCLOSURES			
The organization and its reporting practices			
GRI 2: General Disclosures 2021	2-1 Organizational details	p. 76	
	2-2 Entities included in the organization's sustainability reporting	p.129–131	
	2-3 Reporting period, frequency and contact point	p. 59	
	2-4 Restatements of information	No information had to be restated	
	2-5 External assurance	This report has not been subject to any external assurance	
Activities and workers:			
GRI 2: General Disclosures 2021	2-6 Activities, value chain, and other business relationships	p. 26	
	2-7 Employees	p. 50	
	2-8 Workers who are not employees		Information unavailable/ incomplete. Due to the decentralised structure of the company, Schweiter does not yet collect data on workers who are not employees at Group level. Schweiter will expand its data collection system in the coming years.

* Page numbers refer to the Annual Report 2024.

GRI Standard	Disclosure	Reference/ information*	Omission (requirement(s) omitted, reason, explanation)
Management			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	p. 81–84	
	2-10 Nomination and selection of the highest governance body	p. 84–85	
	2-11 Chair of the highest governance body	p. 82–83	
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 27	
	2-13 Delegation of responsibility for managing impacts	p. 27	
	2-14 Role of the highest governance body in sustainability reporting	p. 63	
	2-15 Conflicts of interest	p. 54–55	
	2-16 Communication of critical concerns	p. 56	
	2-17 Collective knowledge of the highest governance body	p. 82–84	
	2-18 Evaluation of the performance of the highest governance body	p. 100–106	
	2-19 Remuneration policies	p. 100–106	
	2-20 Process to determine remuneration	p. 100–106	
	2-21 Annual total compensation ratio		Information unavailable/ incomplete. Schweiter does not yet calculate the total annual compensation ratio. As a globally operating company this disclosure is not relevant and has limited comparability. Schweiter will expand its data collection system in the coming years.
Strategy, policies, and practices			
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	p. 2–3	
	2-23 Policy commitments	p. 54–56	
	2-24 Embedding policy commitments	p. 54–56	
	2-25 Processes to remediate negative impacts	p. 56	
	2-26 Mechanisms for seeking advice and raising concerns	p. 56	
	2-27 Compliance with laws and regulations	p. 54–56	
	2-28 Membership associations	p. 31	
Stakeholder engagement			
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	p. 31	
	2-30 Collective bargaining agreements		Information unavailable/ incomplete. Due to the decentralised structure of the company, Schweiter does not yet collect data on Collective bargaining agreements at Group level. Schweiter will expand its data collection system in the coming years.

* Page numbers refer to the Annual Report 2024.

GRI Standard	Disclosure	Reference/ information*	Omission (requirement(s) omitted, reason, explanation)
MATERIAL TOPICS			
Disclosures on material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 30	
	3-2 List of material topics	p. 30	
ECONOMIC PRINCIPLES			
A basis of profitable growth			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 4–23	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	p. 4, 122	
Market leadership			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 4–23	
Innovation leadership			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 32	
Product quality and compliance			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 36	
Products with a sustainable impact			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 34	
Customer relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 4–23	
ENVIRONMENTAL PROTECTION AND RESOURCE EFFICIENCY			
Environmental compliance and management system			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 28–39	
Resource-efficient production and use of materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 41–43	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	p. 43	
	306-2 Management of significant waste-related impacts	p. 43	
	306-3 Waste generated	p. 44	
Energy and greenhouse gas emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 40–42	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 41	
	302-4 Reduction of energy consumption	p. 41	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 41	
	305-2 Energy indirect (Scope 2) GHG emissions	p. 41	
	305-5 Reduction of GHG emissions	p. 41	

* Page numbers refer to the Annual Report 2024.

