
SUSTAINABILITY

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“FIVE-DOT-MISSION”

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

Sustainability is an essential and integral part of 3A Composites’ corporate strategy

To fulfill its product sustainability pledge effectively, the company has devised a “FIVE-DOT-MISSION”. It looks at all products and analyzes the materials used, the fossil-based CO₂, product life, and recyclability, awarding 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.

Based on its “FIVE-DOT-MISSION”, 3A Composites has been able to improve specific aspects of the sustainability of various products and defined new targets for them.



Proportion of biologically based materials

DISPA®re paper board is made of 100% FSC-certified sustainable paper.



Proportion of recycled materials

CRYLUX®re, CRYLON®re, PERSPEX®re, and PERSPEX® XT re acrylic sheets contain 95–100% plastics recovered through extrusion.



Proportion of fossil CO₂ in overall product

The manufacture of all products of 3A Composites Europe should be climate-neutral by 2035.



Product life / durability

High levels of resilience to the weather and UV radiation mean that the lifespan of AKRYLON®re acrylic sheets is extended by well over ten years, for example.



Recyclability

3A Composites has developed a number of recycling loops, some involving collaboration with partners, and played a part in establishing a circular economy fit for the future.

In addition, all products from 3A Composites Europe are to be 100% recyclable by the year 2035.



The overall score (max. 15 points) offers our customers a transparent decision-making aid to help them implement a sustainable product range. At the same time, it provides 3A Composites product management with the specific information required to target further improvements or trigger the search for a more sustainable production process.

Sustainability at Schweiter Technologies

BUSINESS MODEL

Schweiter Technologies is the holding company of a globally active Group. Its manufacturing activities are consolidated within the subsidiary 3A Composites, which has operations at 30 locations in Europe, North and South America, Asia, and Oceania, with a workforce of some 4 600 employees.

The business of 3A Composites concerns the development, production, and sale of premium quality composites, paper, plastic and lightweight sheets, and core materials based on balsa wood and PET foam. These materials are used primarily in the areas of visual communication (display), architecture, wind energy, industry, railway and bus construction, and shipbuilding.

Key raw materials for these products are aluminum, plastics, wood, and paper-based materials. The balsa wood for the wind turbine blades is grown by Schweiter Technologies in its own plantations in South America and Papua New Guinea. These are 100% FSC-certified and employ around one-third of the workforce of the entire Group.

The most important sales markets are Europe (turnover CHF 620 million), North and South America (approx. CHF 300 million), and Asia and other regions (approx. CHF 150 million).

Further information on the business model is available on pages 7 and 8.

ESG GOVERNANCE

Sustainability is an integral part of the business strategy at Schweiter Technologies. For this reason, the ultimate responsibility for all aspects of ESG lies with the Board of Directors. In order to expedite sustainability initiatives and manage the strategic delivery of ambitious projects, a Group Director Sustainability was appointed in 2023 and a Sustainability Board established.

Corporate strategy is decided by the Board of Directors at Schweiter Technologies. Given that sustainability has a central role in the Group's business activities, especially in its products, and is therefore an integral element of corporate strategy, the main responsibility for sustainability rests with the Board of Directors. Sustainability reporting, results, and performance against targets are reviewed by the Board at least once a year and approved.

The Board is available to hear the concerns of all stakeholders. Matters raised by shareholders at the General Meeting are dealt with in accordance with the Articles of Incorporation. No critical concerns were raised with the Board of Directors in 2023. Comprehensive information on the election, remuneration, and responsibilities of the Board of Directors can be found in the Corporate Governance Report.

In the interests of transparency, Schweiter Technologies discloses the relevant information on remuneration. Limitations in collecting data on decentralized organizations within the Schweiter Technologies Group, the reorganization of the European organization, and acquisitions do not allow a reliable calculation of the annual total compensation ratio.



▲ The Gentle Giant, winning photo of the Sacha Award 2023

The Sacha Awards are presented every two years to honor projects for excellent forestry and the processing of legal lumber in Ecuador. 3A Composites has always been a driving force in sustainable forest management. We were the first provider of balsa wood core materials to have FSC-certified plantations.

Picture: 3A Composites – Zendaya Calderon

The Director Sustainability took up his role in 2023. He informs senior management at regular intervals regarding the opportunities and risks relevant to sustainability and is responsible for formulating the sustainability strategy, and to advance and coordinate the associated measures. He reports regularly to the CEO.

The establishment of the Sustainability Board in 2023 was a milestone in ESG governance. The Sustainability Board meets four times a year to review, prioritize, and approve sustainability initiatives and is accountable to the Board of Directors. The members of the Sustainability Board are the Group CEO, Group CFO, CEO 3A Composites Americas, CEO Display Europe, Chief Human Resources Officer, General Counsel, and Director Sustainability. Alongside the Sustainability Board, a Sustainability Working Group deals with specific measures and the roadmap. The Work-

ing Group meets once a month and prepares the agenda items for the Sustainability Board.

In view of the highly decentralized company structure, operational sustainability initiatives and projects are planned and realized by the respective location managers.

Approach to sustainability

STRATEGY AND MATERIAL TOPICS

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 the material topics.

Sustainable corporate strategy

The Schweiter Technologies business model allows stakeholder groups to make a contribution to sustainability. For example, the lightweight construction of the products helps customers to reduce their CO₂ emissions. At Schweiter Technologies, sustainability means incorporating environmental and social considerations into its business activities in addition to commercial aspects. Innovation and environmentally friendly products are the growth drivers for Schweiter Technologies. Above all the ecological commitment includes reducing environmental impact through the efficient use of resources.

Sustainability at Schweiter Technologies also means assuming social responsibility toward stakeholders along the value chain, supporting local communities, and promoting social partnerships. This can only be achieved through transparent company management and fair business practices.

Initiatives such as EcoVadis, sustainability ratings, and life cycle assessments (LCAs) are tools for determining the status and progress of activities. During the reporting year, the locations at Mainz, Germany and Sins, Switzerland achieved a "Silver" EcoVadis sustainability rating. In a staged process, all locations will eventually be assessed against comprehensive EcoVadis standards.

In 2023, Schweiter Technologies also began drawing up a sustainability roadmap, which it plans to refine and adopt in 2024.

The approach to sustainability practiced by Schweiter Technologies is guided by the 17 United

Nations' Sustainable Development Goals. The company's business activities have most influence on the following SDGs:

Material topics

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 presented in a matrix.

Schweiter Technologies reviewed the materiality analysis in 2023 and allocated the material topics to the non-financial matters required in the Code of Obligations. This allocation is shown in the reference table Art. 964b OR (see page 55). The key topic "Responsible supply chain management" was allocated to the Governance category. The axis labels have also been clarified.

The materiality matrix presents the 15 topics which are relevant to Schweiter Technologies. They form the core of this Sustainability Report.

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 protection



Life on land

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

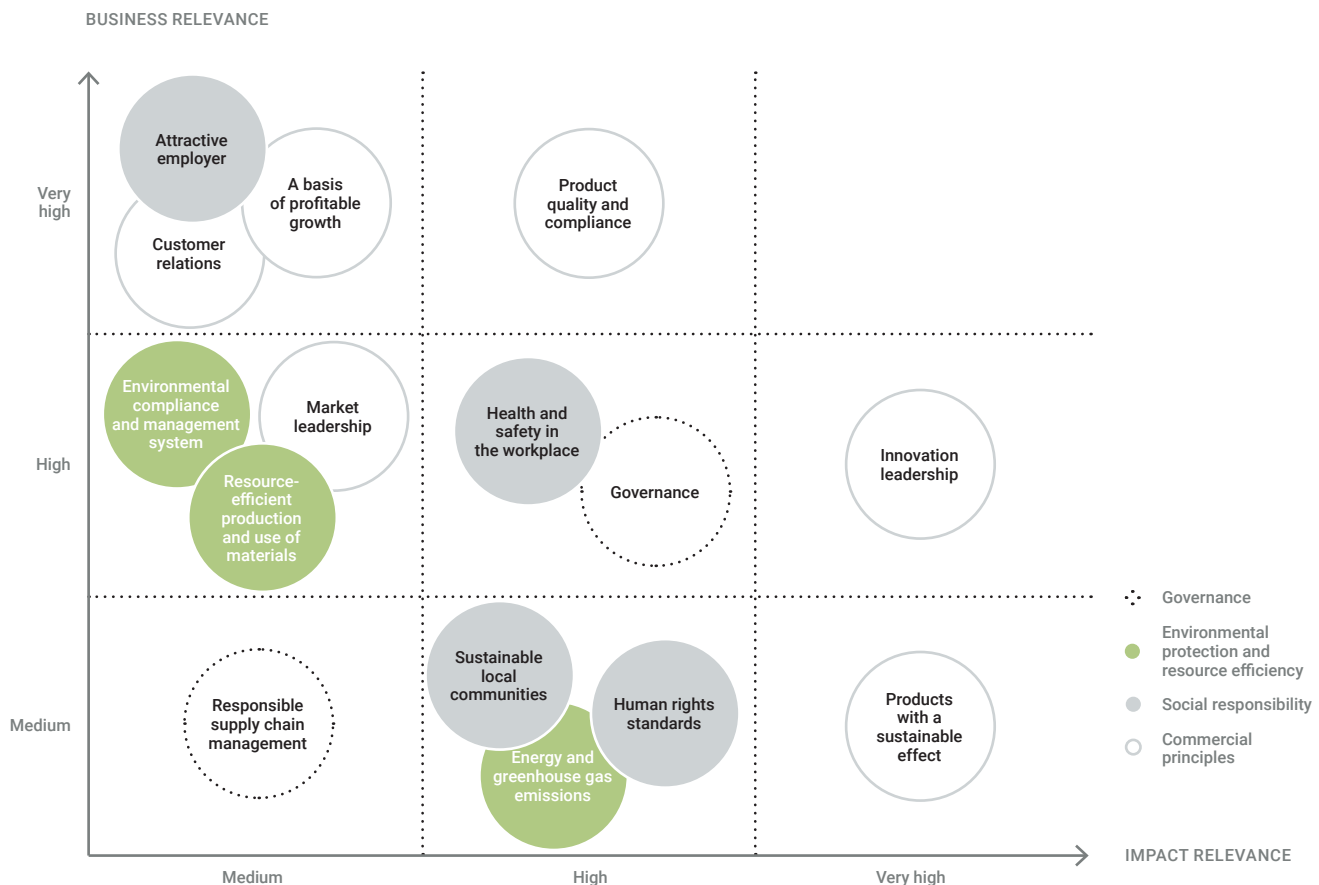
Technologies remains in regular close contact with stakeholder groups in order to understand their needs. Direct contact with stakeholder groups is Schweiter Technologies' preferred form of communication. Regular contact with customers and suppliers together with staff dialog helps the company identify any risks at any 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 units are members of various associations with a focus on materials (e.g. European Aluminum Association (EAA) and European Coil Coating Association (ECCA), aluminum, environmentally

