2024

Annual Report

HUBER+SUHNER

Connecting – today and beyond

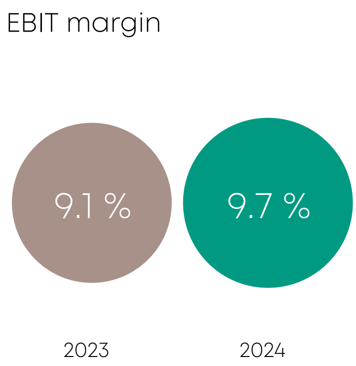
Contents

Management Report

Key facts at a glance

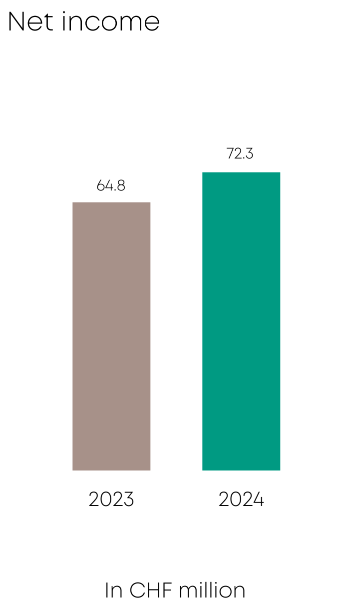
5.0 % increase in net sales and 10.5 % growth in order intake

Cash flow from operating activities of CHF 90.2 million – net liquidity of CHF 184.1 million



EBIT margin at 9.7 %, a year-on-year improvement of 60 basis points

Industry sees significant order growth – Communication substantially improves profitability – Transportation with sales and profit decline



Net income margin rises to 8.1 % – higher dividend of CHF 1.90 proposed

Positive development in three of the four growth initiatives

HUBER+SUHNER increases sales and profit

Urs Kaufmann (Chairman) and Urs Ryffel (CEO)

In a challenging economic environment, HUBER+SUHNER saw a positive development with higher order intake and net sales as well as improved profitability in the 2024 financial year. The Group's balanced diversification and focus on attractive growth initiatives provided the basis for the successful year.

At CHF 908.0 million, order intake in 2024 was 10.5 % above the prior-year level (CHF 821.4 million) and 1.6 % above net sales, resulting in a book-to-bill rate of 1.02 (PY 0.97). The first half year was particularly strong, following a much lower business volume in the second half of 2023. The positive results for 2024 were mainly due to the good momentum in the Communication segment as well as successes in the aerospace and defense growth initiative within the Industry segment. At the end of the year, the order backlog amounted to CHF 291.0 million.

HUBER+SUHNER achieved solid growth in net sales in 2024, with the second half in particular benefiting from the strong order situation at the start of the year. Net sales totalled CHF 893.9 million, representing a gain of 5.0 % compared to 2023 (CHF 851.1 million). The strengthening of the Swiss franc during the reporting period had a slight negative impact. Adjusted for currency, copper price and portfolio effects, sales rose by 6.4 %. Assisted by the development in the Communication segment, net sales in the APAC region increased by 26.0 %. In the American market, net sales grew by 6.1 %, while Europe saw a decline of 5.2 %. This resulted in the following net sales share by region: 50 % (PY 55 %) in EMEA, 31 % (PY 26 %) in APAC, 19 % (PY 19 %) in the Americas.

Operating profit (EBIT) grew by 11.7 % to CHF 86.6 million (PY CHF 77.6 million), resulting in an EBIT margin of 9.7 % (PY 9.1 %), which is within the medium-term EBIT target range. Thanks to a continuously low tax rate, net income rose to CHF 72.3 million (PY CHF 64.8 million), corresponding to a margin of 8.1 % as a percentage of net sales (PY 7.6 %).

Despite the large share of business volume in Asia, the gross margin remained stable at 35 4 % (PY 35.3 %). With investments in research and development reaching CHF 56.2 million in 2024, the company continued to invest heavily in innovations for the future, with a particular focus on strengthening its growth initiatives. At the end of the reporting period, the company had 3,975 (PY 4,109) employees worldwide, of which 1,164 (PY 1,153) were in Switzerland.

The cash flow from operating activities of CHF 90.2 million was impacted by longer payment terms in the growing Asian market. Nevertheless, net liquidity was still high at CHF 184.1 million at the end of 2024.

Market environment sees normalising inventory levels while visibility remains low

Following the delays in the placement of customer orders resulting from the previous year’s high inventory levels, the situation returned to normal in the course of 2024. However, investment activity in some markets remained cautious due to uncertainties in the economic and geopolitical environment. This prompted short-term planning by many market players which, in turn, resulted in continuously low visibility for HUBER+SUHNER.

