

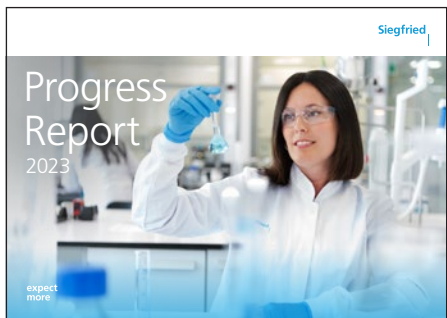
Annual Report 2023

expect
more



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Progress Report



Progress Report 2023

expect
more

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CEO Interview

Chief Executive Officer Dr. Wolfgang Wienand on Siegfried's journey in 2023 and its priorities in the year to come.



Sustainability Across our Network

Achieving our ambitious targets through many small steps.



Visit our Investor Relations Portal for more information
siegfried.ch/investors/reports

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Letter to the Shareholders



Dr. Andreas Casutt
Chairman

Dr. Wolfgang Wienand
Chief Executive Officer

Dear Shareholders

In 2023, Siegfried once again delivered a strong year with significant sales growth at attractive profitability. The Siegfried team was able to deliver this very good performance while more than offsetting the phasing out of significant vaccines business compared to 2022. This result validates the resilience of our business model and the dedication and spirit-to-win of our global teams. The company is ready to keep this momentum and to translate the many opportunities available to us into future growth.

In withstanding continued inflation and the ongoing energy crisis in 2023, Siegfried's underlying business (excluding coronavirus vaccines) with its well-diversified portfolio of products and customers, has once again demonstrated its resilience. The company was able to keep up its dynamic pace and to overcompensate for the phasing out of significant and above-average profitable vaccines business while protecting the profit margin on all levels. This positive result was driven by continued high demand for Siegfried's products and services in its underlying business, ongoing active portfolio optimization and strict cost discipline at corporate level as well as at all manufacturing sites.

In drug substances, the business continued to strongly expand based on close customer relationships, Siegfried's scientific and technical excellence and the complementary expertise of its global network. The underlying drug products business grew at mid to high single-digit percentages (in LC). At the same time, Siegfried continued to expand its drug products capabilities and strengthened its footprint in biologics. Paired with its quality track record and extensive manufacturing experience, Siegfried once again was a partner of choice for both new projects and products for drug substances as well as for drug products.

Net sales reached CHF 1.272 billion, an increase of 6.3 percent in local currencies and 3.4 percent in CHF (2022: CHF 1.229 billion). Core EBITDA was CHF 273.3 million, up +0.3 percent (2022: CHF 272.5 million). This resulted in a core EBITDA margin of 21.5 percent (2022: 22.2 percent), despite the phasing out of above-average profitable vaccines business compared to 2022. Core net profit grew by +0.3 percent to CHF 128.1 million (2022: CHF 127.8 million). The Board of Directors will propose at the Annual General Meeting on 18 April 2024 to increase the distribution to shareholders by CHF 0.20 to CHF 3.60 per share. As in prior years, this distribution will be effected by way of a reduction in the par value of each share.

At CHF 208.6 million, the operating cash flow was signifi-

cantly above the previous year's level (2022: CHF 142.3 million). Free cash flow amounted to CHF 71.8 million, significantly up from last year (2022: CHF 27.2 million).

At year-end, Siegfried had cash and cash equivalents of CHF 56.4 million (2022: CHF 91.5 million). Net debt amounted to CHF 388.6 million, a ratio of 1.42 to core EBITDA, and the equity ratio was 45.0 percent. Compared to the previous year, the Siegfried Group's debt capacity and its ability to finance further growth steps has further expanded.

Expanding capabilities and capacities to support long-term profitable growth

As part of the EVOLVE strategy, Siegfried continued to make significant investments into its global manufacturing network to further strengthen its innovation and technological capabilities. In March 2023, Siegfried inaugurated the new Development Center for Drug Products in Barcelona. The development center provides a wide range of development services with flexible pilot capacities, strengthening Siegfried's global Drug Products network and enhancing the ability to acquire new business. At the end of April 2023, Siegfried began constructing a new global development center for Drug Substances in Evionnaz, which will significantly increase Siegfried's R&D capacities to drive future growth. Construction of the new large-scale multi-purpose production plant for Drug Substances in Minden continued. Beyond these landmark investments, Siegfried invested in additional capacities and capabilities across the entire network.

New growth opportunities from the acquisition of DINAMIQS

In May 2023, Siegfried acquired a 95% majority stake in DINAMIQS, a Swiss-based biotechnology company focused on the development and manufacturing of viral vectors for cell and

"Siegfried delivered a strong year with significant sales growth while more than offsetting the phasing out of significant vaccines business."

Dr. Andreas Casutt

gene therapies. Siegfried intends to bring DINAMIQS' capabilities to commercial scale and to create a best-in-class biotech CDMO in that space. This will include the investment in a GMP manufacturing facility, which is on course to go live in 2025. With first business intake from small and large pharmaceutical companies, the growing DINAMIQS team is well on track to create significant mid to long-term growth opportunities for Siegfried in this dynamic market segment.

Strong commitment to sustainability

Sustainability represents one of Siegfried's five corporate values and is at the core of its business. With Siegfried's expertise in process optimization, the company helps its customers to develop greener production processes for their products and to achieve ambitious sustainability targets. Siegfried introduces second-generation processes, applies green chemistry, and continuously searches for opportunities to apply new sustainable technologies. With these efforts, Siegfried reduces energy consumption, produces less waste, and, at the same time, often saves costs and increases the safety of products. These efforts and initiatives are recognized by external parties and independent institutions: In 2023, Siegfried was again rated positively by ISS ESG, MSCI ESG and Sustainalytics, and were for the third

“We continuously search for opportunities to apply green chemistry and new sustainable technologies.”

Dr. Wolfgang Wienand

time included in the Dow Jones Sustainability Index Europe. All sites also scored well in the EcoVadis Rating.

Outlook for 2024

In 2024, Siegfried will keep its momentum with the ambition to again overcompensate for the phasing out of significant vaccines business. The company expects a sales growth in the low single-digit percentage range in local currencies and a core EBITDA margin at or above the level of 2023, implying a growth of the underlying business at or above market. Capital expenditures in the year will be elevated due to ongoing projects in Minden, Evionnaz and at DINAMIQS at mid teens percentage of sales.

In the mid-term, Siegfried expects continued profitable growth at or above market (excluding M&A), while stepwise expanding profitability. Over the cycle, the company plans for average annual capital expenditures in low teens percentages of sales.

Continuing to deliver long-term profitable growth

Siegfried's business model is well-proven and the company has consistently and effectively implemented its strategy in recent years. Based on this, Siegfried expects to deliver continued

profitable growth over the years to come through the introduction of attractive new business from existing and new customers, the optimization of its portfolio of projects, products and assets and by execution of organic investments in its network as well as value-adding M&A. Through these activities, Siegfried will continue to expand its capabilities and capacities and play an active role in the further consolidation of the CDMO industry.

In the name of the Board of Directors and the Executive Committee, we would like to thank our 3900 employees at our 12 sites worldwide for their passion and their commitment to our ambitious targets for the future. They have once again demonstrated their ability to perform and withstand in a challenging environment on our way to build the strongest team in the industry.

We would also like to thank you, dear shareholders, for your loyalty towards our company and your support and we look forward to seizing the many opportunities available to us.

Dr. Andreas Casutt
Chairman



Dr. Wolfgang Wienand
Chief Executive Officer



The Year 2023 in Review

1.229

in CHF billion

Publication of full-year results 2022

Siegfried significantly increases sales and profits.

February

Opening Development Center Barcelona



Siegfried opens global Development Center for Drug Products in Barcelona.

March

Annual General Meeting



Siegfried increases distribution and appoints Elodie Carr-Cingari to the Board of Directors, thus strengthening diversity at the highest level.



Start Construction R&D Center DS EVZ

Siegfried begins construction of a new global R&D Center for Drug Substances in Evionnaz.

April



Acquisition **DINAMIQS** a Siegfried company

Siegfried acquires majority stake in DINAMIQS to establish a best-in-class development and manufacturing organization for cell and gene therapies.



Anniversary Celebration

Siegfried celebrates its 150th anniversary with a big party and looks back on its long, eventful history.

Announcement Henrik Krüpper

Siegfried announces Henrik Krüpper as the new COO Drug Substances.

607

in CHF million

Publication of half-year results 2023

Siegfried delivers strong sales growth and profitability in first half 2023.

1.272

in CHF billion

End-year result 2023

Net sales in 2023 reached CHF 1.272 billion.

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

Siegfried confirmed in the Dow Jones Sustainability Index Europe for the third consecutive year.



Energy Savings

Siegfried implemented electricity savings projects equivalent to 18 GWh/year (3400 average households in Switzerland).

May

August

December



Financial Summary



Financial Overview
CFO Commentary



1.272


 +3.4 %
Net sales (in billion CHF)

Net sales in 2023 reached CHF 1.272 billion.

273.3


 +0.3 %
Core EBITDA (in million CHF)

Core EBITDA in 2023 reached CHF 273.3 million.

191.9


 +0.6 %
Core EBIT (in million CHF)

Core EBIT in 2023 reached CHF 191.9 million.

128.1


 +0.3 %
Core net profit (in million CHF)

Core net profit in 2023 amounts to CHF 128.1 million.

	2023	2022	Change CHF (LC)
Net sales (million CHF)	1 271.5	1 229.5	+3.4 % (+6.3 %)
Core gross profit (million CHF)	320.4	318.9	0.5 %
Core gross profit margin (%)	25.2%	25.9	
Core EBITDA (million CHF)	273.3	272.5	0.3 %
Core EBITDA margin (%)	21.5	22.2	
Core EBIT (operating result) (million CHF)	191.9	190.8	0.6 %
Core EBIT margin (%)	15.1	15.5	
Core net profit (million CHF)	128.1	127.8	0.3 %
Core net profit-margin (%)	10.1	10.4	
Non-diluted core earnings per share (CHF)	30.24	30.28	−0.1 %
Diluted core earnings per share (CHF)	29.80	29.63	0.6 %
Cash flow from operating activities (million CHF)	208.6	142.3	46.6 %
Free cash flow (million CHF)	71.8	27.2	163.6 %
Investment in property, plant and equipment and intangible assets (million CHF)	137.1	115.2	19.0 %
	31.12.2023	31.12.2022	Change
Equity (million CHF)	838.1	790.9	6.0 %
Total assets (million CHF)	1 861.5	1 793.2	3.8 %
Equity ratio (%)	45.0	44.1	
Employees (number of FTEs)	3 684	3 564	3.4 %

Financial Commentary 2023

Continued strong growth trajectory

In 2023, Siegfried continued its strong growth trajectory and more than offset the phasing out of sizeable vaccines volumes. Net sales increased to CHF 1271.5 million, an increase of 3.4% in CHF. The euro and the US dollar depreciated strongly during the year. The euro, which accounts for 50% of net sales depreciated by 3.3% against the Swiss franc, while the US dollar, accounting for 13% of net sales depreciated by 5.9%. The growth at constant currencies was 6.3%.

Despite continued inflation trends in key cost categories, the underlying business continued to grow profitably. Core gross profit was CHF 320.4 million, and the Core gross profit margin of 25.2% was only slightly below the previous year (25.9%).

Core EBITDA (CHF 273.3 million, +0.3%), Core EBIT (CHF 191.9 million, +0.6%) and Core net profit (CHF 128.1 million, +0.3%) were slightly ahead of the previous year. This was reflected accordingly in the margins: the Core EBITDA margin was 21.5% (previous year: 22.2%), Core EBIT margin was 15.1% (previous year: 15.5%) and Core net profit margin was 10.1% (previous year: 10.4%).

The Core results, excluding extraordinary expenses and income, offer a transparent and straightforward view of Siegfried's operational performance. This approach facilitates a more accurate comparison across different periods.

In 2023, Swiss GAAP FER results were significantly affected by a decrease of interest rates in the euro area, leading to an increase of the pension obligations from foreign pension plans and a technical and non-cash decrease of the operating income. The Core results have been corrected for that effect (CHF 11.9 million). In addition, CHF 3.0 million of interest expenses on these foreign pension plans were reclassified to financial expenses, and CHF 2.1 million of non-recurring restructuring cost enhancing the operational performance on selected sites as well as CHF 1.4 million of transaction cost were adjusted.



Dr. Reto Suter
Chief Financial Officer

“Despite continued inflation trends in key cost categories, the underlying business continued to grow profitably.”

Operating expenses under control

Operating expenses are each year affected by extraordinary or non-recurring events; an analysis based on Core figures is appropriate. For 2023, a tight cost control was key. We have continued to invest into our organizational development pro-

grams but have off-set these expenses by increased efficiency in other areas.

In total, Core operating expenses amounted to CHF 128.5 million in 2023, or 10.10% of net sales, a relative decrease to the previous year (2022: 10.42%) and a very small increase in absolute terms (2022: CHF 128.1 million).

Core marketing and sales costs were CHF 19.4 million, slightly higher than in the previous year (2022: CHF 18.1 million), growing in proportion to the constant currency net sales growth. For Core research and development, an important client facing function for Siegfried, costs of CHF 43.4 million were incurred, which is about equal to the prior year (2022: CHF 43.2 million). Administration and general costs at Core level amounted to CHF 70.7 million, a decrease in absolute terms (2022: CHF 71.1 million) and in relative terms (2023: 5.56%, 2022: 5.78%).

Other income was slightly higher than the previous year at CHF 5.0 million (2022: CHF 4.3 million).

Higher financial expenses on some, but not all funding layers

Financial expenses were higher than in the previous year at CHF 9.5 million (prior year CHF 7.8 million). The higher interest rate environment did affect funding from the revolving credit facility, but not interest expenses from the senior bonds (CHF 200.0 million) and the two hybrid convertible bonds (total CHF 80.0 million). Foreign exchange differences were significantly higher at CHF 12.8 million (2022: CHF 4.3 million), as a result of the high volatility in the foreign exchange markets, specifically towards year end.

Operating cash flow, free cash flow and cash flow from financing activities

At CHF 208.6 million, the operating cash flow was significantly above the previous year's level (2022: CHF 142.3 million). Compared to last year, we deployed less capital to inventories and trade receivables.

Investments in property, plant and equipment and intangible assets were slightly higher than in the previous year at CHF 137.1 million (2022: CHF 115.2 million). This corresponds to 10.7% of net sales. This results in a free cash flow of CHF 71.8 million, significantly up from the last year (2022: CHF 27.2 million).

In the financing cash flow, the two largest movements were a reduction in the syndicated loan of CHF 65.0 million and the distribution to shareholders of CHF 14.4 million.

Other financial key figures

At year-end, Siegfried had CHF 56.4 million in cash and cash equivalents. Non-current financial liabilities amounted to CHF 445.0 million. Thus, net debt amounted to CHF 388.6 million, resulting in net debt in relation to Core EBITDA of 1.42, down from 1.54 at the end of 2022 and 1.97 at the end of 2021.

The equity ratio was 45.0%. Thus, comparing to last year, the debt capacity of the Siegfried Group has improved again and also the ability to finance further growth steps.

Proposal of par value repayment to the General Assembly

At the Annual General Meeting on April 18, 2024, the Board of Directors will propose to the shareholders to reduce the par value of a share from CHF 14.60 by CHF 3.60 to CHF 11.00 and to distribute the amount of the reduction in par value of CHF 3.60 instead of a dividend.

Dr. Reto Suter
Chief Financial Officer



Business and Strategy



Our Global Network
Our Business Model
CEO Interview



Our Global Network

As a leading CDMO, the Siegfried Group builds on a finely tuned global development and production network of twelve sites in seven countries on three continents, both in the area of Drug Substances and Drug Products.

DS Drug Substances

DP Drug Products



More information about our sites

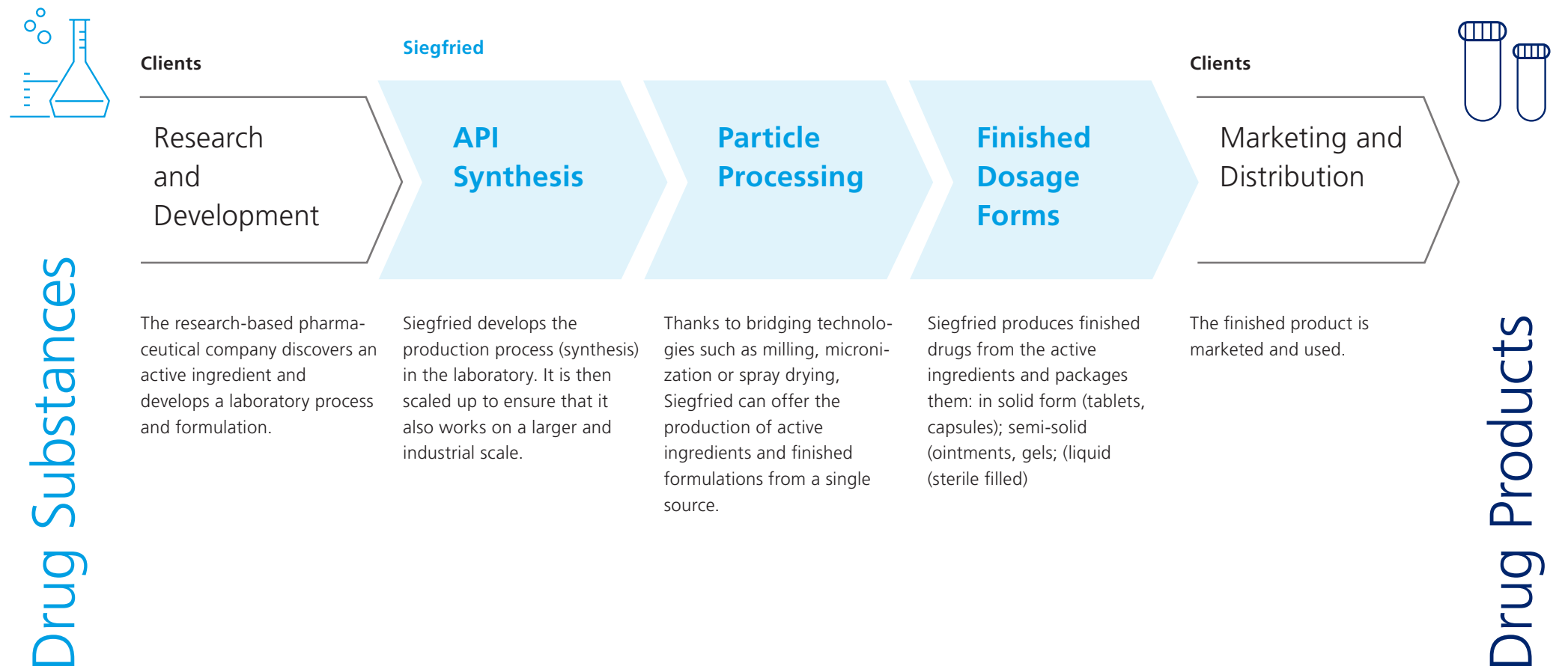
www.siegfried.ch/locations

			Siegfried since	Employees	Competencies
Zofingen ^{HQ}	Switzerland	DS	1873	696	Active pharmaceutical ingredients (API), Intermediates, Controlled Substances
Pensville	USA	DS	1928	181	Active pharmaceutical ingredients (API), Intermediates, Controlled Substances
Hal Far	Malta	DP	2007	151	Solid oral dosage forms
Irvine	USA	DP	2012	146	Sterile and aseptic filling
Nantong	China	DS	2013	270	Active pharmaceutical ingredients (API), Intermediates
Hameln	Germany	DP	2014	503	Sterile and aseptic filling
Evionnaz	Switzerland	DS	2015	366	Active pharmaceutical ingredients (API), Intermediates
Minden	Germany	DS	2015	445	Active pharmaceutical ingredients (API), Intermediates, Controlled Substances
St. Vulbas	France	DS	2015	145	Active pharmaceutical ingredients (API), Intermediates
Barberà del Vallès	Spain	DP	2021	490	Solid oral dosage forms
El Masnou	Spain	DP	2021	394	Sterile filling
DINAMIQS, a Siegfried Company	Switzerland	DS	2023	13	Viral vectors

Our Business Model

From the API to the Finished Product

As a fully integrated pharmaceutical company, Siegfried is today one of the few suppliers that can carry out both the development of active ingredients and finished formulated drugs under one roof. This combination of experience and know-how is unique in the CDMO market.



Our Offering



Products

– APIs and intermediates

Siegfried's chemical expertise centers on the development and production of active pharmaceutical ingredients and intermediates. Our global network in this field includes sites in North America, Europe and Asia.

Services

– Exclusive Synthesis

Our services in the field of exclusive synthesis comprise process and chemical development, analytical development, pilot manufacturing and scale-up, and commercial manufacturing.

– Portfolio offering

Siegfried offers a wide portfolio of APIs no longer protected by patents, focusing on anesthetics, pain and addiction treatment applications, central nervous & respiratory diseases as well as caffeine for human health and nutrition.

– Viral vectors

DINAMIQS offers end-to-end viral vector manufacturing solutions to accelerate gene therapy projects from DNA design to commercial scale. They offer a comprehensive and customized range of manufacturing services, process development, quality control and analytics solutions.

Products

– Solid oral dosage forms

Siegfried offers a specific range of pharmaceutical development and production of solid dosage forms (tablets and capsules) for the global market.

– Sterile und aseptic filling– Injectable

Siegfried's capabilities include filling of small molecules, biologics and vaccines in formats like vials, ampoules and pre-filled syringes.

– Ophthalmics

Siegfried is an expert in filling sterile ointments, gels, suspensions and solutions into tubes, pre-filled syringes, cartridges and vials.

– Inhalative products

Siegfried manufactures capsules for inhalation applications for medical devices for the treatment of respiratory diseases

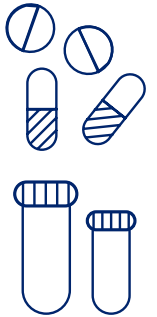
Services

– Contract Development and Manufacturing

Siegfried's services comprise pharmaceutical development, analytical development, scale-up and clinical trial material production, process and analytical transfer, and commercial manufacturing and packaging.

– Licensing

Siegfried has selected oral solid and sterile products commercially available. assembles complete registration dossiers and offers a Common Technical Document (CTD) for all products



Drug Substances

Active Pharmaceutical Ingredients (API), the key to healing

Active pharmaceutical ingredients (APIs) are used in the production of a medication. APIs are the key ingredient of a finished product that is ready for administration with a direct effect concerning treatment.

Drugs Deliver the API into the body

A drug is a pharmaceutical product which, in a certain dosage and dosage form, serves to recognize, prevent or heal an illness. Since ancient times, certain plants and parts of plants and animal-based substances serve as drugs and, more recently, also synthetic preparations and biological substances.

Drug Products

CEO Interview



Dr. Wolfgang Wienand
Chief Executive Officer

Chief Executive Officer Dr. Wolfgang Wienand on Siegfried's journey in 2023 and its priorities in the year to come.

2023 was another successful year for Siegfried. How would you summarize it?

The Siegfried team has, once again, delivered a strong year with significant sales growth above 6% to now 1.272 billion Swiss Francs. I am particularly pleased that we were able to not only compensate for the phasing-out of significant vaccines business, but even to overcompensate for it. This result highlights our resilient and robust underlying business and the dedication of our strong teams at Siegfried, which are ready to tackle the challenges ahead of us and to translate the many opportunities available to us into future growth.

What did your sustainability journey in 2023 look like?

Sustainability represents one of our five corporate values and is at the core of our business. Throughout 2023 we successfully implemented various initiatives across our sites, such as reducing



See our video with comments on the full-year results from the CEO and ExeCom members at

www.siegfried.ch/investors/reports

“I am particularly pleased that we were able to not only compensate for the phasing-out of significant vaccines business, but even to over-compensate for it.”



“Sustainability represents one of our five corporate values and is at the core of our business.”

water usage, saving energy and gas, and introducing new safety measures. We continued working towards our target to halve CO₂ emissions by 2030, adjusted for revenue, compared to 2020. While in the past we focused on scope 1 and 2 emissions, we also reported an estimate for our scope 3 footprint for the first time.

Siegfried remains committed to the aims of the UN Global Compact and our efforts have been recognized as “GC Advanced” since 2022. In addition, Siegfried once again received positive ratings from ISS ESG and MSCI ESG and was included in the Dow Jones Sustainability Index Europe for the third consecutive year. All our sites also scored well on the EcoVadis Rating with GOLD or SILVER ratings.

How will Siegfried continue this momentum in 2024 and beyond?

In 2023, we made significant progress in the implementation of our strategy EVOLVE, which is geared towards long-term profitable growth through organic investments plus M&A. One important pillar of this strategy is to invest in our global network.

In 2023, we broke ground on a new global R&D Center for Drug Substances at our site in Evionnaz. We also inaugurated our new Development Center for Drug Products in Barcelona and at the same time construction continued on our new large-scale multi-purpose production plant in Minden.

Another important pillar of our strategy is the expansion into new high growth areas within the CDMO business model. This is exactly what we did with the acquisition of DINAMIQS in May 2023. Through this acquisition, we opened the door to the new growth area of cell and gene therapies and at the same time strengthened our position in biologics.

Through these strategic acquisitions and investments, I am confident that we are well on track to achieve our ambition to be a leading CDMO in our space and the most trusted partner of the pharmaceutical industry.

Where do you see further opportunities for growth in the CDMO market?

The CDMO market is, at different rates, growing steadily across all business segments for both small and large molecules. While we are more and more active in the field of biologicals and will benefit from its attractive growth dynamics, small molecules still dominate the global pipeline of drug candidates from development through clinical phases to market approval. Small molecules also continue to dominate when it comes to new drug approvals by the FDA. Based on our strong position and attractive offering in that space, we will be able to continuously acquire new attractive pipeline projects and convert them into large-scale commercial wins.

Throughout 2023, the team kept laying the foundation for a good future for Siegfried and further strengthened our ability to manufacture and deliver safe drugs for the benefit of millions of patients worldwide. With our focus on both, acquisition of new business as well as flawless execution for existing projects and products, we continuously invest in our commercial, operational and organizational excellence in order to ensure that we are able to make competitive and attractive offers to our customers also in the future.

Sustainability and People

Our Sustainability Journey



Sustainability Highlights



Our Distinctions



Making an Impact



Sustainability Across our Network



Global Value Awards



Our Sustainability Journey

Sustainability is one of Siegfried's corporate values. How is this reflected in day-to-day operations?

Sustainability is a collective and cultural concern, emphasizing the need for the entire organization, every department, and each employee to not only endorse various initiatives but also internalize the value of "sustainability". To achieve this, we established a Sustainability Board in 2021 – a committee bringing together key internal stakeholders from diverse sustainability areas, including environmental experts, ethics and compliance, Health, Safety and Environment, and human resources. Reporting directly to the Board of Directors' "Strategy & Sustainability Committee," this board defines Siegfried's sustainability strategy, governance, and risk management. This structure ensures the necessary focus on sustainability.

Through numerous projects across our sites, we continually aim to enhance our sustainability performance. Environmental, Social, and Governance (ESG) matters have been a

longstanding priority. For example, we have systematically recorded and actively managed important environmental data such as energy usage, CO₂ emissions, water consumption, and waste management across all sites. Our sustainability activities are documented annually in a comprehensive sustainability report, following the internationally recognized GRI guidelines.

What were the key achievements related to sustainability at Siegfried in 2023?

We continued along the course we set last year and moved forward with many projects to improve our sustainability performance in all areas of ESG. Our Energy Crisis team, established in 2022, continued to implement various initiatives across the Siegfried network to reduce energy consumption, achieving significant savings. We continued working toward our target to halve CO₂ emissions, adjusted for revenue by 2030. While in the past we focused only on scope 1 and 2 emissions, in 2023, we

established our full scope 3 value chain footprint, enabling Siegfried to extend our efforts to include scope 3 emissions, and report this figure for the first time.

Another key focus area was the introduction of a more comprehensive supply chain integrity program to take a risk-based approach to our supplier monitoring. In addition, we strengthened our information and cybersecurity program, launched a new employer branding to position Siegfried as an employer of choice, and created the sustainability office to support our sites with sustainability data validation.

In recognition of our efforts, we maintained all our sustainability distinctions including being named a member of Dow Jones Sustainability Index S&P for the third year, and our low-risk rating by Sustainalytics and Morningstar.



Luca Dalla Torre
General Counsel,
Chairman of the Sustainability Committee

What are the plans for 2024?

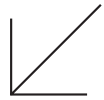
In 2024, we will redefine our sustainability roadmap to sharpen our focus areas and improve our data baselining with regards to water, resources and waste, to define KPIs going forward. Projects that were launched in 2023, including the supply chain integrity program and site decarbonization roadmap, will be realized.

With respect to the reduction of our CO₂ footprint, the target remains unchanged: Siegfried aims to cut CO₂ emissions (scope 1, 2 and 3) in half, adjusted for revenue by 2030. However, this requires continued efforts, both with respect to energy efficiency as well as energy sourcing, and collaboration with our suppliers and customers. Siegfried will continue to engage with customers to identify products that we can collaborate on to reduce their carbon footprint.



Sustainability Highlights

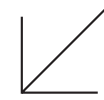
–4.8 %



Energy Consumption (vs. 2022, sales based)

Total energy consumption was reduced by 29.8 terajoules (TJ) compared to last year.

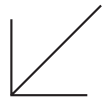
–32.1 %



Carbon Emissions since 2020 (absolute, Scope 1&2)

Total carbon emissions have been reduced by 32.2 kT CO₂eq compared to 2020.

–11 %



Total Lost Time Accidents (LTIFR)

The lost time injury rate was reduced by 11% compared to last year.

71 %

Renewable Electricity

455 Terajoules (TJ) electricity consumption came from renewable energy sources.

Our Distinctions

Dow Jones Sustainability Index S&P

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

Siegfried has been a member of the Dow Jones Sustainability Index (DJSI) Europe for three years. The DJSI is a widely recognized standard for measuring corporate environmental, social, and governance (ESG) progress across industries. Siegfried is currently the only Contract Development and Manufacturing Organization (CDMO) in the DJSI Europe.

Morgan Stanley Capital International ESG Rating

MSCI
ESG RATINGS
AA

We have held “leader” status (‘AA’) in the MSCI index since 2022. The MSCI ESG Index grants institutional investors effective tools to integrate ESG considerations into their investment process and portfolios. The ratings measure a company’s resilience in relation to long term, industry-specific ESG criteria and compare it against its competitors.

Carbon Disclosure Project

CDP
DRIVING SUSTAINABLE ECONOMIES

As Siegfried is new to the CDP index, we received the Rating D for Disclosure, a typical rating for CDP newcomers. CDP is a widely recognized non-profit organization that assesses and scores companies on their climate change strategies, with higher scores indicating a greater corporate commitment to tackling climate change risks. This independent information helps investors evaluate how well companies are managing climate change-related risks and opportunities.

EcoVadis Rating



For the last few years Siegfried has undertaken a yearly Corporate Social Responsibility (CSR) assessment across all sites using the recognized EcoVadis label to show our commitment and work in the field of sustainability. This rating evaluates 21 sustainability criteria, divided into four categories. The methodology applied by EcoVadis for the CSR rating is based on international standards issued, e.g. by Global Reporting Initiative (GRI), United Nations Global Impact and the International Labour Organization. Our most recent results reflect “GOLD” for 4 Siegfried sites and “SILVER” for the other seven sites.

Science-Based Target Initiative



Siegfried joined the Science-based Target Initiative (SBTi) in 2022 with the status “Committed”, a mandatory step for the first two years in the index while our climate targets are validated. SBTi provides companies with a clearly defined path to reduce emissions in line with the Paris Agreement goals. More than 4000 businesses around the world are already working with SBTi. By joining, businesses demonstrate that they are committed to reducing their environmental impact and achieving climate neutrality. Being part of the SBTi also ensures companies have access to guidance, tools and support to meet their climate goals.

Sustainalytics/ Morningstar



Siegfried is included in the Sustainalytics index since 2022 and rated with low risk. This certification demonstrates our low environmental and social impacts, as well as our robust corporate governance practices. Sustainalytics and Morningstar have partnered to provide comprehensive research and assessment of ESG-related investments. The two companies combine Sustainalytics’ expertise in ESG analysis with Morningstar’s financial data analysis, offering investors an integrated view of potential ethical considerations associated with each investment.

Making an Impact

Our expertise in process optimization makes API production more sustainable

Sustainability plays an important role in our industry – it is central to Siegfried's purpose and the value we create for our stakeholders. With our expertise in process optimization, we help our customers to develop greener production processes for their products and to achieve their ambitious sustainability targets.

We introduce second-generation processes, apply green chemistry, and continuously research new sustainable technologies. With these efforts, we reduce energy consumption, produce less waste, and at the same time, maximize our products' safety.

Reducing energy consumption across the globe

Since launching the energy crisis team in October 2022, Siegfried has continued to reduce energy consumption and implemented 96 projects throughout the Siegfried network. Initiatives equivalent to 7 % of Siegfried's energy consumption were implemented in 2023. Initiatives included standardizing refrigeration systems to -25° in Evionnaz, optimizing HVAC systems in production areas through start-stop modes in Barberà del Vallès and using waste solvent in the incinerator to reduce gas consumption and generate steam in Nantong.

Recognizing the importance of our communities

As a global company with strong local roots, the communities we operate in are a vital factor to our success. Each year, we give back by supporting a wide range of local cultural, educational, social, science and sports projects. In 2023, the year of our 150th anniversary, we contributed to a significant number of charitable causes on top of our normal donations, donating a total of CHF 85 000 to local charities around the world as part of our anniversary celebrations.

Additionally, our employees have again successfully completed the global charity run, “#everystepmatters” with a total distance of 31 096 km, raising donations for local charities selected by each sites' employees.



Sustainability Across our Network



Hameln: Reducing electricity consumption through more than 50 successful projects

At our Hameln site, the implementation of various energy-saving initiatives in 2022 and 2023 resulted in a noteworthy 11 % reduction in electricity consumption in 2023. Among the projects contributing to this achievement were the introduction of a new efficient compressed air unit, the implementation of a high-efficiency vacuum unit, and optimization measures in the Heating, Ventilation, and Air Conditioning (HVAC) systems. In total, over 50 projects were successfully realized, demonstrating a commitment to energy efficiency and sustainability across multiple facets of operations.



Barberà del Vallès and El Masnou: Creating a culture of safety

Our Spanish sites implemented a creative and co-created safety campaign to increase employee awareness of the risk that daily behaviors can pose to safety. Nearly all Spanish employees participated in the campaign which introduced a behavioral "character" every two weeks. Over the course of almost a year, employees discussed these behaviors within teams and carried out individual and collective challenges to combat them. The implementation of this campaign resulted in a 15 % increase in the detection of events that could have resulted in an accident but didn't (good catches & near misses).



Nantong: Utilizing waste to reduce gas consumption

Our site in Nantong is using waste solvent in the incinerator instead of gas, reducing gas consumption by 50 %. By incinerating 348 tons of waste solvent, the site reduced the amount of waste created and also generated 4387 tons of steam.



Zofingen: Solar panel installation, a bright idea

Solar panels were installed on a warehouse building at our Zofingen site in December 2023, to feed electricity into the grid. The system has a planned annual output of 250 MWH/a, which covers 1 % of Zofingen's electricity requirements.



Minden: Modernizing a steam boiler yields energy savings

The Minden site has successfully completed the modernization of its steam boiler in December 2023, incorporating a state-of-the-art burner system and advanced automation software. This initiative is expected to yield substantial environmental benefits, saving 300 MWh of energy (gas or oil) annually and resulting in a significant reduction of 60 tons of CO₂ emissions per year.

Global Value Awards

At Siegfried, recognizing talent and celebrating success is an integral part to our culture. We created the Global Value Awards to highlight outstanding initiatives that embody our core values, fostering an environment that values innovation, collaboration, and continuous improvement. Employees are encouraged to nominate colleagues for exceptional work related to our corporate values.

Our values and leadership principles are the basis to build the strongest team in the industry.



Excellence

"We excel in everything we do"



Passion

"We deeply care about what we do and how we do it"



Integrity

"We act responsibly, reliably, respectfully and live up to our own standards"



Quality

"We do it right first time"



Sustainability

"We do not only think about tomorrow, but far beyond"



**Beat Badertscher**

Senior Program Manager, Zofingen

**Alexandre Tellier**

Head of All Analytics, Evionnaz

**Marcela Lopez**

Site Head, Barberà del Vallès

“A global interdisciplinary development and transfer project could be implemented with great spirit and effort in terms of time, yield and quality.”

“Integrity means acting responsibly, reliably, and respectfully. To create a great workplace, we must work together to ensure every employee feels comfortable.”

“Achieving Excellence in a project is a mix of teamwork, expertise and passion!”

Global Sustainability Award: 2nd Generation Process

Redeveloping a long-standing process for one of Siegfried's most important exclusive products was a remarkable demonstration of our core value Sustainability. This groundbreaking work was brilliantly brought to fruition through the efforts and the collaborative spirit of the R&D team. It masterfully implemented a more efficient process, introducing an innovative 3-step sequence. This resulted in a significant reduction in production steps, an impressive increase in yield from 24% to 42%, and a significant reduction in cost and waste. The successful scale-up and transfer of this process to our Minden site demonstrates the potential within our organization.

Global Integrity Award: Health and Well-Being at Work

Initiatives like the good manners in open space, summer grills, Christmas mulled wine, and organizing sports activities have significantly improved the workplace environment in Evionnaz. Moreover, the leadership demonstrated in developing and implementing the Quality of Life at Work training course has been outstanding. The participation of over 110 employees in this program is proof of the impact of the dedication and effort made. The ability to juggle such initiatives alongside professional duties exemplifies true integrity and are an invaluable contribution to making our workplace a more positive, healthy, and inclusive environment.

Global Excellence Award: Coated Tablet Production

An American company entrusted Siegfried with the manufacturing of one of its products for the treatment of obesity. These tablets required three-layer compression technology that the Barberà Site did not have. In record time, a project team was created, responsible for the design and execution of the project, from the layout of the production room and the tableting machine to the training of the operators who would work with this new technology. The manufacture of this product is complex since the coated tablet is made up of two layers of API and one inert layer. The project team has worked intensely to meet the deadlines and expectations agreed with.

Global Passion Award: Development of a non-sterile Cream

The El Masnou team has successfully completed the development project of a non-sterile cream for a well-known customer in Siegfried's DS network. Through close collaboration with the customer, the project team has been able to implement a new technology meeting all customer expectations. Taking advantage of the center of excellence from the first minute after the inauguration the team has carried out a complete design of experiment and the subsequent scale up to the production area implementing new manufacturing equipment, new processes and new analytical methods with excellent results.

The customer has recognized this good work, which has established the basis for future relations in drug product. El Masnou has been entrusted with a new development project based on this excellence collaboration.



Albert Montserrat

Head Project and Program Management,
El Masnou

"Taking advantage of the center of excellence from the very beginning the team has carried out a complete design of experiment and the subsequent scale up to the production area."

Global Excellence Award: Business Model Makeover

A global pharmaceutical company with whom we have had a close partnership for decades approached us with a challenge which would require us to jointly redesign our operating business model. A core team was established at both companies in order to develop our options and model these alternatives to ensure their implications were truly understood by both the customer and our internal organization. As the alternative solutions to the challenges became clear a broader multi-site cross-functional team was leveraged to fully map our preferred options while ensuring timelines were adhered to. Following the presentation of two possible solutions and in depth review with our customer, the final target model was selected and seamlessly implemented to a strict timetable, while ensuring mitigation of potential impacts on production, inventory planning and key financial metrics.



Peter Hekler

Global Head BD Exclusives Drug Substances,
Pennsville

"Through the dedication of a multi-site & cross-functional team we were able to totally re-engineer our operating model bringing added value to both our customer and Siegfried."

Annual Report 2023



Visit our Investor Relations Portal for more information

www.siegfried.ch/investors/reports

Corporate Governance



Remuneration Report



Sustainability Report



Financial Report



Cautionary Statement regarding Forward-Looking Statements

This Annual Report contains certain forward-looking statements identified by words such as “believes”, “expects”, “anticipates”, “projects”, “intends”, “should”, “seeks”, “estimates”, “future” or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward looking statements contained in this Annual Report, among others: (1) pricing and product initiatives of competitors; (2) legislative and regulatory developments and economic conditions; (3) delay or inability in obtaining regulatory approvals or bringing products to market; (4) fluctuations in currency exchange rates and general financial market conditions; (5) uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side-effects of pipeline or marketed products; (6) increased government pricing pressures; (7) interruptions in production; (8) loss of or inability to obtain adequate protection for intellectual property rights; (9) litigation; (10) loss of key executives or other employees; and (11) adverse publicity and news coverage. The statement regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Siegfried’s earnings or earnings per share for 2024 or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Siegfried.

Publisher’s Note

This Annual Report is published in German and English.

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Corporate Governance 2023



Corporate Governance

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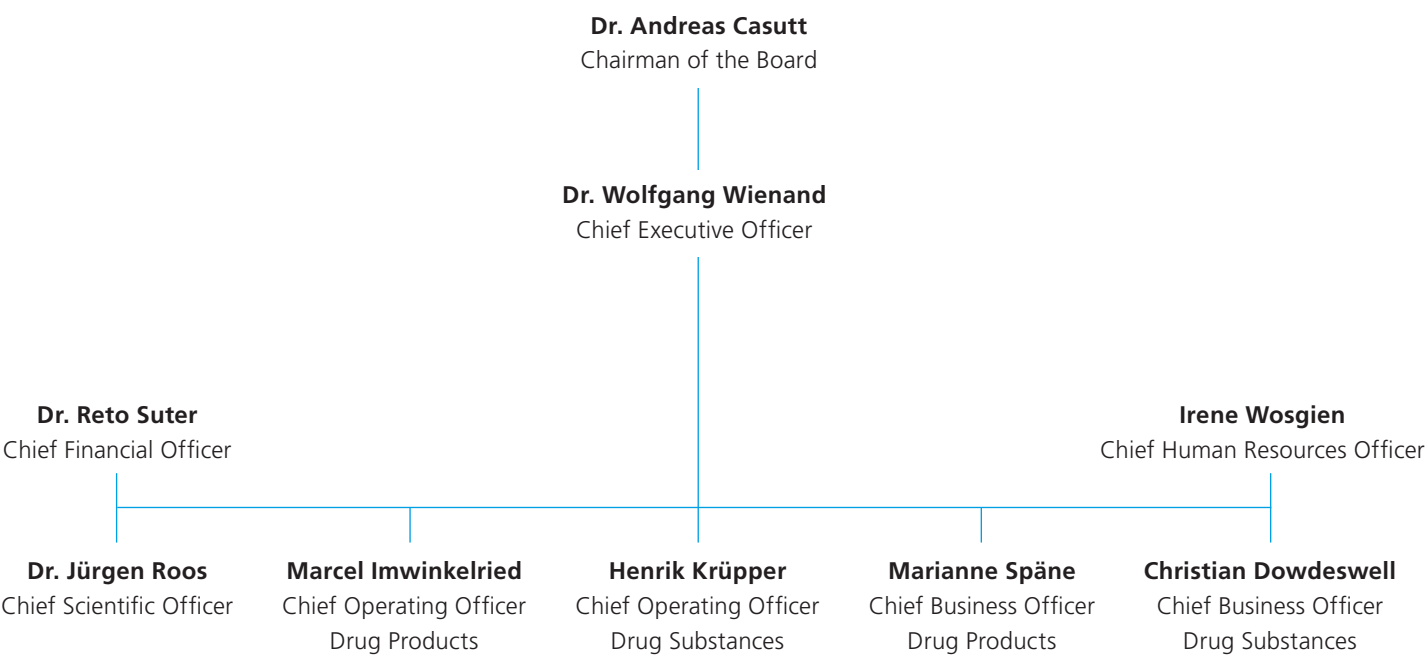
This is an excerpt of Siegfried's Annual Report 2023.
All chapters can be found on our Investor Relations portal:
www.siegfried.ch/investors/reports

At Siegfried, we firmly believe that fostering transparent and contemporary corporate governance enhances our enduring connections with shareholders, customers, and employees, generating value for all.

1. Group Structure and Shareholders

1.1 Group Structure

1.1.1 Operational Group Structure (as of 31.12.2023)



1.1.2 Legal Group Structure

Siegfried Holding AG, with registered office in Zofingen (Switzerland), is the parent company of the Siegfried Group. As of December 31, 2023, the Siegfried Group comprised 19 consolidated operating and holding companies worldwide. Siegfried Holding AG is listed on the

SIX Swiss Exchange (valor symbol: SFZN, ISIN: CH0014284498). On December 31, 2023, the market capitalization of Siegfried Holding AG amounted to approximately CHF 3 648 million.

Siegfried Holding AG is the only listed company of the Siegfried Group. The Siegfried Group operates a total of twelve manufacturing sites through the following operational group companies:

	Currency (LC)	Capital in LC	Holdings in %
Group Parent Company			
Siegfried Holding AG, Zofingen	CHF	65 232 800	
Operational Companies			
1. Switzerland			
Siegfried AG, Zofingen	CHF	20 000 000	100.00%
Siegfried Evionnaz SA, Evionnaz	CHF	1 000 000	100.00%
SIEGFRIED DINAMIQS AG, Schlieren	CHF	500 000	95.00%
2. Europe			
Siegfried Hameln GmbH, Hameln	EUR	750 500	100.00%
Siegfried PharmaChemikalien Minden GmbH, Minden	EUR	50 000	100.00%
Siegfried St. Vulbas SAS, St. Vulbas	EUR	15 200 000	100.00%
Siegfried Malta Ltd, Valletta	EUR	100 000	100.00%
Siegfried Barbera, S.L.	EUR	503 000	100.00%
Siegfried El Masnou, S.A.	EUR	10 099 778	100.00%
3. USA			
Siegfried USA, LLC, Pennsville	USD	500 000	100.00%
Alliance Medical Products, Inc., Irvine	USD	116 521	100.00%
4. Asia			
Siegfried (Nantong) Pharmaceuticals Co., Ltd., Nantong	CNY	422 296 722	100.00%

1.2 Significant Shareholders

As of December 31, 2023, the shareholders listed in the following table originally reported holdings of 3% or more of the voting rights of Siegfried Holding AG. The detailed disclosure notifications pursuant to article 120 Swiss Financial Market Infrastructure Act (FMIA)

can be found on the website of SIX Exchange Regulations (<https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html?issuedBy=SIEGFRIED&dateFrom=20230117#/>). The actual current shareholdings may deviate from the latest publicly disclosed holdings.

	Reported shares	Reported holdings in %
Ernst Göhner Stiftung, Zug, Switzerland	324 983 ¹	7.3
Interogo Foundation, Vaduz, Liechtenstein	224 167 ²	5.0
Siegfried Holding AG (own shares)	223 811 ³	5.0
Swisscanto Fondsleitung AG, Zurich, Switzerland	132 977 ⁴	3.0
Credit Suisse Funds AG, Zurich, Switzerland	134 131 ⁵	3.0
René Braginsky, Susanne Braginsky, David Braginsky; Zurich/Tel Aviv	128 000 ⁶	3.0
Dimensional Holdings Inc., Wilmington, USA	126 587 ⁷	3.0
Total	1 294 656	29.3

¹ According to the disclosure notification of May 17, 2022; including a purchase position of 98 983 shares, representing a shareholding of 2.23% (see also section 2.6).

² According to the disclosure notification of July 14, 2023.

³ According to the disclosure notification of March 16, 2023.

⁴ According to the disclosure notification of May 3, 2022.

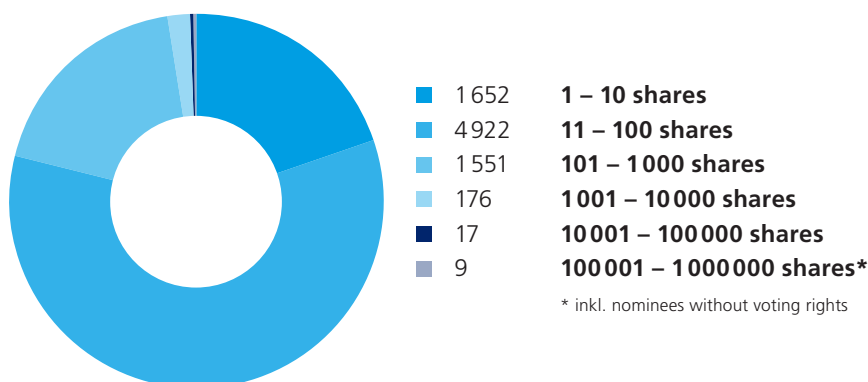
⁵ According to the disclosure notification of November 22, 2023.

⁶ According to the disclosure notification of December 12, 2018.

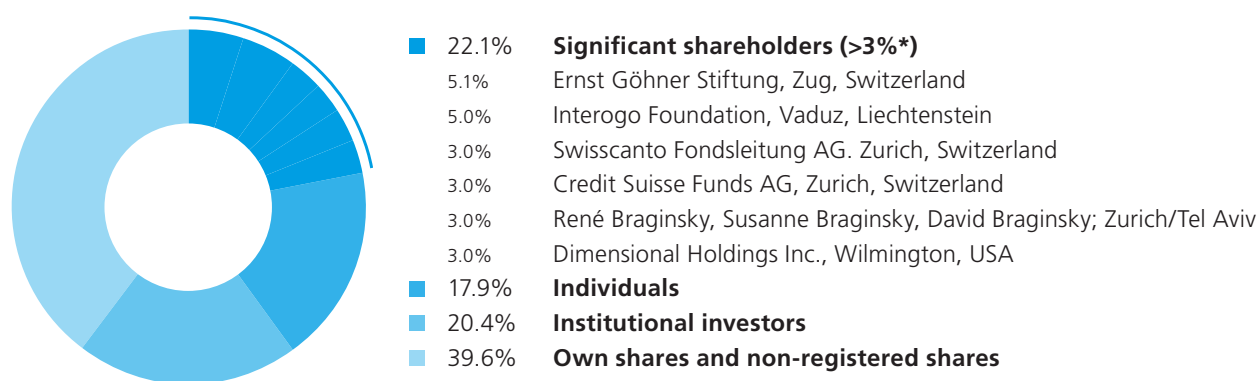
⁷ According to the disclosure notification of March 3, 2018.

As of December 31, 2023, 8 327 shareholders (excluding Siegfried Holding AG) were registered in the share register of Siegfried Holding AG, or known on the basis of the disclosure notifications pursu-

ant to article 120 FMIA, representing a shareholding of 60.4% of the total share capital. The distribution of the shares among the shareholders was as follows:



Shareholdings by segment as of December 31, 2023, were as follows:



* Shareholdings according to latest SIX disclosure notifications. Excluding own shares.

1.3 Cross Shareholdings

The Siegfried Group has not entered into any capital- or share-based crossholdings with other companies.

2. Capital Structure

2.1 Share Capital

The share capital of Siegfried Holding AG recorded in the commercial register as of December 31, 2023, amounted to CHF 65 232 800, divided into 4 468 000 fully paid-in registered shares with a par value of CHF 14.60 each. All registered shares (with the exception of own shares) authorize the holder to exercise one vote at the General Meeting of Shareholders, and grant the right to receive dividends (subject to the dividend resolution of the General Meeting of Shareholders). There are no preferred rights attached to any Siegfried shares.

The shares are issued as uncertificated securities within the meaning of article 973c of the Swiss Code of Obligations and registered as intermediated securities within the meaning of the Swiss Federal Intermediated Securities Act. Shareholders have no right to request the printing and delivery of share certificates or the conversion of the form in which shares are issued into another form. Shareholders may, however, at any time request from Siegfried Holding AG a written confirmation as to the registered shares listed under his/her name in the share register.

2.2 Capital Band and Conditional Share Capital

2.2.1 Capital Band

The 2023 Annual General Meeting of Shareholders of Siegfried Holding AG approved the creation of a capital band, an instrument newly introduced by the revised Swiss corporate law (new article 653s of the Swiss Code of Obligations). Within the limits of the capital band as defined in article 3^{ter} of the Articles of Incorporation, the Board of Directors is authorized to increase or reduce the share capital of Siegfried Holding AG. The capital band of Siegfried Holding AG is capped at 110% of the current share capital. Hence, the upper limit of the capital band is at CHF 71 756 080 and the lower limit of the capital band is at CHF 65 232 800, the current issued share capital. The capital band is available to the Company for a maximum of 5 years, i.e. until April 20, 2028. However, future capital reductions resolved by the Annual General Meeting will lead to the early expiry of the capital band and, hence, the capital band will likely need to be reapproved from time to time.