GRI Standard	Disclosure	Reference/ information*	Omission (requirement(s) omitted, reason, explanation)
SOCIAL RESPONSIBILITY			
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 45–47	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 45–47	
	403-2 Hazard identification, risk assessment, and incident investigation	p. 45–47	
	403-5 Worker training on occupational health and safety	p. 45–47	
	403-6 Promotion of worker health	p. 45–47	
	403-9 Work-related injuries	p. 47	
Attractive employer			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 47–50	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p. 50	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	p. 48	
Human rights standards			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 50–52	
Sustainable local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 52–53	
GOVERNANCE			
Responsible supply chain management			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 56–58	
Governance			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 54–56	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	p. 54–56	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 54–56	

* Page numbers refer to the Annual Report 2024.

Reference table for Art. 964b Swiss Code of Obligations

Non-financial matters according to Art. 964b Swiss Code of Obligations	Section in this report
Environmental issues	Environmental compliance and management system
	Resource-efficient production and use of materials
	Energy and greenhouse gas emissions
	Products with a sustainable effect
Social issues	Sustainable local communities
Employment issues	Attractive employer
	Occupational health and safety
Respect for human rights	Human rights standards
	Responsible supply chain management
Combating corruption	Governance

All the mandatory climate-related financial disclosures can be found on p. 69 ff.

DECLARATION BY THE BOARD OF DIRECTORS

The Board of Directors of Schweiter Technologies AG approved the non-financial report for the 2024 financial year at its meeting of 26 February 2025 in compliance with Article 964a ff. Swiss Code of Obligations.

RELOCATION REALIZES EMISSIONS REDUCTION

ELIMINATE THE NEED FOR LONG-DISTANCE TRANSPORT, SAVING NEARLY 1.9 MILLION KILOMETERS IN TRANSIT AND REDUCING EMISSIONS ASS WELL AS COSTS.

As part of our business strategy to optimize costs and enhance operational efficiency, Baltek Inc., our 3A Composites Core Material BA site in the United States, made the strategic decision to relocate our extrusion line from Glasgow, KY to High Point, NC. We have termed this initiative the "R-eco-location" due to its significant reduction in upstream Scope 3 emissions.

Since 2016, our extrusion line at the 3A Composites facility in Glasgow, KY has successfully produced over 200 000 cubic meters of structural PET foam core materials. These materials, used in various composite applications such as wind energy and boat building, were transported by truck or container to High Point, NC for internal use and conversion into finished goods, or to Charleston, SC for export.

Throughout this period, the logistics of transporting materials between our sites required a total of 2 589 53-foot truckloads over a distance of approximately 700 kilometers. This equates to roughly 1.9 million kilometers covered and an estimated 1 000 tons of CO_2 equivalent emissions, calculated using well-to-wheel considerations. On a yearly basis, close to 200 tons of CO_2e will be avoided without counting the shorter distance to reach our High Point facility from the port where raw materials arrive.

AVOIDED EMISSIONS

Close to

200 tCO_2e

avoided (calculated with CarboCare in accordance with ISO 14083:2023)

▲ The new production line in High Point, NC, up and running.

TRANSPORT DISTANCE

Glasgow, KY, to High Point, NC

705 km

Equals

1900 000

transportation km saved

IMPLEMENTATION LIFE CYCLE ASSESSMENTS

THROUGH THE IMPLEMENTATION OF LIFE CYCLE ASSESSMENTS, COMPREHENSIVE, ISO-COMPLIANT EVALUATIONS OF ENVIRONMENTAL IMPACTS HAVE BEEN ESTABLISHED.

3A Composites Europe has set ambitious targets to reduce greenhouse gas emissions in its own operations and along its supply chains. Life Cycle Assessment (LCA) is an ideal and accepted methodology to determine the impact of materials, transport routes and energy consumption.

3A Composites Europe has chosen to work with Ecochain B.V. as a leading provider of LCA software. Ecochain's Helix tool enables users to create LCAs independently and to present and evaluate the results in a variety of graphical ways. The calculations are carried out in accordance with the international standards ISO 14040 and 14044 and primarily use established databases for LCA data sets of materials and energy sources.