friendly recycling, window and façade construction (AUF and European Industry Chemical Council (AIMA)), construction (e.g. German Institute of Sustainable Building (DGNB) and Institute of Construction and Sustainability (IBU)), and the economy (e.g. SwissCham: Ecuador-Switzerland Chamber of Commerce and, Greensboro Chamber of Commerce). The focus of the memberships is on networking with other players in the industry and accessing information relevant to business development.

MATERIALITY MATRIX



Economic principles

A BASIS OF PROFITABLE GROWTH

The strategy of Schweiter Technologies is geared toward profitable growth with attractive cash generation.

Lasting and reliable partnerships with customers form the basis of Schweiter Technologies' business success. Innovative, environmentally friendly products, strong brands, and production sites in close proximity to the main sales markets increase the company's competitiveness and make an important contribution to the success of Schweiter Technologies' customers. The company has a high equity ratio. As a global industrial company, Schweiter Technologies targets continued growth, with its sights set on EBITDA margins in double figures.

New trends call for new developments

Profitable growth requires that a close watch is kept on trends in market development and the competitive field and planning is adjusted accordingly. This is the context in which Schweiter Technologies devised its "Vision 2029" strategy. This strategy focuses on attractive markets, innovative products, operational highly attractive employers, and was specified for each individual business segment.

Countering rising costs with optimizations

The global situation means that Schweiter Technologies must also meet the challenge of securing a reliable long-term supply chain. The cost of materials is very volatile and the state of the energy market remains tense. In all its business segments, Schweiter Technologies confronts these challenges through great agility. This involves an increased level of interchange between sales, production, and purchasing as well as price adjustments as the situation requires.

MARKET LEADERSHIP

The individual business units of Schweiter Technologies are global market leaders in their customer segments – or at least have the potential to become global market leaders. Schweiter Technologies aims to expand its market position with innovative products.

Schweiter Technologies' business segments have specialized in applications that replace traditional materials with innovative composites. The company responds to the needs of the end customer and offers an extensive package of services. Schweiter Technologies optimizes processes in order to become market leader in its own business segments. Innovative materials and composites are offered worldwide and adapted to the needs of the various markets. Products are either sold directly to customers or through distribution partners. Established brands and a uniquely broad product range ensure that Schweiter Technologies has access to the leading distribution channels.

The Group uses synergies to cut costs

In addition to the high degree of specialization, another advantage is that Schweiter Technologies is able to exploit synergies across its segments, with regard to raw materials or manufacturing processes for instance. This generates cost benefits over competitors with smaller product ranges. To achieve strategic added value, Schweiter Technologies is committed to an approach of forward or backward integration as appropriate. For example, the value chain for wind turbine blades in the Core Materials segment was enhanced through the full takeover and financial consolidation of a company that manufactures wind turbine blades. The newly integrated business unit takes the core material and makes blades. This further increases customer proximity. Schweiter Technologies offers selected function-integrated

systems and complete components made from composite materials. One example is the control over the complete balsa wood value chain from seedling to saleable semi-finished product.

Innovation strengthens market position

3A Europe is working on innovations to consolidate the segment's unique selling propositions and differentiate itself from the competition. For example, the Europe Display segment developed CRYLON®re: extruded acrylic sheets manufactured from at least 95% recyclable waste from PMMA sheet production. CRYLON®re has the same outstanding characteristics as traditionally manufactured extruded acrylics: brilliant clarity and very good optical properties, excellent color reproduction, very good resistance to weather and ageing, and ease of processing. CRYLON®re is the sustainable solution for a large number of applications for indoor and outdoor use. The sheets are suitable for use in high-quality POS/POP displays, trade fair construction, and shop windows and counters, for example.

The 3A Composites business division counters competitive pressure with a series of product development projects aimed at further expanding its position as a leader in quality and innovation. 3A Composites also pursues this objective in organizational terms: From January 2024, its business will be divided into three agile, focused and lean components. This will bring about even greater customer focus and opportunities for profitable growth.

LEADERS IN INNOVATION

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

Innovation is the basis of the development of sustainable products and also incorporates the aim of reducing environmental impact. Schweiter Technologies can look back on a successful history as an innovation leader in improving resource efficiency. The products of the AIREX®, BALTEK®, ALUCOBOND®, DIBOND®, FOREX®, SMART-X®, and KAPA® lines are essentially 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 research and development departments at Schweiter Technologies work continuously to improve technologies. Innovation is the key to opening new markets. Innovations reinforce market differentiation.

New developments for enhanced efficiency

By reducing work steps, 3A Mobility aims to be more productive and achieve greater efficiency in the use of materials with new technologies such as Cut'n'Fold. 3A Mobility is involved in international projects in lightweight construction research and technology. One focus of its research is weight-saving composite patches for vehicle bodies. The latest products from 3A Mobility include cost-efficient underfloor heating systems for rail passenger vehicles.

3A Composites in Germany was the first manufacturer of aluminum composite sheets to set up a recycling system to take back its aluminum composites. The company returns the used aluminum to a closed recycling loop. At the same time, 3A Composites launched several new product innovations, including PVC-free foams and extruded acrylic sheet made from 100% recycled PMMA waste.

PRODUCTS WITH A SUSTAINABLE EFFECT

Schweiter Technologies aims to reduce its ecological footprint. The selection of materials is a key factor in this: Schweiter Technologies considers it particularly important for products to contain a high proportion of re-used material and make use of natural renewable raw materials. At the same time, products are becoming lighter with less use of resources and new components – which is also in the interests of the customer as lower weight generally means lower energy consumption.

Expanding the range of sustainable products is playing a significant part in reducing the Group's ecological footprint. As Schweiter Technologies processes large quantities of aluminum and plastic, the optimized use of materials is a key area of development.

Increasingly, customers are asking for information on sustainability issues connected with products and processes. They are interested in the ecological footprint and the amount of recycled materials contained in the products, for example. To obtain comparable and standardized data records, individual segments have purchased LCA software licenses and are working with external experts on life cycle analyses. These will be used in part 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.

Core materials are of key importance to Schweiter Technologies. One unique selling point of the company is its replacement of heavy, non-sustainable materials with lightweight, more environmentally friendly solutions. Schweiter Technologies can supply the wind power industry with lightweight core material solutions made from balsa or PET, for example, and cut fuel consumption in the air, rail and marine transport sectors through weight reduction.

In the Display segment, products are assessed against five different sustainability categories under the FIVE-DOT-MISSION scheme, and given a points score. The categories relate

to the amount of natural and recycled materials used, the weight of CO₂ embedded in the product, and its life cycle and recyclability. The rating gives customers the transparency they want regarding the degree of sustainability of a solution.

Rethinking materials creates opportunities

By developing plastic products from recycled materials, Schweiter Technologies can reduce the CO₂ footprint of specific products. Schweiter Technologies has also invested in expanding its portfolio of paper-based products in order to affirm its leading position in the European display market with a broad range of sustainable products. In the Core Materials segment, a greater focus is being placed on balsa wood and PET. In support of this, Schweiter Technologies has applied as part of a consortium for EU funding for bio-materials and is currently working with start-ups, colleges, and specialist companies to improve the ecological footprint of materials.