According to article 3^{ter} para. 3 of the Articles of Incorporation, the Board of Directors shall determine, to the extent necessary, the issue price, the type of contributions, the time of issue, the conditions for the exercise of subscription rights and the commencement of dividend entitlement of the shares issued out of the capital band. The Board of Directors may issue new shares by means of a firm underwriting by a bank, a banking syndicate or another third party and a subsequent offer to the existing shareholders or to third parties (provided that the subscription rights of the existing shareholders have been cancelled or not validly exercised). The Board of Directors is further authorized to allow, limit or exclude the trading of subscription rights. The Board of Directors may allow subscription rights that have not been validly exercised to lapse or it may place them, or shares for which subscription rights have been granted but not validly exercised, at market conditions or otherwise use them in the interest of the Company. In addition, pursuant to article 3^{ter} para. 4 of the Articles of Incorporation, the Board of Directors is authorized to cancel or limit the subscription rights of existing shareholders and to allocate them to third parties, to Siegfried or one of the Siegfried Group companies:

- a) for the purpose of raising equity capital in a quick and flexible manner which would not be possible or would only be possible with difficulty or on substantially worse terms without the exclusion of the pre-emptive rights of the existing shareholders, and provided that the issue price of the new shares is determined taking into account the market price; or;
- b) for the acquisition of companies, parts of companies or participations, or the acquisition of products, intangible assets or licenses by the Company or one of its Group companies or investment projects of the Company or one of its Group companies or for the financing or refinancing of such transactions through a share placement; or
- c) for the purpose of expanding the Company's shareholder base in certain financial or investor markets, for the participation of strategic partners, including financial investors, or in connection with the listing of new shares on domestic or foreign stock exchanges; or
- d) for granting an over-allotment option (greenshoe) of up to 20% of the shares to be placed or sold to the relevant initial purchasers or firm underwriters in connection with a share placement or sale.

As of December 31, 2023, no shares had been issued out of the capital band approved by the 2023 Annual General Meeting of Shareholders.

The authorized capital of 440 000 shares that was approved at the 2021 Annual General Meeting of Shareholders of Siegfried Holding AG expired at the 2023 Annual General Meeting of Shareholders and was replaced by the aforementioned capital band. Prior to its expiry, no shares of the 2021 authorized capital were issued by the Company.

2.2.2 Conditional Share Capital

The 2019 Annual General Meeting of Shareholders of Siegfried Holding AG approved to increase the number of shares of the conditional capital from 60 000 to 215 000 shares with a par value of CHF 27.00 each, at the time representing a conditional share capital of CHF 5 805 000.

As per December 31, 2023, a total of 168 000 shares had been issued out of said conditional share capital in accordance with the purpose set forth in article 3^{bis} of the Articles of Incorporation. Hence, the conditional share capital of Siegfried Holding AG amounted to CHF 686 200, divided into 47 000 registered shares with a par value of CHF 14.60 each. This corresponds to approx. 1.1% of the outstanding share capital.

The conditional share capital is reserved for the issuance of Siegfried shares to members of the Board of Directors and/or the employees of Siegfried Holding AG and/or its group companies. Pre-emptive rights as well as advanced subscription rights of company shareholders are excluded. The issuing of shares or related pre-emptive rights to members of the Board of Directors and/or employees of Siegfried Holding AG and/or its group companies shall take place in accordance with one or more regulations to be issued

by the Board of Directors, taking into account such criteria as performance, functions, responsibility levels, and profitability. Shares or pre-emptive rights may be issued to members of the Board of Directors and/or employees of Siegfried Holding AG and/or its group companies at a price below the market price.

2.3 Changes in Share Capital

In the financial year 2023, Siegfried Holding AG issued a total of 36 000 shares out of conditional share capital approved by the 2019 Annual General Meeting of Shareholders. All shares were issued to the members of the Board of Directors and/or employees of Siegfried Holding AG and/or its group companies in accordance with article 3^{bis} of the Articles of Incorporation. No shares out of the authorized share capital or the capital band were issued in 2023.

In addition, the 2023 Annual General Meeting of Shareholders of Siegfried Holding AG resolved to reduce the share capital of the Company by reducing the par value of the registered shares from CHF 18.00 to CHF 14.60 per share. The number of shares remained unchanged and the reduction amount of CHF 3.40 per share was distributed to the shareholders. As a result, as per December 31, 2023, the share capital of Siegfried Holding AG amounted to CHF 65 232 800.00, divided into 4 468 000 fully paid in shares with a par value of CHF 14.60 each.

In the financial year 2022, a total of 46 000 shares were issued out of conditional share capital. In the same year, the Annual General Meeting of Shareholders resolved to reduce the share capital of the Company by reducing the par value of the issued registered shares from CHF 21.20 to CHF 18.00 per share. As a result, as per December 31, 2022, the share capital of Siegfried Holding AG amounted to CHF 79 776 000.00 divided into 4 432 000 registered shares with a par value of CHF 18.00 each.

In the financial year 2021, a total of 45 000 shares were issued out of conditional share capital. In the same year, the Annual General Meeting of Shareholders resolved to reduce the share capital of the Company by reducing the par value of the issued registered shares from CHF 24.20 to CHF 21.20 per share. As a result, as per December 31, 2021 the share capital of Siegfried Holding AG amounted to CHF 93 195 200 divided into 4 396 000 registered shares with a par value of CHF 21.20 each.

2.4 Participation Certificates and Dividend-right Certificates

As of December 31, 2023, Siegfried Holding AG had no participation certificates or dividend-right certificates outstanding.

2.5 Limitations on Transferability and Registration of Nominees

For as long as the shares of Siegfried Holding AG are in uncertificated form and registered as intermediated securities, any transfer and

collateralization of shares must be made in accordance with the Swiss Federal Intermediated Securities Act.

Voting rights may be exercised only after a shareholder has been registered in the share register of Siegfried Holding AG as a shareholder with voting rights. Registration in the share register is subject to the following statutory restrictions:

- Registration requests are considered granted if Siegfried has not denied them within 20 days after receipt.
- Petitioners must expressly declare that they have acquired the shares in their own name and for their own account, that there is no agreement on the redemption or return of corresponding shares and that they bear the economic risk associated with the registered shares.

Individual persons, who refrain from explicitly declaring in the registration application that they hold the shares for their own account ("nominees") may be entered into the share register with voting rights, provided the nominee enters into a corresponding agreement with the Board of Directors, and is subject to a recognized bank or financial market supervision. As of December 31, 2023, no such agreements existed and all nominees were registered in the share register without voting rights.

2.6 Convertible Bonds and Options

On December 28, 2020, Siegfried Holding AG issued two private, non-transferable hybrid convertible bonds with a nominal value of CHF 40 million each, or CHF 80 million in total. The hybrid convertible bonds are subordinated bonds with a perpetual duration, carrying interests of 0.65% and 1.15% respectively. The issuer has a first call date five years after issuance. If it is not exercised, the interest rates increase (step up). Additionally, the holder of the bonds has a conversion right at formulaic conversion price, exercisable in the five years after issuance, until December 28, 2025. According to the latest disclosure notification relating to the hybrid convertible bonds of May 17, 2022, the holder of the convertible bonds has the right to convert the nominal amount of the bonds into 98 983 shares of Siegfried Holding AG, representing a stake of 2.23%. The conversion price and, hence, the total number of shares to be issued to the holder of the convertible bonds may be subject to changes in accordance with the terms of the convertible bonds, in particular in the case of payment of dividends by Siegfried. It is expected that the shares required for the conversion of the bonds will be provided from own shares currently held by Siegfried Holding AG without issuance of new shares.

With respect to performance share units granted to the members of the Executive Committee and upper and middle management under the Long Term Incentive Plan of Siegfried Holding AG, please consult the Remuneration Report (page 11 et seq.).

As per December 31, 2023, Siegfried Holding AG had not issued any other convertible bonds or options for Siegfried shares.

3. Board of Directors

The Board of Directors holds the ultimate responsibility for supervising and monitoring the management of the Siegfried Group. It is responsible for all matters vested to it by the law or the Articles of Incorporation of Siegfried Holding AG. In particular, the Board of Directors decides on group strategy, the allocation of resources and the structure of the Siegfried Group. It is also responsible for drafting the principles of the Siegfried Group's organization, the strategic goals, the accounting system, the financial controlling, internal audit, risk management, financial planning and sustainability. It defines and fosters the culture of the Siegfried Group. The Board of Directors delegates the responsibilities for the executive management of the Siegfried Group to the CEO, to the extent the Board of Directors does not itself assume these or assigns them to the Chairman of the Board of Directors in line with the [Organizational Regulations](#).

3.1 Diversity and Independence

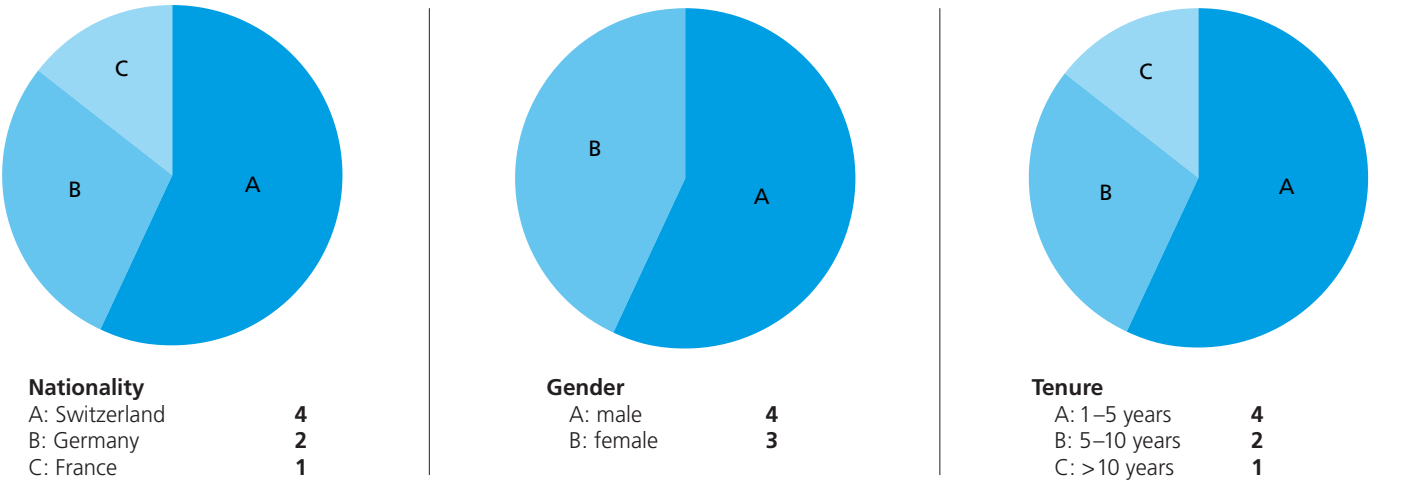
In accordance with the Siegfried Group [Organizational Regulations](#), the Chairman of the Board of Directors and the majority of the members of the Board of Directors must be non-executive and independent. In line with the Swiss Code of Best Practice for Corporate Governance, the Board members are considered non-executive and independent if they (i) are currently not members of the Executive Committee and have not belonged to the Executive Committee in the last than three years, and (ii) have no or only relatively minor business relations with Siegfried.

The Board of Directors aims to achieve and maintain an appropriate balance of skills and knowledge, taking into account the core and adjacent business fields of the pharmaceutical industry in which Siegfried is active, its international orientation, the accounting and legal requirements of listed companies, as well as the growing need for board level expertise in the fields of compensation, digitalization and sustainability. Hence, when members are proposed for election to the Board of Directors, a variety of criteria is taken into consideration, including industry experience, experience in executive and management functions, knowledge in finance and accounting, governance, compliance and law, expertise in ESG and information technology, as well as gender and other diversity criteria in accordance with Siegfried's [Diversity, Inclusion & Equality Policy](#). In accordance with said Diversity, Inclusion & Equality Policy, Siegfried strives to achieve a gender diversity with women representing no less than 30% of its Board members.

The Board regularly conducts a self-assessment of the performance of its members as well as its processes and organization, with the target to improve the governance, enhance efficacy, identify gaps in the skill sets and diversity and define future priorities.

The Board of Directors of Siegfried Holding AG currently con-

Siegfried Board of Directors Diversity



Siegfried Board of Directors Expertise

	Healthcare Industry Experience	Finance / Accounting	Governance / Legal / Compliance	Executive Leadership / Management	Human Resources / Compensation	Corporate Sustainability / ESG	Information Technology / Digitalization
Total							

sists of seven non-executive members from three different countries. Currently, three of the seven members of the Board of Directors are female (quota of 43%).

All members of the Board of Directors of the current term of office 2023/2024 qualify as non-executive and independent within the meaning of the Swiss Code of Best Practice for Corporate Govern-

ance. None of the current members ever held a position in the Executive Committee of Siegfried or any other company of the Siegfried Group, nor did they, or the companies or organizations they represent, ever have any significant business relationship with Siegfried.

3.2 Members of the Board of Directors

For the current term of office 2023/2024, the Board of Directors of Siegfried Holding AG consists of the following members:

Name	Birth year	Position	Member since	End of term
Andreas Casutt	1963	Chairman, non-executive and independent	2010	2024
Martin Schmid	1969	Vice Chairman, non-executive and independent	2016	2024
Alexandra Brand	1971	Non-executive and independent member	2022	2024
Wolfram Carius	1961	Non-executive and independent member	2014	2024
Elodie Carr-Cingari	1974	Non-executive and independent member	2023	2024
Beat Walti	1968	Non-executive and independent member	2022	2024
Isabelle Welton	1963	Non-executive and independent member	2020	2024

3.3 Profiles of Current Members of the Board of Directors 2023/2024

The following information on the current members of the Board of Directors relates to their (1) position at Siegfried; (2) professional career; (3) outside mandates in accordance with article 626 para. 2 point 1 of the Swiss Code of Obligations; (4) education and training; and (5) nationality:

Dr. Andreas Casutt, Chairman

1. Andreas Casutt (1963) joined the Board of Siegfried Holding AG in 2010 and was elected Chairman in 2014.
2. Andreas Casutt has been a partner of the law firm Niederer Kraft Frey AG in Zurich since 2002, for which he also serves on the board of directors and held office as managing partner from 2006 to 2014. Andreas Casutt specializes in corporate law, Contract law, Mergers & Acquisitions, and Stock Exchange law.
3. Andreas Casutt is a board member of the publicly traded Mikron Holding AG and maxon international AG (as well as its sister company maxon motor AG). In addition, he is a board member of Dextra Rechtsschutz AG, Format A AG, Vanco Switzerland AG and holds various board mandates for the investment company Horizon21 AG and its related companies (SO Holding AG, Roymar Corporation SA, Lakeside Services AG, Lakeside Aviation AG, Sole Invest AG, Allwinden Holding AG) as well as privately owned ImmSell AG and ImmOthmar AG. Furthermore, Andreas Casutt chairs the board of TPIO Holding AG, its subsidiary Belleview AG and OPG Online Personals Group AG and he is a managing director of privately owned HEROS Helvetic Rolling Stock GmbH and its subsidiary HEROS

America Middel-East Asia GmbH.

4. Andreas Casutt studied law and received his Ph.D. at the University of Zurich and completed an LL.M. program at the University of Michigan, Ann Arbor.
5. Andreas Casutt is a Swiss citizen.

Dr. Martin Schmid, Vice Chairman

1. Martin Schmid (1969) has been a member of the Board of Directors of Siegfried Holding AG since 2016 and was elected Vice-Chairman in 2020.
2. Martin Schmid is an attorney-at-law, co-founder and partner in the law firm Kunz Schmid, Chur. He was elected State Councilor of the Canton of Graubünden in 2011. From 2003 to 2011 he was a member of the government of the Canton of Graubünden, where he headed the Department of Justice, Security and Health and subsequently the Department of Finance.
3. Martin Schmid is a member of the board of directors of Swiss Life AG and Swiss Life Holding AG. In the energy sector, he is chairman of the board of EKW AG and ELIN AG and a board member of Swissgas AG. In the construction sector, he chairs the board of Calanda Holding AG (and of its subsidiaries Calanda Gruppe AG and Gribag AG). He also chairs the Swiss Gas Industry Association (VSG ASIG), the Swiss Development Association, the Graubünden Cantonal Hospital Foundation and the Institute of Finance and Financial Law at the University of St. Gallen (IFF-HSG). In addition, he is a member of the board of economiesuisse, the umbrella organization of the Swiss economy, and of the advisory counsel of ExpertSuisse.

4. Martin Schmid studied law at the University of St. Gallen, where he received his doctorate in 2005.
5. Martin Schmid is a Swiss citizen.

Dr. Alexandra Brand, Member of the Board

1. Alexandra Brand (1971) joined the Board of Siegfried Holding AG in 2022. She is a member of the Strategy & Sustainability Committee of Siegfried.
2. Alexandra Brand is a member of the Global Leadership Team of the Syngenta Group, where she has been appointed to the position of Executive Vice President, Sustainability and Corporate Affairs in November 2023. Prior to that, Alexandra Brand led one of Syngenta Group's largest businesses units as the Crop Protection Regional Director for EAME. From 2018–2020, she was Chief Sustainability Officer of Syngenta Group where she led the newly created Business Sustainability Group to evolve existing sustainability initiatives and to drive forward the company's sustainability agenda. Alexandra Brand originally joined Syngenta in late 2015 as Regional Director of Syngenta's crop protection and seed operations across Europe, Africa and the Middle East. Prior to joining Syngenta, Alexandra Brand held various positions with increasing importance and responsibility with BASF for more than 15 years.
3. Alexandra Brand is a member of the board of directors of Azelis, a public listed leading global distributor of specialty chemicals and food ingredients.
4. Alexandra Brand studied Chemistry at the University of Darmstadt, where she also received her Ph.D. in inorganic chemistry in 1998.
5. Alexandra Brand is a German citizen.

Prof. Dr. Wolfram Carius, Member of the Board

1. Wolfram Carius (1961) joined the Board of Siegfried Holding AG in 2014. Wolfram Carius chairs the Strategy & Sustainability Committee and is a member of the Audit Committee of Siegfried.
2. Wolfram Carius is a member of the Executive Leadership Team of Bayer Pharma, where he has been holding the position of Executive Vice President Pharmaceuticals, with responsibility for the new created Cell and Genetherapy since 2020. Prior to that, he served as Executive Vice President Pharmaceuticals Product Supply at Bayer and member of the Executive Committee at Bayer Pharma. From 2013 to 2016, Wolfram Carius worked for Sanofi, a French healthcare company, as Senior Vice President Biopharma Biologics and member of the Global Leadership Team. From 1987 to 2013, he held various positions with the pharma company Boehringer Ingelheim. In 2009, he was appointed to the company's Board of Managing Directors, initially with responsibility for Human Resources and Technical Operations, and from 2012 for Biopharma and Operations. Before that, he was responsible for the development and expansion of the biopharma unit. He managed the company's production site in Japan and worked later in Brazil as technical director before being appointed member of Boehringer Ingelheim's Board of Managing Directors in Germany.

3. Wolfram Carius serves on the boards of Südpack Medica AG, Switzerland, and FinVector Oy, Finland, a company of Ferring Ventures, Switzerland. In addition, he is Co-founder and member of the Advisory Board of Artistratis GmbH, Germany.
4. Wolfram Carius holds a Ph.D. in Pharmaceutical Biology and Analytical Phytochemistry from the University of Saarland, Germany. He has been awarded the title of honorary professor in recognition of his long and exceptional service by the Biberach University of Applied Sciences in 2009.
5. Wolfram Carius is a German citizen.

Ms. Elodie Carr-Cingari, Member of the Board

1. Elodie Carr-Cingari (1974) was elected to the Board of Siegfried Holding AG in 2023. She chairs Siegfried's Audit Committee
2. Elodie Carr-Cingari has been the Chief Financial Officer of the Landis+Gyr Group since 2020. Previously, she held the position of Chief Financial Officer of the Hoerbiger Group. Prior to that, Elodie Carr-Cingari spent 11 years with Alstom and later General Electric following the Alstom acquisition, where she held several CFO positions of global businesses in the Energy and Grid sectors. She spent the first 10 years of her career with Hewlett-Packard where she held different finance leadership roles.
3. –
4. Elodie Carr-Cingari holds a Master of Business Administration from Bocconi University in Milan, Italy.
5. Elodie Carr Cingari is a French and Swiss citizen.

Dr. Beat Walti, Member of the Board

1. Beat Walti (1968) was elected to the Board of Siegfried Holding AG in 2022. He is a member of the Remuneration Committee as well as the Strategy & Sustainability Committee of Siegfried.
2. Beat Walti has been an attorney-at-law, partner, and member of the board of directors of Wenger Vieli AG, a Zurich-based law firm since 2007, specializing in matters of commercial and corporate law and governance issues. From 1999 to 2013, Beat Walti was a member of the Cantonal Council of Zürich. In 2014, Beat Walti became a member of the Swiss National Council, where he sits on the Economic Affairs and Taxation Committee and presided over the parliamentary group of "FDP/the liberals" from 2017–2022.
3. Beat Walti chairs the Foundation Board of the Ernst Göhner Foundation and the board of directors of Rahn AG. He is a member of the board of directors of DSV A/S in Denmark and of EGS Beteiligungen AG and a member of the advisory board of PricewaterhouseCoopers AG and Pure Holding AG. In addition, Beat Walti is chairman of the boards of OSPITA (Association of Swiss Enterprises in the Healthcare Sector) and of VIS (Association of institutional real estate investors in Switzerland), member of the advisory counsel of ExpertSuisse as well as of other private foundations and associations.
4. Beat Walti studied law at the Universities of Neuchâtel and Zurich and received his Ph.D. in 1998.
5. Beat Walti is a Swiss citizen.

Isabelle Welton, Member of the Board

1. Isabelle Welton (1963) was elected to the Board of Siegfried Holding AG in 2020. She chairs Siegfried's Remuneration Committee.
2. Isabelle Welton is the owner of a consulting company focusing on corporate culture and change processes, which she founded in 2018. From 2013 to 2017, she was as member of the Group Executive Board of the Zurich Insurance Group with responsibility for Human Resources & Corporate Culture. Isabelle Welton started her career with Citibank in Tokyo and subsequently changed to IBM, where she held various positions in marketing and communications before being appointed country general manager of IBM in Switzerland.
3. Isabelle Welton serves as the chairwoman of the board of directors of AG für die Neue Zürcher Zeitung and is a member of the board of the Avobis Group and the Swiss Institute of International Studies as well as the foundation boards of Swisscontact, SOS Children's Village Switzerland and the Lucerne Festival.
4. Isabelle Welton studied law at the University of Zurich.
5. Isabelle Welton is a Swiss citizen.

3.4 Permitted Activities in the Managing or Administrative Body of Other Companies

Members of the Board of Directors of Siegfried Holding AG may not assume more than twenty additional mandates, of which no more than four for publicly listed companies. This applies to every mandate if it concerns mandates in comparable functions at other companies with economic purposes. Mandates in different legal entities under common control or owned by the same beneficial owner shall be deemed to constitute a single mandate.

Not subject to these limitations are (i) mandates in companies that are controlled by, or which control, Siegfried Holding AG; (ii) mandates that a member of the Board of Directors assumes at the direction of Siegfried Holding AG or a group company, provided that no member of the Board of Directors may assume more than ten such mandates at companies that are not controlled by, or do not control, Siegfried Holding AG; (iii) mandates in associations, foundations, occupational benefit foundations, educational institutions

and similar organizations provided that no member of the Board of Directors may assume more than ten such mandates.

The acceptance of any such additional mandate in a listed company by a member of the Board of Directors requires the prior approval of the Board of Directors.

3.5 Election and Term of Office

The members of the Board of Directors of Siegfried Holding AG as well as the Chairman of the Board and the members of the Remuneration Committee are elected by the General Meeting of Shareholders. Apart from that, the Board of Directors constitutes itself.

The term of office of the members of the Board of Directors is one year and ends with the conclusion of the next Annual General Meeting of Shareholders. Re-election is permitted. According to the Organizational Regulations, members of the Board of Directors must retire at the next Annual General Meeting of Shareholders after reaching the age of 72. The Board of Directors may decide on exceptions for the Chairman and the Honorary Chairman.

3.6 Internal Organization

The Board of Directors is responsible for the supervision of the Siegfried Group and its business. The Board determines the Group strategy, the allocation of resources, and the management structure of the Siegfried Group. It is also responsible for setting the organizational structure, accounting, financial control, and financial planning. To the extent it does neither exercise these duties itself nor delegate them to the Chairman of the Board, the Board of Directors has delegated the management of the business to the CEO of the Siegfried Group. Decisions are taken by the entire Board of Directors. [The Organizational Regulations](#) set forth the Board's power, duties, and internal organization.

During the business year 2023, the Board of Directors met for three one-day ordinary meetings, two half-day ordinary meetings and a strategy meeting of two days. In addition, numerous teleconferences were held. All Board members were present at all ordinary meetings.

	Board Meetings				
	16.02.2023	20.04.2023	06.07.2023	14.08.2023	23.11.2023
Andreas Casutt	x	x	x	x	x
Martin Schmid	x	x	x	x	x
Colin Bond*	x				
Wolfram Carius	x	x	x	x	x
Isabelle Welton	x	x	x	x	x
Alexandra Brand	x	x	x	x	x
Beat Walti	x	x	x	x	x
Elodie Carr-Cingari**		x	x	x	x

* Colin Bond did not stand for re-election at the 2023 Annual General Meeting.

** Elodie Carr-Cingari was elected to the Board at the 2023 Annual General Meeting.

For its internal organization and, in particular, the election to and composition of its committees, the Board takes into account the experience and expertise of its members, such as industry experience, experience in executive and management functions, knowledge in finance and accounting, governance, compliance and law, expertise in ESG and information technology.

The following three Board Committees assist the Board of Directors:

- Audit Committee
- Remuneration Committee
- Strategy and Sustainability Committee

Committee	Chair	Members
Audit Committee	Elodie Carr-Cingari	Wolfram Carius, Martin Schmid
Remuneration Committee	Isabelle Welton	Martin Schmid, Beat Walti
Strategy and Sustainability Committee	Wolfram Carius	Alexandra Brand, Beat Walti

The responsibilities and competencies of the Board Committees are governed in article 16 paragraph 4 of the [Articles of Incorporation](#) and the Siegfried [Organizational Regulations](#). The composition, organization and duties and responsibilities of each Board Committee are set forth in detail in the relevant Committee Charters, which are annexed to and form an integral part of the Organizational Regulations.

The Board Committees review and discuss important matters in their relevant field of responsibility prior to Board meetings. The Board Committees have a comprehensive right to information and submit recommendations to the Board, but generally do not have decision-making authority unless expressly stipulated otherwise in the relevant charter. They may request that an item be included on the agenda of the next meeting of the Board of Directors

and the Chairmen of the relevant committees report on their activities at the meetings of the Board of Directors.

As a rule, each committee consists of three members of the Board of Directors, one of whom chairs the committee. In addition, the Chairman of the Board, the CEO and the CFO, and the responsible members of the Executive Committee regularly attend these meetings.

In the business year 2023, the Audit Committee met four times and the Remuneration Committee as well as the Strategy and Sustainability Committee each met three times for ordinary half-day meetings. All committee members as well as the Chairman of the Board of Directors participated in the ordinary meetings. In addition, various telephone conferences on specific issues were held.

	Audit Committee			
	10.02.2023	10.05.2023	11.08.2023	20.11.2023
Colin Bond (Chair)*	x			
Elodie Carr-Cingari (Chair)**		x	x	x
Martin Schmid	x	x	x	x
Wolfram Carius	x	x	x	x
Andreas Casutt	x	x	x	x

* Did not stand for re-election at the 2023 Annual General Meeting.

** Elected to the Audit Committee after the 2023 Annual General Meeting.

	Remuneration Committee		
	10.02.2023	11.08.2023	22.11.2023
Isabelle Welton (Chair)	x	x	x
Martin Schmid	x	x	x
Beat Walti	x	x	x
Andreas Casutt	x	x	x

	Strategy and Sustainability Committee		
	15.02.2023	11.05.2023	22.11.2023

Board of Directors



Dr. Andreas Casutt
Chairman



Dr. Martin Schmid
Vice Chairman



Dr. Alexandra Brand
Board Member



Prof. Dr. Wolfram Carius
Board Member



Elodie Carr-Cingari
Board Member



Dr. Beat Walti
Board Member



Isabelle Welton
Board Member

Detailed portraits of the Members of the Board of Directors can be found on the pages 10–12 or on www.siegfried.ch

Executive Committee



Dr. Wolfgang Wienand
Chief Executive Officer



Dr. Reto Suter
Chief Financial Officer



Marcel Imwinkelried
Chief Operating Officer
Drug Products



Henrik Krüpper
Chief Operating Officer
Drug Substances



Dr. Jürgen Roos
Chief Scientific Officer



Marianne Späne
Chief Business Officer
Drug Products



Christian Dowdeswell
Chief Business Officer
Drug Substances



Irene Wosgien
Chief Human Resources Officer

Detailed portraits of the Members of the Executive Committee can be found on the pages 17–18 or on www.siegfried.ch

Wolfram Carius (Chair)	x	x	x
Alexandra Brand	x	x	x
Beat Waliti	x	x	x
Andreas Casutt	x	x	x

3.7 Information and Control Instruments

The internal information and control system of the Board of Directors and the Executive Committee is based on the following monthly reporting instruments: Revenues and other financial results of the Siegfried Group are presented in detail and compared with the budget and the previous year's results – including a financial forecast for the entire year. Quarterly reports focus on budget deviations, important business incidents, and the most important key performance indicators. A five-year plan outlines the financial planning for the next five business years. The Internal Control System (ICS) and a comprehensive risk management procedure (described on page 20 et seq. of the Financial Report) further add to the Board's information and control instruments. In addition, the head of the Internal Audit department reports directly to the Chairman of the Audit Committee.

The results of the reporting are discussed and evaluated with the CEO, the CFO and other members of the Executive Committee at the meetings of the Board of Directors. Furthermore, the Chairman of the Board discusses the course of business and other important topics with members of the Executive Committee on a regular basis.

4. Executive Committee

The Chief Executive Officer (CEO) is responsible for the operative and results-oriented management of the Siegfried Group. Subject to the competencies and directives of the Board of Directors and its Chairman, the CEO has extensive responsibility for the sales and earnings of the Siegfried Group and for achieving the corporate targets as well as managing and overseeing the Siegfried Group and the Group companies. He ensures sustainable growth and sufficient capital returns. The detailed responsibilities and functions of the CEO are set forth in article 5 of the Siegfried [Organizational Regulations](#).

4.1 Members of the Executive Committee

As per December 31, 2023, the Executive Committee of Siegfried comprised the following persons:

Name	Birth year	Position	Member since	In current function since
Wolfgang Wienand	1972	Chief Executive Officer	2010	2019
Reto Suter	1971	Chief Financial Officer	2017	2017
Henrik Krüpper	1971	Chief Operating Officer Drug Substances	2023	2023
Marcel Imwinkelried	1967	Chief Operating Officer Drug Products	2021	2021
Jürgen Roos	1968	Chief Scientific Officer	2019	2019
Christian Dowdeswell	1966	Chief Business Officer Drug Substances	2023	2023
Marianne Späne	1962	Chief Business Officer Drug Products	2004	2010
Irene Wosgien	1973	Chief Human Resources Officer	2019	2023

As per December 31, 2023, two out of eight members of the Executive Committee were female (quota of 25%). Members of the Executive Committee may hold office until they reach the age of ordinary retirement under Swiss law. As of December 31, 2023, the age of ordinary retirement is 64 years for women and 65 years for men.

4.2 Profiles

The following information on the current members of the Executive Committee of the Siegfried Group relates to their (1) current position at Siegfried; (2) professional career; (3) outside mandates in accordance with article 626 para. 2 point 1 of the Swiss Code of Obligations; (4) education and training; and (5) nationality:

Dr. Wolfgang Wienand, Chief Executive Officer

1. Wolfgang Wienand (1972) joined the Siegfried Group in 2010 and was appointed CEO as of January 1, 2019.
2. When joining Siegfried, Wolfgang Wienand first served as Chief Scientific Officer, responsible for Siegfried's global Research & Development activities, before taking over the function as Chief Strategy Officer in December 2011 with responsibility for Strategy, Mergers & Acquisitions, Legal and Intellectual Property Management and Regulatory Affairs. From May 2017 until December 2018, Wolfgang Wienand held in parallel both the Chief Scientific Officer and Chief Strategy Officer functions. Before joining Siegfried, Wolfgang held senior management positions at Evonik Industries AG (formerly Degussa AG) with a focus on fine chemical and custom development and manufacturing for the pharmaceutical industry.
3. Wolfgang Wienand is a member of the Board of Directors of Mettler-Toledo International Inc. and a member of the Supervisory Board of SCHOTT Pharma AG & Co. KGaA.
4. Wolfgang Wienand studied chemistry at the University of Bonn and obtained a Ph.D. in organic and bioorganic chemistry from the University of Cologne. In addition, he holds an Executive Master's Degree in International Finance from École des hautes études commerciales HEC Paris.
5. Wolfgang Wienand is a German citizen.

Dr. Reto Suter, Chief Financial Officer

1. Reto Suter (1971) joined Siegfried on May 1, 2017, as Chief Financial Officer, additionally responsible for Cyber Security and Risk Management.
2. Prior to joining Siegfried, Reto Suter held a range of positions in industry as well as in finance and private equity. In his last function as COO, CIO and Board Member of Lonrho, a long-established company headquartered in London (UK) and Johannesburg (SA), Reto Suter was responsible for overseeing the public takeover and subsequent delisting and restructuring.
3. Reto Suter is a member of the Board of Directors and Chairman of the Audit Committee of Inficon Holding AG.
4. Reto Suter studied economics at the University of Zurich and the University of Washington in Seattle and completed his doctorate in banking and finance at the University of Zurich.
5. Reto Suter is a Swiss citizen.

Marcel Imwinkelried, Chief Operating Officer Drug Products

1. Marcel Imwinkelried (1967) joined the Siegfried Group in January 2021 as Multi-Site Head for the Drug Products sites in Barberà del Vallès and El Masnou (Spain) as well as Irvine (California)

and was appointed Chief Operating Officer Drug Products effective October 2021.

2. Previously, Marcel Imwinkelried was with Novartis in various roles with increasing responsibility since 2005. In 2018, he took over the function of Global Head Technical Operations Solids.
3. –
4. Marcel Imwinkelried graduated in mechanical engineering from the Lucerne University of Applied Sciences and holds a degree in business administration from the University of St. Gallen.
5. Marcel Imwinkelried is a Swiss citizen.

Henrik Krüpper, Chief Operating Officer Drug Substances

1. Henrik Krüpper (1971) joined the Siegfried Group as of September 2023 as Chief Operating Officer Drug Substances.
2. Prior to joining Siegfried, Henrik Krüpper held the position of CEO of HCS Group, an international specialty chemicals company based in Germany since 2019. After joining HCS Group in 2012, Henrik Krüpper held various functions, including as a Managing Director and Chief Commercial Officer. He started his career at Th. Goldschmidt AG as Site Excellence and Production Manager followed by positions with increasing operational and managerial responsibilities at Evonik Industries AG (formerly Degussa AG), City Solar AG, Q-Cells SE and Soltecure GmbH.
3. –
4. Henrik Krüpper holds a diploma (Dipl.-Ing.) in mechanical engineering with a specialization in process engineering from the Technical University (RWTH) Aachen in Germany.
5. Henrik Krüpper is a German citizen.

Dr. Jürgen Roos, Chief Scientific Officer

1. Jürgen Roos (1968) joined the Siegfried Group in April 2019 as Chief Scientific Officer.
2. Before joining Siegfried, Jürgen Roos worked for Evonik Industries AG as Vice President for Innovation Management of the Animal Nutrition business line. Jürgen Roos started his professional career at Evonik (formerly Degussa-Hüls and Degussa AG) in 1999 as Laboratory Team Leader in chemical research in the field of fine chemicals. After various functions within the R&D organization of Evonik, including several years in Canada and the United Kingdom, Jürgen Roos was appointed Head of Process Development in the field of exclusive synthesis in 2008, and subsequently took over the global responsibility for research and development of Evonik's Health Care division.
3. Jürgen Roos is a member of the Board of Directors of the European Fine Chemicals Group (EFCG), the industry association of European fine chemical manufacturers, where he chairs the Innovation Committee.
4. Jürgen Roos studied chemistry at the University of Stuttgart and obtained a Ph.D. in organic chemistry.
5. Jürgen Roos is a German citizen.

Marianne Späne, Chief Business Officer Drug Products

1. Marianne Späne (1962) joined the Siegfried Group in 2004 and was appointed Chief Business Officer in March 2010. In 2023,

she took over the function as Chief Business Officer Drug Products.

2. Marianne Späne headed the Siegfried Generics Division from 2008 to 2010. From 2004 to 2008, Marianne Späne managed the Business Development Department and the supply chain for generics of Siegfried. Prior to joining Siegfried, Marianne Späne held various positions with Aceto, a US-based pharmaceutical company, where she developed European expansion strategies, and held the role of Head of the Sales and Marketing of the pharma division of Schweizerhalle. Before joining the pharmaceutical industry, Marianne Späne worked in logistics, business development and as site manager for Boucheron, a cosmetics company.
3. –
4. Marianne Späne holds degrees in finance, business administration and marketing from the Business Management School (KFS) in Basel and the Marketing & Business School in Zurich (MBSZ).
5. Marianne Späne is a German citizen.

Christian Dowdeswell, Chief Business Officer Drug Substances

1. Christian Dowdeswell (1966) joined Siegfried in June 2023 as Chief Business Officer Drug Substances.
2. Prior to Siegfried, Christian Dowdeswell was with Lonza since 2014, first as Head of Commercial Development for Chemical & Microbial Manufacturing, then as Head of the Dosage Forms & Delivery Systems Business Unit and, since 2020, as Vice President and Global Head of Commercial Development of Lonza's small molecules custom manufacturing business. Christian Dowdeswell started his career at Maybridge Chemicals, followed by positions with increasing responsibility at Synprotec Ltd, Contract Chemicals, and Dishman Pharmaceuticals & Chemicals where he was VP of Sales Marketing.
3. –
4. Christian Dowdeswell holds a Ph.D. in organic chemistry from the University of Teesside in Great Britain.
5. Christian Dowdeswell is a British citizen.

Irene Wosgien, Chief Human Resources Officer

1. Irene Wosgien (1973) joined the Siegfried Group in 2019 and was appointed to the Executive Committee as Chief Operating Officer Drug Substances in 2021. As of July 2023, she assumed the function of Chief Human Resources Officer of the Siegfried Group.
2. Irene Wosgien has many years of experience in custom manufacturing in the pharmaceutical and food industry. Before joining Siegfried, Irene spent 20 years with the DSM group holding various senior management positions, most recently as Vice President Operations Human Nutrition & Health. She worked and lived in the Netherlands, Austria and Switzerland.
3. –
4. Irene Wosgien holds a Master's degree in chemical engineering from Eindhoven University and a Master's degree in Management of Safety, Health and Environment from the University of Delft.
5. Irene Wosgien is a Dutch citizen.

4.3 Permitted Activities in the Supreme Managing or Administrative Body of Other Companies

Members of the Executive Committee of Siegfried Holding AG may not assume more than five additional mandates, of which no more than two may be for a publicly listed company. This applies to every mandate if it concerns mandates in comparable functions at other companies with economic purposes. Mandates in different legal entities under common control or owned by the same beneficial owner shall be deemed to constitute a single mandate.

Not subject to these limitations are (i) mandates in companies that are controlled by, or which control, Siegfried Holding AG; (ii) mandates that a member of the Executive Committee assumes at the direction of Siegfried Holding AG or a group company, provided that no member of the Executive Committee may assume more than ten such mandates at companies that are not controlled by, or do not control, Siegfried Holding AG; (iii) mandates in associations, foundations, occupational benefit foundations, educational institutions and similar organizations provided that no member of the Executive Committee may assume more than ten such mandates.

4.4 Management Contracts

Siegfried Holding AG and its group companies have not entered into any management contracts with third parties.

5. Remuneration, Investments and Loans

5.1 Content and Method of Determining the Remuneration and the Equity Participation Plans

For details regarding the remuneration and shareholdings of the members of the Board of Directors and the Executive Committee as well the principles and elements of remuneration and the equity participation plans of members of the Board of Directors and the Executive Committee, together with a description of the authorities and procedures in connection therewith, please refer to the Remuneration Report on page 7 et seq. of this Annual Report.

5.2 Statutory Provisions regarding Remuneration

5.2.1 Performance-Related Remuneration and the Allocation of Equity Securities

Pursuant to article 23 of the Articles of Incorporation and subject to approval by the General Meeting of Shareholders, the remuneration of the members of the Board of Directors consists of fixed remuneration elements in cash, and/or in the form of shares of the Company and may include other remuneration elements and benefits. The Board of Directors determines the conditions for the allocation of shares as well as the relevant terms and conditions, including the time of their allocation and any restrictions on disposal. Absent exceptional circumstances, the members of the Board of Directors do not receive any performance-based remuneration; any such remuneration would be measured against predefined performance targets only.

Pursuant to article 24 of the Articles of Incorporation and subject to approval by the General Meeting of Shareholders, remuneration for members of the Executive Committee consists of a fixed base remuneration in cash as well as performance-based variable remuneration elements in cash and/or in the form of shares, entitlements, options or comparable instruments and units. The remuneration may include further compensation elements and benefits. The Board of Directors determines the type and weighting of the performance targets, the respective target values and target achievement for both the short- and the long-term performance-based remuneration in accordance with the principles set forth in the [Articles of Incorporation](https://www.siegfried.ch/app/uploads/2023/11/Statuten_Siegfried_04-2022_final_EN.pdf) (https://www.siegfried.ch/app/uploads/2023/11/Statuten_Siegfried_04-2022_final_EN.pdf).

In the event of a change of control of Siegfried Holding AG, or in case of other extraordinary events, the Board of Directors may during the course of an ongoing performance period adapt, shorten or eliminate the targets for performance-based remuneration, exercise conditions and periods as well as vesting periods and the relevant performance-based remuneration may be forfeited or paid out under the assumption that targets would have been achieved.

5.2.2 Statutory Provisions regarding Payments to Members of the Executive Committee Appointed after the Shareholders' Vote on Pay

Pursuant to article 25 of the Articles of Incorporation, Siegfried Holding AG or any group company may, with respect to any member of the Executive Committee who joins the Executive Committee during a period for which the General Meeting of Shareholders has already approved remuneration for the Executive Committee, pay out remuneration for such period(s) if the amount already approved is insufficient. The amount per remuneration period may not exceed 40% for the CEO and 25% for each other member of the Executive Committee of the most recently approved maximal total remuneration.

In addition, Siegfried Holding AG may compensate a newly appointed member of the Executive Committee for any losses suffered in connection with assuming the new position as a result of

forfeited vested benefits from his previous position. Such compensation may not exceed CHF 1 000 000 for the CEO and CHF 500 000 per person for the other members of the Executive Committee.

5.3 Statutory Provisions regarding Loans, Credit Facilities and Post-Employment Benefits

Pursuant to article 27 of the Articles of Incorporation, Siegfried Holding AG may grant loans and credits to members of the Board of Directors and the Executive Committee up to a maximum of the total of their respective individual fixed base remuneration in cash. In addition, Siegfried Holding AG may pay advances on attorney fees, court costs, and the like, up to a maximum of CHF 1 000 000 per member, in order to defend against liability and similar claims by third parties in connection with its activities performed for the company.

5.4 Statutory Provisions on the Vote on Pay at the General Meeting of Shareholders

Pursuant to article 15 of the Articles of Incorporation, the General Meeting of Shareholders resolves annually on the approval of the motions of the Board of Directors with regard to:

- the maximum total amount of remuneration for the Board of Directors for the term of office expiring at the next Annual General Meeting of Shareholders;
- the maximum total amount of fixed remuneration for the Executive Committee for the following financial year;
- the total amount of short-term performance-based remuneration for the Executive Committee for the most recent financial year;
- the total amount of long-term performance-based remuneration for the Executive Committee for the current financial year.

Resolutions on the approval of remuneration for the Board of Directors and the Executive Committee, respectively, are taken separately. The Board of Directors may submit the elements of remuneration for approval either separately or combined. In addition, the Board of Directors may submit proposals to the General Meeting of Shareholders regarding (i) the total amounts and/or remuneration elements for other periods and/or (ii) supplementary amounts for certain remuneration elements. If the General Meeting of Shareholders declines to approve a motion of the Board of Directors, the Board of Directors may submit new motions at the same General Meeting of Shareholders, at an extraordinary General Meeting of Shareholders, or at the next Annual General Meeting of Shareholders.

If variable compensation is approved prospectively, the remuneration report is submitted to the Annual General Meeting for a consultative vote.

6. Shareholder Rights

6.1 Voting Rights and Proxy

Each share registered in the share register with voting rights grants to its holder one voting right at the General Meeting of Shareholders. A shareholder may be represented at the General Meeting of Shareholders by a natural person duly authorized in writing, or by the independent voting proxy.

The General Meeting of Shareholders passes its resolutions by a simple majority of the votes cast, unless a qualified majority is required by applicable law or the Articles of Incorporation. If no absolute majority is reached, the chairman casts the deciding vote.

The approval of at least two-thirds of the votes represented is required for resolutions of the General Meeting of Shareholders with respect to:

- a change to the Company's purpose;
- the consolidation of shares;
- a share capital increase out of equity capital, by way of contributions in kind or by way of offsetting with a claim, and the granting of special privileges;
- the restriction or cancellation of the subscription rights;
- the introduction of conditional capital or the introduction of a capital band;
- any restriction on the transferability of registered shares;
- the introduction of shares with preferential voting rights;
- any change in the currency of the share capital;
- the introduction of a casting vote for the person chairing the meeting of the shareholders;
- a provision of the articles of association on holding the meeting of the shareholders of the abroad;
- the delisting of the equity securities of the Company;
- the relocation of the seat of the Company;
- the introduction of an arbitration clause in the Articles of Incorporation;
- the dissolution of the Company.

6.2 Calling a General Meeting of Shareholders and Setting the Agenda

The General Meeting of Shareholders is called and the agenda therefore is set in accordance with the applicable provisions of the Swiss Code of Obligations.

Shareholders who alone or in combination with others represent no less than 0.5% of the share capital or the votes may request that an item be added to the agenda of the General Meeting of Shareholders or that a motion relating to an item be included in the notice convening. Any such request must be received by the Company in writing at least 45 calendar days prior to the meeting, setting

forth the requested additional agenda item and the proposals of the shareholder(s). No previous request or notification is required for motions concerning items included on the agenda and for debates as to which no vote is taken.

6.3 Entry into the Share Register and Invitation to the Annual General Meeting of April 18, 2024

The Board of Directors has determined that the share register for the Annual General Meeting 2024 will be closed on Friday, April 12, 2024. All Shareholders wishing to attend the Annual General Meeting of April 18, 2024, must submit their application for registration of shares in the share register no later than said date. No entries into the share register will be made from Monday, April 15, 2024, until Thursday, April 18, 2024. Shareholders who sell their Siegfried shares prior to the Annual General Meeting forfeit their voting rights.

7. Change of Control and Defensive Measures

7.1 Mandatory Take-Over Offers

There are no provisions in the Articles of Incorporation of Siegfried Holding AG regarding opting out or opting up (article 125 and 135 of the FMIA).

7.2 Change of Control Clauses

The Long Term Incentive Plan of the Siegfried Group (see Remuneration Report, page 10 et seq.) provides that in the event of a change of control of Siegfried Holding AG, plan participants, under the condition that they have not given and/or received notice of termination prior to the date of a change of control, will receive on the date of the change of control, or on a date defined by the Board, a certain number of Siegfried shares for each outstanding PSU. The number of shares will be calculated on the basis of a valuation method to be determined at the sole discretion of the Board and must adequately reflect and preserve the economic value of the benefits or potential benefits due to the plan participants for the PSUs of all outstanding performance periods. For shares allocated as a result of a change of control event, the restriction periods to which the shares may be subject after grant will no longer apply.

8. Auditors

8.1 Contract Duration and Lead Auditor Term Length

PricewaterhouseCoopers AG (PwC), Basel (or its predecessor companies) has been the statutory auditor of Siegfried Holding AG since 1920. For the business year 2023, the lead auditor, Thomas Illi, carried out the audit for the seventh time. The auditor is annually elected by the Annual General Meeting of Shareholders.

8.2 Audit Fees

PwC billed the Siegfried Group for services in connection with auditing of the annual financial statement of Siegfried Holding AG and of the Siegfried Group companies, the consolidated 2023 financial statement of the Siegfried Group and related auditing services CHF 1 009 000 (2022: CHF 872 300).

8.3 Additional Fees

For tax consulting and other services in the financial year 2023, PwC billed the Siegfried Group CHF 81 000 (2022: CHF 100 227).

8.4 External Audit Informational Instruments

The Audit Committee evaluates and discusses the performance, fees, and independence of the auditor every year. It reports to the Board and proposes a motion at the Annual General Meeting on the election (or reelection) of the auditor. The contract is awarded based on a budget presented to the Audit Committee by the auditor.

The auditor regularly attends the meetings of the Audit Committee; there were four meetings in 2023. During such meetings, the auditor presents detailed audit reports, which are also distributed to the Board. Assignments for PwC that go beyond the auditing mandate are subject to approval by the head of the Audit Committee.

9. Restricted Periods

In each financial year, prior to the publication of the financial results, Siegfried imposes two regular trading restriction periods during which the members of the Board of Directors, the members of the Executive Committee and Senior Management as well as selected

members of the Corporate Finance Department and other departments potentially having access to price-sensitive financial information are prohibited from trading in Siegfried shares or related securities. As per Siegfried's Insider Trading Regulations, these restriction periods start two weeks prior to the end of the relevant financial reporting period (i.e. mid-June and mid-December) and expire at the end of the day following the date on which the relevant financial results are published. In addition, the Board of Directors, and the CEO in consultation with the Chairman of the Board, may in their discretion and upon consultation with the General Counsel impose ad-hoc restriction periods from time to time where they consider it necessary or appropriate, including (without limitation) when Siegfried is involved in a strategic project or when such restrictions are required or appropriate to comply with legal or regulatory requirements.

10. Information Policy

The Siegfried Group is committed to an open and consistent information policy. The media, financial analysts and other interest groups are continuously informed about important developments and events.

Shareholders are informed semi-annually on the state of the business and receive the annual report and the semi-annual report upon request. The annual reports, the minutes of previous General Meetings of Shareholders, media releases, important information and the current share price can be found at www.siegfried.ch. A news conference is held semi-annually for the media and financial analysts.

Siegfried Holding AG strictly observes the mandatory disclosure rules of the SIX Swiss Exchange ("ad hoc disclosure") regarding potentially price sensitive facts.

In 2024, the Siegfried Group will inform about the course of business as follows:

- February 20, 2024: publication of the financial results for the business year 2023
- April 18, 2024, 10:00 a.m.: Annual General Meeting of Shareholders
- August 22, 2024: publication of 2024 half-year financial results

Cautionary Statement regarding Forward-Looking Statements

This Annual Report contains certain forward-looking statements identified by words such as “believes”, “expects”, “anticipates”, “projects”, “intends”, “should”, “seeks”, “estimates”, “future” or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward looking statements contained in this Annual Report, among others: (1) pricing and product initiatives of competitors; (2) legislative and regulatory developments and economic conditions; (3) delay or inability in obtaining regulatory approvals or bringing products to market; (4) fluctuations in currency exchange rates and general financial market conditions; (5) uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side-effects of pipeline or marketed products; (6) increased government pricing pressures; (7) interruptions in production; (8) loss of or inability to obtain adequate protection for intellectual property rights; (9) litigation; (10) loss of key executives or other employees; and (11) adverse publicity and news coverage. The statement regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Siegfried’s earnings or earnings per share for 2024 or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Siegfried.

Publisher’s Note

This Annual Report is published in German and English.

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more**

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Remuneration Report 2023



Remuneration Report

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This is an excerpt of Siegfried's Annual Report 2023.
All chapters can be found on our Investor Relations portal:
www.ir.siegfried.ch

The Remuneration Report describes Siegfried Group's (Siegfried) remuneration principles and defines the competencies and responsibilities associated with setting remuneration for members of its Board of Directors and Executive Committee. The report also contains information about remuneration plans and remuneration paid to the members of the Board of Directors and the Executive Committee in the 2023 financial year.

This Remuneration Report was drafted in accordance with the Swiss Code of Obligations, SIX Swiss Exchange's Directive on Corporate Governance and the Siegfried Holding AG's articles of incorporation.

The Remuneration Report is structured as follows:

- Introduction by Chair of Remuneration Committee
- Competencies and tasks of Remuneration Committee
- Procedures for setting and approving the remuneration
- Principles of remuneration policy and remuneration elements
- Remuneration of Board of Directors
- Remuneration of Executive Committee
- Shareholdings of Board of Directors and Executive Committee at end of reporting year
- Additional Activities and Mandates
- Contractual agreements, loans, credits, and additional contributions

Introduction by Chair of Remuneration Committee

I am pleased to present our Remuneration Report for the 2023 financial year.

This report outlines the remuneration policies, principles and elements relevant to the senior management of the Siegfried Group. It includes details regarding the remuneration paid to the members of the Board of Directors and the Executive Committee. Furthermore, the report offers insight into the Remuneration Committee's key activities and decisions during the 2023 reporting year. All the information disclosed in the report relates to the financial year ending December 31, 2023.

2023 saw many developments in the area of remuneration, both internally and externally. For the first time, Siegfried submitted the 2022 Remuneration Report to a consultative vote by the shareholders at the Annual General Meeting (AGM) 2023. It must be noted that the revised Swiss corporation law requires such a consultative vote only in the case of prospective variable compensation elements. While this is not the case with Siegfried, the Board nevertheless decided to submit the Remuneration Report to a consultative vote in the interest of transparent governance.