As a result, the environmental impacts of the 3A Composites Europe sites could be comprehensively analyzed for the first time over the course of the last year. The focus was on the plants' greenhouse gas emissions, broken down into Scope 1, 2 and 3 categories.

Depending on the manufacturing technology and the depth of their own value chain, Scope 1 and 2 emissions are in the range of 5 to 20%. The greatest share of environmental impacts is caused by the raw materials, primarily synthetic, aluminium coils and paper, as well as the upstream manufacturing processes of these materials.

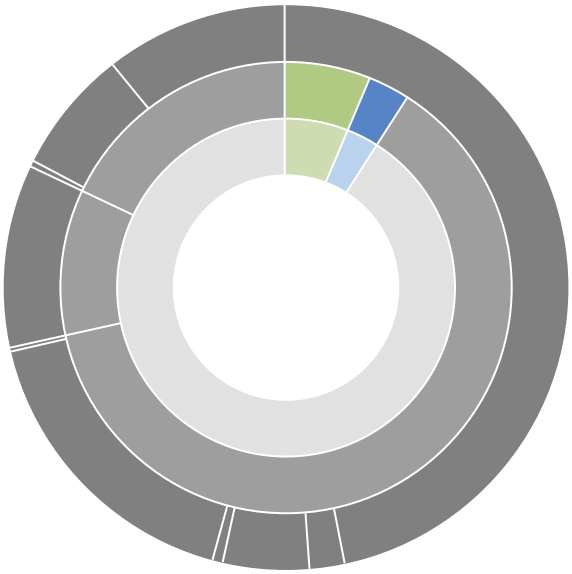
On the basis of the LCAs of the manufacturing locations, the CO_2 footprints (Product Carbon Footprint, PCF) could be determined for all product groups. These are made available to our interested customers on request, so that an understanding of the fact-based environmental impacts of sheet products in the customer markets can be developed. In doing so, 3A Composites Europe is taking a pioneering role in many markets and applications.

A thorough understanding of the factors involved provides a sound basis for the future development of the product portfolio, responsible material procurement and the reduction of greenhouse gas emissions along the value chain and in the company's own

SCOPE 1
6%

SCOPE 2
3%

SCOPE 3
91%



▲ For example, the LCA results from our Osnabrück production site reveal that raw materials, scope 3, have the most significant environmental impact. Therefore, our innovation efforts will continue including this area in the future.

plants. In addition to many measures in the area of energy conservation and the use of non-fossil energies, the use of recycled materials is a particular focus of current projects and of particular interest in order to reduce the global warming potential (GWP) and the PCF. Upon request, customers can receive fact-based Product Carbon Footprints (PCF) for all product groups, enabling them to assess the environmental impact of their purchased materials and make informed, sustainable decisions aligned with corporate responsibility goals. This data also supports customers in integrating environmental insights into their sustainability reporting and initiatives, ensuring compliance with regulatory requirements and industry standards.

Climate Report

INTRODUCTION

Schweiter Technologies reports for the first time in reference to the recommendations of the "Taskforce on Climate-Related Financial Disclosures (TCFD)" pursuant to the Swiss Ordinance on Climate Disclosures, which refers to Art. 964a ff CO. This report is providing insights on the integration of climate-related aspects into the "governance", "strategy", "risk management" as well as "metrics and targets" of Schweiter Technologies. The climate report covers the climate-related risks and opportunities that could have an impact on Schweiter Technologies' business in the short to long term and the measures taken by the management.

GOVERNANCE

The ESG governance of Schweiter Technologies is described in detail on p. 27 of the Sustainability Report. Climate-related topics are integrated in the ESG governance.

The Board of Directors takes responsibility for the overall corporate strategy. In this course, the Board of Directors oversees also the implementation of the climate transition plan described below. Additionally, the Board of Directors is responsible for corporate risk management which includes climate risks. This climate report including the transition plan is checked and approved annually by the Board of Directors.