Tasks and challenges

Despite highly promising sustainable product developments, Schweiter Technologies faces further challenging tasks in this area and must deal with risk. The frequently used sandwich constructions are difficult to recycle as the materials need to be separated from each other according to type prior to recycling.

Certain materials – such as PVC – have been banned in the meantime. 3A Mobility has already found alternatives for most of the critical materials. For example, isocyanate hardeners in adhesives are being replaced by less harmful substances. Solvent-based coatings have been superseded by water-based alternatives, the foams used are halogen-free, and aluminum semi-finished products have a high content of recycled material.

Product optimization

The research and development departments are designing product solutions with a reduced footprint. For some products, an ecological balance sheet is created. In Europe, the 3A Transport & Industry and 3A Mobility business areas are 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 environmentally friendly core materials such as CFC-free foams, recycled PET, and natural fillers are prioritized. 3A Core Materials is testing more organic materials, such as natural fibers and wood, with a view to their potential for inclusion in the product portfolio.

Customers and suppliers as partners in sustainability

In view of the impact of raw materials on the ecological footprint of its products, Schweiter Technologies works closely with suppliers. In the Core Materials segment, collaboration with customers is especially important because they are increasingly demanding recyclable materials. The company is also working with customers on projects to promote the collection of residual materials and waste in order to support the circular economy. In addition, materials declaration is an increasingly important topic.

New processes and products during the reporting year

The development and market launch of the new CRYLUX®re, PERSPEX®re, and CRYLON®re acrylic sheets with a high proportion of recycled material are evidence of the efforts of the Europe Display segment to reduce the impact of its product portfolio on the environment and climate.

3A Mobility developed a floor panel containing, beside PET, an organically-based environmentally friendly core material. Initial trials have been conducted using structural adhesive systems without harmful elements. In the Core Materials segment, environmental product declarations were prepared for AIREX® PET and BALTEK® balsa wood during the reporting year.

PRODUCT QUALITY AND COMPLIANCE

At Schweiter Technologies, everything revolves around product quality. The company's reputation rests on its standards of quality. The high caliber of the products brings customers on board and helps Schweiter Technologies tap into new markets. Not least, compliance with standards ensures procedures run smoothly.

High quality and compliance with contractual requirements must be maintained consistently, otherwise the reputation of the company and its brand value could be put at risk.

Only materials and components that satisfy high standards may be used for Schweiter Technologies products. The quality and sustainability of the products form the basis for market success and differentiate them from cheaper products from low-price countries. High-quality products are safer and more sustainable products.

Regional requirements

One very relevant issue for Schweiter Technologies is fire safety regarding façade materials, where the regulations are being tightened all the time. There is no one set of rules, however, as each country formulates its own requirements. The aim at Schweiter Technologies is naturally for a façade product such as ALUCOBOND® to satisfy the regulations in all countries. Schweiter Technologies has therefore adjusted the composition of the core material to meet the Malaysian requirements and developed a new product with a corrugated aluminum core to take account of changes introduced in Korea.

Quality means competitive advantage

Schweiter Technologies sees first-class product quality as an opportunity to differentiate itself from the competition and further enhance the company's good reputation and brand value. A consistently high level of quality consolidates long-standing relationships with customers. Reliable quality is one of the most important criteria in calls for tender.

Schweiter Technologies' products meet all the requirements of the large number of countries where its solutions are distributed. Products containing raw materials from which a health and safety risk could originate are clearly labeled according to law. Processing guidelines provide information on safe manufacturing and handling.

Schweiter Technologies focuses on the prevention of quality issues through systematic quality controls and assessments. Every complaint is taken very seriously, the cause of the problem identified, and the appropriate lessons learned for the future.

Production locations assume responsibility

The responsibility for maintaining quality standards and norms lies with the individual production locations. Material certifications are a key element of this. The product management team and local research and development departments ensure that the respective standardization processes are complied with.

A large majority of Schweiter Technologies production locations implement ISO 9001, ISO 14001, and OHS 18000 (see table, page 41). Technical data sheets record all aspects of product quality along with the testing standards. The locations in Europe are also certified to various ISO standards. Any deviations in product quality are systematically investigated, documented, and rectified.

Quality is documented

Quality measurements are recorded. Complaints about quality are documented and analyzed, and appropriate measures are determined and applied. If changes are made to a product, testing is repeated over the short and long term to confirm the product conforms to requirements and quality standards and any risks are eliminated.

The 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. Quality defects are analyzed to enable the necessary countermeasures to be put in place. The low number of complaints is an indication of the high standard of quality maintained in Asia and America as well as in Europe.

There were no infringements relating to the effects of products and services on health and safety during the reporting year.

CUSTOMER RELATIONS

Sustainability can only be achieved in concert with customers. They must be prepared to invest in sustainable products and progressive solutions. Schweiter Technologies relies on information and communications to convince customers of the merits of new sustainable developments. In the best-case scenario, Schweiter Technologies and customers work together on environmentally friendly projects.

In manufacturing and supplying sustainable products and solutions, Schweiter Technologies is committed to being a partner customers can rely on for support on their journey to sustainability. Contacts are maintained with the various project teams in many areas of the customers' companies, from engineering, purchasing, and quality assurance through to customer services and the users.

Sustainability along the value chain

Schweiter Technologies uses recycling agreements and provides customers with product declarations and information on the traceability of materials. This allows purchasers to demonstrate the origins of the materials and the compliance with regulations. The use of harmful chemicals in products is being reduced or completely eliminated. The long life of the products of 3A Composites is also key to sustainability. For example, not

only are ALUCOBOND® aluminum façades 100% recyclable with the aluminum able to be returned to the aluminum cycle, but they are often in use for 40 years and during this long period they help to save energy and reduce CO₂ emissions with their highly effective insulating properties and low maintenance and service costs.

Growing with customers

Successfully helping customers to achieve their sustainability targets creates good opportunities to build long-term relationships. The key is to develop products that meet customer needs and are accepted by the market. Good customer relations generate opportunities to grow together. These include the joint development of new products and tapping into new markets together, as well as providing additional services such as repairs, renovations, and recycling.

Monitoring to identify risk

Schweiter Technologies has to deal with risks such as changes to technical standards or regulations on materials. In most cases, the business segments or locations do this directly. Risks such as bans on materials, which can threaten the sales of entire product categories, are as-

sessed on a Group-wide basis. At the same time, Schweiter Technologies works to minimize these risks by seeking possible alternatives at an early stage.

Interaction with customers is clearly defined

The main responsibility for customer relations lies with the CEO. The sales and marketing organizations of the 3A Composites business areas are directly responsible for customer contacts. Regular team meetings take place at all levels, including senior management, at which customer relations are discussed. Every employee is required to work with a focus on the customer. The Group Code of Conduct contains requirements for dealing with customers. The Customer Relationship Management (CRM) guidelines support customer management and enable customers' sustainability requirements and the sale of sustainable products to be monitored.

Customer feedback

The sales and marketing teams evaluate market requirements and the interest in sustainable products. Sales figures provide information on the level of demand for products. The business segments maintain a dialog with customers and evaluate their feedback on products. Customer surveys are conducted locally. Key indicators for measuring customer satisfaction include customer retention when the market shifts and sales figures for products with a higher recycling ratio.

Environmental protection and resource efficiency

RESOURCE-EFFICIENT PRODUCTION AND USE OF MATERIALS

Economical production processes and recycling form the basis of material efficiency. Schweiter Technologies is highly committed to reducing the consumption of materials while producing products of the highest quality. This is not only good for the environment and for customers, but also significantly reduces expenditure.

The responsible use of resources, raw materials, and energy is a decisive factor in achieving sustainability targets at Schweiter Technologies. The company uses raw materials (aluminum, plastic, and paper-based raw materials) carefully and applies itself increasingly to the development of innovative products with a high recycling ratio and the use of bio-based products. All business segments are improving material efficiency in the cutting process, size optimization, and the selection of source materials with a high recycling ratio. For example, most offcuts are now returned to the production process. Within the business segments, short distances ensure lower energy consumption.

Efficiency pays off

Because resource efficiency is also associated with cost efficiency, it is a subject that has already attracted a great deal of attention. Reducing the consumption of materials can cut production costs considerably. Material and energy costs fall, and increasing efficiency in the manufacturing process reduces expenditure and improves profitability. The comprehensive utilization of materials also results in lower costs for waste disposal. To protect the environment,

3A Mobility has adopted an isocyanate recycling scheme with its polyurethane adhesive suppliers. In Poland, 3A Mobility is introducing closed molding processes and water-based coating systems.

Process optimization to conserve resources

Resource efficiency is essential to the manufacture of a quality product. The challenge is to manage with lower input of raw materials without compromising the performance of the product. Schweiter Technologies consistently optimizes its manufacturing processes to reduce waste and reuse residual materials. In this context, the business segments set targets for each production site and each product. These are checked regularly.

