cph group
Chemistry & Packaging

CPH Group AG

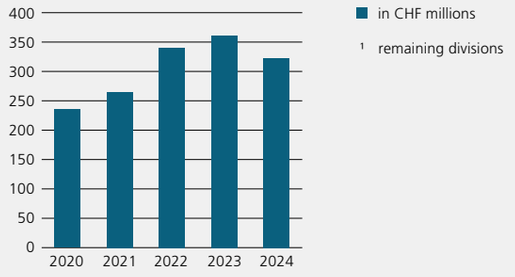
# Annual Report

2024

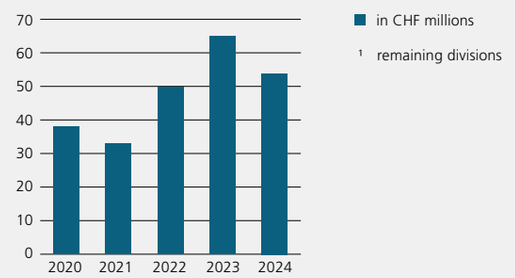


# At a glance

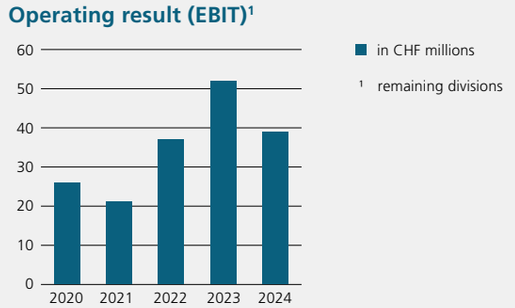
### Net sales[1]



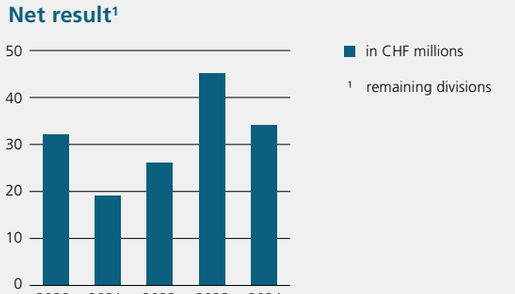

### EBITDA[1]




### Operating result (EBIT)[1]




### Net result[1]






**Cover picture**

Perlen Packaging's top-quality blister films are manufactured in careful accordance with the pharmaceutical industry's product packaging demands.



## CPH Group AG

### Business in 2024

- Lower raw materials costs lead to net sales decline
- Business mood dampened by geopolitical developments and economic trends
- Global expansion continued through chemistry and packaging acquisitions
- Positive net result despite CHF 22.3 million non-cash expense from spin-off of the Paper Division

| in CHF millions[1] | 2024 | 2023 |
|---|---|---|
| **Net sales** | **323.3** | **361.5** |
| **EBITDA** | **53.8** | **65.0** |
| EBITDA margin | 16.6 % | 18.0 % |
| **EBIT** | **39.2** | **51.9** |
| EBIT margin | 12.1 % | 14.4 % |

[1] remaining divisions, excluding the spun-off Paper Division

### Portrait

CPH Group AG, which was founded in 1818, is a Swiss-based industrial group with a firm focus on international growth markets. Its activities in its two separate business divisions centre on the research, development, manufacture and sale of chemical products and pharmaceutical packaging. The company, which is listed on the Swiss stock exchange, maintains twelve production facilities in nine countries in Europe, Asia and North and South America.



## Chemistry

### Business in 2024

- Robust demand for molecular sieves and deuterated products
- Net sales impacted by steep decline in lithium costs
- Access gained via acquisition to the Indian chemistry and pharma markets
- Production facilities well utilized worldwide
- New record annual EBITDA achieved

| in CHF millions | 2024 | 2023 |
|---|---|---|
| **Net sales** | **117.3** | **124.2** |
| **EBITDA** | **22.8** | **22.1** |
| EBITDA margin | 19.5 % | 17.8 % |
| **EBIT** | **14.9** | **15.8** |
| EBIT margin | 12.7 % | 12.7 % |

### Portrait

The Chemistry Division is one of the world's leading suppliers of speciality chemicals. Trading under the 'Zeochem' brand, the division manufactures molecular sieves for industrial and medical applications, high-value chromatography gels for the pharmaceutical sector and deuterated products for analytics, pharmaceutics and OLED displays. Zeochem maintains production facilities in China, the USA, Bosnia and Herzegovina, India and Switzerland.



## Packaging

### Business in 2024

- Net sales reduced by customer de-stocking and lower raw materials prices
- Facilities increasingly underutilized (except in Brazil) as the year progressed
- New slitting and packaging operations commenced in Switzerland and the USA
- Israel- and Hungary-based LOG Pharma acquired
- Earnings broadly at 2022's solid levels

| in CHF millions | 2024 | 2023 |
|---|---|---|
| **Net sales** | **206.0** | **237.3** |
| **EBITDA** | **33.3** | **42.9** |
| EBITDA margin | 16.1 % | 18.1 % |
| **EBIT** | **26.6** | **36.1** |
| EBIT margin | 12.9 % | 15.2 % |

### Portrait

The Packaging Division aligns its business primarily to the pharmaceutical industry, and is one of the world's three biggest suppliers of coated plastic films. Its products, which are manufactured in Switzerland, Germany, China, the USA and Brazil, are marketed under the 'Perlen Packaging' brand and are mainly used in blister packs to protect the medicines these contain. Its LOG Pharma subsidiary produces bottles, containers and further packaging solutions at its Israeli and Hungarian operating sites.

# Key figures

| remaining divisions[1], in CHF millions | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Net sales** | **323.3** | **361.5** | **340.9** | **265.8** | **235.6** |
| Growth rate | -10.6 % | 6.1 % | 28.2 % | 12.8 % | 1.8 % |
| **EBITDA** | **53.8** | **65.0** | **50.2** | **32.9** | **37.7** |
| EBITDA margin | 16.6 % | 18.0 % | 14.7 % | 12.4 % | 16.0 % |
| **Operating result (EBIT)** | **39.2** | **51.9** | **37.1** | **21.4** | **26.6** |
| EBIT margin | 12.1 % | 14.4 % | 10.9 % | 8.1 % | 11.3 % |
| **Net result** | **34.4** | **45.1** | **26.0** | **18.9** | **32.7** |
| Return on equity (ROE) | 16.2 % | n/a[2] | n/a[2] | n/a[2] | n/a[2] |
| **Chemistry** | | | | | |
| Net sales | 117.3 | 124.2 | 110.3 | 95.1 | 73.3 |
| EBITDA | 22.8 | 22.1 | 19.1 | 20.5 | 9.5 |
| EBITDA margin | 19.5 % | 17.8 % | 17.4 % | 21.5 % | 12.9 % |
| **Packaging** | | | | | |
| Net sales | 206.0 | 237.3 | 230.6 | 170.7 | 162.3 |
| EBITDA | 33.3 | 42.9 | 31.4 | 11.9 | 27.8 |
| EBITDA margin | 16.1 % | 18.1 % | 13.6 % | 7.0 % | 17.1 % |
| **Cash flow[3]** | **42.9** | **51.6** | n/a[2] | n/a[2] | n/a[2] |
| Cash flow from operating activities | 53.3 | 57.9 | n/a[2] | n/a[2] | n/a[2] |
| Capital expenditures for fixed assets | 20.4 | 17.9 | n/a[2] | n/a[2] | n/a[2] |
| **Free cash flow[4]** | **34.9** | **54.8** | n/a[2] | n/a[2] | n/a[2] |
| Free cash flow margin[4] | 10.8 % | 15.2 % | n/a[2] | n/a[2] | n/a[2] |
| Total assets | 332.6 | 327.9 | n/a[2] | n/a[2] | n/a[2] |
| Shareholders' equity | 209.4 | 216.8 | n/a[2] | n/a[2] | n/a[2] |
| **Equity ratio** | **63.0 %** | **66.1 %** | n/a[2] | n/a[2] | n/a[2] |
| **Net cash** | **12.7** | **34.7** | n/a[2] | n/a[2] | n/a[2] |
| Capital employed | 208.3 | 192.8 | 207.0 | 207.4 | 190.2 |
| Net operating profit after tax (NOPAT) | 32.2 | 42.8 | 29.6 | 18.0 | 21.6 |
| **Return on capital employed (ROCE)** | **16.1 %** | **21.4 %** | **14.3 %** | **9.1 %** | **11.8 %** |
| **Headcount (FTE)** | **959** | **841** | **809** | **746** | **731** |

[1] excluding the spun-off Paper Division; derived from the consolidated financial statements for 2020-2024 and the accounting records of CPH Group AG
[2] comparable value unavailable owing to spin-off of the Paper Division
[3] before change in non-financial net working capital
[4] before acquisition of subsidiaries

## Share information

| in CHF | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Share price as at 31 December | 73.40 | 85.00 | 78.00 | 61.00 | 72.60 |
| Earnings per share | 0.78 | 13.15 | 16.83 | -25.26 | 7.82 |
| **Price-earnings ratio as at 31 December** | **94.7** | **6.5** | **4.6** | **-2.4** | **9.3** |
| Dividend per share | 2.00[3] | 4.00 | 4.50 | 1.30 | 1.80 |
| **Dividend yield** | **2.7 %** | **4.7 %** | **5.8 %** | **2.1 %** | **2.5 %** |
| **Market capitalization (in CHF millions)** | **440** | **510** | **468** | **366** | **436** |
| **Adjusted (without spun-off Paper Division)** | | | | | |
| Share price as at 31 December, remaining divisions | 73.40 | 61.20[1] | 56.20[1] | 43.90[1] | 52.30[1] |
| Earnings per share, remaining divisions[2] | 5.74 | 7.50 | 4.31 | 3.13 | 5.41 |
| **Price-earnings ratio as at 31 December, remaining divisions[2]** | **12.8** | **8.2** | **13.0** | **14.0** | **9.7** |

[1] adjusted for the indicative share of around 28 % of Perlen Industrieholding AG, determined on the basis of internal valuations
[2] excluding the spun-off Paper Division; derived from the consolidated financial statements for 2020-2024 and the accounting records of CPH Group AG
[3] Board of Directors' proposal to the Annual General Meeting of 18 March 2025

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# CPH Group AG further expands its international presence



Peter Schaub (left) and Peter Schildknecht

## Dear shareholder, dear reader,

We are pleased to present you with the first annual report of the newly formed CPH Group AG with its Chemistry and Packaging divisions. As many of you will know, the CPH Group's paper business, along with the real-estate assets at its Perlen site, were spun off from its chemistry and packaging activities in June 2024, and now constitute a separate company in the form of the newly founded Perlen Industrieholding AG.

Our motivation in spinning off the paper business was to transform the stock exchange-listed CPH Chemie + Papier Holding AG, which had evolved historically into an industrial conglomerate with three independent business divisions each operating in its own specialist markets, into two clearly focused new companies: CPH Group AG, with the remaining divisions of Chemistry and Packaging, as an innovative, globally active and rapidly growing company which remains listed on the Swiss stock exchange; and the OTC-traded Perlen Industrieholding AG, which is focused on the Western European paper business and on utilizing the further potential offered by the attractive Perlen industrial site.

We are convinced that, with its concentration on growth-oriented high-margin business activities, the new CPH Group AG will present a more predictable business proposition that should further enhance its capital market appeal. At Zeochem, for instance, we see good growth prospects for the deuterated products which the division manufactures for pharmaceutical industry, OLED screen and laboratory analysis purposes. Its molecular sieve products, too, show further growth potential within their medical and industrial applications. Perlen Packaging has also achieved above-average growth in the past few years with its high-quality blister film products, while other forms of medicine packagings such as bottles represent a further attractive market segment.

In addition to the ever-strong commitment of all our employees, it is the consistent pursuit of our overall corporate strategy and our corporate responsibility that are at the heart of our business success. Global expansion into attractive international niche markets is a cornerstone of this strategy. And Zeochem's acquisition of India-based Sorbchem India and Perlen Packaging's purchase of Israel- and Hungary-based LOG Pharma in the course of 2024 marked further key steps in our continual expansion of our global market presence in growth regions, and have further enhanced our overall competitive credentials.

Sustainability is a prerequisite to CPH Group AG's ability to continue to create value over the longer term. Our ambition here is to decarbonize our production and steadily reduce our emissions towards net-zero throughout the value chain, while simultaneously maintaining our competitive edge. With these aims in mind, we have further refined our sustainability reporting to align this even more closely to European sustainability standards, with a particular emphasis on climate protection. Our sustainability report for 2024 will be found from Page 23 onwards.

### Procurement markets normalized

A number of macroeconomic uncertainties and geopolitical conflicts combined in 2024 to present a challenging business environment. With a distinct absence of economic momentum, economic growth remained stagnant, especially in Europe, while even China's growth lay below expectations. The continuing war in Ukraine and the reignition of hostilities in the Middle East fostered further instability.

Despite such developments, conditions on the procurement markets continued to normalize in 2024 compared to previous years. With the construction sector still feeling the effects of the general economic malaise, demand was down for plastics such as PVC, and the procurement prices declined accordingly for this raw material. At the same time, however, lower demand from the same construction sector reduced order volumes for Zeochem's molecular sieve powder products. The cost of lithium and energy costs were also slightly below their prior-year levels.

### Restrained momentum in the global economy

With inflation rates worldwide having largely returned to more normal levels, the central banks in Europe and the USA began 2024 by cutting their base interest rates to help kickstart the economy and allay recession concerns. Economic development remained fragile, however, and contingent on trends in the US and Chinese economies. The International Monetary Fund (IMF) put the year's global economic growth at 3.2 %. The euro exchange rate, which is of major importance to CPH Group AG, showed a broadly sideways trend for the year as a whole, and closed at CHF 0.9380. The remaining divisions generated 56.7 % of their net sales in the eurozone in 2024, while 23.8 % of their costs were incurred in Swiss francs.

### Income statement for the remaining divisions

The following income statement is for the remaining divisions of Chemistry and Packaging, excluding the spun-off Paper Division. It has been compiled on the basis of the fully consolidated financial statements for 2023 and 2024 and the corresponding CPH accounting records, to provide an appropriate picture of the newly formed CPH Group AG for 2023 and 2024.

**Net sales in CHF millions[1]**

**323**

(prior year: 362)

**EBITDA in CHF millions[1]**

**54**

(prior year: 65)

**EBIT in CHF millions[1]**

**39**

(prior year: 52)

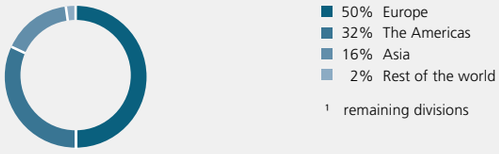
**Investments in CHF millions[1]**

**20**

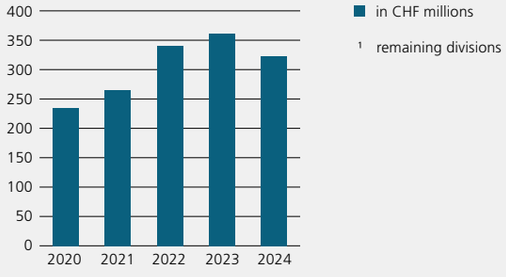
(prior year: 18)

[1] remaining divisions

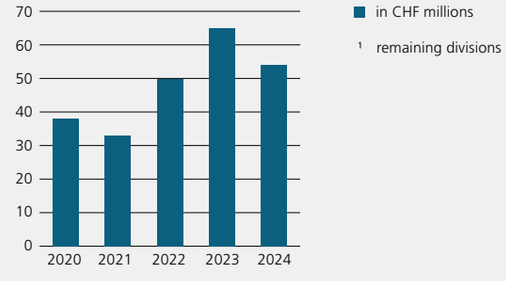
### CPH Group AG net sales by region[1]



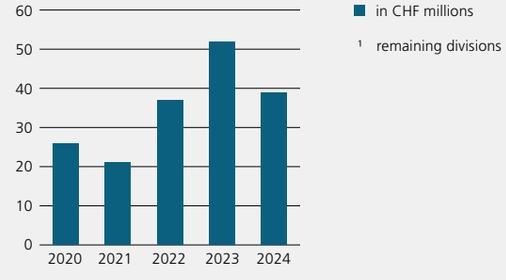

### CPH Group AG net sales[1]




### CPH Group AG EBITDA[1]




### CPH Group AG EBIT[1]




| in CHF thousands | 2024 | 2023 |
|---|---|---|
| **Net sales** | **323 253** | **361 500** |
| Other operating income | 3 830 | 2 309 |
| Change in inventories | 506 | -4 567 |
| **Total income** | **327 589** | **359 242** |
| Cost of materials | -166 915 | -189 569 |
| Cost of energy | -11 295 | -11 180 |
| Personnel expense | -67 314 | -65 922 |
| Maintenance and repairs | -7 884 | -8 671 |
| Other operating expense | -20 398 | -18 949 |
| **Operating result before depreciation and amortization (EBITDA)** | **53 783** | **64 951** |
| Depreciation on tangible fixed assets | -12 637 | -12 084 |
| Amortization of intangible assets | -1 986 | -989 |
| **Operating result (EBIT)** | **39 160** | **51 878** |
| Financial result | 347 | -2 012 |
| **Ordinary result** | **39 507** | **49 866** |
| Non-operating result | 2 062 | 7 696 |
| **Result before income taxes** | **41 569** | **57 562** |
| Income taxes | -7 137 | -12 425 |
| **Net result** | **34 432** | **45 137** |
| Earnings per share (in CHF) | 5.74 | 7.50 |

### Net sales decline owing to lower materials costs

CPH Group AG with its remaining Chemistry and Packaging Divisions generated net sales for 2024 of CHF 323 million, an 8.5 % year-on-year decline at constant currency that was attributable to lower materials costs. EBITDA for the year declined CHF 11.2 million to CHF 53.8 million. The EBITDA result includes a non-recurring CHF 3.7 million expense for preparing and conducting the spin-off of the former Paper Division. EBITDA margin remained sound, however, at 16.6 %. EBIT for the year amounted to CHF 39.2 million, and the net result after taxes for the two remaining divisions totalled CHF 34.4 million. With recognition of the CHF -29.8 million net result of its subsequently spun-off Paper Division for the first six months of the year, CPH Group AG reported an overall net result for 2024 of CHF 4.6 million. With an equity ratio of 63 % the company remains in very sound financial health, and held net cash of CHF 12.7 million at year-end.

Zeochem and Perlen Packaging invested some CHF 20 million in productivity improvements, efficiency enhancements and their sustainable product development in the course of the year. Free cash flow for the remaining divisions declined from CHF 54.8 million to CHF 34.9 million, having been boosted in 2023 by proceeds from real-estate sales totalling CHF 19.1 million. Personnel expense amounted to CHF 67.3 million. Year-end headcount increased from 841 to 959 as a result of acquisitions.

### Zeochem: EBITDA at new record high

Geopolitical and macroeconomic trends impacted on business development at Zeochem in 2024. Several key forward economic indicators turned increasingly negative as the year progressed. Subdued activity in the construction sector and an unfavourable interest rate environment combined to depress many companies' inclinations to order and invest. Demand for industrial and medical oxygen saw a slight decline. The promotion of renewable energies, by contrast, continued to increase worldwide. And demand for the molecular sieves utilized in ethanol production remained robust, as did the market for deuterated compound applications.

Business at Zeochem reflected these varying individual sector trends over the course of 2024. While the markets in Europe, North America and India showed favourable developments, the Chinese market proved tangibly more challenging as a result of the local economic mood. The business segments of deuterated solvents for use in OLED displays and laboratory analyses and of the high-value molecular sieves used in ethanol manufacture and the production of technical gases both raised their net sales for the year from their 2023 levels.

The weaker activity in the construction sector dampened the demand for molecular sieve powders. Lithium costs saw steep declines. This lowered Zeochem's net sales from its lithium-based products which are used to concentrate industrial and medical oxygen, as the benefits of the lower procurement prices were passed on to customers. Energy costs were also below their prior-year levels.

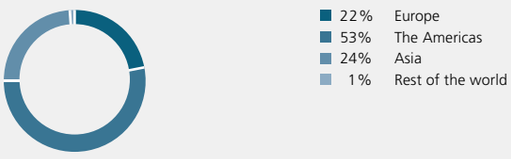
With its acquisition of Sorbead India and Swambe Chemicals in April 2024, Zeochem established a presence of its own in the Indian chemicals and pharmaceutical markets. The newly acquired businesses now both operate under the name Sorbchem India Pvt. Ltd. Sorbchem India sells and distributes molecular sieves and packaging materials and produces chromatography gels for the packaging and the pharmaceutical sectors. Its assimilation into Zeochem is proceeding as planned.

Zeochem generated total net sales for 2024 of CHF 117 million, a 9.1 % decline from the previous year at constant currency and net of acquisition effects. EBITDA was raised 3.5 % to a new record high of CHF 22.8 million, and EBITDA margin improved accordingly from 17.8 % to 19.5 %. The production facilities in Switzerland, China and the USA were well utilized throughout the year. Zeochem invested CHF 9.8 million in the course of 2024, primarily in raising capacities and in a desalination plant for processing waste water in China. The company employed 406 personnel at year-end (compared to 283 at the end of 2023). The increase is due largely to the addition to the workforce of the new Sorbchem India Pvt. Ltd. employees.

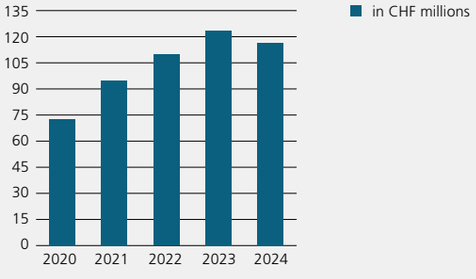
### Zeochem: outlook for 2025

The economic and geopolitical environments remain challenging, and the development in demand is currently below the dynamic levels of the

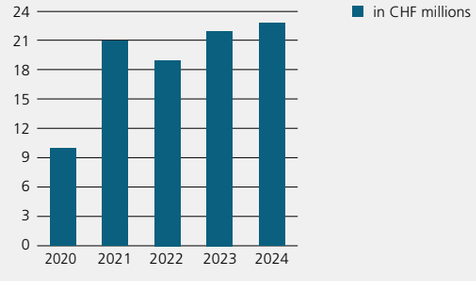
**Zeochem net sales by region**



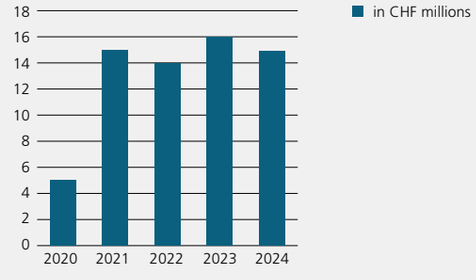

**Zeochem net sales**




**Zeochem EBITDA**



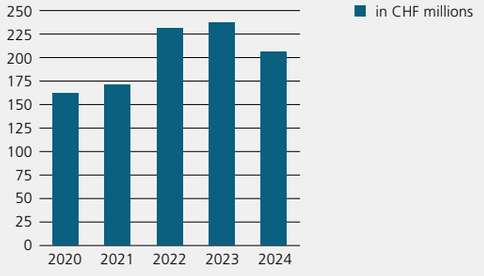

**Zeochem EBIT**



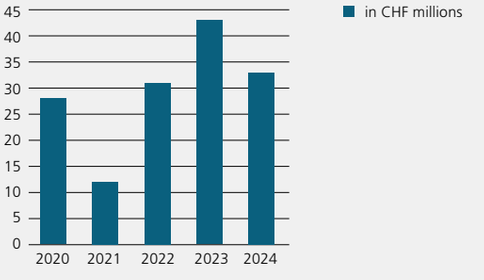
### Perlen Packaging net sales by region



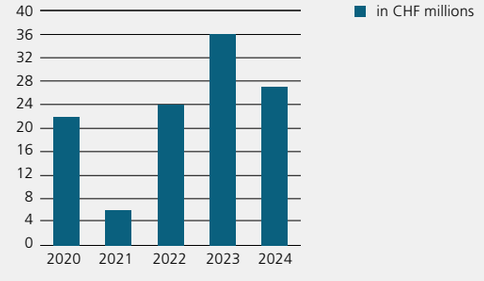

### Perlen Packaging net sales




### Perlen Packaging EBITDA




### Perlen Packaging EBIT




past few years. Zeochem expects to see continued pricing and margin pressures, along with stable energy and raw materials prices. The company plans total investments of some CHF 11 million on productivity increases and more in the course of the year. In what is expected to be a challenging business environment, Zeochem expects to post slight improvements for 2025 in both its net sales and its EBITDA compared to their prior-year levels.

**Perlen Packaging: continued demand for high-barrier products**

Business activity at Perlen Packaging felt the dual adverse impact in 2024 of the generally depressed global economic mood and a tendency among pharmaceutical manufacturers to reduce their safety stocks throughout the value chain. Raw materials such as PVC were widely available worldwide, and their prices returned to normal levels in the course of the year.

With medicines becoming ever more complex and with a growing need to protect them from high humidity and exposure to oxygen in emerging markets, the demand remained strong for high-barrier packaging products. Sales of over-the-counter (OTC) medicines and dietary supplements declined in 2024 in view of the guarded economic mood. And the demand for pharmaceutical packagings was further diminished by shortages of medicinal products and bottlenecks in their delivery, in Europe in particular. With the exception of Brazil, the utilization of the Packaging Division's production facilities declined accordingly as the year progressed.

Perlen Packaging acquired the LOG Pharma company with its production sites in Israel and Hungary at the end of 2024. In doing so, the Packaging Division has added bottles and containers as complementary primary packagings for medicines to its product range, while its new Hungarian operating site offers access to the attractive Eastern European pharmaceutical packaging market. The purchase transaction was successfully concluded at the beginning of February 2025.

The lower sales volumes and lower raw materials prices combined to reduce net sales for 2024 to CHF 206 million, a 10.7 % year-on-year decline at constant currency. While the product mix showed encouraging trends, this was not sufficient to fully offset the lower sales volumes in the second half of the year. Net sales were down in Europe (as they were for all manufacturers in this market segment), while demand in Latin America remained intact. With customers opting to reduce their high safety stocks, incoming order volumes returned broadly to their pre-COVID-pandemic levels.

EBITDA declined 22.4 % as anticipated to a still-strong CHF 33.3 million, giving an EBITDA margin of 16.1 % (prior year: 18.1 %). Earnings for 2024 were thus largely in line with their solid 2022 levels, following the exceptional earnings result achieved in 2023. Perlen Packaging invested CHF 10.6 million in the course of the year on capacity expansions and further product development. Year-end headcount decreased from 551 to 546 employees.

### Perlen Packaging: outlook for 2025

The IQVIA research company expects the value of the global medicine sales market to see annual growth of some 3 % to 6 % over the next few years. Perlen Packaging will continue to steadily invest in developing innovative new products, in its production facilities and in reducing its products' carbon footprints. The company expects to report year-on-year increases in both its net sales and its EBITDA for 2025.

### Dividend proposed of CHF 2.00 per share

The Board of Directors of CPH Group AG will propose to the Annual General Meeting of 18 March 2025 that a dividend of CHF 2.00 per share be distributed for the 2024 business year. This would represent a dividend yield of 2.7 %.

### Outlook for 2025

The IMF expects the global economy to grow by 3.3 % in 2025. Following the central banks' initial actions to lower interest rates to generate economic momentum and with uncertain recent market trends, the business outlook remains vague. The still gloomy economic mood and the associated uncertainties, coupled with the geopolitical conflicts in Eastern Europe, the Middle East and Asia, only add to the general caution in the current economic environment.

CPH Group AG nonetheless expects demand in 2025 for the products of its Zeochem and Perlen Packaging companies to be at least as high as its prior-year levels. Net sales and EBITDA at Zeochem are expected to be slightly above their 2024 equivalents, while Perlen Packaging anticipates an easing of market tensions from mid-2025 onwards and, as a consequence, year-on-year increases in both its net sales and its EBITDA results. The earnings and the net result for CPH Group AG should both be improvements on 2024. Further investments are also planned in the course of 2025 in tangible fixed assets to further raise productivity and enhance efficiency.

### Sincere thanks

The challenging business environment and the spin-off of our paper business demanded additional dedication, flexibility and creativity from our employees in 2024. We offer them all our deepest thanks for all their exceptional energies and endeavours day after day. Our thanks also go to our customers and our further business partners for their loyalty and our many years of fruitful collaboration. And to you, our shareholders, we offer particular thanks for your continued confidence and trust and your commitment to our company.



Peter Schaub
Chairman of the Board of Directors

Peter Schildknecht
CEO

**Net result in CHF millions[1]**

**34**

(prior year: 45)

**Free cash flow in CHF millions[1]**

**35**

(prior year: 55)

**Equity ratio in %[1]**

**63**

(prior year: 66)

**Net cash in CHF millions[1]**

**13**

(prior year: 35)

[1] remaining divisions

# Highlights of 2024

**The 2024 business year was one of strategic transformation for CPH Group AG. In a dynamic market environment, the company took decisive steps to further strengthen its market position and tap new opportunities for growth. Here we present the most important events and developments at CPH Group AG over the course of the year.**



The separation and spinning-off of the paper business from the company's chemistry and packaging activities was approved by the Extraordinary General Meeting of 20 June 2024.

## Paper Division spun off

CPH Group AG successfully effected the spinning-off of its Paper Division and the real-estate assets at the Perlen operating site into the new Perlen Industrieholding AG on 25 June 2024. The move represented a landmark moment in our company's more than 200-year history. The decision to spin off the Paper Division was based on a desire to transform the stock exchange-listed CPH Chemie + Papier Holding AG industrial conglomerate which had evolved over time into three independent business divisions each operating in its own markets into two separate focused companies: CPH Group AG with the remaining chemistry and packaging activities, an innovative, globally active and rapidly expanding company with further growth potential, which will remain stock exchange-listed, and the newly founded Perlen Industrieholding AG, which will focus on the Western European paper business in a market that continues to experience structural decline, while also making optimum use of the further exploitation and development potential of the business's attractive Perlen industrial site.

The continuation of the 'Perlen Papier' brand by Perlen Industrieholding AG confirms the new OTC-traded company's clear commitment to its paper business. With its high productivity, the business still boasts sound competitive credentials, and should continue to generate solid free cash flows over the industry's economic cycles.

The spin-off of its former paper business will simultaneously enable CPH Group AG to further strengthen the global presence of its chemistry (Zeochem) and packaging (Perlen Packaging) businesses by putting a long-term focus on high-margin and growth-oriented business activities and by pursuing constant product innovations. The company's strategy will be consistently aligned to further expansion in international niche markets offering above-average opportunities in Asia, the USA and Latin America, via a combination of organic growth and acquisitions.

The successful spin-off transaction underlines CPH Group AG's commitment to generating long-term added value. Following the spin-off's completion, the company can now move ahead virtually debt-free and from a position of sizeable business strength. Long-term megatrends such as healthcare and energy offer highly promising value-adding potential which should in turn provide further added value for the company's investors.




The teams of Sorbead India and Swambe Chemicals and CPH Group AG in Vadodara, India.

## Entry into India's pharmaceutical and chemistry markets

With its acquisition of Sorbead India and Swambe Chemicals, CPH Group AG has both gained itself a presence in the Indian chemistry and pharmaceutical markets and expanded its Zeochem product portfolio. Following the completion of the sale transaction as planned at the end of April 2024, the acquisition now trades under the name of Sorbchem India Pvt. Ltd.

Sorbchem India sells and distributes molecular sieves and packaging materials and manufactures chromatography gels for use in the packaging and the pharmaceutical sectors. The company achieved an EBITDA in the lower mid-single-digit USD millions for 2024, has a workforce of some 120 personnel and maintains its own production facilities in the Indian state of Gujarat.

India is home to some 1.4 billion people, and overtook China in 2024 as the world's most populous country. The Indian economy has been experiencing continuous growth which is powered by a number of drivers such as a young and dynamic population, an aspirational technology sector and the country's growing urbanization.

The Indian government is putting an increasing emphasis on reforms which should help ameliorate the investment climate and attract direct foreign investments, all of which will help further strengthen the country's economic growth. Against this background, CPH Group AG's Chemistry Division is expanding its global activities at the ideal moment, and is doing so both geographically and in product portfolio terms.

The acquisition of Sorbchem India represents a further consistent step in CPH Group AG's pursuit of its strategy of expanding its global market position in regions with high growth potential. By tapping into the dynamic and growing Indian market, the company is both extending its global presence and positioning itself to take full and fruitful advantage of local and regional business opportunities.

Sorbchem India's motivated employees, for their part, are pleased that they will now be able to contribute their expertise and their experience within an industrial concern with such a long business history and such high quality aspirations.





The new fully automated waste water desalination plant in Donghai

## Waste water used to reclaim raw materials

Zeochem successfully put a new waste water desalination plant into operation at its Donghai production site in China in autumn 2024. The company's employees had been steadily developing the technology which the new facility required in close collaboration with its supplier over the previous two years. In establishing the new plant, Zeochem has made further progress in optimizing sustainability and the efficient use of resources at its production facilities, within the broader framework of CPH Group AG's endeavours to ensure and maintain responsible and environmentally minded business activities.

The fully automated desalination plant also allows further progress to be made in ensuring the sustainable manufacture of binder-free molecular sieves, which are particularly effective in oxygen production. The manufacture of these molecular sieves generates a by-product of various types of saline water waste. Zeochem's new desalination plant efficiently and automatically removes and separates the various salts involved. This in turn enables Zeochem to either re-use these salts as raw materials or solidify them and sell them in this solid form. The desalinated water can also be re-used at the production site, to reduce waste water volumes and further spare resources.

Zeochem expects the new desalination plant, which it has essentially developed itself, to produce more than 25 million litres of desalinated water and over 1 000 tonnes of salts a year from 2025 onwards. The resulting efficiency enhancements not only support Zeochem's pursuit of its sustainability objectives: they also help to lower operating costs, by eliminating the charges that would otherwise be levied for the treatment of the waste water involved and through the generation of valuable process heat which can then be re-used.

## Automation and capacity expansion

CPH Group AG's strategy of being close to its customers is also pursued by Perlen Packaging at its Whippany operating site in the USA, which is home to the company's slitting activities and logistics organization for the US, Canada and Mexico. In response to growing demand for pharmaceutical packagings in the markets concerned, Perlen Packaging increased the site's slitting capacities in 2024. The operation also made further infrastructural improvements to raise efficiency and to enhance workplace ergonomics for its personnel.

The company's first action here was to automate its reel packaging. Process-controlled conveyors now transport the slitted reels which have been tailored in the slitting plant to each customer's specifications to the packaging facility. Here each reel is weighed before being packaged in stretch film, labelled and sent to the warehouse for palleting, all entirely automatically and in full compliance with all hygiene standards. In addition to these process enhancements, Perlen Packaging has also doubled the slitting capacity at its US site by adding a second slitting machine.

At the same time, the company has also installed a robot to ensure that the process is automated throughout, by automatically taking the reels from the two slitting machines and transferring these to the packaging facility. As well as raising efficiency, the new procedure eliminates the need to physically lift heavy film reels anywhere in the production process. In making this improvement to its workplace ergonomics, Perlen Packaging has further raised its care and concern for the health and the safety of its employees. And this in turn enhances the company's attractiveness as a considerate employer in the New York metropolitan area, which continues to experience jobseeker shortages in its employment market.



Perlen Packaging's US capacity was doubled through the relocation of a slitting machine from its Perlen to its Whippany site.

## Latin American market tapped

Perlen Packaging has been active in the Latin American market for over 25 years. What began with exporting the company's products from Europe to the continent and having them distributed via local sales representations has evolved into a sizeable regional success story.

Perlen Packaging took its first steps in Latin America in Brazil, the continent's biggest pharmaceutical market, where it entered into a joint-venture collaboration with its local representative, the Anápolis-based Pharmaexpress. This initial involvement was then followed by investment in a local slitting and logistics centre, to allow larger reels of pharmaceutical packaging films to be imported from Europe and then be locally cut and tailored to specific regional customers' requirements, thereby reducing delivery times. Local dedicated sales and customer service teams were also established and developed.

To further strengthen its regional competitive credentials, Perlen Packaging has continued to invest over the past few years in manufacturing its own products in Brazil for the Latin American market. These actions saw the establishment at the end of 2022 of a new local coating plant to produce barrier films. Parallel to this, the company embarked on a partnership with Brazil-based PVC specialist Cipatex for the local manufacture of the basic PVC pharmaceutical film used in its film manufacturing activities.

2023 saw the successful ISO auditing of the new operation in Anápolis, which is Brazil's second-most-important pharmaceuticals hub after São Paulo. Perlen Packaging remains the only local producer of pharmaceutical blister film materials that are certificated to ISO 15378, the highest international standard for the manufacture of primary medicinal packaging materials.