With the revision of the Swiss corporation law, the provisions of the former Ordinance against Excessive Compensation in Listed Stock Corporations of 2014 were transferred to the Code of Obligations. In order to implement these changes and to align the relevant provisions of our Articles of Incorporation with the governance standards customary in Switzerland, the Board proposed certain amendments, all of which were approved at the 2023 AGM with high approval rates. The amendments to our Articles governing the compensation of the Board of Directors and the Executive Committee aimed at adding a moderate degree of flexibility, while taking into account and aligning them with the remuneration standards customary in Switzerland. In the spirit of good compensation governance, the revised provisions are intended to enable the Board of Directors to adapt the compensation systems to changing market expectations. The adjustments also reflect the gradual renewal of Siegfried's variable compensation system at the level of the Executive Committee over the recent years.

The Board of Directors also amended and updated its Organizational Rules. More specific provisions on potential conflicts of interest among Board members were introduced, and the rules governing additional mandates with third parties were sharpened to better protect Siegfried's interests. In line with Swiss best practices on governance, detailed charters describing the powers and responsibilities of the Siegfried Board Committees were adopted. In particular, the compe-

tences of the Remuneration Committee are now set forth in more detail in Annex 2 to the Organizational Regulations.

As announced in the previous Remuneration Report, the equity-based remuneration elements for middle management and employees were revised in 2023 and the new Share Matching Plan (SMP) for middle management was implemented. Starting in 2023, members of middle management are able to invest annually up to 10% of their annual base salary in Siegfried shares and will after three years, subject to continued employment, receive for each share purchased one share free. All employees not participating in the Long Term Incentive Plan (LTIP) or SMP will have the possibility to participate in the Employee Share Purchase Plan (ESPP) and invest up to 10% of their annual base salary into Siegfried shares from January 1, 2024. After a two-year holding period and subject to continued employment with Siegfried, they will receive for every two (2) shares bought one (1) share free.

In 2023, the new performance management process and Short Term Incentive (STI) framework were introduced. The new performance management process introduced a more focused approach to employee development through continuous individual feedback, so-called quarterly check-ins, and more flexible ongoing target setting. Another element is that the KPIs in our STI 2023 have also been adapted to better align with the company strategy and sustainability targets.

As every year, the remuneration committee followed up on key employees and organizational initiatives such as talent management, culture and leadership development and employee engagement. With respect to the talent management process, a healthy overall talent structure emerged and has shown that succession planning has further improved, especially for our critical positions. In line with these developments, several initiatives were launched in 2023, including the go-live of a revamped Siegfried webpage. This update included a renewed Employer Value Proposition and an enhanced Employer Branding to further strengthen internal and external talent pipelines. The specific development of an effective talent pipeline in all fields and at all sites will continue to be a priority for us, as this is the foundation for the company's future growth.

In the coming year, the Remuneration Committee – together with the Executive Committee – will continue to focus on talent-related topics. We firmly believe that securing talent and thereby ensuring long-term organizational stability, is a fundamental prerequisite for Siegfried's sustainable growth. In addition, the Remuneration Committee will continue to evaluate further development of performance management and measurement to include ESG (Environmental, Social, and Governance) and diversity, equity and inclusion elements on all levels of the organization.

The Board of Directors firmly believes that this Remuneration Report will provide you, as valued Shareholders, a comprehensive and transparent overview of the remuneration of the Siegfried Group's senior leadership as well as the most important issues we have addressed and those that are on the horizon.



Isabelle Welton
Chair of Remuneration Committee

1. Competencies and Tasks of Remuneration Committee

In accordance with the articles of incorporation, the Remuneration Committee is composed of at least two members of the Board of Directors, who are each elected by the Annual General Meeting for a one-year term of office. Isabelle Welton (Chair), Martin Schmid and Beat Walti were elected to the Remuneration Committee for the 2023/2024 term of office. The Remuneration Committee constitutes itself and appoints a chair from among its members.

The competencies and tasks of the Remuneration Committee are defined in the Company's Articles of Incorporation and Organizational Regulations. The Remuneration Committee supports the Board of Directors in

- Defining and reviewing the remuneration policy and principles
- Defining and reviewing the targets and target levels for short- and long-term performance-based remuneration elements and evaluating target achievement
- Preparing recommendations on the remuneration of the members of the Board and the Executive Committee for the attention of the Annual General Meeting

Depending on the agenda, the Chairman of the Board, the Chief Executive Officer (CEO), and the Chief Human Resources Officer (CHRO) may also join meetings of the Remuneration Committee. The Chairman of the Board, the CEO, and/or the CHRO must withdraw during consideration of agenda items relating directly to them. After every Remuneration Committee meeting, minutes with a summary of the topics discussed, decisions taken and recommendations made are circulated to the members of Board of Directors.

The Remuneration Committee convenes at least twice annually. During the reporting year, the Remuneration Committee convened three times for ordinary meetings and also held other discussions.

Topics considered per Remuneration Committee meeting in 2023

Topics	Winter	Summer	Autumn
General subjects			
Personnel changes in Senior Management group and Board	•	•	•
Update HR projects	•	•	•
Update pension funds	•	•	•
Talent review			•
Governance			
Preparation of remuneration report (incl. analysis on remuneration disclosure)		•	•
Approval of remuneration report	•		
Preparation of self evaluation		•	
Preparation "Say-on-Pay" vote for upcoming GM	•		
Remuneration of Board of Directors			
Setting remuneration for next term of office (incl. amount to be approved at GM)	•		
Remuneration of Executive Committee			
Determining target achievement for previous year and approving short-term, performance-based remuneration (STI) (incl. amount to be approved at GM)	•		
Setting grant date for long-term, performance-based remuneration (LTI)	•		
Setting LTIP remuneration amount for current financial year (incl. amount to be approved at GM)	•		
Setting target remuneration for following financial year (incl. amount to be approved at GM)	•		
Setting STI target values for next financial year			•
Setting LTIP target values for next performance period			•

2. Procedures for Setting and Approving Remuneration

Regular Benchmarking and External Consultants

To ensure competitiveness and attractiveness of Siegfried as an employer, internal remuneration data for the entire workforce at all locations are regularly compared with those at other relevant companies in accordance with standard practice. As a rule, this is based on a broad "General Industry" index, and in the case of specialist positions on comparative data from companies in the same industry. Siegfried's goal is to ensure that employees who meet the academic, performance and behavioral criteria associated with a given position

receive a total remuneration package that is in line with the benchmark market median for similar positions in comparable companies.

For this purpose, Siegfried works with independent external remuneration specialists as appropriate.

The remuneration of the Board of Directors and the members of the Executive Committee is reviewed regularly – generally every two to three years – and compared with data from executive studies, specifically obtained benchmark data, and on the basis of the disclosures of companies of similar size and structure, comparable business mix, business model, and geographic set up. In 2023 benchmark data were not updated as the last review was done in 2021. The last review was carried out on the basis of a study commissioned from Mercer (Executive Remuneration Audit). The executive remuneration study was based on the broad "General Industry" index, which includes comparative data from over 350 internationally active companies headquartered in Switzerland with global business activity/customer base. In the comparison group, 26% are companies from the pharmaceutical/chemical and medtech sectors. The remaining 74% correspond to an industry cross-section of companies of comparable size and activity radius (17% consumer goods, 3% banking/insurance, 54% other manufacturing and non-manufacturing industrial companies).

Process for Setting and Approving Remuneration

Remuneration is set and approved as follows:

Process for defining and approving remuneration	CEO	Remuneration Committee	Board of Directors	General Meeting
Principles of remuneration for the Board of Directors in the articles of incorporation		Makes proposal	Proposes a motion	Decides
Principles of remuneration for the Executive Committee in the articles of incorporation		Makes proposal	Proposes a motion	Decides
Remuneration model for CEO (incl. short- and long-term, performance-based remuneration in the form of cash or shares) and terms of employment contract		Makes proposal	Decides	
Remuneration model for the Executive Committee (incl. short- and long-term, performance-based remuneration in the form of cash or shares)	Makes proposal	Recommends	Decides	
Maximum total remuneration for the Board of Directors for the term of office lasting until the next Ordinary General Meeting		Makes proposal	Decides	Approves
Maximum total remuneration for the fixed remuneration of the Executive Committee (incl. the CEO) for the following financial year	Makes proposal	Recommends	Decides	Approves
Maximum total short-term, performance-based remuneration of the Executive Committee (incl. the CEO) for the previous financial year	Makes proposal	Recommends	Decides	Approves
Maximum total long-term, performance-based remuneration of the Executive Committee (incl. the CEO) for the current financial year	Makes proposal	Recommends	Decides	Approves
HR and remuneration policy		Makes proposal	Decides	
Nomination and selection for appointments/reappointments of Board members as well as succession planning		Recommends	Proposes a motion	Elects
Nomination and selection of Executive Committee members as well as succession planning		Makes proposal	Decides	

In line with applicable Swiss Code of Obligations, the shareholders of Siegfried have the right to annually vote on the fixed and variable performance-based compensation elements of the Board of Directors as well as of the Executive Committee. In accordance with Siegfried's Articles of Incorporation, the following remuneration elements are subject to separate approval votes by the Annual General Meeting of the Shareholders:

- Total compensation of the Board of Directors for the then starting term of office
- Fixed remuneration of the Executive Committee for the next financial year
- Short-term variable remuneration of the Executive Committee for the past financial year
- Long-term variable remuneration of the Executive Committee for the current financial year

The following remuneration elements/amounts were approved at the Annual General Meeting of the Shareholders on April 20, 2023:

- Maximum total for overall remuneration of the Board of Directors for the 2023/2024 term of office (CHF 1 875 000) with 96.0% of the votes cast
- Maximum total for the fixed overall remuneration of the Executive Committee for the 2024 financial year (CHF 4 600 000) with 98.3% of the votes cast
- Short-term, performance-based remuneration for the Executive Committee for the 2022 financial year (CHF 2 354 275) with 94.5% of the votes cast
- Long-term, performance-based remuneration for the Executive Committee for the 2023 financial year (CHF 3 100 000) with 90.6% of the votes cast

Likewise, the proposals relating to the structure described above will be put before the Annual General Meeting on April 18, 2024.

3. Principles of Remuneration Policy and Remuneration Elements

Principles of Remuneration Policy

Recruiting, developing, and retaining diverse, qualified and talented managers and specialists is a crucial factor for Siegfried's success. The remuneration structure and its elements are aimed at achieving this goal and are based on the following objectives:

- Ensure an effective link between individual performance and sustainable enterprise value creation for Siegfried's shareholders
- Reward individual performance, competence, and desired behaviors in line with Siegfried's corporate values and leadership principles
- Create a sustainable performance culture by implementing performance-related remuneration that is contingent on the Group's success
- Set effective incentives by balancing performance-based long- and short-term remuneration elements
- Act fairly and transparently when making and communicating remuneration-related decisions
- Ensure market competitiveness
- Comply with all legal and regulatory requirements relating to remuneration including, in particular, those regarding minimum wages, equal pay for men and women, and provisions linked to the disclosure and approval of remuneration for Siegfried's most senior decision-making bodies
- Ensure that dilution resulting from performance/share-based remuneration does not exceed 1.0% per year (long-term average)
- Ensure appropriate recognition and incentives for actions in the area of sustainability, i.e. the impact of Siegfried's business on the environment and people.

Remuneration Elements

Siegfried's remuneration model is a package consisting of fixed and performance-based elements.

An employee's total remuneration mix is contingent on his/her functional level, position, responsibilities, qualifications/experience, and place of work. In the reporting year, employee remuneration was composed of the following elements:

1. Fixed remuneration – annual base salary
2. Performance-based remuneration

- i. Short-term, performance-based remuneration (Short Term Incentive Plan, STIP)
- ii. Long-term, performance-based remuneration (Long Term Incentive Plan, LTIP)
3. Additional remuneration elements
 - i. Additional benefits, in line with market practice
 - ii. Share Matching Plan (SMP) available in all markets for middle management for employees not participating in the LTIP
 - iii. Employee Share Purchase Plan (ESPP); available in most markets for employees not participating in the LTIP and SMP

	Element	Instrument	Purpose	Criteria	Target Group
Fixed remuneration	Annual base salary	Monthly cash payment	Attracting and retaining employees	Requirements of the job, employee experience and ability, job performance, local market conditions	All employees
Performance-based remuneration	Short-term, performance-based remuneration (STIP)	Annual cash payment	Rewarding employees' performance and contribution to company value	Achieving corporate, functional, and individual performance in a given financial year	All employees (excluding Board members)
	Long-term, performance-based remuneration (LTIP)	Annual grant of performance share units (PSUs)	Ensuring a sustainable increase in company value; alignment of the interests of shareholders and senior management and promotion of commitment and retention of senior management to the company	Achieving corporate targets at the end of the three-year performance period	Senior Management (excluding Board members)
Additional remuneration elements	Additional benefits	Pension plan and fringe benefits	Safeguarding employees and their dependents in old age or in the event of illness	Local market conditions, laws and other regulations	All employees
	Share Matching Plan (SMP)	Employee participation plan, which allows employees to purchase Siegfried shares up to a maximum of 10% of their annual base salary and receive – subject still being in an active employment relationship – after 3 years for each share purchased one share for free (1:1 matching)	Sustainable increase in company value, alignment of interests between plan participants and shareholders, and promotion of commitment and retention of middle management to the company	Amount of initial investment, share price development	Middle Management, not participating in the LTIP
	Employee Share Purchase Plan (ESPP)	Employee participation plan, which allows employees to purchase Siegfried shares up to 10% of their annual base salary and receive – subject still being in an active employment relationship – after 2 years for every two investment shares purchased one share for free (2:1 matching)	Strengthening employees' interest in and loyalty to the company; enabling employees to take a stake in the company's success via a potential share price increase	Amount of initial investment, share price development	Employees below management (excluding LTIP/SMP participants and Board members)

Fixed Remuneration – Annual Base Salary

Each employee receives an annual base salary that is linked to the requirements of the position, the individual's experience, capabilities, qualifications and performance, as well as local market conditions. Siegfried aims to ensure that the base salary of employees who meet the expected performance, behavioral, and academic parameters in full corresponds to the market median for comparable positions in the chemical/pharmaceutical industry. Annual adjustments are made individually in light of internal and external benchmarks regarding the competitiveness of salaries, employee performance, and the overall economic health of the company. Salary adjustments only occur automatically in cases where they are required by law or stipulated in sectoral collective agreements.

(Short Term Incentive Plan, STIP)

The company's Short Term Incentive Plan (STIP) aims to incentivize employees across all functional levels.

As announced in the Remuneration report 2022 our performance management process has been adapted. The features of the new performance management process are an increased focus on continuous individual feedback, employee development and more flexible ongoing target setting. The basic principles of the STI framework with corporate, functional and individual targets remain unchanged however, the KPIs for the corporate and functional targets have been revised to better align with the company strategy and sustainability and ESG targets. The new process has successfully been rolled-out in 2023.

Short-Term, Performance-Based Remuneration

Under the STIP, targets are rated and communicated annually for one financial year (performance period). Responsibility for defining STIP targets depends on the functional level of the employee and is assigned as follows:

Level	Corporate targets Setting and approval of targets and target achievement	Functional targets Setting and approval of targets and target achievement	Individual Performance Defining and appraising individual performance
CEO		n. a.	Chairman of the Board of Directors
Executive Committee		CEO	CEO
Senior Management	Board of Directors		
Management		Executive Committee	Line Manager
Employees			

The performance-based remuneration paid out under the STIP is contingent on the achievement of corporate, functional, and individual performance of the relevant employee. A personal target bonus assuming 100% target achievement ("target STI") is defined for each plan participant (if eligible for participation in the plan). The target STI and the applicable target categories depend on the plan participant's functional level. The payout is capped at 165% (employees), 170% (Management), 175% (Executive Team) and 190% (CEO).

The corporate targets used at Group level incorporates financial and non-financial targets for 2023. The financial targets consist of Core EBITDA, Net Sales and NWC (Net Working Capital). The non-financial targets include amongst others Sustainability and Organizational Development. The target values for the relevant reporting year are set by the Board of Directors.

Functional targets are derived from Siegfried's strategy, operational priorities, and corporate targets and are based on the overall performance of a given function or site. They are defined annually by the Executive Committee in a top-down process and are broken down incrementally into individual departments, sites, and teams. Functional targets are, for the most part, key performance indicators (KPIs) relevant to steering the operational business and achieving corporate targets. Typical KPIs include safety statistics per location (measurement correlating with the number of notifiable events as

per international OSHA [Occupational Safety and Health Administration] standards), operational performance per location (OTIF [on time in full], quality of our products, non-material cost), and the generation of new business (new product leads).

Individual performance is tracked and measured through activity definition and an ongoing feedback process taking into account the impact in the areas of job execution, collaboration, culture and individual growth. Individual performance activities are defined between line manager and employee. For each activity, a detailed description of the expectations as well as expected completions are defined. Formal discussions on the four impact areas are conducted on a quarterly basis (so called check-ins). At the end of the performance period, target achievement of the corporate, functional, and individual performance is assessed. The achievement scale ranges from 0 to maximum 200% for corporate targets, and from 0 to maximum 150% for functional and individual performance. An individual's overall target achievement is derived from the weighted sum of target achievements. The individual STI is calculated by multiplying the target STI amount by the overall target achievement.

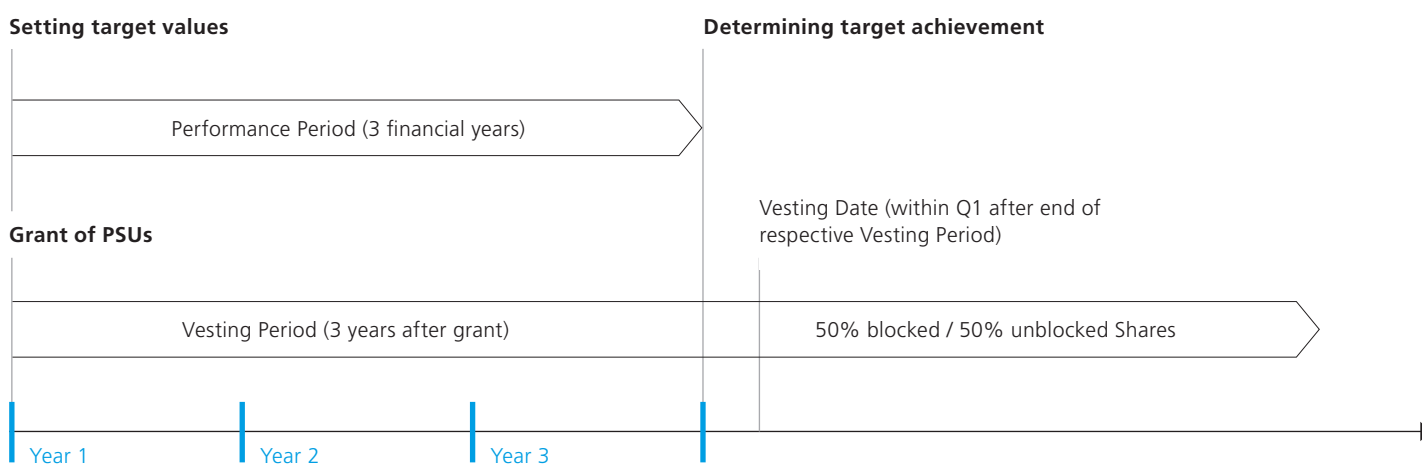
Long-Term Performance-Based Remuneration (Long Term Incentive Plan, LTIP)

The LTI program, a performance-based remuneration element, is designed for the Executive Committee, Senior Management, and other key employees. The plan and participation are determined by the Board of Directors. The plan was introduced in 2014 and was revised in 2021 to make appropriate adjustments to take account of the significant growth of the company and the strong increase in the share price. It is designed to offer an attractive variable compensation element that aligns participants' interests and as promotion of the commitment and retention with those of the shareholders. The plan uses Performance Share Units (PSUs), which are granted to

eligible plan participants with specific performance and employment conditions that result in a potential vesting into Siegfried shares after a three-year performance period.

PSUs are granted annually at the beginning of the year. The number of PSUs granted is equal to the plan participant's LTI fixed amount divided by the reference share price which is the volume weighted average share price over a twelve-month period prior to the grant date. No cash investment is required from participants.

Each PSU grant will vest at the end of a three (3) year performance period and will be converted into shares, subject to performance and service conditions being met. 50% of the shares allocated will be blocked (selling restriction) for a period of three (3) years.

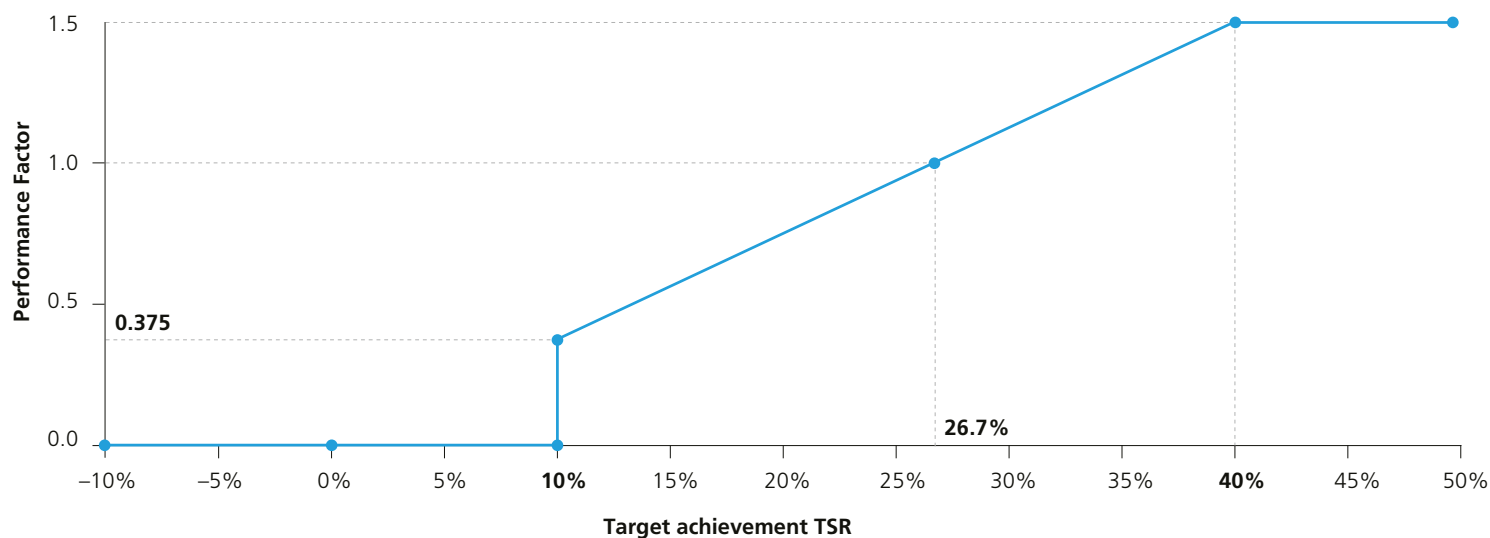


The number of shares allocated per PSU depends on the achievement of a performance condition and fulfillment of the service condition:

- The absolute total shareholder return (TSR) aims to link the LTI value at vesting directly with the absolute equity value created by the company for its shareholders
- In order to ensure retention of key people, plan participants must be in an unterminated relationship at the date shares are allocated

The TSR is the profit (or loss) realized by an investment at the end of a year or specific period and as such a measure for the equity value created (or destructed) over such year or period. It includes capital gains or losses from changes in the share price as well as gross dividends. Capital gain is calculated using the volume weighted average share price (VWAP) over the last twelve months' stock trading days up to the inception date of the relevant Performance Period and the VWAP over the last twelve months' stock trading days up to the closing date of the relevant Performance Period. The targets are set and evaluated by the Board of Directors. In order to protect the retention element of the plan in times when external factors and/or extraordinary events significantly distort financial market performance resulting in a TSR PF that significantly contrasts with the actual operational and financial performance of the company, the Board of Directors may, by way of exception and in its sole discretion, use alternative measures for the determination of the equity value creation and, based thereon, of the performance factor for the relevant Performance Period, using multiples of EBITDA or other customary valuation methods.

TSR (or equity value creation) to be achieved over a three-year period and resulting performance factor/vesting curve:



For LTI grants prior to 2022 (grant 2020 and 2021) with a vesting in 2023 and 2024, the LTI is determined by Total Shareholder Return (TSR) with a 70% weight and cumulated EBITDA and ROCE each with a weight of 15%. The vesting conditions for those grants remain unchanged.

In March 2023, shares for the performance period 2020–2022 were allocated. Target achievement (and hence the performance factor) for the 2020–2022 performance period was 194.2%. The detailed breakdown of target achievement was as follows: TSR

CAGR: 200%, Core EBITDA: 200%, and Core ROCE: 161.4%. 1942 shares were thus allocated per PSU. On March 1, 2023, based on a total of 30 761 PSUs originally granted, 43 003 shares were allocated. During the vesting period, 6 740 PSUs lapsed without compensation due to participants exiting the company and 1 051 PSUs had, as per internal regulations, been transferred early in the form of shares on the relevant employee's exit date (due to retirement or redundancy).

	Number of granted PSUs 2020	Number of vested shares 2023 ^{2, 3, 4}
CEO	2 800	5 437
Executive Committee	6 450	10 193
Senior Management	10 125	10 021
Management	9 916	16 107
Discretionary Group ¹	1 470	1 245
Total	30 761	43 003

¹ Each year, the Board of Directors and Executive Management at their discretion jointly nominate staff members below management level to participate in the plan.

² Excluding shares which have already been converted into shares during the vesting period based on Art. 8.3. of the regulations (retirement / termination for economic reasons).

³ Excludes 1222 shares for participants at the Nantong site, who received an equivalent cash amount instead of shares due to regulatory restrictions.

⁴ Number of vested shares based on outstanding PSUs at the time of transfer.

The following table provides an overview of granted and outstanding entitlements (PSUs) under the LTIP.

Overview of Outstanding PSUs

	Grant 2021 (Vesting period 2021–2024)	Grant 2022 (Vesting period 2022–2025)	Grant 2023 (Vesting period 2023–2026)
Number of PSUs granted¹	29 910	18 220	20 220
CEO	2 800	1 740	2 030
Executive Committee	5 600	4 351	5 657
Management	21 510	12 129	12 533
Outstanding PSUs as per December 31, 2023	23 283	15 259	18 557
CEO	2 800	1 740	2 030
Executive Committee	4 500	3 667	4 859
Management	15 983	9 852	11 668
Lapsed PSUs as per December 31, 2023²	6 424	3 727	1 684
CEO	0	0	0
Executive Committee	1 100	684	798
Management	5 324	3 043	886
Shares granted from PSUs due to termination as per December 31, 2023³	353	103	49
CEO	0	0	0
Executive Committee	0	0	0
Management	353	103	49

¹ Reported number of PSUs per employee category refers to the grant date and is not corrected for organizational changes.

² Entitlement lapsed due to termination of employment relationship by employee or Siegfried.

³ Share transfer according to regulation due to termination of employment (e.g. retirement).

Benefits

Siegfried's benefit programs are designed to support our employees' professional and personal well-being and enable Siegfried to attract and retain talent. All programs are structured to support our overall business strategy and are aligned with local market practices and legislation. Examples of benefits include, depending on location and work level, pension plans, Employee Share Purchase Plan (ESPP), Share Matching Plan (SMP), public transport passes, lunch vouchers, the use of company cars, mobile phones and discounts with defined partners.

Specifically Siegfried's retirement and insurance plans fulfill and, in some respects, exceed local legal requirements. The form and amount of these plans are governed by local market conditions and legislation.

In Switzerland, a supplementary defined-contribution pension plan is available for individuals whose income exceeds a given threshold. All members of the Executive Committee and some members of Senior Management are enrolled in this pension plan.

Both employee and employer contribute to the aforementioned pension plans. The assets in these segregated plans are held

in separate foundations or by insurers and cannot flow back to the employer.

Moreover, accrual funded direct commitments are in place in Germany; these are recognized on the balance sheet as pension liabilities. The relevant accruals are revalued each year. Plans also exist for anniversaries or other benefits linked to years of service.

4. Remuneration of Board of Directors

The remuneration model for members of the Board of Directors is designed to recruiting experienced and motivated individuals to carry out the duties of a Board member for Siegfried. Board members' remuneration comprises a fixed cash component and a share-based component. By incentivizing Board members to further the success

of the company and increase enterprise value over the long term, the share-based component ensures that the interests of Siegfried's management and shareholders are aligned. Members of the Board of Directors do not receive any performance-based remuneration.

The cash component consists of a base fee for the Board mandate, and fees for individual functions as per the table below. In addition Board members receive an expense allowance covering all incidental expenses relating to executing their responsibilities.

Shares are granted at the beginning of a Board member's term of office following the approval of directors' remuneration by the Annual General Meeting. From the date of grant, these shares are subject to a three-year restriction period. Should a Board member give notice during the current term of office, he/she undertakes to transfer the shares back to Siegfried on a pro rata basis.

The following table shows remuneration rates for the 2023/2024 term of office:

Base Fee	Cash component	Lump sum expense allowance	Actual number of restricted shares allocated for 2023/2024 term of office
Chairman of the Board of Directors	180 000	20 000	394
Vice-Chairman of the Board of Directors	90 000	10 000	197
Other members of the Board of Directors	60 000	10 000	197
Fees for individual functions			
Chair of Committee	15 000		
Member of Committee	5 000		

The following tables show remuneration paid/allocated in the reporting year and the prior year.

Remuneration of the Board of Directors is shown by financial year. The share component of the remuneration is valued according to Swiss GAAP FER.

Remuneration Paid to Board of Directors in 2023 Reporting Year (audited)

Board of Directors	Cash remuneration	Lump sum expense allowance	Total cash	Share-based remuneration 2023 ¹	Employer contributions to social security ²	Total remuneration financial year 2023
Andreas Casutt (Chairman)	180 000	20 000	200 000	261 809	23 005	484 814
Martin Schmid (Vice-Chairman)	100 000	10 000	110 000	130 905	12 767	253 672
Elodie Carr-Cingari (Member; Chair of Audit Committee)	50 000	6 667	56 667	87 337	7 345	151 349
Wolfram Carius ³ (Member; Chair of Strategy Committee)	80 000	10 000	90 000	130 905		220 905
Isabelle Welton (Member; Chair of Remuneration Committee)	75 000	10 000	85 000	130 905	11 401	227 306
Alexandra Brand (Member)	65 000	10 000	75 000	130 905	10 799	216 704
Beat Walti (Member)	70 000	10 000	80 000	130 905	11 075	221 980
Total (serving members on December 31, 2023)	620 000	76 667	696 667	1 003 671	76 392	1 776 730
Colin Bond ⁴ (Member; Chair of Audit Committee)	25 000	3 333	28 333	43 568	3 877	75 778
Total (on December 31, 2023 including former members)	645 000	80 000	725 000	1 047 239	80 269	1 852 508

The remuneration figures shown in the table are gross amounts and were booked according to the accrual principle (4/12 for the 2022/2023 term of office; 8/12 for the 2023/2024 term of office).

¹ Fixed number of shares as part of Board of Directors remuneration; value per share as approved by the General Meeting (CHF 778 for the 2022/2023 term of office; CHF 665 for the 2023/2024 term of office).

² Incl. social security deductions on the tax value of the pro rata share component of the fixed Board of Directors remuneration (allocated in 2023) for the 2023/2024 term of office.

³ Exempted from Swiss social security obligation (fulfills social security obligations in principal country of employment).

⁴ Colin Bond did not put himself up for re-election as member of the Siegfried Board of Directors for the 2023/2024 term of office.

In 2023, no remuneration was paid to the members of the Board of Directors other than that shown above. During the 2023/2024 term of office, total Board of Directors remuneration is projected to be

CHF 1.853 million; the figure approved at the 2023 Annual General Meeting was CHF 1.875 million.

Remuneration Paid to Board of Directors for 2023/2024 Term of Office (Projection until end of 2023/2024 Term of Office)

Board of Directors	Cash remuneration	Lump sum expense allowance	Total cash	Share-based remuneration term of office ¹	Employer contributions to social security ²	Total remuneration term of office 2023/2024
Andreas Casutt (Chairman)	180 000	20 000	200 000	262 010	22 530	484 540
Martin Schmid (Vice-Chairman)	100 000	10 000	110 000	131 005	12 611	253 616
Elodie Carr-Cingari (Member; Chair of Audit Committee)	75 000	10 000	85 000	131 005	11 017	227 022
Wolfram Carius ³ (Member; Chair of Strategy Committee)	80 000	10 000	90 000	131 005		221 005
Isabelle Welton (Member; Chair of Remuneration Committee)	75 000	10 000	85 000	131 005	11 286	227 291
Alexandra Brand (Member)	65 000	10 000	75 000	131 005	10 756	216 761
Beat Walti (Member)	70 000	10 000	80 000	131 005	11 020	222 025
Total (term of office 2023/2024, serving members)⁴	645 000	80 000	725 000	1 048 040	79 220	1 852 260
Approved by the Annual General Meeting for 2023/2024 term of office						1 875 000

The remuneration figures shown in the table apply to the 2023/2024 term of office (May 2023–April 2024).

¹ Fixed number of shares as part of Board of Directors remuneration; value per share as approved by the Annual General Meeting 2023 (CHF 665).

² Incl. social security deductions on the tax value of the share component of the fixed Board of Directors remuneration (allocated in 2023) for the 2023/2024 term of office.

³ Exempted from Swiss social security obligation (fulfills social security obligations in principal country of employment).

⁴ Projected total until the end of the 2023/2024 term of office.

Remuneration Paid to Board of Directors in 2022 Reporting Year (audited)

Board of Directors	Cash remuneration	Lump sum expense allowance	Total cash	Share-based remuneration 2022 ¹	Employer contributions to social security ²	Total remuneration financial year 2022
Andreas Casutt (Chairman)	180 000	20 000	200 000	262 192	23 286	485 478
Martin Schmid (Vice-Chairman)	100 000	10 000	110 000	131 096	12 678	253 774
Colin Bond (Member; Chair of Audit Committee)	75 000	10 000	85 000	131 096	11 183	227 279
Wolfram Carius ³ (Member; Chair of Strategy Committee)	78 333	10 000	88 333	131 096		219 429
Isabelle Welton (Member, Chair of Remuneration Committee)	75 000	10 000	85 000	131 096	11 228	227 324
Alexandra Brand (Member)	43 333	6 667	50 000	87 136	7 257	144 393
Beat Walti (Member)	46 667	6 667	53 333	87 136	7 456	147 925
Total (serving members on December 31, 2022)	598 333	73 333	671 667	960 848	73 088	1 705 603
Reto Garzetti ⁴ (Member)	25 000	3 333	28 333	43 960	3 464	75 757
Ulla Schmidt ^{3,4} (Member)	21 667	3 333	25 000	43 960		68 960
Total (on December 31, 2022 including former members)	645 000	80 000	725 000	1 048 768	76 552	1 850 320

The remuneration figures shown in the table are gross amounts and were booked according to the accrual principle (4/12 for the 2021/2022 term of office; 8/12 for the 2022/2023 term of office).

¹ Fixed number of shares as part of Board of Directors remuneration; value per share as approved by the General Meeting (CHF 840 for the 2021/2022 term of office; CHF 778 for the 2022/2023 term of office).

² Incl. social security deductions on the tax value of the pro rata share component of the fixed Board of Directors remuneration (allocated in 2022) for the 2022/2023 term of office.

³ Exempted from Swiss social security obligation (fulfills social security obligations in principal country of employment).

⁴ Reto Garzetti and Ulla Schmidt did not put themselves up for re-election as members of the Siegfried Board of Directors for the 2022/2023 term of office.

5. Remuneration of Executive Committee

The Executive Committee's remuneration is comprised of a fixed base salary, a short-term performance-based component (STI), a long-term performance-based component (LTI), and additional benefits. As part of the regular review, and in view of the significant increase in the size of the company and management responsibilities in the recent years, the remuneration of the Executive Committee was reviewed in 2021 on the basis of a specially prepared external

salary comparison by Mercer in order to ensure appropriate and competitive remuneration. The cross-comparison revealed a need for adjustments for some Executive Committee members to reflect performance and to remain competitive. In 2023, the remuneration of the CEO was not increased.

The ratio for the annual total compensation of the highest-paid individual (CEO) compared to the annual compensation for all employees in Switzerland (excluding CEO) is 34 (mean) and 26 (average).

The following table summarizes the Executive Committee's remuneration in 2023 and indicates the highest individual remuneration for services rendered in the reporting year (CEO). The performance-based components STI and LTI are explained in detail below. In 2023, the ratio of fixed to performance-based components in the CEO's remuneration was 30% to 70% (previous year 27%/73%) while the ratio for the Executive Committee averaged 48% to 52% (previous year 37%/63%).

Remuneration Paid to CEO and Executive Committee in 2023 Reporting Year (audited)

CEO and Executive Committee	Fixed remuneration in cash ¹	Short-term, performance-based remuneration (STI) in cash ²	Total cash payments	Long-term, performance-based remuneration (LTI) in PSUs ³	Employer contributions to social security ⁴	Employer contributions to pension fund	Total remuneration 2023 ⁵
Highest individual remuneration: Wolfgang Wienand	800 000	1 148 160	1 948 160	753 820	190 404	91 211	2 983 595
Other Executive Committee members	2 500 887	1 433 886	3 934 773	1 803 786	423 968	324 631	6 487 158
Total (at December 31, 2023)	3 300 887	2 582 046	5 882 933	2 557 606	614 372	415 842	9 470 753

The remuneration figures shown in the table are gross and are based on the accrual principle.

¹ Incl. contractual remuneration in Siegfried shares for one member of the Executive Committee in the amount of CHF 68 650.

² To be paid out in April 2024 after approval at Annual General Meeting.

³ Includes PSUs granted in 2023 for plan period 2023–2025; PSUs are valued as per external consultant ALGOFIN (CHF 371.17 per PSU).

⁴ Includes an assumed social insurance contribution on both the 2023 STI (7.7%) and PSUs granted in 2023 (7.7%).

⁵ Not including fringe benefits (REKA money, child and family allowances, employer contributions to BU/NBU) in the amount of approximately CHF 24 000.

In 2023, no remuneration was paid to the Executive Committee members other than that shown above. The amount of fixed remuneration for the reporting year 2023 approved at the 2022 Annual

General Meeting was complied with in accordance with the Articles of Incorporation (Art. 25).

Overview of 2023 STI Calculations

CEO and Executive Committee	Target STI as % of fixed base salary	Target STI in CHF	Actual 2023 STI in CHF ^{1,2}	Actual STI as % of target STI	Actual 2023 STI amount incl. social security deductions ² , to be approved at the Annual General Meeting
CEO	100%	800 000	1 148 160	143.52%	1 236 568
Other Executive Committee members	40–50%	1 041 408	1 433 886	137.69%	1 544 295
Total		1 841 408	2 582 046	140.22%	2 780 863

¹ To be paid out in April 2024 after approval at Annual General Meeting.

² Assuming 7.7% social security contributions.

For the reporting year 2023, the following targets were relevant for the CEO and the Executive Committee (EC):

Target Category	Target	Weighting
Corporate Targets	Net Sales	CEO 32%, EC 24%
	Core EBITDA Margin	CEO 32%, EC 24%
	NWC	CEO 8%, EC 6%
	ESG / Org. / Strategy impl.	CEO 8%, EC 6%
Operational/Functional Targets	Safety, OTIF, Quality of Products, Non Material Cost, Sales targets, Leads (DP / DS products), PM / Talent Pipeline operations / HR KPIs	EC 20%
Individual Targets	Function and role related targets	CEO 20%, EC 20%

The average target achievement of the entire Executive Committee for the reporting year 2023 was 140.22% (2022: 125.67%).

PSUs granted to CEO and Executive Committee in 2023 Reporting Year

The value of the PSUs granted to the CEO and other members of the Executive Committee for the three-year performance period January 1, 2023–December 31, 2025 under the LTIP is reported once and in full as Executive Committee remuneration in the respective reporting year. In 2023, the CEO and the Executive Committee were granted a total of 7687 PSUs (previous year 6091 PSUs). As in the past, an external valuation company was used to determine the fair value of a PSU as of the grant date of the reporting year using a best-prac-

tice method which then served as a calculation parameter for determining the value of the long-term remuneration and social security contributions payable on it. For the reporting year 2023, the value was set at CHF 371.17 per PSU.

In order to ensure transparency, the PSUs allocated in the reporting year are shown as totals in the following table of remuneration paid to the Executive Committee. In the Consolidated Financial Statements, however, LTIP expenses are distributed over the three-year performance period. The effective income at the end of the vesting period may differ from the fair value determined at the grant date of PSUs and is depending on the target achievement of the LTIP (amount of the performance factor) and hence possible allocation of shares and the share price at the time of the allocation of shares.

						Value at 100% target achievement			
Plan period	Executive Committee	PSU grant date	Performance period	Vesting period	Vesting date	PSUs allocated ^{1,4}	Value of allocated PSUs ^{1,4}	Social insurance contributions on value of PSUs ²	Potential target achievement
2023–2025	CEO	01.01.2023	01.01.2023–31.12.2025	01.01.2023–01.01.2026	01.01.2026	2 030	753 475	58 018	0%–200%
	Other members of the Executive Committee					5 657	2 099 709	161 678	
Total						7 687	2 853 184	219 696	
Total cost to enterprise								3 072 880	
Approved sum by Annual General Meeting ³								3 100 000	

¹ PSUs are valued as per external consultant ALGOFIN (CHF 371.17 per PSU).

² Includes an assumed 7.7% social insurance contribution.

³ Approval of PSUs allocated in the financial year 2023 for the performance period 2023–2025 at the 2023 Annual General Meeting.

⁴ Expanding the Executive Committee from existing seven members to a new total of eight members as the 2023 Annual General Meeting.

Remuneration Paid to CEO and Executive Committee in 2022 Reporting Year (audited)

CEO and Executive Committee	Fixed remuneration in cash ¹	Short-term, performance-based remuneration (STI) in cash ²	Total cash payments	Long-term, performance-based remuneration (LTI) in PSUs ³	Employer contributions to social security ⁴	Employer contributions to pension fund	Total remuneration 2022 ⁵
Highest individual remuneration: Wolfgang Wienand ⁶	800 000	1 047 200	1 847 200	1 132 461	231 415	88 979	3 300 055
Other Executive Committee members	2 313 500	1 138 757	3 452 257	2 831 148	448 792	310 144	7 042 341
Total (at December 31, 2022)	3 113 500	2 185 957	5 299 457	3 963 609	680 207	399 123	10 342 396

The remuneration figures shown in the table are gross and are based on the accrual principle.

¹ Incl. contractual remuneration in Siegfried shares for two members of the Executive Committee in the amount of CHF 248 500.

² To be paid out in April 2023 after approval at General Meeting.

³ Includes PSUs granted in 2022 for plan period 2022–2024; PSUs are valued as per external consultant ALGOFIN (CHF 650.72 per PSU).

⁴ Includes an assumed social insurance contribution on both the 2022 STI (7.7%) and PSUs granted in 2022 (7.7%).

⁵ Not including fringe benefits (REKA money, child and family allowances, employer contributions to BU/NBU) in the amount of approximately CHF 24 000.

⁶ The reported fixed remuneration of Wolfgang Wienand excludes an out-of-period compensation payment of CHF 280 914 to correct an error in the allocation of Performance Share Units (PSUs) under the LTIP that occurred in 2018. The shares to be transferred were settled in cash during the reporting year. Including this cash payment, the total compensation for all members of the Executive Committee in 2022 amounts to CHF 4.02 million.

6. Shareholdings of Board of Directors and Executive Committee at End of Reporting Year

Shareholdings of Board Members (audited)

The following table lists shareholdings of Board members and affiliated persons.

	December 31, 2023		December 31, 2022	
	Total shares	of which restricted	Total shares	of which restricted
Board of Directors				
Andreas Casutt (Chairman)	20 394	1 044	20 000	1 250
Martin Schmid (Vice-Chairman)	2 471	522	2 274	625
Elodie Carr-Cingari (Member)	197	197		
Wolfram Carius (Member)	3 471	522	3 274	625
Isabelle Welton (Member)	937	522	740	625
Alexandra Brand (Member)	365	365	168	168
Beat Walti (Member)	365	365	168	168
Total (active Board Members)	28 200	3 537	26 624	3 461
Colin Bond (Member) ¹			3 774	625
Total (including former Board Members)	28 200	3 537	30 398	4 086
In % of share capital	0.63%	0.08%	0.69%	0.09%

¹ Colin Bond did not put himself up for re-election as a member of the Siegfried Board of Directors for the 2023/2024 term of office.

Shareholdings of Executive Committee Members (audited)

The following table lists shareholdings of Executive Committee members and affiliated persons.

	December 31, 2023		December 31, 2022	
	Total shares	of which restricted	Total shares	of which restricted
Executive Committee				
Wolfgang Wienand (CEO)	28 210	0	24 583	0
Reto Suter (CFO)	14 252	0	11 126	0
Irene Wosgien (Chief Human Resources Officer)	1 393	0	750	0
Marcel Imwinkelried (Chief Operating Officer DP)	549	0	328	0
Arnoud Middel ¹			3 897	0
Marianne Späne (Chief Business Officer)	33 354	0	30 780	0
Jürgen Roos (Chief Scientific Officer)	2 978	480	2 082	980
Total (serving Executive Committee members)	80 736	480	73 546	980
In % of share capital	1.81%	0.01%	1.66%	0.02%

¹ In the reporting year the ExeCom Member left the company with effect from 31.12.2023.

7. Additional Activities and Mandates

The rules pursuant to article 626 para. 2 point 1 of the Swiss Code of Obligations on the number of permitted activities of the members of the Board of Directors and the members of the Executive Committee are set forth in article 26 of the Articles of [Incorporation](#) of Siegfried.

Board of Directors (audited)

As per December 31, 2023, the members of the Board of Directors carried out the following activities or mandates in comparable positions in undertakings with commercial purpose as per article 734e of the Swiss Code of Obligations:

Dr. Andreas Casutt (Chairman of the Board of Siegfried Holding AG) is partner and member of the board of directors of the law firm Niederer Kraft Frey AG, Zurich. In addition, he is a board member of the publicly traded Mikron Holding AG and maxon international AG (as well as its sister company maxon motor AG). In addition, he is a board member of Dextra Rechtsschutz AG, Format A AG, Vanco Switzerland AG and holds various board mandates for the investment company Horizon21 AG and its related companies (SO Holding AG, Roymar Corporation SA, Lakeside Services AG, Lakeside Aviation AG, Sole Invest AG, Allwinden Holding AG) as well as privately owned ImmSell AG and ImmOthmar AG. Furthermore, Andreas Casutt chairs the board of TPIO Holding AG, its subsidiary Belleview AG and OPG Online Personals Group AG and he is a managing director of privately owned HEROS Helvetic Rolling Stock GmbH and its subsidiary HEROS America Middel-East Asia GmbH.

Dr. Martin Schmid (Vice-Chairman of the Board of Siegfried Holding AG) is an attorney-at-law, co-founder and partner in the law firm Kunz Schmid, Chur. In addition, he is a member of the board of directors of Swiss Life AG and Swiss Life Holding AG. In the energy sector, he is chairman of the board of EKW AG and ELIN AG and a board member of Swissgas AG. In the construction sector, he chairs the board of Calanda Holding AG (and of its subsidiaries Calanda Gruppe AG and Gribag AG). He also chairs the Swiss Gas Industry Association (VSG ASIG), the Swiss Development Association, the Graubünden Cantonal Hospital Foundation and the Institute of Finance and Financial Law at the University of St. Gallen (IFF-HSG). In addition, he is a member of the board of *economiesuisse*, the umbrella organization of the Swiss economy, and of the advisory counsel of ExpertSuisse.

Dr. Alexandra Brand (Member of the Board of Directors of Siegfried Holding AG) is a member of the Global Leadership Team of the Syngenta Group, where she holds the position of Executive Vice President, Sustainability and Corporate Affairs. In addition, she is a member of the board of directors of Azelis, a public listed leading global distributor of specialty chemicals and food ingredients.

Prof. Dr. Wolfram Carius (member of the Board of Directors of Siegfried Holding AG) is a member of the Executive Leadership Team of Bayer Pharma, where he holds the position of Executive Vice President Pharmaceuticals, with responsibility for the new created Cell and Genetherapy. In addition, he serves on the boards of Südpack Medica AG, Switzerland, and FinVector Oy, Finland, a company of Ferring Ventures, Switzerland. In addition, he is Co-founder and member of the Advisory Board of Artistratis GmbH, Germany.

Ms. Elodie Carr-Cingari (Member of the Board of Directors of Siegfried Holding AG) holds the position as Chief Financial Officer of the Landis+Gyr Group. She does not hold any additional external mandates.

Dr. Beat Walti (Member of the Board of Directors of Siegfried Holding AG) is a partner and member of the board of directors of the law firm Wenger Vieli AG, Zürich. In addition, he chairs the Foundation Board of the Ernst Göhner Foundation and the board of directors of Rahn AG. He is a member of the board of directors of DSV A/S in Denmark and of EGS Beteiligungen AG and a member of the advisory board of PricewaterhouseCoopers AG and Pure Holding AG. In addition, Beat Walti is chairman of the boards of OSPITA (Association of Swiss Enterprises in the Healthcare Sector) and of VIS (Association of institutional real estate investors in Switzerland), member of the advisory counsel of ExpertSuisse as well as of other private foundations and associations.

Ms. Isabelle Welton (Member of the Board of Directors of Siegfried Holding AG) serves as the chairwoman of the board of directors of AG für die Neue Zürcher Zeitung and is a member of the board of the Avobis Group and the Swiss Institute of International Studies as well as the foundation boards of Swisscontact, SOS Children's Village Switzerland and the Lucerne Festival.

For the full CV of the members of the Board of Directors and additional information on the composition of the Board of Directors see also p. 10 of the Corporate Governance Report.

Executive Committee (audited)

As per December 31, 2023, the members of the Executive Committee carried out the following activities or mandates in comparable positions in undertakings with commercial purpose as per article 734e of the Swiss Code of Obligations:

Dr. Wolfgang Wienand (Chief Executive Officer) is a member of the Board of Directors of Mettler-Toledo International Inc. and a member of the Supervisory Board of SCHOTT Pharma AG & Co. KGaA.

Dr. Reto Suter (Chief Financial Officer) is a member of the Board of Directors and Chairman of the Audit Committee of Inficon Holding AG.

Marcel Imwinkelried (Chief Operating Officer Drug Products) does not hold any external mandates.

Henrik Krüpper (Chief Operating Officer Drug Substances) does not hold any external mandates.

Dr. Jürgen Roos (Chief Scientific Officer) is a member of the Board of Directors of the European Fine Chemicals Group (EFCG), the industry association of European fine chemical manufacturers, where he chairs the Innovation Committee.

Marianne Späne (Chief Business Officer Drug Products) does not hold any external mandates.

Christian Dowdeswell (Chief Business Officer Drug Substances) does not hold any external mandates.

Irene Wosgien (Chief Human Resources Officer) does not hold any external mandates.

For the full CV of the members of the Executive Committee and additional information on the composition of the Executive Committee see also p. 16 of the Corporate Governance Report.

8. Contractual Agreements, Loans, Credits, and Additional Contributions

The employment contracts of Executive Committee members and the CEO are open-ended and provide for a notice period of six months. Board mandates are not subject to notice periods and terminate ordinarily at the end of the one-year term of office. There are no contractual agreements or undertakings in place with respect to severance payments or special clauses for members of either the Executive Committee or the Board of Directors.

The Long Term Incentive Plan, which entered into effect on January 1, 2014 (see section 3), in its current version, stipulates that: In the event of a change of control of Siegfried, Plan Participants, subject to not having given and/ or received notice of termination prior to the date of a change of control, will receive on the date of the change of control, or on a date defined by the Board, a number of Shares for each outstanding PSU. The number of Shares to be distributed per PSU is calculated on the basis of a valuation method to be determined at the sole discretion of the Board and shall adequately reflect and preserve the economic value of the benefits or potential benefits due to Plan Participants from all ongoing Performance Periods.

As of December 31, 2023, Siegfried Holding AG and its Group companies do not have any outstanding securities, loans, advances or credits to members of the Board of Directors or the Executive Committee of Siegfried Holding AG. Further, in the reporting year, no securities, loans, advances or credits were granted at non-market rates to persons affiliated with current members of the Executive Committee or Board of Directors or to former members of the Executive Committee or Board of Directors; nor are any such commitments outstanding as at December 31, 2023.

Report of the Statutory Auditor

to the General Meeting of Siegfried Holding AG, Zofingen

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of Siegfried Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables marked 'audited' on pages 14 to 16 and 18 to 21 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the remuneration report (pages 14 to 16 and 18 to 21) complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the remuneration report

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

Auditor's responsibilities for the audit of the remuneration report

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

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

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

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

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

PricewaterhouseCoopers AG



Thomas Illi
Licensed audit expert
Auditor in charge



Andreas Kägi
Licensed audit expert

Basel, 15. February 2024

Cautionary Statement regarding Forward-Looking Statements

This Annual Report contains certain forward-looking statements identified by words such as “believes”, “expects”, “anticipates”, “projects”, “intends”, “should”, “seeks”, “estimates”, “future” or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward looking statements contained in this Annual Report, among others: (1) pricing and product initiatives of competitors; (2) legislative and regulatory developments and economic conditions; (3) delay or inability in obtaining regulatory approvals or bringing products to market; (4) fluctuations in currency exchange rates and general financial market conditions; (5) uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side-effects of pipeline or marketed products; (6) increased government pricing pressures; (7) interruptions in production; (8) loss of or inability to obtain adequate protection for intellectual property rights; (9) litigation; (10) loss of key executives or other employees; and (11) adverse publicity and news coverage. The statement regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Siegfried’s earnings or earnings per share for 2024 or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Siegfried.