Each location monitors the quantity of waste and the cost of processing or disposing of the waste. All European production sites measure and monitor their use of materials, process efficiency, and specific rates of waste on a monthly basis. Initiatives to improve waste reduction and the reuse of materials are in place at the production sites. The Core Materials segment combines resource and energy efficiency, for example by using waste sawdust as a biomass for heat generation.

In the Core Materials segment, research and development teams are working continuously to optimize combinations of quality and properties to make PET and balsa wood products even more lightweight and sustainable. The 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.

Waste

Used materials are returned to the production process as this also leads to cost savings. Some waste is delivered to recycling centers; the minimum amount possible is sent to landfill or waste treatment plants.

In the 3A Mobility segment, metals are recycled and mixed waste is incinerated. The plant in Poland sends hazardous waste, for example resins, for incineration.

Balsa wood production in the Core Materials segment generates organic biomass which is composted in the field. Sawdust arising during the processing of the wood is used as a biofuel. Foam parts are recycled internally; PET is upcycled into new products.

To collect data on waste, an annual report is produced containing figures on the different waste categories. Packaging material is recycled where possible and single-use materials reduced to a minimum.

Measuring and recording impact

Material consumption is managed at the individual locations in line with the requirements of ISO 14001. Schweiter Technologies plans to certify all 13 locations in Europe to ISO 14001 in the near future. By comparing performance against production targets, progress can be accurately monitored. The results and key performance indicators (KPIs) are reported and checked on a monthly basis.

Most Schweiter Technologies plants use enterprise resource planning systems to track KPIs.

These include:

- production yield
- ground material rates
- volume and value of material sent to recycling centers
- volume and value of material sent to landfill
- energy use
- water consumption

Many production sites measure the most important KPIs for scrap rates and overall equipment effectiveness on a monthly basis.

Balancing act between price increases and requirements

In the year under review, rising energy prices and the volatile cost of materials had a negative impact on profitability, even in the short term. To remain competitive, Schweiter Technologies increased its agility in the supply chain in Europe, and expanded its global network of suppliers and used it selectively.

In Europe, several new production lines with greater process and energy efficiency levels were introduced in 2022 and 2023. The 3A Composites segment relies on local procurement and, where possible, environmentally friendly coatings free from volatile organic compounds.

Further energy savings reductions in waste are planned, and the use of recycled materials is due to increase. The amount of internal recycling will also be maximized.

Key figures: waste management¹

| | 2023 ² | 2022 |
|---------------------------|-------------------|---------------|
| Waste (total) in t | 18 678 | 19 089 |
| Commercial waste | 17 718 | 18 375 |
| Incineration ³ | 2 359 | 2 917 |
| Landfill ⁴ | 8 695 | 9 351 |
| Recycling | 6 663 | 6 108 |
| Hazardous waste | 809 | 659 |
| Incineration | 482 | 439 |
| Landfill | 22 | 23 |
| Recycling | 306 | 198 |

Basis for data and calculations

¹ Figures for commercial and hazardous waste include all manufacturing companies within Schweiter Technologies AG. Distribution companies and the headquarters in Steinhausen are excluded.

² For the 2023 business year, figures for waste were collected for the first three quarters and a projection calculated for the full year.

³ At the Kokopo and Plantabal sites, there was additional organic production waste amounting to 31 020 t (2022) and 25 590 t (2023) which was disposed of by incineration.

⁴ At the Kokopo and Plantabal sites, there was additional organic production waste amounting to 11 529 t (2022) and 28 760 t (2023) which was disposed of in landfill.

ENERGY AND GREENHOUSE GAS EMISSIONS

Schweiter Technologies is increasing its use of renewable energy. Many locations, including all those in Switzerland, already use 100% electricity from renewable sources. Photovoltaics help make suitable locations more independent of external supplies of energy. Many sites are also working to improve energy efficiency. Following the considerable increases in energy prices in Europe, a task force was formed which has systematically identified and realized energy saving opportunities.

3A Mobility develops lightweight solutions for the transport sector. The production of composites requires natural gas for the coating process. The processes used by 3A Core Materials require a great deal of energy to heat materials and for extrusion. Natural gas and electricity are used in the main. The manufacture of foams requires propellants, which can escape in the form of the emission of volatile organic compounds (VOCs).

Use of natural gas as a challenge

Schweiter Technologies cannot depend on the reliable availability of energy at all of its locations, and often there are no suitable alternatives to fossil-based energy sources. As a result, some Core Materials products can only be manufactured at a reasonable cost if the required heat is produced through using natural gas. At present, it is not possible to avoid the use of gas in many processes. The dependency on natural gas poses a risk to Schweiter Technologies and complicates the commitment to climate protection. Associated with this are the financial risks attached to the rising CO₂ price.

Focus on more renewable electricity

The transition to renewable electricity brings opportunities. Schweiter Technologies is generating increasing amounts of clean energy for its own use from photovoltaic systems. This also makes Schweiter Technologies less dependent on fluctuating energy prices. 100% of the electricity required for production in Switzerland comes from hydropower. Certain other locations also use renewable electricity. At others, the move to clean electricity is underway.

The production sites in Europe measure their energy consumption every month and report on it. Targets and plans for reducing energy consumption are set out and progress regularly checked. 3A Composites uses renewable sources such as solar energy and wind power where possible, optimizes processes, and monitors consumption

to reduce emissions. Delivery routes are continuously optimized. For example, where possible, aluminum is not obtained in the Far East but from nearby sources. The business segment uses its own energy and consumption management guidelines. These include reducing and recycling packaging materials.

Key figures: energy and emissions¹

| | 2023 ² | 2022 |
|--------------------------------------------------------------------------|-------------------|----------------|
| ENERGY | | |
| Energy consumption (total) in MWh | 333 769 | 343 066 |
| Of which renewable | 58 924 | 70 109 |
| Electricity | 158 436 | 163 068 |
| Total renewable electricity ³ | 57 447 | 68 897 |
| Heating | 162 524 | 167 688 |
| Natural gas | 150 813 | 154 126 |
| Heating oil ³ | 311 | 1 361 |
| District heating ⁴ | 11 399 | 12 202 |
| Fuels | 12 810 | 12 310 |
| Diesel | 7 468 | 8 757 |
| Petrol and LPG | 5 342 | 3 553 |
| Greenhouse gas emissions (total) in t CO₂e⁵ | 93 030 | 92 420 |
| Scope 1 | 33 785 | 34 600 |
| Natural gas | 30 569 | 31 178 |
| Heating oil | 79 | 348 |
| Diesel | 1 895 | 2 241 |
| Petrol and LPG | 1 242 | 832 |
| Scope 2 | 59 245 | 57 821 |
| Electricity ⁶ | 56 690 | 55 248 |
| District heating ⁴ | 2 555 | 2 573 |

Basis for data and calculations

- ¹ The environment figures cover all manufacturing companies in the Schweiter Technologies Group. Distribution companies and the headquarters in Steinhausen are not included because of their relatively low environmental impact. The JMB Wind Engineering sites are not included.
- ² For the 2023 business year, figures for consumption were collected for the first three quarters and a projection calculated for the full year.
- ³ The reduction in the proportion of renewable electricity in the total figure of consumption results from the decrease in electricity use at sites that primarily purchase renewable electricity and the increase at sites with a lower ratio of renewable electricity use. Added to this is the fact that renewable electricity could only be acquired from the supplier for half of the year at Plantabäl.
- ⁴ Existing reserves of heating oil for emergency power generators were used up in 2022 following the closure of a plant (Orchard Mill).
- ⁵ Improvements to the data basis means that additional energy consumption at the Singen and Changzhou sites was included in the calculations for 2022 and 2023 compared with 2021.
- ⁶ 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.
- ⁷ 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. This represents a change to the method of calculation, so the values are not comparable with those of previous years.

Successes with climate protection during the reporting year

Schweiter Technologies is committed to continually improving its energy consumption and energy mix. A 10 kW solar project was initiated at the Ecuador location, and all sites in the USA have charging stations for electric vehicles. In the year under review, 3A Mobility installed a local solar power system and is testing improvements to the use of energy in the company infrastructure. 3A Mobility also transitioned to LED lighting. In Europe, the expansion of renewable energy and independence from external energy sources was given high priority. The production site at Montcada in Spain acquired a solar park capable of meeting a quarter of the plant's electricity needs. A gas-powered steam boiler was installed at the Singen location, making the site less dependent on the supply of steam from the local coal-fired power station.

Ongoing development

Schweiter Technologies is striving to reduce its CO₂ footprint. The Sustainability Board works with the business segments to coordinate and manage the initiatives that have been defined and prioritized.

ENVIRONMENTAL COMPLIANCE AND MANAGEMENT SYSTEM

Environmental management systems help Schweiter Technologies to record its processes systematically, extract data, and optimize production. Compliance with environmental guidelines and laws is key to guaranteeing the highest levels of product quality and safety for our customers.