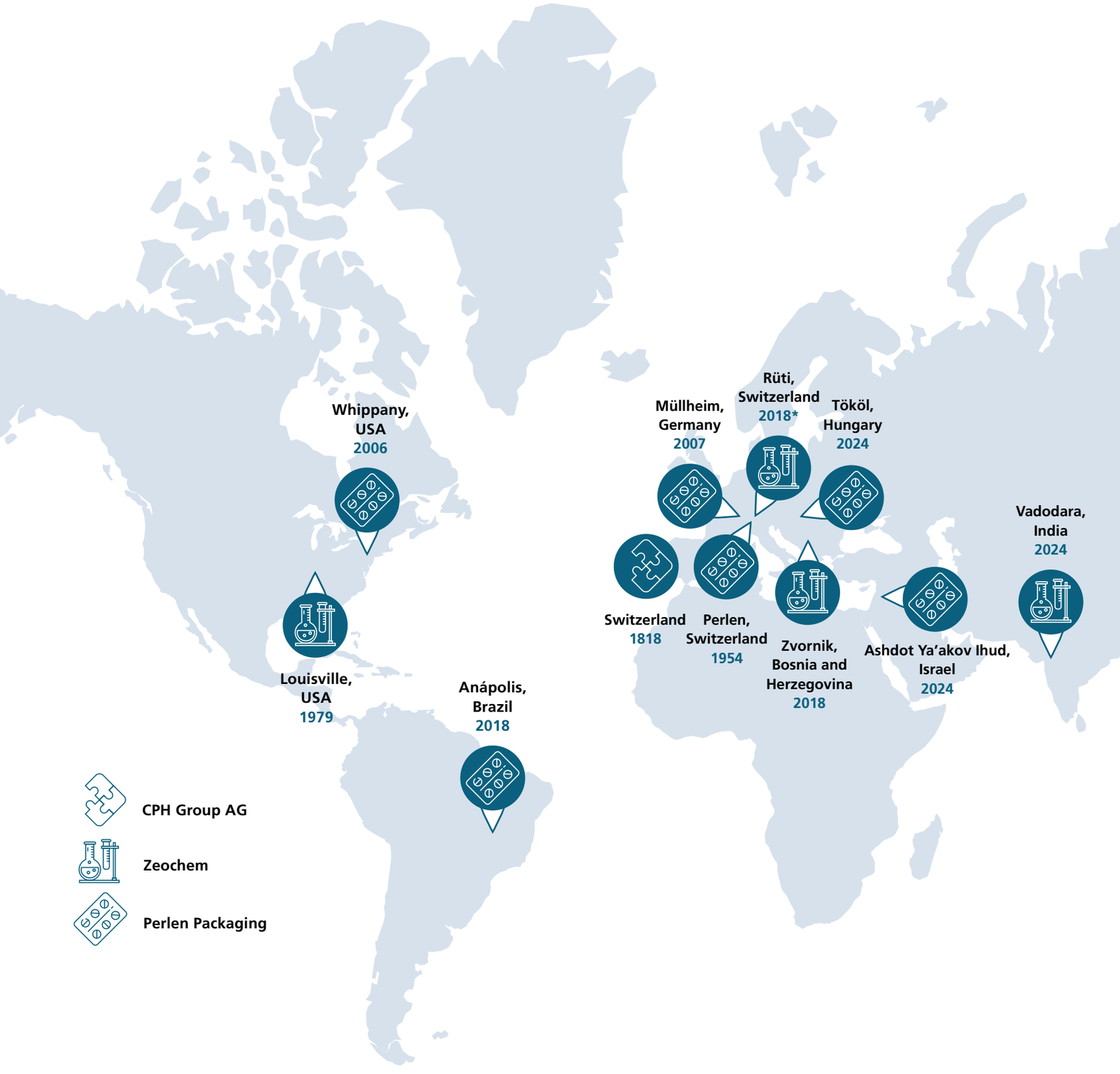
These extensive endeavours have been duly recognized by Perlen Packaging's customers, too: Sindusfarma, the biggest business association within Brazil's pharmaceutical industry, whose members account for more than 95 % of the country's medicinal products market, honoured the Perlen Packaging Anápolis team with its 2024 Gold Award for the best local pharmaceutical packaging manufacturer, in acknowledgement of their outstanding products and services.






Above: The Perlen Packaging Latin America sales and service team at the FCE in São Paulo, the continent's biggest trade show for suppliers to the pharmaceutical industry. Left: The Gold Award earned by Perlen Packaging in Brazil.

# Internationalization: crucial to success




*Zeochem's headquarters and the production of deuterated solvents were relocated from Uetikon am See, Switzerland, to Rüti, Switzerland, in 2018.




Internationalization is a vital element in CPH Group AG's endeavours to create long-term added value. With the exception of its Zeochem operation in Louisville in the USA, the company had long been a solely Europe-based undertaking. But for some ten years now, it has been steadily extending the presence of Zeochem and Perlen Packaging well beyond Europe as part of a broader international expansion strategy. This additional focus on markets outside Europe is delivering sustainably profitable business growth. Many emerging markets in Asia and Latin America feature higher growth rates today than the largely saturated European markets in which CPH Group AG has long held a strong market position. These higher growth rates are also being boosted by long-term megatrends in fields such as healthcare and energy.

### A strategy of continuing global expansion

With five production sites in Europe, the USA, China and India, Zeochem is well positioned to participate globally in this business growth. As is Perlen Packaging with seven production sites in Europe, the USA, China, Israel and Brazil. By having its own manufacturing facilities in all the relevant core chemicals and pharmaceutical markets, CPH Group AG also ensures that it is close to its customers all over the globe (see the world map opposite showing a total of twelve Zeochem and Perlen Packaging production sites and the group head office in Switzerland). The company further maintains sales and distribution operations and networks of local partners on every continent. Local production allows full advantage to be taken of the locational benefits offered in the countries concerned in the form of enhanced supply capabilities, increased productivity and swifter responsiveness through being in the customers' time zones, along with the ability to utilize cultural commonalities to provide better customer care. The associated exchanges with these international customers also forge trusting relations from which additional expertise and synergies are gained, which can then be used to develop further product innovations that are closely tailored to customer wishes and needs.

Its steady global expansion, which has been achieved largely by organic means, has helped secure CPH Group AG's success in the past and should continue to strengthen its competitive credentials. The company aims to further expand its presence in attractive niche markets. In addition to continued organic growth, the focus here will be on targeted acquisitions in the core businesses of Zeochem and Perlen Packaging or in closely related areas, as was evidenced by the acquisitions of Sorbchem India in India (Chemistry) and LOG Pharma in Israel and Hungary (Packaging) in the 2024 business year.

### An international workforce for a keener competitive edge

The international nature of CPH Group AG and its business activities today is reflected in its workforce. As at the end of 2024, its companies employed personnel from 44 different nations, 75 % of them outside Switzerland. The perspectives, issues, solutions and experiences that these people bring from their various countries and cultures help drive innovation within their teams and make a substantial contribution to CPH Group AG's positive further development.

# Focused. Leading. Innovative.

**CPH Group AG is an industrial group with a firm focus on international growth markets which provides innovative and sustainable solutions that create value for its customers. Which it has been doing for over 200 years.**

### 1. Vision

CPH Group AG is a stable, focused and profitable industrial group whose two business divisions operate independently in their respective markets. With its technology leadership and its innovative products, CPH Group AG provides its customers with clear added value and, by doing so, occupies a leading position in its chosen market segments.

### 2. Strategy

CPH Group AG comprises the two business divisions of Chemistry and Packaging, each of which operates independently in its specific markets, in each of which it seeks to achieve and maintain market leadership. The two divisions pursue similar business models – differentiation through high customer benefit in attractive niche markets worldwide – in their separate target markets. And their respective companies of Zeochem (chemistry) and Perlen Packaging (packaging) are among the top three in the world in their specific markets. Zeochem and Perlen Packaging are both innovative companies that cultivate close contacts with their customers.

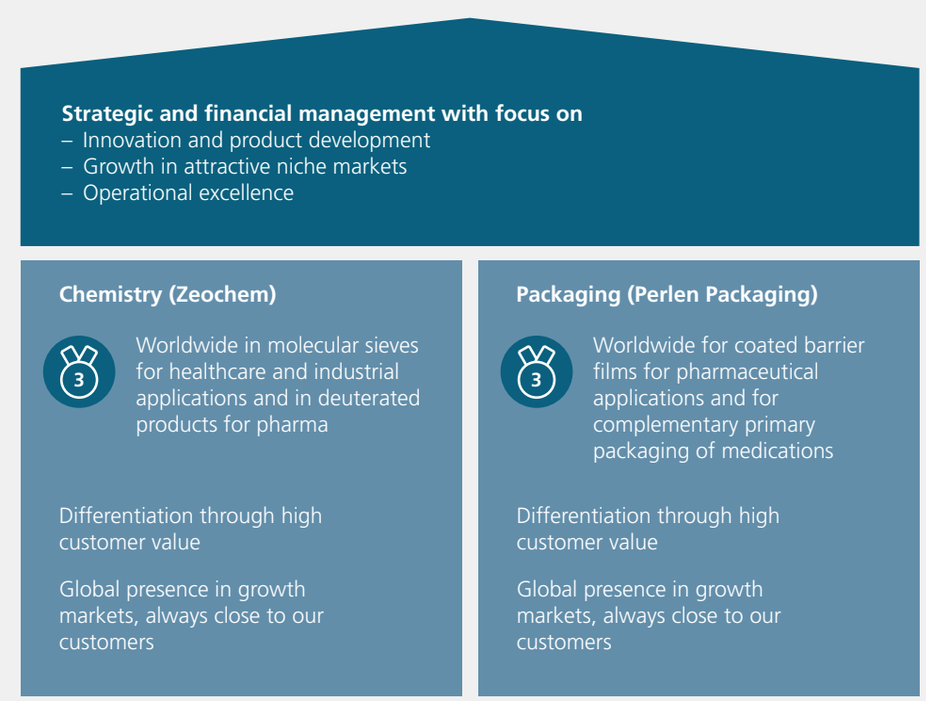
CPH Group AG also seeks to make a positive impact with its product portfolio in environmental terms. The company's sustainability strategy forms an integral part of its overall corporate strategy and serves as a key foundation for its continued success. In a major development on this front, the company's shareholders have anchored sustainable long-term value adding in its Articles of Incorporation. The company's Board of Directors and Group Executive Management have also defined a sustainability strategy and aligned its governance accordingly. The company has also further developed and refined its sustainability reporting to put a particular focus on climate change.

The sustainability report, which is closely aligned to the European Sustainability Reporting Standards (ESRS) and the guidelines thereon, will be found from Page 23 onwards.

#### 2.1 Strategic thrusts

With European sales markets showing saturation trends, CPH Group AG continues to increase its market share in the growth markets outside Europe and in the emerging economies. In establishing new production capacities outside Switzerland, the company has also substantially reduced its exposure to Swiss-franc currency movements over the past few years. Thanks to these actions, the share of its total costs

**Two industrial companies active in growth markets**



which is incurred in Swiss francs should continue to decline, and with it the corresponding exchange-rate exposure.

Zeochem develops, manufactures and distributes a wide range of products in growth markets such as the energy and the healthcare sectors. These include molecular sieves which are used in the energy industry to purify natural gas and ethanol and deuterated products for use in the pharmaceutical industry, in laboratory analytics and in OLED displays. The production of oxygen for industrial and medical purposes is a further business area that is of key strategic importance. Zeochem is firmly committed to providing top-quality products, and aims to further expand its market position worldwide. To these ends, targeted investments are planned in customer-aligned product innovations and in further increasing production capacities.

Zeochem maintains five production sites where it manufactures its products and then distributes them worldwide. High-value molecular sieves are manufactured in the USA; standard molecular sieves are produced in China; molecular sieve powders and special zeolites are made in Bosnia and Herzegovina; chromatography gels are produced in Bosnia and Herzegovina and India; and deuterated products are manufactured in Switzerland.

Perlen Packaging offers a comprehensive range of PVC mono films and coated PVdC barrier films which are used in the pharmaceutical industry. The company constantly develops innovative new solutions for demanding medicine packaging applications.

Perlen Packaging's business strategy is focused firstly on further expanding its presence in growth regions and on offering its customers further packaging options for their medicinal products. With its operating locations in Europe, the USA, China, Brazil and Israel, Perlen Packaging can cover all the most important and developing pharmaceutical markets, and can play its full part in particular in the so-called 'pharmerging markets' and their particularly high growth.

Perlen Packaging and its coating and slitting plants enjoy a worldwide presence that extends to all the prime business and operating locations of the leading players in the global pharmaceutical sector. In expanding its presence in the international pharmaceutical market, Perlen Packaging seeks to achieve organic annual net sales growth in the mid-single-digit per cent. At the same time, such actions help achieve the further goal of making the company's supply chains stronger and more resilient, an ambition that Perlen Packaging will continue to pursue over the years ahead.

Perlen Packaging's second key strategic thrust is to focus its product range on films with high-barrier properties. The packaging for a medicinal product in tablet form will generally consist of a lidding film made of aluminium and a tray film made of plastic. Perlen Packaging manufactures the plastic films, which are usually transparent, and which it delivers on reels either to intermediaries or directly to the pharmaceutical company.

The baseline version of this plastic film is the mono film, some of which Perlen Packaging produces itself and some of which it buys in. Mono films have only low-barrier credentials. What Perlen Packaging specializes in is coating these mono films with PVdC to enhance their barrier properties. This entails applying the PVdC to the mono film layer by layer in emulsion fluid form. The barrier properties this creates will protect the medicinal product in the resulting packaging, particularly from the intrusion of oxygen and water vapour, and thus help lengthen the product's shelf life. Perlen Packaging is the world's leading supplier of PVdC-coated high-barrier films today, and its focus on this specific market continues to earn it market share.

Zeochem and Perlen Packaging both pursue a differentiation strategy, and will continue to focus their development on offering high-value products and services. They also plan more strategic investments with a view to further strengthening their position in the growth markets of Asia and Latin America. A key role in this growth strategy will also be played by acquisitions, which, as well as raising enterprise value, will be based on how well the target company's strategic activities fit into the division's existing business, how effectively it might be assimilated and how well it is managed and run.

### 2.2 Strategic success factors

CPH Group AG's prime strategic success factors include:

- its leading position in its chosen sales markets
- its focus on markets with above-average growth prospects and potential
- its constant product innovations to maintain its competitive edge
- its own production facilities in Europe, Asia and North and South America
- its sustainable corporate management with a stable leadership team
- its lean organization and its skilled and experienced personnel
- its strong anchor shareholders among the descendants of the founding families.

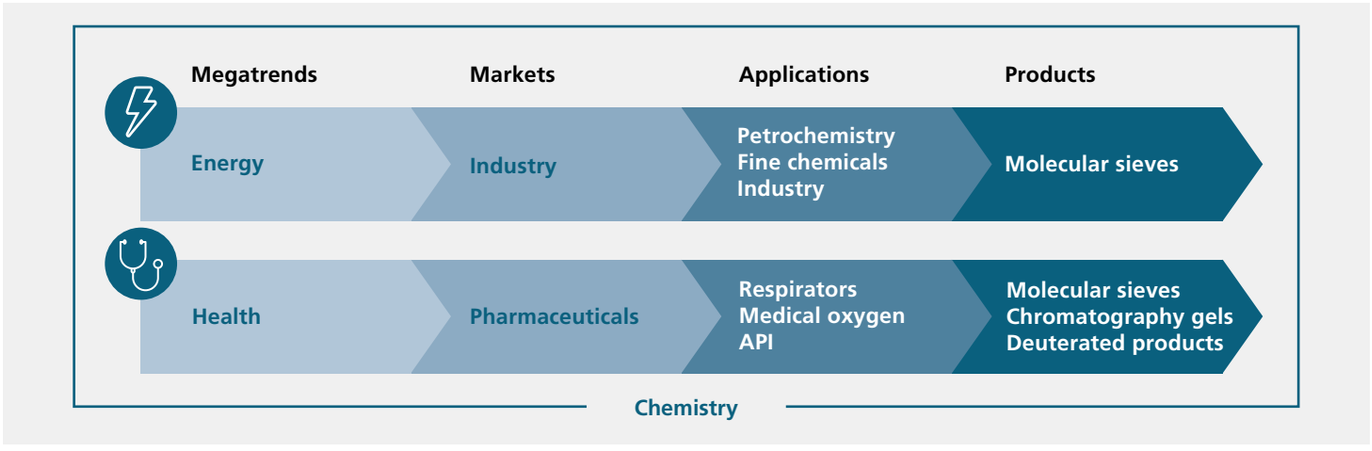
## 3. Markets

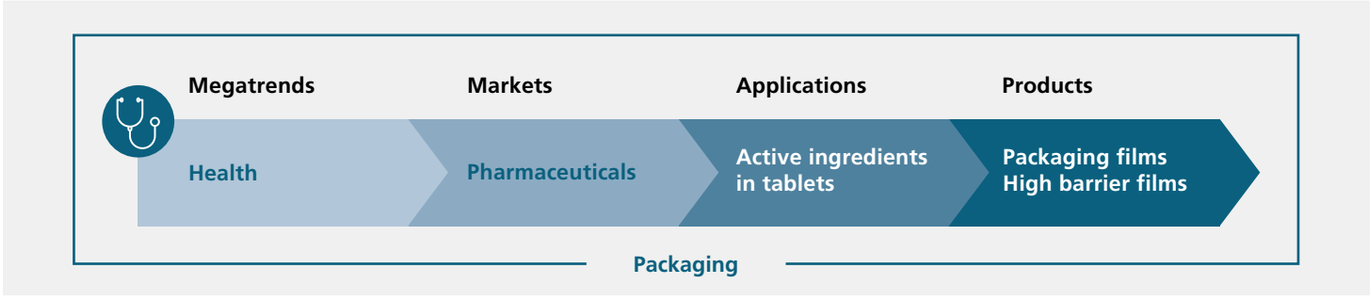
### 3.1 Megatrends

CPH Group AG aligns its business activities to markets with above-average growth prospects and potential. Its key value drivers are the long-term megatrends of healthcare and energy.

**Healthcare**

The world's population is growing by some 80 million people a year. The growth is primarily attributable to increasing longevity, and average life expectancy is projected to further rise to over 77 in the next 30 years. One of the reasons for this is rising living standards, and the concomitant greater value attached to healthcare among the




population. Also, thanks to medical and medicinal advances, treatments and medications are available today for many diseases which offered few prospects of recovery just a short time ago.

The more developed an economy is, the more its people will tend to spend on health. In industrialized countries, healthcare accounts for 10 % or more of gross domestic product. And Verified Market Research expects the global healthcare market to continue to grow by some 9 % a year to an annual volume of USD 782 billion by 2030.

The pharmaceutical industry plays a vital role in healthcare provision. For CPH Group AG, healthcare is a prime value driver and the pharmaceutical industry is a key sales market. Perlen Packaging is firmly aligned to the pharmaceuticals market, and a number of Zeochem's products are also destined for use in the healthcare sector.

**Energy**

Providing its growing population with energy is one of the major challenges the world will face in the next few decades. To achieve the climate goals set by the United Nations and limit global warming, sustainable energy sources such as biomass, geothermal, hydro, solar and wind energy must be further developed. But despite the substantial growth in such sustainable energy supplies, fossil fuels such as natural gas, oil and coal will remain the prime sources of energy worldwide in the short- and the medium-term future.

Any gases which are to be used in industrial processes must first be cleaned and freed of any impurities such as water or sulphur. Adsorbents supplied by Zeochem ensure that such unwanted elements are removed from natural gas, ethanol, methane and other gaseous substances.

CPH Group AG also plays its part within the circular economy through the products it manufactures and provides. The molecular sieves produced by Zeochem are of mineral origin and can be regenerated by heating, offering customers sustainable and long-lasting solutions for adsorbing and concentrating gaseous substances. Perlen Packaging primarily manufactures PVC films which are combined with aluminium to make pharmaceutical blister packs. The company is also working on developing alternatives to these with smaller carbon footprints.

### 3.2 Leading market positions

Zeochem is active in the molecular sieve, chromatography gel and deuterated solvent product segments. In its largest such segment – molecular sieves for industrial applications – the company is one of the world's top three suppliers, and is the market leader in providing such products for the demanding oxygen concentration process. On the molecular sieve front, UOP, Arkema and Grace are among its prime competitors.

Perlen Packaging is the only provider of packaging films in the world that focuses solely on the pharmaceutical industry. The company is one of the world's top three suppliers of coated barrier films for pharmaceutical applications, and is a global leader in the provision of PVdC films with high-barrier properties. Its main competitors include Klöckner Pentaplast and Liveo Research.

### 3.3 Two market segments

CPH Group AG aims its products primarily at the pharmaceutical and the industry markets.

**Pharmaceuticals**

The pharmaceutical industry plays a key role in ensuring and maintaining human health, and is largely independent of economic fluctuations. The IQVIA institute expects the global medicines market to grow in value by 3 % to 6 % a year between now and 2027, or by as much as 7 % to 10 % in the emerging economies. CPH Group AG produces PVC-based films for use in the pharmaceutical industry's blister packs. With the exception of the USA, where medicines are largely supplied in bottles, blister packs are the preferred packaging form for tablets and capsules today. With production sites in Europe, Asia and North and South America, CPH Group AG has a local presence in all the key pharmaceutical markets, and offers them a wide range of film products ranging from mono films to coated films that meet the highest barrier demands. CPH Group AG also manufactures molecular sieves for concentrating medical oxygen and gels for separating complex pharmaceutical agents, along with deuterated solvents which are used as active agents within the pharmaceutical sector.

**Industry**

Many of the processes in the petrochemical, the chemical and the manufacturing industries (such as steelmaking) involve the use of gaseous substances, particularly oxygen, hydrogen, natural gas, ethanol and olefin. CPH Group AG manufactures molecular sieves which purify or concentrate these gases on an industrial scale. Molecular sieves are also used as industrial desiccants, such as in vehicle braking systems or to prevent misting between the panes of multipane windows. CPH Group AG manufactures a wide range of high-quality molecular sieves at its production plants in Europe, Asia and the USA. With its pedigree of innovation, the company is a global leader in the manufacture and provision of complex lithium-based molecular sieves that are used to concentrate oxygen, a field in which it has shown particular excellence in developing new products in close collaborations with its key customers.

### 3.4 A global presence

With twelve production sites of its own, CPH Group AG has developed a presence in key industrial centres all over the world. The resulting broad geographical spread enables full use to be made of the locational advantages of the various countries concerned while simultaneously reducing currency exchange rate risks.

CPH Group AG's international customers attach great value to the local care and assistance that such a geographical spread ensures, and also appreciate the shorter and more direct communications channels. Maintaining such a local presence is essential for the company to achieve its aim of responding swiftly and effectively to its customers' wishes and needs. The associated shorter transport journeys also help tangibly reduce the environmental impact of the company's business operations. A local presence further lays a firm foundation for lasting customer relations that are based on trust and respect. In addition to its own experienced local sales and service specialists in its main markets, who are all well familiar with local customs and culture, CPH Group AG can also draw on a comprehensive network of distribution partners in all its target markets.

### 3.5 A consistent branding policy

**Corporate brands**

CPH Group AG pursues a clear branding policy. At the corporate level it maintains three brands, which are each aimed at their own markets and target groups. As the overall holding company, CPH Group AG is not operationally active, but serves as the industrial group's umbrella brand towards its various stakeholders.

The group's two business divisions operate under their trademarked corporate brands of 'Zeochem' and 'Perlen Packaging'. Both brands enjoy outstanding acceptance and high familiarity in their target markets, where they are bywords for both innovation and tradition. The Packaging Division has been trading under its Perlen Packaging brand since 2010 but traces its business and operational origins back to 1954; and the Zeochem brand has been used since 1979, and originated at the Chemistry Division's US operation.

## Corporate brands

cph group
Chemistry & Packaging

ZEOCHEM®

perlen
packaging

**Product brands**
Both divisions maintain a product branding architecture that uses the same prefix to identify and assign its products. Thus, Zeochem's product names generally begin with 'Zeo-' (such as Zeoprep) while Perlen Packaging's product names begin with 'Perla-' (such as Perlalux). The product names are also registered as trademarks wherever possible, to protect them from counterfeiting activities.

### 4. An over 200-year history

It was back in 1818 that the Schnorf brothers began producing sulphuric acid and iron and copper sulphates in Uetikon by Lake Zurich. By around 1900, the Uetikon chemicals factory was the biggest producer of sulphuric acid, nitric acid and hydrochloric acid in Switzerland. In 1954 the company diversified in Perlen into the packaging business, going on to specialize in plastic coatings.

The manufacture of molecular sieves began at the Uetikon site in 1973. Six years later the chemistry business embarked on a joint venture in the USA by the name of Zeochem, under which name the Chemistry Division continues to trade today. (The US joint venture was subsequently acquired in full in 1997.)

2024 saw the company's Paper Division and its real-estate assets at the Perlen industrial site spun off into an autonomous new company named Perlen Industrieholding AG, whose shares have been OTC-traded since the end of June 2024. Further details of this spin-off transaction will be found in the 'Highlights of 2024' chapter and in the financial report from Page 67 onwards.

The last 15 years in the history of the company have been marked by international market cultivation and expansion, with further businesses acquired and production plants established in Germany, China, Bosnia and Herzegovina, Brazil, India, Israel and Hungary, along with the closure of the original Uetikon site.

Continuity is assured through CPH Group AG's anchor shareholders, who are among the present-day descendants of the founding families. Further details of CPH's history will be found on the company's website at https://cph.ch/cph-group/history/.

### 5. Attractive to investors

**Megatrends drive value**
The business model of CPH Group AG is firmly focused on international growth markets. By specifically positioning itself in such markets in both sector and geographical terms, the company seeks to achieve organic net sales growth of between 5 % and 8 % a year over the medium term.

**Success through constant innovation**
CPH Group AG invests unceasingly in developing new products and solutions and further enhancing its processes, to ensure it remains a market leader in the activities of its Chemistry and Packaging divisions. The company also operates development centres in Switzerland, Germany and the USA to help further provide its customers with tangible added value.

**An outstanding track record**
The members of CPH Group AG's Board of Directors and the Group Executive Board are entrepreneurially minded individuals with a broad range of skills and expertise. They can also draw on many years of management and industry experience, and are well familiar with the specific challenges within the company's various markets.

CPH Group AG is further backed by anchor shareholders from the descendants of the founding families, who maintain a long-term outlook and perspective that strongly colour the company's philosophy and approach and who are represented by the Chairman of the Board of Directors.

**A sound financial foundation**
With its focus on efficiency enhancements, its consistent alignment of its business portfolio to market needs and demand and its annual operational investments of some 5 % of net sales, CPH Group AG aims to achieve an average annual EBITDA margin of between 16 % and 18 % and free cash flow margins of 8 % to 10 % before acquisitions over the business cycle. With an equity ratio of more than 50 % and with substantial further debt capacity, CPH Group AG is in sound financial health.

The company maintains a consistent dividend policy with a dividend distribution – with due regard to liquidity and free cash flow both current and projected – of 25 % to 50 % of its net annual result. With one sole exception, CPH Group AG has awarded its shareholders a dividend every year since it was first listed on the Swiss stock exchange in 2001.

**Sustainable success**
CPH Group AG is committed to achieving net-zero emissions. The company is constantly further improving its energy efficiency and reducing its carbon footprint. It can also count on a diverse workforce all over the world – a diversity which is the foundation of its creativity, its innovation and its lasting success.

# Sustainability report

**CPH Group AG aligns all its business activities to the criteria of economic, environmental and social sustainability. In doing so, it puts a particular emphasis on adopting and maintaining a strategic approach and on transparent sustainability reporting.**

## 1. General information

### Foundations for the compilation of this report

CPH Group AG strives to conduct all its business responsibly in ethical, legal, environmental and social terms. In accordance with these objectives, sustainability has long been a key element in the company's more than 200-year success story and a prerequisite for its continued long-term value-adding endeavours. To cement such aspirations institutionally, too, the shareholders of CPH Group AG have also enshrined the principles of such sustainable long-term value creation in the company's Articles of Incorporation.

In the wake of the successful spinning-off of the former Paper Division and the real-estate assets at its Perlen operating site into the new Perlen Industrieholding AG, the Board of Directors and the Group Executive Board of CPH Group AG have revised and updated the company's sustainability strategy:

- These actions have seen clear ambitions developed for the two business divisions of Chemistry (Zeochem) and Packaging (Perlen Packaging) in all major sustainability areas.
- These ambitions provide the overarching foundation for all the associated goals of CPH Group AG and each of its two divisions.
- To achieve these goals, concrete actions have been formulated which can be taken at the Group level, at the Zeochem or Perlen Packaging level or at the level of each operating site.
- The corresponding progress towards such goals is measured regularly using quantity and/or quality metrics.

When evaluating key sustainability issues and developing the corresponding sustainability strategy, the company pays due regard not only to its own business activities but also to the upstream and downstream elements in the value chain. On the environmental sustainability front, a differentiated perspective is also beneficial for each business division, to ensure an adequate appreciation of the ecological interactions of each division's value chain. On social and governance issues, by contrast, Zeochem and Perlen Packaging are broadly similar in sustainability terms.

As part of this further development of its sustainability strategy, CPH Group AG has resolved to newly align the structure and presentation of its ESG reporting and the corresponding key metrics to the European Sustainability Reporting Standards (ESRS), which prescribe what information a company must divulge about its impact, risks and opportunities in sustainability terms. In the present sustainability report, not all the data have yet been brought into full accordance with ESRS requirements; and, as a result, the report as a whole is not yet ESRS-compliant.

The present sustainability report also complies with the latest requirements of the relevant Swiss authorities as specified in Article 964a to 964c of the Swiss Code of Obligations and in the associated Ordinance on Reporting on Climate-Related Issues. In particular, CPH Group AG fulfils the obligation under the Code's Article 964b, Paragraph 3 to report on climate-related environmental issues, with its first-time use of the European ESRS E1 Climate Change sustainability reporting standard (see also Section 2 of this report from Page 27 onwards).

This sustainability report has been compiled on a consolidated basis for the entire CPH Group AG using the same scope of consolidation as is used in the company's financial reporting. In doing so, however, the now-spun-off former Paper Division has not been included for the first half of 2024 and for the entire prior year, because omitting such content makes the resulting report both more forward-looking and more insightful in year-on-year comparison terms.

The scope of consolidation thus extends to:

- the Group: CPH Group AG, Root, Switzerland
- the Chemistry Division: Zeochem AG, Rüti ZH, Switzerland; Zeochem LLC, Louisville, USA; Zeochem d.o.o., Zvornik, Bosnia and Herzegovina; Jiangsu Zeochem Technology Co. Ltd., Lianyungang, China; Zeochem Pte. Ltd., Singapore; Sorbchem India Pvt. Ltd., Vadodara, India
- the Packaging Division: Perlen Packaging AG, Root, Switzerland; Perlen Packaging LLC, Whippany, USA; Perlen Packaging GmbH, Müllheim, Germany; Perlen Packaging (Suzhou) Co., Ltd., Suzhou, China; Perlen Packaging Anápolis Indústria e Comércio Ltda., Anápolis, Brazil.

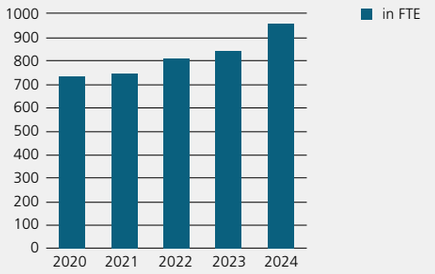
The Scope 1, 2 and 3 greenhouse gas (GHG) emission performance indicators for 2024 were subjected to an independent audit. The corresponding auditors' report will be found from Page 44 onwards.

### Governance in sustainability terms

**The role of the administrative, management and supervisory bodies**

Supreme responsibility for sustainability at CPH Group AG, and thus also for the content of this sustainability report, rests with the Board of Directors, which approved the present report for the 2024 reporting year on 18 February 2025 and recommends its further approval by the shareholders at the Annual General Meeting on 18 March 2025.

### Total workforce numbers




### Workforce numbers by region




### Workforce numbers by division




The Board of Directors' permanent Finance & Auditing Committee has been additionally responsible for advising the full Board on sustainability and climate strategy issues since the end of 2023. To reflect this additional duty, the committee has been renamed the Finance, Auditing & Sustainability Committee. Further details of the committee's present composition and of the role of the full Board of Directors will be found in the separate corporate governance report from Page 46 onwards.

To ensure that due regard is consistently paid to sustainability considerations, CPH Group AG established a governance structure in 2024 specifying the corresponding responsibilities, information flows and reporting obligations for sustainability issues:

- Overarching responsibility for ESG strategy and sustainability issues rests with the CPH Group AG Board of Directors, which is advised thereon by its Finance, Auditing & Sustainability Committee.
- The implementation of the company's sustainability strategy is defined, steered and overseen in operational terms by the CPH Group AG Group Executive Board, on which the Chief Financial Officer serves as the Delegate for ESG Affairs.
- The Delegate for ESG Affairs serves as the link between the Group Executive Board and the broader ESG Team and also between the Group Executive Board and the Board of Directors' Finance, Auditing & Sustainability Committee (and the full Board of Directors).
- The ESG Team is responsible for implementing ESG strategy and achieving the corresponding objectives. The ESG Team consists of the Delegate for ESG Affairs, representatives from Zeochem and Perlen Packaging, a representative from Human Resources and an ESG coordinator at the Group level. The ESG Team is further supported by various issue- or business-specific working groups.

**Information and aspects of sustainability with which the administrative, management and supervisory bodies concern themselves**

The Board of Directors and the Group Executive Board of CPH Group AG are regularly informed at their meetings about sustainability matters. The topic of sustainability was an agenda item at five meetings of the Board of Directors, two meetings of its Finance, Auditing & Sustainability Committee, three meetings of its Personnel & Compensation Committee (on Own Workforce issues) and ten meetings of the Group Executive Board in 2024. The topics discussed included updating the double materiality assessment, further developing sustainability strategy and the ambitions, objectives, actions and key metrics devised therein, assigning duties and responsibilities in the sustainability field, determining and assessing material climate-related impacts, risks and opportunities and compiling the greenhouse gas emissions assessment and the sustainability reporting. The bodies concerned were also briefed and informed on trends and developments in sustainability management.

**Sustainability performance integrated into remuneration systems**

The remuneration policies for the members of the CPH Group AG Board of Directors and the Group Executive Board are presented in the remuneration report from Page 57 onwards. While the remuneration of the Board of Directors does not have any variable compensation component, the remuneration system for the members of the Group Executive Board does. 40 % of this variable compensation is awarded based on the achievement of predefined performance targets in the fields of customers & market, innovation, processes, leadership & personnel and sustainability.

**Declaration of duty of care**

CPH Group AG applies the following core elements of its duty of care: Sustainability considerations are addressed in the company's sustainability strategy with due regard to the material impact, risks and opportunities thereof and their interplay with its corporate strategy and business model. In the process, the handling of the various sustainability issues pays appropriate regard to the interested parties involved (such as customers, employees and society). In line with this sustainability strategy, action plans were defined in the 2024 business year whose implementation is regularly tracked and updated. In addition, CPH Group AG ensures transparent internal and external reporting on its sustainability practices and performance and appropriate governance.

**Risk management and internal monitoring of sustainability reporting**

CPH Group AG conducts its regular clarifications of possible material sustainability-related impacts and risks partly within its broader risk management. This is described in detail – including the material risks involved – in the corporate governance report from Page 46 onwards. The risks concerned are viewed and evaluated from the perspective of CPH Group AG with a focus on their possible impact on the company's business. The associated risk identification and the subsequent action planning are conducted in a two-step process at the divisional level and then aggregated for the Group as a whole.

As part of its further development of its sustainability strategy, scenarios were devised for the company's climate risks and opportunities for the first time in 2024. These are presented from Page 29 onwards. The corresponding findings were channelled into the risk management process. CPH Group AG is steadily further improving its risk management process and updating its risk inventory in accordance with the relevance to business of the risks concerned.

For the compilation of this sustainability report, CPH Group AG collaborated with a specialist consultancy company which worked with Zeochem and Perlen Packaging to obtain, calculate and verify data from various operating sites. These data are constantly checked by the relevant Zeochem and Perlen Packaging ESG and HR officers. A

## Nationalities of employees

**44**

(prior year: 46)

## Personnel employed at locations outside Switzerland in %

**73**

(prior year: 70)

## Proportion of women in the workforce in %

**25**

(prior year: 23 )

## Engagement Index in %

**76**

(previous survey: 75)

## CIP suggestions submitted

**680**

(prior year: 720)

## Apprentices in training

**29**

(prior year: 25)

structured sign-off process has also been established, while a consistent principle of dual control is maintained for the internal control system.

For the topic areas of the environment, human rights violations, social issues, corruption and employee affairs, no material risks have been identified based on present evaluations which would require immediate mitigation measures.

### Strategy

**Strategy, business model and value chain**

CPH Group AG aligns its business activities to the criteria of economic, ecological and social sustainability. The corporate strategy of CPH Group AG is presented at length in the 'Strategy and markets' chapter of this annual report, which will be found from Page 18 onwards.

The value chains of Zeochem and Perlen Packaging include both an upstream and a downstream component. The upstream component consists in particular of raw materials which are extracted, processed, procured, packaged and transported to the companies' manufacturing facilities. The downstream component consists in particular in the delivery, further processing, utilization, recycling and later disposal of the products sold.

**Stakeholders' interests and perspectives**

To optimally understand and appreciate the interests and perspectives of its various stakeholders, CPH Group AG cultivates dialogue with investors, the media, the political world, society and further stakeholder groups. Zeochem and Perlen Packaging also maintain continuous exchanges with their customers and their suppliers. The findings and conclusions deriving from these contacts and discussions are channelled into the companies' product portfolios, business processes and overall strategic development.

The companies' employees are also actively involved, and are kept regularly informed about business trends and other relevant developments. Their proactive involvement through the in-house Continuous Improvement Process (CIP) is greatly appreciated, and results every year in valuable improvements and savings not only in costs but also in the resources and materials used.

The sustainability governance which was established in 2024 (see Page 24) calls explicitly for the regular notification of the CPH Group AG Board of Directors and Group Executive Board of the views and viewpoints of the company's stakeholders on any issues which may be of concern to them, including sustainability considerations. In adopting it, the company is taking a further step in fulfilling its duty of care towards all stakeholders.