On the management side, the sustainability committee is working together with the operational sustainability team (including the Group Sustainability Manager) on the implementation of the sustainability strategy and the climate transition plan. This includes the identification and assessment of risks and opportunities, the development of action plans to enhance transparency of the carbon footprint, reduce emissions and the management of relevant risks and opportunities with corresponding measures. In view of the highly decentralized company structure, the CEOs of business areas are responsible for the implementation of measures such as initiatives and projects in the business areas.

STRATEGY

Climate-related risks and opportunities

Climate change results in risks and opportunities for business activities and the value chain of Schweiter Technologies. In- and outflows of materials of Schweiter Technologies are affected by climate-change-induced transitions in regulation and markets. Manufacturing processes in the supply chain and Schweiter Technologies' operations rely on gas and electricity, making the company sensitive to potential changes in energy availability and costs driven by climate-related transitions of the energy system.

Schweiter Technologies assessed climate-related risks through two lenses: physical and transition risks. Physical risks involve the effects of climate change, such as shifting climate patterns and more frequent extreme weather events. These changes could disrupt production processes in its sites and impact supply chain continuity. Transition risks, but also opportunities arise from evolving regulations, changes in customer preferences, and shifts in technology to address climate change.

Schweiter Technologies is identifying and assessing climate-related risks and opportunities under the following two scenario considerations.

Below 2-degree scenario	Business-as-usual scenario
– Enhanced international cooperation drives shared climate mitigation efforts and resource sharing. – Major shift to renewable energy sources reduces fossil fuel dependency and carbon emissions across industries. – Adoption of circular economies reduces reliance on virgin materials through recycling, reusing, and remanufacturing. – Economic systems and societal values realign with sustainable practices, influencing industries, consumers, and policies. → Greenhouse gas emissions are drastically reduced to keep global warming below 2 °C. → Controlled global warming leads to more stable and predictable climate patterns, enhancing climate resilience and supporting ecosystems and communities.	– Limited international collaboration, with vulnerable regions facing greater climate impacts. – Energy systems largely depend on fossil fuels, with slow adoption of renewable alternatives, perpetuating high carbon emissions. – Traditional, linear production models persist, heavily reliant on virgin materials with limited recycling or reuse. – Economic systems and consumer behaviors maintain conventional practices, with gradual adoption of sustainable choices. → Greenhouse gas emissions remain elevated, with global warming projections significantly exceeding 2 °C due to limited mitigation efforts. → More frequent and severe climate events, such as extreme weather, droughts, and rising sea levels, disrupt ecosystems and communities.

In the following summary of the climate-related risks and opportunities, the focus of the business-as-usual scenario was on physical risks whereas transition risks and opportunities were assessed under the below 2-degree scenario. The potential business impacts of risks and opportunities are assessed as low, medium or high. Related time horizons are: short-term is defined as 1–3 years, mid-term as 4–10 years and long-term is defined as over 10 years. The assessments of potential impacts are initial indications, with the aim to refine over time.

Business-as-usual scenario

In this scenario, climate-induced physical risks are increasing. Changing climate patterns might threaten the physical integrity of production sites through acute events (e.g., flooding, heavy winds) and chronic climate impacts like droughts or rising sea levels. Additionally, the availability and prices of raw materials become increasingly volatile due to weather extremes impacting suppliers, substitute products, transportation routes, and local energy supplies.

Risk characteristics (category, value chain, time horizon)	Risk description	Potential impact on Schweiter	Measures
Physical – acute and chronic Suppliers and own operations Mid- to long-term	**Physical integrity of assets** Changes in climate patterns can affect the physical integrity of production locations (including manufacturing facilities and plantations) by acute events (e.g., floodings, heavy winds) or chronic climate impacts such as droughts or sea level.	Damage of assets, higher operating costs for protective measures Impact: low to medium	– Diversification of production locations
Physical – acute and chronic Raw materials and suppliers Mid- to long-term	**Availability of raw materials and fluctuations in prices** The availability and prices of raw materials may be affected by chronic and acute weather extremes hitting direct suppliers, the production of substitute products such as cotton, main transportation routes or local energy supply.	Higher procurement and transportation costs, availability of raw materials, delivery difficulties, disruptions in the supply chain Impact: medium	– Supply chains kept short with dual- or multi-sourcing where possible –Diversification of used raw materials – Product innovation