Publisher’s Note

This Annual Report is published in German and English.

This is an excerpt of Siegfried’s Annual Report 2023.

All chapters can be downloaded at [Siegfried.ch/investors/reports](https://www.siegfried.ch/investors/reports)

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Sustainability Report 2023



Sustainability Report

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This is an excerpt of Siegfried's Annual Report 2023.
All chapters can be found on our Investor Relations portal:
www.ir.siegfried.ch

About this Report

This non-financial report (Sustainability Report) is a conceptual part of Siegfried's Annual Report and complements the Progress Report, the Financial Report, the Corporate Governance Report and the Remuneration Report. This report is intended to enable readers to develop a comprehensive and differentiated understanding of Siegfried's commitment to sustainability. It explains how non-financial aspects are implemented in Siegfried's strategy, business model and organization.

Siegfried's reporting for the 2023 reporting year was prepared in accordance with the GRI Standards. This represents a further development compared to last year's reporting, as this was only based on the GRI Standards. Siegfried's non-financial report was also prepared this year in accordance with the new legal requirements for large Swiss public companies.

In order to meet the requirements of the GRI Standards in a reader-friendly and comprehensible manner, the report is divided into basic information and reporting on the key topics. A reference table (p.44) shows which reporting elements cover the information required by the Swiss Code of Obligations.

Siegfried's non-financial report is published once a year in German and English and can be viewed on the company's website (www.siegfried.com/sustainability).

This report was published on February 20, 2024. The final approval is incumbent on the General Meeting of Shareholders (April 18, 2024). Contact point for questions and suggestions regarding the report is:

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Sustainability at Siegfried

Siegfried's purpose is to take the innovations of its customers to industrial scale, producing safe medicines to ensure the continuity of treatment for millions of patients worldwide. Improving patient health is at the heart of Siegfried's mission. Beyond this, however, the company is committed to fulfilling its responsibilities as a manufacturing company, avoiding or at least mitigating negative impacts on economy, environment, people and society, and creating transparency in this regard.

Due to the great responsibility that Siegfried and other pharmaceutical companies bear for patient safety, as well as that of politics, society, authorities and customers, the issue of sustainability is more relevant than ever before. Siegfried complies with international regulations and legal requirements that enable the company to strengthen its reputation as a safe and reliable manufacturer of chemical products.

Siegfried believes that integrating material ESG topics into its strategy and enterprise risk management framework is the most effective way to meet business needs and stakeholder expectations. Therefore, Siegfried takes an integrated approach to the management of environmental, social and governance (ESG) issues that are considered material to its business.

Sustainable Development Goals

As part of its sustainability management, Siegfried aims to contribute globally to sustainable development. Therefore, it also refers to the 17 global goals and 169 targets of Sustainable Development Goals (SDGs), prioritizing the SDGs where it contributes in particular.

Further information about Siegfried's contribution to SDGs: Sustainability Report 2023, p. 5

Materiality

Materiality Analysis

In 2022, Siegfried performed a group wide materiality assessment led by the Sustainability Board. The aim was to identify and evaluate:

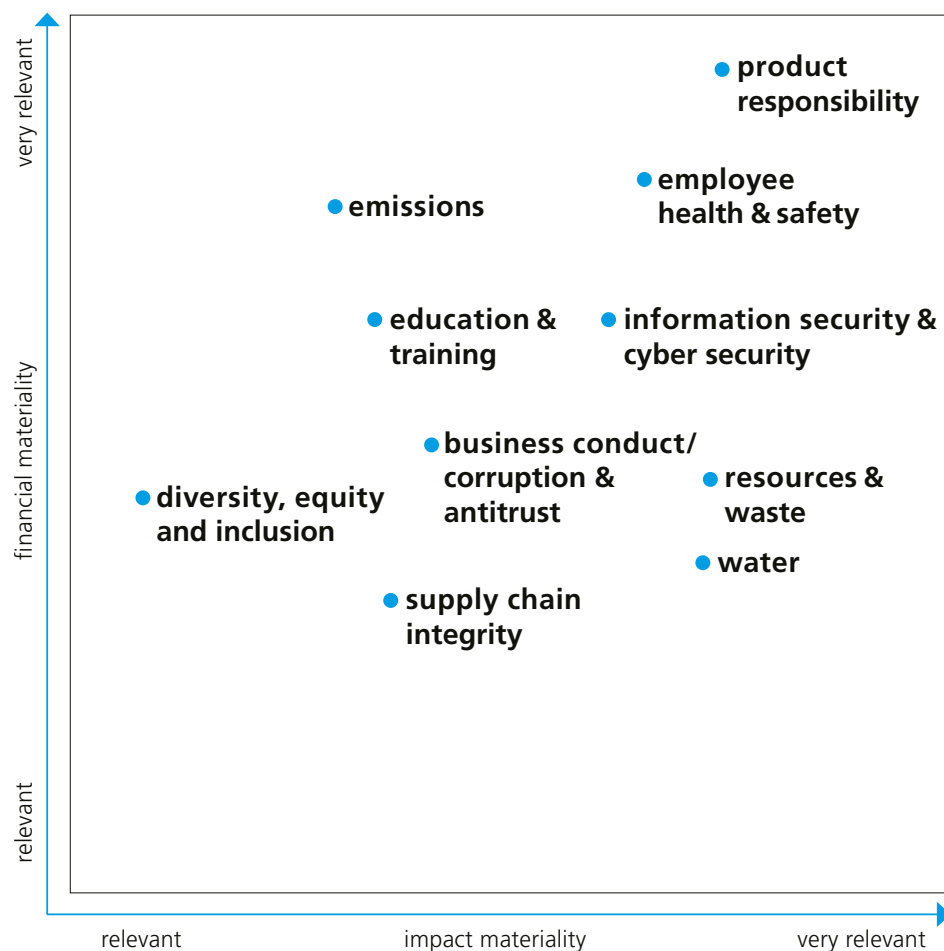
1. Impact materiality: ESG topics in which Siegfried has a significant impact on the economy, environment, people and society as a result of its business operations.
2. Financial materiality: ESG topics from which Siegfried faces significant risks and opportunities for the company's development, performance, and position.

Initially, experts from outside the company developed a long list of ESG topics, which was approved by the Sustainability Board, in order to identify and assess the most relevant fields of action. Using this list, a comprehensive online survey was distributed to 150 high- and mid-level managers at one of Siegfried's global sites who were in charge of corporate and site management operations. The survey participants included not only employees with primary (local or global) responsibility for sustainability, such as Safety, Health and Environment (SHE), HR or Integrity and Compliance, but also members of the Business Development and Sales department, representing the customer's perspective, the Quality department, representing the patient's perspective, the Engineering and Operations department, representing Siegfried's core business activities, as well as other global or local departments and functions. Each member of management rated and commented on two materiality dimensions: the impact of Siegfried's business activities from within the company and the impact of relevant issues on Siegfried's business from outside.

Based on these results, the Sustainability Board then discussed, grouped, assessed, and rated each individual ESG issue on both dimensions during a full-day workshop, using the results of the survey and raw data generated. The survey results and subsequent evaluations were presented to the Board of Directors of the Siegfried group during the Board's 2022 Strategy Retreat, and ultimately approved.

For the 2023 reporting year, Siegfried re-assessed the timeliness of its material topics and their compliance with Swiss legal requirements for non-financial reporting, starting by benchmarking against Siegfried's peers and then compared with the new legal requirements. Based on this analysis, Siegfried made minor adjustments to the material topics, regrouped or renamed some of them. For 2024, Siegfried plans to conduct a materiality analysis, incorporating the European legislation outlined in the Corporate Sustainability Reporting Directive.

List of Material Topics



Reference to the Sustainable Development Goals

As part of its sustainability management, Siegfried aims to contribute globally to sustainable development in line with the Sustainable Development Goals of the United Nations (SDGs). From the 17 global goals and 169 targets, Siegfried prioritizes the SDGs to which it contributes in particular and links them with the material topics. Siegfried identified two core SDGs on which Siegfried may have a significant positive impact through its business activities: SDG 3 "Good Health and Well-Being" and SDG 12 "Responsible Production".

SDG 3, which aims to "Ensure healthy lives and promoting well-being for all ages" is central to Siegfried's purpose to produce safe drugs that help ensure the continuity of treatment for millions of patients worldwide.

- Target 3.5: Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.
- For more information on how Siegfried contributes to target 3.5: [Statement on Ethical Use of Prescription Opioids](#)

- Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.
- For more information on how Siegfried contributes to target 3.9: Sustainability Report p.7, p.10, p.12 (Material Topics Emissions, Resources & Waste and Water)

SDG 12 aims to "Ensure sustainable consumption and production patterns". As a manufacturing company, Siegfried understands its responsibility to mitigate negative impacts. And through its expertise in process optimization, it makes API production more sustainable.

- Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
- Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

- For more information on how Siegfried contributes to targets 12.4 and 12.5: Sustainability Report 2023 p.10 (Material Topic Resources & Waste)

Additional SDGs were identified for fields in which Siegfried may also contribute to the achievement of the targets defined by the United Nations:

SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
 - Target 4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations
 - Target 4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.
- For more information on how Siegfried contributes to targets 4.4, 4.5, and 4.7: Sustainability Report 2023 p.17 (Material Topic Education and Training)

SDG 5: Achieve gender equality and empower all women and girls

- Target 5.1: End all forms of discrimination against all women and girls everywhere.
 - Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
 - Target 5.C: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.
- For more information on how Siegfried contributes to targets 5.1, 5.5 and 5.C: Sustainability Report 2023 p.19 (Material Topic Diversity, Equity and Inclusion)

SDG 6: Ensure availability and sustainable management of water and sanitation for all

- Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
 - Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
 - Target 6.5: By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.
- For more information on how Siegfried contributes to targets 6.3, 6.4 and 6.5: Sustainability Report 2023 p. 12 (Material Topic Water)

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- Target 8.7: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.
- For more information on how Siegfried contributes to target 8.7: Sustainability Report 2023 p.21 (Material Topic Supply Chain Integrity)
- Target 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
- For more information on how Siegfried contributes to target 8.8: Sustainability Report p.14 (Material Topic Employee Health and Safety)

Reporting on Material Topics

Environment

Emissions

2023 performance in the field of emissions

+1.3%	Scope 1 & 2 CO ₂ emissions/ Mio CHF Sales vs. 2022
−32.1%	Absolute Scope 1 & 2 CO _{2eq} emissions vs. 2020
−4.8%	Energy Use / Mio CHF Sales vs. 2022

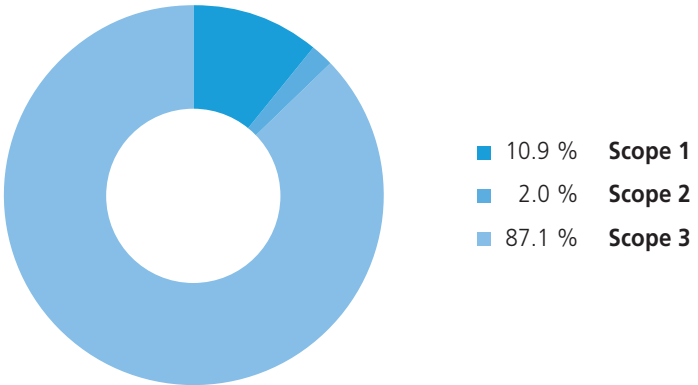
The production of active pharmaceutical ingredients and intermediates causes emissions of greenhouse gases and involves several chemical and physical steps that require considerable amounts of energy. Due to the energy sources used – mainly natural gas and electricity – significant CO₂ emissions are associated with energy consumption. In 2021, Siegfried committed to reducing the carbon footprint of its Scope 1 and 2 emissions for the period up to 2030 by 50% normalized against sales. Since then, Siegfried successfully

managed to considerably reduce Scope 1 and Scope 2 emissions by a total of 37.7 % even in absolute terms. However, the emissions associated with Siegfried’s business arise primarily in the production of the resources required for the products (Scope 3), as many raw materials used by Siegfried originate, in whole or in part, from the petrochemical industry.

Like other manufacturing industries, pharmaceutical production has an impact on the environment. Siegfried is aware of all the emissions for which it is responsible. When it comes to CO₂ and other GHG emissions, every stage of the pharmaceutical supply chain has a CO_{2eq} footprint.

Of the 527.9 kilotons of CO_{2eq} emissions in 2023, 11% come from Scope 1 (direct emissions from operations), 2% from Scope 2 (emissions caused by the production of purchased electricity and steam). In addition, Siegfried also takes its upstream and downstream emissions in account: the company estimated Scope 3 emissions in 2022 at 462 kT of CO_{2eq}. This corresponded to approximately 88% of the total CO_{2eq} emissions of 527 kT CO_{2eq}. Scope 3 emissions for 2023 have been initially estimated at 459.7 kT CO_{2eq} and will be updated in full detail in the scope of Siegfried’s 2024 CDP reporting.

Scope 1–3 Distribution



Impacts

CO₂

The upstream and own chemical and pharmaceutical production of Siegfried's products requires significant amounts of fossil fuels. Both their primary production and their consumption in Siegfried's sites cause emissions that contribute to the company's carbon footprint and can have negative impacts on the environment.

Other Air Emissions

Volatile organic compounds (VOC):

VOCs are mainly generated in chemical manufacturing, where large amounts of organic solvents are used to dissolve solid materials, to facilitate reactions or to clean equipment. Although the off-gas streams are cleaned via charcoal filters, scrubbers or by incineration, a small amount of VOCs are still emitted into the atmosphere.

Nitrogen oxides (NOx):

Nitrogen oxides are either formed during the combustion of fossil fuels or solvents, or during chemical reactions (e. g. ammonia oxidation). NOx emissions contribute to air pollution.

Sulfur dioxide (SO₂)

Sulfur dioxide (SO₂) emissions are primarily formed through the burning of fossil fuels (like oil and natural gas) or the processing of sulfur-containing materials. SO₂ emissions can contribute to acid rain, respiratory problems, and other environmental issues.

Risks and Opportunities

As part of a climate risk analysis, Siegfried has identified risks with an emissions context:

Costs to transition to lower emissions technology:

Manufacturing may become subject to tighter environmental and regulatory standards, requiring updates to existing assets or investments in new ones. Technological changes may also prompt additional approvals under GMP regulations.

Increased pricing of GHG emissions:

A rise in manufacturing costs, coupled with an increase in raw material costs, may pose challenges. Furthermore, the need for additional internal resources to manage greenhouse gas (GHG) monitoring, reporting, and verification may become imperative.

Enhanced emission reporting obligations:

Escalating costs to meet national and international reporting obligations, coupled with the inherent risk of non-compliance within complex regulatory frameworks may pose challenges.

Detailed information on climate-related risks in Siegfried's business model can be found in the TCFD report p. 41

Concept

CO₂

In 2021, the management committed to significantly reducing the carbon footprint for the period up to 2030. The company is aiming for a 50% reduction in its CO₂ emissions by 2030 (CO_{2eq}, normalized to sales) and is also planning long-term measures to meet the Net Zero Target, which has a net balance of zero greenhouse gases emitted by its operations (Scope 1 and 2) and greenhouse gases removed from the atmosphere by company actions.

The goal is to be achieved by conducting a comprehensive analysis of all Siegfried locations concerning CO₂ emissions, combined with a list of suitable measures that have been effective since the 2021 financial year. Siegfried is focusing both on measures to reduce energy consumption and on the gradual switch to lower-emission energy sources.

The consumption of electrical and thermal energy is to be reduced by optimizing processes and systems and increasing the equipment's energy efficiency.

Renewable electricity

One key focus of Siegfried's carbon reduction measures is the purchase of sustainable electricity. Siegfried has concluded a significant proportion of sustainable power purchase agreements (PPAs) and currently achieves a share of approximately 71% sustainable electricity. These PPAs are backed up by official, site specific Guarantee of Origin (GO) certificates or Renewable Energy Certificates (REC).

Scope 3

Siegfried newly reports also its Scope 3 footprint. Approximately 87% of Siegfried's CO₂ and GHG emissions occur in its value chain, outside of its own operations. Siegfried's influence on emissions in the upstream value chain through its suppliers is limited and rather complex. The company therefore focuses current measures on its own production sites but has started to engage with suppliers and customers on reducing the footprint along the entire value chain since Siegfried's reach into the product life cycle is rather limited. Siegfried's main focus in this regard is on process optimization to reduce solvents, as an example, and alternative sourcing of green raw materials.

Since 2022, Siegfried is committed to the principles of the Science Based Target initiative and intends to develop SBTi verified targets until the end of 2024.

Other Air Emissions (VOCs, NOx and SO₂)

All manufacturing sites of Siegfried comply with VOC, NOx and SO₂ emission limits at all times. The relevant initiatives and projects are managed locally on a site level. All Siegfried sites are equipped with NOx reducing infrastructure (burners, scrubbers) to limit NOx emissions to a minimum and to meet regulatory standards. Also, Siegfried's sites employ pollution control technologies like flue-gas desulfurization, catalytic converters, and scrubbers to reduce the amount of sulfur dioxide released into the atmosphere. The definition of global targets to further reduce VOC, NOx and SO₂ emissions is in progress.

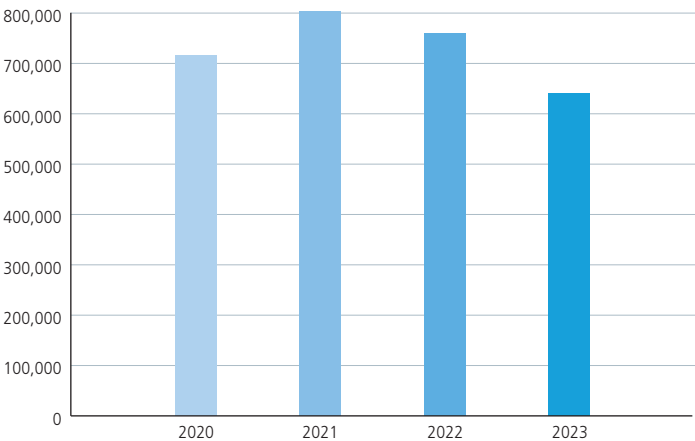
Measures, Progress and Key Indicators

In order to account for changes in business activity, Siegfried focuses on emission development in relation to sales figures. Siegfried saw a slight increase in business volume in 2023, nevertheless, the total energy consumption per Mio CHF sales decreased by 4.8%. The sales-based Scope 1 & 2 CO_{2eq} emissions increased by 1.3%. This is primarily due to a strategic shift away from natural gas towards more CO₂ intense fuels, e.g. LPG and light fuel oil. Thanks to many site energy initiatives targeted at reducing the consumption of electricity and natural gas, the increase in Scope 1 & 2 remained limited.

Dependence on Gas Further Reduced

The most significant energy sources for Siegfried are natural gas and electricity. In a combined effort to increase energy efficiency and to decrease the dependence on natural gas, sites could reduce the consumption of natural gas in 2023 by 15.7%. This was partly due to the installation of additional capacity on alternative fuels, most notably liquefied petroleum gas (LPG) and light heating oil. Nevertheless, Siegfried’s overall fossil fuel-based CO_{2eq} footprint (Scope 1) increased in 2023 versus 2022 by 4.0%.

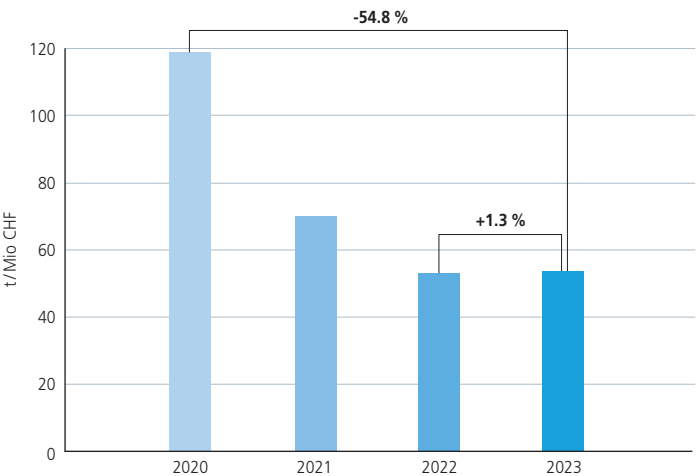
Natural Gas Consumption / GJ



CO₂ and Other Air Emissions

Siegfried slightly increased its sales based Scope 1 & 2 carbon footprint in 2023 by 1.3%. However, relative to the base year 2020, a reduction of 54.8% achieved so far, which is fully in line with Siegfried’s 2050 net zero ambitions. This remarkable achievement is the result of a proactive purchasing strategy on renewable electricity, combined with great efforts in energy saving initiatives by all sites, coordinated by a global energy task force.

CO₂ Scope 1 & 2 / tons per Mio CHF



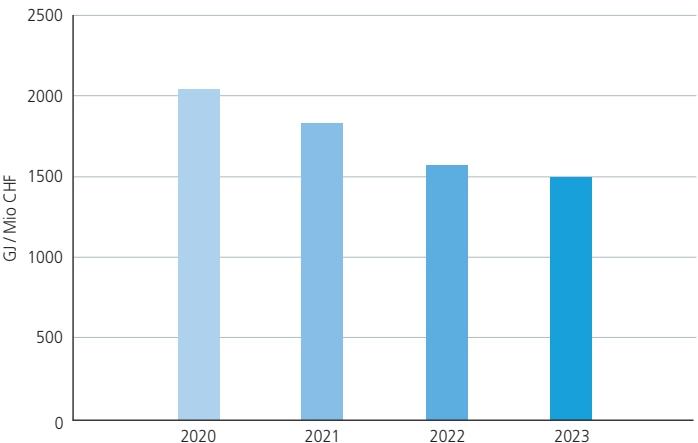
Air emissions other than CO₂ (VOC, NOx, CO) contribute only marginally to the overall GWP of Siegfried (0.19% in 2023). The non-CO₂-based GWP decreased by 68% compared to 2022, while the sales based 100 year GWP increased slightly by 0.8%, mirroring the CO_{2eq} emissions reported above.

For direct (Scope 1) and indirect (Scope 2) GHG emissions in absolute numbers → ESG data table p.49

Energy and Electricity Usage

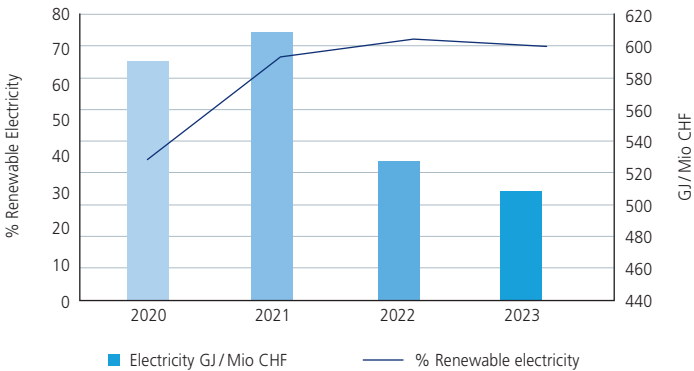
Successfully driven by the global energy management program, an absolute energy use reduction could be achieved, despite an increase in business activity. Energy use per Mio CHF decreased by 4.8% or in absolute terms by 29.7 TJ. For a further breakdown of energy use in absolute numbers → ESG data table p.49

Total Energy Usage / GJ per Mio CHF



The total electricity consumption per Mio CHF sales decreased by 3.7%, or by 2.7 TJ in absolute terms. The percentage of renewable electricity remained nearly constant and is now at 71% of the total electricity use.

Total Electricity Consumption / GJ per Mio CHF



Certifications and Programs

The two sites in Germany, Hameln and Minden, were successfully re-certified for ISO 50001 (energy management). Both sites continue their long-standing energy reduction efforts. The Hameln site has already come very close to being the first carbon neutral site in the Siegfried network (Scope 1 & 2).

For further metrics → ESG data table p.49

Resources & Waste

Chemicals are the primary resource required for the production of active ingredients and pharmaceutical products. Where possible, Siegfried has started to collaborate with its clients and suppliers to develop more ecologically friendly second generation processes or to source more sustainable alternatives to fossil fuel, respectively fuel based raw materials. Second in line are materials for packaging, primarily primary and secondary packaging materials for finished pharmaceutical products. Due to the significant impact associated with the resources used, responsible use of resources also means closing cycles and avoiding waste.

2023 performance in the field of resources & waste

+2.6%	Total waste per Mio CHF sales vs. 2022
+7.5%	Hazardous waste per Mio CHF sales vs. 2022
-20.1%	Non-hazardous waste per Mio CHF sales vs. 2022

Impacts

The key environmental impacts of chemical-pharmaceutical manufacturing can be grouped into three areas:

- Resource depletion: The extraction and utilization of raw materials, including rare minerals and other elements for drug manufacturing can lead to the depletion of these natural resources.
- Water usage and pollution: Large volumes of water are used in manufacturing processes, and the discharge of untreated or improperly treated wastewater can lead to water pollution, affecting aquatic ecosystems and potable water sources.
- Chemical waste: The production of pharmaceuticals generates hazardous chemical waste, which can contaminate soil and water if not properly managed, leading to long-term environmental damage.

The majority of the carbon footprint caused by Siegfried (> 75 %) is attributable to the raw materials purchased. This is partly due to the chemicals that Siegfried needs to manufacture its products, because they are largely based on petroleum. Chemical and pharmaceutical manufacturing often involves energy and resource intense processes. These raw materials as well as packaging materials and liquid and solid waste from chemical and pharmaceutical production contribute to Siegfried’s footprint and can have an impact on the environment and on human health. Possible impacts of improperly handled chemical waste, especially hazardous waste include:

- Environmental contamination (local or through the food chain)
- Human health risks (direct or long-term exposure)
- Clean-up costs for decontamination
- Legal and reputational consequences

Siegfried therefore puts great emphasis on waste separation and, if possible, reusing and recycling this waste. As a last option, waste is treated according to best practice and legal requirements (e.g. by licensed incineration).

Risks and Opportunities

Dependence on petroleum-based raw materials entails various risks. Siegfried is mainly exposed to risks regarding legislative obligations, because regulatory and stakeholder expectations rise for chemical and pharmaceutical manufacturing processes to lower their carbon footprint. The corresponding development measures can result in significant costs. Failure to meet these requirements can result in reputational damage and loss of customer orders.

In general, dependence on fossil-based raw materials represents a business risk. This is due in particular to increasing price volatility and as a result of regulatory changes, prices may rise generally. An early switch to more sustainable alternatives (e.g. bioethanol) could help to ensure Siegfried’s financial stability and to avoid reputational risks arising from market trends.

Packaging materials also play a significant role in Siegfried’s environmental footprint. However, the options to reduce the environmental footprint of Siegfried’s packaging materials are limited by very strict regulatory requirements (GMP) for primary and many sec-

ondary packaging materials. Their aim is patient safety and product quality. However, Siegfried is looking into opportunities with secondary and tertiary packaging materials to use e.g. recycled cardboard or recycled plastic materials.

By contrast, Siegfried can influence some of the impacts associated with the materials used by handling waste in its own sites, particularly the solid and liquid wastes from chemical and pharmaceutical manufacturing processes. Siegfried is striving to minimize waste by separating, recycling and re-using e.g. organic solvents or chemical catalysts. However, for the transport and disposal of the non-recyclable waste, Siegfried relies heavily on a functioning disposal logistics, operated by specialized, licensed third parties. The costs and complexity of these operations is a strong driver for Siegfried to keep the amount of waste at an absolute minimum.

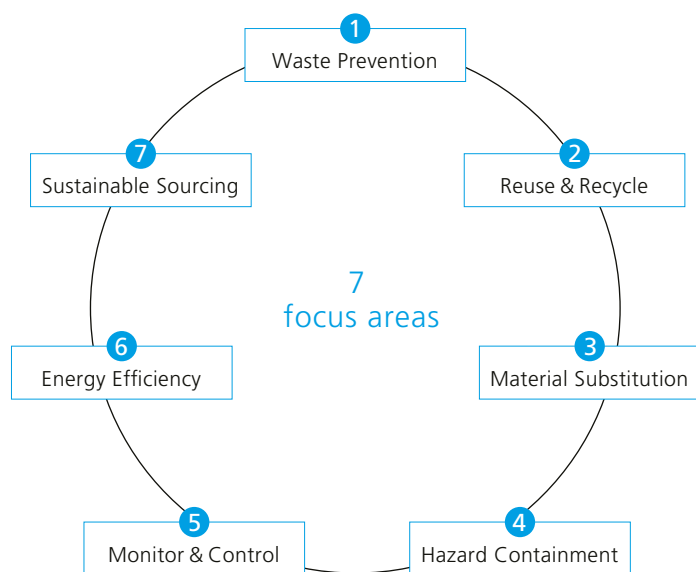
Concept

Siegfried fully recognizes the importance of a circular economy and is in an internal target setting process for global environmental key performance indicators, on top of the existing carbon net zero target. The future targets will include waste and resource efficiency.

Materials Used for Production

Since Siegfried does not design nor market new drug products, it focuses mainly on the process development and manufacturing life cycle approach. The products require energy and resource intense processes and can also generate significant amounts of waste. Siegfried therefore aims to reduce its environmental impact by working closely with its clients, and by continuously educating its process development experts on the principles of resource efficiency, most notably on the seven green chemistry principles:

The 7 focus areas in support of the green chemistry principles



Green chemistry is an area of chemistry focused on designing products and processes that minimize or eliminate the use and generation of hazardous substances. It aims to create more environmentally friendly and sustainable chemical practices, with an emphasis on safety, efficiency, and waste reduction.

Additionally, as indicated by public targets and net zero commitments, Siegfried's suppliers are committed to reducing the resources consumed in the manufacturing of their products, for example through more efficient processes, innovative technologies and the use of renewable and recycled raw materials. They also continuously investigate whether fossil and petrochemical resources can be replaced with non-fossil alternatives. However, this can bring various conflicting goals with it, for example, when the increased consumption of renewable raw materials leads to greater land use.

Materials Used for Packaging

Siegfried uses packaging materials for the delivery of raw materials, for the internal transport and storage of liquid and solid intermediates and finished products, and most of all for the primary and secondary packaging of finished form pharmaceutical products, such as blisters, glass vials, cardboard boxes etc. Siegfried closely monitors the amounts used in its manufacturing processes and is setting quantitative reduction targets.

Waste

The pharmaceutical production sites in Barberà del Vallès and El Masnou are certified according to ISO 14001 (environmental management) this also includes constant improvements on waste management processes and tonnages.

The current optimizations focus in the DS area is on the main waste category, waste solvents. To this end, interdisciplinary project groups are set up at various locations, which are made up of employees from the Business Excellence, Chemical Production, Waste Management and Safety and Environmental Protection departments. The proportion of regenerated solvents is to be increased, particularly for the solvents used for plant cleaning. This initiative led by OPEX will reduce the number of waste solvents to be disposed of.

Measures, Progress and Key Indicators

New guidelines for the Sustainability of the Production Process

In 2023, Siegfried issued a comprehensive internal manufacturing process sustainability guidance document and trained its global process chemistry expert community. The document contains an excerpt of directly applicable green chemistry pharmaceutical industry knowledge, condensed to 42 pages.

Among the most important topics included are:

- A solvent selection guide to optimize recycling opportunities
- A selection guides for reagents, acids and bases
- A “fate of waste” cost and criticality calculator
- Reagent sustainability guidance (complexity and scarcity etc.)

Online Knowledge Repository for Green Chemistry

Additionally, an online knowledge repository was created by Siegfried's R&D department, guiding process chemists on key green chemistry principles and process greening opportunities. It provides process chemists with a suite of tools to e.g. predict the waste footprint of a synthesis route, avoid controversial or restricted chemicals, or to find better suitable reagents or solvents. The toolbox, e.g. the iGAL 2.0 Scorecard Calculator, has mostly been developed through partnerships between the pharmaceutical industry and the American Chemical Society – Green Chemistry Institute – Pharmaceutical Roundtable.

Selected Site Initiatives

Investment in tank farm for better separation of waste solvents in Zofingen:

Almost CHF 2 million was invested together with Siegfried's local waste and energy partner in the expansion of the waste solvents tank farm. The solvents, e.g. ethanol or dichloromethane, are used in many of Siegfried's chemical processes. In Zofingen alone, the quantity of waste solvents amounts to several thousand tons per year. The new tank farm will allow a better separation of waste solvents, preventing the incineration of many hard to recycle solvent mixtures. This helps Siegfried save costs on new solvents and on waste treatment while also having a positive impact on its Scope 3 footprint.

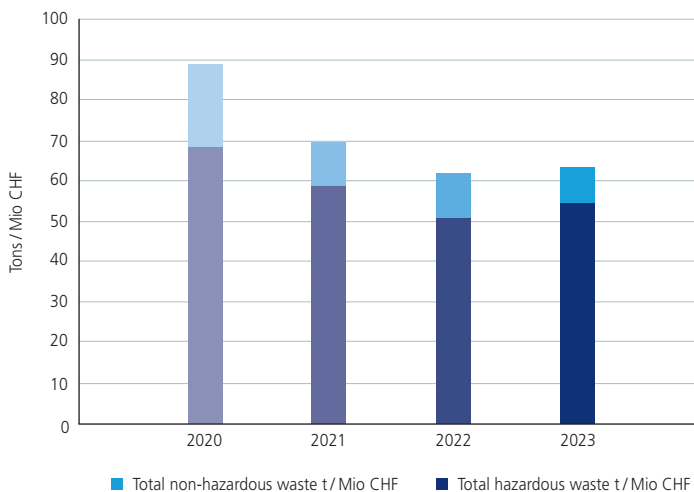
Improving the wastewater treatment station in Barberà del Vallès, Spain/Catalunya:

The site's wastewater treatment station was equipped with a press filter to reduce the volume of aqueous waste for incineration. This has already reduced the volume of hazardous waste for incineration by an initial 5% and will lead to more significant reductions in the future.

Development of Waste Volumes

The absolute amounts of total waste, hazardous and non-hazardous waste are currently increasing, this is likely due to portfolio changes to more resource intense products → ESG data table p.50. When taking the growth of the business into consideration, hazardous waste intensity was growing moderately vs. 2022 (+7.5%), while non-hazardous waste is decreasing (-20.1%). This reflects the fact that many sites are already engaged in local initiatives to reduce waste, e.g. by increasing recycling rates or by finding solutions for re-use. Siegfried is in the process of analyzing the hazardous waste streams in detail and setting quantitative global targets for waste reduction.

Total Waste (tons per Mio CHF sales)



For further metrics → ESG data table p.50

Water

Water is an important resource for Siegfried. On the one hand, it is used as a starting material, in most cases as a solvent, and also as a cleaning agent. In addition, water is also required to cool reactors, motors and compressors, and to dissipate heat released directly in the processes. Effluent water quality, especially the levels of pharmaceuticals in the environment, and most recently the risk of water scarcity and flooding are equally important water topics for Siegfried.

2023 performance in the field of water

+1.7%

Water Use per Mio CHF
vs. 2022

+6.6%

Increase in TOC load
vs. 2022

Impacts, Risks and Opportunities

Both Siegfried's water consumption and the wastewater resulting from production processes can have an impact on the environment and people living near Siegfried's production facilities. Above all, groundwater, self-pumped water, and drinking water obtained from the local waterworks are used. At specific locations, there is a proportion of spring water in the drinking water obtained from waterworks. The countries in which Siegfried operates production facilities show great differences in water availability and in the specifications for the handling of water and wastewater by industry. The sites in Barberà del Vallès, El Masnou and Irvine are exposed to

the risk of water shortages. Accordingly, Siegfried's water consumption poses a risk to the local environment and population. However, water scarcity also represents a business risk for Siegfried. Thus, effective water management is necessary.

The wastewater from Siegfried's production plants contains chemical and pharmaceutical pollutants, which need to be treated and removed by an industrial wastewater treatment plant (WWTP).

On the risk side, flood risks are increasingly coming into focus, due to more extreme weather events in Europe and North America. These sites are constantly updating their emergency and business continuity plans to protect Siegfried's people and operations from flooding and other environmental risks.

Concept

Siegfried's water related efforts are focused on three impact scenarios: water scarcity, flooding and effluent water quality.

Siegfried strives for a continuous reduction in water consumption. The three sites in water scarce areas (Barberà del Vallès, El Masnou and Irvine) address this issue by implementing water action plans.

Wastewater Treatment

In addition to efforts to reduce water consumption, the discharge of pollutants into water bodies is also to be reduced on an ongoing basis. In particular, the chemical and pharmaceutical pollutants need to be treated and removed by an industrial WWTP. These processes are constantly being optimized. The first step is always the avoidance of aqueous losses of chemicals and pharmaceuticals into local wastewater, followed by regular water quality checks. Except for uncontaminated cooling wastewater, which can be fed into the local watercourse, polluted sewage is treated in wastewater treatment plants to be discharged into local waters. The situation differs depending on the plant. All chemical sites, except Zofingen, operate their wastewater treatment plant for industrial wastewater. The wastewater of all sites goes either through an internal wastewater treatment, or to a municipal wastewater treatment plant. The Pennsville and Evionnaz manufacturing plants have their own wastewater treatment plants. Many sites use activated carbon treatment to remove trace contaminants. The wastewater from the Zofingen plant is pre-cleaned in a separate biological stage before it is mixed with municipal sewage. The wastewater from the drug product plants is cleaned in municipal wastewater treatment plants. Several of Siegfried's plants have activated carbon filter equipment, which helps to remove residual active pharmaceutical ingredients from the wastewater stream.

Dialogue with Local Authorities on Wastewater Management

Siegfried follows the specified environmental standards and regularly engages with the environmental authorities responsible. Several Siegfried sites have active cooperation agreements with local authorities. These agreements typically result in site specific emission specifications, while the sites proactively report irregularities and give authorities access to their analytical data.

The sites in acutely water scarce areas (Barberà del Vallès & El Masnou (Spain) and Irvine (California)) have strict local water targets and water action plans in place, which are closely aligned with local authorities. The same applies for the site in St. Vulbas (France).

Siegfried also uses the global water risk tool of its insurance company to improve local water risk management plans.

Pharmaceuticals in the Environment (PiE)

To assure the levels of active pharmaceuticals in the production wastewater are not causing any negative effects in the local or regional environment, sites engage both with pharmaceutical industry clients as well as local authorities to assure state of the art principles of PiE are applied:

- Siegfried follows the risk based pharmaceutical industry standards issued by the European Federation of Pharmaceutical Industries and Associations (EFPIA) and by the Pharmaceutical Supply Chain Initiative (PSCI).
- All sites collaborate with their clients or with the PSCI to assure client expectations and best practice standards on PiE are met. This is assured through regular audits.
- Sites collaborate closely with local authorities and follow risk management plans, which include as a minimum a defined set of substances to test, a maximum allowable level for each substance, and a testing interval. The implementation of the plans is checked by the authorities as well as by Corporate SHE audits. In the event of an exceedance of agreed levels, corrective actions are taken, and internal and external follow-up is assured.

Measures

Zofingen, Switzerland

In Zofingen, a study was carried out at the municipal wastewater treatment plant, where Siegfried discharges the wastewater, to clarify how biological wastewater treatment can be improved. This study was successful and led to an optimization of the wastewater treatment plant, minimizing the risk of an impact of Siegfried's wastewater on its biological treatment efficiency. The modernized system has been in operation since mid-2023.

Barberà, Spain/Catalunya

Increase of water recovery: The site is using the rejected water from its reverse osmosis process as blowdown water in the cooling towers. This has a significant water saving effect (around 20% of the site's water use). The site also installed an online nitrate monitoring system to allow faster reaction in case of internal peak emissions, ultimately leading to lower nitrate release into the environment.

Progress and Key Indicators

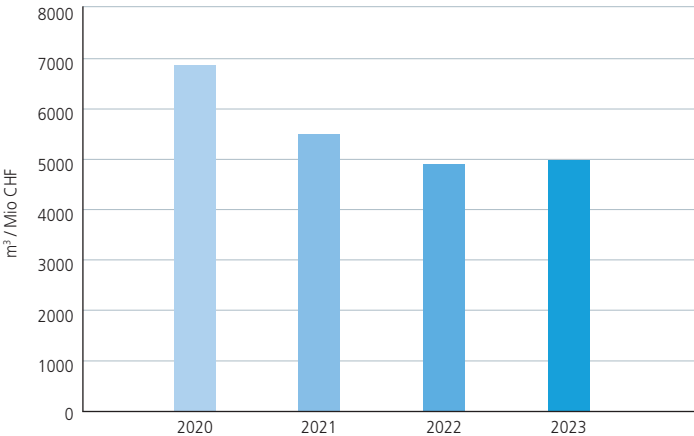
Development of Water Consumption

Water intensity per sales volume has steadily decreased since 2018. In 2023, this trend has turned, and the sales-based water use has increased slightly by 1.7%. This is due to mostly two factors: most sites have implemented water saving activities over the years, and it

is becoming increasingly difficult to further increase water efficiency. Secondly, the cleaning requirements before and after a production campaign are very strict. In 2023, many sites had an increase in campaign changes, but also an increase in internal cleaning requirements. Siegfried is analyzing the root causes in detail and will put counter action measures in place.

For absolute numbers → ESG data table p.50

Water consumption m3 / Mio CHF



Pollutants Load

Siegfried is conscious of the Total Organic Carbon (TOC), Nitrogen and Phosphorus loads in its site’s wastewater effluents. The TOC load has increased by 6.6% to an absolute 136 t in 2023. This is most likely a consequence of increased production volume, combined with water saving efforts. The sales adjusted nitrogen load in Siegfried’s site’s wastewater effluents has slightly decreased by 0.6% to an absolute 73 t in 2023. Additionally, the sales adjusted load of phosphorus in Siegfried’s site’s wastewater effluents has increased by 72.2% to an absolute 3.3 t in 2023. The change is largely attributable to a change in the P load calculation method at the Pennsville site, rather than an increase in P emissions. The site is in close contact with the local authorities on this topic. Compliance with regulatory requirements is assured.

For further metrics → ESG data table p.50

Social

Employee Health and Safety

Safety and health of employees have a high priority for Siegfried and are firmly anchored in the company’s mission statement. Avoiding accidents is not only an obligation towards the employees, but it also reduces the risks of work and production interruptions and increases the availability of Siegfried’s systems.

2023 performance in the field of employee health and safety

-11%	Lost Time Injury Frequency Rate per Mio work hours
-13%	Accident Points per Mio work hours
+4%	Accidents/1000 FTEs

Impacts, Risks and Opportunities

For Siegfried, quality is a key success factor, and good safety management is a key contributor. Savings and lapses in safety and health protection not only have a negative impact on employees but can also have a negative effect on Siegfried’s performance and damage its success in the long term.

Concept

Siegfried manages health, safety and environmental topics through a network of local Safety, Health and Environment (SHE) teams on each site, supported and coordinated by the corporate SHE function, which reports to the corporate Chief Compliance Officer, but also has dotted lines to the Chief Operation Officers (COO) of both business areas. The key principles are summarized in a global SHE policy that is binding for all sites. This policy describes Siegfried’s safety, health and environmental philosophy towards employees, suppliers, partner companies, customers, shareholders, authorities, and the public.

Siegfried’s management ensures that SHE is understood and practiced at all levels. The goals and programs for safety and environmental protection are regularly developed and reviewed as part of corporate and executive management reviews. The implementation of the safety and environmental policy and compliance with regulations is primarily the responsibility of the sites. Managers at all levels of the organization are responsible for ensuring that safety

awareness is owned and promoted by all line functions, most notably operations. In addition to global SHE campaigns, the individual Siegfried sites may also launch site-specific initiatives or carry out certifications.

Siegfried's SHE organization comprises more than 80 full-time employees. They are supported in their function by global and local SHE and safety committees, with employee representatives also involved. A global SHE department with direct access to the management is responsible for the further development and harmonization of the company's programs.

Certifications and Programs

Siegfried does not currently pursue a global certification strategy in the field of employee health and safety. The two sites in Spain – acquired in 2021 – are certified (ISO 45001, ISO 14001). In addition, Siegfried is a member of various organizations and initiatives in the field of employee health and safety, including;

Responsible Care® in Zofingen, Evionnaz and St-Vulbas sites

An initiative of the chemical-pharmaceutical industry to strive for constant improvement in safety, health, and the environment, independently of legal requirements, and to regularly publicize this progress. The initiative enshrines this as a precautionary principle in the form of voluntarily imposed regulations. The Responsible Care® program defines six principles: the protection of people and the environment, plant and product safety, and the possible effects of processes, products and waste on people and the environment. Close cooperation and dialogue with authorities and third parties is just as important as supporting Siegfried's business partners in complying with high safety and environmental standards in transporting, handling, using and disposing raw materials, intermediate and finished products.

ChemStewards® program in Pennsville

An environmental, health, safety, and security (EHS&S) performance improvement program of The Society of Chemical Manufacturers & Affiliates® (SOCMA). The program strives to improve employee safety, employee, and community health, reduce a facility's environmental footprint and continuously improve the safety of the facility and the entire supply chain.

Siegfried's Safety Rules

The most important goal of any occupational safety management system is to prevent serious or fatal accidents. That's why Siegfried has established five key safety rules, which are enforced throughout Siegfried:

- Consistent use of personal protective equipment
- Completion of required pre-employment safety training for new employees
- Fall protection when working from a height of two meters and above
- Securing the system before starting maintenance work: lock-out/ tagout (LOTO)
- No removal or by-passing of safety devices

Substance Hazard Classification

Siegfried continues to protect its employees through a global system of five exposure categories to assess material hazards at the workplace. Substances are assigned to an exposure category based on factors such as toxicity or pharmacological activity, and a maximum occupational exposure limit is set by a multi-disciplinary committee. Based on monitoring investigations, workplaces are assessed, and production facilities are classified. The production facilities are summarized in a facility exposure register. With the help of this information, the plant operator or product chemist can assess in advance whether additional measures are required concerning exposure when changing products. If necessary, monitoring is carried out again.

Emergency Management and Accident Prevention

As part of accident prevention, accident scenarios in chemical substances' production, storage, and internal transport are subjected to a comprehensive risk analysis for each location. The results are summarized in a report and checked by the authorities during an annual inspection. For emergencies such as explosions, fires or chemical incidents, in-house emergency organizations are available in Siegfried's production plants. The chemical and plant fire brigade in Zofingen and the plant fire brigade in Minden each have more than one hundred members, comprised of professional firefighters and volunteers from all departments. As an additional task, these organizations take on the function of a chemical defense base for operations outside the plant area on behalf of the authorities. The sites in Evionnaz and St. Vulbas also have their internal emergency organization.

Management of Occupational Accidents and Illnesses

In all Siegfried sites, the employer is legally obliged to investigate all accidents at work and derive measures to reduce accidents in the long term. To investigate these incidents, internal occupational safety experts are deployed to carry out an investigation together with those affected and derive improvement measures from this. The implementation of and compliance with global and local SHE guidelines is regularly reviewed through corporate audits. Internal audit specialists inspect the individual sites in safety audits lasting several days.

"Passion for Zero": Siegfried's Occupational Safety Program

To further promote the safety culture and sustainably reduce the number of accidents, Siegfried introduced the global safety campaign "Passion for Zero" in 2022. The program applies to both Siegfried employees and contractors and was the result of a detailed situation analysis. It consists of four elements:

- 1) Shape: introduce leading KPIs, strengthen the SHE governance, introduce globally harmonized safety processes and systems.
- 2) Share: fast and standardized sharing and investigation of accidents and incidents. A global collaboration platform based on MS TEAMS was set up for this purpose.
- 3) Care: enhance the impact of the existing STOP® program, which was established in 2013 and promote the five binding cardinal security rules.

4) Comply: assure regulatory, external and internal SHE compliance through strong audit and CAPA management processes and systems.

Employee Wellbeing

Many sites have started to develop health and wellbeing initiatives at local level and under the umbrella of Siegfried's "Great Workplace to Grow" initiative launched in 2022. The measures include sporting activities, nutrition, and sleep issues.

Measures

mySTOP Program

In 2023, Siegfried expanded the well-established STOP® initiative into the mySTOP initiative, which added a few key elements to the STOP® program: while STOP® focuses strongly on walkthroughs, standardized safety observations, discussions and paper-based documentation, mySTOP modifies those elements, and adds an additional emphasis on digital tracking and analysis, pragmatic solution finding and implementation of solutions to address unsafe solutions or behaviors. By redefining S-T-O-P as "See – Track – Own – Push for action", mySTOP has been successfully piloted in three sites (Malta, Evionnaz, Irvine) in 2023 and will be rolled out to the entire network in 2024. In 2023, during almost 9,500 safety walkthroughs, more than 2,300 unsafe situations or near misses were observed, reported, and developed into local Corrective and Preventive Action (CAPA) plans. The CAPA plans are regularly reviewed during global SHE compliance audits and business reviews.

Safety Trainings

The need for training results from the job requirements, at the request and suggestion of employees or in the event of errors in the execution of the work. The in-house training courses on safety and environmental protection are free of charge for the participants and run during working hours. The attendance and quality of the training is monitored.

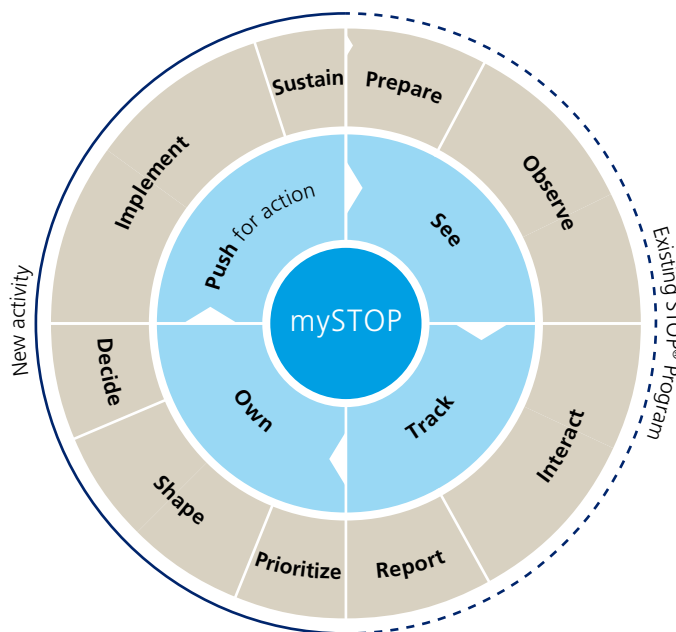
Safety training courses and workshops on various topics were offered to company employees.

For example:

- Safety day for trainees in laboratory occupations and chemical and pharmaceutical technologists (CPT)
- SHE introductory course for new skilled workers (CPT) in production and new employees from "non-chemical professions" (lateral entrants)
- Workshop with over 200 production employees about safety and quality
- Mandatory training courses in the handling and use of small extinguishing devices for over 2,000 employees
- Safety training for construction site personnel
- Information events and exchange of experiences for those responsible for building security
- Introductory event "Chemical classification" (hazardous substances/exposure) and correct alarming/behavior in the event of an alarm for new learners

- Training water and wastewater cycle in the chemical plant "What do I have to pay attention to?"

The Siegfried mySTOP safety cycle



Progress and Key Indicators

In determining key figures and corrective measures, Siegfried also uses key performance indicators (KPI) in the SHE area to steer the management processes, review targets, and define corrective actions. In 2022, so-called "Leading Safety Indicators" were introduced:

- Near misses and unsafe situations
- Unsafe behaviors
- SHE walkthrough compliance
- CAPA compliance

Siegfried uses these indicators only for internal effectiveness monitoring.

Accident Points

To measure its SHE performance, Siegfried uses a combination of the number of lost time accidents and the lost days per accident to create a combined, lagging key performance indicator: accident points per million work hours. Each lost time accident and each lost day count as a point (max. 10 points per accident).

The data shows that the lost time accidents per 1000 FTEs increased by 4% for the Siegfried group, and 22% for the DS cluster, while the DP cluster could reduce this metric by 32%. The difference between the work hour based and the FTE based accident rate may be related to an increase in less experienced employees in the workforce, in the context of a current challenge to find and retain highly qualified, skilled workers.

Accident Points per Mio work hours

	2022	2023	% Change
Siegfried	30.0	26.1	-13%
DS Cluster	37.7	32.2	-15%
DP Cluster	20.7	20.8	-0%

Accidents per 1000 Full-time Employees

This key performance indicator measures the number of lost time accidents vs, the number of employees working on a site (calculated per 1000 full time equivalents or FTEs).

Accidents per 1000 FTEs

	2022	2023	% Change
Siegfried	9.0	9.3	+4%
DS Cluster	10	12	+22%
DP Cluster	9	6	-32%

Occupational Diseases and Work-related Deaths

No occupational diseases or work-related deaths were recorded in 2023.

For further metrics → ESG data table p.51

Education and Training

The quality of Siegfried's products and services is based on the quality of its employees and their work. It is the responsibility of the company to create the structures for the further training and personal development of its employees. That is why Siegfried offers development opportunities at all levels: Training and programs for junior staff, the Siegfried Academy and leadership training.