### Management of impacts, risks and opportunities (double materiality assessments)

**Description of the procedures to determine and assess material impacts, risks and opportunities**

The identification of material sustainability issues is based on the principle of double materiality, under which both positive and negative impacts on the environment and society and the risks and opportunities these present to the business success of CPH Group AG are duly considered at the consolidated level. In the corresponding assessments, appropriate regard is paid to particular geographical and business-specific considerations. By maintaining regular exchanges with its various internal and external stakeholders such as employees, customers, suppliers, investors and authorities, CPH Group AG also ensures that adequate regard is paid to their interests, too.

Double materiality assessments were first conducted at CPH Group AG in the 2023 business year, by an interdivisional team supported by a specialist consultancy practice, and were approved by both the Group Executive Board and the Board of Directors. To provide a deeper appreciation of the issues involved, a scenario analysis was also conducted in 2024 of the climate-related aspects of the sustainability matters concerned (i.e. physical risks, interim risks and climate-related opportunities). For further details see Page 29.

**Topics covered by the company's sustainability reporting**

Below is an overview of the various sustainability topics with their materiality for CPH Group AG. The overview is based on the first-ever identification of material sustainability topics in 2023, and was modified in 2024 following the spinning-off of the former Paper Division:

Following the successful spin-off of the former Paper Division, the topic area of 'Water and marine resources' was no longer considered material to CPH Group AG for the 2024 business year. This is because the manufacture of the products of the company's remaining Chemistry and Packaging divisions requires only small volumes of water (see also Page 35).

Further sustainability topics which are not considered material to CPH Group AG are approached and handled as and where required. In particular, the company will not tolerate any form of human rights violation such as human trafficking or forced or child labour either within its own workforce or among the workers elsewhere within its value chain.

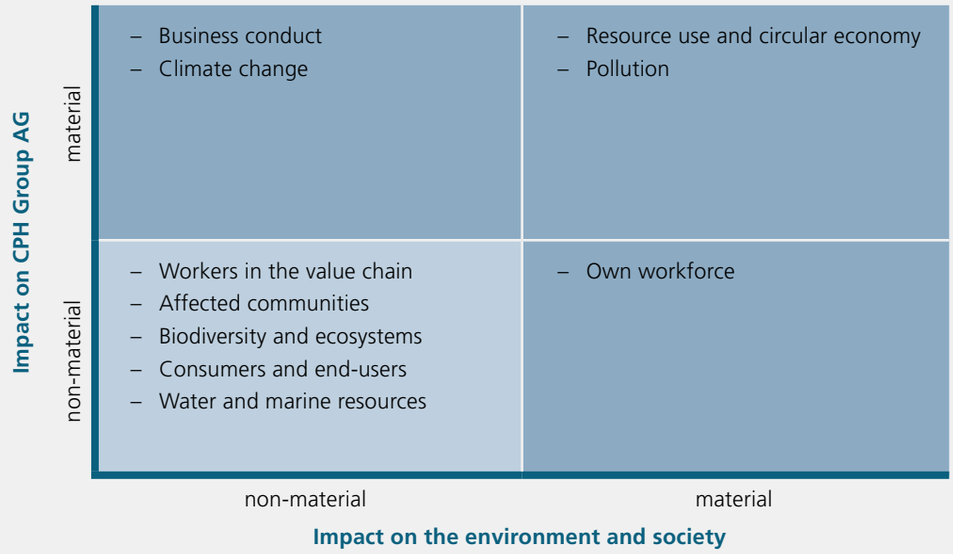
## 2. Climate change

### Strategy

**Transition plan for climate change mitigation**

CPH Group AG has the ambition to decarbonize its production and reduce its emissions to net-zero throughout the value chain while remaining competitive in its business segments. Zeochem and Perlen Packaging have been taking concrete actions to achieve this ambition for several years now. In China, for instance, solar collectors on a new Zeochem office building are reducing bought-in energy needs. And at Perlen Packaging's Müllheim site in Germany, under the operation's ISO 50001 energy management, greenhouse gas emissions are reduced through the use of green electricity while energy efficiency is enhanced through the use of waste heat from the facility's ventilation systems.

**Topics covered by the company's sustainability reporting**



## Carbon dioxide emissions in thousands of tonnes of $CO_2e$

**14**

(prior year: 12)
Scope 1

**30**

(prior year: 28)
Scope 2

**521**

(prior year: 527)
Scope 3

## Proportion of waste utilized in %

**87**

(prior year: 91)

With a view to intensifying and bringing a more systematic approach to the company's decarbonization endeavours, strategic climate targets were developed in 2024 together with associated concrete actions and timelines for the same. These should impact positively on the company's climate ambitions.

The company does not presently possess an adequate database to identify and quantify the corresponding decarbonization levers. The database available was expanded in 2024, however, through the compilation of a comprehensive greenhouse gas emissions assessment (Scope 3 included) (see Pages 30 to 33). The company does not yet have a transition plan for climate change mitigation as described in ESRS E1 (Climate Change). But it intends to create and maintain one in the medium term.

**Material impacts, risks and opportunities and their interaction with strategy and business model**

All the climate-related risks and opportunities evaluated by and deemed relevant to CPH Group AG are climate-related transition risks, i.e. risks that may arise in connection with the transition to a low-emissions economy.

CPH Group AG conducted an analysis of its climate-related risks and opportunities in 2024. Based on present estimates, the degree of the impacts determined is low. According to this assessment, the business model and strategy of CPH Group AG are resilient to the climate-related physical and transition risks identified. In view of this, the business model and strategy should be able to withstand the future conditions which are outlined in the scenarios described below. The company further ensures that its assessments of its climate-related risks and opportunities are regularly updated by integrating the corresponding analyses into its annual risk management process.

### Impact, risk and opportunity management

**Description of the processes to identify and assess material climate-related impacts, risks and opportunities**

CPH Group AG was assisted by a specialist consultancy in 2024 to identify its climate-related risks and opportunities in accordance with the work of the Task Force on Climate-related Financial Disclosures (TCFD). These actions considered both physical risks (climate-related risks both chronic and acute in the areas of temperature, wind, water and solid matter) and transition risks and opportunities of various kinds (political, legal, technological, market-related and image-related) and their relevance to the company, with due regard to its business activities and its value chain.

To determine the overall risk exposure of CPH Group AG and to prioritize the risks and opportunities concerned, an evaluation was conducted based on two criteria: financial impact and likelihood of occurrence. Risks and opportunities are classified as relevant if, under a qualitative

evaluation, they are considered to have both a high likelihood of occurrence and a substantial financial impact.

For the evaluation of the most significant climate-related risks and opportunities, three time horizons were defined: short-term (less than 5 years), medium-term (between 5 and 15 years) and long-term (more than 15 years). In addition, the following scenarios were used:

– The Net Zero Emissions by 2050 Scenario (NZE Scenario), which is based on expected global warming of less than 1.5 °C (~1.4 °C). The NZE Scenario is defined as an emissions pathway which is consistent with limiting the global temperature rise by 2100 to 1.5 °C with no or limited overshoot (with at least a 50 % probability).
– The Stated Policies Scenario (STEPS), which is based on expected global warming of more than 1.5 °C (~2.4 °C). STEPS is defined as an emissions pathway which reflects the current policy landscape, and which is founded on sector- and country-specific evaluations of energy policy actions both existing and planned.

The likelihood of occurrence and the financial impact of the most significant climate-related risks and opportunities, with due regard to the time horizons defined and the scenarios described above, were evaluated in accordance with CPH Group AG's risk management principles.

**Policies related to climate change mitigation and adaptation**
As mentioned above, CPH Group AG has the ambition to decarbonize its production and reduce its emissions to net-zero throughout the value chain while remaining competitive in its business segments. Zeochem and Perlen Packaging have already identified and taken various actions to these ends over the past few years. But to pursue this ambition more systematically in future, both companies developed strategic climate targets in the fields of climate change mitigation, climate change adaptation, energy efficiency and renewable energy deployment in 2024.

Corresponding actions were then derived from these targets, with associated time horizons. The first of these include identifying impact paths, Perlen Packaging's participation in the Science Based Targets Initiative (SBTi) with its associated commitments, an evaluation by the Ecovadis sustainability ratings agency, integrating sustainability considerations into employees' personal annual goals, raising the proportion of energy obtained from renewable sources, enhancing energy efficiency and developing products with a smaller carbon footprint and thus improved environmental credentials.

To ensure a systematic management of the above, the climate-related risks and opportunities identified and the associated action plans were also assimilated into the broader risk management process in the course of 2024. Appropriate quantitative and qualitative metrics were also defined for progress tracking purposes.

**Actions and resources in relation to climate change policies**
Zeochem and Perlen Packaging both planned and took actions in 2024 to expand the management of the relevant climate-related risks and opportunities. These initially include analyzing impact pathways. Corresponding actions to reduce greenhouse gas emissions should be taken from the 2025 business year onwards, with the findings obtained duly channelled into the CPH Group AG risk management process. Plans are also being drawn up to add ESG-related goals to employees' personal annual goals.

One action which is being taken at Zeochem and Perlen Packaging towards the goal of decarbonizing production and reducing emissions to net-zero throughout the value chain while remaining competitive is the comprehensive accounting and reporting of the companies' greenhouse gas emissions (Scope 3 included). If a transition plan is to be devised in the medium term, transparency must first be established throughout the value chain, to identify the decarbonization levers and to monitor the effectiveness of the individual actions taken.

The actions being taken to reduce greenhouse gas emissions and improve greenhouse gas efficiency include efforts to raise both energy efficiency and the proportion of energy obtained from renewable sources.

To provide a sound foundation for the improvements sought, Perlen Packaging joined the Science Based Targets Initiative (SBTi) at the end of 2024. The SBTi was established in 2015 to help companies determine their emissions reduction targets on the basis of scientific knowledge. The specification of SBTi actions and the definition of an SBTi-compatible emissions reduction pathway in impact, feasibility, cost and timeframe terms should be completed by 2026 and incorporated into Perlen Packaging's sustainability objectives.

Perlen Packaging sees potential here in ensuring that its end-products make more efficient use of resources, in substituting certain high-emission primary and intermediate products and in making further investments in consumption-optimized manufacturing technologies.

In concrete terms, the company has been offering its customers the option of obtaining PVC mono films with a substantially reduced carbon footprint since 2024, in the form of its PERLALUX Mono DeCarb film. This is achieved by replacing fossil raw materials sources with circular and biocircular alternatives and by using renewable energies in the manufacturing process. As a result, PERLALUX Mono DeCarb films permit reductions of up to 80 % in the carbon dioxide emissions generated by their raw materials.

## Metrics and targets

### Targets related to climate change mitigation and adaptation

CPH Group AG does not yet have a transition plan for climate change mitigation, and thus has not yet set concrete targets for reducing its greenhouse gas emissions. The first concrete strategic goals have been devised, however: these were presented in the previous section, in connection with the actions resolved.

### Energy consumption and mix

CPH Group AG is active as a manufacturing company solely in a high-climate-impact sector (ESRS classification: Sector C – Manufacturing). The company actively invests in plant and projects to make its own energy consumption more efficient. Its use of energy is constantly measured and monitored accordingly. This energy consumption has been used as the basis for calculating the greenhouse gas emissions in the relevant categories (Scope 2 and Scope 3, Category 3 'Fuel- and energy-related activities').

**Energy input**

| in MWh | 2024 | 2023 |
|---|---|---|
| Electricity, renewable | 19 081 | 19 962 |
| Heat, renewable | 7 561 | 10 032 |
| **Total from renewable sources** | **26 642** | **29 994** |
| **Electricity, nuclear** | **7 780** | **8 383** |
| Electricity, fossil[1] | 31 433 | 28 814 |
| Heat, fossil | 18 478 | 19 898 |
| Natural gas | 72 289 | 64 880 |
| Crude oil and petroleum products | 1 045 | 704 |
| **Total from fossil sources** | **123 245** | **114 296** |
| **Total energy input** | **157 667** | **152 673** |
| Share of renewable energy | 16.9 % | 19.6 % |
| Share of nuclear sources | 4.9 % | 5.5 % |
| Share of fossil fuels | 78.2 % | 74.9 % |
| **Energy intensity (MWh per million CHF net sales)** | **488** | **422** |

[1] including electricity without certificate of origin

CPH Group AG's energy intensity increased in 2024. The share of renewable energy in all energy used was below its prior-year level, while the share of fossil fuels was up on 2023. These developments are attributable to the fact that less renewable heat was available and that more electricity and natural gas were used in 2024 as a result of the changed product mix.

### Gross Scopes 1, 2, 3 and total greenhouse gas emissions

In view of its need to create value in a sustainable manner, CPH Group AG has taken proactive steps to understand and to reduce its impact on the climate. To these ends, a greenhouse gas emissions assessment was compiled.

### Methodology used

The greenhouse gas emissions were determined in accordance with the guidelines of the Greenhouse Gas Protocol's Corporate and Corporate Value Chain (Scope 3) accounting and reporting standards. The resulting Scope 1–3 greenhouse gas emission performance indicators for 2024 were independently audited (see the corresponding auditors' report from Page 44 onwards).

In organizational terms, CPH Group AG consists of the Zeochem and Perlen Packaging companies and their subsidiaries and operating locations as listed on Page 23. CPH Group AG has operational control over the activities at these locations. All such locations were considered in the compilation of the greenhouse gas emissions assessment with the exception of the Zeochem sales offices in Shanghai and Singapore, which were excluded in view of their negligible materiality. The consolidation thereof was performed using the same scope of consolidation as in CPH Group AG's financial reporting. In line with its entire sustainability reporting, the company refrained from including the former and now spun-off Paper Division in such calculations for the first half of 2024 and the full year of 2023, to ensure that the data as presented are more forward-oriented and remain comparable year-on-year.

Within the framework of Scope 3, the following categories were excluded as they are not material to the activities of CPH Group AG and are either not applicable in industry comparisons or produce only negligible emissions: business travel, employee commuting, (upstream and downstream) leased assets, franchises and investments.

In calculating emissions, all the greenhouse gases defined in the United Nations Framework Convention on Climate Change (UNFCCC) were included, i.e. carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$), sulphur hexafluoride ($SF_6$), partly halogenated hydrofluorocarbons (HFCs), nitrogen trifluoride ($NF_3$) and perfluorocarbons (PFCs). The resulting standard unit of calculated greenhouse gas emissions is the 'carbon dioxide equivalent' or $CO_2e$.

No primary data from suppliers or other value chain partners were used in the calculations. The factors used in the calculations – each in the latest status available – were obtained from the following sources:

- Scope 1 emissions (direct emissions): GHG conversion factors – DEFRA;
- Scope 2 emissions (indirect emissions from energy used): Ecoinvent 3.10;
- Scope 3 emissions (other indirect emissions): life cycle upstream emission factors – IEA; greenhouse gas conversion factors – DEFRA and Ecoinvent 3.10.

The compilation of the greenhouse gas emissions assessment described in this report is based on the reporting year of 2024 and the prior year of 2023. The general approach for compiling such assessments is based on activity data and emission factors. To this end, location-specific activity data were collected for these time periods, and use was made of the corresponding emission factors (which are updated annually) for the periods concerned.

The corresponding calculations for 2024 were essentially made by using the actual activity data for the January to November period and supplementing these with estimates for December (with the full-year emissions extrapolated based on net sales for January to November and annual net sales). As a result, the full volumes of greenhouse gas emissions can be shown which were caused by CPH Group AG in 2024 within the system parameters defined. The greenhouse gas emissions assessment for 2023 is essentially based entirely on the actual activity data for the period.

To complete the greenhouse gas emissions assessment, certain assumptions had to be made to fill gaps in data. CPH Group AG is taking active steps to improve the quality of the data concerned and the procedures for obtaining them, to further reduce the need for such assumptions in future assessments. Improvements were achieved in 2024 in both data quality and methodology, which both reduced the scope of the assumptions required and improved the quality of the greenhouse gas metrics presented. No such assumptions were made for Scope 1 and Scope 2: all the data used were actual activity data. But some assumptions had to be made for the significant categories in Scope 3, to complete the data basis:

- Purchased goods and services (Category 1): For almost all of Zeochem's and for more than 96 % of Perlen Packaging's volumes of goods and services purchased, the associated emissions were calculated using specific activity-based average emission factors. For the remaining 4 % of such goods and services purchased at Perlen Packaging, for which no weight details were available, such calculations were effected using their value and expenditure-based emission factors. Since the underlying data only provide net weights, the additional packaging weights were estimated and included accordingly in overall category emission calculations.
- Upstream transportation and distribution (Category 4) + Downstream transportation and distribution (Category 9): These categories had their emissions calculated using a distance-based approach. The points of origin and destination and the transportation used were available for all routes. For marine and air transport, the primary and secondary routes had to be calculated, to pay due regard to the surface transport to/from the port or airport, too. If no details were available on the port of origin and destination for a marine transport consignment, the nearest ports were used to calculate the distances of the primary route (by sea) and the secondary route (by road). An analogous approach was adopted for air transport consignments where necessary, using the nearest international airports.
- Waste generated in operations (Category 5): Waste emissions are calculated using a 'cut-off' approach which distributes the resources used and the emissions they cause over the various phases of the product life cycle. The environmental impact associated with the production of recycled materials is assigned to the user of the recycled materials concerned. This means that the emissions generated by the production of recycled content are 'cut off' from the original product system and assigned to the product system using the recycled material. The same applies to waste which is incinerated with energy recovery ('waste to energy'). In view of this, recycled waste and waste incinerated with energy recovery are assigned an emission factor of 0.
- Processing of sold products (Category 10): The emissions calculated pay due regard to any further processing of sold products by other companies before their end-user consumption. This category is not relevant for Zeochem, as its products are used by its customers directly without further processing. For Perlen Packaging, thermoforming is the main procedure used in processing the company's sold products. An emission factor procured from Ecoinvent 3.10 was used for such thermoforming activities.
- End-of-life treatment of sold products (Category 12): At Zeochem, molecular sieves and gels are the main end-of-life products, and these are regarded as hazardous waste in view of their contamination potential. With no information available on their actual disposal, these products were assumed to have been disposed of by incineration. Incineration was also assumed at Perlen Packaging, with an emission factor for the incineration of plastic used for the disposal of blister packagings. Since only net weights were available, the weight of the packagings concerned was estimated as the difference between the net and the gross weight of the (Category 9) products sent. For Zeochem the composition of the packagings was known, but assumptions were made as to the proportions of their various constituent materials. For Perlen Packaging, the packaging was assumed to consist of plastic packagings and EU pallets.

**Greenhouse gas emissions**

| in tonnes of $CO_2e$ | 2024[1] | 2023 | % change |
|---|---|---|---|
| **Scope 1: From own sources** | **13 542** | **12 272** | **+10.3 %** |
| Share of Scope 1 from regulated emission trading schemes | 0.0 % | 0.0 % | |
| **Scope 2: From purchased energy, market-based[2]** | **30 270** | **28 452** | **+6.4 %** |
| **Scope 2: From purchased energy, location-based[3]** | **37 954** | **36 331** | **+4.5 %** |
| Cat. 1: Purchased goods and services | 322 993 | 333 496 | -3.1 % |
| Cat. 2: Capital goods | 5 971 | 6 569 | -9.1 % |
| Cat. 3: Activities with fuels and energies | 7 215 | 6 722 | +7.3 % |
| Cat. 4: Upstream transportation and distribution | 11 790 | 6 394 | +84.4 % |
| Cat. 5: Waste generated in operations | 563 | 424 | +32.8 % |
| Cat. 9: Downstream transportation and distribution | 12 211 | 13 510 | -9.6 % |
| Cat. 10: Processing of goods sold | 11 236 | 11 569 | -2.9 % |
| Cat. 12 End-of-life treatment of goods sold | 149 232 | 147 816 | +1.0 % |
| **Total Scope 3: Indirect from value chain** | **521 211** | **526 500** | **-1.0 %** |
| **Total emissions, market-based** | **565 023** | **567 224** | **-0.4 %** |
| **Total emissions, location-based** | **572 707** | **575 103** | **-0.4 %** |
| Greenhouse gas intensity, market-based (in tonnes of $CO_2e$ per million CHF net sales) | 1 748 | 1 569 | +11.4 % |
| Greenhouse gas intensity, location-based (in tonnes of $CO_2e$ per million CHF net sales) | 1 772 | 1 591 | +11.4 % |

[1] reviewed with limited assurance
[2] market-based emissions take into account the $CO_2$ emissions based on the electricity supply contracts of the location concerned
[3] location-based emissions take into account the average $CO_2$ emissions of the electricity grid at the location concerned

**Explanations of developments in carbon dioxide emissions**

Greenhouse gas emission volumes showed a (market-based -0.4 %) year-on-year decrease in 2024. The reduction is attributable in particular to lower greenhouse gas emissions from purchased goods and services in the upstream value chain. This was counteracted by an increase in the consumption of energy derived from fossil sources or without certificate of origin. This in turn is due in part to the fact that less (Scope 2) renewable heat was available. The use of (Scope 2) electricity and (Scope 1) natural gas also increased as a result of the changed product mix.

The market-based Scope 2 greenhouse gas emissions from purchased energy are 20.2 % lower than the location-based Scope 2 greenhouse gas emissions (prior year: 21.7 % lower), primarily because both the Müllheim and the Perlen operating sites of Perlen Packaging specifically use electricity generated from renewable fuels and from carbon dioxide emission-free nuclear energy sources.

The 1.0 % decrease in Scope 3 greenhouse gas emissions in the upstream and downstream value chain is attributable to various factors. These include the impact of changes in production volumes, the product mix and the sales volume mix, the effect of more accurate measurement methods and changes in emission factors.

The Scope 3 carbon dioxide emissions for purchased goods and services in the upstream value chain (Category 1), which make the biggest contribution of all to overall greenhouse gas emissions, were down 3.1 % from their 2023 level. The reduction is due partly to the lower procurement volumes in the light of the lower net sales, and partly to a change in the procurement mix.

The second-biggest source of overall greenhouse gas emissions is the downstream treatment of products sold at the end of their service lives (Scope 3, Category 12). These emissions showed a 1.0 % year-on-year increase for 2024, which is attributable primarily to the changed sales volume mix and to the Chemistry Division's accounting for a larger proportion of total net sales.

Some 13 tonnes of $CO_2e$ were also emitted in 2024 in the form of biogenic emissions.

**Greenhouse gas emissions by division**

| | Chemistry | | | Packaging | | | CPH Group | | |
|---|---|---|---|---|---|---|---|---|---|
| in tonnes of $CO_2e$ | 2024 | 2023 | % change | 2024 | 2023 | % change | 2024 | 2023 | % change |
| Scope 1: From own sources | 11 183 | 9 954 | +12.3 % | 2 359 | 2 318 | +1.8 % | 13 542 | 12 272 | +10.3 % |
| Scope 2: From purchased energy, market-based[1] | 24 609 | 22 699 | +8.4 % | 5 661 | 5 753 | -1.6 % | 30 270 | 28 452 | +6.4 % |
| Scope 2: From purchased energy, location-based[2] | 25 224 | 23 150 | +9.0 % | 12 730 | 13 181 | -3.4 % | 37 954 | 36 331 | +4.5 % |
| Scope 3: Indirect from value chain | 229 088 | 226 348 | +1.2 % | 292 123 | 300 152 | -2.7 % | 521 211 | 526 500 | -1.0 % |
| **Total emissions, market-based** | **264 880** | **259 001** | **+2.3 %** | **300 143** | **308 223** | **-2.6 %** | **565 023** | **567 224** | **-0.4 %** |
| **Total emissions, location-based** | **265 495** | **259 452** | **+2.3 %** | **307 212** | **315 651** | **-2.7 %** | **572 707** | **575 103** | **-0.4 %** |
| Greenhouse gas intensity, market-based (in tonnes of $CO_2e$ per million CHF net sales) | 2 258 | 2 086 | +8.3 % | 1 457 | 1 299 | +12.2 % | 1 748 | 1 569 | +11.4 % |
| Greenhouse gas intensity, location-based (in tonnes of $CO_2e$ per million CHF net sales) | 2 264 | 2 090 | +8.3 % | 1 492 | 1 330 | +12.2 % | 1 772 | 1 591 | +11.4 % |

[1] market-based emissions take into account the $CO_2$ emissions based on the electricity supply contracts of the location concerned
[2] location-based emissions take into account the average $CO_2$ emissions of the electricity grid at the location concerned

**Greenhouse gas removals and greenhouse gas mitigation projects financed through carbon credits**

CPH Group AG pursues the ambition to decarbonize its production and reduce its emissions to net-zero throughout the value chain while remaining competitive in its business segments. No greenhouse gas emissions reduction projects are presently being conducted which are financed through carbon credits.

**Internal carbon pricing**

CPH Group AG does not have any internal carbon pricing scheme.

**Anticipated financial effects from material physical and transition risks and potential climate-related opportunities**

With due regard for and application of the definitions on the likelihood of occurrence and the financial impact used in CPH Group AG's risk management system, the following prime climate-related risks and opportunities have been identified:

Climate-related risks

- A shift in the preferences of industrial customers: Industrial customers are increasingly setting their own climate-related goals, and are demanding that Perlen Packaging in particular should set and pursue its own climate change mitigation targets. Non-compliance with such demands could adversely impact net sales and earnings in the short to medium term, though the financial effects of this are regarded as low. Actions such as pursuing the climate change mitigation targets set or registering with the SBTi will help reduce this risk.
- Impact of regulations on supply chains and the extraction of raw materials: The prime suppliers of raw materials are being increasingly subjected to stricter climate policy actions, which could affect the costs of such materials in the medium to long term. The possible financial effects of this are presently considered low as it is assumed that, provided competitive conditions remain unchanged, any such increased costs will prompt higher sales prices.
- Higher investment costs: The investment costs entailed in modifying existing own processes and production lines to make them more climate-friendly (in terms, for instance, of the decarbonization

endeavours envisaged under the SBTi) could potentially result in additional investment needs over a possible ten-year period. The financial effects of any such development are considered low, however, as it is assumed that the associated higher costs would lead to higher sales prices.

Climate-related opportunities
- Rising demand for more sustainable products among industrial customers: CPH Group AG plans to develop new products that cause fewer emissions in their use or further processing and thereby meet its customers' needs to reduce their own emissions. This may have positive financial effects in the medium term, though this will depend on customers' willingness to pay for such sustainable products.
- Low-emission packaging solutions: Innovative climate-friendly packaging solutions offer opportunities for cost savings throughout the value chain (through the benefits offered by the lower use of raw materials, the use of lower-cost materials and/or simpler disposal or recycling) and could deliver competitive advantages in the medium term if customers increase their own support for solutions of this kind. The potential positive financial effects here are primarily contingent on customers' willingness to pay for such low-emission packaging solutions.

## 3. Pollution

### Impact, risk and opportunity management

**Policies related to pollution**

CPH Group AG is fully aware of its responsibility as a company to avoid and reduce pollution, and acts accordingly. Its actions in doing so are based on its ambitions to avoid the release of pollutant substances and to comply in full with all local rules and regulations. Avoiding and reducing pollution are inextricably integrated into all planning and decision-making at Zeochem and Perlen Packaging.

CPH Group AG has identified the greatest levers in all such aspirations to be ensuring the sparing and efficient use of resources and re-using production waste and its own products. Further information on these endeavours will be found in the 'Resource use and circular economy' section of this sustainability report.

**Actions and resources related to pollution**

Every production site has its own environmental affairs officer, whose prime duties include ensuring that all local air, water and soil pollution regulations are both familiar and observed. All actions and activities involving dangerous substances have had standardized work processes defined, and the employees involved receive regular appropriate training to ensure that such processes are followed. Regular in-house and extramural safety training is also provided to ensure that all handling of dangerous substances complies consistently with all legal requirements, and that accidents and the release of pollutant substances are avoided.

### Metrics and targets

**Targets related to pollution**

At both Zeochem and Perlen Packaging, the use and the release of environmentally harmful substances are monitored, the associated assessments are studied in depth and the results and findings of these activities are consolidated at the Group level. These data should then serve as a basis for setting appropriate further targets, both in air, water and soil pollution terms and in terms of avoiding or reducing the use of substances of concern and substances of very high concern.

To ensure the appropriate management of their environmental affairs, a corresponding management system has been established by Zeochem at its ISO 14001-certificated Donghai and Zvornik operating sites. Subject to cost/benefit considerations, ISO 14001 certification should be extended to the company's other production sites in the next few years, with the Louisville site expected to earn this in the course of 2025.

**Pollution of air, water and soil**

The greenhouse gas emissions presented in the 'Climate change' section of this report (Pages 27 to 34) are regarded as air pollutants. Further potential pollutant emissions into the air through production processes are avoided by actions such as the use of appropriate filter systems. In addition, all chemical processes are conducted within closed systems as a general principle.

The company's endeavours to use water resources as sparingly as possible are covered in more detail in the following 'Water and marine resources' section. Waste water, for instance, is pre-treated in precipitation or neutralization systems where necessary and then cleaned in local waste water treatment plants. Soil pollution is avoided through a range of safety concepts and precautions. These include the placement of collection trays in areas with a high risk of exposure and the careful storage of dangerous substances.

No cases of air, water or soil pollution were recorded in either 2024 or 2023. A project to remediate the affected lake bed adjacent to the former production site of Zeochem's predecessor company in Uetikon am See (Switzerland) has been under way since 2022. Some 80 % of the area concerned had been cleaned up by 2024. The work is being performed in close collaboration with the Canton Zurich Building Department, which has the project lead, with CPH Group AG represented in the project steering group.

In its manufacture of plastic blister films, Perlen Packaging helps avoid emitting microplastics into the environment. The main raw material, PVC, is delivered to the company in powder (defined as microplastic) form. This material is then transformed into another state in the production process, and the final product – the plastic film – is no longer defined as microplastic material. By transforming this powder PVC

within a closed system, Perlen Packaging ensures that no microplastics can enter the environment during its production processes.

**Substances of concern and substances of very high concern**

The production processes at Zeochem and Perlen Packaging involve some substances which are classified as 'substances of concern' or 'substances of very high concern', in the form of raw or auxiliary materials or through their presence therein in low concentrations.[1] These substances are subjected to regular assessments of the threats they pose. All and any actions involving such substances – including their transport, storage and disposal – are prescribed in the standard work procedures and are performed by specially trained employees and/or specialist companies. Thanks to their responsible handling by trained specialist personnel and the taking of further safety precautions such as handling substances of very high concern within closed systems, no material risk of exposure to such substances is anticipated for the companies' employees, for local communities or for the natural environment.

### 4. Water and marine resources

The topic area of water and marine resources was not considered material at CPH Group AG under the corresponding double materiality assessment (see Page 27). No positive or negative material impacts, risks or opportunities relating to water and marine resources were identified therein. This is first and foremost because the product manufacturing processes at Zeochem and Perlen Packaging require only small volumes of water, and almost all the water resources used can be returned to the natural water cycle in cleaned form via local waste water treatment facilities.

With water being such a valuable natural resource, however, CPH Group AG still makes every effort to ensure its efficient use. To this end, its water consumption is closely monitored, especially at its three Asian operating sites in China and India, which, according to the Aqueduct Water Risk Atlas, are all located in areas of high water stress. A total of 571 000 $m^3$ of water was used in 2024 (prior year: 540 000 $m^3$). The water intensity of CPH Group AG is generally low, because only small volumes of water are used in production. Of all the water consumed, 11 % was used in areas of high water stress (prior year: 7 %).

With a view to achieving greater water efficiency, Zeochem successfully put a new facility into operation in 2024 to process waste water with a high saline content for subsequent re-use. The China-based team involved has also developed a new technological procedure for doing so which not only produces newly cleaned water but also isolates certain chemical substances such as calcium chloride ($CaCl_2$) which can then be used in further production (see also the 'Highlights of 2024' chapter of this annual report).

### 5. Biodiversity and ecosystems

The topic area of biodiversity and ecosystems was not considered material at CPH Group AG under the corresponding double materiality assessment (see Page 27). No positive or negative material impacts, risks or opportunities relating to biodiversity and ecosystems were identified therein. In view of its very low importance to the company and its business operations and activities, CPH Group AG has refrained from any further reporting in this topic area.

### 6. Resource use and circular economy

#### Impact, risk and opportunity management

**Policies related to resource use and circular economy**

Avoiding and reducing waste and making efficient use of resources have been incorporated into the planning and the decision-making within the divisions of CPH Group AG for many years now. The circular economy and sustainable products are both presently regarded as material opportunities.

CPH Group AG has the ambition to further promote the development of circular-economy products and minimize the waste generated in its production processes. Re-use and recyclability are key criteria here.

**Actions and resources in relation to resource use and circular economy**

Zeochem helps to avoid waste partly by reducing its production waste volumes and partly by recycling various materials which are used in its production processes.

The molecular sieves manufactured by Zeochem are of mineral origin. They can be regenerated and re-used multiple times, and thus offer customers sustainable and long-lasting solutions.

Heavy water or $D_2O$ is a standard base material in many isotope exchange reactions. At Zeochem's Swiss operating site, all the depleted $D_2O$ is carefully collected, combined with lower-concentration $D_2O$ returned by customers and enriched into concentrated heavy water that can be re-used, via a technology that has been specially developed to enhance Zeochem's circular economy credentials. The company's US operation takes back the steel barrels used by customers and processes them for re-use.

The large IBC containers which are used at Perlen Packaging's Perlen operating site to store and transport fluids are returned to their manufacturer after use for reprocessing and re-use. The paper reels used during machine start-ups and changeovers in Switzerland are also re-used. Thanks to its coating, this paper will not absorb any liquids, and can therefore be used to line vegetable crates. The PVC,

[1] A chemical substance is defined as a 'substance of concern' if it can have adverse effects on human health or the environment. A chemical substance is classified as a 'substance of very high concern' if it has the potential to cause serious harm to human health or the environment.

PE and PVdC waste generated at Perlen Packaging's Chinese production plant is sold to another company which uses it to manufacture plastic plant seedling containers.

The medicine packagings produced using Perlen Packaging's plastic films often consist of two elements: the coated plastic film, which is thermoformed to produce the blisters that hold the medicinal product, and the aluminium lidding film through which the product is pressed. Being of two different materials – plastic and metal – these blister packs are harder to recycle than all-plastic packagings. The primary recycling of pharmaceutical packagings is also prohibited for regulatory reasons.

### Metrics and targets

**Targets related to resource use and circular economy**

On the basis of the ambition described above, CPH Group AG has set itself the strategic targets of driving the further expansion of its recyclable product portfolio, practising systematic waste management at all its production sites, minimizing production waste and maximizing the re-use of production waste, consumables and residual production materials. These strategic targets should above all help to reduce the volumes of raw materials used, with a concomitant reduction in greenhouse gas emissions.

**Resource inflows**

Zeochem uses both mineral raw materials and heavy water ($D_2O$) and intermediate products as base materials in its production.

Perlen Packaging largely processes rigid PVC into films, which are generally further processed with aluminium films to produce blister packs in the downstream value chain. The PVC used by Perlen Packaging has a smaller carbon footprint over its full life cycle compared to other oil-based polymers.

No raw materials regarded as 'conflict minerals' such as tin, tantalum, tungsten or gold are imported or processed in substantial volumes. Tin stabilizers are used in certain Perlen Packaging products. The suppliers of these are regularly checked by the company to ensure that none of the tin used is obtained from conflict regions, and that the applicable provisions of the Responsible Minerals Initiative (RMI) are duly and fully observed.

**Resource outflows**

By aiming to ensure the re-use and the efficient use of the raw materials it requires for its activities and its products, CPH Group AG makes its contribution to the circular economy. Re-use and recyclability are key criteria here.

Zeochem helps to avoid waste partly by reducing its production waste volumes and partly by recycling various materials used in its production. The latter include mother liquor, molecular sieves, steel barrels, wood pallets, heavy water ($D_2O$) and the big bags used to package molecular sieves. The solid waste of aluminium silicate clay compounds deriving from molecular sieve production is sent to inert waste landfills for disposal.

Perlen Packaging is committed to the recycling of polyvinyl chloride (PVC). At its Müllheim site, the PVC produced in the form of edge-trim waste is taken from the calender, ground directly in an edge strip granulator and channelled back into the extrusion process. This material is thus fed back directly into film production to make a further positive contribution to the circular economy. Any plastic not recyclable in the company's own processes is either used to make film reel cores by a third-party provider or sold to recyclers to manufacture other PVC products. Over 90 % of Perlen Packaging's PVC production waste is re-used.

**Waste**

| in tonnes | 2024 | 2023 |
|---|---|---|
| Non-hazardous waste, recycling | 4 546 | 5 543 |
| Non-hazardous waste, other utilization | 447 | 504 |
| Hazardous waste, recycling | 7 | 375 |
| Hazardous waste, other utilization | 338 | 304 |
| **Total utilized waste** | **5 338** | **6 726** |
| Non-hazardous waste, incineration | - | - |
| Non-hazardous waste, landfill | 611 | 568 |
| Hazardous waste, incineration | 174 | 118 |
| **Total disposed waste** | **785** | **686** |
| **Total waste** | **6 123** | **7 412** |
| Share of waste utilized | 87.2 % | 90.7 % |
| Share of waste disposed of | 12.8 % | 9.3 % |
| Total hazardous waste | 519 | 797 |
| Total radioactive waste | - | - |

The total volume of waste generated through business operations was reduced for 2024. The reduction was attributable in particular to the changed product mix and to lower sales volumes in some product lines. The proportion of utilized waste in the total waste volume remained almost unchanged at a high 87.2 % (prior year: 90.7 %), thanks to high recycled waste volumes.