Below 2-degree scenario

In a below 2-degree scenario, focused climate action and stricter regulations drive a transformative shift toward sustainable practices, renewable energy sources and circularity. In this scenario, Schweiter Technologies would face transition risks such as fluctuating raw material availability and costs, tighter regulations, and increasing pressure from customers and stakeholders demanding strong climate performance and measurable progress on sustainability.

Risk characteristics (category, value chain, time horizon)	Risk description	Potential impact on Schweiter	Measures
Transition – market Raw materials and suppliers Mid- to long-term	**Availability of raw materials and fluctuations in prices** Changes in production volume in oil exploration and extraction, along with energy costs affecting materials, might impact the availability of raw materials and cause price fluctuations for Schweiter Technologies.	Higher procurement costs, availability of raw materials and energy, disruptions in the supply chain Impact: medium to high	– Product portfolio transformation towards more sustainable products – Supply chains kept short with dual- or multi-sourcing where possible
Transition – policy & legal, technology, market Whole value chain Short- to long-term	**Environmental regulations, customer preferences and technological progress** Current and upcoming environmental and climate regulations as well as changes in customer preferences affect Schweiter Technologies and the whole value chain. Many regulations and potentially changing customer preferences towards bio-based materials, non-fossil feedstock, low carbon footprint as well as circularity of products might alter product demand and have effects on the availability of raw materials, product composition and performance. Technological advancements of competitors regarding the product carbon footprint can be a risk for Schweiter Technologies.	Higher operational costs for value chain coordination and documentation, higher R&D costs and costs for changing business processes, higher procurement costs, decrease in revenues/ market shares Impact: medium	– Product portfolio transformation towards more sustainable products – Regular tracking of current and upcoming environmental and climate regulations
Transition – reputation Own operations Short- to long-term	**Reputation regarding climate action** Reputational risks can arise from different expectations of investors, customers and other stakeholders regarding the ambition of climate goals and the progress towards these goals.	Loss of reputation, lower revenues, availability and attractiveness of financing conditions Impact: low to medium	– Product portfolio transformation towards more sustainable products – Investments in sustainable product development and sustainability program. See Sustainability Report chapter products with a sustainable impact – Ongoing renewal of machine fleet and infrastructure to latest technology standards

However, in this below 2-degree scenario, the significant efforts of Schweiter Technologies in customer-focused innovation towards more environmentally friendly products can support the company in meeting the rising demand of climate-conscious consumers and can increase the competitiveness. This shift towards renewable energy generation and cleaner mobility provides significant business opportunities for Schweiter Technologies, delivering these markets with products, e.g., wind blades and lightweight materials, to foster sustainability.

The prioritized climate-related opportunities in the below 2-degree scenario for Schweiter are summarized in the following table.

Opportunity characteristics (category, value chain, time horizon)	Opportunity description	Potential impact on Schweiter	Measures
Product/Services Whole value chain Short- to long-term	**Customer preferences and technological progress** Schweiter Technologies continues transforming its product portfolio by offering sustainable products and products with extra functionalities, such as PV façades that additionally generate energy or recycled products in visual communication. Innovative efforts for a greener product design and differentiation could provide Schweiter Technologies' differentiation opportunities to gain a competitive advantage and strengthen the brands.	Increase in revenues and market share Impact: medium to high	– R&D and production process innovation in the business areas. See Sustainability Report p. 33-37 (Chapter products with a sustainable impact) – Ongoing renewal of machine fleet and infrastructure to latest technology standards
Market Whole value chain Short- to long-term	**Enabler of cleantech industries** Climate change and the demand for renewable energy supply is increasing the customer base of Schweiter Technologies and the demand for wind power plants. Trends towards cleaner mobility solutions can lead to a higher demand for lightweight solutions (such as façades, road and air mobility materials and components).	Increase in revenues and market share Impact: medium to high	– R&D and production process innovation in the business areas.