The majority of plants are certified in accordance with current management systems. These include ISO 14001, ISO 45001, and ISO 50001. 3A Mobility operates to the IRIS/ISO/TS 22163 industry standards. The use of management systems also helps inform the creation of processes that are of high quality and standardized. Increasingly, this is also what customers are asking for. Management systems help the company to identify any deviations or risks at an early stage and adopt the necessary measures.

Management systems and certification as a requirement

In the mobility sector, standards are an essential prerequisite for the supply of products. The international railway industry standards (IRIS/ISO TS 22163) have a key role in the European passenger transport sector. In 2010, Core Materials was the first company in the world to be certified by the Forest Stewardship Council (FSC). The balsa wood plantations in Ecuador and Papua New Guinea have been re-certified on a regular basis since then. Management systems also help the company to comply with legal requirements and make it easier to guarantee that stakeholders have access to the necessary documents. The production locations each have their own envi-

ronment managers. External audits take place to ensure standards are complied with. All locations in Europe will have ISO 14001 certification in the near future.

Schweiter Technologies aims to achieve continual improvement in areas such as environmental impact, energy consumption, waste management, production, productivity, operating costs, and customer image. In the Core Materials segment, the environment program is managed primarily by staff at the local production sites.

Legal requirements

For Schweiter Technologies, the European REACH regulation (Registration, Evaluation, Authorization and Restriction of Chemicals) is of particular relevance to product manufacture. As sophisticated chemicals are used in some manufacturing processes, compliance with REACH is essential to eliminate any risk for customers. The company only produces substrates from raw materials that are not hazardous to people or the environment.

Quality certifications

| Type of certification | Number of sites ¹ |
|--------------------------------------------------------------------------------------------------------|------------------------------|
| FSC Forest Management (FSC-C019065), FSC Forest Management (FSC-C125018), FSC-STD-40-004 (version 3.0) | 4 |
| DIN EN ISO 9001 – Quality management | 27 |
| DIN EN ISO 14001 – Environmental management | 18 |
| DIN EN ISO 45001 – Occupational health and safety | 16 |
| DIN EN ISO 50001 – Energy management | 4 |
| ISO TS 16949 – Automotive quality management | 1 |
| IRIS ISO/TS 22163 – Quality management for railway applications | 2 |

¹ Some sites are certified to several standards. The increase compared with the previous year is attributable to the acquisition of JMB Wind Engineering and its sites.

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 companies 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. The target is a safe working environment with a zero-accident policy and the lowest possible rates of absences. The company's promotion of occupational health and safety focuses on employees working in raw materials production and the processing plants who may have to deal with challenging materials and operate plant machinery. The aim is to identify and contain risks relating to equipment, machinery, and the storage of potentially hazardous substances such as highly flammable petroleum products. Inappropriate behavior and negligence when handling hazardous substances and operating machinery may lead to dangerous situations.

Location-specific safety management

Schweiter Technologies has developed guidelines, protocols, procedures, and programs designed to increase awareness of the company's mission and objectives, minimize accidents, and raise employee awareness of health and safety issues at work, at home, and during leisure time.

The company has clear rules on health and safety in the workplace. The site manager is responsible for safety at each site. The programs for compliance with safety regulations are led,

coordinated, and checked by an EHS manager at the individual production site. The company has procedures for hazard detection and risk assessment. All employees at the sites must participate in the assessment of risk. Employees at all levels of the company are responsible for preventing accidents and harm to health within their areas of responsibility. Regular monitoring is conducted to ensure that the rules on occupational health and safety are being applied. This is particularly important in Papua New Guinea and Ecuador, where the company manages plantations and comprehensive safety guidelines are in place for the employees working on the plantations.

Some sites have an occupational safety management system certified to ISO 45001 (see table of certifications in the section "Environmental compliance and management system"). The Statesville production site in the Display segment was rated as a leader in safety by the North Carolina Department of Labor and received a "Gold Award".

Comprehensive training

Information about and active participation in safety training are important for giving prominence in the company to the topic of health and safety. Schweiter Technologies therefore organizes safety courses for all employees and prioritizes the transparent dissemination of up-to-date information on occupational health and safety. Employees take part in meetings of the safety committee every quarter. They also play an active part in National Safety Week. Clear information is given about accidents to raise awareness among employees and so that lessons can be learned across the locations.

Safety training for new employees is mandatory and forms a part of the specified induction program. The safety training provided by Schweiter Technologies covers a wide range of topics. They include courses on the disposal of

hazardous waste, leaks, fire prevention, handling dangerous chemicals, safe operation of specialist equipment, and safety risks in the workplace. Managers also receive targeted information on the topic of safety.

Occupational health services

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 segment and location and may, for example, include health check-ups at the workplace, free inoculations, health advice, financial incentives for sporting activities, financial support with private medical care or access to company doctors or telemedicine services.

Checks and audits

Regular checks and audits are essential for occupational safety. The sites of the business segments are assessed with regard to occupational health and safety against performance indicators. These include accident figures (recordable case rate; RCR), absence rates (lost time injury and illness rate; LTI-IR), near misses, the number of safety courses, and the number of safety risks eliminated. The reports, including cause analysis and preventive measures, are forwarded to the other locations in order to prevent similar incidents from occurring elsewhere. In addition to this, an annual EHS management inspection takes place at the production sites.

Improvements to practice and more prevention

To improve the safety of the working environment, Schweiter Technologies produced an occupational safety policy in 2023, with the following objectives:

- Reinforce occupational safety management through stricter compliance with occupational safety requirements and promotion of safety awareness
- Prevent injuries and occupational illness through the conducting of regular occupational health examinations and access to health promotion measures and the provision of protective equipment
- Optimize the working environment: clear regulation of intensity and hours of work and focus on a healthy working environment through emissions reduction in production processes
- Improve response capability through an emergency response plan and systematic prevention
- Provide information through awareness training and communications via various channels

Key figures: occupational safety¹

| | 2023 ² | 2022 |
|---------------------------------------------------------------------------------------|-------------------|---------|
| Number of employees covered by a management system for occupational safety and health | 3 976 | 4 082 |
| Number of occupational accidents ³ | 24 | 39 |
| Absences due to occupational accidents (days) | 601.0 | 1 280.6 |

Basis for data and calculations

¹ The figures for occupational safety include employees at all manufacturing companies within Schweiter Technologies AG. Distribution companies and the headquarters in Steinhausen are excluded. The JMB Wind Engineering sites are not included.

² For the 2023 business year, figures were collected for the first three quarters.

³ Only occupational accidents resulting in at least one full day's absence were taken into account.

ATTRACTIVE EMPLOYER

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

Well trained and motivated employees form the foundation for a profitable, innovative and sustainable company. Schweiter Technologies strives to be a strong employer brand whose image and products employees can identify with. This sense of belonging has a positive effect on employee motivation. One important basis for this is the Code of Conduct, which ensures that all employees are treated respectfully and fairly and behave accordingly. Because of the physical nature of the work, the company employs around three times as many men as women.

Human Resources bears responsibility

At Schweiter Technologies, the Human Resources department is responsible, together with management staff, for establishing and maintaining the company's position as an attractive employer. Global guidelines enable the Chief Human Resources Officer (CHRO) to support the recruitment, training and professional development, and remuneration of staff, including social benefits. The CHRO works with the individual sites, helping them to complete projects for employees on a local basis.

Creating attractive conditions

Schweiter Technologies uses its career website, social media presence, and job fairs to recruit new specialists and young talent.

One of the fundamental principles of Schweiter Technologies is that employees of all levels and at all locations should be paid fairly and in line with the market. The good image of the company is further reinforced through established brands or locations named after the product manufactured there (AIREX® in Switzerland, ALUCOBOND® in China, and Plantabal in Ecuador).

Figures for employees, trainees, and fixed-term contracts

| | 2023 ² | | 2022 | |
|-------------------------------------------|-------------------|--------------|----------------|--------------|
| | Salaried staff | Waged staff | Salaried staff | Waged staff |
| Number of employees¹ | 1 171 | 3 017 | 1 157 | 3 139 |
| Male | 745 | 2 761 | 711 | 2 906 |
| Female | 426 | 256 | 446 | 233 |
| New appointments (total) | 173 | 315 | 101 | 252 |
| Internal | 37 | 56 | 26 | 36 |
| External | 136 | 259 | 75 | 216 |
| Departures (total)² | 159 | 437 | 133 | 406 |
| Staff turnover (total)³ | 8.5% | 5.5% | 6.5% | 6.7% |
| Average age | 43.3 | 40.3 | 43.8 | 40.3 |
| Average length of service | 10.6 | 9.3 | 10.9 | 8.7 |

¹ Employees, not FTE – part-time employees are counted in full.

² All employees leaving the Group including retirements, resignations, and dismissals, excluding resignations.

³ Turnover defined as "unwanted fluctuation" i.e. excluding resignations.

To recruit new professionals and retain employees, Schweiter Technologies has put together a bundle of measures: Trainees should be taken on where possible. The corporate culture of Schweiter Technologies should be communicated to applicants and employees more effectively to bolster a sense of identification with the company. An optimized appraisal process and transparent and structured succession planning should be used to give talented staff the opportunity to progress their careers more effectively. Working hours should be even more flexible.