## 7. Own workforce

### Strategy

**Material impacts, risks and opportunities and their interaction with strategy and business model**

The global success of CPH Group AG is largely achieved through the knowledge, the skills and the motivation of its personnel. The company conducts itself accordingly towards its employees at all its business and operating sites, through active human resources (HR) management and by paying due and constant regard to any risks which may jeopardize these aspirations.

CPH Group AG does not tolerate any discrimination based on gender, skin, religion, nationality, age, sexual orientation, physical or mental disability, family status, political views or other legally protected characteristic. All forms of physical or psychological violence, bullying or sexual harassment at the workplace are forbidden. CPH Group AG further does not tolerate any form of human rights violation such as human trafficking or forced or child labour.

CPH Group AG conducts its HR in accordance with its Guiding Principles and its Personnel Regulations. The company meets all the fundamental international employment standards in all its business activities and at all its business and operating locations, and complies with all national and local employment and health and safety laws, rules and regulations.

It is the ambition of CPH Group AG to promote the satisfaction of its employees and their identification with the company and thereby remain an attractive employer. In all the corresponding endeavours, employee recruitment, employee retention and knowledge transfer represent prime HR challenges. In a time in which the local employment markets in some regions are witnessing distinct shortages of specialist personnel and in which workforces are also increasingly ageing, knowledge transfer and effective employee recruitment are becoming crucial factors to a company's long-term success. The corresponding actions being taken on these fronts are detailed below.

### Impact, risk and opportunity management

**Policies related to own workforce**

In line with its ambition to promote the satisfaction of its employees and their identification with the company and thereby remain an attractive employer, CPH Group AG defined six strategic action areas in 2024: occupational safety, workforce involvement, intensified recruitment & needs-based further training, succession planning for all management and further key positions, workplace diversity and market-appropriate salaries. The highest priority here is given to protecting the company's employees from work-related accidents and thereby keeping work-related accident numbers as low as possible. Further information on this will be found in the subsection 'Health and safety metrics' on Page 40.

**Processes for engaging with own workers and workers' representatives about impacts**

An open communications culture, a management that embodies and practises the company's values and a safe, healthy and diverse working environment lay the foundation for involving its employees and encouraging them to identify with both their work and their employer.

At CPH Group AG, company information is communicated via various channels which include personal discussions, staff meetings, the intranet, the staff magazine and noticeboards. Performance reviews are held annually. The employees' representatives at each business and operating site are duly involved in line with the relevant legal provisions.

CPH Group AG maintains a companywide Continuous Improvement Process (CIP) to help identify and effect process optimizations and cost savings that improve the quality of its products and services, raise its customers' satisfaction and involve its employees. Every idea is welcomed that can optimize a process, save energy, spare resources, protect the environment, contribute to safety, improve the working atmosphere or increase earnings results. All the CIP suggestions submitted are evaluated in a clearly structured process. Experience has shown that around half the ideas submitted are put into practice. The CIP is also incorporated into individual performance targets, and CIP training is conducted annually in both business divisions.

A total of 680 CIP system-based suggestions for improvements were submitted in 2024 (prior year: 720 suggestions).

**Processes to remediate negative impacts and channels for own workers to raise concerns**

CPH Group AG maintains an externally accessible whistleblowing system which, after being established in Germany and Switzerland, is now being rolled out at all locations worldwide. The system enables employees to anonymously communicate any concerns they may have. They also remain free at any time to consult their in-house HR manager.

An in-house Social Counselling facility was established in Switzerland in the course of 2024. This gives employees the option of consulting a neutral party on any work-related issue (such as workplace problems or bullying), health matter (such as psychological problems or burnout) or difficulty in their private life (such as a family or financial concern). With its specialized staff, the new facility offers such employees professional assistance and advice. In establishing its Social Counselling facility, CPH Group AG is taking preventive action to ensure that its Swiss-based workforce can maintain and further strengthen their health, their motivation and their ability to work and perform.

**Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions**

To protect employees from accidents and keep work-related accident rates low, every operating location has its own designated occupational safety officer, and training in industrial safety is regularly conducted. Possible further improvements in workplace safety can also be actively addressed via the established Continuous Improvement Process (CIP). Any accident which does occur is analyzed via a predefined process to help prevent its recurrence. These and further actions will be continued, and will also be continually modified as and where required.

In its stated endeavours to further strengthen its employees' involvement and commitment, CPH Group AG will be focusing in particular on deriving concrete actions from the results and findings of its next staff survey, which is scheduled for 2025. The company conducts such surveys every three years, in the topic areas of job satisfaction, working environment, professional development, leadership, communications, innovation, customers, strategy and involvement.

The most recent such survey in 2022 generated a response rate of 82 % – an 11-percentage-point improvement on the previous such poll in 2019. The positive responses in the 2022 survey also equalled or exceeded the already high levels of 2019 in the various areas, with the highest approval ratings – of between 80 % and 89 % – recorded in the customers, innovation, leadership, working environment and professional development categories.

Priority also continues to be given to ensuring the provision of needs-based further training and systematic succession planning for all management and other key positions. In addition to the requisite occupational safety training, employees also have the opportunity to attend individual training courses for their specific profession or trade.

CPH Group AG seeks to continue to offer an attractive working environment in which its people can fully develop their individual potential (further details on this will be found in the 'Diversity metrics' subsection on Page 39). The corresponding salary policy should also continue to offer salaries that are in line with market levels (see also the 'Salary policy' subsection on Page 39). And a further action in this same field is the company's ongoing studies of ways and means to expand the fringe benefits that it offers its employees alongside their salary.

### Metrics and targets

**Targets related to own workforce**

The targets set in the various topic areas have already been elaborated on in the previous section in connection with the various actions being taken. They will now be discussed in more detail in the presentation below of the characteristics of the personnel of CPH Group AG.

**Characteristics of the undertaking's employees**

**Employees by region**

| in FTE | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Switzerland | 255 | 255 |
| Rest of Europe | 204 | 208 |
| North and South America | 187 | 192 |
| Asia | 313 | 186 |
| **Total** | **959** | **841** |

**Employees by division**

| in FTE | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Chemistry | 406 | 283 |
| Packaging | 546 | 551 |
| CPH | 7 | 7 |
| **Total** | **959** | **841** |

**Employees by function**

| in FTE | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Production | 548 | 533 |
| Logistics | 106 | 58 |
| Research & development, quality | 59 | 52 |
| Marketing & sales | 131 | 99 |
| Human resources, purchasing, finance | 115 | 99 |
| **Total** | **959** | **841** |

**Length of service**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Up to 5 years | 57.9 % | 56.7 % |
| 6 to 10 years | 19.0 % | 19.5 % |
| 11 to 20 years | 12.7 % | 11.3 % |
| More than 20 years | 10.4 % | 12.5 % |

**Staff turnover by division**

| | 2024 | 2023 |
|---|---|---|
| Chemistry | 17.8 % | 12.3 % |
| Packaging | 8.4 % | 12.3 % |
| **Total** | **11.9 %** | **12.2 %** |

**Staff turnover by region**

| | 2024 | 2023 |
|---|---|---|
| Europe | 5.7 % | 5.6 % |
| North and South America | 18.9 % | 31.5 % |
| Asia | 18.8 % | 11.4 % |
| **Total** | **11.9 %** | **12.2 %** |

Staff turnover saw a slight decline in the year under review. A number of targeted actions helped achieve a particular reduction in staff turnover rates for North and South America, though this positive trend was countered by the first-time inclusion of a new India-based subsidiary.

**Collective bargaining coverage**

Some 202 employees of Perlen Packaging at the company's Perlen site in Switzerland are subject to a collective labour agreement (CLA), while the 161 personnel at the company's Müllheim site in Germany are subject to the CLA provisions of the Industriegewerkschaft Bergbau Chemie Energie (IGBCE). Elsewhere, personnel work under individual employment contracts.

**Diversity metrics**

**Employees by gender**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Female | 25.2 % | 22.8 % |
| Male | 74.8 % | 77.2 % |

**Employees by age**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Up to 30 years | 19.9 % | 18.3 % |
| 31 to 50 years | 54.5 % | 54.8 % |
| More than 50 years | 25.6 % | 26.9 % |

CPH Group AG seeks to ensure that all its employees can develop to their full potential, irrespective of their age, gender or other criteria. To this end, the company pursues a fair and non-discriminatory employment policy in which all decisions on recruitment, further development and promotion are based on the employee's individual performance, skills and potential at their place of work.

Collaborations within multicultural teams are actively practised and promoted. This is of particular importance to CPH Group AG because as at the end of 2024, some 73 % of its personnel were employed at locations outside Switzerland. The company's 2024 year-end workforce consisted of employees from 44 different nations (prior year: 46 nations).

The total workforce of CPH Group AG with its remaining Chemistry and Packaging Divisions numbered 959 employees at the end of 2024, 118 more than a year before. The increase is attributable to acquisition activities. Some 27 % of the workforce were employed in Switzerland.

The proportion of women in the CPH Group AG workforce amounted to 25.2 %, up from the 22.8 % of the previous year. For optimum recruitment purposes, diversity should be further promoted, subject to the availability of suitably skilled and qualified personnel. In addition to such diversity considerations, a firm emphasis is also placed on criteria such as performance record, skills and experience in all assessment activities.

**Salary policy**

CPH Group AG pursues a fair, transparent and appreciable salary policy that is closely aligned to local and regional customs and conditions. This policy is intended to offer salaries that pay due regard to the demands of the position, the conduct, performance and success of its occupant and general market levels. It also rewards above-average performance, such as via bonus payments or (with management positions) via a variable salary component that is linked to the achievement of individually-set performance targets and to Group and/or divisional results.

At the company's Swiss locations – and, where meaningful, in its other countries of operation, too – evaluations are conducted annually (or every three years for the members of the Group Executive Board and the divisional managements) to determine whether the salaries being paid are in line with market levels. These actions are designed to ensure that no employee should receive an inappropriate salary.

**Social protection**

CPH Group AG offers its employees assistance and support in the event of accident or sickness, paid maternity or paternity leave and access to healthcare provision. The scope of such services is based on the local customs and conditions at the corresponding operating location.

The same applies to the company's occupational pension schemes. Employees in Switzerland are insured under a defined-contribution scheme which had a funding ratio of 122 % at the end of 2024 (prior year: 119 %). The company also maintains a patronage fund which can, among other things, support Swiss-based employees and their families. CPH Group AG further offers its employees a Social Counselling facility, which was established in 2024 (see Page 37).

**Training and skills development metrics**

**Apprentices in training, interns and working students**

| in heads | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Switzerland | 12 | 12 |
| Germany | 12 | 5 |
| Other countries | 5 | 8 |
| **Total apprentices in training** | **29** | **25** |

Professional training is vital – to maintaining the long-term competitiveness of individual businesses, to providing the broader economy with skilled and qualified professionals and to attracting new employees in general recruitment endeavours and in filling job vacancies as they arise. So with its commitment to providing basic professional training at its Swiss and German operating sites, CPH Group AG is also assuming a key social responsibility. Zeochem has developed a joint student programme with ETH Zurich, while Perlen Packaging

offers internships for student engineers at its German operations. Further internships and support with bachelors' degree theses are also provided, subject to business and operating feasibilities.

CPH Group AG had 29 apprentices undergoing their basic training as automation engineers, chemical lab technicians, commercial officers, computer scientists, logistics officers, plant operators, polymechanics and production and process mechanics at the end of 2024 (prior year: 25). A total of 8 (prior year: 19) apprentices completed their courses during the year, 5 of whom could be offered permanent company employment.

Perlen Packaging had eight mature learners engaged in the production and logistics at its Perlen site in 2024 who were undergoing further education in parallel with their employment, and who will earn a Swiss Federal Diploma of Vocational Education and Training (EFZ) at the end of their training course. To qualify for such training, the learner must first have completed the company's in-house German course, which is offered to all employees.

Perlen Packaging's first four mature learners completed their further education in summer 2024. The company was swift in identifying this demand for adult education among employees with more basic German skills and no educational qualifications which are recognized in Switzerland. Through this pioneering involvement in adult education, Perlen Packaging is not only alleviating a general shortage of suitably skilled personnel: it is also helping immigrants to assimilate in their new country. The programme is being offered in collaboration with the Lucerne cantonal authorities.

CPH Group AG offers its employees opportunities to undergo both in-house and extramural training under a targeted skills development concept. The programmes provided here include safety training on topics such as forklift driving or cybersecurity, along with individually arranged courses addressing their specific professional needs, including courses on sustainability issues. To ensure that the further training they are offered is optimally aligned to their requirements and to promote their personal and professional development, all employees also participate in regular performance and career reviews.

A CPH Group AG employee spent an average of 1.9 days (prior year: 2.0 days) on in-house or external training in 2024. The Group invested CHF 0.6 million (prior year: CHF 0.9 million) in initial and further training for its employees over the course of the year.

The management corps of CPH Group AG plays a vital part in the achievement of its business objectives. The company supports its management corps members in their personal career plans. The company has set itself the goal of filling at least one third of all the middle management vacancies which arise every year with candidates from its own ranks. In 2024, 28 % of such vacancies were filled in this way. Succession planning for all middle management positions is steered by groupwide HR Management and is monitored by the Board of Directors' Personnel & Compensation Committee.

The company also maintains the CPH Academy, which opened in 2022, to promote and support management corps members and occupants of further key positions. The Academy works with two external seminar and e-learning tool providers to specifically further refine such employees' corporate development, leadership, communications, technical and self-competence skills. A total of 69 employees attended CPH Academy seminars and e-courses in 2024, while 88 employees did so in the previous year.

### Health and safety metrics

**Work absences**

| | 2024 | 2023 |
|---|---|---|
| Number of accidents at work | 20 | 17 |
| Number of fatalities | 0 | 0 |
| Accident-related absence | 0.2 % | 0.1 % |
| Absence due to illness | 2.6 % | 3.1 % |

The health and safety of its employees are a paramount priority of CPH Group AG, and every conceivable effort is made to keep the numbers of industrial and work-related accidents as low as possible. This is also why all the company's employees are subject to its Health & Safety Management System. Every site further has its own safety officer, and the production sites additionally have trained paramedic staff.

Health and safety training continued to be provided by the correspondingly qualified personnel at all the company's locations in the course of 2024. Should an employee identify an existing or a potential safety deficiency within the production process, they can either report this directly to their superior or submit an appropriate suggestion for improvement via the established Continuous Improvement Process (CIP). Such action helps further strengthen the existing occupational safety provisions and refine or modify these as and where required.

Any work-related incidents that occur are systematically analyzed to help prevent future accidents. At CPH Group AG such incidents are deemed to include minor incidents such as cuts or grazes, which accounted for the majority of work-related accidents in the year under review. The company strives to achieve a zero accident rate for every business year. Any employee who is absent from work through illness is offered assistance and support within the framework of local legal provisions.

Employees can take advantage of numerous preventive healthcare facilities such as free flu vaccinations. A number of the company's operations also support their employees' personal fitness endeavours, by subsidizing their gym subscriptions, by participating in 'Bike to Work' programmes that encourage staff to cycle their daily commute or by having their own local staff soccer club. They further organize joint health-promoting activities such as hikes or fun run participations.

**Work-life balance metrics**

**Employees by employment level**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Full-time | 93.2 % | 92.8 % |
| Part-time | 6.8 % | 7.2 % |

CPH Group AG strives to ensure that its employees can maintain a healthy balance between their work and their private lives. Wherever possible, the company offers part-time employment options, flexitime arrangements and sabbaticals to these ends. Staff approaching retirement are also offered appropriate preparatory courses. And some 0.8 % of the workforce were absent on maternity or paternity leave in 2024 (prior year: 0.8 %).

**Compensation metrics (pay gap and total compensation)**

The principle of 'equal pay for work of equal value' is anchored in both the Swiss Constitution and the Swiss Federal Gender Equality Act. CPH Group AG pursues a corresponding salary policy which is also in line with general market conditions. The company analyzed salary equality in the relevant Perlen Packaging units with more than 100 employees in 2021, and also commissioned an external auditor to study the findings obtained. Perlen Packaging was found to be within the tolerances specified in salary equality terms.

**Incidents, complaints and severe human rights impacts**

As in 2023, no cases of discrimination (including harassment) were reported and no cases of severe human rights violations (such as forced labour, human trafficking or child labour) were identified at CPH Group AG in 2024. As a result, no fines, sanctions or compensatory damages payments were incurred in the light of the same.

### 8. Workers in the value chain

The sustainability topic of workers in the upstream and downstream value chains was considered non-material under the corresponding double materiality assessment (see Page 27). No material positive or negative impacts, risks or opportunities were identified in relation to workers in the value chain. CPH Group AG aims nevertheless to continually further improve its sustainable supplier management and thereby exceed the relevant regulatory requirements where possible.

Zeochem and Perlen Packaging each have their own Code of Conduct, both of which are publicly available on the CPH Group AG website (https://cph.ch/investors/documentation/). These Codes of Conduct also specify that every partner with which CPH Group AG maintains business relations is expected to maintain the same ethical conduct and behaviour. Should any suspicion to the contrary arise, this can be reported to CPH Group AG at any time by any of various channels (see https://cph.ch/contacts/).

The suppliers to Zeochem and Perlen Packaging are also expected to commit, under the applicable Supplier Code of Conduct, to paying due regard to the interests of the workers in the value chain. CPH Group AG does not tolerate any form of human rights violation such as human trafficking, forced labour or child labour. No such violations were identified by CPH Group AG in either 2024 or the prior year, nor were any cases recorded of reasonable suspicion thereof.

### 9. Affected communities

The sustainability topic of affected communities was considered non-material under the corresponding double materiality assessment (see Page 27). No material positive or negative impacts, risks or opportunities were identified in relation to affected communities in the value chain. CPH Group AG identified no instances in 2024 of any negative impact of its business activities on the communities around its operating sites, and none of the company's business or operating sites are located in a region inhabited by indigenous peoples. In view of its negligible applicability, CPH Group AG refrains from providing more exhaustive reporting on this sustainability topic.

### 10. Consumers and end-users

The sustainability topic of consumers and end-users was considered non-material under the corresponding double materiality assessment (see Page 27). No material positive or negative impacts, risks or opportunities were identified in relation to consumers and end-users in the value chain. This is partly because the customers of CPH Group AG are other industrial concerns, and the company's products cannot be obtained directly by such consumers and end-users.

It is, however, a key aim and concern of CPH Group AG to maintain the highest product quality and product safety standards at all times. Through a combination of sustainable management, ethical conduct, quality control and partnerly collaborations, the company strives to ensure that its own business model can have an appropriately positive impact among consumers and end-users.

## 11. Business conduct

### The role of the administrative, supervisory and management bodies

The role of the administrative, supervisory and management bodies with regard to the conduct of business and the professional expertise of the administrative, supervisory and management bodies with regard to aspects thereof are presented in the 'Corporate governance' chapter of this annual report from Page 46 onwards.

#### Impact, risk and opportunity management

### Corporate culture and business conduct policies

The long-term value creation at CPH Group AG is based on responsible business conduct which pays due and full regard to the interests of its customers, employees, shareholders and further stakeholders. The company strives to ensure the ethical conduct of all business, and actively manages its sustainability issues and endeavours throughout the value chain.

Zeochem and Perlen Packaging each have their own universally applicable Code of Conduct, both of which are publicly available on the CPH Group AG website (https://cph.ch/investors/documentation/). These Codes of Conduct each cover various aspects of the company's ethics and corporate culture such as non-discrimination, equal opportunities, workplace safety, data protection, human rights, anti-corruption, handling conflicts of interest, sponsorship and donations, fair competition and whistleblower protection.

Should any suspicion of improper conduct arise, this can be reported to CPH Group AG at any time by any of various channels (see https://cph.ch/contacts/).

### Management relationships with suppliers

Zeochem and Perlen Packaging traditionally maintain close, trusting and in many cases long-standing business relations with their suppliers, and are correspondingly well familiar with their customs, habits and demands. In institutional terms, these business relations are regulated in each company's Code of Conduct and in their corresponding Supplier Code of Conduct. Zeochem and Perlen Packaging also conduct regular audits of their various suppliers. Both CPH Group AG and Zeochem and Perlen Packaging consistently observe all the contractually agreed or legally prescribed payment terms with all their suppliers.

### Prevention and detection of corruption and bribery

The risk management of CPH Group AG is described in detail – including all material risks – in the corporate governance report within this annual report. These risks are viewed and assessed from the perspective of CPH Group AG, with a focus on their possible impact on the company's business. Such risks are identified, and the associated actions planned in response, in a two-step process within each constituent division, and are then aggregated at the Group level.

No material risks which would require immediate mitigation measures have been identified in the areas of the environment, human rights violations, social issues, corruption or employee affairs. CPH Group AG is constantly further improving its risk management process and updating its inventory of risks in accordance with their relevance to its business.

In particular, no violations of competition law and no cases of corruption in connection with business activities were identified in the year under review. Thanks to the manageably overviewable nature of its business divisions and its close management thereof, CPH Group AG regards the risk of corruption in particular as low. In view of this, the company sees no need for further action here.

#### Metrics and targets

### Political influence and lobbying activities

CPH Group AG made selective political donations in 2024. These were made directly in the form of financial support or benefits in kind to political parties, their elected representatives or persons seeking political office. CPH Group AG is a member of the Central Switzerland Chamber of Industry & Commerce (IHZ) and of Economiesuisse, the umbrella association of Swiss business and industry.

### Payment practices

CPH Group AG abides by all contractually agreed or legally prescribed payment terms. No CPH Group AG company was the subject of any legal proceedings for payment default at the end of 2024 or at the end of the previous year.

| Production site quality certifications | Zeochem | | | | | Perlen Packaging | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Rüti CH | Louisville USA | Donghai CN | Zvornik BA | Vadodara IND | Perlen CH | Müllheim D | Whippany USA | Suzhou CN | Anápolis BR |
| ISO 9001 | • | • | • | • | • | • | • | • | • | • |
| ISO 14001 (environmental) | | | • | • | | | | | | |
| ISO 15378 (GMP) | | | | | | • | • | | • | • |
| ISO 50001 (energy) | | | | | | | • | | | |
| ISO 45001 (safety) | | | • | • | | | | | | |
| FDA, USA DM Nos. 10686, 9072 and 30501 | | | | | | • | • | | • | |

# Independent practitioner's limited assurance report

**on Greenhouse Gas (GHG) Scope 1–3 Indicators in the Sustainability Report 2024 to the Management of CPH Group AG, Root**

We have been engaged by Management to perform assurance procedures to provide limited assurance on the accompanying Greenhouse Gas (GHG) Scope 1–3 Indicators in Sustainability Report 2024 in the Annual Report 2024 of CPH Group AG for the period from 1 January 2024 to 31 December 2024.

The following GHG Scope 1–3 Indicators in the table on page 32 in the Sustainability Report 2024 of CPH Group AG were disclosed by the management of CPH Group AG:

- Scope 1: From own sources
  - Share of Scope 1 from regulated emission trading schemes
- Scope 2: From purchased energy, market-based
- Scope 2: From purchased energy, location-based
- Total Scope 3: Indirect from value chain
  - Cat. 1: Purchased goods and services
  - Cat. 2: Capital goods
  - Cat. 3: Activities with fuels and energies
  - Cat. 4: Upstream transportation and distribution
  - Cat. 5: Waste generated in operations
  - Cat. 9: Downstream transportation and distribution
  - Cat. 10: Processing of goods sold
  - Cat. 12 End-of-life treatment of goods sold
- Total emissions, market-based
- Total emissions, location-based
- Greenhouse gas intensity, market-based (in tonnes of $CO_2e$ per million CHF net sales)
- Greenhouse gas intensity, location-based (in tonnes of $CO_2e$ per million CHF net sales)

The reporting process and the Greenhouse Gas (GHG) Scope 1–3 Indicators for 2024 in the Sustainability Report 2024 of CPH Group AG were developed by the management based on, among other things, the Greenhouse Gas Protocol, Corporate Standard, Revised Edition, and the associated Scope 3 Calculation Guidance as described on pages 30 and 31 in the section 'Methodology used' (hereinafter summarized as "suitable Criteria").

**Inherent limitations**

The accuracy and completeness of the GHG Scope 1–3 Indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. Our assurance report will therefore have to be read in connection with the suitable Criteria.

**Management's responsibility**

The Management of CPH Group AG is responsible for the preparation and presentation of the Sustainability Report 2024 in the Annual Report 2024 of CPH Group AG in accordance with the description about the basis of preparation in the General Information on page 23 in the Sustainability Report 2024. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the Sustainability Report 2024 that are free from material misstatement, whether due to fraud or error. Furthermore, the Management is also responsible for the selection and application of the basis of preparation and adequate record keeping.

**Independence and quality control**

We are independent of the CPH Group AG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers AG applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Practitioner's responsibility**

Our responsibility is to express a limited assurance conclusion on the GHG Scope 1–3 Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the GHG Scope 1–3 Indicators in the table on page 32 is free from material misstatement, in all material respects.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of CPH Group AG's use of the suitable Criteria as the basis for the preparation of the GHG Scope 1–3 Indicators, assessing the risks of material misstatement of the GHG Scope 1–3 Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG Scope 1–3 Indicators in the table on page 32 in the Sustainability Report 2024. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the

procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment.

We performed the following procedures:

- *Evaluation of the application of corporate guidelines*
  Review of the application of internal sustainability reporting guidelines from with the consideration of the appropriate Criteria.
- *Site visits and Management interviews*
  - Site visit in Rüti and Müllheim; and
  - Interviews with employees responsible for internal reporting and data collection at the locations, divisional level, and corporate level.
- *Assessment of the THG Scope 1–3 Indicators for 2024*
  Conducting sample-based tests of the evidence for the GHG Scope 1–3 Indicators for 2024 regarding their completeness, accuracy, adequacy, and consistency.
- *Review of documentation and analysis of relevant fundamental documents*
  Review of relevant documentation on a sample basis, including the sustainability policy of CPH Group AG, management of reporting structures, and documentation.

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

**Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the GHG Scope 1–3 Indicators in the table on page 32 in the Sustainability Report 2024 in the Annual Report 2024 of CPH Group AG for the period from 1 January 2024 to 31 December 2024 are not prepared, in all material respects, in accordance with the suitable Criteria.

**Restriction of use and purpose of the report**

This report is prepared for, and only for, the Management of CPH Group AG, and solely for the purpose of reporting to them on the GHG Scope 1–3 Indicators and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Management to demonstrate that that they have discharged their governance responsibilities by commissioning an independent assurance report over the GHG Scope 1–3 Indicators in the Sustainability Report 2024 in the Annual Report 2024, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of CPH Group AG for our work or this report.

PricewaterhouseCoopers AG





Norbert Kühnis Cyrill Ivo Manetsch

Zürich, 18 February 2025

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich,
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The maintenance and integrity of CPH Group AG's website and its content are the responsibility of the Management; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the CPH Group AG's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported GHG Scope 1–3 Indicators or suitable Criteria since they were initially presented on the website.

# Corporate governance report

**Responsible corporate management that pays due regard to the interests of its customers, employees, shareholders and further stakeholders is the foundation of CPH Group AG's ability to sustainably create value in its business activities.**

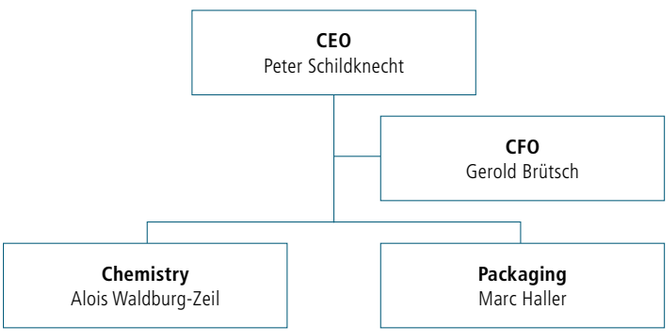
CPH Group AG is internationally active in various markets and countries with varying laws and regulations, all of which are rigorously observed. Impeccable business management and high ethical standards which are maintained in line with the company's size and structure are essential to its long-term success. This includes responsible corporate governance that is aligned to the Swiss Code of Best Practices for Corporate Governance of Economiesuisse. The foundations of the company's management are provided by its Guiding Principles, its Articles of Incorporation and its Organizational Regulations and by the codes of conduct of its constituent divisions, which are available for download on the company's website at https://cph.ch/investors/documentation/ under 'Articles of incorporation, regulations and descriptions of duties'.

## 1. Corporate structure and shareholders

### 1.1 Corporate structure

CPH Group AG comprises the two business divisions of Chemistry (Zeochem) and Packaging (Perlen Packaging), which each act autonomously in their specific markets. The parent company CPH Group AG is domiciled in Perlen/Root, Switzerland. A list of the subsidiaries included in the consolidated financial statements will be found in the notes thereto on Page 76. CPH Group AG is headed by the CEO, while the divisions are each led by a divisional head. The CPH Group Executive Board consists of the CEO, the CFO and the two divisional heads.

**Organization chart as at 31.12.2024**




CPH Group AG is the only stock exchange-listed company of those consolidated. Its registered shares (securities number 162471, ISIN CH0001624714) are listed on the SIX Swiss Exchange. Its market capitalization as at 31 December 2024 amounted to CHF 440 million.

### 1.2 Significant shareholders

A total of 1 274 shareholders were entered in the Share Register as at 31 December 2024. These shareholders had the following numbers of shares:

| Number of shareholders | 31.12.2024 |
|---|---|
| 1 to 2 000 shares | 1 131 |
| 2 001 to 20 000 shares | 97 |
| 20 001 to 200 000 shares | 43 |
| More than 200 000 shares | 3 |
| **Total number of registered shareholders** | **1 274** |

A total of 416 735 or 6.9 % of the company's shares were not entered in the Share Register as at 31 December 2024.

The following significant shareholders with voting rights of more than 3 % are known to the company:

| | 31.12.2024 |
|---|---|
| Shareholders' group Swiss Industrial Finance AG, Zurich, Switzerland (14.8 %) and Elly Schnorf-Schmid Foundation, Zurich, Switzerland (18.8 %), represented by Peter Schaub, Uster, Switzerland | 33.6 % |
| J. Safra Sarasin Investmentfonds AG, Basel, Switzerland | 7.3 % |

The two anchor shareholders Swiss Industrial Finance AG and the Elly Schnorf-Schmid Foundation have concluded a shareholders' agreement to ensure a stable shareholder base, and jointly hold 33.6 % of all shares. Swiss Industrial Finance AG is owned by the family branch of the Chairman of the Board of Directors, Peter Schaub, who represents the shareholders' group.

Notifications of significant shareholders from the year under review and from previous years will be found on the website of the SIX Swiss Exchange (https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/).

### 1.3 Cross-shareholdings

There are no cross-shareholdings with any other company.

## 2. Capital structure

### 2.1 Ordinary capital

The company's issued share capital amounts to CHF 900 000 and consists of 6 000 000 fully-paid-up registered shares each of CHF 0.15 nominal value.

### 2.2 Authorized and conditional capital

The company has no authorized or conditional capital outstanding.

### 2.3 Changes in capital

The spinning-off of the former Paper Division resolved by shareholders at the Extraordinary General Meeting of 20 June 2024 resulted in a change in capital in the year under review. Under the spin-off transaction, the company's share capital was reduced by CHF 300 000 from CHF 1 200 000 to CHF 900 000. The capital reduction was effected a) by reducing the nominal value of the company's 6 000 000 registered shares from CHF 0.20 to CHF 0.15 per share and b) by assigning the CHF 300 000 reduction amount to capital reserves.

### 2.4 Shares

The share capital of CHF 0.9 million consists of 6 000 000 fully-paid-up registered shares each of CHF 0.15 nominal value. Every voting registered share entered in the company's Share Register entitles its owner to one vote at the General Meeting. There are no transfer or voting right restrictions, except those specified in 2.6 below.

### 2.5 Participation and dividend-right certificates

No participation or dividend-right certificates have been issued.

### 2.6 Limitations on transferability

Acquirers of registered shares are entered into the Share Register by the Board of Directors as shareholders with voting rights at the shareholder's request. The Board of Directors may refuse such entry if the shareholder does not expressly declare that the shares concerned have been acquired in their own name and at their own expense or if they make any false statement, if the volume of registered shares concerned amounts to more than 3 % of the outstanding share capital. No further restrictions on share transferability are stipulated in the Articles of Incorporation.

### 2.7 Convertible bonds and options

CPH Group AG has no convertible bonds outstanding and has issued no options to any persons within or outside the company.

## 3. Board of Directors

### 3.1 Members of the Board of Directors

The Board of Directors of CPH Group AG comprises a minimum of three and a maximum of nine members. As at 31 December 2024, the Board of Directors comprised six members. The Chairman of the Board, Peter Schaub, represents the Swiss Industrial Finance AG and Elly Schnorf-Schmid Foundation shareholders' group, which holds 33.6 % of the company's shares. The five further Board members (i.e. 83 % of the Board) are independent, i.e. none of them represents any shareholder holding more than 3 % of the company's share capital or voting rights. None of them is currently active with the company in an executive capacity or has been so in the last five years, and none of them holds any cross-directorship with any member of the Group Executive Board.

| | Board member since | Function | Finance, Auditing & Sustainability Committee | Personnel & Compensation Committee |
|---|---|---|---|---|
| Peter Schaub[1] | 1994 | Chairman since 2010 | Member | Member |
| Tim Talaat | 1994 | Deputy Chmn since 2015 | | Chair since 2020 |
| Kaspar W. Kelterborn | 2015 | Member | Chair since 2015 | |
| Claudine Mollenkopf | 2021 | Member | | Member |
| Manuel Werder | 2015 | Member | Member | |
| Christian Wipf | 2008 | Member | | Member |

[1] Peter Schaub represents the Swiss Industrial Finance AG and Elly Schnorf-Schmid Foundation shareholders' group.

| | Kaspar W. Kelterborn | Claudine Mollenkopf | Peter Schaub | Tim Talaat | Manuel Werder | Christian Wipf |
|---|---|---|---|---|---|---|
| Industry experience | • | • | • | • | | • |
| CEO experience | | • | | • | | • |
| International experience | • | • | • | • | • | • |
| Experience with emerging economies | • | • | • | • | | • |
| Financial expertise | • | | • | | • | |
| Legal training | | | • | | • | |
| M&A | • | • | • | • | • | • |
| Digitalization | | • | | • | | • |
| Experience with listed companies | • | • | • | • | • | • |
| Sustainability | • | • | • | | | • |
| Extensive knowledge of CPH Group AG | • | • | • | • | • | • |



**The Board of Directors as at 31 December 2024 (from left):** Manuel Werder, Christian Wipf, Claudine Mollenkopf, Peter Schaub, Kaspar W. Kelterborn and Tim Talaat

As is evident from their backgrounds below, all the members of the Board of Directors have extensive management experience in international industrial or other companies. As a result, the Board consists of members with a wide range of knowledge, skills and experience.

The proportion of women on the Board of Directors amounts to 16.7 %, which is below the legally envisaged guideline of 30 % applicable from 2026. The pool of suitable female candidates within the industry remains small. In addition to the diversity dimension, the prime criteria for evaluating such candidates are competence, experience and track record. The present female representation is the result of a careful assessment which paid due and full regard to all the skills and expertise required of a Board member. CPH Group AG will be making every conceivable effort to observe the new legal guideline.

### 3.2 Professional background, other activities and vested interests

**Peter Schaub**

Peter Schaub, lic. iur., attorney-at-law, born in 1960 and a Swiss national, has been Chairman of the Board of Directors since 2010. He has been a partner at Weber Schaub & Partner AG, tax and legal consultants, Zurich, since 1994. He is Chairman of the Board of Directors of Scobag Privatbank AG, Basel, Chairman of the Board of Directors of Zindel Immo Holding AG, Chur, Chairman of the Board of Directors of Mobimo AG, Lucerne, Chairman of the Board of Directors of Swiss Industrial Finance AG, Zurich, Chairman of the Board of Directors of Perlen Industrieholding AG, Perlen, Deputy Chairman of the Board of Directors of UBV Holding AG, Uetikon and a member of the Board of Directors of Rüegg Cheminée Holding AG, Zumikon. He serves as a member of the boards of directors of various further unlisted companies and as a trustee of various foundations.

He was previously a tax commissioner at the Cantonal Tax Office, Zurich (1990–1993) and a junior associate at the Schellenberg Wittmer law firm, Zurich (1987–1988).

**Tim Talaat**

Tim Talaat, MSEE and MBA, born in 1960 and a Swiss national, has been Deputy Chairman of the Board of Directors since 2015 and Chair of its Personnel & Compensation Committee since 2020. He is the majority shareholder and Chairman & Delegate of the Board of Directors of SIHAG Swiss Industrial Holding AG, Uetikon (no connection with Swiss Industrial Finance AG), Deputy Chairman of the Board of Directors of Perlen Industrieholding AG, Perlen, Chairman of the Advisory Board of Single Group GmbH, Hochdorf (Germany) and a member of the Board of Directors of Bachofen AG, Uster.

He was previously CEO of Looser Holding AG, Arbon (2009–2015), CEO of SR Technics Switzerland (2003–2007) and a member of the SR Technics Group Executive Board, Zurich Airport (1996–2003).

**Kaspar W. Kelterborn**
Kaspar W. Kelterborn, lic. oec. HSG, born in 1964 and a Swiss national, has been Chair of the Finance, Auditing & Sustainability Committee since 2015. He is a member of the Board of Directors of Burckhardt Compression Holding AG, Winterthur, a member of the Board of Directors of EMS-CHEMIE AG, Domat/Ems, a member of the Board of Directors of Karl Bubenhofer AG, Gossau (SG), a member of the Board of Directors of Wipf Holding AG, Brugg and a member of the Board of Directors of Perlen Industrieholding AG, Perlen, and is the owner of Kelterborn Advisory AG, Wangen (SZ).