Siegfried employs around 3800 people worldwide. The departments with the most employees are manufacturing, which includes direct labor and indirect manufacturing, technical projects, which comprises research and development (R&D) and science and technology, and quality control. The majority of Siegfried's employees (67%) attained an upper secondary education, while 30% hold a university degree.

2023 performance in the field of education and training

16

Hours of training per employee

~CHF
2 Mio

Spent on training and development worldwide

100%

Percentage of employees who had an annual performance review

Impacts, Risks and Opportunities

Investments in employee training and development are primarily associated with positive effects for all parties involved. Such measures are generally perceived by employees as a sign of appreciation. Empowerment can also lead to employees enjoying their work more and being more motivated and satisfied. In addition, training and further education strengthen the employability of employees, which can lead to individual economic security.

Siegfried is aware that the demographic change in some jobs will lead to many retirements in the coming years. As such, Siegfried acknowledges the importance of recruiting new talent and actively promoting employees as a pillar of Siegfried's good image as an employer. By keeping the technical and management knowledge of its employees up to date, Siegfried remains innovative and is well prepared for market changes and new demands in the world of work.

Training is also a current Good Manufacturing Practice (cGMP) and safety, health and environment (SHE) requirement. Siegfried ensures that its operators are fully trained for the activities that they are performing at the production sites. Also, technical and leadership upskilling and re-skilling Siegfried's workforce are key aspects of the people strategy since they sustainably support both the organic and inorganic growth ambitions.

Concept

Siegfried is committed to supporting the external training and development of its employees, offering both financial support and time flexibility for such opportunities. The responsibility lies with the line managers and Human Resources, for evaluating and approving the necessary time off and financial assistance needed. Internally, particular emphasis is placed on the talent management of junior staff and the further training of managers.

Ensuring inclusive, equitable and high-quality education and lifelong learning opportunities for all, Siegfried makes a significant contribution in internally developing employees and junior staff, both at the level of apprentices through apprenticeships in various job profiles, its specific rotational graduate program for university graduates and, at the employee level, with the offer of ongoing continued education at the professional and personal level of our managers and executives. Significant pillars of this are Siegfried's professional training and the offer of continued education oriented toward the company's need for core competencies.

Siegfried Academy

The Siegfried Academy builds an integral part of Siegfried's human resources strategy. It aims to ensure that all employees will successfully master the current and future changes in the work environment and secure their capability to deal with their future and the employment market. Based on the six pillars Social Skills, Business Skills, Technical Skills, Development Tools, Leadership Programs and Horizons, the Academy supports employees in their individual development and growth, while at the same time supporting Siegfried's strategy and growth ambitions. Using the "Spot Learning" offering, employees can take advantage of an available budget and one workday per year to participate in an online course.

Leadership Training

Siegfried is convinced that good leadership on all levels is a key element for the quality of the workplace. For this reason, Siegfried implemented a Leadership Education Advancement Program (LEAP) in 2020. LEAP is carried out globally, in shop floor management, for first-level leaders and senior management. The leadership program LEAP was launched in 2020 in English, German and French. In the meantime, it is also available in Spanish and as of April 2024 also in Mandarin. The numbers of participants in the leadership program increase every year. The program continued to progress in 2023: In addition to the previously established programs for new executives, a global LEAP training was provided for the senior management and local programs were developed and carried out for the executives in the production environment.

LEAP contains three different leadership programs. At a local level: LEAP on site; at the international level for the middle management: LEAP 1; and at the international level for senior management: LEAP 2. These programs follow global standards with local adaptation when required. The governance lays within the global HR department. Line managers nominate potential candidates during the yearly Talent Management meetings where employees' performance and potential are assessed, and succession planning are discussed.

Global Talent Management

Well-trained junior staff is an indispensable aspect for Siegfried, mainly because the demographic change in some jobs will lead to many retirements in the coming years. A new global talent management process was developed and rolled out at all sites. This process aims to systematically build Siegfried's junior staff at all levels to be more independent of the labor market. In connection with the performance management process, the managers are obligated to hold individual development and feedback meetings with every employee. In these meetings, development goals and progress are discussed, and specific actions are defined and documented.

An important element of building a strong talent pipeline is and will continue to be, the training of apprentices and the development of young people in Siegfried's graduate programs, particularly in the production and laboratory areas.

Basic / First Education

Siegfried offers apprenticeship programs in Germany and Switzerland, both for adolescents as well as for adults. Additionally, a specific education is offered in the field of production for career changer without prior chemical knowledge. This training prepares them for entry-level operator positions. These programs are designed and offered locally.

Measures

New Performance Management

In 2023, Siegfried implemented a new approach to performance management based on continuous feedback and development of the employees' skills. Not only what has been achieved (job execution and collaboration) is key, but also how these activities have been completed (values and leadership principles and personal growth).

E-learning Hub

Siegfried established "bright blue", an e-learning hub for curated learning content ensuring that key topics for Siegfried are available to all employees. The e-learning hub offers modules on Siegfried values, integrity, cybersecurity, talent management, coaching, feedback training and performance management. The hub is complemented by a range of (online) development tools, such as a personality questionnaire, deductive reasoning, motivation questionnaires or 360° feedback. It also offers certification for HR professionals to provide professional feedback on development gaps and potential.

Leadership Training

In 2023, a concept for “Transversal Leadership Training” was developed. The goal is to improve communication, stakeholder management and leadership skills of employees who lead people functionally within a matrix organization and in projects. The program was implemented in Zofingen in November 2023 and is planned to be rolled out for other sites in 2024.

Progress and Key Indicators

On average, the employees of the Siegfried Group attended approximately two days of internal and external continuing training and education in the reporting year.

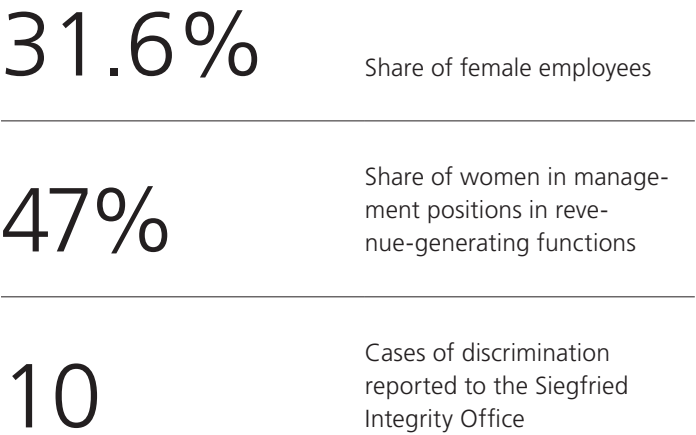
In 2023, Siegfried spent CHF 1 971 032 on training and development worldwide. This corresponds to an average of CHF 535 per FTE. On average Siegfried’s employees completed 16 hours of training.

For further metrics → ESG data table p.51

Diversity, Equity and Inclusion

Siegfried values a work environment with equal opportunities and equal rights – among others in terms of wages, social benefits, recruitment or retirement rules. Siegfried’s culture is guided by clear values and follows strict ethical standards that are defined both in the Code of Conduct and Diversity, Inclusion and Equality Policy. Siegfried considers diversity, equity and inclusion as the basis for a positive culture and therefore the prerequisite for innovation. Thus, Siegfried promotes equity of all genders, supports compatibility between family and work (offering part-time work, job sharing and parental leave as some examples) and aims for a diverse workforce concerning gender, age, education, nationality or cultural background. Promoting diversity, inclusion and equity is central to Siegfried at all hierarchical levels. People from different socioeconomic backgrounds are treated fairly and equitably so that every employee has the opportunity to develop. Equity also means that Siegfried as a company responds to the different needs of employees, addresses any inequalities and pays fair wages.

2023 performance in the field of diversity, equity and inclusion



Impacts

Siegfried actively works to maintain a working environment in which equal opportunities prevail, directly supporting the personal and professional development of employees to contribute to satisfaction and well-being in the workplace. Siegfried also believes that an equal opportunity work environment is critical for driving innovation and its future success.

Risks and Opportunities

A diverse workforce is a key factor in succeeding as a company in today’s rapidly changing conditions and associated challenges. As a globally active company and employer, Siegfried considers diversity to be an enrichment in the interactions between the employees and a prerequisite for innovation and positive, balanced and suitable solutions and results. Diversity, equity and inclusion enable flexibility, adaptability and the willingness to think innovatively, and to learn and to operate in a dynamic and sometimes uncertain environment. In this way, a diverse workforce in an atmosphere of equity, inclusion and solidarity contributes to the long-term success of the company. A clear strategy to promote diversity, equity and inclusion is paramount for attracting and retaining key talent, the loss of which could result in financial losses and have a negative impact on its commitment to sustainability.

Concept

The principle of “non-discrimination” is defined in Siegfried’s → [Code of Business Conduct](#) and the → [Siegfried Diversity, Inclusion and Equality Policy](#).

Siegfried does not tolerate any form of discrimination based on gender, age, nationality, ethnicity, race, skin color, physical and psychological characteristics or limitations, faith, caste, language, physical disability, membership in an organization, health condition, civil status, maternity, sexual orientation, religion, union membership or

political affiliation. The company communicates clearly and ensures that all Siegfried employees have equal rights in terms of wages, social benefits, recruitment, work assignments, promotion, continuing education and training, disciplinary action, retirement rules, access to services, etc.

In case of complaints or for a report of violations of Siegfried's values, → [Code of Business Conduct](#), → [Siegfried Diversity, Inclusion and Equality Policy](#), internal instructions or laws, employees have a variety of channels available, such as their line managers, the HR department, the employee representatives, ombudspersons, or the Integrity Officer via an external speak up line offering the option for anonymous reporting. All reports concerning violations are systematically handled by the Integrity Office consisting of the Head of Integrity, the General Counsel and the Chief HR Officer of the Siegfried Group. The safe and confidential handling of sensitive matters and the personal protection of the informant are guaranteed at all times.

Measures

Equal Pay Checked

In order to ensure equity of all genders respectively equal pay, the

legally established compliance with equal pay in Switzerland was systematically reviewed and confirmed for the first time in 2020 by an external audit company (PwC) with the results valid for five years. At all sites, equal pay was examined based either on legal or internal analyses. These analyses have not revealed any type of statistically relevant pay discrimination based on gender-specific characteristics at any of the Siegfried sites.

In 2023, the equal pay analysis in France and Spain also showed no statistically relevant pay discrimination based on gender-specific characteristics.

Progress and Key Indicators

Diversity of governance bodies and employees

Siegfried's commitment to a diverse workforce and equal opportunities is also reflected in its highest body, the Board of Directors which plays an exemplary role. The diversity of the board of directors as well as the executive committee is shown in detail in the → Corporate Governance Report, page 9.

The gender distribution and share of women in different positions and management levels are shown in the table below.

Share of women per region (based on permanent employees):

	2023			
	#male	#female	Total	% female
Europe	2158	1045	3203	32.6%
USA	226	101	327	30.9%
Asia	214	56	270	20.7%
Group	2598	1202	3800	31.6%
	2022			
	#male	#female	Total	% female
Europe	2061	1029	3090	33.3%
USA	220	96	316	30.4%
Asia	218	56	274	20.4%
Group	2499	1181	3680	32.1%
	2023		2022	Change
Europe	32.6%		33.3%	−0.7%
USA	30.9%		30.4%	0.5%
Asia	20.7%		20.4%	0.3%
Group	31.6%		32.1%	−0.5%

Share of women in management & specific positions

Share of women in all management positions (as % of total management positions)	27%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	28%
Share of women in top management positions (as % of total top management positions)	11%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	47%
Share of women in STEM*-related positions (as % of total STEM positions)	43%

Incidents of discrimination and corrective actions taken

In 2023, ten cases (previous year: three) of discrimination were reported to the Siegfried Integrity office. Two of them resulted in the termination of an employment contract due to a violation of Siegfried’s Code (discriminatory or harassing behavior by Siegfried employees toward colleagues in violation of principle no 9 of the Code).

For further metrics → ESG data table p.51

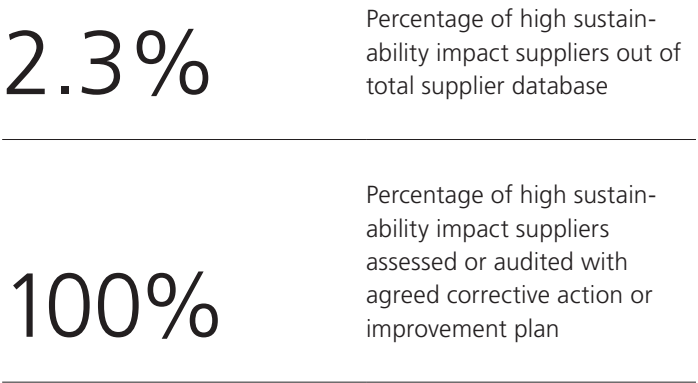
Governance

Supply Chain Integrity

For Siegfried, compliance with sustainability standards in the supply chain is an elementary value-added factor. Therefore, suppliers play a key role in the sustainability of Siegfried’s business, which is why working with them must be based on shared beliefs. Furthermore, the safe transport of materials and products is also central. This is the only way to ensure product safety.

Compliance with sustainability standards in the supply chain is an elementary value-added factor and an important risk management tool. It requires joint efforts and long-term, value-oriented action to ensure product quality and social and environmental compatibility. Siegfried is convinced that sustainability in the supply chain can only be achieved through clear rules when selecting and qualifying suppliers and in close cooperation with established suppliers.

2023 performance in the field of supply chain integrity



Impacts, Risks and Opportunities

In its commitment to sustainability, Siegfried recognizes the critical role of supply chain management in shaping its environmental, social, and economic footprint (see chapters “Resources & Waste” and “Emissions”). The following sections delve into the impacts, risks, and opportunities associated with Siegfried’s upstream and downstream operations and its responsibility towards various stakeholder groups (selection below). Understanding these stakeholder groups and the timing and reasons behind their potential exposure allows Siegfried to proactively manage and mitigate risks while capitalizing

on opportunities to strengthen its supply chain and overall sustainability efforts.

Siegfried is committed to closely monitoring the sourcing of raw materials and active pharmaceutical ingredients (APIs) to prevent potential environmental damage and ensure responsible practices. In Siegfried’s supply chain due diligence, the company is attentive to risks that could arise from inappropriate labor practices, such as exploitation and unsafe working conditions. Siegfried also keeps a close watch on political instability, natural disasters, or geopolitical events in regions where raw materials are sourced, as these factors could potentially disrupt the supply chain and affect production schedules. Additionally, Siegfried is proactive in adapting to changes in environmental or labor regulations, understanding that these could pose challenges to its suppliers and potentially lead to disruptions or increased costs.

Upstream:

- Local communities: Environmental impacts such as pollution in connection with the extraction of raw materials/resources and production of APIs.
- Employees along the entire supply chain: Poor labor conditions and unethical practices in the upstream operations can negatively impact Siegfried’s reputation and the trust the stakeholders place in Siegfried.

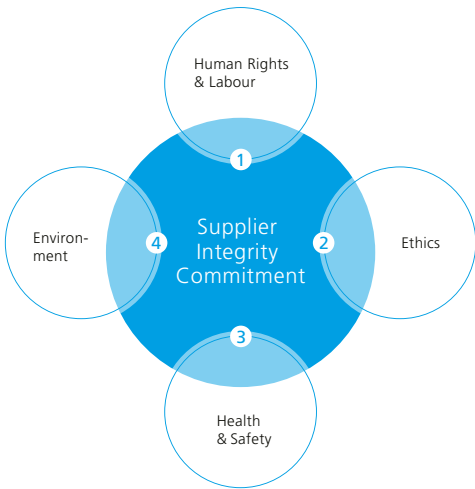
Concept

As a supplier to the pharmaceutical industry and a group company that is active worldwide, Siegfried is committed to the highest legal and ethical standards in all business relationships.

Siegfried expects that its partners should meet the same ecological and social standards, be it compliance with internationally recognized human and labor rights, the prohibition of any discrimination or harassment, compliance with environmental standards, the consistent prevention of any bribery or the sustainable use of raw materials. A common understanding and the consistent integration of Siegfried’s sustainability claim in all production and business processes represents a challenge given the global, complex supply chains and the large number of suppliers and sub-suppliers.

All major Siegfried suppliers were informed of the → [Supplier Integrity Commitment](#). This supplier code defines Siegfried’s expectations to suppliers relating to human rights & labor, ethics, health & safety and environment.

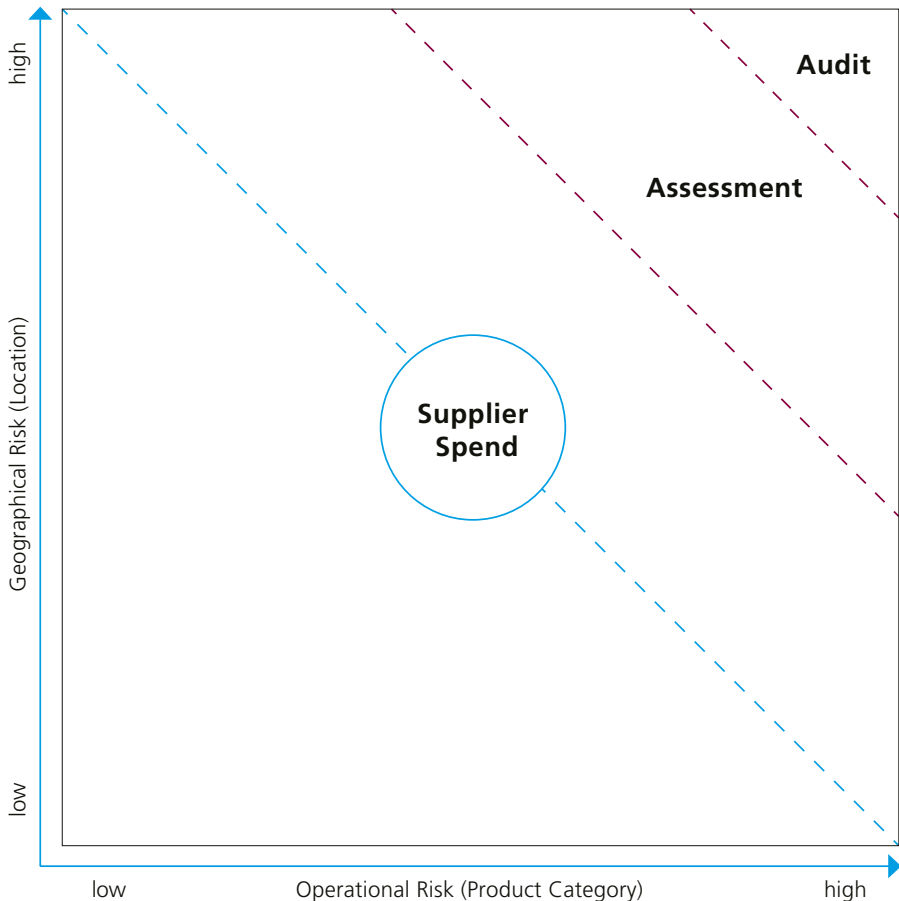
Elements of Siegfried’s Supplier Integrity Program



Siegfried has implemented a risk-based approach to supplier due diligence and supplier management, including an internal guideline to assess the sustainability risk of suppliers with a focus on human rights, including all relevant issues related to child labor, and conflict minerals → [Supplier Integrity Risk Assessment](#)

- All Siegfried suppliers are assessed in terms of:
- the operational risk (type of goods/services supplied to Siegfried) and
 - the geographical risk (location of goods/services supplied to Siegfried).

Supplier Sustainability Risk Heat Map



Sustainability Risk	Definition	Assessment Depth
Low	Supplier with low relevance for Siegfried’s sustainability risk	Supplier to acknowledge or contractually agree to the Siegfried Supplier Integrity Commitment in writing.
Medium	Supplier with moderate relevance for Siegfried’s sustainability risk	Paper-based assessment provided by an independent and reputable third party such as Dun & Bradstreet or EcoVadis.
High	Supplier with high relevance for Siegfried’s sustainability risk	On site audit conducted by Siegfried or an independent and reputable third party.

The score of both dimensions is assigned to a specific sustainability risk level (low, medium or high) and visualized in a dedicated heat map, from which Siegfried derives the recommended depth of supplier sustainability due diligence. As a general rule, Siegfried endeavors to include the Siegfried Supplier Integrity Commitment in all contractual agreements with Suppliers, whenever possible. In addition, all high-risk suppliers are required to provide Siegfried with additional sustainability assurance through an internationally recognized external third party assessment or, alternatively, to complete a Siegfried-specific sustainability questionnaire covering the four areas described (see table below). A cross-functional team of sustainability experts evaluates all feedback received. Where necessary, follow-up actions are addressed and discussed with the supplier. In case of non-response or non-compliance, Siegfried reserves the right to terminate the business relationship with the supplier.

Human Rights and Conflict Minerals

Siegfried has implemented a due diligence process to comply with the Swiss Ordinance on Due Diligence and Transparency regarding Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO). In addition, Siegfried’s Supplier Sustainability Risk Assessment Manual includes a thorough assessment of potential risks along its supply chain, with a particular focus on human rights issues, including the risk of child labor and conflict minerals.

Siegfried is fully committed to support the protection of internationally proclaimed human rights as defined in the UN-Global Compact and the International Labour Organization (ILO) policies and recommendations and takes its suppliers to task: All suppliers, agents and distributors of Siegfried are required to prevent or mitigate adverse human rights and labor standards impacts as further specified in the → [Human Rights & Labor Standards Commitment](#). Additionally, Siegfried conducts an annual internal human rights employee self-assessment to monitor the correct implementation of this policy and identify potential gaps and areas for improvement. Based on Siegfried’s due diligence process, Siegfried certifies that there is no reasonable suspicion of child labor in connection with the products or services provided to Siegfried.

Working with the procurement team, Siegfried also confirms that the only conflict mineral specified by the DDTrO that is potentially relevant to its operations is Tantalum. It is important to note that Siegfried’s Tantalum volumes are well below the import and processing thresholds defined in the DDTrO, which underscores Siegfried’s commitment to responsible sourcing and therefore exempts Siegfried from the extensive due diligence.

Measures, Progress and Key Indicators

New Supplier Sustainability Risk Assessment Guideline

In 2023, Siegfried implemented a supplier sustainability risk assessment guideline with a focus on human rights, especially child labor and conflict minerals, and started the assessment of all Siegfried suppliers based on this guideline. Subsequently, Siegfried analyzed the results and defined appropriate levels of due diligence and screening, including working with new external partners such as Dun & Bradstreet in this area. Due diligence activities have just start-

ed in a cross-functional team with members from Quality, Procurement, Safety Health and Environment (SHE) and Legal.

Qualification of Suppliers

Siegfried periodically and systematically reviews all suppliers to assess their quality and sustainability risks. Suppliers are assessed through paper-based audits or through physical, on-site audits. In 2023, approximately 210 suppliers were qualified with 140 conducted through on-site audits and 70 by paper audits (previous year: 191).

For further metrics → ESG data table p.52

Business Conduct, Corruption and Antitrust

As a supplier to the pharmaceutical industry and a group company that is active worldwide, Siegfried is committed to high legal and ethical standards in all business relationships. In the context of these standards, Siegfried ensures that employees and intermediaries comply with all legal provisions when carrying out business activities. This and rejecting unfair and unethical business conduct are the basis of Siegfried’s daily work.

2023 performance in the field of business conduct, corruption and antitrust

79%	Share of employees completing the new web-based Code of Conduct Training (launch: March 2023)
18.5	Minutes spent by each employee on Code of Conduct training
5	Cases investigated by the Siegfried Integrity Office leading to corrective actions (including termination of employment)

Impacts, Risks and Opportunities

Legal violations, particularly those relating to corruption and anti-trust laws, are a complex phenomenon that can significantly threaten the global health care ecosystem. Bribery and corruption in which Siegfried employees, distributors or agents are involved could significantly harm Siegfried’s reputation and trust with clients, partners, and stakeholders, potentially causing lasting damage. Failure to address these issues could result in legal consequences, including

finances and regulatory actions, disrupting Siegfried's regular operations.

Bribery and corruption incidents can also disrupt Siegfried's operations, leading to inefficiencies, increased costs, and potential project delays. Operating internationally exposes Siegfried to diverse anti-corruption regulations, requiring ongoing efforts to ensure compliance across various regions. Siegfried's global supply chain and business in regions with a higher corruption risk introduces vulnerabilities, with the potential for corruption in logistics, distribution, and procurement, leading to disruptions and reputational damage. When conducting business, diverse cultural contexts may pose additional challenges in ensuring a uniform ethical standard, potentially leading to unintentional compliance breaches.

Improving corporate governance practices fortifies Siegfried's commitment to ethical conduct and minimizes corruption risks. Fostering a culture of integrity and transparency attracts business partners who prioritize ethical practices, contributing to sustainable and trustworthy relationships.

Concept

Siegfried is a globally active company with twelve sites in six countries on three continents. This business model comprises a variety of business relationships, regionally, nationally, and internationally. "We set the highest standards and are committed to acting ethically, lawfully and responsibly." This commitment to integrity is essential to Siegfried. It is anchored in the → [Code of Business Conduct](#). It provides the framework for Siegfried's business operations in the five company languages Mandarin, German, English, French and Spanish. The Code is designed to address all areas important for the comprehension and strengthening of awareness regarding Siegfried's integrity program:

1. Lawful business conduct
2. Bribery and corruption
3. Competition law
4. Insider trading
5. Fraud, offenses against property and data integrity
6. Confidentiality and data protection
7. Conflicts of interest
8. Trade controls and embargoes
9. Discrimination and harassment

Anti-corruption and Anti-bribery

Siegfried explicitly prohibits any form of corrupt business conduct, particularly the active and passive bribery of public and private officeholders and decision-makers. This specifically includes:

- The OECD Anti-Bribery Convention
- US Foreign Corrupt Practices Act 1977
- UK Bribery Act 2010

Antitrust and Anti-competitive Behavior

Any conduct that violates national or supranational legislation protecting free and fair competition is prohibited for Siegfried's suppliers and employees. All their actions must mandatorily be fully com-

pliant and within the limits of European competition law, US antitrust law, Chinese antitrust law and all other competition rules that apply according to the effects doctrine.

Siegfried conducts periodical training sessions for the employees to ensure understanding and adherence to the applicable laws and Siegfried's Code of Business Conduct.

Grievance Mechanism and Cases of Violations against the Code of Business Conduct

Various reporting channels are open to internal stakeholders and third parties. All stakeholders have the possibility and are encouraged to use Siegfried's web-based and third-party-operated reporting channel to submit concerns or reports and receive follow-up on an anonymous basis and in the reporter's preferred Siegfried language. All cases are investigated by the permanent members of the Integrity Office under the lead of the Head Integrity. Where necessary, internal and/or external experts are consulted on an ad hoc basis as required. The speak-up channels are embedded in Siegfried's corporate risk management system. Siegfried regularly reviews and, if necessary, adapts the grievance mechanisms to the needs of the stakeholders. The effectiveness of the grievance mechanisms is monitored through regular checks and reviews in various areas.

Siegfried Integrity Office

The Siegfried Integrity Office is responsible for the definition and implementation of the Siegfried integrity program, including the three pillars of prevention, detection, and enforcement. The Integrity Office consists of three permanent members (Chief Human Resources Officer, General Counsel, Head Integrity), and it is committed to creating an environment where anyone can speak up in good faith without any fear of retaliation. Establishing a robust whistleblower protection mechanism encourages employees to report suspicious activities, fostering a proactive approach to identifying and addressing corruption risks.

The operational responsibility for the integrity program lies with the Head Integrity of the Siegfried Group. He is the first point of contact for Siegfried employees and third parties to raise questions or concerns using one of the various reporting channels (physical or virtual meeting, e-mail, phone, and letter). All reports are treated confidentially.

Measures, Progress and Key Indicators

Anti-competitive Behavior and Antitrust

Siegfried has implemented a zero-tolerance policy for violations in the field of anti-competitive behavior and antitrust. In line with said target, during the reporting period, no company of the Siegfried Group was involved in administrative or legal proceedings for anti-competitive behavior or violation of antitrust law in the year under review or in any other year in the company's history.

Bribery and Corruption

Siegfried has implemented a zero-tolerance policy for violations in the field of bribery and corruption. In line with said target, during the reporting period, no employee, distributor or agent of the Siegfried Group was involved in administrative or legal proceedings related to bribery or corruption, neither in the year under review nor in any other year in the company’s history.

Violation of the Code of Business Conduct

In the reporting year, 27 cases of suspected misconduct (previous year: 25) were reported to the Siegfried Integrity Office. Two cases (previous year: not reported) led to corrective action by the Integrity Office other than termination of employment. Three cases (previous year: two) resulted in the termination of an employment contract due to a violation of Siegfried’s Code of Business Conduct (discriminatory or harassing behavior by Siegfried employees toward colleagues in violation of principle no 9 of the Code). No cases (previous year: none) resulted in monetary fines or other non-monetary sanctions against Siegfried.

Launch of the Integrity Training Center

Regular training ensures that all employees understand the importance of avoiding bribery and corruption, fostering a vigilant and compliant workforce. In 2023, a web-based training tool was rolled out globally to raise awareness and harmonize understanding of legal and ethical business conduct among all Siegfried employees. In addition, all members of the senior management and the local site leadership teams receive specific integrity training that includes Siegfried’s Code of Business Conduct.

Since the launch in March 2023, more than 3 100 employees (79%) completed the new web-based training on the Code of Business Conduct. In total, each Siegfried employee spent approximately 18 minutes on integrity-related trainings.

For further metrics → ESG data table p.52

Product Responsibility

Product responsibility is paramount to Siegfried’s business as it ensures high-performance products that meet strict quality and safety standards at all times. Siegfried’s main objective is to support its customers with integrated products and services and to manufacture safe drugs for patients worldwide.

Products manufactured by Siegfried for its customers reach approximately 300 million patients worldwide every year. Therefore, it is crucial that these products are manufactured in a way that does not compromise product safety and quality. All products have to meet relevant product quality standards and comply with applicable laws and regulations throughout the value chain. As part of product responsibility, Siegfried commits management and employees to full compliance with the requirements of the current Good Manufacturing Practice (cGMP) and relies on continuous improvement and review through internal and external audits.

2023 performance in the field of product responsibility

12	Successful authority inspections at Siegfried sites
>500	Quality contracts concluded, revised or in negotiation
>100	Customer and corporate audits at the Siegfried sites

Impacts

Siegfried’s products and services are used in various pharmaceutical areas by our customers: in non-communicable diseases such as diabetes, respiratory and cardiovascular diseases, mental illnesses such as depression and bipolarity, and as vaccines. With its products Siegfried creates the basis for people’s physical and mental health.

Ensuring that Siegfried’s products are in accordance with applicable quality standards and compliant with laws and regulation is essential to avoid endangering patients and the environment.

Risks and Opportunities

As a contract development and manufacturing organization (CDMO), Siegfried operates in a highly regulated business environment. Non-compliance with those regulations may negatively impact Siegfried’s business relationships, which may result in financial losses, reputational damages and eventually compromise the company’s status in the pharmaceutical sector.

These risks highlight the importance of stringent quality assurance and quality control and adherence to growing industry norms and laws. Effectively managing these risks is crucial to preserving Siegfried’s performance and reputation in the pharmaceutical sector.

Concept

Siegfried has implemented a comprehensive management system for quality compliance along the entire value chain. The elements of the management system ensure that Siegfried produces in compliance with cGMP quality standards, acts economically and ecologically responsibly, and evaluates new technologies according to their contribution to sustainability. These procedures mainly deal with the aspects for product quality and safety and the same principles of the management system are used to cover the areas of finance, safety, health and the environment, legal compliance issues, communication, and employee behavior. Both national and international standards and guidelines are benchmarks for the further development of the systems.

Siegfried's quality management system is based on the process thinking of ISO 9001 for quality management and fully covers all applicable and internationally valid guidelines for cGMP, including:

- GMP Guidelines in the EU and US (21 CFR part 210-211)
- Guidelines of the "International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use" (ICH)
- Pharmaceutical Inspection Co-operation (PIC)-GMP
- All applicable national drug laws
- Guidelines of the "World Health Organization"
- United States, European, British and Japanese Pharmacopoeias (USP, EP, BP, JP)

Compliance Committee

Siegfried has a Compliance Committee (ComCom) responsible for all global compliance, standardization, and harmonization along Siegfried's value chains for Active Pharmaceutical Ingredients (APIs) and finished pharmaceutical products.

The ComCom defines quality and safety-related goals, management systems, initiatives and measures and adopts the guidelines that apply to Siegfried. Its work is based on the international cGMP standards but also considers national regulations if they are relevant to the export of products.

The committee meets monthly under the direction of the Chief Compliance Officer.

Compliance Checks and Audits

Siegfried regularly checks that its guidelines are up-to-date and relevant, and checks compliance using corporate audits.

Official inspections and customer audits focus on the quality of all products manufactured and supplied by Siegfried to ensure the highest protection of consumer health. The inspections and audits therefore check compliance with the binding rules for manufacturing, quality control and logistics processes. Open and continuous communication with authorities, notified bodies, customers and suppliers is essential for a functioning cooperation.

Quality Requirements and Certifications

The number of tests to be carried out and certificates required by the pharmaceutical industry is constantly increasing. This is due in part to increasing quality awareness and requirements on the part of customers, but also because of counterfeiting and sub-mixtures. In addition to the long-established analysis certificates (with statements on e.g. the appearance, content, purity or physical properties), data and certificates on genotoxic impurities, freedom from genetically modified components, elemental impurities, free from BSE and TSE (prion diseases that can attack the brains of animals and humans), freedom from melamine or freedom from benzene are required.

The issue of nitrosamine impurities in APIs and finished medicinal products is relevant to all manufacturers: the health authorities are demanding that all active ingredients and finished medicinal products are to be checked for the absence of nitrosamines. This is initially done through risk assessments and if a potential risk is iden-

tified, through analytical procedures in the laboratory. The range of nitrosamines to be addressed in the reviews has grown steadily over the past two years. Siegfried has met all official requirements and deadlines at all times.

Customer Dialogue and Complaints System

Siegfried has a formal customer complaint system. All external questions and complaints are followed up, systematically recording the type and number of complaints. The individual cases are examined and evaluated under the leadership of the local quality managers. If necessary, changes are initiated. Critical or strategic issues are escalated to the Chief Compliance Officer and the Chief Operations Officers of Drug Substance and Drug Product operations. The customers receive the results or interim reports of the tests as quickly as possible, after 30 days at the latest.

Quality Contracts with Customers

Siegfried is proud of its high-quality standards meeting the increasing and diverse requirements of its customers. To meet all the expectation from Siegfried's customers quality contracts fulfill the important task to delimitate the responsibilities that governs in detail the allocation of responsibilities with respect to the contractually agreed upon services and requested standards. Together with its customers, the quality contracts are regularly revised and new quality contracts are put into effect before work is carried out on product realization.

The number of contracts with customers including periodic revisions is shown in the table below.

Quality Contracts with customers	2020	2021	2022	2023
New quality contracts concluded or revised with our partners for the Siegfried sites	App. 200	App. 200	App. 200	App. 230
Contracts in the pipeline for negotiation or periodic review	App. 100	App. 250	App. 300	App. 330

Integrity in Logistics and Sales

Responsible action is also a high priority in the areas of logistics and sales. The safe transport of materials and products is central; Product safety is guaranteed along the entire value chain and thus meets national and international standards and, in particular, the Good Distribution Practice (GDP) guidelines that are widespread in the pharmaceutical industry.

The Good Distribution Practice (GDP) guidelines introduced a few years ago are intended to ensure that the entire supply chain for materials is protected against improper transport and storage conditions and fraudulent counterfeiting attempts. Since then, Siegfried has fulfilled these guidelines and the associated requirements for the measurement and documentation of transport and storage conditions. In addition, Siegfried must ensure that the delivered goods only reach authorized recipients. Embargoes and sanctions imposed for example by the UNO, USA or EU must also be consistently considered.

All Siegfried sites are also inspected internally by the Corporate Compliance Department to ensure that the Siegfried sites comply with the cGMP standards, the Corporate Quality Management System is implemented, and that processes and systems are harmonized throughout the Siegfried sites.

Internal Audits are also conducted by local Quality Assurance as self-inspection programs required by the cGMP rules.

All inspections by authorities in the reporting year were successful and without critical observations. The same applies to customer audits. All feedback from such inspections and audits is formally recorded in TrackWise™ and accompanied by an action plan. Not only the individual case is considered. The same improvement measures are also defined for similar or analogous cases and processes to improve the entire system.

For further metrics → ESG data table p.52

Measures, Progress and Key Indicators

Inspections and Audits

The good results of customer audits and official inspections make Siegfried's performance transparent. The following authorities inspected the Siegfried sites in 2023:

Barberà del Vallès	Generalitat de Catalunya, AEMPS
El Masnou	Generalitat de Catalunya
Evionnaz	US-FDA
Hameln	Korean FDA
Irvine	US-FDA
Malta	MMA
Minden	Regional Council Detmold
Nantong	Nantong FDA
Pennsville	US-FDA
St. Vulbas	ANSM
Zofingen	Japan MAFF

	2020	2021	2022	2023
Inspection by Authorities				
All Siegfried sites	7	7	12	12
Internal Audits on Site				
Corporate GMP Audits annually as system audits	6*	10*	10*	11*
Internal Audits performed by local QA	all areas and departments are covered annually			
Customer Audits	90–150 per year (all sites)			

* Physical audits on site were not possible due to travel restrictions during the COVID pandemic; nevertheless the surveillance was ensured by periodic virtual sessions and audit follow-up

Information Security and Cyber Security

Information security and cyber security have become major topics for all types of companies in recent years, as the threat of cyber-attacks has grown exponentially. Social engineering, ransomware, data leak, phishing, CEO fraud or business e-mail compromise are all on the rise and have caused various issues for companies from all industries, including breaches of confidentiality, data loss and outages of core IT systems. Due to the high level of digitalization and the great importance of information security, Siegfried pays great attention to this topic.

In 2023 Siegfried continued its journey to enhance information security

- 2021
- System based awareness training
 - Hardening of perimeter
 - IT / OT separation

- 2022
- Improved IT security testing
 - Improved IT incident handling
 - Enhance Privileged Access Mgmt.

- 2023
- Improved internal attack simulation
 - Enhanced E-mail security
 - Improved awareness training

Impacts, Risks and Opportunities

Information and cyber security represent a fundamental field of action for the entire pharmaceutical industry, as they are associated with management of major risks. At Siegfried, significant cyber risks arise from the high degree of digitalization of the entire company, the large portfolio of applications in use and the distributed network of production sites, where cross-site collaboration and communication is a key element of Siegfried’s strategy. Siegfried manages sensitive information to a significant extent. This because as a Contract Development and Manufacturing Organization (CDMO), Siegfried handles intellectual property about production processes and products, owned by strategic customers or by Siegfried. A leak of this information would threaten Siegfried’s reputation as a reliable partner to the pharmaceutical industry as well as diminish competitive advantages arising from know-how that was build up in Siegfried’s 150 years of experience.

Concept

Governance and Responsibility

At Siegfried, the responsibility for cyber security and data protection is assigned to the Chief Financial Officer. The Information Security Board, headed by Siegfried’s Chief Information Security Officer, proactively oversees these matters and provides regular reports to the Executive Committee.

As part of Siegfried’s Quality Management System, which meets all requirements for good practice (GxP), all relevant IT processes are outlined in Standard Operating Procedures (SOPs). This ensures that not only IT security principles are upheld, but also that

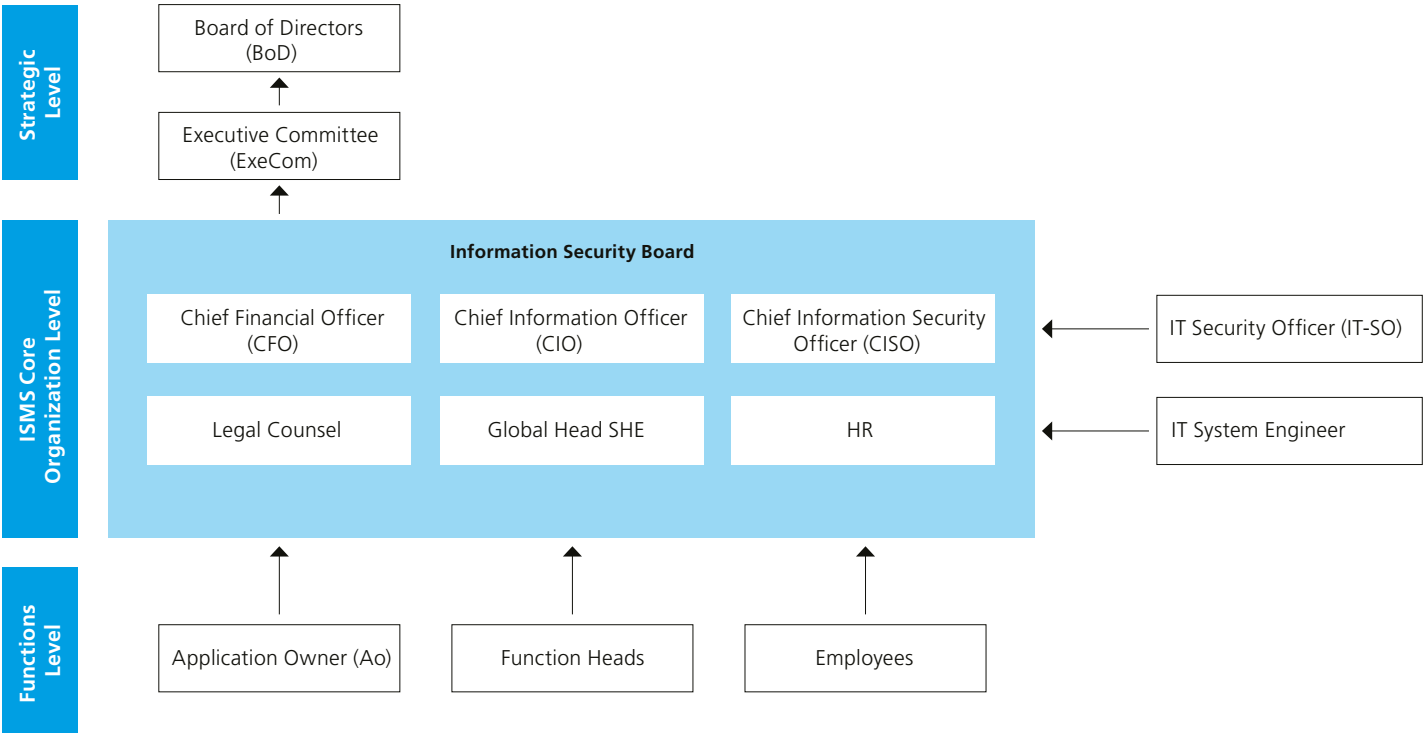


Figure 1: Information Security Board is embedded in Siegfried’s Governance Structure

processes are properly implemented, and all Siegfried employees and their strategic partners are trained.

Human Resources, Legal and Safety Health and Environment departments have worked together to build an Information Security Management System (ISMS) to define and manage data protection across the board.

Based on the framework of the National Institute of Standards and Technology (NIST) and the ISO 27001 standard (information technology), and with the support of specialized consultants, Siegfried has implemented a Data Classification System to distinguish various categories of data protection from each other. An Information Security Manual was created to provide standards and guidelines for implementing processes and systems that form a multi-layer security architecture. This information security manual lays out how to comply with all legal regulations, such as Swiss Data Security Law (DSG/DSV), European General Data Protection Regulation (DSGVO).

Besides the Information Security Management System and Data Classification, Siegfried has implemented a Cloud Strategy that outlines explicit standards for selecting potential outsourcing partners for IT services and onboarding Cloud Service Providers (CSPs). Before any new CSP is onboarded, it must undergo an individual assessment. Decisions to host Siegfried IT systems on-premises or in the cloud are driven by business cases.

Siegfried's Security Operations Center (SOC), which included procuring and managing external SOC services, monitors all critical network activities, reviews all kinds of log files and assesses all critical access activities, resulting in faster qualification and handling of incidents.

Periodic reviews, external and internal attack simulation and investigations conducted by multiple strategic customers in the pharmaceutical industry, together with continual testing by internal and external experts, ensure that Siegfried's standards incorporated in the Information Security Management System (ISMS) are fully implemented and hence the ISMS meets industry best-practice and complies with regulations specified by authorities.

Measures, Progress, and Key indicators

Siegfried defines key initiatives to improve data and cyber security on a yearly basis. Priorities for these initiatives are defined by the ISMS in alignment with input from IT strategy, customer and authority audits as well as external and internal security testing:

- During 2023, a change of the established awareness platform was successfully completed as well as enhancement of E-mail security by deploying a new E-mail security platform.
- Additionally progress in roll-out of a Cloud Access Security Broker (CASB) solution as well as enhancement of Privileged Access Management can be reported.
- Continuous monitoring and auditing of the active directory on premise and in the cloud as well as renewal of the established certificate authority was completed in the past year as well.

Defined initiatives were monitored and reported to the ISMS and were rated as in line with project plan that was set up at the beginning of the year. At the same time, relentless efforts for continuous improvement in data and cyber security will continue resulting in new priorities for 2024.

More than 50 audits and assessments per year are a constant source for lessons learned and adaptation of security architecture, standard operating procedures as well as information security management systems are profiting from this kind of dialog with external professionals. Progress made in data and cyber security were reflected in positive feedback both from strategic customers and authorities in the form of written audit reports. In addition, audit conducted for renewal of cyber security insurance policy concluded an improved protection level resulting in below average price premiums that Siegfried had to pay for cyber and ransomware insurance.

Awareness Training for all Siegfried employees and external partners working for Siegfried has been a key initiative since the launch of Siegfried's first awareness training platform. Constant improvement of awareness and pattern recognition of critical cyber threats are seen as levers to improve behavior and effectiveness of employees with respect to handling of potential cyber-attacks. In 2023, five training campaigns were conducted addressing topics of basic awareness training, phishing simulation, fraud, and social engineering. Monitoring of completion rate on senior management level, as well as establishing follow-up processes for incomplete trainings or failed testing following the awareness training campaigns were key focuses for the security team in the previous year.

Substantiated complaints concerning breaches of customer privacy and losses of customer data

In 2023, no substantiated complaints or incidents concerning breaches of privacy or data losses have been reported, including but not limited to customer-related data.

For further metrics → ESG data table p.52

General Disclosures

1. The Organization and its Reporting Practices

2-1 Organizational Details

Siegfried Holding AG (Siegfried), headquartered in Zofingen (Switzerland), is specialized on the development and production of drug substances and their intermediates (DS) as well as drug products (tablets, capsules, sterile vials, ampoules, cartridges and ointments, DP) for the pharmaceutical industry.

Siegfried’s facilities are located in Switzerland (Zofingen (DS), Evionnaz (DS), Zurich (Viral Vectors)), the USA (Pennsville (DS), Irvine (DP), Malta (Hal Far, DP), China (Nantong, DS), Germany (Hameln (DS), Minden (DP)), France (St. Vulbas (DS)) and Spain (Barberà del Vallès (DP), El Masnou (DP)).

→ detailed description of the locations (<https://www.siegfried.ch/locations>)

2-2 Entities Included in the Organization’s Sustainability Reporting

Non-financial reporting – analogous to financial reporting – includes all consolidated companies. Any deviations from this are declared at the point of information.

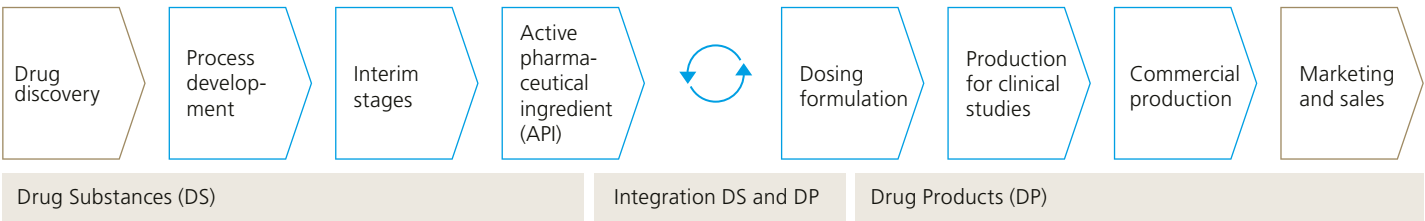
→ list of consolidated companies: Financial Report 2023, p. 17

2-3 Reporting Period, Frequency and Contact Point

Siegfried has published an annual sustainability report since 2006.

The reporting period of the non-financial reporting coincides with the reporting period of the financial reporting (January 1 to December 31). The point of contact point for inquiries regarding the non-financial reporting is: Luca Dalla Torre, General Counsel, luca.dallatorre@siegfried.ch

The CDMO value chain



2-4 Restatements of Information

Siegfried must restate the “CO₂ emissions” figures reported in its 2022 report (Sustainability Report 2022, p. 62). The reported number was based on an incorrect assertion that the steam delivered to the Minden plant is considered to be entirely CO₂ free. Instead, the steam delivered to the Minden site has a low carbon footprint of 55g of CO_{2e}/kWh of steam. Hence, the corrected Scope 2 emissions for 2022 are 4257 GJ (32%) higher than previously reported. Scope 2 data has been corrected back to 2020, Siegfried’s reference year for its carbon net zero target. The corrected 2020 Scope 1 & 2 baseline is therefore at 105 191 GJ.

Additionally, as a result of a calculating error, Siegfried restates the 2022 figure given for the number of FTEs of external resources deployed at Siegfried (Sustainability Report 2022, p. 70). The corrected figure is approximately 110 FTEs of external resources, this is 45% lower than previously stated.

2-5 External Assurance

This non-financial report has not been subjected to an external audit. PricewaterhouseCoopers AG (PwC) as auditors reviewed Siegfried Holding AG’s Consolidated Financial Statements and the Remuneration Report (tables with remark “audited”) for the financial year ending December 31, 2023.

→ report of the statutory auditor: Financial Report 2023, p. 34–36
→ report of the statutory auditor: Remuneration Report 2023, p. 23–24

2-6 Activities, Value Chain and Other Business Relationships

Siegfried was founded in 1873 by a Swiss pharmacist. Today, Siegfried is a Contract Development and Manufacturing Organization (CDMO), providing a wide range of services related to the development, manufacturing, and testing of pharmaceuticals. Siegfried operates twelve production sites in Switzerland, the United States, Malta, China, Germany, France and Spain.

Siegfried is active in both primary and secondary drug manufacturing. The company develops and produces pharmaceutical active ingredients for the research-based pharmaceutical industry and corresponding intermediates, and additionally offers development as well as manufacturing services for finished formulated drugs including sterile filling.

Siegfried's Upstream Value Chain

Siegfried's operations involve direct and indirect procurement:

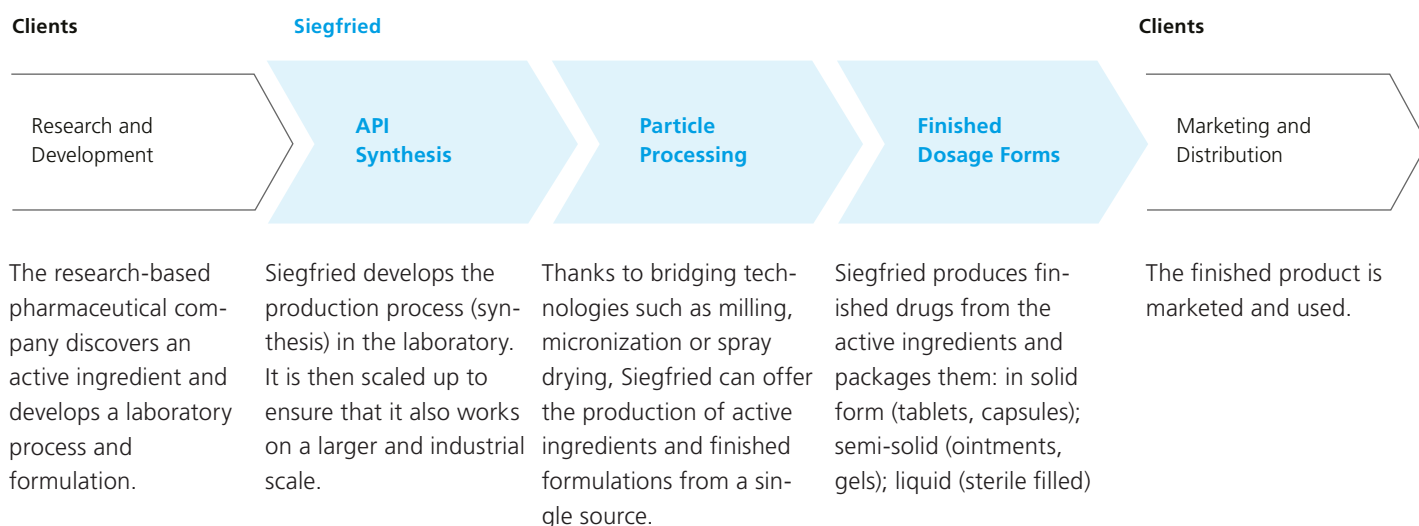
- Direct procurement includes everything that goes into the Bill of Materials of the products manufactured by Siegfried, mainly basic chemicals (solvents & commodities), chemical intermediates, active pharmaceutical ingredients (APIs), and excipients packaging (primary, secondary). The origin of direct materials is mainly OECD countries (big volumes chemicals like solvents & commodities) as well as China, India and Taiwan (high value chemical intermediates and APIs).
- The indirect procurement means everything which is necessary for the operations of the Siegfried sites (reactors, production equipment such as filling lines, IT hardware/software, office equipment).