Promotion of initial training and continued 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.

Leadership training is also a priority. In 2023, a six-month online coaching course for shift managers was offered selectively in Europe and America to provide individual support and further development in the leadership role.

In addition, two leadership courses were held in Papua New Guinea (PNG) in collaboration with the PNG Tribal Foundation and the PNG government. These courses were designed to prepare local employees for management roles, to inspire and enable them, and to have a positive effect on the company organization and the community. The Senisim PNG scheme promotes the establishment of management groups who share their knowledge with new participants after a set period of time, passing on leadership training across the country and giving the people of PNG access to management courses.

Opinions and data as the basis for information

To meet recruitment and retention targets, figures are monitored by the HR department. For example, staff turnover is monitored on a quarterly basis at all locations and compared with the figures for the market concerned. Other useful data and information for understanding the success of measures taken are the response to social media campaigns, the number of applicants, participation in training, qualification results, and staff feedback via annual employee orientation interviews with line managers, career development, return-to-work and exit interviews, and staff satisfaction surveys. Around one-third of the workforce had the opportunity to complete an online staff satisfaction survey in 2023. As in the previous year, the results show that employees rate the areas "Focus on achieving targets" and "Strategy, vision, and culture" as good, with "Relationships with colleagues" also being good. With a completion rate of 78% and a positive net promoter score for the company, the results were used as the basis for forming active working groups to engage with employees about opportunities for improvement and for taking steps to optimize areas such as "Workplace and tools" and "Feedback and communications".

HUMAN RIGHTS STANDARDS

Schweiter Technologies recognizes the rights and dignity of all workers in the conduct of business throughout the world and in all segments. It expects the same commitment from its business partners.

Schweiter Technologies ensures compliance with human rights at its own plants and is committed to maintaining compliance in the upstream value chain (see the section “Responsible supply chain management”). This commitment is supported by the Code of Conduct, updated in 2023: “We treat all people equally and with dignity. We respect, protect, and promote human rights without differentiation on the grounds of race, color, gender, language or religion.”

Local approaches to safeguarding human rights at the company's plants

Schweiter Technologies has approximately 4 600 employees at around 30 locations worldwide. Some of these locations are 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. Supplementing the Code of Conduct and locally applicable legislation, there are guidelines and handbooks as well as specific regulations at each location, available in the language of the country or in another comprehensible form. For example, Papua New Guinea and Ecuador, where the company operates plantations, both have a number of rules and control mechanisms for the prevention of child labor and slavery and to ensure fair pay and the freedom of association.

Regular audits and checks

Internal measures taken to safeguard the dignity and rights of employees are upheld at Schweiter Technologies through regular checks. In Papua New Guinea and Ecuador, these also take place within the framework of FSC and ISO certification and monitoring by auditors. Business segment managers also conduct regular site visits to check for misconduct.

No confirmed cases of discrimination or human rights violations were reported during the year under review.

SUSTAINABLE LOCAL COMMUNITIES

Schweiter Technologies operates around 30 locations worldwide. All have a relationship with their local environment – partner companies, local authorities, residents, employees, and their personal situations. The company cultivates these relationships – in line with particular local circumstances – with the aim of generating added value for the company and its local setting.

The production locations in particular have an impact on the communities nearby. Many of the effects improve the quality of life locally, especially the creation of value, jobs, and training opportunities. In addition, Schweiter Technologies invests in infrastructure, extending transport routes and improving access to electricity and water, particularly in the vicinity of the larger production plants. The company also supports areas outside its core business interests and activities. However, disadvantages for local communities near the production sites may also arise, for example in the form of emissions, noise or waste water.

A fundamental element of respectful behavior towards the local communities is the commitment upheld in the Code of Conduct currently applicable throughout the Group to prevent negative impacts or otherwise minimize, mitigate or reme-

diate them. This is supplemented by measures taken at the individual locations. Plant managers and local human resources departments are in contact with communities and responsible for training and hiring local workers. A policy of local procurement supports contacts with suppliers in the area and helps them to operate sustainably. These positive local relationships can make a contribution to the stability of the company. They form the basis for the development of the sites and innovations – importantly, together with and to the benefit of local communities. Furthermore, access to local resources and markets can also bring benefits. A good reputation in the locality will reinforce employer attractiveness and the good name of the company among customers.

Strengthening bonds with local partners

An important element of the local commitment made by Schweiter Technologies companies is the support for social products and organizations in the area. Social initiatives and programs that benefit the people on the ground are essential for maintaining good relationships with local communities. Schweiter Technologies provides direct support to the communities at its locations through social initiatives:

- In Europe, the 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.
- The sites in Benton and Statesville in the USA donate funds to help support local schools. Both sites also actively contribute to the provision of food for homeless shelters.

Governance

GOVERNANCE

The success of the company stands or falls by its fair and ethical business conduct. Schweiter Technologies therefore attaches great importance to effective and transparent corporate governance. In the year under review, responsibilities were redefined and the Code of Conduct revised.

One of the basic prerequisites for sustainable governance at Schweiter Technologies is its ethical conduct with regard to people and the natural environment and compliance with legal requirements.

Good corporate governance makes Schweiter Technologies a reliable partner. For customers, it is essential that Schweiter Technologies complies with international guidelines and standards, as also set out in the Schweiter Technologies Code of Conduct. By applying good corporate governance, Schweiter Technologies strengthens its brand, is seen as an attractive employer, and acquires orders and customers.

Rules apply internally and externally

The Sustainability Board is responsible for corporate governance within the Group and manages the principles of application and monitoring; the CEOs of the business segments ensure, with guidance from the legal department, that laws are complied with and suggest courses of action in the event of infringements.

The Group-wide Code of Conduct is not only applicable within the company to the Board of Directors, Group management, and employees, it also covers Schweiter Technologies' suppliers and business partners and all its subsidiaries.

The Code of Conduct is made accessible to all Schweiter Technologies Group employees in the languages of their countries and they must confirm that they have received and understood the rules and comply with them. The CEOs of the business segments are responsible for ensuring compliance with corporate governance in their segments; they must confirm that good business practices are being followed.

At Schweiter Technologies, all commitments must be signed by at least two responsible persons as a rule. Employees are given awareness training on corporate governance and legal conformity. Some courses on fair and legal business practice are mandatory. They are provided either by the company's legal department or by external professionals.

Whistleblowing policy

Schweiter Technologies has decentralized channels (a hotline and an online platform) through which potential grievances can be anonymously reported. Reports are processed by the HR department once received. No reports were received during the year under review.

Combating corruption effectively

Preventing and combating corruption are priority topics at Schweiter Technologies. The company keeps a close watch on compliance with regulations and is continually strengthening its commit-

ment to fighting corruption. An entire section of the Code of Conduct is dedicated to this issue, detailing risks and specific alarm signals for unsound business transactions. Sales training, monitoring, and the reporting obligation of managers and departments are expected to further reduce the risk of corruption in the future.

By applying the current financial and accounting guidelines, Schweiter Technologies can identify suspected cases of corruption or bribery at an early stage. Schweiter Technologies conducts relevant training courses to enable employees to recognize the dangers of corruption and respond accordingly.

There were no legal actions for anti-competitive behavior, anti-trust, and monopoly practices during the reporting year. There were also no known cases of corruption during the year.

New processes

During the reporting year, Schweiter Technologies worked to optimize its corporate governance processes and adapt to new legal requirements. New data protection processes were introduced and training given on anti-trust law. Milestones achieved during the year were the establishment of the Sustainability Board and the revision and approval of the Code of Conduct with regard to more extensive provisions covering the prevention of child labor and the handling of conflict minerals.

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.

Schweiter Technologies knows that responsible management not only applies to the company's own activities but also to their effects along the entire value chain. 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 so reduces risk to Schweiter Technologies from any shortcomings in the upstream value chain. At the same time, it improves the resilience of the supply chain – with regard to delivery delays and bottlenecks, for example.

Requirements of suppliers

Schweiter Technologies maintains business relationships with over 5 000 suppliers in all, and purchased goods to the value of some 564 million Swiss francs in the reporting year. The manufacture and transportation of these goods affects people and the environment. To prevent or mitigate these, Schweiter Technologies expects suppliers to assume certain responsibilities. They must comply with all applicable regulations and guidelines and act with integrity, openness, and professionalism. All suppliers and business partners are bound by the Schweiter Technologies Code of Conduct, which refers to standards laid down by international organizations including the International Labor Organization (ILO) and was updated in 2023 with regard to the prevention of child labor and the handling of conflict minerals. Provisions containing the requirement for ecological and social responsibility are embedded in the framework agreements and full contracts with suppliers. Infringements of the Schweiter Technologies Code of Conduct or any additional contractual agreements will have consequences. The overarching responsibility in the Group for maintaining sustainable standards of supply rests with the Sustainability Board. In addition, the individual business areas monitor their purchasing practices and selectively apply on-site checks to make sure that suppliers are keeping to the rules. If a supplier fails to satisfy the requirements of Schweiter Technologies, the business relationship will be terminated.