He was previously interim CFO and a member of the Executive Committee of the Dormakaba Group, Rümlang (2022), CFO and a member of the Executive Board of the Conzzeta Group, Zurich (2006–2021) and CFO and a member of the Executive Board of the Unaxis Group, Pfäffikon (2002–2005), and held various executive finance and controlling functions in and outside Switzerland for the Clariant Group, Muttenz, between 1996 and 2002.

**Claudine Mollenkopf**
Claudine Mollenkopf, Dr. rer. nat., born in 1966 and a German and French dual national, has been President of the Specialty Additives Division at Evonik Industries and a member of the Executive Board of Evonik Operations GmbH, Essen, since 2022. She can draw on over 25 years of experience in the chemicals industry. She is also a member of the Board of Directors of Perlen Industrieholding AG, Perlen.

She previously served as Senior Vice President and General Manager Silica at Evonik Operations GmbH, Essen (2019–2022), a member of the Executive Committee of Orion Engineered Carbons S.A., Luxembourg (2011–2019) and President of Orion Engineered Carbons France SAS, Berre l'Étang (2018–2019), and held further executive positions in the Evonik Group, most latterly General Manager Business Line Rubber/MRG Industries, between 1996 and 2010.

**Manuel Werder**
Manuel Werder, lic. iur. and LL.M. attorney-at-law, born in 1974 and a Swiss national, has been a partner since 2015 and the CFO since 2024 of the Niederer Kraft Frey AG law firm in Zurich. He is a member of the Board of Directors of UBV Holding AG, Uetikon and a member of the Board of Directors of Perlen Industrieholding AG, Perlen, serves on the boards of directors of various further unlisted companies and is a trustee of several foundations.

He was previously a senior associate at Niederer Kraft Frey AG, Zurich (2010–2015), a secondee to Allende & Brea Abogados, Buenos Aires (2007–2008), an associate at Niederer Kraft Frey AG, Zurich (2004–2007) and a foreign associate at Fox Horan & Camerini LLP, New York (2002–2004).

**Christian Wipf**
Christian Wipf, lic. oec. HSG, born in 1957 and a Swiss national, is Chairman & Delegate of the Board of Directors of Wipf Holding AG, Brugg, chairman of the boards of directors of various subsidiaries within the Wipf Group and a member of the Board of Directors of Perlen Industrieholding AG, Perlen.

He previously served as CEO of the Wipf Group, Brugg (1997–2020), as CEO of Wipf AG, Volketswil (2001–2007) and as a member of Executive Management at Seetal Schaller AG, Brugg (1991–1997), and held various executive functions at Philips AG, Zurich and at Philips Electronics Ltd, Montreal between 1982 and 1991.

### 3.3 Statutory provisions regarding the number of activities permitted under Swiss Code of Obligations Art. 626, Para. 2 (1)
Under Article 21 of the Articles of Incorporation of CPH Group AG, members of the Board of Directors may hold up to 15 additional mandates, but no more than three thereof at stock exchange-listed companies. These calculations do not include:
- mandates at legal entities which control or are controlled by CPH Group AG;
- mandates at associations, foundations or staff welfare institutions, of which every Board member may hold up to five;
- mandates at joint ventures in which CPH Group AG is involved but which it does not control, of which every Board member may hold up to five.

A mandate is regarded as any activity performed by a member of the Board of Directors in the top management or administrative bodies of legal entities that are obliged to enter themselves in the Commercial Register (or a corresponding register abroad) and that neither control nor are controlled by CPH Group AG. Mandates at multiple legal entities which are under common control are regarded as one single mandate. No member of the Board of Directors holds more than the maximum number of external mandates specified in the Articles of Incorporation.

### 3.4 Election and term of office
The dates of the first election of each Board member are stated in 3.1 above. In accordance with Article 14 of the Articles of Incorporation of CPH Group AG, Board members are elected individually by the Annual General Meeting to serve for a one-year period. They may be re-elected. A Board member's mandate will end at the latest at the Annual General Meeting of the year in which their 70th birthday falls.

### 3.5 Internal organizational structure
The organization of the Board of Directors is based on the law, the company's Articles of Incorporation and its Organizational Regulations. The last two of these are available (in German) on the company's website at https://cph.ch/investors/documentation/ (under 'Articles of incorporation, regulations and descriptions of duties').

The Board of Directors meets as often as business demands, but at least five times a year. The Board is quorate as long as a majority of its members are present. Resolutions are passed by a simple majority of the votes cast. The chair also has a vote, and has a further casting vote in the event of a tie. The Board met ten times in 2024, for four full-day sessions, five half-day sessions and a two-day strategy meeting. The high number of meetings during the year is attributable to the process of separating the former CPH Chemie + Papier Holding AG into CPH Group AG and Perlen Industrieholding AG. Meeting attendance was either in person or (exceptionally) by video conference. All meetings were fully attended.

The Board's strategy meeting is devoted to strategic issues and the medium-term development of the company and its Zeochem and Perlen Packaging subsidiaries. This meeting is also attended by the entire Group Executive Board and – for specific topics – members of the Zeochem and Perlen Packaging Executive Boards.

The Chairman of the Board or their deputy convenes Board meetings, chairs the discussions and ensures that appropriate minutes are kept thereof. The Chairman also represents the Board towards outside parties. The Chairman is the immediate superior of the CEO. Apart from the above, the Chairman has no special powers or authorities unless these are individually delegated to them by the Board of Directors or the urgency of a situation requires that an immediate decision be made.

The Board of Directors has created two permanent committees: Finance, Auditing & Sustainability and Personnel & Compensation. These committees each consist of at least three non-executive members of the Board of Directors. The members of the Finance, Auditing & Sustainability Committee meet at least three times a year, while the members of the Personnel & Compensation Committee meet at least twice a year. The committees take no decisions themselves: they primarily perform a preparatory and advisory function, in particular by helping the full Board to conduct its meetings more efficiently and to take swift and well-founded decisions.

**The Finance, Auditing & Sustainability Committee**

The Finance, Auditing & Sustainability Committee consists of Kaspar W. Kelterborn (chair), Peter Schaub and Manuel Werder. Peter Schaub serves as a representative of the Swiss Industrial Finance AG and Elly Schnorf-Schmid Foundation shareholders' group; the two further committee members are independent. The CEO and CFO also attend all committee meetings as permanent guests. The committee met for three half-day deliberations and conducted one telephone conference in 2024. All meetings were fully attended.

The committee's tasks comprise in particular:

- evaluating the company's financing and accounting systems in terms of their appropriateness, reliability and effectiveness
- examining the annual and half-yearly accounts and financial statements and other financial information intended for publication, and determining their guidelines, quality standards and content
- monitoring the company's assessment of corporate risks and assessing its risk management practices
- monitoring the company's investment and hedging policies
- monitoring the company's Internal Control System (ICS) and assessing the effectiveness thereof
- monitoring the company's business activities in terms of their observance and implementation of Board resolutions, company policy principles and directives and the relevant legal provisions, particularly those relating to stock exchange law
- assessing the work, performance, independence and remuneration of the external group and statutory auditors and making recommendations on the election of the same to the Board of Directors and the Annual General Meeting, approving the audit plan, processing audit reports and overseeing the adoption of the external auditors' recommendations
- advising the Board of Directors on sustainability and climate strategy issues
- monitoring the company's real-estate strategy.

**The Personnel & Compensation Committee**

The Personnel & Compensation Committee comprises Tim Talaat (chair), Claudine Mollenkopf, Peter Schaub (except for matters regarding his own compensation) and Christian Wipf. Peter Schaub serves as a representative of the Swiss Industrial Finance AG and Elly Schnorf-Schmid Foundation shareholders' group; the further committee members are independent. The committee held three half-day meetings in 2024, which were all fully attended. The CEO also attends all committee meetings as a permanent guest, unless his own compensation or other topics relating to him are being discussed.

The committee's tasks comprise in particular:

- devising the guidelines for the compensation policy of CPH Group AG (in particular the compensation principles for the Board of Directors and the Group Executive Board) on behalf of the Board of Directors
- submitting proposals for the compensation of the Board of Directors and the members of the Group Executive Board to the full Board of Directors
- assessing the performance of the CEO and the further members of the Group Executive Board and their achievement of their annual targets, and submitting corresponding proposals for the fixed and variable compensation of the same to the full Board of Directors
- monitoring the implementation of the company's personnel and compensation policies along with salary developments.

### 3.6 Definition of areas of responsibility

In accordance with Article 716a of the Swiss Code of Obligations, the Board of Directors has certain non-transferrable and inalienable

duties. The authorities of and the collaborations between the Board of Directors, its committees and the Group Executive Board are laid down in the Organizational Regulations, which will be found (in German) at https://cph.ch/investors/documentation/ under 'Articles of incorporation, regulations and descriptions of duties'.

The Board of Directors has the following group-level duties:
- to determine the Guiding Principles and general corporate policy
- to determine the group structure, group policy, group objectives and general group strategy and define the strategic growth areas
- to formulate targets for operational key performance indicators, financing policy and investment returns
- to assign resources and decide on the use of funds within CPH Group AG
- to appoint the boards of directors of subsidiary companies
- to approve strategic collaboration agreements concluded by group companies among themselves or with other companies
- to decide on entry into or withdrawal from key business segments
- to appoint and dismiss members of the Group Executive Board
- to exercise supervisory authority over the group's management, particularly in terms of the observance of laws, the Articles of Incorporation of CPH Group AG, regulations and directives and the adoption of actions resolved
- to determine the remuneration principles for and the remuneration of the members of the Group Executive Board
- to assess the risk management system and business risks.

For the business divisions, the Board of Directors has the following duties:
- to determine divisional objectives and divisional strategies
- to decide on the establishment or closure of operating sites and branch business operations.

The Board of Directors conducts regular appraisals of its own work and that of its committees.

### 3.7 Information and control instruments vis-à-vis the Group Executive Board

The Chairman of the Board of Directors is in regular contact with the CEO to support them in their performance of their duties and their implementation of business strategy. The Board of Directors supervises the Group Executive Board through structured reporting and controlling processes. The Board of Directors receives comprehensive monthly written reports on business trends, financial results, market developments, emerging risks and other key events. The CEO also reports on current business trends and all further issues of relevance to the Group at every Board of Directors' meeting.

**Financial risks overview**

| Risk | Description | Management |
|---|---|---|
| Currency risks | Being internationally active, CPH Group AG is subject to currency risks that can impact on operating and financial results and on group equity. The euro and the US dollar are the company's most important foreign currencies. | – Wherever possible, the payment flows within the company's two divisions are naturally hedged by procuring goods in the same currency in which products are sold.<br>– Currency risks are reduced through the use of derivative financial instruments.<br>– Foreign currency risks relating to the carrying values of the net assets of subsidiaries outside Switzerland or to translations of the results of such subsidiaries are not presently hedged. |
| Interest rate risks | Interest rate risks may arise through changes to future interest payments as a result of fluctuations in market interest rates and through interest-related risks arising from changes in market value. | – CPH Group AG has no significant variable-interest assets or liabilities that would be substantially impacted by major changes in the interest rate environment. |
| Credit risks from business operations and financial transactions | Credit risks consist in the possibility of suffering financial loss should a customer or counterparty fail to fulfil their contractual obligations. Credit risks may derive from receivables, financial investments, credit balances with financial institutions, securities held and/or derivative financial instruments. | – Regular monitoring of independent ratings by financial institutions.<br>– Further reduction of any risks to liquid funds by ensuring that the funds concerned are maintained not at a single bank but at multiple financial institutions.<br>– Reducing cluster risks for receivables and financial investments by maintaining large numbers of customers and a broad geographical spread.<br>– Monitoring the creditworthiness of customers through a combination of past experience and specific checks. |
| Liquidity risk | A liquidity risk derives from the possibility of being unable to meet financial obligations when these become due for payment. | – Prudent liquidity management includes retaining adequate reserves of liquid funds and permanently monitoring these, and maintaining credit line options. |

**Risk management**
Being internationally active, CPH Group AG is exposed to various financial and non-financial risks that are inseparably linked with its business activities. These risks are defined in the broadest sense as the danger that financial, operational or strategic objectives may not be achieved as planned. To ensure the company's long-term success, therefore, it is essential to effectively identify such risks, to analyze them and to eliminate or reduce them through appropriate steering and management actions.

**Assessment of significant risks at the end of 2024**
The significant risks identified for CPH Group AG as at the end of 2024 included the energy shortages in Europe, geopolitical risks, inflation (and the associated rising input costs), IT systems security and changes in the market environment as a result of both economic trends and developments in the competitive environment. Actions have been defined to reduce these and other risks, and such actions are being taken in close coordination with the strategic objectives of CPH Group AG and its Zeochem and Perlen Packaging companies.

**Financial risk management**
By virtue of its business activities, CPH Group AG is particularly exposed to financial risks such as currency risks, credit risks, liquidity risks and interest rate risks. Its overarching risk management is focused on the unforeseeability of developments on the financial markets, and is geared to minimizing any potential negative impact thereof on the company's financial health. Risk management is performed by the company's Finance Department, in accordance with the guidelines approved by the Board of Directors. These specify the use of derivatives and the handling of currency risks, interest rate risks and credit risks. These guidelines are binding for all CPH Group AG companies. The table on Page 51 provides an overview of these financial risks, together with their description and their management.

**Risk management organization**
Financial and operational risk management are conducted within CPH Group AG in accordance with the principles and the guidelines laid down by the Board of Directors and the Group Executive Board. The group and statutory auditors support the Board of Directors and its Finance, Auditing & Sustainability Committee by verifying the existence of the company's Internal Control System (ICS) in the course of their performance of their legal audit mandate.

**Risk management principles**
The company's risk management principles guide the regular assessment of operational and strategic business risks, the hedging of currency, interest rate, credit and liquidity risks and the Internal Control System (ICS). Guidelines have also been established for the management of liquid funds and for loan procurement activities.

**Risk overview**
The regularly recorded and analyzed risks are summarized in an annual Risk Report which is submitted to the Board of Directors. The significant business risks are also defined in a detailed risk catalogue and a risk matrix and are assessed in terms of their likelihood of occurrence and their damage potential, and appropriate action is determined to minimize the same. Insurance coverage is also annually appraised.

**Reporting**
Reports on the company's risk management are submitted annually to the Board of Directors and the Group Executive Board. Strategic and operational risks are specified therein. Any extraordinary incidents are reported immediately to the Board of Directors. In the Board's opinion, with the risk management established, the actions required have been taken to ensure the future development of the corporate group, although the possibility can never be excluded of unforeseen risks arising as a result of special circumstances or uncertainties.

## 4. The Group Executive Board

### 4.1 Members of the Group Executive Board

As at 31 December 2024 the Group Executive Board comprised:

| Name | Function | Held since |
|---|---|---|
| Dr. Peter Schildknecht | CEO | 2009 |
| Gerold Brütsch | CFO | 2022 |
| Dr. Alois Waldburg-Zeil | Head of Chemistry | 2010 |
| Marc Haller | Head of Packaging | 2022 |

### 4.2 Professional background, other activities and vested interests

**Peter Schildknecht**
Peter Schildknecht, Dr. sc. techn., born in 1962 and a Swiss national, joined CPH Group AG in 2008 and has been CEO since 2009. He is Chairman of the Board of Directors of Hoffmann Neopac AG, Thun, a member of the Board of Directors of Renergia Zentralschweiz AG, Root, a member of the Board of Directors of Kowema AG, Rotkreuz and a member of the Board of Directors of Buss AG, Pratteln. He has also been CEO of Perlen Industrieholding AG, Perlen since 2024.

From 2001 to 2007 he was a member of the Group Executive Board of Sarna Kunststoff Holding AG, Sarnen and led various group divisions, most latterly Sarnafil. From 1995 to 2001 he held various functions in the Von Roll Group, including CEO of Von Roll BETEC AG and serving as Head of Industrial Services and a member of the Executive Board at Von Roll Infratec Holding AG, Bern.



**The Group Executive Board as at 31 December 2024 (from left):** Alois Waldburg-Zeil, Peter Schildknecht, Gerold Brütsch and Marc Haller

**Gerold Brütsch**
Gerold Brütsch, B.Sc. in Business Administration, Swiss Certified Accountant and US Certified Public Accountant, born in 1966 and a Swiss national, has been CFO of CPH Group AG since 2022. He has also been CFO of Perlen Industrieholding AG, Perlen since 2024.

He served as Group CFO, Deputy CEO and Head of the Corporate Center of Starrag Group Holding AG, Rorschacherberg from 2000 to 2021. Prior to this he was CFO in charge of finance, controlling, IT and administration at Müller Martini Bookbinding Systems, Felben-Wellhausen from 1997 to 1999 and served as an audit and consulting manager with KPMG in Zurich and San Francisco from 1990 to 1997.

**Alois Waldburg-Zeil**
Alois Waldburg-Zeil, Dr. iur., born in 1963 and an Austrian national, joined CPH Group AG as its Head of Chemistry in 2010. He is a member of the Board of Directors of Canexis Pharma AG, Schlattingen.

Between 1997 and 2009 he held various management functions with the Süd-Chemie Group (which is now part of Clariant), including Head of the General Secretariat and Public Relations, Sales Manager EMEA, Global Financial Manager for Süd-Chemie Performance Packaging in Paris (France), CEO of Süd-Chemie UK in Manchester (UK) and CEO of Süd-Chemie Zeolites GmbH in Bitterfeld (Germany). Prior to this, from 1993 to 1997 he served as an auditor with KPMG.

**Marc Haller**
Marc Haller, FH Diploma in Business Administration and Executive MBA, born in 1970 and a Swiss national, joined CPH Group AG as its Head of Packaging in 2022.

Between 2007 and 2020 he held various executive functions within the Sulzer corporation, and was a member of the Sulzer Management Group. From 2016 to 2020 he was a member of Applicator Systems Divisional Management and CEO of Sulzer Mixpac AG, Haag; from 2014 to 2016 he served as Senior Vice President Strategy & Business Development at Sulzer Chemtech AG, Winterthur; and from 2007 to 2013 he was Global Head of Sales & Marketing at Sulzer Mixpac AG, Haag. From 2000 to 2007 he served as Head of Sales & Marketing at Plaston AG, Widnau.

### 4.3 Statutory provisions regarding the number of activities permitted under Swiss Code of Obligations Art. 626, Para. 2 (1)

Under Article 21 of the Articles of Incorporation of CPH Group AG, members of the Group Executive Board may hold up to five additional

mandates, but no more than one such mandate at a stock exchange-listed company. Such calculations do not include:

- mandates at legal entities which control or are controlled by CPH Group AG
- mandates at associations, foundations or staff welfare institutions, of which every Group Executive Board member may hold up to five
- mandates at joint ventures in which CPH Group AG is involved but which it does not control, of which every Group Executive Board member may hold up to five.

A mandate is regarded as any activity performed by a member of the Group Executive Board in the top management or administrative bodies of legal entities that are obliged to enter themselves in the Commercial Register (or a corresponding register abroad) and that neither control nor are controlled by CPH Group AG. Mandates at multiple legal entities which are under common control are regarded as one single mandate. No member of the Group Executive Board holds more than the maximum number of external mandates specified in the Articles of Incorporation.

### 4.4 Management contracts

No management contracts have been concluded with any companies or natural persons outside CPH Group AG.

## 5. Compensation, shareholdings and loans

The compensation and shareholdings of the members of the Board of Directors and the Group Executive Board, and the responsibilities and procedures for determining these, are specified in the remuneration report of this annual report, from Page 57 onwards.

## 6. Shareholders' participation rights

### 6.1 Voting rights restrictions and representation

Every CPH Group AG registered share entitles its owner to one vote at the company's General Meeting. There are no voting rights restrictions.

In accordance with Article 9 of the Articles of Incorporation of CPH Group AG, any shareholder may be represented at a General Meeting by means of a written proxy issued either to another person or to the independent shareholders' representative. The company's shareholders may provide the independent shareholders' representative with their proxy for any General Meeting, either in writing or by means of the Sherpany platform (www.sherpany.com).

### 6.2 Quorums required by the Articles of Incorporation

Unless required otherwise by law, the General Meeting passes resolutions and conducts elections by a simple majority of the votes cast. Abstentions, voting ballots submitted blank and invalid votes are not counted in such calculations. In accordance with Article 13 of the Articles of Incorporation, all such votes and elections are open, unless the meeting chair or any other attendee demands a secret ballot.

### 6.3 Convocation of the General Meeting

In accordance with Article 11 of the Articles of Incorporation, a General Meeting is convened by written letter to the shareholders or by announcement in the Schweizerisches Handelsamtsblatt (Swiss Official Gazette of Commerce). This invitation must be extended at least 20 days in advance. The invitation will include the meeting agenda and the proposals and recommendations of the Board of Directors and any shareholders who have demanded the convocation of a General Meeting or have submitted an agenda item (as permitted under Article 699, Paragraph 3 of the Swiss Code of Obligations).

### 6.4 Inclusion of items on the meeting agenda

In accordance with Article 11 of the Articles of Incorporation, any request by a shareholder or shareholders (who must represent 0.5 % or more of share capital or voting rights) for an item's inclusion on a General Meeting agenda must be submitted to the Board of Directors in writing at least 30 days in advance. Subject to the provisions for General Meetings at which all shareholders are represented in full, no resolution may be passed by a General Meeting on any matter not communicated in this way.

### 6.5 Entries in the Share Register

In accordance with Article 9 of the Articles of Incorporation, all shareholders entitled to attend a General Meeting and exercise their share voting rights thereat must have been accordingly entered in the Share Register in advance of the General Meeting concerned by a cutoff date specified by the Board of Directors.

## 7. Changes of control and defence measures

### 7.1 Duty to make an offer

In accordance with Article 6 of the Articles of Incorporation, any acquirer of CPH Group AG shares whose total shareholding thereby exceeds a legally prescribed ownership threshold is not obliged to make a public takeover offer as specified in the Swiss Financial Market Infrastructure Act ('opting-out' clause).

### 7.2 Clauses on change of control

There are no change-of-control clauses.

## 8. Auditors

### 8.1 Duration of the mandate and term of office of the lead auditor

PricewaterhouseCoopers AG, Zurich has been the statutory and group auditor of CPH Group AG since 1971. Norbert Kühnis has been the auditor in charge since the 2023 financial year. In accordance with Article 730a, Paragraph 2 of the Swiss Code of Obligations, a new auditor in charge is designated every seven years.

### 8.2 Auditing and other fees

The following fees were paid to the auditors:

| in CHF thousands | 2024 | 2023 |
|---|---|---|
| Audit fees | 458 | 469 |
| Tax consulting | 62 | 45 |
| M&A services | 30 | 41 |
| Assurance services in connection with spin-off of Paper Division | 162 | - |
| **Total fees to PWC** | **712** | **555** |

Audit fees are the amounts paid for the services provided each year to give an opinion on the consolidated financial statements and compile reports on the financial statements of Group companies required under local law.

### 8.3 Information instruments pertaining to the external audit

The work, performance, independence and remuneration of the external auditors are assessed by the Finance, Auditing & Sustainability Committee, which approves the audit plan, processes the audit reports and oversees the adoption of the external auditors' recommendations.

The Finance, Auditing & Sustainability Committee submits an annual report on these activities to the full Board of Directors. In 2024, representatives of the auditors attended all the meetings of the Finance, Auditing & Sustainability Committee for those agenda items which concerned them.

## 9. Information policy

### 9.1 Information tools

CPH Group AG maintains an open communications culture towards its employees, its shareholders and the public. The company publishes an annual report as at 31 December and a half-year report as at 30 June. A summary version of the annual report is printed and sent directly to all shareholders. The report can also be ordered at https://cph.ch/investors/documentation/ on the CPH Group AG website.

Written company communications to shareholders as required by law are sent to the most recent address provided in the Share Register for the shareholder or their proxy for such communications.

The 'Investors' section of the CPH Group AG website at https://cph.ch/investors/ offers full information for shareholders and investors such as key company figures, the current CPH Group AG share price and the calendar of coming financial events. Contact details are also provided in the form of the info@cph.ch email address. Interested parties can also register on the website at https://cph.ch/investors/ir-contacts/ to automatically receive company email communications. All the company's ad-hoc announcements are immediately made available at https://cph.ch/media/ad-hoc-news/ and all further media releases issued are provided at https://cph.ch/media/communications/ upon their publication. An analysts' and media conference is also held for the publication of the company's annual results.

Information on Zeochem and Perlen Packaging will be found on their individual zeochem.com and perlenpackaging.com websites. Zeochem also runs the dedicated www.zeotope.com website for its deuterated products. CPH Group AG and its subsidiaries further maintain their own LinkedIn social media profiles at:

- linkedin.com/company/cph-group-ag/
- linkedin.com/company/zeochemllc/
- linkedin.com/company/perlen-packaging/

### 9.2 Information for shareholders

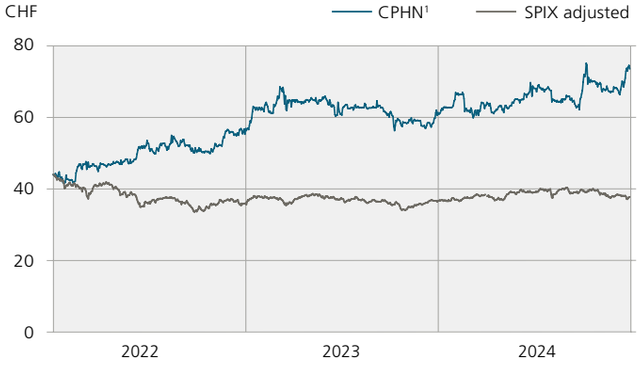
The CPH Group AG share, which is listed on the SIX Swiss Exchange, closed at a price of CHF 73.40 on 30 December 2024.

**Share information**

| | |
|---|---|
| Listed on | SIX Swiss Exchange |
| Securities number | 162 471 |
| ISIN | CH0001624714 |
| Reuters symbol | CPH.S |
| SIX symbol | CPHN |

**The CPH Group AG share price 2022–2024**

Compared to the SPIX in CHF




[1] adjusted for the indicative share of around 28 % of spun-off Perlen Industrieholding AG, determined on the basis of internal valuations.

**Share statistics**

| | CPH Group AG | CPH Chemie + Papier Holding AG | | | |
|---|---|---|---|---|---|
| in CHF | 2024 | 2023 | 2022 | 2021 | 2020 |
| Share price as at 31 December | 73.40 | 85.00 | 78.00 | 61.00 | 72.60 |
| Earnings per share | 0.78 | 13.15 | 16.83 | -25.26 | 7.82 |
| **Price-earnings ratio as at 31 December** | **94.7** | **6.5** | **4.6** | **-2.4** | **9.3** |
| Share price, annual high | 93.20 | 95.00 | 78.80 | 75.40 | 80.80 |
| Share price, annual low | 62.00 | 78.00 | 56.20 | 58.20 | 57.00 |
| Dividend per share | 2.00[3] | 4.00 | 4.50 | 1.30 | 1.80 |
| Shareholders' equity per share | 34.92 | 72.73 | 66.37 | 51.52 | 78.45 |
| **Dividend yield** | **2.7 %** | **4.7 %** | **5.8 %** | **2.1 %** | **2.5 %** |
| Number of issued registered shares | 6 000 000 | 6 000 000 | 6 000 000 | 6 000 000 | 6 000 000 |
| **Market capitalization (in CHF millions)** | **440** | **510** | **468** | **366** | **436** |
| **Adjusted (without spun-off Paper Division)** | | | | | |
| Share price as at 31 December, remaining divisions | 73.40 | 61.20[1] | 56.20[1] | 43.90[1] | 52.30[1] |
| Earnings per share, remaining divisions[2] | 5.74 | 7.50 | 4.31 | 3.13 | 5.41 |
| **Price-earnings ratio as at 31 December, remaining divisions[2]** | **12.8** | **8.2** | **13.0** | **14.0** | **9.7** |

[1] adjusted for the indicative share of around 28 % of Perlen Industrieholding AG, determined on the basis of internal valuations
[2] excluding the spun-off Paper Division; derived from the consolidated financial statements for 2020-2024 and the accounting records of CPH Group AG
[3] Board of Directors' proposal to the Annual General Meeting of 18 March 2025

### 9.3 Investor relations agenda

| | |
|---|---|
| 25 February 2025 | Media conference & investors' meeting, publication of the 2024 annual report |
| 18 March 2025 | Annual General Meeting (in Lucerne) |
| 18 July 2025 | Publication of the 2025 half-year report |
| 16 September 2025 | CPH Group AG Investors' Day in Perlen |
| 18 February 2026 | Media conference & investors' meeting, publication of the 2025 annual report |
| 17 March 2026 | Annual General Meeting (in Lucerne) |

### 9.4 Investor relations contact

Gerold Brütsch, CFO
CPH Group AG
CH-6035 Perlen
Phone: +41 41 455 8000
Email: investor.relations@cph.ch

## 10. Quiet periods

Members of the CPH Group AG Board of Directors and the Group Executive Board and all company employees and external parties involved in the compilation and publication of the annual and half-year accounts and financial statements may not trade any securities whose value is significantly determined by developments in the CPH Group AG share price from 1 December at the latest and from 1 June at the latest respectively before and until 48 hours after the publication of the financial results concerned. No exceptions were granted to the above general quiet periods in the year under review.

Special quiet periods may be additionally imposed for particular projects.

The provisions of the 'Regulations on the disclosure of management transactions and the ban on insider trading', which are available (in German) for download on the CPH Group AG website at https://cph.ch/investors/documentation/ under 'Articles of incorporation, regulations and descriptions of duties', shall also apply.

# Remuneration report

**This remuneration report describes the remuneration policy and the remuneration system for the CPH Group AG Board of Directors and Group Executive Board and the remuneration paid thereto. This report has been compiled in compliance with the Swiss Code of Obligations (CO), the Directive on Information relating to Corporate Governance of the SIX Swiss Exchange (DCG) and the principles of the Swiss Code of Best Practice for Corporate Governance issued by Economiesuisse.**

## 1. Principles of remuneration policy and the remuneration system

CPH Group AG is an attractive employer with well-qualified and high-performing personnel who are remunerated in line with market levels. CPH Group AG views such remuneration as a combination of a fixed and a variable salary component. The amount of each individual's overall remuneration and the components thereof are set by regularly reappraising the current classification of each function and the remuneration paid and comparing these remuneration amounts to market rates. This approach ensures that the remuneration awarded to each individual is in line with market rates and is appropriate to the duties and tasks of, the performance delivered by and the results achieved by the individual concerned.

## 2. Remuneration processes

### The role of the Annual General Meeting

The Annual General Meeting (AGM) elects the members of the Personnel & Compensation Committee individually to serve for a one-year period.

In accordance with the legal remuneration provisions for companies whose shares are listed on the stock exchange (CO Article 732ff) and the Articles of Incorporation of CPH Group AG, the AGM approves the maximum aggregate remuneration payable to the Board of Directors in toto for the period until the next AGM. In accordance with the same provisions, the AGM also approves the maximum aggregate fixed and variable remuneration payable to the Group Executive Board in toto for the business year following the AGM concerned.

The proposals for the maximum aggregate remuneration payable to the Board of Directors and the Group Executive Board are prepared by the Personnel & Compensation Committee, verified by the Board of Directors and submitted to the AGM for approval. If a proposal is rejected, a new proposal may be submitted by the Board of Directors. If it does so and this second proposal is also rejected, either an Extraordinary General Meeting may be convened within three months or the Board of Directors may submit the remunerations concerned to the next AGM for retroactive approval.

Since the maximum aggregate remuneration payable to the Board of Directors and the Group Executive Board are prospectively resolved, the AGM will also conduct an annual non-binding consultative referendum on the remuneration report.

### The role of the Board of Directors

The Board of Directors resolves a remuneration policy based on the Articles of Incorporation which pays due and full regard to the company's culture and strategic objectives. The Board of Directors also determines the basic framework and design of the remuneration system for its members and the members of the Group Executive Board.

The Board of Directors proposes new Board members to the AGM, appoints the CEO and the further members of the Group Executive Board and specifies their terms and conditions of employment.

The Board of Directors resolves which maximum aggregate remuneration amounts payable to the Board of Directors and the Group Executive Board should be submitted to each AGM for approval.

When determining individual remuneration amounts, the Board of Directors abides by the resolutions of the AGM and by the relevant statutory and regulatory provisions regarding the division of authorities between itself and its Personnel & Compensation Committee. Within this framework, the Board of Directors bears ultimate responsibility for determining the remuneration payable to itself, the CEO and the further members of the Group Executive Board.

The Board of Directors compiles an annual remuneration report for submission to the AGM. The Board of Directors is also responsible for ensuring transparency in the remuneration awarded to its own members and the members of the Group Executive Board.

### The role of the Personnel & Compensation Committee

For details of the composition of the Personnel & Compensation Committee, please see the corporate governance report. The Personnel & Compensation Committee is responsible in particular for:

- devising the guidelines for the remuneration policy of CPH Group AG (in particular the remuneration principles for the Board of Directors and the Group Executive Board) on behalf of the Board of Directors
- submitting proposals for the remuneration of the Board of Directors and the members of the Group Executive Board to the full Board of Directors

– assessing the performance of the CEO and the further Group Executive Board members and their achievement of their annual targets, and submitting corresponding proposals for their fixed and variable compensation to the full Board of Directors
– monitoring the implementation of the personnel and remuneration policies of CPH Group AG along with salary developments.

The Personnel & Compensation Committee generally meets three times (and at least twice) a year. The committee held three half-day meetings in 2024.

For every meeting of the Personnel & Compensation Committee, minutes are compiled which are sent to every member of the Board of Directors. The committee also informs the other Board members at the next Board meeting about the topics it has discussed and the background to any proposals or recommendations submitted.

Any proposed changes to the remuneration of the Board of Directors, the CEO or further Group Executive Board members are submitted to the Board of Directors for approval by its Personnel & Compensation Committee, with due reference to the market comparisons conducted.

### Market comparisons

The structure and amounts of the remuneration paid for certain functions are externally benchmarked every three years. This will next be done in 2025.

The latest such benchmark analysis of the remuneration paid for the various functions on the Board of Directors was conducted in 2022 by a specialist outside company. The benchmark was performed against Swiss-based internationally active industrial companies of comparable size corresponding to Group I for the Group Executive Board (as defined below). Its findings were channelled into the corresponding remuneration from the 2023 AGM onwards.

The remuneration paid to the members of the Group Executive Board and the divisional managements was also analyzed by the same external company in 2022. For the remuneration of the Group Executive Board members, three benchmark groups were created. Group I consisted of Swiss-based internationally active industrial companies of comparable size (such as Huber + Suhner, Feintool, Burckhardt Compression, Aluflexpack and Vifor). Group II consisted of Swiss-based industrial companies active in Switzerland in comparable industrial sectors, i.e. chemistry and packaging (such as EMS-Dottikon, Vetropack and Gurit). Group III comprised international subsidiaries (including those of companies in Groups I and II) based in China, Germany, the USA, Brazil and Bosnia and Herzegovina. The findings of these analyses in terms of the structure and the amounts of the remuneration paid were channelled into remunerations from 2023 onwards. The next such benchmark analysis is planned for 2025, for remuneration from 2026.

## 3. Remuneration system

### Remuneration system for the Board of Directors

The remuneration paid to the members of the Board of Directors consists of a fixed monetary sum whose amount depends on the function held (chairman, deputy chairman, technical committee chair or board member). Members' work on either of the Board's two technical committees is additionally remunerated via meeting attendance fees. Board members are further awarded a flat daily allowance for any work beyond their normal meeting activities.

The remuneration awarded to the members of the Board of Directors is basically paid in monetary form, though since 2024 every member has been able to elect to receive up to 20 % thereof in the form of CPH Group AG shares. If they choose to do so, the share price for share allocation purposes is the arithmetic mean of the closing prices of the CPH Group AG share for the 15 consecutive calendar days immediately before and immediately after the publication of the annual results. Such shares carry voting and dividend rights from the moment of their award, but are subject to a three-year vesting period thereafter. During this vesting period the number of shares awarded is not subject to any further performance or results criteria or vesting conditions. But the shares' value will vary depending on their stock-market price trends.

After this three-year vesting period, the shares awarded are at the recipient's free and full disposal.

To ensure that they remain independent in their performance of their supervisory duties, the members of the Board of Directors are not awarded any remuneration in variable compensation form. The members of the Board of Directors are also not insured under the company occupational pension scheme.

The remuneration awarded to the members of the Board of Directors is determined on the basis of comparisons with published data for comparable Swiss industrial companies whose shares are also listed on the SIX Swiss Exchange. The corresponding proposal is then submitted by the Personnel & Compensation Committee to the full Board of Directors.

### Remuneration system for the Group Executive Board

The remuneration awarded to the members of the Group Executive Board of CPH Group AG consists of fixed compensation, variable compensation (STI), share-based remuneration (LTI), contributions to the occupational pension scheme and social security institutions and further remuneration components.

**Fixed compensation:**
The basic fixed compensation of each Group Executive Board member is awarded in full in monetary form.

**Variable compensation (STI):**
Individual performance influences the total remuneration awarded to all personnel, including management members. On the basis of this principle, in addition to their fixed compensation, the members of the Group Executive Board also receive variable compensation in the form of a short-term incentive or STI, which is paid in monetary form, with the amount awarded based on the achievement of specified targets.

60 % of this variable compensation is based on the achievement of quantitative targets set for the financial metrics of EBIT, operating cash flow and net working capital (each weighted equally), with the remaining 40 % based on the achievement of clearly defined performance targets in the fields of customers & market, innovation, processes, leadership & personnel and sustainability (underpinned by quantitative and qualitative goals). These non-financial targets help ensure the further sustainable development and the long-term appreciation in the value of CPH Group AG and its constituent divisions.