Siegfried's Internal Value Chain

Siegfried has two strategic pillars:

- Drug substances (ca. 60 % of Siegfried's sales) encompasses the development and production of active pharmaceutical ingredients (APIs) and intermediates. Siegfried's services in this field cover:
Exclusive Synthesis: development and production of custom-made active pharmaceutical ingredients and intermediates for innovative customers of the pharmaceutical industry;
API Portfolio Offering: production of a wide portfolio of APIs that are no longer protected by patents. In this field Siegfried's focus lies on anesthetics, pain and addiction treatment applications, central nervous and respiratory diseases as well as caffeine for human health and nutrition.
- Drug products (ca. 40 % of Siegfried's sales) are finished dosage forms (e.g. tablets, capsules, sterile vials, ampoules, cartridges and ointments). They are the delivery method to get an API into the body to perform its intended effect.

Siegfried's Business Model



→ Further information on Siegfried's product categories: www.siegfried.ch > Products & Services > [our offering](#)

Siegfried's Downstream Value Chain

Siegfried sells its products to customers in the pharmaceutical industry. Outsourcing certain aspects of drug development and manufacturing to CDMOs, enables pharmaceutical industry customers to focus on their core competencies of drug discovery as well as marketing and distribution. Outsourcing also allows them to gain access to expertise and capabilities that they do not have in-house. Siegfried does not sell drugs directly to hospitals, physicians, pharmacies or end consumers.

2-7 Employees

Siegfried employs globally – at twelve locations in seven countries – 3 800 people permanently (prior year: 3 680) and 270 people temporarily (prior year: 288), in total 4 070 (prior year: 3 968). Additionally, Siegfried takes care of the education and training of 110 apprentices (prior year: 110).

Employees (December 31) (permanent & temporary)	2023		
	Female	Male	Total
Europe	1142	2318	3460
USA	109	231	340
Asia	56	214	270
Group	1307	2763	4070

Siegfried newly acquired a site in Zurich, Schlieren (Switzerland) in 2023, adding a new location and 13 employees to the Siegfried network.

Permanent employees (December 31)	2023			2022		
	Female	Male	Total	Female	Male	Total
Europe	1045	2158	3203	1030	2063	3093
USA	101	226	327	95	218	313
Asia	56	214	270	56	218	274
Group	1202	2598	3800	1181	2499	3680
Temporary employees (December 31)						
	Female	Male	Total	Female	Male	Total
Europe	97	160	257	74	198	272
USA	8	5	13	7	7	14
Asia	0	0	0	0	2	2
Group	105	165	270	81	207	288
Full-time employees* (December 31)						
	Female	Male	Total	Female	Male	Total
Europe	945	2273	3218	807	2017	2824
USA	103	227	330	95	218	313
Asia	57	214	271	56	218	274
Group	1105	2714	3819	958	2453	3411
Part-time employees** (December 31)						
	Female	Male	Total	Female	Male	Total
Europe	199	49	248	221	45	266
USA	2	1	3	1	2	3
Asia	0	0	0	0	0	0
Group	201	50	251	222	47	269

All employees (December 31)	2023		2022	
	#	% of all employees	#	% of all employees
Full time employees*	3819	91%	3411	90%
Part-time employees**	251	6%	269	7%
Apprentices	110	3%	110	3%

*100% / ** <100%

2-8 Workers who are not employees

Siegfried employs external staff mainly to compensate for fluctuations in production, in connection with projects or to cover absences. Typical areas of deployment are production, laboratory, maintenance, facility management or IT. Over the year, an average of approximately 120 FTEs (prior year: approx. 110) of external resources are deployed at Siegfried.

All partners of Siegfried concerning external employees comply with legal regulations and minimum wage requirements. The basic salaries of external employees are comparable to those of Siegfried’s

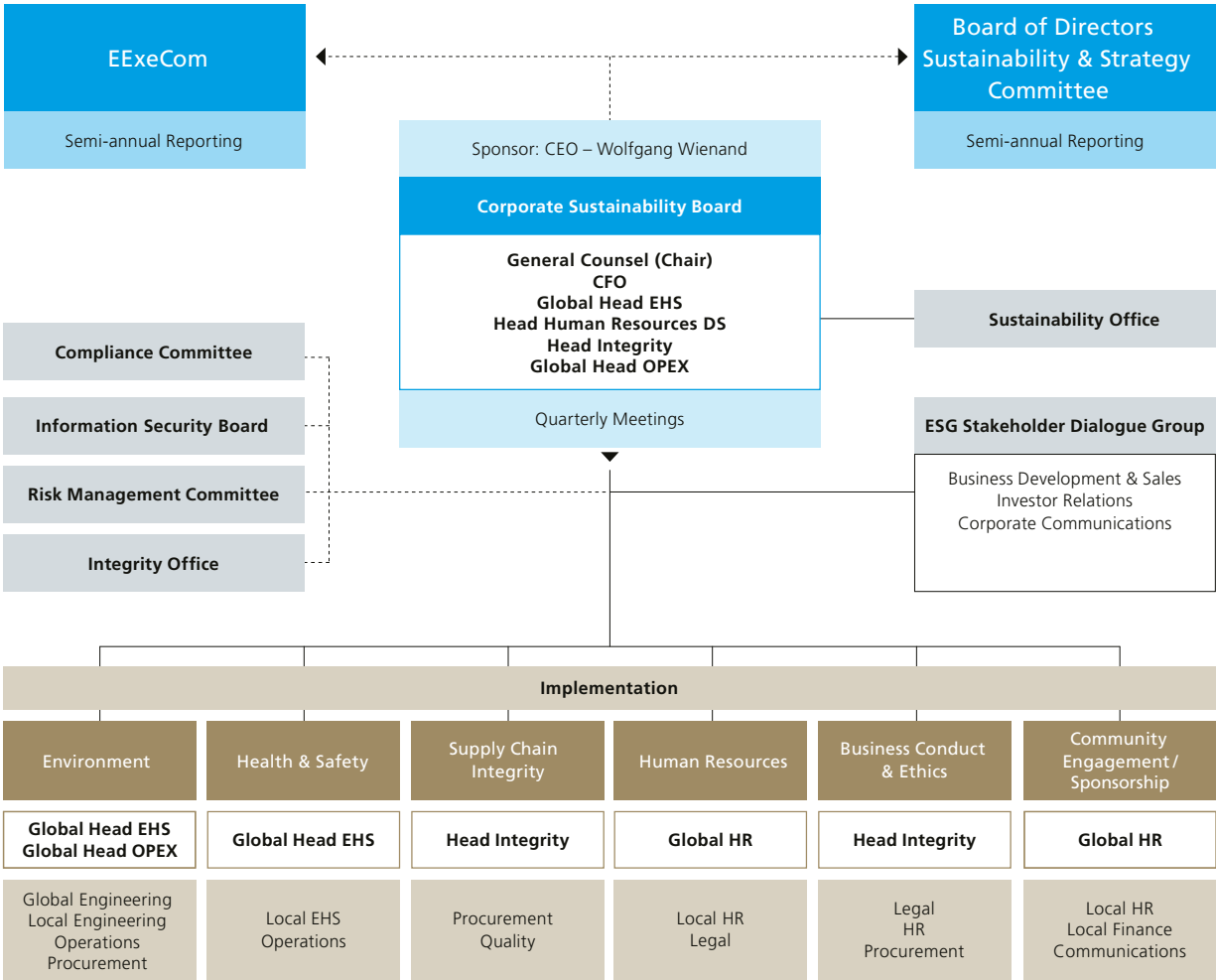
employees. If qualified, external employees working for Siegfried are given preference when internal positions become available.

2. Governance

2-9 Governance structure and composition

→ Information on Siegfried’s overarching governance structure: Corporate Governance Report 2023, p. 3; and [Organizational Regulations](#).

Organizational structure with regard to sustainability at Siegfried



Board Level: Strategy & Sustainability Committee

The ultimate responsibility for the definition of the strategy, the governance and the risk management of the Siegfried Group in the area of sustainability lies with the Board of Directors. The Board has delegated the preparatory work in the field of ESG to its "Strategy & Sustainability Committee" but retains all decision-making authority.

The Strategy & Sustainability Committee comprises three members of the Board of Directors, one of whom chairs the Committee. The Committee meets as often as necessary, but at least three times a year.

In particular, the Strategy & Sustainability Committee and, ultimately the Board of Directors, is responsible for the following matters;

- Environmental and social impacts of Siegfried's business activities, including climate change, human rights, ethics & compliance, responsible sourcing and employee issue.
- Assessing the impact, both in terms of opportunities and risks, of environmental and social developments on the Siegfried Group's business, financial position and strategy in the medium and long term.
- Oversight of Siegfried's Supply Chain Integrity program.
- Monitoring regulatory developments regarding environmental and social issues and their applicability to implementation by the Siegfried Group.
- Monitoring of management incentives and performance of the company concerning sustainability goals based on internal metrics and external sustainability indices.
- Non-financial reporting and its accuracy, completeness and conformity with respect to financial and non-financial disclosures.

Corporate Level: Corporate Sustainability Board

In 2021, Siegfried introduced a Corporate Sustainability Board on Group corporate level. The Corporate Sustainability Board is the governing body for the definition, oversight and implementation of Siegfried's sustainability program on an operational level and supports the operations in their sustainability work. The sponsor of the Sustainability Board is the CEO, who gets regularly involved in strategic sustainability discussions.

The General Counsel of the Siegfried Group chairs the Corporate Sustainability Board. It is further composed of representatives of the relevant Siegfried departments with direct responsibility for ESG issues (the CFO, the Global Head SHE, the Global Head OPEX, the Head of Integrity, and the Global Head of HR DS) and oversees six main ESG Working Groups, each led by one member of this Board:

- Environment
- Health & Safety
- Supply Chain Integrity
- Human Resources
- Business Ethics
- Community Engagement

The Corporate Sustainability Board regularly reports to the Executive Committee on operational ESG issues and to the Board of Directors or the Strategy & Sustainability Committee on ESG strategical and governance issues. In addition, the Corporate Sustainability Board closely interacts with the ESG Stakeholder Dialogue Group and other internal steering bodies such as the Integrity Office, the Compliance Committee, the Information Security Board and the Risk Management Committee. The Sustainability Board meets at least four times annually.

Information on ESG Stakeholder Dialogue Group: Sustainability Report 2023, p. 39 (GRI 2-29)

2-10 Nomination and Selection of the Highest Governance Body

→ Information on the election of the Board of Directors: Corporate Governance Report 2023, p. 12-13; and [Articles of Incorporation](#)

2-11 Chair of the Highest Governance Body

Siegfried's Chairman of the Board of Directors is non-executive and independent.

→ Further information on the Chairman of the Board of Directors: Corporate Governance Report 2023, p. 10

2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts

The ultimate responsibility for the definition of the strategy, the governance and the risk management of the Siegfried Group in the area of sustainability, in particular on the topics of "Environment, Social and Governance" ("ESG"), lies with the Board of Directors.

→ Further information on the Board of Directors' responsibility for ESG topics: Sustainability Report 2023, p. 33 (GRI 2-9); and [Organizational Regulations](#)

2-13 Delegation of Responsibility for Managing Impacts

The Board has delegated the preparatory work in the field of ESG to its "Strategy & Sustainability Committee" but retains all decision-making authority.

→ Further information on the delegation of ESG responsibilities: Sustainability Report 2023, p. 33 (GRI 2-9)

2-14 Role of the Highest Governance Body in Sustainability Reporting

The Board of Directors has delegated the preparatory tasks relating to non-financial reporting to the Strategy & Sustainability Committee. As required by the Swiss Code of Obligations, the Board of Directors of Siegfried approved this report on non-financial matters at an ordinary Board meeting. The report will be submitted to the Annual General Meeting of Shareholders for approval on April 18, 2024.

- Statement signed by the Board of Directors confirming that this report on non-financial matters has been approved: Sustainability Report 2023, p. 44
- Further information on the role of the Board of Directors: [Organizational Regulations](#)

2-15 Conflicts of Interest

All members of the Board of Directors of the current term of office 2023/2024 qualify as non-executive and independent within the meaning of the Swiss Code of Best Practice for Corporate Governance. None of the current members ever held a position in the Executive Committee of Siegfried or any other company of the Siegfried Group, nor did they, or the companies or organizations they represent, ever have any significant business relationship with Siegfried. Comprehensive rules on conflicts of interests are also stated in the → [Organizational Regulations](#)

- Further information about the independence of Siegfried's Board of Directors: Corporate Governance Report 2023, p. 8

2-16 Communication of Critical Concerns

The responsibility for reporting critical concerns about the organization's potential and actual negative impacts on stakeholders is with the Chief Executive Officer who has a direct reporting line to the Chairman of the Board of Directors. The responsibility for informing the Board of Directors about critical matters in the field of sustainability lies with the Chairman of the Sustainability Board. As General Counsel of the Siegfried Group, the Chairman of the Sustainability Board also serves as Secretary of the Board of Directors, and, as such, has a direct reporting line to the Chairman of the Board of Directors.

2-17 Collective Knowledge of the Highest Governance Body

- Information on the professional background of the members of the Board of Directors: Corporate Governance Report 2023, p. 10-12
- Analysis of the competences of the Board of Directors: Corporate Governance Report 2023, p. 9

2-18 Evaluation of the Performance of the Highest Governance Body

The Board regularly conducts a self-assessment of the performance of its members as well as its processes and organization, with the target to improve the governance, enhance efficacy, identify gaps in the skill sets and diversity and define future priorities. The latest self-assessment was conducted in 2023.

2-19 Remuneration Policies

- Information about Siegfried's remuneration policy and remuneration elements: Remuneration Report 2023, p. 7-13

2-20 Process to Determine Remuneration

- Information about Siegfried's remuneration procedures: Remuneration Report 2023, p. 6-7

2-21 Annual Total Compensation Ratio

At Siegfried, the individual with the highest remuneration is the CEO. Detailed information on the remuneration of Group Management and the Board of Directors can be found in the Remuneration Report 2023 from p. 16

The calculation includes the total, maximum remuneration including variable components. The ratio between the annual remuneration of the highest-paid individual and the median annual remuneration is calculated using the remuneration of employees in Switzerland, as this is the CEO's place of residence and work. In Siegfried's opinion, a comparison with the remuneration of employees in other countries distorts the informative value of this ratio.

In the year under review the ratio was 34 (mean) resp. 26 (average).

3. Strategy, Policies and Practices

2-22 Statement on Sustainable Development Strategy

- Statement of Siegfried's Chief Executive Officer: Progress Report 2023, p. 18-19

2-23 Policy Commitments

2-24 Embedding Policy Commitments

The Code of Business Conduct is the baseline for all further policy commitments by Siegfried in the field of business integrity. Employees and business partners of Siegfried are informed of the various policies when applicable to them. Implementation, integration into strategy, and training employees in relation to policy commitments lies in the responsibility of the relevant member of the Sustainability Board. For more information: Sustainability Report 2023, p.33 (GRI 2-9).

For more information on how Siegfried's internal training is structured: Sustainability Report 2023 p.17

Code of Business Conduct

As a global pharmaceutical supplier, Siegfried is dedicated to adhering to rigorous legal and ethical standards in all its business relationships. It ensures that the employees, and business partners are informed of relevant legal regulations and act in accordance with the law, ethical standards and with a sense of responsibility while conducting all business activities. Siegfried's Code of Business Conduct serves as a guide, highlighting critical legal areas and applicable laws

including but not limited to human rights adherence, bribery and corruption, and trade controls and embargoes. This policy was approved by the Executive Committee.

→ [Access the policy](#)

Supplier Integrity Commitment

Siegfried applies the highest standards when it comes to sustainability and expects the same commitments to be shared by all parties along its supply chain. Sharing a common understanding of quality, reliability of supply, ethical, social and ecological standards in all production and business processes adds ecological and economic value for Siegfried's clients while minimizing risk. The Supplier Integrity Commitment provides Siegfried's suppliers, contractors, service-providers, agents and distributors a binding code that guides them in supporting the sustainability and integrity efforts in the supply chain. This policy was approved by Executive Committee.

→ [Access the policy](#)

Ethical and Responsible Marketing Commitment

Siegfried's Ethical and Responsible Marketing Commitment establishes four key principles guiding Siegfried's actions in marketing, product advertising, and promotion. Applicable to all Siegfried sites, employees, and third parties representing Siegfried, this commitment underscores Siegfried's dedication to responsible marketing practices. Emphasizing respect for customers and fostering long-term growth, Siegfried's approach reflects an unwavering commitment to ethical standards in all facets of its marketing endeavors. This policy was approved by the Sustainability Board.

→ [Access the policy](#)

Human Rights and Labor Standards Commitment

This policy outlines Siegfried's full commitment to support the protection of internationally proclaimed human rights as defined in (i) the UN-Global Compact and (ii) the International Labour Organization (ILO) policies and recommendations. Together with employee representatives and trade unions, Siegfried has transferred these principles to its working environment. This ensures that the business activities of Siegfried do not cause or contribute to any negative impacts on human rights. In case such effects occur, they are immediately eliminated upon their detection. Siegfried's commitments to human rights and compliance with internationally recognized labor standards are endorsed at the highest level by the Board of Directors and Executive Committee.

→ [Access the policy](#)

Donation and Sponsorship Policy

Siegfried is committed to responsible corporate behavior and social responsibility. As a global company with strong local roots, the communities Siegfried operates in are a vital factor to its success. Siegfried gives back by supporting projects that have a positive effect on society. Siegfried believes that what it does matters, and support

activities aligned with this core belief. This policy covers the guidelines and delineates the roles and responsibilities with regard to the realization of donations and sponsorships by all Siegfried entities. This policy was approved by the Executive Committee.

→ [Access the policy](#)

Global Tax Principles Policy

This policy outlines Siegfried's commitment to being a good corporate fiscal citizen. Siegfried respects the local tax legislation and administrative practices in the countries where it operates and is liable to taxation. Siegfried ensures cooperation with all tax authorities and other relevant bodies in a proactive and transparent manner. The company maintains and follows a strict transfer pricing policy, based on the OECD Transfer Pricing Guidelines and on the Base Erosion and Profit Shifting (BEPS) project deliverables. Siegfried files a country-by-country report to the Swiss Tax Administration, containing aggregated tax information per country relating to the global allocation of income, taxes paid, among other indicators. This tax policy has been approved by the Board of Directors of Siegfried.

→ [Access the policy](#)

Safety, Health and Environment Policy

This policy covers Siegfried's commitment to excellence and leadership in protecting the health and safety of its employees, customers and the public as well as the environment. Siegfried's objective is to reduce injuries to its employees, reduce waste and emissions to the environment, and increase the awareness of safety, health and environmental (SHE) issues with the employees, contractors, customers and the public. This policy was approved by the Executive Committee.

→ [Access the policy](#)

Diversity, Inclusion and Equality Policy

This policy outlines Siegfried's commitment to fostering diversity, inclusion and equity internally as well as along its supply chain. Siegfried does not tolerate any form of discrimination and takes any complaints relating to bullying, harassment, victimization and unlawful discrimination seriously. The company values and treats everyone equally regardless of gender and gender identity, disability, race, ethnicity, national origin, cultural and social background, sexual orientation, age, tenure, marital and parental status, language, professional and industry background, veteran status, geographical experience, personal characteristics, religious belief, and diversity of thought. Siegfried's commitments to diversity, inclusion and equity are endorsed at the highest level by the Board of Directors and Executive Committee.

→ [Access the policy](#)

UN Global Compact

Siegfried supports the UN Global Compact Initiative with a mission

to better the world and care for customers, patients, and society. As of 2022, Siegfried's Communication on Progress qualifies as "GC Advanced".

Sustainable Development Goals

As part of its sustainability management, Siegfried aims to contribute globally to sustainable development. Therefore, it also refers to the 17 global goals and 169 targets of Sustainable Development Goals (SDGs), prioritizing the SDGs where it contributes in particular

→ Further information about Siegfried's contribution to SDGs: Sustainability Report 2023, p. 5

2-25 Processes to Remediate Negative Impacts

By complying with all applicable laws and legislations as well as internal policies and guidelines, Siegfried strives to avoid any negative impacts. When facing any negative impact, Siegfried is committed to mitigating such impact by strictly adhering to all applicable laws and regulations.

Siegfried endeavors to avoid negative effects by regularly reviewing and, if necessary, adapting the grievance mechanisms to the needs of the stakeholders. The effectiveness of the grievance mechanisms is monitored through regular checks and reviews in various areas.

2-26 Mechanisms for Seeking Advice and Raising Concerns

As a supplier to the pharmaceutical industry and a group of companies that is active worldwide, Siegfried is committed to the highest legal and ethical standards in all business relationships.

Siegfried employees and third parties can use various channels to raise questions or concerns. First point of contact is Siegfried's integrity office, which is described under the material topic Business conduct, corruption and antitrust, Sustainability Report 2023, p. 22

2-27 Compliance with Laws and Regulations

During the reporting period, Siegfried did not have significant instances of non-compliance with laws and regulations.

2-28 Membership Associations

Overview of the memberships of the Siegfried Group and its companies at each individual site:

Group		European Fine Chemical Group (EFCG)
		(Sector group of the European Chemical Industry Council (CEPIC))
		Scienceindustries Chemie Pharma Biotech, Swiss economic umbrella organization
		Swiss-American Chamber of Commerce
		Swiss-Chinese Chamber of Commerce
		The Association of Swiss Enterprises in Germany (VSUD)
		Avenir Suisse
		UN Global Compact Network Switzerland & Liechtenstein
		DCAT Drug, Chemical, & Associated Technologies Association, USA
		Active Pharmaceutical Ingredients Committee (APIC)
Zofingen	Switzerland	Aargau Chamber of Commerce and Industry (AIHK)
		Zofingen Regional Economic Association (WRZ)
		Park InnovAARE
Evionnaz	Switzerland	Chambre Valaisanne de Commerce et d'Industrie
		Groupement Romand Industrie Pharma
		Union Industriels Valaisans
		Groupement d'Entreprises du Chablais
		Association Valaisanne des Industries chimiques(AVIC)
Hameln	Germany	AdU
		Chemie Nord Arbeitgeberverband
		Creditreform Hameln Bolte KG
		IHK Hannover
		Weserbergland Aktiengesellschaft
		BME e. V.
		Bundesverband der Energie-Abnehmer
		Heacon Service GmbH (pharmaplace AG)
		DGRA-Dt.Ges.für Regulatory Affairs
		Europäisches Patentamt
		VPP-Geschäftsstelle
		Allgemeine Arbeitgebervereinigung
		HSW (Hochschule Weserbergland)
Minden	Germany	Arbeitgeberverband für die Chemische Industrie Ostwestfalen-Lippe e. V.
		East Westphalia Chamber of Industry and Commerce (IHK)
		Association of the Chemical Industry (VCI)
St. Vulbas	France	France Chimie Auvergne Rhône-Alpes
		Mouvement des entreprises de France (MEDEF)
		Syndicat Mixte du Parc Industriel de la Plaine de l'Ain (SMPIPA)

Hal Far	Malta	Malta Chamber of Commerce
		Malta Employers' Association
		Foundation for Human Resources Development
Pennsville	USA	SOCMA Society of Chemical Manufacturers and Affiliates
		NJBIA (New Jersey Business & Industry Association)
		Salem County Chamber of Commerce
		Employers' Association of New Jersey
Irvine	USA	Chemical Council of New Jersey
		International Society of Pharmaceutical Engineers (ISPE)
		Parenteral Drug Association (PDA)
		American Society of Quality (ASQ)
Nantong	China	California Chamber of Commerce
		SwissCham Shanghai
		Nantong Pharmaceutical Association
Barberà	Spain	Nantong Biopharmaceutical Industry Union
		Col.legi de Farmacèutics (Pharmacists College)
		COASHIQ
		AEFI Asociación española de farmacéuticos de la industria (Spanish Association of Pharmacists from the Industry)
		Spanish Commercial Codification Association (Asociación Española de Codificación Comercial -AECOC-)
El Masnou	Spain	AEFI Asociación española de farmaceuticos de la industria (Spanish Association of Pharmacists from the Industry)
		Collegi de Farmacèutics (Pharmacists College)
		COASHIQ
		Parental Drug Association (PDA)

4. Stakeholder Engagement

2-29 Approach to Stakeholder Engagement

Siegfried attaches great importance to regular contact and ongoing dialog with its stakeholder groups at both the local and the global level. Siegfried thus pursues the goal of creating a better mutual understanding and a basis of trust. The aim is to closely link the stakeholders' interests with the company's business strategy and to recognize early trends so they can be incorporated into the strategy process.

Siegfried uses a stakeholder map for a specific and systematic stakeholder dialog (see "Siegfried in Dialog" below). The categories of organizations listed therein are not final. They were selected based on their relevance and possible influence on Siegfried.

The company's stakeholder activities include specific dialogs on the local, national and international levels, involvement in committees and professional panels, comprehensive information programs, and participation in international initiatives and collaborations. The stakeholder dialog includes communication and active interaction with individual target groups and issue-related multi-stakeholder events.

Siegfried in Dialog

Stakeholder Group	Topics	Platforms
Media	News and results	Media conferences, media releases, direct contact with CorpCom
Capital market	Results, business models/ product range, news	Financial analyst conference, direct contact with CEO and CFO, roadshows
Customers	Business model/product range, technological innovations, sustainability	Meetings, visits, symposiums, trade fairs
Local stakeholders	Jobs, safety and environmental protection	Direct contact with site managers, advertise- ments, social media and sponsorships
Employees	Working conditions and course of business, safety and environmental protection	Information/town hall meetings, "Insight" employee magazine, Intranet, Internet, internal memos, information cascade via line management
Trade unions	Working conditions	Information meetings with HR, direct contact with line management
Supervisory and regulatory authorities	Compliance, safety and environmental protection	Direct contact, audits, training events, information letters
Political decision-makers	Economic framework and specific concerns of the company	Company visits, seats on the board of professional associations (industry associations, chambers of commerce, etc.), involvement of site management
Suppliers	Order security	Visits, supplier audits, trade fairs
Science	Technological innovations and development of trainees	Direct contact with universities and advanced technical colleges, symposiums
Associations	Economic framework and specific concerns of the company	Seat on leadership committees of various asso- ciations as well as professional and knowledge sharing groups

2-30 Collective Bargaining Agreements

At all sites, Siegfried unconditionally respects the local statutory regulations concerning labor and the universal international standards of the International Labor Organization (ILO). The salaries are above the legal minimum wage at all sites.

Siegfried respects the right of every employee to join an employee representation, works council or a union without suffering any negative consequences, such as termination, discrimination or retaliation. New employees will be contacted and informed by the relevant employee representation, works councils or unions. Siegfried cultivates a direct, transparent and constructive dialog with all employee and union representatives. Joint information meetings and discussions concerning Siegfried's business development and workplace-related decisions and participation in employee-relevant aspects occur at each site regularly.

Collective labor agreements are available to substantial groups of employees in Switzerland, Germany, France, Malta, Spain, China, and the USA. Overall, 2822 employees, or 68%, (prior year: 2736/72%) are subject to a collective labor agreement. In addition, Siegfried inaugurated a European Works Council in 2023. The council is an important forum for exchange and consultation on transnational issues relating to Siegfried sites within the European Community.

The rights of co-determination of each employee representation are defined in the respective contracts and regulate the participation rights relevant to the applicable negotiations. All employees not covered by a collective agreement – mainly middle, upper and senior management will benefit from working conditions in line with collective agreements and market practice.

TCFD Report

In 2023, Siegfried dealt with the requirements of the Taskforce on Climate-related Financial Disclosures (TCFD). Risks and opportunities and their impact on the business strategy were analyzed in a multi-stage process. The main risks for Siegfried lie in potential supply chain disruptions and extreme weather events that could affect Siegfried's production sites.

Governance

Siegfried's organizational structure is based on a clear delineation of tasks, competencies, and responsibilities. The ultimate responsibility for the definition of the strategy and the risk lies with the Board of Directors of the Siegfried Group. This includes risks from both financial and non-financial issues.

The Board has delegated certain preparatory responsibilities to the "Strategy & Sustainability Committee" (details see page 34). On the Board level, the responsibility for assessing the climate-related risks and opportunities on Siegfried's business, financial impacts and strategy over different time horizons lies with the Strategy & Sustainability Committee. The operational implementation is delegated to Siegfried's Corporate Sustainability Board, which regularly reports to the Strategy & Sustainability Committee on climate-related risks. For such purposes, the Corporate Sustainability Board closely interacts with the Risk Management Committee of the Siegfried Group. Climate-related Risks have been identified as one of five main risk pillars of Siegfried's risk management program. Ultimately, the Corporate Sustainability Board is responsible for the strategic implementation of climate-related matters into the Group.

Strategy

According to TCFD recommendations, a distinction is made between climate-related physical and transitional risks as well as opportunities. Physical risks arise from direct climate and weather events and therefore may potentially impact Siegfried's operating activities as well as its supply chain. Transitory risks, on the other hand, arise from the decarbonization of the economy and from the resulting legal, social, economic or technological conditions. Siegfried assessed risks in both categories and further categorized them based on likelihood and severity. These identified risks as well as their potential impact on Siegfried and selected mitigation measures are summarized in table 1.

Risk	Tier	Potential Impact on Siegfried	Mitigation Measures
Availability and increased costs of raw materials	I	<ul style="list-style-type: none"> Supply chain disruptions may delay or interrupt – manufacturing Higher raw material cost leads to increase in Cost of Goods Sold Supply chain management may require additional resources 	<ul style="list-style-type: none"> Offer dual or triple sourcing of critical raw materials to customer Build-up of safety stock in alignment with customers Long-term supply agreements with critical suppliers
Acute Physical Risks – Extreme weather events, such as hurricanes, or floods	I	<ul style="list-style-type: none"> Extreme weather events may lead to production interruptions Danger to employees and/or assets 	<ul style="list-style-type: none"> Multi-site offering to customers Site- and risk-specific business continuity planning CAPEX in preventive measures such as fire protection, flood protection Insurance risk engineering/property & business-interruption insurance policies
Costs to transition to lower emissions technology	II	<ul style="list-style-type: none"> Manufacture of products may become subject to -tighter environmental/regulatory framework that requires replacement of existing or investment in new manufacturing assets Changes in technology may trigger additional approval requirements under GMP regulations 	<ul style="list-style-type: none"> Long-term CAPEX planning process Green engineering for expansion CAPEX and -replacement CAPEX Enhanced focus on operational excellence R&D in circular economy
Changing customer and shareholder behavior and priorities	II	<ul style="list-style-type: none"> Customers' focus on environmental footprint may lead to customer expectations beyond regulatory or legal requirements Customer may require substitution of services with lower emissions options Additional internal resources for management of customer requirements with respect monitoring and reporting on ESG issues 	<ul style="list-style-type: none"> Enhanced focus on environmental footprint in line with customer expectations in order to stay ahead of competition Offering of (optional) sustainable sourcing and low emission manufacturing services Development of second and third generation processes for eco-friendly and efficiency enhanced manufacturing of products Transparent long-term ESG dialogue with key customers, shareholders and other stakeholders
Increased pricing of GHG emissions	III	<ul style="list-style-type: none"> Increase in manufacturing costs Increase in raw material costs Additional internal resources for management of GHG monitoring, reporting and verification may become necessary 	<ul style="list-style-type: none"> Reduction of Scope 2 GHG emissions through purchase of green/ renewable energy and certified energy management system Green engineering for expansion CAPEX and replacement CAPEX Active participation in emission trading systems
Chronic Weather Risks – Long-term shifts in climate patterns that may cause sea level rise or chronic heat waves	III	<ul style="list-style-type: none"> Rise in sea levels may expose sites close to the shore to flooding Permanent increase in temperatures could lead to quantitative limits on water consumption for cooling 	<ul style="list-style-type: none"> Long-term investment in preventive measures, in cooperation with local authorities Water consumption reduction programs
Enhanced emission-reporting obligations	III	<ul style="list-style-type: none"> Increased costs to comply with national and international reporting obligations Risk of non-compliance with complex regulatory framework 	<ul style="list-style-type: none"> Early adaption and compliance with Swiss- and EU-reporting standards Introduction of technology based data analytics and reporting capabilities

Risk Type: ■ Legal & Regulatory ■ Technology ■ Market ■ Physical

Strategic Actions to Respond to Climate-related Risks on Siegfried's Business

In anticipation of the potential impact of extreme weather events, Siegfried diversifies its operations across different locations, reducing vulnerability to localized disruptions. Locations with a certain level of risk are Nantong, Barberà del Vallès, El Masnou and Evionnaz.

As part of the Capital Expenditure (CapEx) strategy, Siegfried makes significant investments in preventive measures, such as fire and flood protection. In the long term, Siegfried plans to invest more in preventative measures. This primarily concerns the sites in coastal areas, specifically in Nantong, Barberà del Vallès and El Masnou. In the frame of their business continuity management activities, sites implement flood protection measures in close collaboration with Siegfried's risk insurer and local authorities. Typical measures include

the installation or upgrade of flood barriers and drainage systems, putting critical infrastructure at elevated levels above known flood levels. Where possible and necessary (for example for sites located close to open water bodies and during infrastructure extension activities), strategic landscaping and natural defenses are used to minimize the risk of flooding.

Also, due to climate change, there is a risk of drought or water scarcity, which plays a crucial role in Siegfried's manufacturing, e.g. cooling. To address this risk, projects to reduce water consumption are planned (also see Sustainability Report 2023, p. 12).

To address the anticipated transition costs to lower emissions technologies the CapEx strategy is also being adapted. Additionally, with an intensified focus on operational excellence, Siegfried enhances efficiency and cost-effectiveness in the transition process. Also, R&D initiatives in circular economy were initiated to make man-

ufacturing processes more efficient and thus reducing emissions. For example, thanks to sophisticated distillation processes, more solvents can be reused. Furthermore, Siegfried has rolled out a new standardized procedure for the methodical assessment of the level of sustainability of chemistry-based manufacturing processes. This includes the identification of process steps with high energy use (scopes one and two), or opportunities to reduce the use of raw materials and their associated scope-three emissions. Projects can then be selected with the greatest benefit. With an enhanced focus on environmental footprint, Siegfried is also aiming at facing the customers' increasing priorities for sustainable production. In 2023, this entailed the development of a matrix to measure the sustain-

ability of the production processes, which helps to identify the priority areas that should be addressed first as well as the measures described in chapter "Emissions" (p. 7). By purchasing renewable energy, Siegfried also reduces its Scope 2 GHG emissions, which can reduce potential carbon taxes.

Climate-related Opportunities

Aside the risks, Siegfried also identified climate-related opportunities with a potential substantive impact on its business. These are shown in Table 2.

Issue	Opportunity for Siegfried
Resource Efficiency	<ul style="list-style-type: none"> Pro-active energy management, improvement of recycling of high-volume waste streams (e.g. solvents) and additional research & development focus on circular economy may lead to lower manufacturing costs and higher margins
Energy Sourcing	<ul style="list-style-type: none"> Pro-active management of energy sourcing activities and long term power purchase agreements may lead to a more sustainable sourcing at lower manufacturing costs and higher margins
Products and Services	<ul style="list-style-type: none"> Focus on environmental footprint of manufacturing activities in line with pharma customer expectations may lead to competitive advantage Offering of additional services such as development of more sustainable second or third generation manufacturing processes may lead to additional business (sales) and positive perception in the markets Offering of risk minimized sourcing options (dual/triple sourced raw materials) may lead to additional business (sales) and competitive advantage Offering of sustainable and eco-friendly options (e.g. in the field of sourcing) to customer may strengthen customer relationship and improve customer retention
Resilience	<ul style="list-style-type: none"> Demonstrating resilience in the field of climate-related and other risks (e.g. cyber risks) and offering site-specific or multi-site business continuity plans may allow for differentiation against competitors and higher reliability and resilience of services provided Siegfried's multi-site strategy allows customer to mitigate risks by double-sourcing from different Siegfried sites, and hence, allows for better customer retention and competitive advantage

Risk Management

Siegfried has integrated climate-related risks into its risk management process. The Corporate Sustainability Board is responsible for the Group-wide coordination, while final responsibility in assessing climate-related risks lies with the Board of Directors.

The initial assessment of climate related risks and opportunities is conducted in a multi-step approach: In the first phase, a comprehensive questionnaire was filled out by risk owners in the senior and mid-level management of the organization to obtain broad feedback. In a second phase, the Sustainability Board evaluates and compiles this data to create a heat map and risk register of climate-related risks and opportunities that could be used for future monitoring efforts and possible mitigation actions. In addition, Siegfried assesses acute and chronic climate-related risks at all Siegfried sites based on physical climate risks insights provided by the Swiss Re RDS Sustainability Compass tool.

Based on the results of (i) the management questionnaire, (ii) the compilation in a climate-related risk register by the Corporate Sustainability Board and (iii) the insights provided by the Swiss Re RDS Sustainability Compass tool, Siegfried assesses the climate-related risks under three different future scenarios (SSP1-2.6, SSP2-4.5 and SSP5-8.5). The three scenarios consider the trajectories of greenhouse gas concentration in the atmosphere and refer to a 1.5°C–2°C, 2°C–3°C and >4°C increase in global average surface

temperature in 2100 respectively. The Swiss Re RDS Sustainability Compass tool allows Siegfried to display and assess all sites of the Siegfried network in terms of changes of acute physical climate hazards such as floods, wind, precipitation, heat and drought and the change of level of risk in ten-year steps until 2100. Relevant findings are included and continuously monitored in Siegfried's risk register and the impact on Siegfried's assets and resilience will be subject to an in-depth analysis together with the local site management teams in the future.

Metrics and Targets

Siegfried's performance indicators relating to climate and the targets can be found in the chapter on the material topic "Emissions" (p.7).

Reference Table Swiss Code of Obligations

This Sustainability Report includes reporting on non-financial matters in accordance with the Swiss Code of Obligations. As it is based on the material topics for Siegfried, the following Code of Obligations reference table is used to allocate the material topics to non-financial matters in accordance with art. 964b of the Swiss Code of Obligations.


Non-financial matter according to art. 964b CO	Material topic for Siegfried
Ecological matter	Emissions p.7
	Resources & Waste p.10
	Water p.12
Social issues	Product Responsibility p.25
	Information Security & Cyber Security p.28
	Supply Chain Integrity p.21
Employee-related issues	Employee Health & Safety p.14
	Education & Training p.17
	Diversity, Equity & Inclusion p.19
Respect for human rights	Supply Chain Integrity p.21
Combating corruption	Business Conduct, Corruption & Antitrust p.23

Statement of Board of Directors

The Board of Directors of Siegfried Holding AG is responsible for the preparation of the report on non-financial matters in accordance with the applicable provisions of the Swiss Code of Obligations referenced in the above table.

The Board of Directors of Siegfried Holding AG has approved the report on non-financial matters pursuant to the Swiss Code of Obligations for the year 2023 at its meeting on February 15, 2024.

For the Board of Directors:


Dr. Andreas Casutt
Chairman of the Board of Directors


Prof. Dr. Wolfram Carius
Chairman of the Strategy & Sustainability Committee

Zofingen, 15.02.2024

GRI Content Index



CONTENT INDEX
ESSENTIALS SERVICE

2024

Siegfried AG has reported in accordance with the GRI Standards for the period January 1, 2023 to December 31, 2023. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the English version of the report.

GRI 1 used

Applicable GRI Sector Standard

GRI 1: Foundation 2021

none

General Disclosures

GRI Standard / other source	Disclosure	Information / location	Omission
1. The Organization and its Reporting Practices			
GRI 2: General Disclosures 2021	2-1 Organizational details	p. 30	
	2-2 Entities included in the organization's sustainability reporting	p. 30	
	2-3 Reporting period, frequency and contact point	p. 30	
	2-4 Restatements of information	p. 30	
	2-5 External assurance	p. 30	
2. Operations and Workers			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	p. 30	
	2-7 Employees	p. 31–32	
	2-8 Workers who are not employees	p. 33	
3. Governance			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	p. 33	
	2-10 Nomination and selection of the highest governance body	p. 34	
	2-11 Chair of the highest governance body	p. 34	
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 34	
	2-13 Delegation of responsibility for managing impacts	p. 34	
	2-14 Role of the highest governance body in sustainability reporting	p. 34	
	2-15 Conflicts of interest	p. 35	
	2-16 Communication of critical concerns	p. 35	
	2-17 Collective knowledge of the highest governance body	p. 35	
	2-18 Evaluation of the performance of the highest governance body	p. 35	
	2-19 Remuneration policies	p. 35	
	2-20 Process to determine remuneration	p. 35	
	2-21 Annual total compensation ratio	p. 35	

4. Strategy, Policies and Practices

GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	p. 35	
	2-23 Policy commitments	p. 35	
	2-24 Embedding policy commitments	p. 35–36	
	2-25 Processes to remediate negative impacts	p. 37	
	2-26 Mechanisms for seeking advice and raising concerns	p. 37	
	2-27 Compliance with laws and regulations	p. 37	
	2-28 Membership associations	p. 38–39	

5. Stakeholder Engagement

GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	p. 39–40	
	2-30 Collective bargaining agreements	p. 40	

Material topics

Materiality analysis and list of material topics

GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 4	
	3-2 List of material topics	p. 5	

Emissions

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 7–9	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	p. 9	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 49	
	302-2 Energy consumption outside of the organization	p. 49	
	302-3 Energy intensity	p. 9	
	302-4 Reduction of energy consumption	p. 9, p. 49	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 49	
	305-2 Energy indirect (Scope 2) GHG emissions	p. 49	
	305-3 Other indirect (Scope 3) GHG emissions	p. 49	
	305-4 GHG emissions intensity	p. 49	
	305-5 Reduction of GHG emissions	p. 9, p. 49	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p. 49	

Resources & Waste

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 10–12	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	p. 10–12	
	306-2 Management of significant waste-related impacts	p. 10–12	
	306-3 Waste generated	p. 12, p. 50	
	306-4 Waste diverted from disposal	p. 50	
	306-5 Waste directed to disposal	p. 50	

Water

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 12–14	
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GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	p. 12–14	
	303-3 Water withdrawal	p. 50	
	303-4 Water discharge	p. 50	
	303-5 Water consumption	p. 14, p. 50	
Employee Health & Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 14–16	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 14–16	
	403-2 Hazard identification, risk assessment, and incident investigation	p. 14–16	
	403-5 Worker training on occupational health and safety	p. 16	
	403-8 Workers covered by an occupational health and safety management system	p. 51	
	403-9 Work-related injuries	p. 16–17, p. 51	
	403-10 Work-related ill health	p. 51	
Education & Training			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 17–19	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p. 19	
	404-2 Programs for upgrading employee skills and transition assistance programs	p. 18–19	
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 51	
Diversity, Equity & Inclusion			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 19–20	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 20, p. 51	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 21	
Supply Chain Integrity			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 21–23	
Own indicators	High ESG impact suppliers qualified (% of spend or number)	p. 52	
	Suppliers sustainability audits of high impact suppliers (paperbased/on site)	p. 52	
	Paper-based GMP audits of suppliers	p. 23, p. 52	
	On-site GMP audits of suppliers	p. 23, p. 52	
Business Conduct, Corruption & Antitrust			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 23–25	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	p. 23, p. 25	
	205-3 Confirmed incidents of corruption and actions taken	p. 25	
Own indicator	Time spent on integrity training per FTE	p. 52	
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 24	
Product Responsibility			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 25–27	
Own indicators	Internal Corporate GMP Audits	p. 27	
	Inspections by Authorities	p. 27	

Information Security & Cyber Security			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 28–29	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 29	
Own indicator	Number of awareness campaigns conducted in a year	p. 52	

Appendix

ESG Data Table

Environment							
Emissions	Unit	2021 (Unit)	2021 (Intensity*)	2022 (Unit)	2022 (Intensity*)	2023 (Unit)	2023 (Intensity*)
Total Scope 1 + Scope 2 emissions	t CO ₂ eq	77 273	70.12	65 114	52.98	68 166	53.65
Total Scope 1 emissions	t CO ₂ eq	59 411	53.91	55 520	45.17	57 688	45.39
Total Scope 2 emissions: Location Based	t CO ₂ eq	17 863	16.21	9 663	7.86	10 478	8.24
Total Scope 3 emissions	t CO ₂ eq	–	–	462 005	375.92	459 700	361.68
Scope 3 CO ₂ e emissions: Purchased goods and services	t CO ₂ eq	–	–	343 863	279.79	343 900	270.57
Scope 3 CO ₂ e emissions: Capital goods	t CO ₂ eq	–	–	29 800	24.25	27 696	21.79
Scope 3 CO ₂ e emissions: Fuel and energy related activities	t CO ₂ eq	–	–	14 987	12.19	12 501	9.84
Scope 3 CO ₂ e emissions: Upstream transportation and distribution	t CO ₂ eq	–	–	17 879	14.55	18 000	14.16
Scope 3 CO ₂ e emissions: Waste and Recycling	t CO ₂ eq	–	–	49 075	39.93	52 020	40.93
Scope 3 CO ₂ e emissions: Business Travel	t CO ₂ eq	–	–	795	0.65	426	0.34
Scope 3 CO ₂ e emissions: Employee Commuting	t CO ₂ eq	–	–	5 223	4.25	5 200	4.09
Energy consumption total	GJ	2 045 000	1855.72	1 942 100	1 580.23	1 901 627	1496.17
Total Electric energy	GJ	670 076	608.05	646 579	526.10	643 837	506.56
Electrical energy (renewable) consumption	GJ	445 516	404.28	482 488	392.59	455 141	358.10
Electrical energy (non-renewable) consumption	GJ	224 560	203.77	164 091	133.52	188 695	148.46
Natural gas consumption	GJ	797 400	723.59	757 499	616.35	638 622	502.46
LPG	GJ	8 600	7.80	20 477	16.66	90 487	71.19
Heating oil	GJ	82 800	75.14	80 033	65.12	128 408	101.03
Diesel	GJ	1 500	1.36	2 169	1.76	2 110	1.66
Alternative fuels (solvents)	GJ	75 600	68.60	41 618	33.86	57 650	45.36
VOC Incineration	GJ	49 500	44.92	52 775	42.94	50 617	39.82
Supplied steam	GJ	372 300	337.84	370 254	301.26	330 582	260.10
Air Emissions: CO ₂	Ton	77 273	70.12	65 114	52.98	57 688	45.39
Air Emissions: CO	Ton	7.9	41.33	8.2	36.88	8	0.01
Air Emissions: Total Nox	Ton	38	0.03	30	0.02	28	0.02
Air Emissions: Total SO ₂	Ton	1.4	41.18	1.3	36.90	1.3	0.00
Air Emissions: Total VOC	Ton	99	0.09	139	0.11	84	0.07
Nitrogen emissions	Ton	54.8	0.05	70.9	0.06	72.9	0.06
TOC emissions	Ton	124	0.11	123	0.10	136	0.11
Phosphorous emissions	Ton	1.9	41.32	1.9	37.05	3.2	0.00
GWP, 100 year time horizon	Ton	77 316	70.16	65 491	53.29	68 253	53.70

Resources & Waste	Unit	2021 (Unit)	2021 (Intensity*)	2022 (Unit)	2022 (Intensity*)	2023 (Unit)	2023 (Intensity*)
Total waste disposed	Ton	76 710	69.61	75 987	61.83	80 605	63.42
Total hazardous waste	Ton	64 884	58.88	62 485	50.84	69 455	54.65
Hazardous waste recycled	Ton	4 592	4.17	5 556	4.52	5 737	4.51
Hazardous waste landfilled	Ton	80	0.07	80	0.07	106	0.08
Hazardous waste incinerated	Ton	33 049	29.99	18 482	15.04	23 984	18.87
Hazardous waste treated	Ton	26 892	24.4	38 222	31.1	39 474	31.06
Total non-hazardous waste	Ton	11 771	10.68	13 502	10.99	11 150	8.77
Non-hazardous waste incinerated	Ton	5 870	5.33	6 290	5.12	5 841	4.60
Non-hazardous waste landfilled	Ton	891	0.81	3 196	2.60	1 828	1.44
Non-hazardous waste recycled	Ton	2 944	2.67	2 766	2.25	2 775	2.18
Non-hazardous waste treated	Ton	2 550	2.31	1 341	1.09	775	0.61
Non-hazardous waste reutilized	Ton	89	0.08	483	0.39	493	0.39
Recycling solvents	Ton	20 500	18.60	19 345	15.74	21 721	17.09
Water	Unit	2021 (Unit)	2021 (Intensity*)	2022 (Unit)	2022 (Intensity*)	2023 (Unit)	2023 (Intensity*)
Disposal to external wastewater plant	Ton	0	0.00	0	0.00	0	0
Total water withdrawal	Mm ³	6 052	5.49	6 019	4.90	6 329	4.98
Total freshwater withdrawal	Mm ³	6 052	5.49	6 019	4.90	6 329	4.98
Total freshwater withdrawal from groundwater	Mm ³	4 805	4.36	4859	3.95	5 172	4.07
Total freshwater withdrawal from municipal water supplies or third parties	Mm ³	1 188	1.08	1 114	0.91	1 091	0.86
Total water consumption	Mm ³	6 052	5.49	6 019	4.90	6 329	4.98
Total water discharged	Mm ³	5 195	4.71	5 357	4.36	5 639	4.44
Water discharged to offsite treatment or third parties	Mm ³	2 594	2.35	2 690	2.19	2 747	2.16

*Unit/ CHF Mio

Social

Employee Health & Safety	Unit	2021	2022	2023
Workers covered by an occupational health and safety management system	%	100	100	100
Fatalities: Employees	#	0	0	0
Fatalities: Contractors	#	0	0	0
LTIFR employees and contractors onsite (work related accidents): # of LTIs per million work hours	#	9.34	5.30	4.72
Total lost working days	#	–	571	500
Lost working days per employee	#	–	0.16	0.13
Diversity, Equity & Inclusion	Unit	2021	2022	2023
Women at senior management level	%	12	23	25
Women in middle and lower management	%	28.9	35	35
Women at non-management levels	%	32.7	34	34
Women on the Board of Directors	%	29	43	43
Women in total workforce	#	1 163	1 181	1 202
Education & Training	Unit	2021	2022	2023
Hours of training per employee (management level)	#	–	16	16
Hours of training per employee (non-management level)	#	–	16	16
Full Time employees	%	91.8	93	94
Part Time employees	%	8.2	7	6
Permanent employees	#	3 637	3 680	3 800
Fixed Term contract employees	#	373	288	270
Employees between 31 and 50	%	57.8	56	56
Employees up to the age of 30	%	13.9	15	16
Employees above 50	%	28.2	29	28
Managers who had an annual performance review	%	–	100	100
Non-Managers who had an annual performance review	%	–	100	100
Additional Social Metrics	Unit	2021	2022	2023
Overall employee turnover rate	%	13.1	13.44	10.49
Voluntary employee turnover rate	%	–	8.57	6.13
Involuntary employee turnover rate	%	–	4.87	4.36
Hiring	#	–	590	554
Employees subcontracted	%	–	2.8	2.9
Social relations: Employees covered by collective agreements	%	58.9	72	68
Social initiative: total contribution to create positive impact	CHF thousands	19 000	29 600	111 750

Governance

Supply Chain Integrity	Unit	2021	2022	2023
Suppliers: High ESG impact suppliers identified	%	–	–	2.3
Suppliers: Suppliers sustainability audits of high impact suppliers (paperbased/on site)	%	–	–	55.2
Paper-based GMP audits of suppliers	#	60	100	70
On-site GMP audits of suppliers	#	83	91	140
Business Conduct, Corruption & Antitrust	Unit	2021	2022	2023
Ethics: Number of reports	#	10	25	27
Ethics: Number of employees terminated due to unethical behavior	#	1	2	3
Ethics: reports resulting in monetary fines and or other non-monetary sanctions	#	0	0	0
Ethics: New hires completing compliance onboarding training	%	–	–	79
Ethics: Time spent on integrity training per FTE	mins	–	–	18.5
Product Responsibility	Unit	2021	2022	2023
Internal corporate GMP audits	#	10	10	11
External GxP inspections by health authorities	#	7	12	12
Information Security & Cyber Security	Unit	2021	2022	2023
Substantiated complaints concerning breaches of customer privacy and losses of customer data	#	1	0	0
Number of awareness campaigns conducted in a year	#	2	4	4

Cautionary Statement regarding Forward-Looking Statements

This Annual Report contains certain forward-looking statements identified by words such as “believes”, “expects”, “anticipates”, “projects”, “intends”, “should”, “seeks”, “estimates”, “future” or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward looking statements contained in this Annual Report, among others: (1) pricing and product initiatives of competitors; (2) legislative and regulatory developments and economic conditions; (3) delay or inability in obtaining regulatory approvals or bringing products to market; (4) fluctuations in currency exchange rates and general financial market conditions; (5) uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side-effects of pipeline or marketed products; (6) increased government pricing pressures; (7) interruptions in production; (8) loss of or inability to obtain adequate protection for intellectual property rights; (9) litigation; (10) loss of key executives or other employees; and (11) adverse publicity and news coverage. The statement regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Siegfried’s earnings or earnings per share for 2024 or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Siegfried.