Zero tolerance for child labor and conflict minerals

The Schweiter Technologies Code of Conduct prohibits the use of child labor within the company and by suppliers. Compliance with the Code of Conduct is strictly monitored in the company's business areas. This is particularly true for locations where risk is generally higher, such as Papua New Guinea and Ecuador, where the company operates plantations. A number of control mechanisms are applied together here, covering the provisions and monitoring of employment contracts during the hiring process and regular checks pertaining to FSC and ISO certification and monitoring by the financial auditor. The business areas also makes purchases in countries where according to the relevant UNICEF list of countries there is an increased risk of child labor. In accordance with the duty to make an effort set out in the new provisions of the Swiss Code of Obligations (OR, Art. 964g ff.), selected suppliers in countries with increased risk were interviewed, for example in Papua New Guinea. Monitoring in regard to child labor revealed that in the 2023 reporting year there were no reasonable grounds for suspicion of child labor and Schweiter Technologies is exempt from the duty of due diligence and respect with relation to child labor.

Schweiter Technologies also exercises its duty of due diligence regarding conflict minerals. Schweiter Technologies does not knowingly purchase tin, tantalum, tungsten or gold, also known as 3TG metals. For Switzerland, it was determined that for the 2023 reporting year Schweiter Technologies was exempt from the duty of due diligence and the duty to report with regard to minerals and metals from conflict-affected and high-risk areas. To minimize future risk, Schweiter Technologies has published its own company guideline on this topic ("Policy Statement on Conflict Minerals").

GRI index


**CONTENT INDEX
ESSENTIALS SERVICE**
2024

Schweiter Technologies reported on the period from 1 January 2023 to 31 December 2023 in accordance with the GRI standards. For the essentials service content index, GRI Services checked that the GRI index was presented in a way that met the reporting requirements according to the GRI standards and that the information in the GRI index is clear and accessible to stakeholders. This service was carried out on the German 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 7 March 2024. The contact person is Urs Scheidegger, CFO, investor@schweiter.com

| | | | |
|----------------------|-------------------|--|--|
| Applied GRI 1 | GRI 1: Basis 2021 | | |
| Sector standard used | None | | |

| GRI standard | Disclosure | Reference/ information* | Omission (requirement, reason, explanation) |
|--------------|------------|----------------------------|---------------------------------------------------|
|--------------|------------|----------------------------|---------------------------------------------------|

GENERAL INFORMATION

The organization and its reporting practices

| | | | |
|---------------------------------|----------------------------------------------------------------------|------------------------------------------------------------|--|
| GRI 2: General information 2021 | 2-1 Organizational details | p. 62 | |
| | 2-2 Entities included in the organization's sustainability reporting | p. 114 | |
| | 2-3 Reporting period, frequency, and contact point | p. 51 | |
| | 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 information 2021 | 2-6 Activities, value chain, and other business relationships | p. 26 | |
| | 2-7 Employees | p. 44 | |
| | 2-8 Workers who are not employees | | Information not available/incomplete, due to reorganisation Europe organisation, data collection is under construction. |

* Page numbers refer to the Annual Report 2023.

| GRI standard | Disclosure | Reference/ information* | Omission (requirement, reason, explanation) |
|------------------------------------------|----------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Management | | | |
| GRI 2: General information 2021 | 2-9 Governance structure and composition | p. 67–73 | |
| | 2-10 Nomination and selection of the highest governance body | p. 71–72 | |
| | 2-11 Chair of the highest governance body | p. 68–69 | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | p. 26–27 | |
| | 2-13 Delegation of responsibility for managing impacts | p. 26–27 | |
| | 2-14 Role of the highest governance body in sustainability reporting | p. 55 | |
| | 2-15 Conflicts of interest | p. 48–49 | |
| | 2-16 Communication of critical concerns | p. 48 | |
| | 2-17 Collective knowledge of the highest governance body | p. 68–70 | |
| | 2-18 Evaluation of the performance of the highest governance body | p. 88, 92–94 | |
| | 2-19 Remuneration policies | p. 100 | |
| | 2-20 Process to determine remuneration | p. 100 | |
| | 2-21 Annual total compensation ratio | | Information not available/incomplete, due to reorganisation Europe organisation, data collection is under construction. |
| Strategy, policies, and practices | | | |
| GRI 2: General information 2021 | 2-22 Statement on sustainable development strategy | p. 2–3 | |
| | 2-23 Policy commitments | p. 48–49 | |
| | 2-24 Embedding policy commitments | p. 48–49 | |
| | 2-25 Processes to remediate negative impacts | p. 48 | |
| | 2-26 Mechanisms for seeking advice and raising concerns | p. 48 | |
| | 2-27 Compliance with laws and regulations | p. 48–49 | |
| | 2-28 Membership of associations and interest groups | p. 29 | |
| Stakeholder engagement | | | |
| GRI 2: General information 2021 | 2-29 Approach to stakeholder engagement | p. 28–29 | |
| | 2-30 Collective bargaining agreements | | Information not available/incomplete, due to reorganisation Europe organisation, data collection is under construction. |

* Page numbers refer to the Annual Report 2023.

| GRI standard | Disclosure | Reference/ information* | Omission (requirement, reason, explanation) |
|--------------|------------|----------------------------|---------------------------------------------------|
|--------------|------------|----------------------------|---------------------------------------------------|

MATERIAL TOPICS

Disclosures on material topics

| | | | |
|-----------------------------|------------------------------------------|-------|--|
| GRI 3: Material topics 2021 | 3-1 Process to determine material topics | p. 28 | |
| | 3-2 List of material topics | p. 29 | |

COMMERCIAL PRINCIPLES

A basis of profitable growth

| | | | |
|------------------------------------|-------------------------------------------------------|------------|--|
| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 30 | |
| GRI 201: Economic performance 2016 | 201-1 Direct economic value generated and distributed | p. 106–110 | |

Market leadership

| | | | |
|-----------------------------|-----------------------------------|-------|--|
| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 30 | |
|-----------------------------|-----------------------------------|-------|--|

Innovation leadership

| | | | |
|-----------------------------|-----------------------------------|-------|--|
| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 31 | |
|-----------------------------|-----------------------------------|-------|--|

Product quality and compliance

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| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 33–34 | |
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Products with a sustainable impact

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| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 32 | |
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Customer Relations

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| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 34 | |
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ENVIRONMENTAL PROTECTION AND RESOURCE EFFICIENCY

Environmental compliance and management system

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| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 40–41 | |
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Resource-efficient production and use of materials

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| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 36 | |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | p. 37 | |
| | 306-2 Management of significant waste-related impacts | p. 37 | |
| | 306-3 Waste generated | p. 38 | |

Energy and greenhouse gas emissions

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| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 38–39 | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | p. 39 | |
| | 302-4 Reduction of energy consumption | p. 39 | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | p. 39 | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | p. 39 | |
| | 305-5 Reduction of GHG emissions | p. 39 | |

* Page numbers refer to the Annual Report 2023.

| GRI standard | Disclosure | Reference/ information* | Omission (requirement, reason, explanation) |
|--------------|------------|----------------------------|---------------------------------------------------|
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SOCIAL RESPONSIBILITY

Occupational health and safety

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| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 42–43 | |
| GRI 403: Health and safety in the workplace 2018 | 403-1 Occupational health and safety management system | p. 42–43 | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | p. 42–43 | |
| | 403-5 Worker training on occupational health and safety | p. 42–43 | |
| | 403-6 Promotion of worker health | p. 43 | |
| | 403-9 Work-related injuries | p. 43 | |

Attractive employer

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| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 44–45 | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | p. 44 | |
| GRI 404: Training and education 2016 | 404-2 Programs for upgrading employee skills and transition assistance programs | p. 45 | |

Human rights standards

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| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 46 | |
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Sustainable local communities

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| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 46–47 | |
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GOVERNANCE

Responsible supply chain management

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| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 49–50 | |
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Governance

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| GRI 3: Material topics 2021 | 3-3 Management of material topics | p. 48–49 | |
| GRI 205: Anti-corruption 2016 | 205-3 Confirmed corruption cases and measures taken | p. 49 | |
| GRI 206: Anti-competitive behavior 2016 | 206-1 Legal proceedings due to anti-competitive behavior, cartelization, and monopolization | p. 49 | |

* Page numbers refer to the Annual Report 2023.

Reference table for Art. 964b 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 | Customer relationships |
| | 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 |

DECLARATION BY THE BOARD OF DIRECTORS

The Board of Directors of Schweiter Technologies approved the non-financial report for the 2023 financial year at its meeting of 5 March 2024 in compliance with Article 964a ff Swiss Code of Obligations.