Resilience of business model

Schweiter Technologies is close to customers and offers innovative solutions with a customer-centric approach. The approach to innovation and efforts in the diversification of suppliers can help Schweiter Technologies to increase the resilience of Schweiter Technologies' business model against a variety of risks including climate-related risks and support the business in leveraging opportunities. The resilience of Schweiter Technologies' business model is determined by its flexibility and capacity to adapt to varying challenges. Under the below 2-degree scenario, resilience is primarily contingent on the effective implementation of mitigation measures, whereas in a business-as-usual scenario, it is driven by the ability to deploy robust adaptation strategies to address the impacts of climate change across its whole value chain.

Schweiter Technologies is in the earlier stages of climate risk analysis and recognizes the importance of further refining and strengthening its financial impact analysis on different climate scenarios.

Climate transition plan

The climate transition plan for Schweiter Technologies plans for the transition towards a low-carbon economy. It comprises the company's approach to reduce its carbon footprint, to reduce climate-related risks and make use of climate-related opportunities.

Schweiter Technologies has been measuring the greenhouse gas emissions of its own operations (Scope 1 and 2) for several years and reports them annually, see Sustainability Report p. 41. The analysis as a basis for the formulation of near-term interim climate targets and the recording of greenhouse gas emissions in the value chain (Scope 3) have been started, but require further development time due to the highly decentralized structure of Schweiter Technologies. In order to improve the conditions for accounting, target setting and monitoring, a process was launched in 2024 to improve data collection and analysis throughout the company using a specialized software platform.

Schweiter Technologies strives to actively protect the climate and inevitably invests in the reduction of greenhouse gas emissions, e.g., an ongoing renewal of its machine fleet and infrastructure to latest technology standards. Measures and examples are described in the Sustainability Report on p. 42.

Key elements to reduce risks and make use of opportunities are mentioned above. Often, they are closely linked to Schweiter Technologies' innovation strategy, which drives the product portfolio transformation towards more sustainable products. Further information can be found here: in the Sustainability Report on p. 32.

RISK MANAGEMENT

The risk assessment and management within Schweiter Technologies is conducted on several levels, also reflecting the decentralized structure of the group. The business areas are responsible for determining, evaluating, and managing local risks. The processes for managing climate-related risks and opportunities are described with the measures in the tables above on p 72.

A systematic identification of higher-ranking risks that could have a significant impact on Schweiter Technologies and its business activities is carried out by the Finance department at Group level. The risk analysis is based on expert analysis on Group level and presented to the Board of Directors by the CFO. The risks identified are classified according to the criteria of probability of occurrence and potential impact. Where necessary, individual risks are analyzed in greater depth and measures are taken to minimize these risks. The Board of Directors discusses the higher-ranking risks to Schweiter Technologies at least once a year. The last risk assessment by the Board of Directors was conducted in December 2024. For further information on this process, see p. 6. For the corporate governance mechanisms on risk management, see p. 89 in the Corporate Governance Report.

For the first time, climate-related risks and opportunities were explicitly identified and assessed during two workshops on Group level in 2024. The consolidated results are shown in this report. Various corporate functions were involved in ensuring a thorough evaluation of potential impacts on the value chain and business areas. In a second step, prioritized climate risks were integrated into the general risk assessment, and cross-connections with existing risks were identified.

In this course, climate aspects were also integrated into the formal internal risk management guidelines. Climate risks are integrated into the respective risk classification categories and no separate category for ESG, or climate risks was developed. Further steps towards the integration of climate-related risks into the risk management cycle are planned for the next years.

METRICS AND TARGETS

Schweiter Technologies is reporting its Scope 1 and 2 greenhouse gas emissions in the Sustainability Report on p. 41.

Further metrics and targets are under consideration, when Schweiter Technologies advances with the collection of climate-related data.