Publisher’s Note

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Financial Report 2023

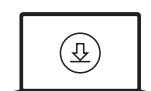


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This is an excerpt of Siegfried's Annual Report 2023.
All chapters can be found on our Investor Relations portal:
www.siegfried.ch/investors/reports

Key Figures Overview

	2023	2022	Change CHF (LC)
Net sales (million CHF)	1 271.5	1 229.5	+3.4% (+6.3%)
Core gross profit (million CHF)	320.4	318.9	0.5%
Core gross profit margin (%)	25.2%	25.9%	
Core results ¹			
Core EBITDA (million CHF)	273.3	272.5	0.3%
Core EBITDA margin (%)	21.5%	22.2%	
Core EBIT (operating result) (million CHF)	191.9	190.8	0.6%
Core EBIT margin (%)	15.1%	15.5%	
Core net profit (million CHF)	128.1	127.8	0.3%
Core net profit-margin (%)	10.1%	10.4%	
Non-diluted core earnings per share (CHF)	30.24	30.28	-0.1%
Diluted core earnings per share (CHF)	29.80	29.63	0.6%
Cash flow from operating activities (million CHF)	208.6	142.3	46.6%
Free cash flow (million CHF)	71.8	27.2	163.6%
Investment in property, plant and equipment and intangible assets (million CHF)	137.1	115.2	19.0%
	December 31, 2023	December 31, 2022	Change
Equity (million CHF)	838.1	790.9	6.0%
Total assets (million CHF)	1 861.5	1 793.2	3.8%
Equity ratio (%)	45.0%	44.1%	
Employees (number of FTEs)	3 684	3 564	3.4%

¹ For more information and reconciliation of Swiss GAAP FER to Core results see Financial Report «Investor Information», pages 49–50.

Financial Commentary 2023

Continued strong growth trajectory

In 2023, Siegfried continued its strong growth trajectory and more than offset the phasing out of sizeable vaccines volumes. Net sales increased to CHF 1271.5 million, an increase of 3.4% in CHF. The euro and the US dollar depreciated strongly during the year. The euro, which accounts for 50% of net sales depreciated by 3.3% against the Swiss franc, while the US dollar, accounting for 13% of net sales depreciated by 5.9%. The growth at constant currencies was 6.3%.

Despite continued inflation trends in key cost categories, the underlying business continued to grow profitably. Core gross profit was CHF 320.4 million, and the Core gross profit margin of 25.2% was only slightly below the previous year (25.9%).

Core EBITDA (CHF 273.3 million, +0.3%), Core EBIT (CHF 191.9 million, +0.6%) and Core net profit (CHF 128.1 million, +0.3%) were slightly ahead of the previous year. This was reflected accordingly in the margins: the Core EBITDA margin was 21.5% (previous year: 22.2%), Core EBIT margin was 15.1% (previous year: 15.5%) and Core net profit margin was 10.1% (previous year: 10.4%).

The Core results, excluding extraordinary expenses and income, offer a transparent and straightforward view of Siegfried's operational performance. This approach facilitates a more accurate comparison across different periods.

In 2023, Swiss GAAP FER results were significantly affected by a decrease of interest rates in the euro area, leading to an increase of the pension obligations from foreign pension plans and a technical and non-cash decrease of the operating income. The Core results have been corrected for that effect (CHF 11.9 million). In addition, CHF 3.0 million of interest expenses on these foreign pension plans were reclassified to financial expenses, and CHF 2.1 million of non-recurring restructuring cost enhancing the operational performance on selected sites as well as CHF 1.4 million of transaction cost were adjusted.

Operating expenses under control

Operating expenses are each year affected by extraordinary or non-recurring events; an analysis based on Core figures is appropriate. For 2023, a tight cost control was key. We have continued to invest into our organizational development programs but have offset these expenses by increased efficiency in other areas.

In total, Core operating expenses amounted to CHF 128.5 million in 2023, or 10.10% of net sales, a relative decrease to the pre-

vious year (2022: 10.42%) and a very small increase in absolute terms (2022: CHF 128.1 million).

Core marketing and sales costs were CHF 19.4 million, slightly higher than in the previous year (2022: CHF 18.1 million), growing in proportion to the constant currency net sales growth. For Core research and development, an important client facing function for Siegfried, costs of CHF 43.4 million were incurred, which is about equal to the prior year (2022: CHF 43.2 million). Administration and general costs at Core level amounted to CHF 70.7 million, a decrease in absolute terms (2022: CHF 71.1 million) and in relative terms (2023: 5.56%, 2022: 5.78%).

Other income was slightly higher than the previous year at CHF 5.0 million (2022: CHF 4.3 million).

Higher financial expenses on some, but not all funding layers

Financial expenses were higher than in the previous year at CHF 9.5 million (prior year CHF 7.8 million). The higher interest rate environment did affect funding from the revolving credit facility, but not interest expenses from the senior bonds (CHF 200.0 million) and the two hybrid convertible bonds (total CHF 80.0 million). Foreign exchange differences were significantly higher at CHF 12.8 million (2022: CHF 4.3 million), as a result of the high volatility in the foreign exchange markets, specifically towards year end.

Operating cash flow, free cash flow and cash flow from financing activities

At CHF 208.6 million, the operating cash flow was significantly above the previous year's level (2022: CHF 142.3 million). Compared to last year, we deployed less capital to inventories and trade receivables.

Investments in property, plant and equipment and intangible assets were slightly higher than in the previous year at CHF 137.1 million (2022: CHF 115.2 million). This corresponds to 10.7% of net sales. This results in a free cash flow of CHF 71.8 million, significantly up from the last year (2022: CHF 27.2 million).

In the financing cash flow, the two largest movements were a reduction in the syndicated loan of CHF 65.0 million and the distribution to shareholders of CHF 14.4 million.

Other financial key figures

At year-end, Siegfried had CHF 56.4 million in cash and cash equivalents. Non-current financial liabilities amounted to CHF 445.0 million. Thus, net debt amounted to CHF 388.6 million, resulting in net debt in relation to Core EBITDA of 1.42, down from 1.54 at the end of 2022 and 1.97 at the end of 2021.

The equity ratio was 45.0%. Thus, comparing to last year, the debt capacity of the Siegfried Group has improved again and also the ability to finance further growth steps.

Proposal of par value repayment to the General Assembly

At the Annual General Meeting on April 18, 2024, the Board of Directors will propose to the shareholders to reduce the par value of a share from CHF 14.60 by CHF 3.60 to CHF 11.00 and to distribute the amount of the reduction in par value of CHF 3.60 instead of a dividend.

A handwritten signature in black ink, appearing to read 'R. Suter', written in a cursive style.

Dr. Reto Suter
Chief Financial Officer

Consolidated Balance Sheet

In 1000 CHF (as of December 31)	Notes*	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	2	801 070	779 901
Intangible assets	3	43 870	35 853
Investments in associated companies and joint ventures	4	–	–
Financial and other non-current assets		577	591
Employer contribution reserves	18	9 520	9 018
Deferred tax assets	5	23 305	22 950
Total non-current assets		878 342	848 313
Current assets			
Accrued income and prepaid expenses	6	80 717	43 737
Inventories	7	431 938	405 782
Current income taxes		2 927	3 120
Other current assets	8	63 454	62 605
Trade receivables	9	347 357	337 767
Derivative financial instruments	10	145	258
Securities		263	135
Cash and cash equivalents		56 363	91 483
Total current assets		983 164	944 887
Total assets		1 861 505	1 793 200
Liabilities and equity			
Equity			
Share capital	11	65 233	79 776
Treasury shares	12	–105 844	–102 112
Capital reserves		132 356	109 532
Hybrid capital		80 000	80 000
Retained earnings		666 492	623 732
Total equity		838 236	790 928
Minority interests		–103	–
Total equity incl. minority interests		838 133	–
Non-current liabilities			
Non-current financial liabilities	13	445 000	510 000
Non-current provisions	14	25 553	27 884
Deferred tax liabilities	5	20 837	12 579
Other non-current liabilities	15	45 862	52 701
Non-current pension liabilities	18	88 320	81 514
Total non-current liabilities		625 572	684 678
Current liabilities			
Current provisions	14	6 339	10 311
Current pension liabilities	18	419	473
Accrued expenses and deferred income	16	120 500	51 196
Current income tax liabilities		63 162	55 541
Other current liabilities	17	107 873	86 007
Trade payables		98 848	114 065
Derivative financial instruments	10	659	1
Total current liabilities		397 800	317 594
Total liabilities		1 023 372	1 002 272
Total liabilities and equity		1 861 505	1 793 200

* The Notes on pages 10–33 are an integral part of the Group Financial Statements.

Consolidated Income Statement

In 1000 CHF (for the years ended December 31)	Notes*	2023	2022
Net sales	29	1 271 494	1 229 518
Cost of goods sold		–951 086	–910 628
Gross profit		320 408	318 890
Marketing and sales costs		–19 353	–18 124
Research and development costs		–44 503	–43 175
Administration and general overhead costs		–89 470	–31 073
Other operating income	20	4 985	4 259
Income of associated companies		–	–
Operating result		172 068	230 777
Financial income	21	570	57
Financial expenses	21	–9 489	–7 774
Exchange rate differences	21	–12 773	–4 286
Profit before income taxes		150 376	218 774
Income taxes	5	–37 682	–62 284
Net profit incl. minority interests		112 693	156 490
of which attributable to minority shareholders		–81	–
of which attributable to shareholders of Siegfried Holding AG		112 774	156 490
Non-diluted earnings per share (CHF)	23	26.61	37.07
Diluted earnings per share (CHF)	23	26.22	36.28

* The Notes on pages 10–33 are an integral part of the Group Financial Statements.

Consolidated Statement of Cash Flows

In 1000 CHF (for the years ended December 31)	Notes*	2023	2022
Net profit incl. minority interests		112 693	156 490
Depreciation and impairment of PP&E and intangible assets	2,3	81 353	81 748
Change in provisions	14	-1 239	-1 110
Other non-cash items ¹		263	-45 543
Share-based payments	18	9 504	10 342
Exchange rate differences	21	12 773	4 286
Financial income	21	-570	-57
Financial expenses	21	9 489	7 774
Income taxes	5	37 682	62 284
Net result on disposal of property, plant and equipment		50	-67
Cash flow from operating activities before change in NWC		261 998	276 147
Change in net working capital:			
Trade receivables		-17 798	-72 823
Other current assets and accruals		-44 568	-6 459
Inventories		-45 048	-51 462
Trade payables		-11 816	-9 771
Other current liabilities and accruals		97 637	25 265
Payments out of provisions and pension liabilities		-11 410	-8 799
Income taxes paid		-20 387	-9 758
Cash flow from operating activities		208 608	142 340
Purchase of property, plant and equipment	2	-127 441	-103 585
Proceeds from disposal of property, plant and equipment		295	115
Purchase of intangible and other assets	3	-9 653	-11 623
Sale of associated companies	4	-	231
Acquisition of Group companies	22	-10 498	11 155
Investments in financial fixed assets		-	-8
Interest received		429	57
Dividend received		4	3
Cash flow from investing activities		-146 864	-103 655
Free cash flow		71 810	27 246
Capital increase		1 016	1 071
Increase of non-current financial liabilities	13	185 047	475 000
Decrease of non-current financial liabilities	13	-250 047	-445 000
Change in other non-current liabilities		-459	-4 140
Purchase of treasury shares		-6 483	-24 101
Disposal of treasury shares		-	22
Interest paid and bank charges		-9 386	-7 895
Distribution to the shareholders of Siegfried Holding AG		-14 438	-13 535
Cash flow from financing activities		-94 750	-18 578
Net change in cash and cash equivalents		-33 005	20 105
Cash and cash equivalents 1/1/		91 483	72 621
Net effect of exchange rate changes on cash		-2 116	-1 243
Cash and cash equivalents 31/12/		56 363	91 483

* The Notes on pages 10–33 are an integral part of the Group Financial Statements.

¹ Other non-cash effective changes include in prior year mainly the effect of the discount rate change on foreign pension plan obligations and derivative financial instruments.

Consolidated Statement of Changes in Equity

In 1000 CHF	Share capital	Treasury shares	Capital reserves	Hybrid capital	Value fluctuations of financial instruments ¹	Accumulated profits ¹	Offset goodwill / badwill ^{1,2}	Cumulative translation adjustments ¹	Total Siegfried Holding AG shareholders	Total minorities	Total equity
As of January 1, 2022	93 196	-78 696	85 594	80 000	707	726 163	-118 975	-99 773	688 217	-	688 217
Net profit	-	-	-	-	-	156 490	-	-	156 490	-	156 490
Distribution from nominal capital reduction	-14 182	-	-	-	-	647	-	-	-13 535	-	-13 535
Interest on hybrid capital	-	-	-	-	-	-720	-	-	-720	-	-720
Changes in financial instruments	-	-	-	-	-2 242	-	-	-	-2 242	-	-2 242
Employee share plan	-	-	-	-	-	-14 337	-	-	-14 337	-	-14 337
Purchases of treasury shares	-	-24 101	-	-	-	-	-	-	-24 101	-	-24 101
Sale of treasury shares	-	685	-	-	-	384	-	-	1 069	-	1 069
Capital increase	763	-	23 938	-	-	-	-	-	24 701	-	24 701
Allocation goodwill / badwill	-	-	-	-	-	-	1 054	-	1 054	-	1 054
Change in consolidation scope associated companies	-	-	-	-	-	-328	-	-	-328	-	-328
Currency translation differences	-	-	-	-	-	-	-	-25 339	-25 339	-	-25 339
As of December 31, 2022	79 776	-102 112	109 532	80 000	-1 535	868 300	-117 921	-125 112	790 929	-	790 929
As of January 1, 2023	79 776	-102 112	109 532	80 000	-1 535	868 300	-117 921	-125 112	790 929	-	790 929
Net profit	-	-	-	-	-	112 774	-	-	112 774	-81	112 693
Change in consolidation scope	-	-	-	-	-	-	-	-	-	-29	-29
Distribution from nominal capital reduction	-15 191	-	-	-	-	753	-	-	-14 438	-	-14 438
Interest on hybrid capital	-	-	-	-	-	-720	-	-	-720	-	-720
Changes in financial instruments	-	-	-	-	-2 084	-	-	-	-2 084	-	-2 084
Employee share plan	-	-	-	-	-	-16 903	-	-	-16 903	7	-16 896
Purchases of treasury shares	-	-6 483	-	-	-	-	-	-	-6 483	-	-6 483
Sale of treasury shares	-	2 751	-	-	-	1 201	-	-	3 952	-	3 952
Capital increase	648	-	22 824	-	-	-	-	-	23 471	-	23 471
Allocation goodwill / badwill	-	-	-	-	-	-	-6 173	-	-6 173	-	-6 173
Currency translation differences	-	-	-	-	-	-	-	-46 092	-46 092	-	-46 092
As of December 31, 2023	65 233	-105 844	132 356	80 000	-3 618	965 407	-124 094	-171 203	838 236	-103	838 133

¹ In the Consolidated Balance Sheet these items are disclosed as retained earnings.

² For details refer to note 3 Intangible Assets.

Notes to the Consolidated Financial Statements

General Information

Financial Statements

The financial reporting of the Siegfried Group complies with Swiss GAAP FER and the provisions of Swiss law. The Consolidated Financial Statements are based on historical costs, except for the revaluation of specific financial assets and liabilities, such as derivative financial instruments. As described in the following policies, they are valued at actual value or market value, respectively. The Consolidated Financial Statements are prepared on a going concern basis. The Consolidated Financial Statements of the Siegfried Group are presented in Swiss francs and were approved by the Board of Directors on February 15, 2024, for presentation to the General Meeting held on April 18, 2024.

Information about the Group

The Siegfried Group is a worldwide pharmaceutical supplier with production sites in Switzerland, the USA, Malta, China, Germany, France and Spain. Under contract to the pharmaceutical industry Siegfried develops manufacturing processes for active pharmaceutical ingredients and their intermediates and produces them (Drug Substances). The Siegfried Group also produces finished pharmaceutical products (Drug Products). Siegfried Holding AG (head office in Zofingen, AG) is listed on the SIX Swiss Exchange.

Method and Scope of Consolidation

The Consolidated Financial Statements include the financial statements of all Swiss and foreign companies, in which Siegfried Holding AG controls (generally over 50% of the voting interest) directly or indirectly the financial and operating activities. Assets and liabilities, income and expenses are included according to the full consolidation method. Minority interests in the net assets and income of consolidated companies are recorded separately both in the Consolidated Balance Sheet and the Consolidated Income Statement.

Investments in associated companies are accounted for using the equity method. These are companies, over which the Group exercises significant interest, but not control. This is generally the case with a voting rights share of 20% to 50%. Investments in joint ventures are also accounted for using the equity method.

Group companies acquired or disposed of during the reporting period are included in or excluded from the Consolidated Financial Statements from the date of acquisition or disposal. The individual financial statements, on which the Consolidated Financial Statements are based, are drawn up in accordance with accounting principles applied consistently throughout the Group. All intercompany transactions, including receivables and payables, income and expenses, unrealized intercompany profits are eliminated in the consolidation. The annual reporting period for all Group companies ends on December 31.

Alternative Performance Measures

Siegfried uses certain key figures for performance measurement that are not defined by Swiss GAAP FER. As these key figures are not defined according to Swiss GAAP FER, comparability with similar figures from other companies may be limited. The following Alternative Performance Measures (APM) are used:

Gross Profit

Gross profit is calculated as net sales less cost of goods sold.

Cash flow from operating activities before change in NWC

The cash flow from operating activities before changes in the net working capital includes the cash flow from operating activities less changes in net working capital, payments out of provisions and pension liabilities and income taxes paid.

Free cash flow

Free cash flow comprises the cash flow from operating activities plus purchase of as well as proceeds from disposal of property, plant and equipment and of intangible and other assets.

Information on the Core results can be found on pages 49 to 50.

Accounting Principles

Business Combinations

Acquisitions of subsidiary companies are reported according to the purchase method. The goodwill or badwill from business combinations corresponds to the difference between the purchase price including acquisition costs and the proportional actual value of the net identifiable assets of the acquired company at the time of the purchase. Potentially existing non-capitalized intangible assets such as brands, user rights or client lists are not recognized separately in the context of acquisitions, but remain in goodwill.

Purchased goodwill and badwill is eliminated against equity. If the initial accounting for a business combination is incomplete by the end of the reporting period, in which the combination occurred, the combination is accounted for using provisional amounts. Adjustment of the provisional amounts and the recognition of additionally identified assets and liabilities must be undertaken within the mea-

surement period, if new information about facts and circumstances is obtained that existed at the acquisition date.

Segment Reporting

The Siegfried Group consists of one "reportable segment". The decision takers measure the performance of the company based on the financial information at the level of the Siegfried Group as a whole.

Foreign Currency Translation

The positions of the individual financial statements are valued on a functional currency basis. The Consolidated Financial Statements are denominated in Swiss francs. The functional currency of the Group companies is the respective local currency. Balance Sheets stated in foreign currencies are translated at the year-end exchange rates, the corresponding Income Statements at the average annual exchange rates, which should not differ significantly from the exchange rates prevailing on the transaction dates. The exchange rate differences arising from the translation of the Financial Statements are recognized directly in the Consolidated Equity. Exchange rate differences arising on intercompany loans that, in substance, form part of the net investment in that subsidiary, are also recognized in equity. Intercompany loans are regarded as part of a net investment in a subsidiary, if the settlement of these loans is neither planned nor likely to occur in the foreseeable future. All other exchange rate differences are included in the Income Statement.

The exchange rates applied to the Group's most important foreign currencies are as follows:

Balance Sheet

Year-end rates	2023	2022
1 USD	0.838	0.923
1 EUR	0.926	0.985
100 CNY	11.795	13.382

Income Statement

Average rates	2023	2022
1 USD	0.899	0.955
1 EUR	0.972	1.005
100 CNY	12.703	14.203

Property, Plant and Equipment

Property, plant and equipment are valued at acquisition or production cost less accumulated depreciation. Land is not depreciated. Depreciation is charged on a straight-line basis over the following estimated useful life of the assets:

Buildings and leasehold improvements	10–30 years
Machinery and equipment	5–15 years
Vehicles	5–10 years
IT-Hardware	3–5 years

If parts of a fixed asset have different useful lives, they are recognized and depreciated as separate assets. The useful lives of assets are evaluated at least once a year at the reporting date and, if necessary, amended. Property, plant and equipment are excluded from the Balance Sheet upon retirement, or when no value in use can be expected. Maintenance and repair costs are recognized in the Income Statement. Subsequent purchase and production costs are capitalized, only if a future economic benefit is expected and the costs of the asset can be reliably determined.

Leasing

Leased property, plant and equipment for which the significant risks and rewards are transferred to the Group are disclosed as Financial Leases respectively as asset and liability. All other lease agreements are classified as Operating Leases. Leasing liabilities from Operating Leases, which cannot be terminated within one year, are disclosed in the Notes to the Consolidated Financial Statements. Currently the Siegfried Group has entered only into Operating Leases and no Financial Leases.

Intangible Assets

Intangible assets consist of licenses, patents, trademarks, software and land use rights in China. If there are indications of impairment, intangible assets are tested for recoverability. Intangible assets are accounted for at cost of acquisition or of production plus costs of placing it in a usable condition less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the estimated useful life. All intangible assets are amortized over the shorter of their following legal and economic lives:

Land use rights China	50 years
Licenses, patents and trademarks	The shorter of economic or legal life, as a rule 5–20 years
Software	3–5 years

Impairment of Non-Financial Non-Current Assets and Intangible Assets

An assessment whether the value of non-financial non-current assets (PPE) and intangible assets with finite useful life may be impaired is undertaken if as a result of events or changed circumstances it appears possible that the carrying amounts are not recoverable. If the carrying amount exceeds the recoverable amount, then an impairment is recorded to this amount. The recoverable amount is the higher of the asset's net recoverable value and the value in use. When an impairment loss arises the useful life of the asset in question is reviewed and, if necessary, the future depreciation charge is accelerated.

An impairment loss recognized in a previous period should be partially or fully reversed if the factors determining the recoverable amount improved significantly. In such cases, the new carrying amount is the lower of the new determined recoverable amount and the carrying amount less depreciation as if an impairment loss had never been recognized. The reversal of an impairment is recognised in the operating result.

Securities / Financial Assets

Securities are a part of the current assets and are valued at actual values. If no actual value is available the securities are valued at acquisition cost less any impairment. Financial assets are carried at acquisition cost less impairment, if any.

Inventories

Inventories include raw materials, supplies, semi-finished goods, finished goods and trading goods. Raw materials are measured at the lower of acquisition or production cost and net recoverable value. Acquisition or production cost are measured using the moving weighted average price method. Production costs comprise all manufacturing costs including an appropriate share of production overheads. They are measured at standard costs. Appropriate valuation allowances are made for obsolete and slow-moving inventory items as well as for Q-blocked goods. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Settlement discounts are treated as reductions in the purchase price.

Trade Receivables

Trade receivables are included initially at nominal value and subsequently at net realizable value; this is equal to the amounts invoiced after deducting allowances for doubtful accounts. Indications for possible impairment are given if the payment is delayed, the customer is experiencing financial difficulties, or recapitalization or bankruptcy is likely. Allowances for doubtful accounts are established based on the difference between the net present value of the nominal amount of the receivables and the estimated net collectible amount. The expected loss is recognized in the Income Statement in the line item "marketing and sales". When a trade receivable

becomes uncollectible, it is derecognized against the allowance for doubtful accounts.

Other Receivables

This caption includes mainly VAT receivables and other receivables. They are recorded at net realizable value.

Accrued Income and Prepaid Expenses

Accrued income is valued at nominal value and contains payments made for the following financial year and accrued income which will be received in the next period.

Cash and Cash Equivalents

Cash consists of cash, balances held in bank accounts and short-term deposits with a maturity of three months or less from the reporting date and are carried at current value. Cash is the defined fund of the Consolidated Cash Flow Statement.

Equity / Treasury Shares

A purchase of treasury shares by a Group company, including all costs, is recorded against equity, until the shares are redeemed, reissued, or sold. If treasury shares are issued or sold at a later date, the net consideration less directly attributable transaction costs and income taxes is recorded in equity.

Equity / Hybrid Bonds

The hybrid bonds are subordinated bonds with an infinite duration. Siegfried Holding AG can suspend the payment of interest if the business is achieving negative results. The hybrid bonds have a first call date after five years. If this is not exercised, the interest to be paid increases (step up). The privately placed hybrid bond has an optional conversion right to shares in Siegfried Holding AG. The hybrid bonds are classified as equity and interest payments thereon are treated as reductions in equity.

Financial Liabilities

All financial liabilities are recorded under current or non-current financial liabilities. The non-current financial liabilities include all liabilities with a residual duration of more than one year. The current financial liabilities include all liabilities with a duration of less than one year, including the current portion of non-current liabilities. If at the reporting date there is a binding commitment to extend a maturing loan, it is classified according to the new duration.

Other Liabilities

Other liabilities are valued at nominal value and contain mainly VAT liabilities and personnel commitments.

Accrued Expenses and Deferred Income

Accrued expenses are valued at nominal value and contain mainly payments which are due in the following financial year but should be expensed in the current financial year and accrued revenue.

Provisions

Provisions are recorded if, as a result of a past event, there is a justified probable obligation, the amount and/or due date of which is uncertain but can reasonably be estimated. The calculation of the provision is based on the estimate of the cash outflow to settle the obligation. If time is a significant factor, the amount of the provision is discounted.

Employee Benefits

Pension Plans

The Group operates various employee benefit plans in and outside Switzerland for employees who satisfy the participation criteria. The pension benefits paid are governed by the legal requirements in the respective countries. The employees of the Swiss companies in the Siegfried Group are insured in its own pension fund, the Pensionskasse Siegfried, Zofingen, legally autonomous foundation. The pension fund is financed by employee and employer contributions. In addition, there is an affiliation to a collective foundation. Abroad, there are separate pension solutions in Germany for Siegfried PharmaChemikalien Minden GmbH, in France for Siegfried St. Vulbas SAS, in Spain for Siegfried Barbera, S.L. and Siegfried El Masnou, S.A. as well as for the companies in the USA.

The effective economic effects of all Group pension plans are calculated annually at the reporting date and the resulting liability or economic benefit is recognized in the Balance Sheet. Pursuant to Swiss GAAP FER 16, economic liabilities and benefits of Swiss pension plans are determined on the basis of accounts drawn up in accordance with Swiss GAAP FER 26. For the valuation of foreign pension obligations, actuarial reports are obtained that are based on dynamic models in line with the international accounting standards.

Employer contribution reserves are recognized as assets, provided they are not covered by a waiver of use. Changes in value of employer contribution reserves or liabilities are recognized as personnel expenses.

Share-Based Payments

For the members of management a Long Term Incentive Plan (LTIP) exists. At the beginning of a vesting period of three-years the plan participants acquire a defined number of Performance Share Units (PSU). The valuation of the PSU is undertaken by an external company, which is specialized in the valuation of option and equity plans. The expenses are recognized as personnel expenses on an equal basis over the vesting period. After the three-year vesting period the plan participants are allocated between 0 and 2 or between 0 and 1.5 shares per acquired PSU.

Further an Employee Share Purchase Plan exists that allows employees, which can not participate in the LTIP, to buy shares at a discounted rate of 30% below market value. The share plan is considered an equity-settled share-based payment plan. The fair value of the shares corresponds to the fair value at grant date. Costs for the employee share plan are recorded as personnel expenses in the period in which the employee performed his/her services. The costs for the shares are adjusted to fair value on the grant date and also recorded as personnel expenses.

Furthermore, there is a new Share Matching Plan (SMP) in place, allowing employees to purchase Siegfried shares at their own cost and, in return, qualify for an equivalent number of shares once the initially purchased shares have been restricted for a period of three years.

Siegfried acquired three BASF sites in 2015. BASF operated an employee share purchase plan, under the terms of which employees were able to acquire rights to future bonus shares by purchase with their own funds. In order to be able to offer the employees suitable compensation for the future rights existing at the date of the sale, a share plan limited to ten years was launched, under which the employees will receive Siegfried shares free of charge in the years 2016–2025.

Profit Sharing / Bonus Plans

The Group operates a Short Term Incentive Plan (STIP), which is compensated annually in cash. These bonus entitlements in cash are recognized on an accrual basis as a liability and expense, if there is a contractual commitment or past business practice that constitutes a de facto commitment. The amount of the performance-based remuneration paid under the STIP is linked to the achievement of corporate, functional and individual targets. At the end of the one-year performance period it is determined whether the corporate, functional and individual goals have been achieved. The achievement scale for the corporate targets stretches from 0% to a maximum of 200%, for functional and individual targets from 0% to a maximum of 150%.

Taxes

The tax expense for the period comprises current and deferred taxes. Current income taxes are calculated on the basis of the taxable result and the tax rate applicable locally. Provisions are made for deferred taxes on all temporary differences between amounts determined for tax purposes and those reported for Group accounting purposes at the actual local tax rates likely to be applied. Deferred tax assets arising from temporary timing differences and tax loss carryforwards are recognized if it is probable that future taxable profits will be available against which the deferred tax assets can be utilized. Management analyzes on an annual basis the financial situation and the expected profits of the concerned companies. Changes in deferred taxes are recognized against net profit unless the tax relates to an item recognized directly in equity. No provisions are made for deferred income taxes on potential future dividends out of retained earnings, as these sums are deemed permanently reinvested.

Net Sales, Services and Long-Term Contracts

Net sales represent amounts received and receivable for goods and services supplied to customers after deducting discounts and volume rebates and excluding sales and value-added taxes. Revenue from the sale of goods is recognized when the benefits and risks as well as the authority of ownership have passed to the buyer. Income from services is recognized on an accrual basis in accordance with the underlying service agreements.

Development projects and other long-term projects are recognized in accordance with Swiss GAAP FER 22 as long-term contracts. If all the conditions for the application of the PoCM are fulfilled, revenues and profit are realized in line with the progress of the contract; otherwise they are realized on completion of the contract (CCM – Completed Contract Method). The degree of completion is determined using the cost-to-cost method.

Cost of Goods Sold

The production costs of the goods sold and services rendered include the direct production costs and the production overheads.

Other Operating Income

The other operating income includes gains on the sale of fixed assets and income from activities that are not part of the Siegfried Group's core business.

Research and Development

Research and development costs include wages and salaries, development costs, costs of materials and overheads and are directly expensed.

Dividends

Dividends to shareholders are recorded as liabilities at the time the resolution to pay a dividend is made.

Government Grants

In connection with investment projects some subsidiary companies in the Siegfried Group receive government grants. Government grants are recognized at fair value, only if there is a high probability that the conditions will be met. The grants are recognized in income in the periods, in which the company recognises the related expenses. If the government grants relate to fixed assets, they are deducted in determining the carrying amount of the fixed assets. The grant is recognized as reduced depreciation over the useful life of the depreciable fixed assets.

Transactions with Related Parties

Transactions with related parties are defined as a business relationship with shareholders of the Group, with companies which are

fully consolidated and other related parties as defined under Swiss GAAP FER 15.

Commitments and Contingencies

The operations of the Group companies continue to be exposed to risks from political, legal, fiscal and regulatory developments, including those related to environmental protection. The nature and frequency of these developments and events, which are not covered by any insurance, are not predictable. Possible obligations that are dependent on future events are disclosed as contingent liabilities.

Company-wide Risk Management

The company-wide risk management is based on the ISO 31000 standard for risk management and is adjusted to the specific situation of the Siegfried Group. The risk management concept is assessed annually and, if necessary, adjusted and improved.

Core Targets of Company-Wide Risk Management

With this risk management concept, a well-established risk culture firmly anchored in the company, and clearly defined risk processes, we strive to increase transparency about the risks in the company, which allows us to avoid, transfer or, if worthwhile, carry risks.

Identification, Evaluation and Management

A risk register is used to assess and classify risks according to strategic, operational, financial and external effects. There is also an estimate of the likelihood of occurrence with the possible financial consequences. From this, the measures for the management of the identified risks are derived and also evaluated. The Corporate Risk Committee monitors the aggregated risks for compliance with internal guidelines and processes and is in regular contact with the respective risk managers. The consolidated risk assessment is submitted to the Executive Committee, the Audit Committee and the Board of Directors for review. Reporting is accelerated in the event of new or changing risks.

At its strategy meeting on July 5 to 8, 2023, the Board of Directors considered in depth the strategic projects and their inherent risks. When there were significant changes, it also requested relevant information at other meetings about risks associated with strategic projects and approved the implementation of any required actions. Operating risks were discussed and assessed by the Board of Directors at its regular meetings. The most important operational risks per area were defined on November 23, 2023.

The Annual Report on the Internal Control System, including its assessment, was also approved at the meeting on November 23, 2023. The risk management and the ICS reports were also pre-discussed in the Audit Committee on November 20, 2023.

Financial Risk Management

Financial risk management within Siegfried Group is governed by policies and guidelines approved by Management. These policies cover foreign exchange risk, interest rate risk, market risk, credit risk and liquidity risk. Group policies also cover the investment of excess funds and the raising of debts. Both the investment of excess funds and the raising of current and non-current debts are centralized. Risk management strives to minimize the potential negative effects on the Group's financial position.

Market Risks

Siegfried is exposed to market risks which consist mainly of foreign exchange risk, interest rate risk and market value risk.

Foreign Exchange Risks

Siegfried operates across the world and is therefore exposed to movements in foreign currencies affecting its reporting in Swiss francs. Foreign exchange risks arise on business transactions that are not conducted in the Group's functional currency. Siegfried continues to monitor its currency exposures. The Group seeks to reduce the foreign exchange risk with natural hedges. If necessary, the Group will also take forward contracts, swaps or currency options into consideration.

The Siegfried Group is principally exposed to currency risk with respect to the USD and the EUR and to a lesser extent the CNY.

Interest Rate Risks

Interest rate risks arise from movements in interest rates, which could have adverse effects on the Group's net profit or financial position. Interest rate movements can result in changes in interest income and expense on interest bearing assets and liabilities. In addition, they can also, as described under the market value risks below, impact specific assets, liabilities and financial instruments. Within the Siegfried Group, interest rate management is centralized.

Market Value Risks

Changes in the market value of financial assets and derivative financial instruments can affect the financial position and net profit of the Group. The Siegfried Group does not hold financial investments for speculative purposes. Non-current financial investments, such as investments in subsidiaries, are held for strategic reasons. Risks of loss in value are minimized by thorough analysis before purchase and by continuously monitoring the performance and risks of the investments.

Liquidity Risks

The Group companies need to have sufficient access to cash to meet their obligations. The treasury department manages the raising of current and non-current debt centrally. Cash flow forecasting is performed by the operating entities of the Group and aggregated and monitored by Group Treasury.

Credit Risks / Counterparty Risks

Credit risks arise from the possibility that the counter-party to a transaction may be unable or unwilling to meet their obligations, causing a financial loss to Siegfried. Trade receivables are subject to active risk management focusing on the monitoring and controlling of risks.

The credit risks on other financial assets are limited by the policy of restricting them to institutional partners. Where possible, the latter are controlled by an ongoing review of the classification of their creditworthiness and the limitation of aggregated individual risks. In addition, the investment of liquid funds with a single credit institution is limited.

Capital Risk

The capital of the Siegfried Group is managed with a view to ensuring the continuation of operations, to earning an adequate yield for the shareholders and to optimizing the capital structure in order to reduce the cost of capital.

The Siegfried Group monitors its capital structure by reference to the net debt ratio and the equity ratio. The net debt ratio is defined as net debt (cash balances less bank borrowings) divided by EBITDA (operating result plus depreciation of property, plant and equipment and impairment of intangible assets). The equity ratio is defined as equity divided by total assets.

Derivative Financial Instruments

To manage currency and interest rate exposure, Siegfried may use forward exchange contracts as well as interest rate and currency swaps or put options. Derivatives used to hedge changes in value of an existing underlying transaction are recognized applying the same valuation principles that are applied to the underlying hedged transaction. A derivative is derecognized as soon as it matures (or an early option is exercised) or as soon as, following a sale or default by the counterparty, no further claim on future payments exists.

Estimates, Assumptions and Accounting Judgments

The compilation of Consolidated Financial Statements in accordance with Swiss GAAP FER requires estimates, assumptions and accounting judgments. The most important forward looking assumptions, from which a substantial risk may arise that could lead to a material adjustment to assets and liabilities within a year, are outlined on the following page.

Receivables

Receivables are initially recorded at nominal value and subsequently adjusted to net realizable value by deducting allowances for doubtful accounts. Indicators for impairment include delayed payments, customer financial difficulties, or potential recapitalization or bankruptcy. Allowances are established to cover collectability risks, determined through a direct analysis of outstanding receivables, considering both individual doubtful accounts and general allowances for overdue receivables.

Inventory

Appropriate valuation allowances are set for obsolete or slow-moving inventory, including Q-blocked goods. Following Group guidelines, inventories at risk of obsolescence or slow turnover are regularly evaluated and potentially written down to their net realizable value. This value is based on the estimated selling price, less applicable variable selling expenses, with considerations for past experience, future demand, and product life cycle.

Impairment Test of Non-Financial Non-Current Assets

In compliance with the above accounting principles the recoverability of the net assets is tested if there is any indication of impairment. The recoverable amount of the cash-generating unit is calculated using the Discounted Cash Flow method, based on approved mid-range plans. These calculations require management to make forward looking assumptions and estimates.

In the year under review, no indications were found that would impair the fair value of the net book values.

Deferred Tax Assets

Deferred tax benefits from unused tax losses and deductible temporary differences are considered to the extent to which it is probable that future profits will be earned, against which they can be used. Management assesses the capitalization of deferred tax assets on tax losses and tax credits on an annual basis based on the taxable profits expected for the next 5 years. The tax rates are based on the effective and expected tax rates applicable for the relevant companies.

Environmental Provisions

Provisions relate to obligations to eliminate environmental pollution. Future decontamination costs depend on the regulatory status and management decisions on future construction projects. Depending on the nature and scope of the construction projects realized, the obligation to eliminate detrimental effects on the environment is increased or reduced. The environmental provision would as a consequence be higher or lower (see note 14).

Restructuring Provision

The provision relates to restructuring measures and expected costs in connection with the decision to reorganise business activities. These estimates are based on the best knowledge and belief of the Executive Committee about the Group's current and future activities.

Pension obligations for foreign pension plans

Foreign pension obligations are valued by means of external actuarial reports, unless they are contribution plans. The parameters on which the actuarial report is based, such as discount rate, pension adjustment, increase in income and others, are subject to a certain degree of judgement, as bandwidths exist. The management can define respectively adjust these parameters within these bandwidths.

Hybrid capital

The hybrid bonds comprise elements of both equity and liabilities. The hybrid bonds are subordinated bonds with an infinite maturity and interest payments can be suspended. The privately placed hybrid bonds have an optional conversion right into shares of Siegfried Holding AG. Based on the above criteria, the hybrid bonds are classified as equity and interest payments thereon are treated as a reductions in equity.

1. Scope of Consolidation

The consolidation includes the following companies:

Group companies	in LC	Participation	Share capital 2023	Share capital 2022
Operating				
Alliance Medical Products Inc., Irvine (USA)	USD	100.00%	116 521	116 521
Siegfried AG, Zofingen (Switzerland)	CHF	100.00%	20 000 000	20 000 000
Siegfried Evionnaz SA, Evionnaz (Switzerland)	CHF	100.00%	1 000 000	1 000 000
Siegfried Hameln GmbH, Hameln (Germany)	EUR	100.00%	750 500	750 500
Siegfried Malta Ltd., Valletta (Malta)	EUR	100.00%	100 000	100 000
Siegfried (Nantong) Pharmaceuticals Co. Ltd., Nantong (China)	CNY	100.00%	422 296 722	422 296 722
Siegfried PharmaChemikalien Minden GmbH, Minden (Germany)	EUR	100.00%	50 000	50 000
Siegfried St. Vulbas SAS, Saint Vulbas (France)	EUR	100.00%	15 200 000	15 200 000
Siegfried USA, LLC, Pennsville (USA)	USD	100.00%	500 000	500 000
Siegfried Barbera S.L., Barberà del Vallès (Spain)	EUR	100.00%	503 000	503 000
Siegfried El Masnou, S.A., El Masnou (Spain)	EUR	100.00%	10 099 778	10 099 778
SIEGFRIED DiNAMIQS AG, Schlieren (Switzerland)	CHF	95.00%	500 000	–
Finance and administration				
Siegfried Deutschland Holding GmbH, Hameln (Germany)	EUR	100.00%	1 790 000	1 790 000
Siegfried Deutschland Real Estate GmbH, Hameln (Germany)	EUR	100.00%	25 000	25 000
Siegfried GmbH, Hameln (Germany)	EUR	100.00%	25 000	25 000
Siegfried Hameln Real Estate GmbH + Co. KG, Hameln (Germany)	EUR	100.00%	25 000	25 000
Siegfried Holding AG, Zofingen (Switzerland)	CHF	100.00%	65 232 800	79 776 000
Siegfried Hong Kong Ltd., Hong Kong (China)	HKD	100.00%	1 000	1 000
Siegfried USA Holding Inc., Pennsville (USA)	USD	100.00%	3 000	3 000
Siegfried Pharmaceutical UK Ltd., London (UK)	GBP	100.00%	1	–
Joint venture				
Alpine Dragon Pharmaceuticals Ltd., Huangyang, Gansu Province (China)	CNY	0.00%	–	–

The share in Alpine Dragon Pharmaceuticals Ltd., Huangyang was sold as of September 30, 2022.

SIEGFRIED DiNAMIQS AG in Schlieren (Switzerland) was acquired on 4 May 2023.

Siegfried Pharmaceutical UK Ltd. based in London (UK) was founded on 12 May 2023.

All fully consolidated investments are wholly owned at 100% by the Group, except for SIEGFRIED DiNAMIQS AG, which represent a 95% interest.

2. Property, Plant and Equipment

In 1000 CHF	Land	Buildings and leasehold improvements	Machinery and equipment	Assets under construction	Total
Acquisition costs					
As of January 1, 2022	46 625	418 943	1 306 087	121 504	1 893 158
Translation differences	-1 195	-9 990	-33 024	-3 386	-47 595
Additions ¹	68	1 521	9 959	99 510	111 058
Disposals	-	-398	-9 682	-	-10 080
Reclassifications	-	3 652	50 529	-54 655	-474
As of December 31, 2022	45 498	413 728	1 323 869	162 973	1 946 067
Translation differences	-1 511	-18 853	-59 356	-7 120	-86 840
Change in scope of consolidation	-	1 484	6 929	-	8 413
Additions	543	1 597	28 579	98 452	129 171
Disposals	-	-2 504	-15 262	-	-17 766
Reclassifications	-	26 074	42 909	-69 022	-39
As of December 31, 2023	44 530	421 526	1 327 669	185 283	1 979 007
Accumulated depreciation and impairments					
As of January 1, 2022	-	229 698	892 737	-	1 122 435
Translation differences	-	-5 072	-21 440	-	-26 512
Depreciation charge	-	13 921	66 308	-	80 229
Disposals	-	-397	-9 590	-	-9 987
As of December 31, 2022	-	238 150	928 015	-	1 166 165
Translation differences	-	-10 570	-40 474	-	-51 044
Depreciation charge	-	15 523	64 713	-	80 235
Disposals	-	-2 482	-14 939	-	-17 421
Reclassifications	-	3 417	-3 417	-	-
As of December 31, 2023	-	244 037	933 898	-	1 177 935
Net book value 31/12/2023	44 530	177 489	393 771	185 283	801 070
Net book value 31/12/2022	45 498	175 577	395 854	162 973	779 901

¹ In 2022, CHF 16.0 million had to be reclassified from additions in machinery to additions assets under construction.

At December 31, 2023, Land included CHF 3.1 million (2022: CHF 2.6 million) undeveloped property.

As of December 31, 2023, commitments for the purchase of property, plant and equipment amounted to CHF 28.5 million (2022: CHF 15.4 million).

3. Intangible Assets

In 1000 CHF	Licenses, patents	Trademarks	Software	Others	Software in development	Total
Acquisition costs						
As of January 1, 2022	11 024	6 267	17 306	6 373	18 597	59 567
Translation differences	120	76	-179	-419	-	-402
Additions	-	-	497	22	11 104	11 623
Disposals	-	-	-917	-	-	-917
Reclassification	-	-	475	-	-	475
As of December 31, 2022	11 144	6 343	17 182	5 976	29 701	70 346
Translation differences	-928	-584	-527	-668	-5	-2 712
Additions	-	-	89	395	9 169	9 653
Disposals	-	-	-239	-	-	-239
Reclassification	-	-	19 952	5	-19 918	39
As of December 31, 2023	10 216	5 759	36 457	5 708	18 947	77 087
Accumulated amortization and impairments						
As of January 1, 2022	9 830	6 094	16 004	2 068	-	33 996
Translation differences	92	73	-133	-138	-	-106
Amortization charge	416	34	849	220	-	1 519
Disposals	-	-	-917	-	-	-917
As of December 31, 2022	10 338	6 201	15 803	2 150	-	34 492
Translation differences	-880	-574	-478	-222	-	-2 154
Amortization charge	392	32	582	112	-	1 118
Disposals	-	-	-239	-	-	-239
As of December 31, 2023	9 850	5 659	15 668	2 040	-	33 217
Net book value 31/12/2023	366	100	20 789	3 668	18 947	43 870
Net book value 31/12/2022	806	142	1 379	3 826	29 701	35 853

The goodwill which arose upon the acquisition of Alliance Medical Products Inc. (AMP), the Hameln companies, the BASF sites Evionnaz, St. Vulbas and Minden and DiNAQOR DiNAMIQS AG as well as the badwill which resulted from the acquisition of the Novartis locations Barberà del Vallès and El Masnou and from the asset pur-

chase agreement with Celgene Chemicals Sàrl were set off against the consolidated equity at the date of purchase. If the goodwill and badwill had been capitalized, the effect on the financial statements would have been as follows:

In 1000 CHF (for the years ended December 31)	2023	2022
Theoretical goodwill/(badwill)		
As of January 1	117 921	118 975
Goodwill/(badwill) allocation	6 173	-1 054
As of December 31	124 094	117 921
Accumulated amortization		
As of January 1	88 468	80 608
Amortization	8 273	7 860
As of December 31	96 741	88 468
Theoretical goodwill/(badwill) December 31	27 353	29 453

The theoretical useful life applied for straight-line amortization is 15 years as the acquisitions are regarded as long-term investments for Siegfried. The goodwill/badwill from business combinations is trans-

lated into Swiss francs at the rate prevailing at the date of acquisition. This procedure avoids foreign exchange adjustments to the theoretical goodwill and badwill movements.

In 1000 CHF (for the years ended December 31)	2023	2022
Operating result according to income statement	172 068	230 777
Amortization of goodwill	-8 273	-7 860
Theoretical operating result incl. amortization of goodwill	163 795	222 917
Net profit incl. minority interests according to income statement	112 693	156 490
Amortization of Goodwill	-8 273	-7 860
Theoretical net profit incl. amortization of goodwill	104 420	148 630
Equity incl. minority interests according to balance sheet	838 133	790 928
Theoretical capitalization of goodwill (net book value)	27 353	29 453
Theoretical equity incl. net book value of goodwill	865 486	820 381

4. Investment in Associated Companies and Joint Ventures

Alpine Dragon Pharmaceuticals Ltd. was incorporated during 2007 as a joint venture with the Chinese company Gansu Medical Alkaloids, Inc. The impact on the Financial Statements is not material. There are no contingent liabilities or payment commitments in connection with this joint venture.

The investments in associated companies and joint ventures include no goodwill at the reporting date.

The share in Alpine Dragon Pharmaceuticals Ltd., Huangyang was sold as of September 30, 2022.

5. Income Taxes

In 1000 CHF	2023	2022
Current tax expense	31 023	48 626
Deferred tax expense	6 659	13 658
Total income taxes	37 682	62 284
Profit before income tax	150 376	218 774
Group's effective income tax rate	25.1%	28.5%

In 1000 CHF	2023	2022
Average expected tax rate	16.1%	25.7%
Average expected income taxes	24 197	56 067
Reassessment of tax loss carry-forwards	3 018	–
Non-recognition of tax loss carry-forwards	8 546	7 380
Income taxes from prior periods, net	–	–2 419
Other effects	1 920	1 256
Group's effective income taxes	37 682	62 284
Group's effective income tax rate	25.1%	28.5%

In 2023, the Group's average expected tax rate is 16.1% (2022: 25.7%). The effective tax rate based on earnings before taxes is 25.1% (2022: 28.5%).

The privileged taxation of Siegfried Holding AG was transferred to ordinary taxation on January 1, 2020. In this context, Siegfried

Holding AG made use of the old law from the transitional regulation to the step up (existing law) by capitalizing its trademark rights in the tax balance sheet at the end of 2019. Siegfried Holding AG can benefit for the last time in 2024 from this transitional regulation.

In 1000 CHF	December 31, 2022	Change	December 31, 2023
Deferred tax assets	22 950	355	23 305
Deferred tax liabilities	12 579	8 258	20 837

Deferred tax assets of about CHF 23.3 million (2022: CHF 23.0 million) consist of temporary differences and tax loss carry-forwards from individual subsidiaries. As of December 31, 2023, deferred tax assets were capitalized of CHF 5.5 million on tax loss carry-forwards (2022: CHF 5.8 million). The other deferred tax assets of CHF 17.8 million are mainly due to temporary differences on liabilities of

foreign pension plans and the step up of trademark rights (2022: CHF 17.2 million).

Deferred tax assets and liabilities are calculated using the tax rates currently applicable and applied to future taxation (CH 15.0%, CN 25.0%, DE 30.0%, FR 25.9%, MT 35.0%, US 21.0%, ES 25.0%).

In 1000 CHF	2023	2022
Expiry of unrecognized tax losses and tax credits		
Within one year	806	3 506
Between one and five years	7	9 280
More than five years	82 802	38 363
Total unrecognized tax losses and tax credits	83 615	51 149

Siegfried has unrecognized tax loss carry-forwards in the amount of CHF 83.6 million (2022: CHF 51.1 million).

6. Accrued income and prepaid expenses

In 1000 CHF	2023	2022
Accrued income from sale of products / services ¹	61 378	20 795
Prepaid insurance and accrued bank charges and financing costs	3 581	1 073
Other prepayments	15 094	18 423
Others	664	3 446
Total accrued income and prepaid expenses	80 717	43 737

¹ Mainly includes accruals for contractual receivables from the supply contract with Novartis of CHF 32.7 million (2022: CHF 19.6 million). Siegfried acquired two sites from Novartis in 2021. In addition, CHF 23.4 million of accrued income for sale of products to a customer are included.

7. Inventories

In 1000 CHF	2023	2022
Raw materials	162 876	164 552
Semifinished goods	226 278	200 338
Finished goods and trading goods	88 457	70 737
Valuation allowances for inventory	-45 674	-29 845
Total inventories	431 938	405 782

Produced intermediates are reported together with the work in process as semifinished goods.

As of December 31, 2023, there are CHF 11.8 million semifinished goods from PoCM orders booked in inventory (2022: CHF 5.7 million).

8. Other current assets

In 1000 CHF	2023	2022
Social security receivables and advances to employees	3 222	1 950
Prepayments to suppliers	2 771	1 787
VAT receivables	47 185	44 471
Others	10 276	14 397
Total other current assets	63 454	62 605

9. Trade Receivables

In 1000 CHF	2023	2022
Trade receivables	349 677	339 862
Allowances for doubtful accounts	-2 320	-2 096
Total trade receivables	347 357	337 767

The allowances for doubtful accounts are calculated using the difference between the nominal amount of the receivables and the

estimated net amount collectible. The net amount collectible is estimated on the basis of experience.

In 1000 CHF	2023	2022
Not yet due	308 514	317 904
Due 0–3 months	46 584	22 159
Due > 3 months	-7 742	-2 296
Total trade receivables	347 357	337 767

10. Derivative Financial Instruments

The guidelines on financial risk management are described in the accounting principles. Within the framework of these guidelines the Siegfried Group uses derivative financial instruments to hedge foreign exchange and interest rate risks. The contract value provides information about the volume of outstanding transactions. At the reporting date foreign exchange and interest hedging contracts

were open. Foreign currency forward contracts were used to hedge net payment flows in the financial year 2023 aggregating USD 26.8 million and EUR 36.3 million (2022: USD 45.0 million). The changes in fair value of these foreign exchange contracts are recognized in the financial result and in equity depending on the underlying instrument.

In 1000 CHF	Contract value		Positive fair value		Negative fair value	
	2023	2022	2023	2022	2023	2022
Foreign currency swaps	56 104	41 544	145	258	659	1
Total	56 104	41 544	145	258	659	1

11. Share Capital – Hybrid Capital – Conditional Capital

The share capital of Siegfried Holding AG decreased due to repayment of par value to the shareholders in the amount of CHF 15.2 million and partially offset by the issue of shares under the employee benefit programmes of CHF 0.6 million, resulting in a net decrease of CHF 14.6 million. As of December 31, 2023 the share capital

amounts to CHF 65.2 million and it is divided into 4 468 000 registered shares each with a par value of CHF 14.60 (2022: 4 432 000 registered shares each with a par value of CHF 18.00). The nominal value per share was reduced from CHF 18.00 each to CHF 14.60 each by resolution of the general assembly on April 20, 2023.