The heads of divisions' performance in financial metrics terms is based two-thirds on the results of their division and one-third on CPH Group AG results.

For each Group Executive Board member, a target STI variable compensation is agreed which will be paid if the targets concerned are achieved in full. The actual variable compensation paid is based on the degrees to which such targets are met, with the maximum STI compensation payable amounting to 150 % of the target set. The gradations between 0 % and 100 % and between 100 % and 150 % achievement of the targets set may be linear or stepped for each individual target: the details are determined in the annual target-setting process, which is also used to determine the degrees of previous target achievement and thus to determine the variable compensation payable.

The maximum STI variable compensation payable is 100 % of fixed basic compensation for the CEO and 50 % of fixed basic compensation for the further Group Executive Board members.

The targets for all target areas are prescribed by the Board of Directors for all Group Executive Board members (with financial targets derived directly from agreed budget parameters). The CEO and the further Group Executive Board members may make target proposals, and the CEO may make proposals for the remuneration of the further Group Executive Board members. The latter have their achievement of their annual targets assessed by the CEO, who submits their resulting recommendations to the Personnel & Compensation Committee, while the CEO's performance is assessed by the Chairman of the Board. All such assessments are discussed by the Personnel & Compensation Committee, which then submits a report to the full Board on the degrees to which each Group Executive Board member has achieved the targets set, together with recommendations on the individual STI variable compensations to be paid.

Group Executive Board members joining or leaving the company during a business year have their STI variable compensation entitlement for the year concerned calculated on a corresponding pro rata basis.

**Share-based variable remuneration (LTI):**
The members of the Group Executive Board are further offered the long-term incentive (LTI) of share-based variable remuneration in the form of a restricted stock plan. The number of shares assigned thereunder is based on performance and results and calculated on the basis of the target LTI award and the degree of achievement of the STI targets set. The award price of such shares is the arithmetic mean of the closing prices of the CPH Group AG share for the 15 consecutive calendar days immediately before and immediately after the publication of the annual results for the business year concerned.

The shares are bindingly awarded immediately after their award price has been set. Such shares carry voting and dividend rights from the moment of their award, but are subject to a three-year vesting period thereafter. During this vesting period the number of shares awarded is not subject to any further performance or results criteria or vesting conditions. But the shares' value will vary depending on their stock-market price trends.

The shares of each annual tranche awarded are entirely at their holder's disposal after the conclusion of their three-year vesting period, which is designed to ensure that all the members of the Group Executive Board maintain a minimal shareholding in the company.

The number of shares to be awarded to each Group Executive Board member is determined on the basis of their individual target LTI award and their actual degree of target achievement. The shares required for such awards are acquired by CPH Group AG on the equities market. The shares are awarded in annual tranches, immediately after their award price has been set 15 calendar days after publication of the corresponding annual results.

Group Executive Board members joining or leaving the company during a business year have their LTI variable compensation entitlement for the year concerned calculated on a corresponding pro rata basis.

The above restricted stock plan was extended by analogy to the members of the two divisional managements in the 2023 business year.

**Occupational pension scheme:**
An occupational pension scheme is maintained for the company under which all its Swiss-based employees are insured, including the members of the Group Executive Board. There is no supplementary occupational pension scheme for Group Executive Board members.

**Further remuneration:**
The further remuneration awarded consists of the private use of company cars and any long-service awards.

Any new members of the Group Executive Board who are appointed and assume their duties after the AGM has approved the maximum aggregate Group Executive Board remuneration for the business year concerned may – under Article 23 of the Articles of Incorporation of CPH Group AG – be paid an additional amount totalling (for all such new members) no more than 40 % of this approved maximum aggregate amount.

The CEO has a contractual notice period of twelve months, while the further Group Executive Board members have a contractual notice period of six months. There are no contractual agreements for severance payments.

## 4. Remuneration paid to members of the Board of Directors and the Group Executive Board

The amounts shown are the remuneration paid for the year concerned. Variable and share-based remuneration are shown regardless of when the corresponding payment was made, i.e. they are presented on an accrual basis. The remuneration is shown in net form, i.e. the employee's and the employer's occupational pension scheme and social security contributions are separately shown. The shares assigned to members of the Group Executive Board are shown at actual market value.

### Notes on the remuneration paid to the Board of Directors

A maximum aggregate fixed remuneration of the Board of Directors of CHF 1.0 million was approved for the period between the 2023 and the 2024 Annual General Meetings by the Annual General Meeting of 14 March 2023. At an actual aggregate fixed remuneration for the period of CHF 0.9 million, this maximum was duly observed.

### Remuneration paid to members of the Board of Directors (audited)

| in CHF thousands | Function | Finance & Auditing Committee | Personnel & Compensation Committee | Fixed remuneration | Deputy Chairman | Chair Board committees |
|---|---|---|---|---|---|---|
| **2024** | | | | | | |
| Peter Schaub | Chairman | Member | Personnel only | 312 | - | - |
| Tim Talaat | Deputy Chairman | | Chairman | 93 | 16 | 16 |
| Kaspar W. Kelterborn | Member | Chairman | | 93 | - | 16 |
| Claudine Mollenkopf | Member | | Member | 93 | - | - |
| Manuel Werder | Member | Member | | 93 | - | - |
| Christian Wipf | Member | | Member | 93 | - | - |
| **Total Board of Directors** | | | | **775** | **16** | **32** |
| **2023** | | | | | | |
| Peter Schaub | Chairman | Member | Personnel only | 309 | - | - |
| Tim Talaat | Deputy Chairman | | Chairman | 91 | 16 | 16 |
| Kaspar W. Kelterborn | Member | Chairman | | 91 | - | 16 |
| Claudine Mollenkopf | Member | | Member | 91 | - | - |
| Manuel Werder | Member | Member | | 91 | - | - |
| Christian Wipf | Member | | Member | 91 | - | - |
| **Total Board of Directors** | | | | **764** | **16** | **32** |

On the basis of a corresponding benchmark analysis and in view of the additional work entailed by the spinning-off of the former Paper Division, a CHF 0.1 million increase in this maximum aggregate fixed annual remuneration to a new maximum of CHF 1.1 million for the period from the 2024 Annual General Meeting to the 2025 Annual General Meeting was approved by the company's shareholders. The actual aggregate fixed remuneration paid for 2024 was thus above its prior-year level. The composition of the Board of Directors and thus also the number of Board members remained unchanged in 2024. In addition to the above, each member of the Board of Directors will receive CHF 7 500 while Kaspar W. Kelterborn as the Board's project leader will receive CHF 46 000 for the period from 1 July 2024 to the 2025 Annual General Meeting as compensation for their additional work in connection with the successful spin-off of the company's Paper Division from its chemistry and packaging activities.

No remuneration was paid to any former members of the Board of Directors.

**Notes on the remuneration paid to the Group Executive Board**

A maximum annual aggregate remuneration of the Group Executive Board of CHF 4.0 million was approved for the 2024 business year by the Annual General Meeting of 14 March 2023. Actual aggregate remuneration of the Group Executive Board for 2024 was lower than this maximum by CHF 0.7 million. This was due to the reduction in the size of the Group Executive Board with effect from 1 July 2024 as a result of the spin-off of the former Paper Division. The Group Executive Board thus comprised an average of 4.5 members in 2024, while it had comprised five members throughout the previous year.

The variable compensation shown for 2023 has been adjusted to reflect the amounts actually paid. This is not new remuneration, but the same remuneration as was shown in the 2023 Annual Report. That remuneration could only be shown on the basis of the provisions made (on an accrual basis), however, whereas the table here shows the final amounts paid.

No remuneration was paid to any former Group Executive Board members.

| | Meeting fees Board committees | Meeting fees Project Spin-off Paper | Total remuneration, net | Social security contributions, share of employee | Total remuneration, gross | Social security contributions, share of employer | Consulting fees Project Spin-off Paper | Total remuneration |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| | - | 8 | 320 | 20 | 340 | 20 | | 360 |
| | | | | | | | | |
| | 8 | 8 | 141 | 10 | 151 | 10 | | 161 |
| | 8 | 8 | 125 | 8 | 133 | 8 | 46 | 187 |
| | 8 | 8 | 109 | 8 | 117 | - | - | 117 |
| | 8 | 8 | 109 | 7 | 116 | 7 | | 123 |
| | 8 | 8 | 109 | 5 | 114 | 5 | | 119 |
| | **40** | **48** | **911** | **58** | **969** | **50** | **46** | **1 065** |
| | | | | | | | | |
| | - | - | 309 | 19 | 328 | 19 | - | 347 |
| | | | | | | | | |
| | 8 | - | 131 | 9 | 140 | 9 | - | 149 |
| | 8 | - | 115 | 8 | 123 | 8 | - | 131 |
| | 8 | - | 99 | 7 | 106 | - | - | 106 |
| | 8 | - | 99 | 7 | 106 | 7 | - | 113 |
| | 8 | - | 99 | 5 | 104 | 5 | - | 109 |
| | **40** | **-** | **852** | **55** | **907** | **48** | **-** | **955** |

## 5. Transactions with members of the Board of Directors, members of the Group Executive Board and related parties (audited)

No loans were made to any current or former members of the Board of Directors or the Group Executive Board or to any parties related to the same, and no such loans are outstanding.

No remuneration was paid to any parties related to members of the Board of Directors or the Group Executive Board (with the exception of the remuneration shown under Note 31, 'Transactions with related parties' of the Notes to the consolidated financial statements). No transactions were conducted on non-market terms with any natural persons or legal entities related to any Board of Directors or Group Executive Board members.

**Remuneration paid to members of the Group Executive Board (audited)**

| in CHF thousands | Fixed remuneration | Variable remuneration (STI) | Share-based remuneration (LTI) | Total remuneration, net | Social security contributions, share of employee | Total remuneration, gross | Social security contributions, share of employer | Further remuneration | Total remuneration |
|---|---|---|---|---|---|---|---|---|---|
| **2024** | | | | | | | | | |
| Peter Schildknecht, CEO | 453 | 285 | 93 | 831 | 159 | 990 | 184 | 5 | 1 179 |
| Other members of the Group Executive Board | 928 | 369 | 172 | 1 469 | 285 | 1 754 | 330 | 50 | 2 134 |
| **Total Group Executive Board** | **1 381** | **654** | **265** | **2 300** | **444** | **2 744** | **514** | **55** | **3 313** |
| **2023** | | | | | | | | | |
| Peter Schildknecht, CEO | 467 | 390 | 126 | 983 | 154 | 1 137 | 178 | 4 | 1 319 |
| Other members of the Group Executive Board | 1 060 | 444 | 215 | 1 719 | 316 | 2 035 | 347 | 48 | 2 430 |
| **Total Group Executive Board** | **1 527** | **834** | **341** | **2 702** | **470** | **3 172** | **525** | **52** | **3 749** |

## 6. Shares held (audited)

### Board of Directors

| Number of shares[1] | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Peter Schaub, Chairman | 892 012 | 892 012 |
| Tim Talaat, Deputy Chairman | 145 542 | 145 542 |
| Kaspar W. Kelterborn | 800 | - |
| Claudine Mollenkopf | 300 | 300 |
| Manuel Werder | 128 347 | 128 347 |
| Christian Wipf | 400 | 400 |
| **Total Board of Directors** | **1 167 401** | **1 166 601** |

[1] including related parties, insofar as under significant influence

### Group Executive Board

| | 31.12.2024 | | | | | 31.12.2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Number of shares[1] | Not restricted | Restricted until 14.03.25 | Restricted until 07.03.26 | Restricted until 07.03.27 | Total | Not restricted | Restricted until 11.03.24 | Restricted until 14.03.25 | Restricted until 07.03.26 | Total |
| Peter Schildknecht, CEO | 1 887 | 955 | 677 | 1 643 | 5 162 | 993 | 894 | 955 | 677 | 3 519 |
| Gerold Brütsch, CFO | - | 478 | 339 | 691 | 1 508 | - | - | 478 | 339 | 817 |
| Klemens Gottstein, Head of Paper Division | n/a | n/a | n/a | n/a | n/a | 397 | 447 | 478 | 339 | 1 661 |
| Marc Haller, Head of Packaging Division | - | 478 | 339 | 653 | 1 470 | - | - | 478 | 339 | 817 |
| Alois Waldburg-Zeil, Head of Chemistry Division | 1 244 | 478 | 339 | 625 | 2 686 | 797 | 447 | 478 | 339 | 2 061 |
| **Total Group Executive Board** | **3 131** | **2 389** | **1 694** | **3 612** | **10 826** | **2 187** | **1 788** | **2 867** | **2 033** | **8 875** |

[1] including related parties, insofar as under significant influence

## 7. External mandates held by members of the Board of Directors and the Group Executive Board (audited)

The table on the next page shows all the external mandates held by the members of the Board of Directors and the Group Executive Board at the end of 2024 in comparable functions at other companies with a business purpose. Details of the professional backgrounds, other activities and vested interests of all members of the Board of Directors and the Group Executive Board are provided in the corporate governance report from Page 46 onwards.

| Board of Directors member | Company | Mandate |
|---|---|---|
| Peter Schaub | Weber Schaub & Partner AG | Partner |
| | FineSolutions AG | Chairman of the Board of Directors |
| | LBK Capital Group AG | Chairman of the Board of Directors |
| | Mobimo AG | Chairman of the Board of Directors |
| | Perlen Industrieholding AG | Chairman of the Board of Directors and Chairman of the Boards of Directors of various subsidiaries |
| | Scobag Privatbank AG | Chairman of the Board of Directors |
| | Swiss Industrial Finance AG | Chairman of the Board of Directors |
| | Zindel Immo Holding AG | Chairman of the Board of Directors |
| | UBV Holding AG | Deputy Chairman of the Board of Directors |
| | ECOVIS ws&p AG | Member of the Board of Directors |
| | Oakbridge AG | Member of the Board of Directors |
| | Rüegg Cheminée Holding AG | Member of the Board of Directors |
| Tim Talaat | SIHAG Swiss Industrial Holding AG | Majority shareholder and Chairman & Delegate of the Board of Directors |
| | Perlen Industrieholding AG | Deputy Chairman of the Board of Directors |
| | Bachofen AG | Member of the Board of Directors |
| | Single Group GmbH | Chairman of the Advisory Board |
| Kaspar W. Kelterborn | Kelterborn Advisory AG | Owner |
| | Burckhardt Compression Holding AG | Member of the Board of Directors and member of the Board of Directors of a subsidiary |
| | EMS-CHEMIE AG | Member of the Board of Directors |
| | Karl Bubenhofer AG | Member of the Board of Directors |
| | Perlen Industrieholding AG | Member of the Board of Directors |
| | Wipf Holding AG | Member of the Board of Directors |
| Claudine Mollenkopf | Evonik Industries | President of the Specialty Additives Division |
| | Evonik Operations GmbH | Member of the Executive Board and member of the Boards of Directors of various subsidiaries |
| | Perlen Industrieholding AG | Member of the Board of Directors |
| Manuel Werder | Niederer Kraft Frey AG | Partner |
| | KAEFER International AG | Member of the Board of Directors |
| | Omniva Technologies (CH) GmbH | Managing Director |
| | Perlen Industrieholding AG | Member of the Board of Directors |
| | UBV Holding AG | Member of the Board of Directors |
| Christian Wipf | Wipf Familienholding AG | Member of the Board of Directors and Chairman of the Boards of Directors of various subsidiaries |
| | Perlen Industrieholding AG | Member of the Board of Directors |

| Group Executive Board member | Company | Mandate |
|---|---|---|
| Peter Schildknecht | Perlen Industrieholding AG | CEO and member of the Boards of Directors of various subsidiaries |
| | Hoffmann Neopac AG | Chairman of the Board of Directors and member of the Boards of Directors of various subsidiaries |
| | Renergia Zentralschweiz AG | Member of the Board of Directors |
| | Kowema AG | Member of the Board of Directors |
| | Buss AG | Member of the Board of Directors |
| Gerold Brütsch | Perlen Industrieholding AG | CFO |
| Alois Waldburg-Zeil | Canexis Pharma AG | Member of the Board of Directors |

# Report on the audit of the remuneration report

**Opinion**
We have audited the remuneration report of CPH Group AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to article 734a–734f of the Swiss Code of Obligations (CO) in the tables marked 'audited' on pages 60 to 64 of the remuneration report.

In our opinion, the information pursuant to article 734a–734f CO in the remuneration report (pages 57 to 64) 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 charged with structuring the remuneration principles and specifying the individual remuneration components.

**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





Norbert Kühnis
Licensed audit expert
Auditor in charge

Josef Stadelmann
Licensed audit expert

Zürich, 18 February 2025

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# Consolidated income statement

## for the remaining divisions (unaudited)

| in CHF thousands | 2024 | 2023 |
|---|---|---|
| **Net sales** | **323 253** | **361 500** |
| Other operating income | 3 830 | 2 309 |
| Change in inventories | 506 | -4 567 |
| **Total income** | **327 589** | **359 242** |
| Cost of materials | -166 915 | -189 569 |
| Cost of energy | -11 295 | -11 180 |
| Personnel expense | -67 314 | -65 922 |
| Maintenance and repairs | -7 884 | -8 671 |
| Other operating expense | -20 398 | -18 949 |
| **Operating result before depreciation and amortization (EBITDA)** | **53 783** | **64 951** |
| Depreciation on tangible fixed assets | -12 637 | -12 084 |
| Amortization of intangible assets | -1 986 | -989 |
| **Operating result (EBIT)** | **39 160** | **51 878** |
| Financial result | 347 | -2 012 |
| **Ordinary result** | **39 507** | **49 866** |
| Non-operating result | 2 062 | 7 696 |
| **Result before income taxes** | **41 569** | **57 562** |
| Income taxes | -7 137 | -12 425 |
| **Net result** | **34 432** | **45 137** |
| Thereof: | | |
| – Shareholders of the company | 34 432 | 45 016 |
| – Minority shareholders | - | 121 |
| **Earnings per share (in CHF)** | **5.74** | **7.50** |
| Diluted earnings per share (in CHF) | 5.74 | 7.50 |

The consolidated income statement above presents the financial values indicated for the remaining Chemistry and Packaging Divisions, excluding those for the spun-off Paper Division. It has been compiled on the basis of the full consolidated financial statements for 2023 and 2024 and the corresponding accounting records of CPH Group AG to permit a financial picture to be provided of the newly formed CPH Group AG.

See also the full consolidated income statement which forms part of the consolidated financial statements of CPH Group AG and will be found on Page 72.

# Consolidated balance sheet

## for the remaining divisions (unaudited)

| in CHF thousands | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | 31 602 | 35 379 |
| Trade receivables | 48 280 | 51 143 |
| Other receivables | 9 713 | 18 451 |
| Inventories | 74 837 | 72 479 |
| Prepayments and accrued income | 5 200 | 4 380 |
| **Total current assets** | **169 632** | **181 832** |
| Tangible fixed assets | 128 814 | 116 274 |
| Financial assets | 27 831 | 27 189 |
| Intangible assets | 6 333 | 2 636 |
| **Total fixed assets** | **162 978** | **146 099** |
| **Total assets** | **332 610** | **327 931** |
| **Equity and liabilities** | | |
| Financial liabilities | 10 986 | 723 |
| Trade payables | 34 099 | 35 970 |
| Other payables | 2 381 | 4 707 |
| Provisions | 2 563 | 8 848 |
| Accrued expenses and deferred income | 31 390 | 28 638 |
| **Total current liabilities** | **81 419** | **78 886** |
| Financial liabilities | 7 952 | - |
| Provisions | 33 792 | 32 274 |
| **Total non-current liabilities** | **41 744** | **32 274** |
| **Total liabilities** | **123 163** | **111 160** |
| Share capital | 900 | 900 |
| Capital reserves | -55 | -45 |
| Own shares | -400 | -408 |
| Retained earnings | 209 002 | 216 324 |
| **Total shareholders' equity without minorities** | **209 447** | **216 771** |
| Minorities | - | - |
| **Total shareholders' equity** | **209 447** | **216 771** |
| **Total equity and liabilities** | **332 610** | **327 931** |

The consolidated balance sheet above presents the financial values indicated for the remaining Chemistry and Packaging Divisions, excluding those for the spun-off Paper Division. It has been compiled on the basis of the full consolidated financial statements for 2023 and 2024 and the corresponding accounting records of CPH Group AG to permit a financial picture to be provided of the newly formed CPH Group AG.

See also the full consolidated balance sheet which forms part of the consolidated financial statements of CPH Group AG and will be found on Page 73.

# Consolidated cash flow statement

## for the remaining divisions (unaudited)

| in CHF thousands | 2024 | 2023 |
|---|---|---|
| **Net result** | **34 432** | **45 137** |
| Depreciation on fixed assets | 14 623 | 13 073 |
| Change in provisions | -4 861 | 11 129 |
| Result from sale of fixed assets | -1 694 | -14 569 |
| Other non-cash items | 374 | -3 185 |
| **Cash flow before change in non-financial net working capital** | **42 874** | **51 585** |
| Change in trade receivables | 5 991 | 3 625 |
| Change in inventories | -353 | 3 322 |
| Change in other receivables, prepayments and accrued income | 5 345 | 3 235 |
| Change in trade payables | -1 736 | -11 970 |
| Change in other payables, accrued expenses and deferred income | 1 194 | 8 109 |
| **Cash flow from operating activities** | **53 315** | **57 906** |
| Acquisition of subsidiary | -32 799 | - |
| Capital expenditures for tangible fixed assets | -19 814 | -17 444 |
| Capital expenditures for intangible assets | -607 | -411 |
| Disposal of tangible fixed assets | 1 970 | 14 761 |
| Purchase of minorities | - | -2 416 |
| **Cash flow from investing activities** | **-51 250** | **-5 510** |
| Change in current financial liabilities | 10 230 | 4 588 |
| Issuance of non-current financial liabilities | 7 907 | - |
| Repayment of bond | - | -98 730 |
| Purchase of treasury shares | -502 | -588 |
| Sale of treasury shares | 11 | - |
| Distribution to shareholders | -24 000 | -27 000 |
| **Cash flow from financing activities** | **-6 354** | **-121 730** |
| Currency translation on cash and cash equivalents | 512 | -2 101 |
| **Net change in cash and cash equivalents** | **-3 777** | **-71 435** |
| Cash and cash equivalents as at 1 January | 35 379 | 106 814 |
| **Cash and cash equivalents as at 31 December** | **31 602** | **35 379** |

The consolidated cash flow statement above presents the financial values indicated for the remaining Chemistry and Packaging Divisions, excluding those for the spun-off Paper Division. It has been compiled on the basis of the full consolidated financial statements for 2023 and 2024 and the corresponding accounting records of CPH Group AG to permit a financial picture to be provided of the newly formed CPH Group AG.

See also the full consolidated cash flow statement which forms part of the consolidated financial statements of CPH Group AG and will be found on Page 74.

# Consolidated statement of changes in shareholders' equity

## for the remaining divisions (unaudited)

| in CHF thousands | Share capital | Capital reserves | Treasury shares | Retained earnings | | | | Total shareholders' equity without minorities | Minorities | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Retained earnings, gross | Currency translation | Goodwill | Total | | | |
| **Shareholders' equity as at 1 January 2023** | **900** | **-56** | **-** | **279 645** | **-25 469** | **-42 345** | **211 831** | **212 675** | **1 357** | **214 032** |
| Distribution to shareholders | | | | -27 000 | | | -27 000 | -27 000 | | -27 000 |
| Net result | | | | 45 016 | | | 45 016 | 45 016 | 121 | 45 137 |
| Share-based remuneration | | 11 | 180 | | | | - | 191 | | 191 |
| Purchase of treasury shares | | | -588 | | | | - | -588 | | -588 |
| Purchase of minorities | | | | | | -1 019 | -1 019 | -1 019 | -1 397 | -2 416 |
| Currency translation | | | | | -12 504 | | -12 504 | -12 504 | -81 | -12 585 |
| **Shareholders' equity as at 31 December 2023** | **900** | **-45** | **-408** | **297 661** | **-37 973** | **-43 364** | **216 324** | **216 771** | **-** | **216 771** |
| Distribution to shareholders | | | | -24 000 | | | -24 000 | -24 000 | | -24 000 |
| Net result for the period | | | | 34 432 | | | 34 432 | 34 432 | | 34 432 |
| Share-based remuneration | | -10 | 499 | | | | - | 489 | | 489 |
| Purchase of treasury shares | | | -502 | | | | - | -502 | | -502 |
| Sale of treasury shares | | | 11 | | | | - | 11 | | 11 |
| Acquisition of subsidiary | | | | | | -19 939 | -19 939 | -19 939 | | -19 939 |
| Currency translation | | | | | 2 185 | | 2 185 | 2 185 | | 2 185 |
| **Shareholders' equity as at 31 December 2024** | **900** | **-55** | **-400** | **308 093** | **-35 788** | **-63 303** | **209 002** | **209 447** | **-** | **209 447** |

The consolidated statement of changes in shareholders' equity above presents the financial values indicated for the remaining Chemistry and Packaging Divisions, excluding those for the spun-off Paper Division. It has been compiled on the basis of the full consolidated financial statements for 2023 and 2024 and the corresponding accounting records of CPH Group AG to permit a financial picture to be provided of the newly formed CPH Group AG.

See also the full consolidated statement of changes in shareholders' equity which forms part of the consolidated financial statements of CPH Group AG and will be found on Page 75.

# Consolidated income statement

| in CHF thousands | Note | 2024 | 2023 |
|---|---|---|---|
| **Net sales** | **1, 2** | **447 857** | **623 982** |
| Other operating income | 3 | 15 879 | 13 422 |
| Change in inventories | | 302 | -7 896 |
| **Total income** | | **464 038** | **629 508** |
| Cost of materials | | -233 392 | -303 185 |
| Cost of energy | | -52 457 | -66 169 |
| Personnel expense | 4 | -86 742 | -102 912 |
| Maintenance and repairs | | -15 648 | -22 064 |
| Other operating expense | 5 | -27 571 | -33 173 |
| Result from spin-off of Paper Division | 34 | -22 326 | - |
| **Operating result before depreciation and amortization (EBITDA)** | | **25 902** | **102 005** |
| Depreciation on tangible fixed assets | 14 | -15 957 | -17 812 |
| Amortization of intangible assets | 16 | -2 267 | -1 390 |
| **Operating result (EBIT)** | | **7 678** | **82 803** |
| Financial result | 6 | 1 946 | -2 821 |
| **Ordinary result** | | **9 624** | **79 982** |
| Non-operating result | 7 | 2 239 | 11 998 |
| **Result before income taxes** | | **11 863** | **91 980** |
| Income taxes | 8 | -7 215 | -12 974 |
| **Net result** | | **4 648** | **79 006** |
| Thereof: | | | |
| – Shareholders of the company | | 4 648 | 78 885 |
| – Minority shareholders | | - | 121 |
| **Earnings per share (in CHF)** | **9** | **0.78** | **13.15** |
| Diluted earnings per share (in CHF) | 9 | 0.78 | 13.15 |

The consolidated income statement above contains the financial values indicated not only for the remaining Chemistry and Packaging Divisions but also for the spun-off Paper Division up until its spin-off on 25 June 2024. See also Note 34, Spin-off of the Paper Division.

# Consolidated balance sheet

| in CHF thousands | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | 10 | 31 602 | 107 640 |
| Trade receivables | 11 | 48 280 | 71 100 |
| Other receivables | 12 | 9 713 | 19 285 |
| Inventories | 13 | 74 837 | 102 077 |
| Prepayments and accrued income | | 5 200 | 5 847 |
| **Total current assets** | | **169 632** | **305 949** |
| Tangible fixed assets | 14 | 128 814 | 221 977 |
| Financial assets | 15 | 27 831 | 66 339 |
| Intangible assets | 16 | 6 333 | 3 926 |
| **Total fixed assets** | | **162 978** | **292 242** |
| **Total assets** | | **332 610** | **598 191** |
| **Equity and liabilities** | | | |
| Financial liabilities | 17 | 10 986 | 723 |
| Trade payables | 18 | 34 099 | 71 039 |
| Other payables | 19 | 2 381 | 7 724 |
| Provisions | 20 | 2 563 | 8 848 |
| Accrued expenses and deferred income | 21 | 31 390 | 32 278 |
| **Total current liabilities** | | **81 419** | **120 612** |
| Financial liabilities | 17 | 7 952 | - |
| Other liabilities | | - | 48 |
| Provisions | 20 | 33 792 | 41 260 |
| **Total non-current liabilities** | | **41 744** | **41 308** |
| **Total liabilities** | | **123 163** | **161 920** |
| Share capital | 22 | 900 | 1 200 |
| Capital reserves | | -55 | -45 |
| Own shares | 23 | -400 | -408 |
| Retained earnings | 24 | 209 002 | 435 524 |
| **Total shareholders' equity without minorities** | | **209 447** | **436 271** |
| Minorities | | - | - |
| **Total shareholders' equity** | | **209 447** | **436 271** |
| **Total equity and liabilities** | | **332 610** | **598 191** |

The consolidated balance sheet above contains the financial values indicated not only for the remaining Chemistry and Packaging Divisions but also for the spun-off Paper Division up until its spin-off on 25 June 2024. See also Note 34, Spin-off of the Paper Division.

# Consolidated cash flow statement

| in CHF thousands | Note | 2024 | 2023 |
|---|---|---|---|
| **Net result** | | **4 648** | **79 006** |
| Depreciation on fixed assets | 14, 16 | 18 224 | 19 202 |
| Change in provisions | 20 | -4 861 | 11 331 |
| Non-cash result from spin-off of Paper Division | 34 | 22 326 | - |
| Result from sale of fixed assets | | -8 777 | -18 871 |
| Other non-cash items | | 1 181 | -330 |
| **Cash flow before change in non-financial net working capital** | | **32 741** | **90 338** |
| Change in trade receivables | 11 | 1 181 | 18 722 |
| Change in inventories | 13 | 1 011 | 7 443 |
| Change in other receivables, prepayments and accrued income | | 1 683 | 3 263 |
| Change in trade payables | 18 | 7 690 | -17 104 |
| Change in other payables, accrued expenses and deferred income | | 1 377 | 7 200 |
| **Cash flow from operating activities** | | **45 683** | **109 862** |
| Acquisition of subsidiary | 33 | -32 799 | - |
| Capital expenditures for tangible fixed assets | 14 | -21 612 | -33 772 |
| Capital expenditures for intangible assets | 16 | -1 385 | -874 |
| Disposal of tangible fixed assets | 14 | 1 970 | 19 063 |
| Disposal of intangible assets | 16 | 7 083 | - |
| Purchase of minorities | 32 | - | -2 416 |
| **Cash flow from investing activities** | | **-46 743** | **-17 999** |
| Change in current financial liabilities | 17 | 10 230 | 656 |
| Issuance of non-current financial liabilities | 17 | 7 907 | - |
| Repayment of bond | 17 | - | -98 730 |
| Purchase of treasury shares | 23 | -502 | -588 |
| Sale of treasury shares | 23 | 11 | - |
| Distribution to shareholders | | -24 000 | -27 000 |
| Spin-off of Paper Division | 34 | -69 166 | - |
| **Cash flow from financing activities** | | **-75 520** | **-125 662** |
| Currency translation on cash and cash equivalents | | 542 | -2 175 |
| **Net change in cash and cash equivalents** | | **-76 038** | **-35 974** |
| Cash and cash equivalents as at 1 January | 10 | 107 640 | 143 614 |
| **Cash and cash equivalents as at 31 December** | **10** | **31 602** | **107 640** |

The consolidated cash flow statement above contains the financial values indicated not only for the remaining Chemistry and Packaging Divisions but also for the spun-off Paper Division up until its spin-off on 25 June 2024. See also Note 34, Spin-off of the Paper Division.

# Consolidated statement of changes in shareholders' equity

| in CHF thousands | Share capital | Capital reserves | Treasury shares | Retained earnings | | | | Total share-holders' equity without minori-ties | Minori-ties | Total share-holders' equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Retained earnings, gross | Currency transla-tion | Goodwill | Total | | | |
| **Shareholders' equity as at 1 January 2023** | **1 200** | **-56** | **-** | **485 749** | **-25 662** | **-63 021** | **397 066** | **398 210** | **1 357** | **399 567** |
| Distribution to shareholders | | | | -27 000 | | | -27 000 | -27 000 | | -27 000 |
| Net result | | | | 78 885 | | | 78 885 | 78 885 | 121 | 79 006 |
| Share-based remuneration | | 11 | 180 | | | | - | 191 | | 191 |
| Purchase of treasury shares | | | -588 | | | | - | -588 | | -588 |
| Purchase of minorities | | | | | | -1 019 | -1 019 | -1 019 | -1 397 | -2 416 |
| Currency translation | | | | | -12 408 | | -12 408 | -12 408 | -81 | -12 489 |
| **Shareholders' equity as at 31 December 2023** | **1 200** | **-45** | **-408** | **537 634** | **-38 070** | **-64 040** | **435 524** | **436 271** | **-** | **436 271** |
| Distribution to shareholders | | | | -24 000 | | | -24 000 | -24 000 | | -24 000 |
| Net result for the period | | | | 4 648 | | | 4 648 | 4 648 | | 4 648 |
| Share-based remuneration | | -10 | 499 | | | | - | 489 | | 489 |
| Purchase of treasury shares | | | -502 | | | | - | -502 | | -502 |
| Sale of treasury shares | | | 11 | | | | - | 11 | | 11 |
| Acquisition of subsidiary | | | | | | -19 939 | -19 939 | -19 939 | | -19 939 |
| Spin-off of Paper Division | -300 | | | -210 189 | 196 | 20 676 | -189 317 | -189 617 | | -189 617 |
| Currency translation | | | | | 2 086 | | 2 086 | 2 086 | | 2 086 |
| **Shareholders' equity as at 31 December 2024** | **900** | **-55** | **-400** | **308 093** | **-35 788** | **-63 303** | **209 002** | **209 447** | **-** | **209 447** |

The consolidated statement of changes in shareholders' equity above contains the financial values indicated not only for the remaining Chemistry and Packaging Divisions but also for the spun-off Paper Division up until its spin-off on 25 June 2024. See also Note 34, Spin-off of the Paper Division.

See also Note 22, Share capital, Note 23, Treasury shares, Note 24, Retained earnings, and Note 33, Acquisition of subsidiary.

# Notes to the consolidated financial statements

## Introductory information

### Company information

Following the spin-off of its former Paper Division effective 25 June 2024, CPH Group AG remains active in two industrial sectors. The company develops, manufactures and distributes chemical products and packaging solutions for pharmaceutical customers. Headquartered in Switzerland, the company maintains production facilities at twelve locations in nine countries in Europe, Asia and North and South America. With its innovative products, CPH Group AG offers its customers clear added value.

The consolidated financial statements presented contain the financial values indicated not only for the remaining Chemistry and Packaging Divisions but also for the spun-off Paper Division up until its spin-off on 25 June 2024. See also Note 34, Spin-off of the Paper Division.

The shares of CPH Group AG are listed on the SIX Swiss Exchange.

### Scope of consolidation

The scope of consolidation extends to the following controlled companies, which are all fully consolidated (changes from the prior year are explained below):

| | | 31.12.2024 | | 31.12.2023 | |
|---|---|---|---|---|---|
| | Currency | Capital in thousands | Shareholding | Capital in thousands | Shareholding |
| **Chemistry** | | | | | |
| Zeochem AG, Rüti ZH, Switzerland[1] | CHF | 1 000 | 100 % | 1 000 | 100 % |
| Zeochem LLC, Louisville, USA | USD | 36 547 | 100 % | 36 547 | 100 % |
| Zeochem d.o.o., Zvornik, Bosnia and Herzegovina | BAM | 2 | 100 % | 2 | 100 % |
| Jiangsu Zeochem Technology Co. Ltd., Lianyungang, China[1] | CNY | 82 800 | 100 % | 82 800[2] | 100 %[2] |
| Zeochem Pte. Ltd., Singapore, Singapore | SGD | 1 | 100 % | 1 | 100 % |
| Sorbchem India Pvt. Ltd., Vadodara, India[3] | INR | 876 508 | 100 % | n/a | n/a |
| **Packaging** | | | | | |
| Perlen Packaging AG, Root, Switzerland[1] | CHF | 24 000 | 100 % | 24 000 | 100 % |
| Perlen Packaging L.L.C., Whippany, USA | USD | 1 000 | 100 % | 1 000 | 100 % |
| Perlen Packaging GmbH, Müllheim, Germany | EUR | 1 300 | 100 % | 1 300 | 100 % |
| Perlen Packaging (Suzhou) Co., Ltd., Suzhou, China | USD | 13 000 | 100 % | 13 000 | 100 % |
| Perlen Packaging Anápolis Indústria e Comércio Ltda., Anápolis, Brazil | BRL | 142 465[4] | 100 % | 18 174 | 100 % |
| **Spun-off Paper Division with real estate[5]** | | | | | |
| Perlen Industrieholding AG, Root, Switzerland[6] | CHF | n/a | n/a | n/a | n/a |
| Perlen Papier AG, Root, Switzerland | CHF | n/a | n/a | 81 000 | 100 % |
| APS Altpapier Service Schweiz AG, Root, Switzerland | CHF | n/a | n/a | 100 | 100 % |
| Perlen Deutschland GmbH, Munich, Germany | EUR | n/a | n/a | 100 | 100 % |
| Perlen Immobilien AG, Root, Switzerland | CHF | n/a | n/a | 500 | 100 % |
| Perlen Papier Immobilien AG, Root, Switzerland | CHF | n/a | n/a | 1 000 | 100 % |
| Hotel & Gasthaus Die Perle AG, Root, Switzerland[7] | CHF | n/a | n/a | 100 | 100 % |
| **Group** | | | | | |
| CPH Group AG, Root, Switzerland[8] | CHF | 900[9] | n/a | 1 200 | n/a |

1 held directly by CPH Group AG
2 until 18 September 2023: 92 % of CNY 90 million; see Note 32
3 acquired on 29 April 2024; see Note 33
4 BRL 124 million capital increase effective 9 December 2024
5 spin-off of Paper Division effective 25 June 2024; see Note 34
6 founded with a share capital of CHF 0.3 million on 20 March 2024
7 founded on 6 September 2023
8 renamed from former CPH Chemie + Papier Holding AG on 25 June 2024
9 CHF 0.3 million capital reduction from previous CHF 1.2 million through spin-off of Paper Division effective 25 June 2024; see Note 34

## Accounting principles

### Presentation principles

These consolidated financial statements present a true and fair view of the financial performance and positions of the CPH Group. They have been prepared in accordance with all the current guidelines set out in the Swiss GAAP FER Accounting and Reporting Recommendations. They also comply with the provisions of the Listing Rules of the SIX Swiss Exchange and the Swiss law on accounting and financial reporting. Apart from those relating to Swiss GAAP FER 30 ('Consolidated financial statements'), the accounting principles relevant to CPH Group AG were unchanged in 2024.