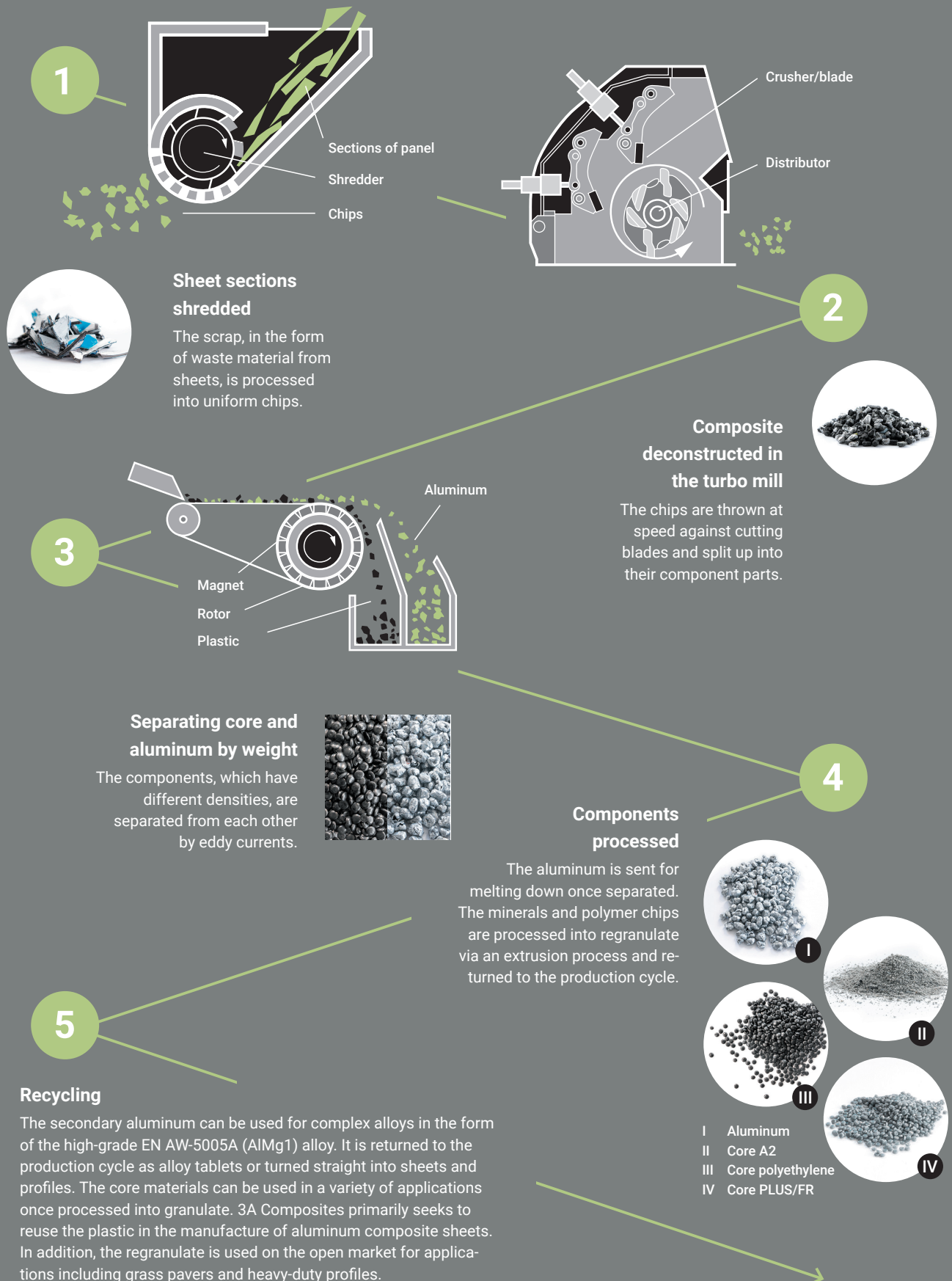
Aluminum composite sheets in the recycling system

IN RECENT YEARS, 3A COMPOSITES HAS BEEN WORKING HARD ON THE DEVELOPMENT OF RECYCLING SYSTEMS. THANKS TO THE INITIATIVE OF 3A COMPOSITES, AN EFFECTIVE SYSTEM FOR RECYCLING ALUMINUM COMPOSITE SHEETS HAS BEEN DESIGNED AND IMPLEMENTED IN GERMANY.

In its MISSION: TOGETHER. RESPONSIBLE. project, 3A Composites is actively committed to establishing an extensive network of recycling and waste collection companies in order to return the maximum amount of sheet materials into the production cycle at the end of their service life.

In 2020, 3A Composites had already joined the aluminum recycling association A|U|F e.V. and set up a working group to look at aluminum composites. As the instigator and lead member of the working group, 3A Composites Europe is making a significant contribution to the development of systems for recycling aluminum composite sheets efficiently.

Once separated, the aluminum is melted down and can be re-used in complex alloys or the manufacture of metal sheets and profiles. The minerals and polymer chips of the core can also be turned into regrulate via extrusion and returned to the production process in a valuable contribution to the circular economy from the Schweiter Group.



Lightweight construction – high in strength, low in weight

LEADING EUROPEAN BUS AND RAIL ENGINEERS
PUT THEIR FAITH IN 3A COMPOSITES' EXPERTISE IN
THE FIELD OF LIGHTWEIGHT CONSTRUCTION

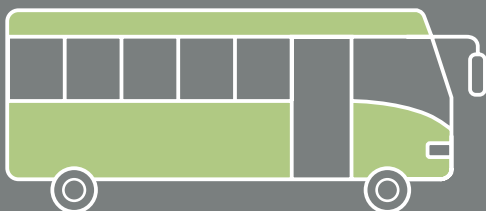
Lightweight construction technologies combine commercial potential with the conservation of resources. This is important if we are to achieve legal sustainability and climate targets.

In 2016, a solar-powered airplane flew round the world without fuel of any kind. The flight, carried out by Bertrand Piccard and his team, was only possible thanks to the extremely lightweight construction of the plane, "Solar Impuls".

On the ground as well as in the air, lightweight construction methods help to improve economic efficiency and conserve resources. That's why new trains for the

Piccadilly Line in London's "Tube" are being fitted with lightweight multi-functional partitions made by 3A Composites. The multi-purpose design of the partitions ensures great mechanical strength, noise-absorbing functions, and fully integrated ventilation ducts which save weight as well as dispersing fresh air effectively. The integration of innovative lightweight solutions contributes to the lower overall weight of the subway cars, allowing for improved acceleration while achieving lower levels of energy consumption and wear.

On the roads too, the use of lightweight construction technology is resulting in significant conservation of resources and increased energy efficiency. Leading European manufacturers of touring coaches, including Volvo, VanHool, and SOR, are choosing body components made by 3A Composites in the construction of the next generation of their efficient electric, hybrid, and fuel cell buses – with sustainable success!



Safe and efficient – there
is no room for compromise
in public transport

High-tech for the energy transition

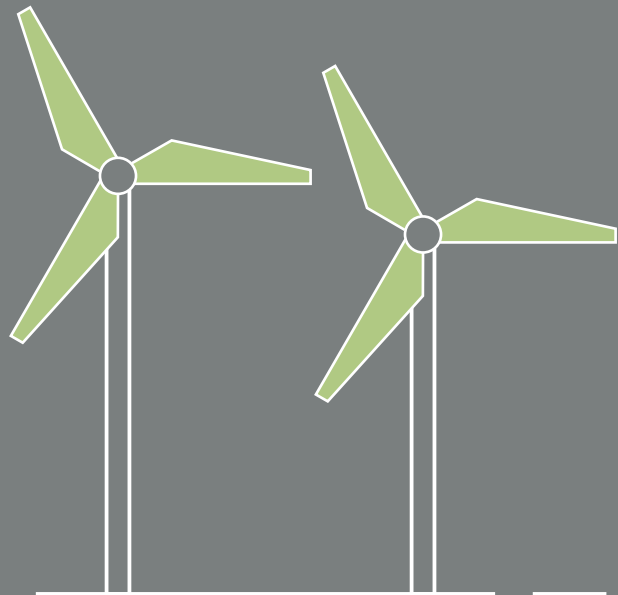
HYBRID-CORE CONCEPT – A SIMPLE SOLUTION TO A DIFFICULT CHALLENGE

Many countries, including Switzerland, have pledged to reduce their greenhouse gas emissions to net zero by 2050. Renouncing the use of fossil fuels means there is a key role for electricity from wind energy.

Wind farms, especially off-shore, are subjected to extreme forces that place great demands on their components, especially the rotor blades. 3A Composites has an essential role to play here, with its high-performance core materials for lightweight yet rigid sandwich constructions.

For example, the hybrid-core design using BALTEK balsa wood as a core material and AIREX PET foam for high-performance rotor blades has one of the best carbon footprints in its class; its lightweight yet very rigid construction also supports its mechanical properties and has a positive impact on energy efficiency and wear.

As the owner and operator of over 13 000 hectares of FSC-certified balsa plantations, 3A Composites Core Materials can also guarantee a stable supply chain and ready availability of BALTEK balsa wood and AIREX PET throughout the world.



Wind power has a key role in the global energy revolution. The requirements for materials and technology are enormous.

13 000

hectares of balsa plantations