The two private hybrid convertible bonds issued by Siegfried Holding AG are subordinated bonds with an infinite maturity and interest payments by coupon. The hybrid convertible bonds have a first call date after five years. If it is not exercised, the interest payable is increased (step up). Additionally, there exists an optional right of conversion at a conversion price mathematically fixed, which can be

exercised during the duration. The conversion price can change in accordance with the terms of the convertible bonds, in particular if the company makes dividend payments. The conversion is fully covered by treasury shares, i.e. without share capital increase (see Note 12).

Title	Issue Date	Nominal Value in 1000 CHF	Interest Rate	Call Date
Private Convertible Hybrid Bond 2020	28/12/2020	40 000	0.650%	28/12/2025
Private Convertible Hybrid Bond 2020	28/12/2020	40 000	1.150%	28/12/2025

In 2023, Siegfried Holding AG has conditional capital of CHF 686 200 for the creation of 47 000 shares (par value of CHF 14.60) to serve the Long Term Incentive Plan (LTIP) and other employee benefit plans (2022: CHF 1 494 000 for 83 000 shares with a par value of CHF 18.00).

In 2023, 36 000 shares were allocated for participation programs from conditional capital (2022: 36 000 shares).

Conditional capital (number of shares)	December 31, 2022	Change	December 31, 2023
Long Term Incentive Plan (LTIP) and other employee benefit plans	83 000	– 36 000	47 000
Total	83 000	– 36 000	47 000

The accumulated non-distributable reserves amounted to CHF 27.9 million (2022: 31.1 million).

12. Treasury Shares

Treasury shares are deducted at transaction value directly from equity. At December 31, 2023, the book value of the treasury shares was CHF 105.8 million (2022: CHF 102.1 million). In 2023, Siegfried

held 223 653 shares at year end which is an increase by 3 126 shares (2022: increase by 35 060 shares). The shares are valued at the average rate.

CHF	Number of shares	Average prices
At January 1, 2022	185 467	424.30
Purchases 2022	36 618	658.20
Sales 2022	– 1 558	686.50
At December 31, 2022	220 527	463.04
Purchases 2023	9 061	715.50
Sales 2023	– 5 935	665.90
At December 31, 2023	223 653	473.26

13. Financial Liabilities

Interest of the existing syndicated loan agreement in the amount of CHF 400.0 million is based on SARON (CHF), SOFR (USD) and Euribor (EUR), plus an interest margin that depends on a financial covenant of a maximum debt ratio. The Siegfried Group fulfilled this covenant at the year end. At December 31, 2023, the syndicated loan was utilized in the amount of CHF 245.0 million (2022: CHF 310.0 million). In 2023, the first extension option was exercised, extending

the syndicated loan by one year until March 2026. The second and final extension option was exercised at the beginning of 2024, which will lead to an extension of the syndicated loan until March 2027.

On May 19, 2021, Siegfried Holding AG placed a senior bond in the amount of CHF 200.0 million on the Swiss capital market. The bond was issued with a term of 5 years and a coupon of 0.20%.

14. Provisions

In 1000 CHF	Environmental provisions	Restructuring provisions	Other provisions	Total
As of January 1, 2022	15 778	25 455	1 584	42 817
Costs incurred	-1 567	-3 106	-	-4 673
Additions, interest	215	-	60	275
Releases of unused provisions	-	-	-1 385	-1 385
Currency translation	-	1 207	-46	1 161
As of December 31, 2022	14 426	23 556	212	38 194
Thereof current	2 944	7 205	162	10 311
Thereof non-current	11 481	16 352	51	27 884
As of January 1, 2023	14 426	23 556	212	38 194
Costs incurred	-839	-7 005	-	-7 844
Additions, interest	354	-	-60	294
Change in scope of consolidation	-	2 789	-	2 789
Releases of unused provisions	-	-1 524	-9	-1 533
Currency translation	-	-	-9	-9
As of December 31, 2023	13 941	17 816	134	31 891
Thereof current	3 507	2 744	88	6 339
Thereof non-current	10 433	15 072	48	25 553

Environmental provisions

The Siegfried Group produces chemical products at various locations. The production process is such that undesirable incidents may also arise, which result in an obligation to remedy pollutant effects on the environment. Possible remediation obligations of CHF 13.9 million have been provided for (2022: CHF 14.4 million). The liabilities are recognized in the accounting period, in which the obligation becomes evident. A provision is recorded if it is expected that the obligation results in an outflow of economic resources in the medium term and if a reasonable estimate of that obligation can be

made. By their nature the amounts and timing of any outflows are difficult to predict.

Environmental assessments were prepared in connection with planned construction projects. In the reporting period costs for remediation incurred to CHF 0.8 million (2022: 1.6 million). The start of the planned construction projects is anticipated within the next 15 years. The environmental provision was discounted with 2% (2022: 2%) to the present value of the expected expenditures. The compounding amounted to CHF 0.2 million (2022: discount CHF 0.2 million). Management reviews the provisions annually, based on regulatory changes or changes in planned investments. In the

reporting year, the review result in an additional increase of CHF 0.4 million (2022: CHF 0.0 million).

Restructuring provisions

With the recording of the net assets of the two Spanish production sites in 2021, due to decreasing needs of the seller and measures already initiated before the acquisition, restructuring provisions of CHF 27.7 million had to be recognised. It is not assumed that this can be compensated by new business. At the end of the reporting period

the provision amounted to CHF 17.3 million (2022: 23.6 million). In 2023, CHF 4.8 million have been used (2022: CHF 3.1 million). The asset deal with Celgene Chemicals Sàrl required a provision for reorganization in the amount of CHF 2.8 million. By the end of the reporting period the provision amounted to CHF 0.4 million.

Other provisions

Other provisions of CHF 0.1 million (2022: 0.2 million) include product warranties and legal claims.

15. Other Non-Current Liabilities

Other non-current liabilities of CHF 45.9 million (2022: CHF 52.7 million) contains in addition to obligations for long-service awards a liability of CHF 43.5 million (2022: CHF 50.2 million) in connection

with the acquisition of the Novartis companies on January 1, 2021 (earn-out), see note 17 for the current part of the earn-out.

16. Accrued Expenses and Deferred Income

In 1000 CHF	2023	2022
Bonus and personnel liabilities	25 207	17 480
Vacation and overtime accruals	6 977	4 033
Deferred Income ¹	68 749	1 119
Other	19 567	28 564
Total accrued expenses and deferred income	120 500	51 196

¹ In 2023, a deferred income CHF 66.5 million is attributable to a single customer.

17. Other Current Liabilities

In 1000 CHF	2023	2022
Social security liabilities	12 305	17 993
Refunds to customers ¹	32 753	9 803
Customer prepayments	14 049	7 583
Other taxes	4 626	497
VAT liabilities	35 256	35 239
Other ²	8 885	14 892
Other current liabilities	107 873	86 007

¹ Including a liability of CHF 23.0 million (2022: CHF 9.8 million) from the MSA with Novartis.

² Including a liability of CHF 3.7 million (2022: CHF 3.9 million) in connection with the acquisition of the Novartis companies on January 1, 2021 (earn-out), see note 15 for the non-current part of the earn-out.

18. Employee Benefits and Personnel Expenses

In 1000 CHF	2023	2022
Wages and salaries	283 434	279 875
Share-based payments	9 504	10 342
Pension expense	27 982	-27 618
Expenses for other long-term employee benefits	337	331
Social and other personnel expenses	70 292	65 093
Total personnel expenses	391 550	328 022

At year-end, the number of employees (in full-time positions) was 3684 (2022: 3564).

The change in pension expenses is mainly due to the increase in the discount rate. The discount rate for the interest on pension liabilities in Siegfried PharmaChemikalien Minden GmbH (DE) decreased in 2023 by 50 basis points (2022: increased by 280 basis points).

Pension liabilities and economic benefits are as follows:

	Excess/ insufficient cover ¹	Economical part for the company		Change vs. PY or taken to the Income Statement in the FY ²	Contri- butions limited to the period	Pension expenses (personnel) ³	
In 1000 CHF	31/12/2023	31/12/2023	31/12/2022	31/12/2023	2023	2023	2022
Pension institutions without surplus/deficit (CH)	–	–	–	–	10 836	10 334	11 002
Pension plans without own assets (DE)	–87 208	–87 208	–80 358	6 850	3 384	15 599	–39 953
Pension plans without own assets (FR)	–1 112	–1 112	–1 156	–44	27	53	–389
Pension plans without own assets (USA)	–419	–419	–473	–54	1 511	1 500	1 467
Pension plans without own assets (SP)	321	321	122	–199	711	495	255
Total	–88 418	–88 418	–81 865	6 553	16 469	27 982	–27 618

¹ For domestic institutions, the reported value is based on preliminary unaudited figures.

² Currency effects adjusted.

³ Including result from ECR.

The employer contribution reserves are as follows:

	Nominal value	Waiver of usage	Other value adjustments		Balance Sheet asset	Result from ECR in personnel expenses	
In 1000 CHF	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2022	2023	2 022
Pension schemes (CH)	9 520	–	–	9 520	9 018	–502	961
Total	9 520	–	–	9 520	9 018	–502	961

19. Share-Based Payments

For members of management a Long Term Incentive Plan (LTIP) exists. The plan participants receive at the beginning of a three-year vesting period a defined number of Performance Share Units (PSU). At the end of the three-year vesting period the plan participants are allocated, depending on the extent to which they have attained the targets, a certain number of shares per PSU acquired. The plan was introduced in 2014 and was revised in 2021 to make appropriate adjustments to take account of the significant growth of the company and the strong increase in the share price.

Between 0 and 2 shares can be allocated per PSU for LTIP grants prior to 2022 (grant 2021) with a vesting in 2024. The plan defines a target amount for the growth in total shareholder return, compound annual growth rate (CAGR) on total shareholder return (TSR weighting 70%) and two operating targets (EBITDA and ROCE weighting each 15%). After allocation, the shares are at the free disposal of the plan participants and are not subject to a restriction period.

Between 0 and 1.5 shares can be allocated per PSU for LTIP grants after 2022 (grants 2022 and 2023) with a vesting in 2025 and 2026. The plan defines a target amount for the growth in total shareholder return, compound annual growth rate (CAGR) on total shareholder return (TSR weighting 100%). Absolute TSR is the plan target and aims to link the LTI value at vesting directly with the absolute value created by the company for its shareholders. After allocation, 50% of the shares remain restricted for a three year restriction period starting on the vesting date.

The valuation of the PSU is undertaken at the beginning of the relevant vesting period by an external company, which is specialized in the valuation of option and equity plans. The recognition of personnel expenses for the current plan periods is based on a performance factor of 1.

For the three current plan periods, the following personnel expenses, including social security charges, were recognized in 2023 and 2022:

Plan period	Numbers of PSU	Fair Value (CHF)	2023 Personnel expense (in 1000 CHF)
2021–2023	23 338	805.52	5 470
2022–2024	15 291	650.72	3 248
2023–2025	18 479	371.17	2 469
Total			11 187

Plan period	Numbers of PSU	Fair Value (CHF)	2022 Personnel expense (in 1000 CHF)
2020–2022	23 199	193.83	1 268
2021–2023	25 576	805.52	6 628
2022–2024	16 717	650.72	3 916
Total			11 812

In March 2023, the shares were transferred for the performance period 2020–2022. The target achievement and thus the performance factor was 194.2%, i.e. 1.942 shares were allocated per PSU, see Remuneration Report.

In addition to the Long Term Incentive Plan (LTIP) an equity plan exists for employees that are not able to participate in the LTIP (Employee Share Purchase Plan – ESPP). In 2023, total 2225 shares (2022: 1865 shares) were bought by employees. The total expense

for Siegfried (share 30%) for the ESPP amounted in the reporting year to CHF 1.0 million (2022: CHF 1.1 million).

Furthermore, there is a new Share Matching Plan (SMP) in place, allowing employees to purchase Siegfried shares at their own cost and, in return, qualify for an equivalent number of shares once the initially purchased shares have been restricted for a period of three years. In 2023, employees purchased a total of 513 shares.

20. Other Operating Income

The Other Operating Income of CHF 5.0 million (2022: CHF 4.2 million) includes CHF 3.4 million from an acquisition settlement, revenues from the sale of side products amounting to CHF 0.9 Mio.

(2022: CHF 1.3 million) and miscellaneous other incomes. In 2022, an income from insurance payments of CHF 1.8 million was also included.

21. Financial Result

The Financial Result of CHF 21.7 million (2022: CHF 12.0 million) comprises CHF 9.5 million financial expense (2022: CHF 7.8 million), financial income of CHF 0.6 million (2022: CHF 0.1 million) and foreign exchange differences of CHF 12.8 million loss (2022: CHF 4.3 million loss).

The financial expense includes CHF 9.3 million (2022: CHF 7.6 million) for debt interest and fees and CHF 0.2 million for the compounding of the environmental reserve (2022: CHF 0.2 million).

22. Acquisitions

As of April 1, 2023, Siegfried AG acquired the operating site from Celgene Chemicals Sàrl in Zofingen.

As of May 4, 2023, Siegfried AG acquired 95% of the shares of DiNAQOR DiNAMIQS AG from DiNAQOR AG. The company was

subsequently renamed SIEGFRIED DiNAMIQS AG. The Schlieren (CH) based biotechnology company focused on the development and manufacturing of viral vectors for cell and gene therapies.

The purchase price was calculated as follows:

In 1000 CHF	April 1, 2023 Celgene Chem. Sàrl	May 4, 2023 DiNAQOR DiNAMIQS AG
Purchase price agreed	1 601	9 716
Transaction costs	116	392
Purchase price	1 717	10 108

In 1000 CHF	April 1, 2023 Celgene Chem. Sàrl	May 4, 2023 DiNAQOR DiNAMIQS AG
Purchase price	1 717	10 108
Net assets acquired	4 652	1 001
Goodwill / (Badwill)	-2 935	9 107

The badwill of CHF 2.9 million and the goodwill of CHF 9.1 million were offset against equity.

In 1000 CHF	April 1, 2023 Celgene Chem. Sàrl	May 4, 2023 DiNAQOR DiNAMIQS AG
Purchase price paid	-481	-8 163
Loan	-	-1 553
Transaction costs	-116	-392
Cash acquired	-	207
Cashflow acquisition Group companies	-597	-9 901

Net assets are as follows:

In 1000 CHF	April 1, 2023 Celgene Chem. Sàrl	May 4, 2023 DiNAQOR DiNAMIQS AG
Cash	-	207
Inventories	250	137
Accounts receivables trade	-	98
Other current assets	-	-
Non-current assets	7 276	1 138
Current liabilities	-85	-608
Non-current liabilities	-2 789	-
Net Assets	4 652	972
Minority interests	-	-29
Net Assets excl. minorities	4 652	1 001

23. Earnings per Share

For the calculation of earnings per share, net profit is divided by the weighted average number of shares outstanding, deducting treasury shares.

	2023	2022
Net profit attributable to Siegfried shareholders (in 1000 CHF)	112 774	156 490
Weighted average number of shares outstanding	4 237 786	4 221 042
Non-diluted earnings per share	26.61	37.07
Net profit attributable to Siegfried shareholders (in 1000 CHF)	112 774	156 490
Weighted average number of shares outstanding	4 237 786	4 221 042
Adjustment for assumed exercise of share-based payments, where dilutive	62 525	92 374
Diluted earnings per share	26.22	36.28

Earnings per share are calculated excluding interest on hybrid bonds. Including interest expense attributable to hybrid equity holders, ba-

sic earnings per share are CHF 26.44 (2022: CHF 36.95) and diluted earnings per share are CHF 26.06 (2022: CHF 36.16).

24. Distribution per Share

At the Annual General Meeting on April 18, 2024 the Board of Directors will propose to reduce the par value from CHF 14.60 per share by CHF 3.60 to CHF 11.00 per share and to distribute the amount of the par value reduction of CHF 3.60 per share instead of a dividend (2022: par value reduction CHF 3.40 per share).

The repayment of the par value reduction is expected to take place in May 2024 in accordance with capital reduction procedure in Switzerland under Swiss law.

25. Contingent Assets

Siegfried has potential claims from contracts for payments in the maximum amount of CHF 18.5 million (2022: CHF 34.4 million) over the years 2023–2028. These claims are due upon achievement of

certain agreed target values and will be settled once a year for a completed business year.

26. Commitments and Contingencies

In connection with the syndicated loan, there is no guarantee at the end of the year (2022: none).

At December 31, 2023, guarantees had been given by Siegfried Holding AG in favor of banks in the amount of USD 27.5 million, CHF 20.0 million and EUR 3.5 million (2022: CHF 20.0 million and EUR 3.8 million).

In 2015 a demand for claims for alleged unpaid work amounting to CNY 51.7 million on the construction of the site in Nantong was submitted to the Chinese Arbitration Court CIETAC by a construction company. Siegfried has submitted a counterclaim on the construction company in the amount of CNY 73.2 million. Siegfried contests the claims of the construction company. The procedure was commenced in 2016 and is still pending. The outcome is currently open and the probability of an outflow of funds is considered to be low.

27. Maturity of Rental and Lease Liabilities

	Operating Leases	Operating Leases
In 1000 CHF	2023	2022
Due under 1 year	6 951	7 094
Due between 1 and 5 years	22 058	23 982
Due after 5 years	28 923	32 183
Total lease liabilities	57 932	63 259

Of these liabilities CHF 46.8 million (2022: 50.1 million) relate to the new administration buildings in Zofingen, as well as the other production sites as follows: Malta CHF 1.3 million (2022: CHF 1.6 mil-

lion), Minden CHF 4.8 million (2022: CHF 2.4 million), Hameln CHF 0.4 million (2022: CHF 0.5 million) and Irvine CHF 4.6 million (2022: CHF 8.6 million).

28. Transactions with Related Parties

As in prior year no transaction with related parties took place in 2023 and at the reporting date there were no receivables from or payables to related parties.

Siegfried has its own pension funds in Switzerland.

The remuneration of the members of the Board of Directors and the Executive Management is described and presented in detail in the Remuneration Report in sections 4 and 5.

29. Net Sales

Net Sales by Product Group

In CHF million	2023	2022
Drug Substances	860.0	753.7
Drug Products	411.5	475.8
Total net sales	1 271.5	1 229.5

Net Sales by Foreign Currency

In CHF million	2023	2022
in CHF	466.6	377.1
in EUR	635.4	677.3
in USD	169.6	175.7
in other currencies	-0.1	-0.6
Total net sales	1 271.5	1 229.5

The Net Sales of CHF 1 271.5 million include CHF 31.7 million (2022: CHF 15.3 million) from long-term contracts under the PoCM.

Net Sales by Geographical Markets

As the Siegfried Group provides its products to the global supply chain of its clients, a breakdown by geographical markets is not meaningful. Siegfried therefore refrains from providing a breakdown by geographical markets.

30. Segment Reporting

The Siegfried Group consists of one "reportable segment". Financial information is regularly reported to the Board of Directors at the level of the Siegfried Group as a whole. Based on this financial information the Siegfried Group is managed and their performance is measured.

The Siegfried Group provides its customers with comprehensive and integrated solutions for services in the development and production of active pharmaceutical ingredients, intermediates, complex dosage forms and products from its own portfolio. In principle, the companies in the Siegfried Group provide all the services mentioned above.

31. Post Balance Sheet Events

There are no significant events after the balance sheet date.

Report of the Statutory Auditor

to the General Meeting of Siegfried Holding AG, Zofingen

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Siegfried Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 6 to 33) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

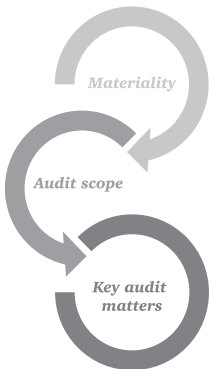
Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Our Audit Approach

Overview



Overall Group materiality: TCHF 6 750

We concluded full scope audit work at nine Group companies in five countries.

Through our audit work performed in this scope we addressed 93% of the sales revenue of the Group.

Additionally, specified audit procedures were concluded at a further two group companies in a country, which addressed a further 6% of the sales revenue of the Group. Furthermore, we concluded a review at a group company, which addressed a further percent of the sales revenue of the group.

As key audit matter the following area of focus has been identified:

Recoverability of Inventories

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	TCHF 6 750
Benchmark applied	Profit before taxes
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

Audit Scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting process-es and controls, and the industry in which the Group operates.

Recoverability of Inventories

Key audit matter	How our audit addressed the key audit matter
As of December 31, 2023, the net carrying value of inventories amounted to TCHF 431 938. This corresponds to around 23% of total assets.	We gained an understanding of the processes in the area of the valuation of inventories and assessed their adequacy. In doing so, we identified the key controls and tested them for their effectiveness using random samples.
We consider the valuation of inventories to be a particularly important audit matter due to the amount of the balance sheet item and the discretion in determining the necessary value adjustments for inventories.	We compared the acquisition costs with the last purchase prices on a random basis.
We refer to page 10 to 16 (accounting principles) and page 22 (appendix to the consolidated annual financial statements, note 7, inventories) in the 2023 annual report.	We checked the standard cost calculation on a sample basis. We also assessed the treatment of the variances between the standard and actual costs.
	The appropriateness of the moving average values of the raw materials was randomly assessed in connection with the examination of the acquisition costs based on the most recent purchase prices.
	We checked randomly whether the calculation of the valuation allowances for non-curable inventories was mathematically correct and appropriate. The assumptions and estimates made were assessed for their appropriateness. We checked whether the calculated value adjustment for non-current inventories was recorded correctly.
	We assessed whether the principle of loss-free valuation was complied with for inventories.
	Based on our audit procedures, we consider the principles, assumptions and estimates made by management in connection with the valuation of inventory to be acceptable.

The audit strategy for the group audit was determined taking into account the work by the group auditor and the component auditors from the PwC network. All subsidiaries in the group were audited by PwC. If audit work was carried out by component auditors, we as the group auditors ensured sufficient involvement in the audit in order to assess whether the component auditors' work related to the subsidiaries' financial information provided sufficient, appropriate audit evidence as a basis for the group audit opinion. This involvement of the group auditor included video conferences with the component auditors to discuss material and relevant audit topics.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

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

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

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

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Thomas Illi
Licensed audit expert
Auditor in charge



Andreas Kägi
Licensed audit expert

Basel, 15 February 2024



Financial Statement of Siegfried Holding AG

Balance Sheet of Siegfried Holding AG

In CHF (as of December 31)	2023	2022
Assets		
Current assets		
Cash and cash equivalents	39 254 145	77 118 407
Securities	243 246	106 139
Other current receivables due from third parties	1 124 119	534 063
Other current receivables due from Group companies	139 168 182	68 136 940
Accrued income and prepaid expenses	1 134 989	1 458 193
Total current assets	180 924 681	147 353 742
Non-current assets		
Loans to Group companies	716 736 396	740 003 277
Investments	411 773 721	402 106 344
Total non-current assets	1 128 510 117	1 142 109 621
Total assets	1 309 434 798	1 289 463 363
In CHF (as of December 31)	2023	2022
Liabilities and shareholders' equity		
Current liabilities		
Other short-term liabilities due from third parties	6 149 084	6 099 145
Other short-term liabilities due from Group companies	80 836 667	94 794 522
Accrued expenses and deferred income	29 294 980	16 127 352
Short-term provisions	2 190 144	6 905 951
Total short-term liabilities	118 470 876	123 926 970
Non-current liabilities		
Long-term interest-bearing liabilities third parties	445 000 000	510 000 000
Long-term financial liabilities due from Group companies	101 489 600	–
Other long-term liabilities to third parties	43 496 072	50 192 128
Long-term provisions	15 072 343	16 351 530
Long-term hybrid capital	80 000 000	80 000 000
Total long-term liabilities	685 058 015	656 543 658
Total liabilities	803 528 891	780 470 628
Shareholders' equity		
Share capital	65 232 800	79 776 000
Legal reserves	3 869 000	3 869 000
Reserves from capital contribution	99 326 047	76 502 760
Voluntary reserves	451 710 165	434 950 675
Treasury shares	–105 845 110	–102 112 402
Statutory retained earnings	–8 386 995	16 006 703
Total shareholders' equity	505 905 907	508 992 735
Total liabilities and shareholders' equity	1 309 434 798	1 289 463 363

Income Statement of Siegfried Holding AG

In CHF	2023	2022
Income		
Financial income	42 526 423	22 982 200
Service income	29 939 608	28 327 295
Total income	72 466 031	51 309 495
Expenses		
Personnel expense	28 297 859	18 995 895
Administrative expense	6 065 707	4 744 585
Financial expense	46 281 538	9 296 960
Taxes	207 921	2 265 354
Total expenses	80 853 026	35 302 793
Net profit	-8 386 995	16 006 703

Notes to the Financial Statements
of Siegfried Holding AG

General Information

Siegfried Holding AG holds directly or indirectly all subsidiaries of the Siegfried Group. The Financial Statements of Siegfried Holding AG are prepared in accordance with the Swiss Code of Obligations. These financial statements have been drawn up in accordance with the provisions governing commercial accounting of the Swiss Code of Obligations (Art. 957–963b CO).

The number of full-time equivalent employees for the year remains unchanged from the previous year and ranges between 10 and 50.

Guarantees and Securities

In connection with the syndicated loan, there is no guarantee at the end of the year (2022: none). At December 31, 2023, guarantees had been given by Siegfried Holding AG in favor of banks in the amount of USD 27.5 million, CHF 20.0 million and EUR 3.5 million (2022: CHF 20.0 million and EUR 3.8 million).

Balance Sheet

Investments

As of December 31, 2023, Siegfried Holding AG held the following direct or significant indirect investments:

Group companies	in LC	Participation	Share capital 2023	Share capital 2022
Operating				
Alliance Medical Products Inc., Irvine (USA)	USD	100.00%	116 521	116 521
Siegfried AG, Zofingen (Switzerland)	CHF	100.00%	20 000 000	20 000 000
Siegfried Evionnaz SA, Evionnaz (Switzerland)	CHF	100.00%	1 000 000	1 000 000
Siegfried Hameln GmbH, Hameln (Germany)	EUR	100.00%	750 500	750 500
Siegfried Malta Ltd., Valletta (Malta)	EUR	100.00%	100 000	100 000
Siegfried (Nantong) Pharmaceuticals Co. Ltd., Nantong (China)	CNY	100.00%	422 296 722	422 296 722
Siegfried PharmaChemikalien Minden GmbH, Minden (Germany)	EUR	100.00%	50 000	50 000
Siegfried St. Vulbas SAS, Saint Vulbas (France)	EUR	100.00%	15 200 000	15 200 000
Siegfried USA, LLC, Pennsville (USA)	USD	100.00%	500 000	500 000
Siegfried Barbera S.L., Barberà del Vallès (Spain)	EUR	100.00%	503 000	503 000
Siegfried El Masnou, S.A., El Masnou (Spain)	EUR	100.00%	10 099 778	10 099 778
SIEGFRIED DiNAMIQS AG, Schlieren (Switzerland) ¹	CHF	95.00%	500 000	–
Finance and administration				
Siegfried Deutschland Holding GmbH, Hameln (Germany)	EUR	100.00%	1 790 000	1 790 000
Siegfried Deutschland Real Estate GmbH, Hameln (Germany)	EUR	100.00%	25 000	25 000
Siegfried GmbH, Hameln (Germany)	EUR	100.00%	25 000	25 000
Siegfried Hameln Real Estate GmbH + Co. KG, Hameln (Germany)	EUR	100.00%	25 000	25 000
Siegfried Hong Kong Ltd., Hong Kong (China)	HKD	100.00%	1 000	1 000
Siegfried USA Holding Inc., Pennsville (USA)	USD	100.00%	3 000	3 000
Siegfried Pharmaceutical UK Ltd., London (UK) ²	GBP	100.00%	1	–
Joint venture				
Alpine Dragon Pharmaceuticals Ltd., Huangyang, Gansu Province (China) ³	CNY	0.00%	–	–

¹ SIEGFRIED DiNAMIQS AG in Schlieren (Switzerland) was acquired on 4 May 2023.

² Siegfried Pharmaceutical UK Ltd. based in London (UK) was founded on 12 May 2023.

³ The share in Alpine Dragon Pharmaceuticals Ltd., Huangyang was sold as of September 30, 2022.

Non-Current Assets

Investments in subsidiaries and affiliates include those companies in which Siegfried Holding AG has a direct interest of more than 20%. The investments are valued at acquisition cost less valuation allowances.

The non-current loans to Group companies were granted to finance investments in fixed assets and in other operating projects and activities and decreased in 2023 by CHF 23.3 million (2022: increased by CHF 17.5 million).

Current Assets

Cash and cash equivalents are valued at the rate prevailing on the reporting date. Accrued income and prepaid expenses are recognized at nominal amount and include for the most part payments made for the following year and accruals of receipts, which will not be collected until the following year.

Shareholder's Equity

The share capital of Siegfried Holding AG decreased due to repayment of par value to the shareholders in the amount of

CHF 15.2 million and partially offset by the issue of shares under the employee benefit programmes of CHF 0.6 million, resulting in a net decrease of CHF 14.6 million. It is divided into 4 468 000 registered shares each with a par value of CHF 14.60 (2022: 4 432 000 registered shares with a par value of CHF 18.00).

The capital contribution reserve increased as a result of the capital increase of conditional capital by CHF 22.8 million to CHF 99.3 million (2022: CHF 76.5 million).

The treasury shares are shown as a negative balance in equity.

Conditional Capital

The conditional capital to serve the Long Term Incentive Plans (LTIP) and other employee share plans amounts to CHF 686 200 for 47 000 shares (2022: CHF 1 494 000 for 83 000 shares), after the creation of 36 000 shares.

CHF	Number of shares	Average prices
At January 1, 2022	185 467	424.30
Purchases 2022	36 618	658.20
Sales 2022	– 1 558	686.50
At December 31, 2022	220 527	463.04
Purchases 2023	9 061	715.50
Sales 2023	– 5 935	665.90
At December 31, 2023	223 653	473.26

Liabilities

Interest of the existing syndicated loan agreement in the amount of CHF 400.0 million is based on SARON (CHF), SOFR (USD) and Euribor (EUR), plus an interest margin that depends on a financial covenant of a maximum debt ratio. The Siegfried Group fulfilled this covenant at the year end. At December 31, 2023, the syndicated loan was utilized in the amount of CHF 245.0 million (2022: CHF 310.0 million). In 2023, the first extension option was exercised, extending the syndicated loan by one year until March 2026. The second and final extension option was exercised at the beginning of 2024, which will lead to an extension of the syndicated loan until March 2027.

Treasury Shares

In the reporting year, Siegfried Holding AG has made purchases and sales of Siegfried shares. On balance Siegfried held 223 653 shares at year end which is an increase by 3126 shares (2022: increase by 35 060 shares). The shares are valued at the average rate.

On May 19, 2021, Siegfried Holding AG placed a senior bond in the amount of CHF 200.0 million on the Swiss capital market. The bond was issued with a term of 5 years and a coupon of 0.20%.

The two private hybrid convertible bonds issued by Siegfried Holding AG are subordinated bonds with an infinite maturity and interest payments by coupon. The hybrid convertible bonds have a first call date after five years. If it is not exercised, the interest payable is increased (step up). Additionally there exists an optional right of conversion at a conversion price mathematically fixed, which can be exercised during the duration. The conversion price can change in accordance with the terms of the convertible bonds, in particular if the company makes dividend payments. The conversions are fully covered by treasury shares, i.e. without share capital increase.

	Issue date	Nominal value in 1000 CHF	Interest	Call date
Private Convertible Hybrid Bond 2020	28/12/2020	40 000	0.650%	28/12/2025
Private Convertible Hybrid Bond 2020	28/12/2020	40 000	1.150%	28/12/2025

Accrued expenses and deferred income include the deferrals and accruals of various income and expense items, and unrealized exchange profits.

Income Statement

In the reporting year and in the prior year no dividend distributions were received from subsidiary companies. Financial income includes interest income on receivables from Group companies, exchange gains and income from securities. The proceeds of charging services to Group companies are reported in service income.

Financial expense includes interest on loans from third parties and Group companies as well as exchange losses.

Loans and Share Ownership of the Board of Directors and the Executive Management

Loans to Members of Executive Bodies

The members of the Board of Directors or of the Executive Management and persons closely related to them are, or were, in the current or preceding financial year not involved in transactions beyond the normal business activity of Siegfried Holding AG or of one of its Group companies or in other transactions that in form or substance were unusual, but important for Siegfried Holding AG.

At December 31, 2023, Siegfried Holding AG and its Group companies have not granted any securities, loans, advances or credits to the members of the Board of Directors or the Executive Management or to persons closely related to them (2022: none).

Share Ownership of the Board of Directors and the Executive Management

In 2023, 1576 shares with a value of CHF 1.0 million were distributed to the members of the Board of Directors (2022: 1344 shares with a value of CHF 0.9 million). On December 31, 2023, the non-executive members of the Board of Directors and persons closely related to them owned 28 200 (2022: 30 398) registered shares of Siegfried Holding AG. This represents 0.6% (2022: 0.7%) of the entire share capital of Siegfried Holding AG.

The members of the Executive Management (including persons closely related to them) owned at the same date 80 736 (2022: 73 546) registered shares, i.e. 1.8% (2022: 1.7%) of the share capital of Siegfried Holding AG.

December 31, 2023

Board of Directors	Function	Number of shares	of which blocked
Andreas Casutt	Chairman	20 394	1 044
Martin Schmid	Vice-Chairman	2 471	522
Elodie Carr-Cingari	Member	197	197
Wolfram Carius	Member	3 471	522
Isabelle Welton	Member	937	522
Alexandra Brand	Member	365	365
Beat Walz	Member	365	365
Total		28 200	3 537
Executive Management			
Wolfgang Wienand	CEO	28 210	–
Reto Suter	CFO	14 252	–
Marcel Imwinkelried	Chief Operating Officer DP	549	–
Henrik Krüpper	Chief Operating Officer DS	–	–
Jürgen Roos	Chief Scientific Officer	2 978	480
Marianne Späne	Chief Business Officer DP	33 354	–
Christian Dowdeswell	Chief Business Officer DS	–	–
Irene Wosgien	Chief Human Resources Officer	1 393	–
Total		80 736	480

December 31, 2022

	Function	Number of shares	of which blocked
Board of Directors			
Andreas Casutt	Chairman	20 000	1 250
Martin Schmid	Vice-Chairman	2 274	625
Colin Bond	Member	3 774	625
Wolfram Carius	Member	3 274	625
Isabelle Welton	Member	740	625
Alexandra Brand	Member	168	168
Beat Walti	Member	168	168
Total		30 398	4 086
Executive Management			
Wolfgang Wienand	CEO	24 583	–
Reto Suter	CFO	11 126	–
Marcel Imwinkelried	Chief Operating Officer DP	328	–
Arnoud Middel	Chief Human Resources Officer	3 897	–
Jürgen Roos	Chief Scientific Officer	2 082	980
Marianne Späne	Chief Business Officer	30 780	–
Irene Wosgien	Chief Operating Officer DS	750	–
Total		73 546	980

Major Shareholders

According to the disclosure notifications, the following shareholders are considered significant shareholders of Siegfried Holding AG:

	Reported number of shares 2023	Reported participation in % 2023	Reported number of shares 2022	Reported participation in % 2022
Ernst Göhner Stiftung, Zug, Switzerland	324 983 ¹	7.3	324 983 ¹	7.3
Interogo Foundation, Vaduz, Liechtenstein	224 167 ²	5.0		
Siegfried Holding AG (own shares)	223 811 ³	5.0	127 824 ⁸	3.0
Swisscanto Fondsleitung AG, Zurich, Switzerland	132 977 ⁴	3.0	132 977 ⁴	3.0
Credit Suisse Funds AG, Zurich, Switzerland	134 131 ⁵	3.0	129 258 ⁹	3.0
René Braginsky, Susanne Braginsky, David Braginsky; Zurich/Tel Aviv	128 000 ⁶	3.0	128 000 ⁶	3.0
Dimensional Holdings Inc., Wilmington, USA	126 587 ⁷	3.0	126 587 ⁷	3.0
Total	1 294 656	29.3	969 629	22.3

¹ According to the disclosure notification of May 17, 2022; including a purchase position of 98 983 shares, representing 2.23%.

² According to the disclosure notification of July 14, 2023.

³ According to the disclosure notification of March 16, 2023. For current holdings as of December 31, 2023 see section Treasury Shares.

⁴ According to the disclosure notification of May 3, 2022.

⁵ According to the disclosure notification of November 22, 2023.

⁶ According to the disclosure notification of December 12, 2018.

⁷ According to the disclosure notification of March 3, 2018.

⁸ According to the disclosure notification of December 12, 2018.

⁹ According to the disclosure notification of April 2, 2019.

Net dissolution of hidden reserves

In the reporting period, hidden reserves in the amount of CHF 10.0 million were dissolved (2022: CHF 10.6 million).

Post Balance Sheet Events

There are no significant events after the balance sheet date.

Proposal of the Board of Directors to the Annual General Meeting of April 18, 2024, regarding the Repayment of Par Value from Share Capital

In CHF	2023
Balance brought forward	–
Loss for the year	–8 386 995
Statutory accumulated losses	–8 386 995
Offsetting of accumulated losses against voluntary reserves	8 386 995
Balance to be carried forward	–

At the Annual General Meeting on April 18, 2024 the Board of Directors will propose to reduce the par value from CHF 14.60 per share by CHF 3.60 to CHF 11.00 per share and to distribute the amount of the par value reduction of CHF 3.60 per share instead of a dividend.

The repayment of the par value reduction is expected to take place in May 2024 in accordance with capital reduction procedure in Switzerland under Swiss law.

Report of the Statutory Auditor

to the General Meeting of Siegfried Holding AG, Zofingen

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Siegfried Holding AG (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 38 to 45) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

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

Overall materiality	TCHF 6000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is a generally accepted benchmark for holding companies.

Audit Scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

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

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

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

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

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

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is located on EXPERTSuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed offsetting of losses complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Thomas Illi
Licensed audit expert
Auditor in charge



Andreas Kägi
Licensed audit expert

Basel, 15 February 2024



Information for Investors

Key Figures Overview 2019–2023

Consolidated Figures

		2023	2022	2021	2020	2019
Net sales	CHF million	1 271.5	1 229.5	1 102.4	845.1	833.5
Growth in CHF	in %	3.4	11.5	30.5	1.4	4.9
Growth in LC	in %	6.3	15.6	30.3	4.5	6.9
Core EBITDA	CHF million	273.3	272.5	207.2	149.4	140.7
Growth	in %	0.3	31.5	38.8	6.2	11.3
Core EBITDA margin	in %	21.5	22.2	18.8	17.7	16.9
Core EBIT (operating profit)	CHF million	191.9	190.8	124.4	94.3	89.2
Growth	in %	0.6	53.3	32.0	5.8	16.0
Core EBIT margin	in %	15.1	15.5	11.3	11.2	10.7
Core net profit	CHF million	128.1	127.8	95.3	72.5	65.7
Core net profit margin	in %	10.1	10.4	8.6	8.6	7.9
Net debt	CHF million	388.6	418.5	407.4	85.6	109.6
Net debt / Core EBITDA		–1.4	–1.5	–2.0	–0.6	–0.8
Net Working Capital ¹	CHF million	666.4	621.9	506.6	424.4	419.7
As % of net sales		52.4	50.6	46.0	50.2	50.4
Total assets	CHF million	1 861.5	1 793.2	1 669.2	1 242.3	1 168.7
Equity	CHF million	838.1	790.9	688.2	733.2	691.7
Equity ratio	in %	45.0	44.1	41.2	59.0	59.2
Average capital employed ²	CHF million	1 440.4	1 349.6	1 276.4	916.1	895.9
Return on capital employed (average) ROCE ³	in %	19.0	20.2	16.2	16.3	15.7
Cash flow from operating activities	CHF million	208.6	142.3	119.7	114.8	65.6
As % of net sales		16.4	11.6	10.9	13.6	7.9
Free cash flow ⁴	CHF million	71.8	27.2	6.5	45.7	3.8
Investments in PPE and intangible assets	CHF million	137.1	115.2	113.4	69.1	61.9
As % of net sales		10.8	9.4	10.3	8.2	7.4
Employees (number of FTEs) ⁵	Number	3 933	3 564	3 432	2 532	2 407

¹ Calculation of Net Working Capital: Trade Receivables + Inventories - Trade Payables - Customer Prepayments.

² Calculation of Capital Employed over twelve months: PPE + Intangible Assets + Net Working Capital.

³ Calculation ROCE: Core EBITDA in relation to average capital employed over twelve months.

⁴ Calculation Free Cashflow: Operating Cashflow +/- Investment in PPE +/- Investment in Intangible Assets.

⁵ Year-end values.

Core Results

Siegfried believes that the disclosure of core results enables financial markets a better understanding of the company and allows a better comparison over the years.

The core results do exclude extraordinary expenses and income. Siegfried uses the core results in addition to Swiss GAAP FER as important indicators for the internal assessment of the performance of the Group.

Siegfried defines the effects of changes in the interest rate (discount rate for actuarial reports) and extraordinary inflation effects of foreign pension plans, restructuring, transaction and integration costs as well as impairments on non-financial and intangible assets as

extraordinary expenses and income. Such effects can vary significantly from year to year and distort the presentation of results.

The current interest on foreign pension liabilities is reclassified in the core results and not shown in personnel expenses but outside the operating result in financial expenses.

Due to the recent tax reform in Switzerland, Siegfried Holding AG has used the transitional measure of the step up (existing law) end of 2019. The trademark rights were capitalized in the tax balance sheet and will be depreciated over the next 5 years. The deferred tax assets under Swiss GAAP FER will be reduced yearly and will be zero latest end of 2024. This effect from the step up is shown separately as a core adjustment in the income taxes.

Any other possible extraordinary effects are shown in the category "other" and explained separately.

Reconciliation 2023 Results Swiss GAAP FER to Core

In 1000 CHF (as of December 31)	Swiss GAAP FER	Interest effect on pension liabilities	Restructuring	Transaction and integration costs	Impairments	Step up	Others	Core
Net sales	1 271 494	–	–	–	–	–	–	1 271 494
Cost of goods sold	–951 086	–	–	–	–	–	–	–951 086
Gross profit	320 408	–	–	–	–	–	–	320 408
Marketing and sales costs	–19 353	–	–	–	–	–	–	–19 353
Research and development costs	–44 503	–	1 083	–	–	–	–	–43 420
Administration and general overhead costs	–89 470	14 930	1 052	1 373	–	–	1 404	–70 711
Discount rate change and extraordinary inflation effects on foreign pension liabilities	–	11 937	–	–	–	–	–	–
Current net interest on foreign pension liabilities	–	2 993	–	–	–	–	–	–
Other operating income	4 985	–	–	–	–	–	–	4 985
Operating result (EBIT)	172 068	14 930	2 135	1 373	–	–	1 404	191 909
Financial result	–21 692	–2 993	–	–	–	–	–	–24 685
Profit before income taxes	150 376	11 937	2 135	1 373	–	–	1 404	167 224
Income taxes	–37 682	–3 563	–432	–147	–	3 000	–254	–39 078
Net profit incl. minority interests	112 693	8 374	1 704	1 226	–	3 000	1 150	128 146
Minority interests	–81	–	–	–	–	–	–	–81
Net profit	112 774	8 374	1 704	1 226	–	3 000	1 150	128 227
EBITDA	253 420	14 930	2 135	1 373	–	–	1 404	273 262

Interest effect on pension liabilities

According to Swiss GAAP FER, the effects of interest on pension liabilities and inflation effects are to be reported as non-cash personnel expenses. The effects of changes in interest rates (discount rate) are neutralized for the core results. The decrease in the discount rate of 50 basis points for pension liabilities in Siegfried PharmaChemikalien Minden GmbH, Germany, accounts for the majority of the

approximately CHF 19.8 million core adjustments. The current net interest on pension liabilities in the amount of CHF 3.0 million is reclassified from personnel expenses to financial expenses for the core results. Deferred taxes must be corrected accordingly in order to present the core net profit.

Transaction costs

The core adjustment under “transaction costs” relates to expenses in connection with acquisition activities, which did not lead to a transaction.

Step up

The deferred tax asset posted under Swiss GAAP FER from the step up with regard to trademark rights of Siegfried Holding AG is not included in the core result.

Restructuring

With the acquisition of the two Spanish production companies, competencies will be bundled and activities relocated from Zofingen to Spain.

Others

Other effects are related to the 150 year anniversary of Siegfried.

Reconciliation 2022 Results Swiss GAAP FER to Core

In 1000 CHF (as of December 31)	Swiss GAAP FER	Interest effect on pension liabilities	Restructuring	Transaction and integration costs	Impairments	Step up	Others	Core
Net sales	1 229 518	–	–	–	–	–	–	1 229 518
Cost of goods sold	–910 628	–	–	–	–	–	–	–910 628
Gross profit	318 890	–	–	–	–	–	–	318 890
Marketing and sales costs	–18 124	–	–	–	–	–	–	–18 124
Research and development costs	–43 175	–	–	–	–	–	–	–43 175
Administration and general overhead costs	–31 073	–46 026	6 035	–	–	–	–	–71 063
Discount rate change and extraordinary inflation effects on foreign pension liabilities	–	–47 192	–	–	–	–	–	–
Current net interest on foreign pension liabilities	–	1 167	–	–	–	–	–	–
Other operating income	4 259	–	–	–	–	–	–	4 259
Operating result (EBIT)	230 777	–46 026	6 035	–	–	–	–	190 787
Financial result	–12 003	–1 167	–	–	–	–	–	–13 170
Profit before income taxes	218 774	–47 192	6 035	–	–	–	–	177 617
Income taxes	–62 284	13 829	–1 355	–	–	–	–	–49 811
Net profit	156 490	–33 364	4 680	–	–	–	–	127 806
EBITDA	312 525	–46 026	6 035	–	–	–	–	272 535

Interest effect on pension liabilities

According to Swiss GAAP FER, the effects of interest on pension liabilities and inflation effects are to be reported as non-cash personnel expenses. The effects of changes in interest rates (discount rate) are neutralized for the core results. The increase in the discount rate of 280 basis points for the interest on pension liabilities in Siegfried PharmaChemikalien Minden GmbH, Germany, accounts for the majority of the approximately CHF 40.0 million core adjustment. Also, capitalized inflation impacts were neutralized, as linked to the increase of interest rates and likely to change in the following periods.

The current net interest on pension liabilities in the amount of CHF 1.2 million is reclassified from personnel expenses to financial expenses for the core results. Deferred taxes must be corrected accordingly in order to present the core net profit.

Transaction costs

The core adjustment under “transaction costs” relates to expenses in connection with acquisition activities, which did not lead to a transaction.

Step up

The deferred tax asset posted under Swiss GAAP FER from the step up with regard to trademark rights of Siegfried Holding AG is not included in the core result.

Restructuring

With the acquisition of the two Spanish production companies, competencies will be bundled and activities relocated from Zofingen to Spain.

Stock Market Data

			2023	2022	2021	2020	2019
Registered shares nom. CHF 14.60 ²			4 468 000	4 432 000	4 396 000	4 351 000	4 306 000
Share capital		CHF million	65.2	79.8	93.2	105.3	116.3
Distribution per registered share ²		CHF	3.60	3.40	3.20	3.00	2.80
Total distribution ²		CHF	16 084 800 ¹	15 068 800	14 067 200	13 053 000	12 056 800
Market prices registered share	high	CHF	859.5	879.5	934.5	689.0	469.0
	low	CHF	616.0	573.0	618.0	313.5	321.5
	31/12	CHF	859.5	613.5	889.5	651.5	469.0
Distribution yield per registered share		%	0.4	0.6	0.4	0.5	0.7
Non-diluted core earnings per share (CHF) ³		CHF	30.24	30.28	22.66	17.50	15.88
Diluted core earnings per share (CHF) ⁴		CHF	29.80	29.63	21.95	16.90	15.48
Consolidated operating cash flow per registered share ³		CHF	49.2	33.7	28.1	26.4	15.1
Consolidated equity and reserves per registered share ³		CHF	197.8	187.4	163.6	168.5	160.6
P/E ratio (year-end) ⁵			29	21	41	39	30
Market capitalization at year-end ⁶		CHF million	3 648	2 584	3 745	2 724	1 940

¹ Repayment of par value, proposal to the general assembly of April 18, 2024.

² Repayment of par value or distribution from CCR, in accordance with the corresponding general assembly resolution.

³ Calculated on the weighted average number of shares outstanding, deducting treasury shares.

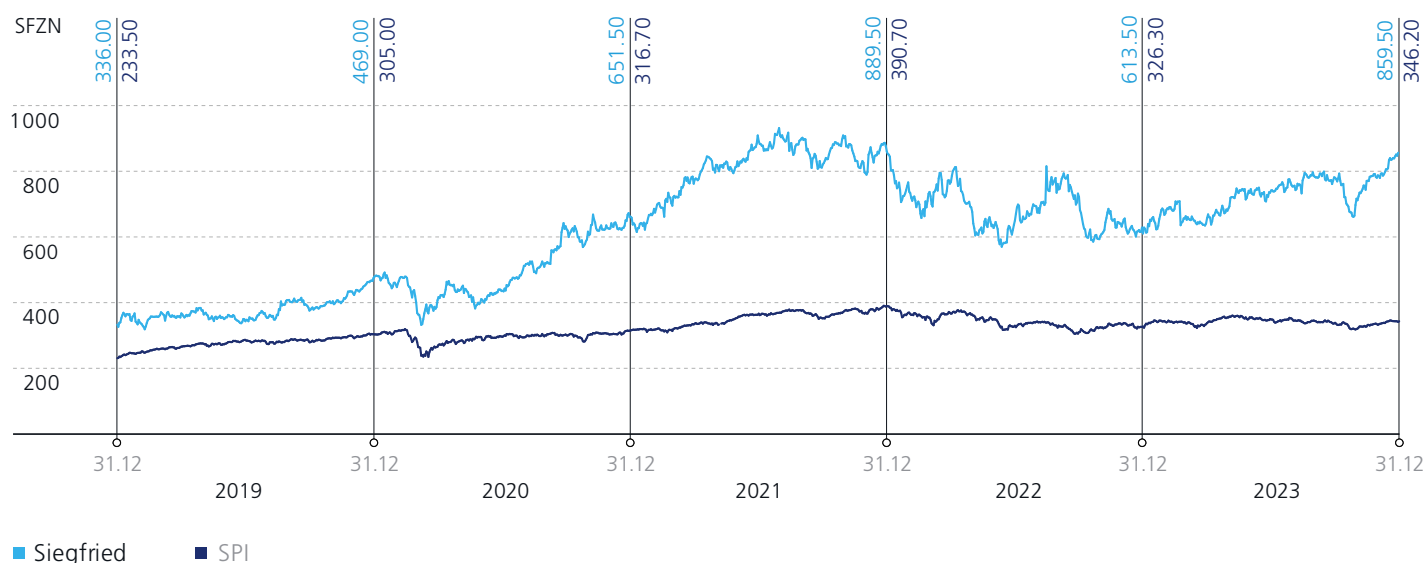
⁴ Adjustment for assumed exercise of share-based payments, where dilutive.

⁵ Calculated on the basis of year-end share price and diluted EPS.

⁶ Calculated on the number of listed shares, net of treasury shares.

Share Price Development

from January 1, 2019, to December 31, 2023



Publications

The Siegfried Group is committed to an open and consistent information policy. The media, financial analysts and other interest groups are continuously informed about important developments and events. Shareholders are informed semi-annually on the state of the business and receive the annual report and the semi-annual report upon request.

The annual report, minutes of the previous General Meeting, media releases, important information and the current share price can be found at www.siegfried.ch. A news conference is held annually for the media and financial analysts.

Siegfried Holding AG consistently complies with the disclosure requirements (ad hoc publicity) of the SIX Swiss Exchange in the case of events relevant to the share price.

Calendar

In 2024, the company will inform about:

February 20, 2024

Publication of results for the 2023 business year at a media and analyst conference in Zurich

April 18, 2024

Annual General Meeting of Shareholders
10 a.m., Stadtsaal Zofingen

August 22, 2024

Publication of 2024 half-year financial results

Cautionary Statement regarding Forward-Looking Statements

This Annual Report contains certain forward-looking statements identified by words such as "believes", "expects", "anticipates", "projects", "intends", "should", "seeks", "estimates", "future" or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward looking statements contained in this Annual Report, among others: (1) pricing and product initiatives of competitors; (2) legislative and regulatory developments and economic conditions; (3) delay or inability in obtaining regulatory approvals or bringing products to market; (4) fluctuations in currency exchange rates and general financial market conditions; (5) uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side-effects of pipeline or marketed products; (6) increased government pricing pressures; (7) interruptions in production; (8) loss of or inability to obtain adequate pro-

tection for intellectual property rights; (9) litigation; (10) loss of key executives or other employees; and (11) adverse publicity and news coverage. The statement regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Siegfried's earnings or earnings per share for 2024 or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Siegfried.

Publisher's Note

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The Siegfried Group is a leading supplier in the global CDMO market with production facilities in Switzerland, the USA, Malta, China, Germany, France and Spain. Siegfried employs a workforce of around 3900 employees at twelve sites in seven countries. Siegfried Holding AG is headquartered in Zofingen (Switzerland) and is listed on the Swiss Stock Exchange (SIX: SFZN).