The consolidated financial statements are based on the annual financial statements of the group companies, which are prepared using common accounting principles. The consolidated financial statements are based on the historical cost principle, and have been prepared on a going concern basis.

### Consolidation principles

The consolidated financial statements consist of the annual financial statements of all the companies in and outside Switzerland for which CPH Group AG directly or indirectly controls the financial and business activity. This is generally the case with an equity holding of more than 50 %. In accordance with the full consolidation method, these companies' assets and liabilities and income and expenditures are incorporated in full. Intermediate profits from intragroup deliveries and services are eliminated.

The shares of minority shareholders in the shareholders' equity and the net results of consolidated companies are shown separately as minority interests on both the consolidated balance sheet and the consolidated income statement.

Shareholdings in associated companies are presented using the equity method. These are companies which CPH Group AG does not control but on which it still exercises significant influence. This is generally the case when voting rights of between 20 % and 50 % are held.

### Business combinations

Group companies acquired in the course of the year are consolidated as of the date of assumption of control. When a company is acquired, its net assets are determined at their current value and integrated using the purchase method. Following the revision of Swiss GAAP FER 30 ('Consolidated financial statements'), in the case of an acquisition from the 2024 financial year onwards, previously unrecognized intangible assets relevant to the decision to acquire control are also identified and recognized. The resulting goodwill is offset against shareholders' equity.

In the case of step acquisitions of minorities, the goodwill is determined separately for each acquisition step. If the purchase price of an acquisition includes elements that are linked to future earnings, the value of these elements is estimated as accurately as possible at the time of acquisition for goodwill calculation purposes. Should there be deviations from these estimates when the final purchase price is determined, the goodwill offset against equity is adjusted accordingly.

Group companies disposed of in the course of the year are deconsolidated as of the date of cession of control. The cumulative goodwill relating to the business concerned is derecognized in shareholders' equity and disclosed in the income statement as part of the profit or loss on the disposal.

### Foreign currency translation

The consolidated financial statements are presented in Swiss francs (CHF). The financial statements of consolidated companies which are in other currencies are translated into Swiss francs as follows:

- assets and liabilities: at the exchange rate on the balance sheet date
- shareholders' equity: at historical rates
- income statements and cash flow statements: at the average rate for the year
- movements in fixed assets and provisions: at the average rate for the year.

Any differences arising from foreign currency translation are taken to shareholders' equity without affecting net income. Any translation differences arising from long-term intragroup financing of an equity nature are credited or debited to shareholders' equity. The currency translation differences shown in shareholders' equity derive from the development of shareholders' equity.

In the event of the disposal of a part of the business, the corresponding cumulative foreign currency translation differences deriving from the translation of the financial statements and from any intragroup loans with equity character are derecognized and disclosed in the income statement as part of the profit or loss on the sale.

In the individual financial statements subject to consolidation, transactions in foreign currencies are translated into the local currency at the exchange rate valid as at the time of the transaction. Assets and liabilities in foreign currencies are translated at the exchange rate valid on the balance sheet date.

### Assumptions and estimates

These consolidated financial statements are based on assumptions and estimates which have an influence on the presented financial performance and positions. These assumptions and estimates have been made to the best of the company's knowledge and on the basis of the information available at the time of the statements' compilation. Actual results may deviate accordingly from the values presented. The greatest influence on the consolidated financial statements derives from estimates in the following areas:

- Impairments: All assets are subject to an assessment on the balance sheet date of whether any indications exist that the carrying value of the asset concerned exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and its value in use. If an impairment is required, the asset's carrying value is reduced to its recoverable amount, with the impairment amount charged to the result for the period concerned.
- Income taxes: The calculations of current tax liabilities are subject to the interpretation of the tax laws in the countries concerned. The applicability of these is largely retroactively assessed for

multiple financial years in the light of definitive assessments and of company audits by the tax authorities.
– Provisions: Provisions are made for liabilities whose amount is uncertain. In view of this, such provisions may have to be adjusted in the light of future events, with a corresponding impact on the income statement.

### Subtotals

These consolidated financial statements include subtotals (or alternative performance indicators) which are not prescribed or defined by Swiss GAAP FER. Such subtotals are used by management to control and steer the company's business divisions and to enhance the informative value of these consolidated financial statements. Such subtotals include:

– Total income: Total income, which is shown in the consolidated income statement, is the total of net sales, other operating income and change in inventories.
– EBITDA (earnings before interest, taxes, depreciation and amortization): EBITDA, which is shown in the consolidated income statement, is the total of earnings before interest and taxes (EBIT) and before depreciation and amortization on fixed assets and any impairments thereto.
– Cash flow before change in non-financial net working capital: This amount, which is shown in the consolidated cash flow statement, is the total of the cash flow from operating activities plus changes in non-financial net working capital.

## Capitalization and valuation principles

### Net sales

Net sales comprise the sales of products and services resulting from ordinary business activities. A sale is recorded when it is likely that its economic benefit will accrue to CPH Group AG and its amount can be reliably calculated.

The sale is regarded as realized with the transfer to the customer of the benefit and the risks concerned. Silicate chemistry products, coated pharmaceutical packaging films and (until the spin-off of the paper business with effect from 25 June 2024) newsprint and magazine paper are the main sales generators; sales from services are negligible. Net sales are sales less such deductions as price reductions, rebates, discounts, special distribution charges, value-added tax and bad-debt losses.

### Change in inventories

This item comprises the changes to the inventories of semi-finished and finished products.

### Other operating income

The operating income shown under this item derives mainly from energy sales, from sales of carbon credits, from sales of reusable materials and from leases and rentals of business premises.

### Cost of materials

This item comprises all the costs of raw, auxiliary and operating materials, the cost of merchandise and the expenses incurred through the external manufacture or processing of the group's own products (third-party services).

### Cost of energy

Cost of energy includes the costs of electricity and steam obtained from external suppliers, heating oil, natural gas, water and fuelwood.

### Personnel expense

Personnel expense comprises all the amounts paid to employees employed under labour law for the work they perform. It also includes all compulsory and voluntary social security contributions, including company pension scheme premiums and contributions. It further includes other personnel expense such as the costs of temporary personnel, recruitment, initial and further training and the reimbursement of expenses incurred in connection with professional training.

### Occupational pensions

CPH Group AG maintains various occupational pension schemes and plans which are each aligned to the local requirements and conditions in the countries concerned. These occupational pension schemes are legally autonomous, and are financed by contributions from employers and employees. The occupational pension benefit obligations of the group companies in respect of old age, death or disability are aligned to the local provisions and practices in the countries concerned. The group's most significant companies are located in Switzerland, where occupational pension provision is grouped within an independent foundation to which are also affiliated the Perlen Industrieholding AG and UBV Holding AG corporate groups originating also from the former Uetikon chemicals factory.

The actual economic impact of these plans on CPH Group AG is calculated as at the balance sheet date. The determination of any funding surplus or funding shortfall is based on annual financial statements compiled in accordance with Swiss GAAP FER 26 for the scheme for Swiss-domiciled companies and on the corresponding local provisions for group companies domiciled outside Switzerland. Economic benefit is capitalized – if such action is permissible and intended – for use in future CPH Group AG pension scheme contributions. Economic obligations are recognized as liabilities if the requirements for the creation of a provision are met. Freely disposable employer contribution reserves are capitalized.

### Share-based compensation

Share-based compensation is valued at the share price applicable as at the date the shares are allocated and is recorded under both shareholders' equity (via deduction from own shares held) and personnel expense. The difference between the share price as at the date of allocation and the purchase price of the own shares concerned is disclosed in the capital reserves.

### Research and development

Research costs are recognized in the income statement as they occur. Development costs are capitalized as intangible assets only to the extent that the amount capitalized is covered by expected future income. All other development costs are recognized in the income statement as they occur.

**Maintenance and repairs**
This item comprises expenditure on maintenance, repairs and servicing (including the materials required) which are performed by third parties and are not capitalized as value-adding fixed assets. It also includes the cost of materials used in maintenance and repairs performed by the group's own personnel.

**Other operating expense**
This item consists of sales and administration costs and other operating expenses.

**Non-operating result**
The non-operating result comprises any income or expenses deriving from business that is clearly separate from operating activities.

**Extraordinary result**
The extraordinary result comprises any income or expenses that arise extremely rarely within the context of ordinary operations and cannot be foreseen.

**Income taxes**
Income tax expense comprises all the income taxes levied on the taxable profit of CPH Group AG. Provisions are made for all current income tax liabilities under accrued liabilities.

Deferred income taxes are recognized for differences in valuation between the assets and liabilities valued on the consolidated balance sheet using standard groupwide guidelines and the taxable values thereof. The deferred income taxes on these valuation differences are calculated at the local tax rates which are expected to apply. In the event of any change to these tax rates or to the valuation differences, these deferred tax amounts are adjusted accordingly via the income statement. Deferred tax liabilities are disclosed under provisions, while deferred tax assets are disclosed under financial assets. Any adjustments to deferred income taxes are booked to deferred income tax expense.

Provisions are only made for taxes (withholding taxes in particular) levied on distributions of retained earnings (primarily of group companies) if the distribution of such retained earnings is considered likely.

Deferred income taxes on temporary differences will only be recognized if they are likely to be fiscally offset through future profits. Deferred taxes on losses carried forward are not capitalized.

**Cash and cash equivalents**
Cash and cash equivalents consist of cash on hand, postal and bank account balances and call and term deposits with a residual term to maturity of 90 days or less. They are measured at nominal value.

**Trade receivables**
Trade receivables consist of amounts due for deliveries made and services rendered which have been invoiced but for which payment has not yet been received. They are stated at nominal value less any necessary individual value adjustments. Necessary value adjustments are determined on the basis of the maturity structure and identifiable credit risk.

**Other receivables**
Other receivables consist of short-term claims that are not based on deliveries made and/or services rendered. Other receivables are stated at their nominal value, less any necessary individual value adjustments.

**Inventories**
Inventories are stated at the lower of their average purchase price or production cost, but at no higher than their net realizable value. Any discounts received on purchases are treated as purchase price reductions. In addition to their direct material and personnel costs, the production costs of semi-finished and finished inventories include a proportion of their production overheads. Appropriate value adjustments are effected for obsolete stock with due regard to identifiable risks.

**Prepayments and accrued income**
This item consists of expenses paid in the current accounting period that will be charged in a later accounting period, and of income earned in the period but not accounted for and collected until after the balance sheet date.

**Tangible fixed assets**
Tangible fixed assets (including those held solely for investment purposes) are capitalized at their purchase price less necessary depreciation and/or impairments. All depreciation is effected using the straight-line method over the asset's useful life. Maintenance and repair expense is charged directly to the income statement. Extensive overhauls of fixed assets are capitalized if they result in measurable added value in the form of higher performance or an extended useful life.

The useful lives assumed for depreciation purposes are as follows:

- Land: not depreciated
- Land use rights: duration of right of use
- Residential property: 50 to 100 years
- Office buildings: 33 to 66 years
- Industrial buildings and infrastructure: 25 to 50 years
- Installations in rented premises: length of rental agreement
- Installations, production plant and machinery: 5 to 30 years
- IT hardware: 3 to 8 years
- Other tangible fixed assets: 5 to 15 years.

**Financial assets**
Financial assets may consist of minority shareholdings, employer's contribution reserves for occupational pension schemes, economic benefit from occupational pension schemes, deferred income tax assets and/or interest-bearing or non-interest-bearing non-current receivables.

Minority shareholdings in companies over which CPH Group AG does not exercise substantial influence (which is generally the case with a voting share of less than 20 %) are capitalized at their purchase price less any necessary value adjustments.

Employer's contribution reserves without waiver of use are capitalized at their nominal value. Any changes in them are recognized in the income statement as personnel expense.

Economic interests in occupational pension schemes are capitalized to the extent that these may be used for the company's future occupational pension scheme payment obligations. Any changes in them are recognized in the income statement as personnel expense.

Interest-bearing and non-interest-bearing non-current receivables are recorded at their nominal value less any necessary individual value adjustments.

**Intangible assets**
Intangible assets include software, capitalized development costs, customer relations, licences, patents and brands. These are valued at their purchase price or manufacturing cost less any amortization required. Amortization is effected on a straight-line basis over the item's useful life, up to a maximum five-year period.

Up until the spin-off of the paper business with effect from 25 June 2024, intangible assets also included the carbon credits issued free of charge by the Swiss Federal Office for the Environment, which were initially capitalized at their zero acquisition price. Carbon credits were derecognized upon their use or sale. Any income from such sales was disclosed under other operating income.

**Impairment of assets**
All assets are assessed for any impairment in value as at the balance sheet date. This assessment is based on any events and/or indications which suggest that an asset may have been impaired.

If an asset's carrying value exceeds its realizable value (i.e. the higher of its net market value and its value in use), a corresponding impairment will be effected, with the impairment loss recognized in the income statement. An impairment effected on an asset in an earlier accounting period is also partially or wholly reversed if the factors previously considered in the calculations of its realizable value have significantly improved.

**Financial liabilities**
Financial liabilities consist of interest-bearing liabilities, particularly due to banks, bondholders and lessors (via financial leases). They are stated at their nominal value. Financial liabilities maturing in one year or less are recognized as current financial liabilities; financial liabilities maturing in more than one year are recognized as non-current financial liabilities.

**Trade payables**
Trade payables include all non-interest-bearing current liabilities resulting from business activities. They are recorded at their nominal value.

**Other payables**
Other payables are liabilities that are not classified as trade payables or as financial liabilities. They are measured at their nominal value. Other payables are presented under current or non-current liabilities, depending on their maturity.

**Provisions**
Provisions are effected for future liabilities that are likely to arise from an event in the past (i.e. before the balance sheet date) whose amount and/or due date is uncertain but may be estimated. All provisions made are reappraised on every balance sheet date. Any release of provisions is effected via the same position on the income statement through which the provision was originally effected. A distinction is made between current provisions (for obligations likely to be due within one year) and non-current provisions (for obligations likely to be due later than this).

**Accrued liabilities and deferred income**
This item consists of liabilities incurred before the balance sheet date that will not be due for payment until a later accounting period as well as income accrued before the balance sheet date for a product or service to be provided in a later accounting period.

**Shareholders' equity**
Shareholders' equity consists of share capital, capital reserves, own shares, retained earnings and minorities. The nominal value of the company's share capital is disclosed as share capital.

The net result is credited to retained earnings. Dividend payments are deducted from retained earnings. The differences deriving from currency translations for group companies are credited to or debited from retained earnings. The goodwill deriving from acquisitions is offset against retained earnings at the time of acquisition, while any negative goodwill is credited to retained earnings.

All other changes in capital are offset against capital reserves.

**Treasury shares**
Treasury shares are shown at their original purchase price. Treasury shares held are presented as a negative item in shareholders' equity. Treasury shares are not revalued following their initial valuation. If they are later sold, the resulting profit or loss is credited to or debited from capital reserves.

**Goodwill**
Goodwill deriving from acquisitions is offset against retained earnings at the time of acquisition. In the event of the subsequent disposal or closure of a part of the business concerned, any associated goodwill previously offset against shareholders' equity is derecognized and is disclosed in the income statement as part of the profit or loss from the sale.

The impact of any theoretical capitalization and amortization is shown in the notes. For such theoretical accounting purposes, goodwill is generally written down over its useful economic life (typically five years). Impairments are effected if required.

**Leases**

A finance lease is deemed to exist if the lessor transfers the benefit of ownership of the leased item and the key risks associated with it to the lessee. The leased item is capitalized at the start of the leasing period as both a fixed asset and a liability, at the lower of its current market value or the net cash value of the future leasing instalments. Each leasing instalment is divided into a financing expense and a repayment amount to produce a constant interest rate for the resulting financial liability. The financing expenses are recognized directly in the income statement, where they are shown as interest expense in the financial result. Capitalized leasing items are depreciated over the shorter of their estimated service life or the lease's duration.

An operating lease is deemed to exist if a large part of the risks associated with ownership of the leased item remains with the lessor. Operating lease payments are recognized in the income statement as a constant other operating expense over the lease's duration.

**Derivative financial instruments**

Derivative financial instruments intended as hedges of future cash flows are not capitalized, but are disclosed in the notes to the consolidated financial statements. Derivative financial instruments intended as hedges of balance sheet items are subject to the same valuation principles as the underlying hedged item. Changes in their value since the previous valuation are recorded in the result for the period. Derivative financial instruments intended for trading purposes are recorded at their market value. Changes in such market value since the previous valuation are recorded in the financial result.

## Notes to the consolidated income statement

### 1. Segment information

| | Chemistry | | Packaging | | Other/ Consolidation | | Remaining divisions | | Spun-off divisions (Paper) | | CPH Group total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| in CHF thousands | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** | 2024 | 2023 | 2024 | 2023 |
| **Net sales** | **117 294** | **124 169** | **205 959** | **237 331** | **-** | **-** | **323 253** | **361 500** | **124 604** | **262 482** | **447 857** | **623 982** |
| **EBITDA** | **22 829** | **22 060** | **33 256** | **42 861** | **-2 302** | **30** | **53 783** | **64 951** | **-27 881** | **37 054** | **25 902** | **102 005** |
| EBITDA margin | 19.5 % | 17.8 % | 16.1 % | 18.1 % | | | 16.6 % | 18.0 % | -22.4 % | 14.1 % | 5.8 % | 16.3 % |
| **EBIT** | **14 885** | **15 762** | **26 577** | **36 106** | **-2 302** | **10** | **39 160** | **51 878** | **-31 482** | **30 925** | **7 678** | **82 803** |
| EBIT margin | 12.7 % | 12.7 % | 12.9 % | 15.2 % | | | 12.1 % | 14.4 % | -25.3 % | 11.8 % | 1.7 % | 13.3 % |
| **Headcount (FTE)** | **406** | **283** | **546** | **551** | **7** | **7** | **959** | **841** | **n/a** | **354** | **959** | **1 195** |

Net sales for 2024 for the remaining divisions of Chemistry and Packaging were a decrease of 10.6 % on the prior year (or of 8.5 % at constant currency), owing to declines in materials costs. The net sales and earnings of the spun-off Paper Division are shown up to its separation on 25 June 2024.

EBIT for the spun-off Paper Division for 2024 was reduced by a CHF 22.3 million non-cash expense deriving from the spin-off. See also Note 34.

### 2. Net sales by region

| in CHF thousands | **2024** | **%** | **2023** | **%** |
|---|---|---|---|---|
| Switzerland | 32 800 | 7.3 % | 66 539 | 10.7 % |
| Rest of Europe | 254 292 | 56.7 % | 381 872 | 61.2 % |
| Americas | 103 708 | 23.2 % | 101 335 | 16.2 % |
| Asia | 51 293 | 11.5 % | 60 309 | 9.7 % |
| Rest of the world | 5 764 | 1.3 % | 13 927 | 2.2 % |
| **Total net sales** | **447 857** | **100.0 %** | **623 982** | **100.0 %** |

### 3. Other operating income

The other operating income of CHF 15.9 million (prior year: CHF 13.4 million) includes income from the sale of energy, recyclable materials and carbon credits, rental income, own work capitalized and various further operating income largely from the spun-off Paper Division.

## 4. Personnel expense

| in CHF thousands | Note | 2024 | 2023 |
|---|---|---|---|
| Salaries and wages | | 72 001 | 84 882 |
| Pension benefit expense | 25 | 3 125 | 5 144 |
| Other social security charges | | 8 919 | 9 783 |
| Other personnel expense | | 2 697 | 3 103 |
| **Total personnel expense** | | **86 742** | **102 912** |

Personnel expense for the remaining Chemistry and Packaging divisions increased by CHF 1.4 million or 2.1 % in the year under review. The increase is attributable in particular to the acquisition of the new Sorbchem India subsidiary. See also Note 33.

## 5. Other operating expense

The other operating expense of CHF 27.6 million (prior year: CHF 33.2 million) includes sales and administrative costs and various other operating expenses.

## 6. Financial result

| in CHF thousands | 2024 | 2023 |
|---|---|---|
| Interest income | 336 | 937 |
| Interest expense | -810 | -1 389 |
| Currency result | 1 583 | -2 165 |
| Other financial income | 1 430 | 286 |
| Other financial expense | -593 | -490 |
| **Total financial result** | **1 946** | **-2 821** |
| Thereof: | | |
| – Financial income | 3 349 | 1 223 |
| – Financial expense | -1 403 | -4 044 |

## 7. Non-operating result

| in CHF thousands | 2024 | 2023 |
|---|---|---|
| Non-operating income | 2 646 | 18 871 |
| Non-operating expense | -407 | -6 873 |
| **Total non-operating result** | **2 239** | **11 998** |

The non-operating result consists of expenditure on and income from the sales and the rental of former production sites in Uetikon am See (Switzerland) and Full-Reuenthal (Switzerland) and real estate in Buchrain (Switzerland). The non-operating income for 2023 derived primarily from the sale of industrial land at the Full-Reuenthal former production site. The non-operating expense for 2023 included an increase in environmental provisions (see also Note 20, Provisions).

## 8. Income taxes

| in CHF thousands | 2024 | 2023 |
|---|---|---|
| Current income taxes | 6 773 | 6 573 |
| Deferred income taxes | 442 | 6 401 |
| **Total income taxes** | **7 215** | **12 974** |

| in CHF thousands | 2024 | 2023 |
|---|---|---|
| **Result before income taxes** | **11 863** | **91 980** |
| Expected income tax expense | 3 886 | 14 188 |
| Expected income tax rate | 32.8 % | 15.4 % |
| Use of not capitalized tax loss carry forwards | -645 | -5 229 |
| Tax loss carry forwards not capitalized | 2 459 | 1 002 |
| Income tax expense from earlier periods | -519 | 2 347 |
| Non-taxable income/non-deductible expenses | 1 658 | 93 |
| Effect of changes in tax rate | -162 | 343 |
| Various | 538 | 230 |
| **Total income tax** | **7 215** | **12 974** |
| Effective income tax rate | 60.8 % | 14.1 % |

The expected 2024 income tax rate for CPH Group AG amounted to 32.8 % (prior year: 15.4 %). This is the weighted average tax rate based on the results before taxes and individual tax rates for each group company in the year under review. The change in the expected income tax rate is due to the profit/loss situation and to changes in the tax rates at the various group companies. The expected 2024 income tax rate for CPH Group AG excluding the spun-off Paper Division amounted to 17.8 % (prior year: 17.4 %).

The difference between the expected income tax expense and the income tax expense disclosed in the income statement is largely attributable in both the year under review and the prior year to the impact of non-capitalized tax loss carry forwards (see also Note 15, Financial assets).

The calculation of deferred income taxes was based on expected local tax rates at individual group companies, which averaged 14.7 % (prior year: 13.0 %).

Non-capitalized tax loss carry forwards decreased in the year under review from CHF 7.4 million to CHF 1.5 million, owing primarily to the spin-off of the Paper Division. Of these, CHF 0.0 million expire within a year (prior year: CHF 0.2 million), CHF 0.8 million expire within two to seven years (prior year: CHF 6.5 million) and CHF 0.7 million are of indefinite duration (prior year: CHF 0.6 million).

## 9. Earnings per share

Earnings per share are calculated by dividing the net result for the year less the portion thereof attributable to minority shareholders by the average number of company shares held during the year (excluding treasury shares; see also Note 23, Treasury shares). The average number of such shares held in 2024 amounted to 5 997 394 (prior year: 5 998 512). On the basis of a net result attributable to shareholders of the company of CHF 4.6 million (prior year: CHF 45.0 million), this produces earnings per share of CHF 0.78 (prior year: CHF 13.15). Since the company has not issued any share options or convertible bonds, diluted earnings per share are identical to the earnings per share result.

## Notes to the consolidated balance sheet

### 10. Cash and cash equivalents

Cash and cash equivalents decreased by CHF 76.0 million to CHF 31.6 million in the year under review, owing primarily to the spin-off of the Paper Division.

### 11. Trade receivables

| in CHF thousands | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Trade receivables, gross | 48 636 | 72 620 |
| Valuation allowance | -356 | -1 520 |
| **Total trade receivables** | **48 280** | **71 100** |

Gross trade receivables decreased by CHF 24.0 million in the year under review owing primarily to the spin-off of the Paper Division. The valuation allowance for doubtful receivables also saw a decrease of CHF 1.2 million.

### 12. Other receivables

This position includes the current portion of the remaining receivable from Canton Zurich for the sale of the former production site in Uetikon am See (Switzerland) which the canton has retained as security in respect of the portion of the costs of cleaning up the adjacent bed of Lake Zurich to be borne by CPH Group AG. This remaining receivable is reduced by the expenditure on the lake bed clean-up to be borne by CPH Group AG, charged to the established provisions and paid by Canton Zurich (see also Note 15, Financial assets and Note 20, Provisions).

In the year under review, other receivables decreased by CHF 9.6 million from their prior-year level, also as a result of the spin-off of the Paper Division.

### 13. Inventories

| in CHF thousands | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Raw materials | 14 345 | 23 919 |
| Semi-finished and finished goods | 62 519 | 66 970 |
| Supplies and spare parts | 2 488 | 16 644 |
| Valuation allowance | -4 515 | -5 456 |
| **Total inventories** | **74 837** | **102 077** |

Inventories were CHF 27.2 million lower in the year under review than their prior-year level, owing primarily to the spin-off of the Paper Division.

## 14. Tangible fixed assets

| in CHF thousands | Undeveloped property | Land and buildings | Machines and equipment | Other tangible fixed assets | Tangible fixed assets under construction | Total tangible fixed assets |
|---|---|---|---|---|---|---|
| **Acquisition cost as at 1 January 2023** | **6 868** | **339 220** | **725 372** | **353 733** | **22 842** | **1 448 035** |
| Additions | - | 147 | 10 512 | 3 333 | 18 807 | 32 799 |
| Disposals | - | -330 | -4 814 | -1 358 | - | -6 502 |
| Reclassification | - | 2 739 | 16 871 | 604 | -20 214 | - |
| Currency translation | -162 | -4 204 | -9 316 | -1 122 | -574 | -15 378 |
| **Acquisition cost as at 31 December 2023** | **6 706** | **337 572** | **738 625** | **355 190** | **20 861** | **1 458 954** |
| Additions | - | 778 | 10 380 | 1 586 | 8 418 | 21 162 |
| Disposals | - | -137 | -4 523 | -2 824 | - | -7 484 |
| Acquisition of subsidiary; see Note 33 | - | 4 417 | 86 | 61 | - | 4 564 |
| Spin-off of Paper Division; see Note 34 | -5 246 | -260 277 | -576 396 | -317 893 | -8 810 | -1 168 622 |
| Reclassification | -1 374 | 3 724 | 8 552 | 223 | -10 417 | 708 |
| Currency translation | 41 | 1 484 | 3 974 | 519 | 154 | 6 172 |
| **Acquisition cost as at 31 December 2024** | **127** | **87 561** | **180 698** | **36 862** | **10 206** | **315 454** |
| **Cumulative depreciation and impairment as at 1 January 2023** | **-177** | **-267 811** | **-645 024** | **-321 361** | **-** | **-1 234 373** |
| Depreciation | -28 | -2 637 | -11 210 | -3 937 | - | -17 812 |
| Disposals | - | 242 | 4 714 | 1 354 | - | 6 310 |
| Currency translation | 20 | 1 733 | 6 359 | 786 | - | 8 898 |
| **Cumulative depreciation and impairment as at 31 December 2023** | **-185** | **-268 473** | **-645 161** | **-323 158** | **-** | **-1 236 977** |
| Depreciation | -28 | -2 460 | -10 352 | -3 117 | - | -15 957 |
| Disposals | - | 99 | 4 299 | 2 810 | - | 7 208 |
| Spin-off of Paper Division; see Note 34 | - | 230 009 | 535 639 | 298 306 | - | 1 063 954 |
| Reclassification | 218 | -342 | - | - | - | -124 |
| Currency translation | -5 | -947 | -3 396 | -396 | - | -4 744 |
| **Cumulative depreciation and impairment as at 31 December 2024** | **-** | **-42 114** | **-118 971** | **-25 555** | **-** | **-186 640** |
| Carrying value as at 1 January 2023 | 6 691 | 71 409 | 80 348 | 32 372 | 22 842 | 213 662 |
| Carrying value as at 31 December 2023 | 6 521 | 69 099 | 93 464 | 32 032 | 20 861 | 221 977 |
| **Carrying value as at 31 December 2024** | **127** | **45 447** | **61 727** | **11 307** | **10 206** | **128 814** |

The Chemistry Division invested in various expansion projects at its Rüti ZH (Switzerland), Louisville (USA) and Lianyungang (China) operating sites in 2024. The Packaging Division invested primarily in increasing manufacturing capacities and enhancing production efficiencies at its Perlen (Switzerland), Müllheim (Germany) and Suzhou (China) sites. Up until its spin-off, the Paper Division invested in maintaining and further improving the efficiency of its production facilities.

The carrying value of tangible fixed assets includes CHF 0.6 million of assets held solely for investment purposes (prior year: CHF 8.0 million) and land use rights of CHF 1.8 million (prior year: CHF 1.7 million).

## 15. Financial assets

| in CHF thousands | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| Minority interests in companies | | - | 10 000 |
| Employer contribution reserves | 25 | 4 696 | 11 072 |
| Economic share from patronage fund | 25 | 6 012 | 13 843 |
| Deferred tax assets | 8 | 355 | 15 103 |
| Non-interest bearing receivables | | 16 768 | 16 321 |
| **Total financial assets** | | **27 831** | **66 339** |

Up until the spin-off of the Paper Division with effect from 25 June 2024, 'Minority interests in companies' included a 10 % equity holding in Renergia Zentralschweiz AG, Root (Switzerland). This company operates a waste incineration facility on land purchased from CPH Group AG and supplies the paper business with around 60 % of its steam needs in the form of carbon dioxide-free low-pressure steam.

'Deferred tax assets' considers the impact in tax terms of valuation differences between the values stated on the consolidated balance sheet and the corresponding values applicable under fiscal law. Up until the spin-off of the Paper Division with effect from 25 June 2024, these largely arose as a result of intragroup real-estate transactions, for which use was made of existing tax loss carry forwards.

'Non-interest bearing receivables' includes the non-current portion of the remaining receivable from Canton Zurich for the sale of the former production site in Uetikon am See (Switzerland) which the canton has retained as security in respect of the portion of the costs of cleaning up the adjacent bed of Lake Zurich to be borne by CPH Group AG. This remaining receivable is reduced by the expenditure on the lake bed clean-up to be borne by CPH Group AG, charged to the established provisions and paid by Canton Zurich (see also Note 12, Other receivables and Note 20, Provisions).

## 16. Intangible assets

| in CHF thousands | Software | Other intangible assets | Total intangible assets |
|---|---|---|---|
| **Acquisition cost as at 1 January 2023** | **16 888** | **1 133** | **18 021** |
| Additions | 874 | - | 874 |
| Disposals | -2 | -357 | -359 |
| Currency translation | -196 | -88 | -284 |
| **Acquisition cost as at 31 December 2023** | **17 564** | **688** | **18 252** |
| Additions | 1 385 | - | 1 385 |
| Disposals | -118 | - | -118 |
| Acquisition of subsidiary; see Note 33 | - | 5 842 | 5 842 |
| Spin-off of Paper Division; see Note 34 | -7 042 | - | -7 042 |
| Reclassification | - | -709 | -709 |
| Currency translation | 17 | -165 | -148 |
| **Acquisition cost as at 31 December 2024** | **11 806** | **5 656** | **17 462** |
| **Cumulative amortization as at 1 January 2023** | **-13 013** | **-481** | **-13 494** |
| Amortization | -1 375 | -15 | -1 390 |
| Disposals | 2 | 357 | 359 |
| Currency translation | 180 | 19 | 199 |
| **Cumulative amortization as at 31 December 2023** | **-14 206** | **-120** | **-14 326** |
| Amortization | -1 330 | -937 | -2 267 |
| Disposals | 118 | - | 118 |
| Spin-off of Paper Division; see Note 34 | 5 257 | - | 5 257 |
| Reclassification | - | 124 | 124 |
| Currency translation | -25 | -10 | -35 |
| **Cumulative amortization as at 31 December 2024** | **-10 186** | **-943** | **-11 129** |
| Carrying value as at 1 January 2023 | 3 875 | 652 | 4 527 |
| Carrying value as at 31 December 2023 | 3 358 | 568 | 3 926 |
| **Carrying value as at 31 December 2024** | **1 620** | **4 713** | **6 333** |

'Additions' consist primarily of investments in software systems used in business operations.

Other intangible assets at the end of 2023 included 98 000 carbon credits intended for sale which were held by the subsequently spun-off Paper Division. These carbon credits are recognized at their zero acquisition cost. The income from their sale is reported under other operating income.

Goodwill deriving from acquisitions is offset directly against retained earnings in shareholders' equity (see also Note 24, Retained earnings).

### 17. Financial liabilities

| in CHF thousands | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Bank loan | 10 986 | 723 |
| **Total current financial liabilities** | **10 986** | **723** |
| Bank loan | 7 952 | - |
| **Total long-term financial liabilities** | **7 952** | **-** |
| **Thereof:** | | |
| – Due within 2 to 5 years | 7 952 | - |

Current financial liabilities include bank loans in CHF and CNY at interest rates between 1.5 % and 3.4 %. Long-term financial liabilities include bank loans in INR at an interest rate of 9.8 %.

### 18. Trade payables

Trade payables decreased by CHF 36.9 million in 2024, owing primarily to the spin-off of the Paper Division.

### 19. Other payables

Other current payables decreased by CHF 5.3 million (see also Note 25, Occupational pensions).

## 20. Provisions

| in CHF thousands | Environment | Major repairs | Deferred income taxes | Other provisions | Total provisions |
|---|---|---|---|---|---|
| **Provisions as at 1 January 2023** | **23 233** | **8 444** | **5 767** | **1 825** | **39 269** |
| Addition | 3 124 | 542 | 5 639 | 3 554 | 12 859 |
| Utilization | -293 | - | - | -1 250 | -1 543 |
| Release | - | - | -88 | -190 | -278 |
| Currency translation | - | - | -176 | -23 | -199 |
| **Provisions as at 31 December 2023** | **26 064** | **8 986** | **11 142** | **3 916** | **50 108** |
| Addition | - | - | 2 147 | 1 286 | 3 433 |
| Utilization | -3 305 | - | -585 | -815 | -4 705 |
| Release | - | - | -908 | -2 681 | -3 589 |
| Spin-off of Paper Division; see Note 34 | - | -8 986 | - | - | -8 986 |
| Currency translation | - | - | 88 | 6 | 94 |
| **Provisions as at 31 December 2024** | **22 759** | **-** | **11 884** | **1 712** | **36 355** |
| Thereof: | | | | | |
| – current | 1 076 | - | - | 1 487 | 2 563 |
| – non-current | 21 683 | - | 11 884 | 225 | 33 792 |

Environmental provisions relate to the environmental protection measures required at former Zeochem production sites. These include the lake bed clean-up in Uetikon am See (Switzerland), the former production site in Full-Reuenthal (Switzerland) and obligations associated with various waste disposal sites. The lake bed clean-up began in 2022 and should be completed in three to five years. It is being conducted in close collaboration with the Canton Zurich Building Department, which has the project lead, with CPH Group AG represented in the project steering group. 80 % of the costs of the clean-up are being borne by CPH Group AG and 20 % thereof by Canton Zurich. The work is being financed with the funds generated by the sale of the Uetikon site to Canton Zurich in 2016. The costs involved are not cash-relevant, and reduce both the provisions effected for the work and the remaining receivable from Canton Zurich (see also Note 12, Other receivables and Note 15, Financial assets).

The provisions for major repairs related to the renovation work needed on the weir in Perlen (Switzerland) under the concession requirements of Canton Lucerne.

For the provisions for deferred income taxes, please see Note 8, Income taxes. Other provisions include provisions for claims connected with customer complaints.

The provision amounts were reviewed as at the balance sheet date and adjusted in line with the latest estimates and assessments. For 2023, new findings on the scope and the costs of the actions needed – in the light of the requirements of the authorities, work progress to date and inflation-based increases in construction costs – entailed an increase in the provision amounts (see also Note 7, Non-operating result).

## 21. Accrued expenses and deferred income

| in CHF thousands | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Personnel expense | 7 159 | 8 257 |
| Commissions | 1 955 | 2 974 |
| Income taxes | 3 800 | 3 057 |
| Other accrued expenses and deferred income | 18 476 | 17 990 |
| **Total accrued expenses and deferred income** | **31 390** | **32 278** |

## 22. Share capital

The share capital of CHF 0.9 million consists of 6 000 000 registered shares of CHF 0.15 nominal value. Share capital was reduced by CHF 0.3 million from its previous CHF 1.2 million (and the shares' nominal value by CHF 0.05 from the previous CHF 0.20 per share) with the spin-off of the Paper Division effective 25 June 2024.

## 23. Treasury shares

| Number of shares | 2024 | 2023 |
|---|---|---|
| **Treasury shares as at 1 January** | **4 830** | **-** |
| Purchases | 7 390 | 6 863 |
| Sales | -129 | - |
| Share-based remuneration | -5 891 | -2 033 |
| **Treasury shares as at 31 December** | **6 200** | **4 830** |

A total of 7 390 (prior year: 6 863) treasury shares were purchased in 2024 at an average purchase price of CHF 67.88 (prior year: CHF 85.54) per share. A total of 129 treasury shares were sold at an average sale price of CHF 83.40 in the year under review (prior year: none). A total of 5 891 (prior year: 2 033) shares with a vesting period of three years (with no further performance, profit or other vesting conditions) were definitively awarded in the form of share-based remuneration. The resulting personnel expense at a share price on assignment of CHF 84.73 (prior year: CHF 88.54) per share amounted to CHF 0.5 million (prior year: CHF 0.2 million).

## 24. Retained earnings

The non-distributable retained earnings of CPH Group AG amounted to CHF 9.9 million at the end of 2024 (prior year: CHF 17.2 million).

Goodwill arising from acquisitions is offset against retained earnings in shareholders' equity at the time of the acquisition. The impact of a theoretical capitalization of goodwill on the consolidated balance sheet and income statement, applying a five-year useful life, is shown below:

| in CHF thousands | Note | 2024 | 2023 |
|---|---|---|---|
| Goodwill at cost at 1 January | | 64 040 | 63 021 |
| Acquisition of subsidiary | 33, 32 | 19 939 | 1 019 |
| Spin-off of Paper Division | 34 | -20 676 | - |
| **Goodwill at cost at 31 December** | | **63 303** | **64 040** |
| Accumulated amortization and impairment at 1 January | | -62 558 | -61 921 |
| Theoretical goodwill amortization | | -3 120 | -637 |
| Spin-off of Paper Division | 34 | 20 676 | - |
| **Accumulated amortization and impairment at 31 December** | | **-45 002** | **-62 558** |
| Theoretical carrying value at 1 January | | 1 482 | 1 100 |
| **Theoretical carrying value at 31 December** | | **18 301** | **1 482** |

| in CHF thousands | 2024 | 2023 |
|---|---|---|
| Net result | 4 648 | 79 006 |
| Theoretical goodwill amortization | -3 120 | -637 |
| **Theoretical net result** | **1 528** | **78 369** |

| in CHF thousands | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Shareholders' equity | 209 447 | 436 271 |
| Theoretical carrying value of goodwill | 18 301 | 1 482 |
| **Theoretical shareholders' equity** | **227 748** | **437 753** |

## 25. Occupational pensions

CPH Group AG has various pension plans in place, which are each aligned to local conditions and requirements in the countries concerned. The table below gives an overview of their funding surpluses and funding deficits and the economic shares attributable to the employer:

| | Pension plans with surplus | | Patronage fund | | Pension plans with deficit | | Pension plans without surplus/ deficit | | Total occupational pensions | |
|---|---|---|---|---|---|---|---|---|---|---|
| in CHF thousands | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Surplus/deficit as at 31 December | 10 344 | 3 477 | 6 012 | 13 843 | - | -1 321 | - | - | 16 356 | 15 999 |
| **Economic share as at 31 December** | **-** | **-** | **6 012** | **13 843** | **-** | **-1 321** | **-** | **-** | **6 012** | **12 522** |
| Change of economic share | - | - | 7 831 | -646 | -1 321 | -241 | - | - | 6 510 | -887 |
| Spin-off of Paper Division; see Note 34 | - | - | -8 331 | - | - | - | - | - | -8 331 | - |
| Accrued contributions | 3 987 | 5 044 | - | - | 212 | 152 | 803 | 946 | 5 002 | 6 142 |
| Result from employer contribution reserve | -56 | -111 | - | - | - | - | - | - | -56 | -111 |
| **Pension benefit expense** | **3 931** | **4 933** | **-500** | **-646** | **-1 109** | **-89** | **803** | **946** | **3 125** | **5 144** |

'Pension plans with surplus' refers to the CPH Group AG Pension Scheme, which is domiciled in Root (Switzerland) and to which are also affiliated the Perlen Industrieholding AG and UBV Holding AG corporate groups originating also from the former Uetikon chemicals factory. This is a legally autonomous foundation with a board of trustees on which employer and employees are equally represented. The CPH Group AG Pension Scheme meets the occupational pension provision needs of CPH Group AG's Swiss-based companies under its own responsibility on a defined- contributions basis. Benefits are determined on the basis of each member's accumulated individual retirement savings. They therefore depend on the savings contributions made, any vested benefits paid in and any further buy-in amounts, in each case including interest. The scheme is funded by statutorily prescribed employer's and employees' contributions. The existence of any funding surplus or deficit is determined on the basis of the scheme's annual financial statements (after deduction of fluctuation reserves), which are compiled in accordance with Swiss GAAP FER 26. At the end of 2024, the scheme showed a funding surplus of CHF 10.3 million (prior year: CHF 3.5 million). Any such funding surplus is available in full to the scheme's beneficiaries, which is why no economic share is capitalized.

The 'Patronage fund' refers to the CPH Group AG Assistance Fund, which is domiciled in Buchrain (Switzerland). This is provided for all Swiss-based employees, and also has affiliated to it the Perlen Industrieholding AG and UBV Holding AG corporate groups originating also from the former Uetikon chemicals factory, though the fund maintains separate funding surplus/deficit accounts for each of these groups. The fund provides both regular occupational pension benefits and financial assistance for employees and their families in hardship situations The fund can also be used to finance the employer's contributions to the occupational pension schemes of CPH Group AG's Swiss-based companies. The existence of any funding surplus or deficit is determined on the basis of the fund's annual financial statements (after deduction of fluctuation reserves), which are compiled in accordance with Swiss GAAP FER 26. At the end of 2024 the fund showed a funding surplus assignable to CPH Group AG of CHF 6.0 million (prior year: CHF 13.8 million). This surplus is available in full to the employer, which is why the corresponding amount is capitalized as an economic share under financial assets. The year-on-year change in the funding surplus amount is attributable largely to the spin-off of the former Paper Division with effect from 25 June 2024.

'Pension plans with deficit' includes for 2023 a defined-benefits pension plan in the USA which had been frozen since the end of 2015. This plan was liquidated in 2024. The liquidation gain of CHF 1.1 million resulted in a corresponding reduction in occupational pension expense.

'Pension plans without surplus/deficit' includes a defined-contributions 401(k) pension plan in the USA and other non-significant pension plans in other countries. Such plans have neither a funding surplus nor a funding deficit, so no economic shares are recognized on the balance sheet.

CPH Group AG had accumulated an employer contribution reserve in previous years. This developed as follows in 2024:

| in CHF thousands | 2024 | 2023 |
|---|---|---|
| Nominal value as at 31 December | 4 696 | 11 072 |
| Waiver of use as at 31 December | - | - |
| Addition | - | - |
| Utilization | -1 218 | - |
| Spin-off of Paper Division; see Note 34 | -5 214 | - |
| **Carrying value as at 31 December** | **4 696** | **11 072** |
| **Result from employer contribution reserve** | **56** | **111** |

## 26. Pledged assets

| in CHF thousands | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Cash and cash equivalents | 1 657 | 1 132 |
| Land and buildings | 1 430 | 2 341 |
| **Inventories** | **3 087** | **3 473** |

## 27. Derivative financial instruments

| in CHF thousands | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Foreign exchange forwards** | | |
| **Contract value** | **61 069** | **136 721** |
| Positive replacement value[1] | 190 | 4 804 |
| Negative replacement value[1] | 1 866 | - |
| **Foreign exchange options** | | |
| **Contract value** | **-** | **30 312** |
| Positive replacement value[1] | - | 48 |
| Negative replacement value[1] | - | - |

[1] not recognized on the balance sheet

The open currency hedging contracts are hedges on future cash flows, primarily in EUR and USD. No derivative financial instruments held to hedge balance sheet items or for trading purposes are recognized.

## 28. Non-capitalized operating lease liabilities

| in CHF thousands | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Due within 1 year | 2 430 | 2 480 |
| Due within 2 to 5 years | 3 333 | 5 244 |
| Due after more than 5 years | 272 | 480 |
| **Total operating leases** | **6 035** | **8 204** |

The non-capitalized operating lease liabilities relate primarily to premises rentals and vehicles.

## 29. Sureties and guarantee obligations

As in the prior year, there were no off-balance-sheet sureties or guarantee obligations towards third parties at the end of the year under review.

## 30. Purchase obligations

At the end of the reporting period, there were no off-balance-sheet purchase obligations for the acquisition of fixed assets, materials and energy not terminable within one year (end of prior year: CHF 131 million).

## 31. Transactions with related parties

The following transactions were effected for services rendered with related companies of CPH Group AG and members of its Board of Directors:

| in CHF thousands | 2024 | 2023 |
|---|---|---|
| Kelterborn Advisory AG (Kaspar W. Kelterborn) | 46 | - |
| Niederer Kraft Frey AG (Manuel Werder) | 296 | 60 |
| Single Group GmbH (Tim Talaat) | 1 | 39 |
| UBV Immobilien Treuhand AG (Peter Schaub, Manuel Werder, Tim Talaat) | 16 | 10 |
| Weber Schaub & Partner AG (Peter Schaub) | 39 | 54 |
| **Total transactions with related parties** | **398** | **163** |
| **Total liabilites to related parties as at 31 December** | **28** | **29** |

The total of transactions with related parties was higher for 2024 as a result of non-recurring costs incurred in the preparation and execution of the spin-off of the Paper Division.

As in the prior year, no loans or credits were granted to related parties in the year under review.

## 32. Purchase of minorities

CPH Group AG acquired the remaining 8 % shareholding in Jiangsu Zeochem Technology Co. Ltd., Lianyungang, China on 18 September 2023 and now holds 100 % of the company's shares. The purchase price amounted to CHF 2.4 million. CHF 1.4 million of this was derecognized in shareholders' equity under minorities, and the remaining CHF 1.0 million was offset as goodwill against retained earnings.

## 33. Acquisition of subsidiary

Zeochem AG acquired 100 % of the shares of Sorbchem India Private Limited, a company domiciled in Vadodara (India) into which had been assimilated the activities of the former Sorbead India and Swambe Chemicals, on 29 April 2024. Sorbchem India sells and distributes molecular sieves and packaging materials and manufactures chromatography gels for use in the packaging and the pharmaceutical sectors.

The table below shows the market value of the assets and liabilities acquired at the time of purchase:

| in CHF thousand | |
|---|---|
| Trade receivables | 2 274 |
| Inventories | 994 |
| Other current assets | 212 |
| Tangible fixed assets | 4 564 |
| Financial fixed assets | 238 |
| Identified intangible assets | 5 842 |
| Trade payables | -389 |
| Other liabilities | -473 |
| **Net assets acquired at fair value** | **13 262** |

The CHF 19.9 million difference between the acquired net assets of CHF 13.3 million and the acquisition cost of CHF 33.2 million was taken to shareholders' equity in the form of goodwill. After deduction of also-acquired cash and cash equivalents of CHF 0.2 million and a not-yet-paid purchase price liability of CHF 0.2 million, the resulting net cash flow from the acquisition of subsidiaries amounted to CHF 32.8 million. The 2024 consolidated income statement includes net sales from acquired subsidiaries of CHF 6.2 million. Net sales for 2024 up to the date of acquisition amounted to CHF 3.5 million.

## 34. Spin-off of the Paper Division

The company's shareholders resolved at the Extraordinary General Meeting of 20 June 2024 to create two separate companies: CPH Group AG (the former CPH Chemie + Papier Holding AG) and Perlen Industrieholding AG. The separation was effected by spinning off the paper business by means of a capital reduction and the distribution of a dividend-in-kind under which, effective 25 June 2024, every CPH Group AG shareholder was awarded one registered share of Perlen Industrieholding AG for every CPH Group AG share held.

As a result of the spin-off, the following companies left the scope of consolidation of CPH Group AG:
- Perlen Papier AG, Root, Switzerland
- APS Altpapier Service Schweiz AG, Root, Switzerland
- Perlen Deutschland GmbH, Munich, Germany
- Perlen Immobilien AG (formerly CPH Immobilien AG), Root, Switzerland
- Perlen Papier Immobilien AG, Root, Switzerland
- Hotel & Gasthaus Die Perle AG, Root, Switzerland.

The net sales and earnings of the spun-off Paper Division up until its spinning-off with effect from 25 June 2024 are shown in Note 1, Segment information.

The following table shows the carrying values of the assets and liabilities of the spun-off entity:

| in CHF thousand | |
|---|---|
| Cash and cash equivalents | 69 166 |
| Trade receivables | 24 872 |
| Other receivables | 4 497 |
| Inventories | 28 234 |
| Prepayments and accrued income | 3 213 |
| Tangible fixed assets | 104 668 |
| Financial assets | 38 220 |
| Intangible assets | 1 785 |
| Trade payables | -45 083 |
| Other current liabilities | -3 298 |
| Accrued expenses and deferred income | -5 297 |
| Other non-current liabilities | -48 |
| Non-current provisions | -8 986 |
| **Net assets derecognized** | **211 943** |

With total net assets derecognized of CHF 211.9 million plus goodwill recycled from equity and cumulative currency translation differences of CHF 20.9 million on the one hand and the CHF 210.5 million net market value of the capital reduction/distribution-in-kind on the other, a difference resulted of CHF 22.3 million. This amount was taken to the consolidated income statement as non-cash result from the spin-off activity.

## 35. Currency translation rates

| | Average rate | | Closing rate | |
|---|---|---|---|---|
| in CHF | 2024 | 2023 | 31.12.2024 | 31.12.2023 |
| 1 EUR | 0.9530 | 0.9720 | 0.9380 | 0.9300 |
| 1 USD | 0.8800 | 0.8990 | 0.9060 | 0.8420 |
| 1 BAM | 0.4873 | 0.4970 | 0.4796 | 0.4755 |
| 1 BRL | 0.1640 | 0.1800 | 0.1470 | 0.1713 |
| 1 CNY | 0.1223 | 0.1270 | 0.1242 | 0.1187 |
| 1 INR | 0.0105 | n/a | 0.0106 | n/a |

## 36. Events after the balance sheet date

As a further step in its international expansion strategy, CPH Group AG announced its acquisition of the LOG Pharma company with production sites in Israel and Hungary in December 2024. The closing of the purchase transaction took place on 5 February 2025. Apart from this, no events occurred between the balance sheet date and 18 February 2025, the date of the approval and release for publication of these annual consolidated financial statements by the Board of Directors, which would require adjustments to the company's assets, equity and liabilities or would need to be disclosed here. These consolidated financial statements are also subject to the approval of the Annual General Meeting of 18 March 2025.

# Report on the audit of the consolidated financial statements

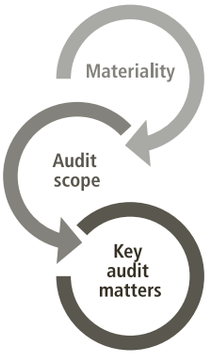
**Opinion**
We have audited the consolidated financial statements of CPH Group AG and its subsidiaries (the Group), which comprise the consolidated income statement for the year ended 31 December 2024, the consolidated balance sheet as at 31 December 2024, the consolidated cash flow statement and consolidated statement of changes in shareholders' 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 72 to 95) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of 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: CHF 4 500 000

Full scope audit work was concluded at 10 group companies in 6 countries. For one additional company, specified audit procedures were performed. Our audit scope addressed 95 % of the net sales of the Group.

As key audit matters the following areas of focus have been identified:
– Assessment of the adequacy of the provisions for environmental protection measures
– Treatment of the spin-off of the paper business.

**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** | CHF 4 500 000 |
| **Benchmark applied** | Net Sales |
| **Rationale for the materiality benchmark applied** | We chose net sales as the benchmark because, in our view, it is an appropriate benchmark given the Group's volatile earnings performance in recent years, and it is a generally accepted benchmark for materiality considerations. |

**Audit scope**
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 processes and controls, and the industry in which the Group operates.

The audit strategy for the audit of the consolidated financial statements was determined taking into account the work performed by the Group auditor and the component auditors from the PwC network and from a third party. Where audits were performed by component auditors, we ensured that, as Group auditor, we were sufficiently involved in the audit in order to assess whether sufficient appropriate

audit evidence was obtained from the work of the component auditors to provide a basis for our opinion. The involvement of the Group auditor was based on audit instructions and standardised reporting. In addition, it included telephone conferences with the component auditors and participation in audit closing meetings for selected components in which local management, the local auditor and selected Group representatives also participated.

**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.

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### Assessment of the adequacy of the provisions for environmental protection measures

**Key audit matter**

As at the balance sheet date, current and non-current provisions for environmental protection measures amounting to CHF 22.8 million have been recognised in connection with the closure and disposal of the production site at Uetikon and the obligation to decontaminate and absorb the costs of various landfills and properties.

In view of the magnitude of the future costs of the environmental protection measures and the significant estimates involved in calculating them, we consider the completeness and accuracy of these provisions as a key audit matter.

Information regarding the provisions for environmental protection measures can be found in notes 7 and 20 of the notes to the consolidated financial statements.

**How our audit addressed the key audit matter**

We performed the following audit procedures:

- Review and assessment of Management memos and file notes concerning the amount of provisions recognised.
- Sample-based testing of the calculations of and the assumptions relating to the cost estimates of the environmental protection measures.
- Inspection of the contract awards, expert opinions and bids on which the calculations are based and of the correspondence, meeting minutes and cost overviews.
- Discussions with Management and the Finance and Auditing Committee.
- Assessment of whether the disclosure of the provisions complies with the requirements of Swiss GAAP FER.

Based on our audit results, we consider the approach chosen by Management for recording and disclosure of the provisions for environmental protection measures to be reasonable.

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### Treatment of the spin-off of the paper business

**Key audit matter**

On 20 June 2024, the shareholders decided to split the existing CPH Group into two independent companies, namely the listed CPH Group AG and the unlisted, newly founded Perlen Industrieholding AG. The split was executed by distributing the paper business including real estate companies by means of a capital reduction and dividend in kind, with every existing shareholder of CPH Group AG being allocated one share in Perlen Industrieholding AG for each CPH share held on 25 June 2024.

The spin-off of the paper business is a key audit matter because it has a material impact on the consolidated financial statements and requires specific disclosures in the notes. The non-cash loss resulting from the spin-off of the paper business amounts to CHF 22.3 million and accordingly reduces the net result of the CPH Group AG Group.

Details of the transaction can be found in note 34 of the notes to the consolidated financial statements.

**How our audit addressed the key audit matter**

Among others, we performed the following audit procedures:

- Audit of the combined disposal balance sheet of the paper business and the real estate companies at the time of the spin-off.
- Assessment of the appropriateness of the market values of the capital reduction and dividend in kind determined by the management and external specialists.
- Verification of the mathematical accuracy of the carved-out net assets and the calculated result of the spin-off.
- Audit of the correct disclosure of the transaction in the consolidated financial statements.

Our audit procedures did not lead to any reservations relating to the accounting treatment and disclosure of the spin-off.

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**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 consolidated financial statements, that 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 para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Norbert Kühnis
Licensed audit expert
Auditor in charge

Josef Stadelmann
Licensed audit expert

Zürich, 18 February 2025

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# Supplementary definitions of financial performance indicators

The financial information in this annual report is supplemented by certain financial ratios which are not defined in the Swiss GAAP FER. These help the management to assess and quantify the company's performance. They may differ from similar metrics used at other companies, and should not be regarded as replacing the Swiss GAAP FER ratios. They are defined as follows:

### Growth rate

The growth rate is the increase or decrease in a ratio, expressed as a percentage of the corresponding value for the prior period.

### Changes at constant currency

Changes at constant currency are calculated by translating the ratios in question using the exchange rates valid in the prior period.

### Gross profit / gross profit margin

Gross profit is calculated as follows:
+ Net sales
+ Other operating income
+ Change in inventories
- Cost of materials
- Cost of energy

Gross profit margin is gross profit as a percentage of net sales.

### EBITDA / EBITDA margin

EBITDA (operating result before depreciation and amortization) is calculated as follows:
+ Operating result (EBIT)
+ Depreciation on tangible fixed assets
+ Amortization on intangible assets
+ Impairment of fixed assets

EBITDA margin is EBITDA as a percentage of net sales.

### EBIT / EBIT margin

EBIT (earnings before interest and taxes) is the operating result. EBIT margin is EBIT as a percentage of net sales.

### EBIT before impairment / EBIT margin before impairment

EBIT before impairment is calculated as follows:
+ Operating result (EBIT)
+ Impairment of fixed assets

EBIT margin before impairment is EBIT before impairment as a percentage of net sales.

### Return on equity

Return on equity is calculated by dividing the net result by average shareholders' equity. Average shareholders' equity is the average of the shareholders' equity at the beginning and at the end of the reporting period.

### Cash flow

Cash flow (before change in non-financial net working capital) is calculated as follows:
+ Cash flow from operating activities
+ Change in trade receivables
+ Change in inventories
+ Change in other receivables, prepayments and accrued income
+ Change in trade payables
+ Change in other payables, accrued expenses and deferred income

### Free cash flow[1]

Free cash flow is calculated as follows:
+ Cash flow from operating activities
+ Cash flow from investing activities
- Purchases of subsidiaries and minorities

[1] In line with the strategic objectives, the definition of free cash flow has been refined to the effect that cash flows for the purchase of subsidiaries and minorities are not included. Comparative information has been restated accordingly.

### Net cash

Net cash is calculated as follows:
+ Cash and cash equivalents
- Current and non-current financial liabilities

### Net debt

Net debt is calculated as follows:
+ Current and non-current financial liabilities
- Cash and cash equivalents

### Net-debt-to-EBITDA ratio

The net-debt-to-EBITDA ratio is calculated by dividing net debt by EBITDA (operating result before depreciation and amortization).

### Equity ratio

The equity ratio is shareholders' equity (including minorities) as a percentage of total assets.

### Operating net working capital

Operating net working capital is calculated as follows:

+ Trade receivables
+ Other receivables
+ Inventories
+ Prepayments and accrued income
- Trade payables
- Other current liabilities
- Current provisions
- Accrued expenses and deferred income

### Capital employed

Capital employed is calculated as follows:

+ Trade receivables
+ Other receivables
+ Inventories
+ Prepayments and accrued income
+ Tangible fixed assets
+ Financial assets
- Deferred income tax assets
+ Intangible assets
- Trade payables
- Other current and non-current liabilities
- Current and non-current provisions
+ Deferred income tax liabilities
- Accrued expenses and deferred income

### Net operating profit after tax (NOPAT)

Net operating profit after tax (NOPAT) is calculated as follows:

+ EBIT (earnings before interest and taxes) before impairment
- Income tax calculable thereon at the tax rate expected for the period

### Return on capital employed (ROCE)

Return on capital employed (ROCE) is calculated by dividing net operating profit after tax (NOPAT) by average capital employed. Average capital employed is the average of the capital employed at the beginning and at the end of the reporting period.

# Income statement

| in CHF thousands | Note | 2024 | 2023 |
|---|---|---|---|
| Interest income | | 4 269 | 8 447 |
| Other financial income | | 256 | 1 |
| **Total financial income** | | **4 525** | **8 448** |
| Service income | | 6 211 | 5 539 |
| Other operating income | | 187 | 142 |
| **Total operating income** | | **10 923** | **14 129** |
| Personnel expense | | -5 604 | -3 714 |
| Other operating expense | | -3 210 | -2 213 |
| Depreciation on tangible fixed assets | | - | -20 |
| Interest expense | 3 | -211 | -1 330 |
| Other financial expense | | -521 | -2 880 |
| Income taxes | | -210 | -408 |
| **Net result** | | **1 167** | **3 564** |

# Balance sheet

| in CHF thousands | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | | 1 757 | 31 788 |
| Other receivables from third parties | | 2 531 | 6 110 |
| Other receivables from group companies | | 867 | 1 322 |
| Prepayments and accrued income | | 285 | 10 |
| **Total current assets** | | **5 440** | **39 230** |
| Loans granted to group companies | 1 | 101 269 | 259 016 |
| Investments | 2 | 88 071 | 88 671 |
| **Total fixed assets** | | **189 340** | **347 687** |
| **Total assets** | | **194 780** | **386 917** |
| **Equity and liabilities** | | | |
| Interest-bearing liabilities due to third parties | 3 | 10 000 | - |
| Other payables due to third parties | | 624 | 389 |
| Accrued liabilities and deferred income | | 2 423 | 1 163 |
| **Total current liabilities** | | **13 047** | **1 552** |
| Share capital | 4 | 900 | 1 200 |
| Statutory capital contribution reserves | | 7 | 7 |
| Treasury shares | 5 | -400 | -408 |
| Statutory retained earnings | | 10 016 | 10 016 |
| Unrestricted retained earnings | | 170 043 | 370 986 |
| Net result for the year | | 1 167 | 3 564 |
| **Total shareholders' equity** | | **181 733** | **385 365** |
| **Total equity and liabilities** | | **194 780** | **386 917** |

# Notes to the financial statements

## Accounting principles

### Presentation

The annual financial statements of CPH Group AG (formerly CPH Chemie + Papier Holding AG) have been compiled in accordance with the provisions on commercial accounting of the Swiss Code of Obligations.

The company provides consolidated financial statements in accordance with Swiss GAAP FER accounting standards. In view of this, the company has elected not to provide expanded notes to these financial statements, a management report and a cash flow statement.

The major balance sheet items have been presented as follows:

### Receivables and loans

Receivables are stated at their nominal value less any necessary individual value adjustments. Such value adjustments are determined on the basis of maturity structures and identifiable credit risks.

### Investments

Investments are stated at their purchase price less appropriate value adjustments for likely long-term impairments. Investments are valued individually if and insofar as they generate separate cash flows.

### Interest-bearing liabilities

Interest-bearing liabilities are stated at their nominal value. Those with a residual term to maturity of up to one year are shown under current liabilities; those with a residual term to maturity of more than one year are shown under non-current liabilities.

### Foreign currency translation

Transactions effected in foreign currencies are translated into Swiss francs at the exchange rate valid as at the date of the transaction. Assets and liabilities in foreign currencies are translated into Swiss francs at the exchange rate valid as at the balance sheet date, and in accordance with the imparity principle.

## Notes to individual items of the financial statements

### 1. Loans granted to group companies

Loans granted to group companies decreased by CHF 157.7 million in 2024. The reduction is primarily attributable to the spinning-off of the Paper Division with effect from 25 June 2024.

### 2. Investments

| | | 31.12.2024 | | 31.12.2023 | |
|---|---|---|---|---|---|
| | Currency | Capital in thousands | Shareholding | Capital in thousands | Shareholding |
| **Chemistry** | | | | | |
| Zeochem AG, Rüti ZH, Switzerland[1] | CHF | 1 000 | 100 % | 1 000 | 100 % |
| Zeochem LLC, Louisville, USA | USD | 36 547 | 100 % | 36 547 | 100 % |
| Zeochem d.o.o., Zvornik, Bosnia and Herzegovina | BAM | 2 | 100 % | 2 | 100 % |
| Jiangsu Zeochem Technology Co. Ltd., Lianyungang, China[1] | CNY | 82 800 | 100 % | 82 800[2] | 100 %[2] |
| Zeochem Pte. Ltd., Singapore, Singapore | SGD | 1 | 100 % | 1 | 100 % |
| Sorbchem India Pvt. Ltd., Vadodara, India[3] | INR | 876 508 | 100 % | n/a | n/a |
| **Packaging** | | | | | |
| Perlen Packaging AG, Root, Switzerland[1] | CHF | 24 000 | 100 % | 24 000 | 100 % |
| Perlen Packaging L.L.C., Whippany, USA | USD | 1 000 | 100 % | 1 000 | 100 % |
| Perlen Packaging GmbH, Müllheim, Germany | EUR | 1 300 | 100 % | 1 300 | 100 % |
| Perlen Packaging (Suzhou) Co., Ltd., Suzhou, China | USD | 13 000 | 100 % | 13 000 | 100 % |
| Perlen Packaging Anápolis Indústria e Comércio Ltda., Anápolis, Brazil | BRL | 142 465[4] | 100 % | 18 174 | 100 % |
| **Spun-off Paper Division with real estate[5]** | | | | | |
| Perlen Industrieholding AG, Root, Switzerland[6] | CHF | n/a | n/a | n/a | n/a |
| Perlen Papier AG, Root, Switzerland | CHF | n/a | n/a | 81 000 | 100 % |
| APS Altpapier Service Schweiz AG, Root, Switzerland | CHF | n/a | n/a | 100 | 100 % |
| Perlen Deutschland GmbH, Munich, Germany | EUR | n/a | n/a | 100 | 100 % |
| Perlen Immobilien AG, Root, Switzerland | CHF | n/a | n/a | 500 | 100 % |
| Perlen Papier Immobilien AG, Root, Switzerland | CHF | n/a | n/a | 1 000 | 100 % |
| Hotel & Gasthaus Die Perle AG, Root, Switzerland[7] | CHF | n/a | n/a | 100 | 100 % |

1 held directly by CPH Group AG
2 until 18 September 2023: 92 % of CNY 90 million; see Note 32 to the consolidated financial statements
3 acquired on 29 April 2024; see Note 33 to the consolidated financial statements
4 BRL 124 million capital increase effective 9 December 2024
5 spin-off of Paper Division effective 25 June 2024; see Note 34 to the consolidated financial statements
6 founded with a share capital of CHF 0.3 million on 20 March 2024
7 founded on 6 September 2023

### 3. Interest-bearing liabilities

Interest-bearing liabilities include an unsecured short-term bank loan which was procured to finance the acquisition of Sorbchem India Pvt. Ltd. and the spinning-off of the Paper Division.

### 4. Share capital

The share capital of CHF 0.9 million consists of 6 000 000 registered shares of CHF 0.15 nominal value. Share capital was reduced by CHF 0.3 million from its previous CHF 1.2 million (and the shares' nominal value by CHF 0.05 from the previous CHF 0.20 per share) with the spin-off of the Paper Division effective 25 June 2024.

### 5. Treasury shares

| Number of shares | 2024 | 2023 |
|---|---|---|
| **Treasury shares as at 1 January** | **4 830** | **-** |
| Purchases | 7 390 | 6 863 |
| Sales | -129 | - |
| Share-based remuneration | -2 465 | -1 016 |
| Transfer to group companies | -3 426 | -1 017 |
| **Treasury shares as at 31 December** | **6 200** | **4 830** |

A total of 7 390 (prior year: 6 863) treasury shares were purchased in 2024 at an average purchase price of CHF 67.88 (prior year: CHF 85.54) per share. A total of 129 treasury shares were sold in the year under review (prior year: none) at an average sale price of CHF 83.40 per share. A total of 2 465 (prior year: 1 016) shares with a vesting period of three years (with no further performance, profit or other vesting conditions) were definitively awarded in 2024 in the form of share-based remuneration. The resulting personnel expense at a share price on assignment of CHF 84.73 (prior year: CHF 88.54) per share amounted to CHF 0.2 million (prior year: CHF 0.1 million). A further 3 426 (prior year: 1 017) treasury shares were transferred to group companies for their share-based remuneration at an average transaction value of CHF 84.73 (prior year: CHF 88.54) per share.

### 6. Number of full-time-equivalent employees

The average number of employees (in full-time equivalents) was below ten in both the year under review and the prior year.

### 7. Off-balance-sheet leasing obligations

As at the balance sheet date and as at the prior-year balance sheet date, there were no off-balance-sheet leasing obligations.

### 8. Guarantees to third parties

Total guarantees for obligations to third parties amount to CHF 19.2 million (prior year: CHF 11.8 million). As in the prior year, CPH Group AG continues to provide a guarantee of up to CHF 10.0 million for the obligations of Zeochem AG, Rüti (Switzerland) towards Canton Zurich in respect of the lake bed clean-up in Uetikon (Switzerland): see also Note 20, Provisions in the notes to the consolidated financial statements. Further guarantees totalling CHF 9.2 million exist for group companies' liabilities (prior year: CHF 1.8 million).

### 9. Contingent liabilities

Under the corresponding group taxation provisions, CPH Group AG is jointly and severally liable for the value-added tax obligations of its Swiss-domiciled companies.

### 10. Asset transfers

One group company transferred assets of CHF 125 million to CPH Group AG under a contractual agreement of 16 May 2024 in preparation for the spinning-off of the Paper Division. CPH Group AG also transferred assets of CHF 180 million to a group company under a contractual agreement of 10 June 2024 to the same end. These asset transfers had no impact on employees.

### 11. Events after the balance sheet date

No events occurred between the balance sheet date and 18 February 2025, the date of the approval and release for publication of these annual financial statements by the Board of Directors, which would require adjustments to the company's assets, equity and liabilities or would need to be disclosed here. These financial statements are also subject to the approval of the Annual General Meeting of 18 March 2025.

# Appropriation of retained earnings

**Proposal of the Board of Directors to the Annual General Meeting of 18 March 2025**

| in CHF thousands | 2024 | 2023 |
|---|---|---|
| **Net result for the year** | **1 167** | **3 564** |
| Retained earnings carried forward from prior year | - | - |
| **Retained earnings at the end of the year** | **1 167** | **3 564** |
| Allocation from unrestricted retained earnings | 10 833 | 20 436 |
| Dividend payment | -12 000 | -24 000 |
| **Retained earnings to be carried forward to next year** | **-** | **-** |

The Board of Directors will propose to the Annual General Meeting of 18 March 2025 that CHF 10.8 million be released from reserves from retained earnings and that a dividend of CHF 2.00 per share be distributed to shareholders.

# Report on the audit of the financial statements

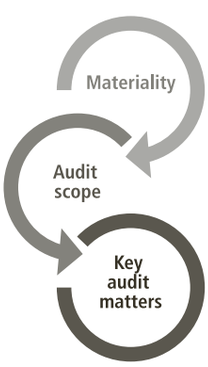
**Opinion**
We have audited the financial statements of CPH Group AG (the Company), which comprise the income statement for the year ended 31 December 2024, the balance sheet as at 31 December 2024 and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 101 to 105) comply with Swiss law and the Company's articles of incorporation.

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

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

**Our audit approach**
**Overview**




Overall materiality: CHF 1 900 000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:
Assessment of the valuation of loans granted to group companies and of investments.

**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.

| | |
|---|---|
| **Overall materiality** | CHF 1 900 000 |
| **Benchmark applied** | Total assets |
| **Rationale for the materiality benchmark applied** | We chose total assets as the benchmark for determining materiality because it is a generally accepted benchmark for materiality considerations relating to a holding company. |

**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**
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Assessment of the valuation of loans granted to group companies and of investments**

**Key audit matter**
We consider the assessment of the valuation of loans granted to group companies and of investments to be a key audit matter. These items are recognised in the balance sheet at CHF 101.3 million and CHF 88.1 million respectively.

We are focusing on this area due to the significant size of these items in the balance sheet and the fact that the valuation of loans granted to group companies and of investments is largely dependent on the subsidiaries' financial and earnings position.

Please refer to the disclosures in paragraphs 1 and 2 of the notes to the financial statements.

**How our audit addressed the key audit matter**
We tested the valuation of significant loans granted to group companies and investments based either on net assets or, if necessary, further considerations by management of net asset or capitalised earnings.

In cases where capitalised earnings value considerations were included in the assessment, we performed the following specific audit procedures:
- Review of the valuation performed by management for methodological appropriateness and mathematical correctness.
- Reconciliation of the net results used in the capitalised earnings value calculations with the target figures approved by the Board of Directors.
- Assessment of the capitalisation rate applied.
- Comparison of the planned figures with the results achieved to assess the accuracy of planning in previous years.

Based on the results of our audit, we consider management's choice of approach to assess the valuation of the loans granted to group companies and of the investments to be appropriate.

**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 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 para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG





Norbert Kühnis
Licensed audit expert
Auditor in charge

Josef Stadelmann
Licensed audit expert

Zürich, 18 February 2025

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**Publishing details**
Published by CPH Group AG, Perlen
Devised and developed by IRF Reputation AG, Zurich
Photos: Eveline Beerkircher, Pascal Duss, Simone Frei, Fernanda Parreira, Li Zhengwu, Werner Brand and Arvindbhai Vasava
English translation: Paul Day, Zurich | Publishing: NeidhartSchön AG, Zurich

This annual report contains future-oriented statements. These reflect CPH Group AG's views and assessments at the time of the report's compilation of the market environment, economic developments and future events. Such future-oriented statements are subject to economic, regulatory and political risks, uncertainties, influencing factors and assumptions over which CPH Group AG has no influence. As a result, actual developments may deviate substantially from the future-oriented statements made and the information published in this report. In view of this, CPH Group AG accepts no liability for such future-oriented statements, and is under no obligation to update them. This annual report does not represent either an offer or a solicitation for the purchase or the sale of CPH Group AG shares.

This annual report is also available in the original German. In the event of any discrepancy, the German version shall prevail.