Strong order intake and sustained profitability in the Industry segment

In the Industry segment, a weaker start was followed by a more positive development in the second half of 2024. Overall, order intake rose by 18.6 % to CHF 306.1 million (PY CHF 258.1 million). Net sales declined slightly by 3.0 % to CHF 276.7 million (PY CHF 285.3 million) and were thus almost on par with the previous year. The book-to-bill rate was high at 1.11. The aerospace and defense growth initiative recorded an increase in both order intake and net sales, as the subsegment benefits from rising defense spending and continued investments in commercial satellite programmes. Higher order intake was also achieved in all other subsegments, but did not consistently lead to an increase in net sales. In particular, sales in the high power charging subsegment have not yet followed the recovery in orders. The EBIT margin in the Industry segment rose slightly to 17.0 % (PY 16.4 %).

Significantly higher business volume and improved EBIT margin in Communication segment

The Communication segment recorded double-digit growth in order intake and net sales, making a significant contribution to the Group’s overall development. Order intake increased by 21.1 % to CHF 343.2 million (PY CHF 283.4 million), while net sales rose by 26.1 % to CHF 353.6 million (PY CHF 280.3 million). This was mainly due to a major project to expand the mobile communications infrastructure in India and successes in the data center growth initiative thanks to investments in artificial intelligence (AI). The subsegments of communication equipment manufacturers and fixed access network also generated higher orders compared to 2023 – despite weak global demand in the communications market, which continued through 2024. Based on the increase in business volume, the EBIT margin improved significantly to 8.1 % (PY 4.9 %), representing a clear turnaround following the weak level in the previous year.

Transportation segment sees decline following good performance in 2023

After the positive development in the previous year, the Transportation segment achieved a lower result. Overall, order intake and net sales each decreased by 7.6 % to CHF 258.7 million (PY CHF 279.9 million) and CHF 263.6 million (PY CHF 285.5 million), respectively, due to the development of the automotive subsegment. The electric vehicle (EV) growth initiative was impacted by sluggish demand for commercial vehicles, while progress in the ADAS (advanced driver assistance system) business was slower than expected. In contrast, the larger railway subsegment developed positively, closing 2024 with a slight increase in order intake and net sales. In this market, HUBER+SUHNER saw good demand in the rail communications growth initiative. Compared to the strong previous year, the EBIT margin decreased to 7.3 % (PY 9.1 %), which does not meet the long-term ambition level of HUBER+SUHNER.

Sustainability reporting

HUBER+SUHNER's connectivity solutions serve human needs for personal safety, seamless communication and environmentally friendly mobility. The company's business model centres on customer value creation alongside a strong focus on sustainability. The 2024 Non-financial Report describes the progress being made by HUBER+SUHNER in its sustainability strategy and includes the obligations formulated under Article 964b of the Swiss Code of Obligations, the Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO), as well as the Climate Ordinance.

In January 2025, HUBER+SUHNER reached an important milestone with the validation of its new climate targets by the Science Based Targets initiative (SBTi), which had been submitted in summer 2024. By 2030, the company aims to reduce its Scope 1+2 emissions (operational emissions) by 55 % and its Scope 3 emissions (emissions that arise in the upstream and downstream value chain) by 25 %. The company has also prepared for sustainability reporting in accordance with ESRS (European Sustainability Reporting Standards). The 2024 Non-financial Report is available at https://reports.hubersuhner.com/2024/ar/.

Risk management

At its meeting on 4 December 2024, the Board of Directors assessed the business risks as part of its ongoing risk management and approved the 2024 risk report, including defined measures.

CFO change

At the start of the 2025 financial year, Richard Hämmerli took over as Chief Financial Officer, succeeding Ivo Wechsler, who is retiring from operational activities at his own request. We welcome Richard Hämmerli to the team. At the same time, we thank Ivo Wechsler for his valuable contribution over many years and wish him all the best for his future endeavours.

Dividend

The Board of Directors proposes to the Annual General Meeting a higher dividend of CHF 1.90 (PY CHF 1.70) per share, resulting in a payout ratio of 49 %. This is at the upper end of the defined range of 40–50 %.

Outlook

Despite a difficult economic environment, HUBER+SUHNER achieved solid growth in order intake and net sales as well as an improved operating profit margin in the 2024 financial year. This development was significantly supported by the aforementioned major project in India, which will end in 2025. However, the company is confident that its growth initiatives have the potential to fill this gap. The Industry segment is expected to benefit from the strong order situation of the previous year and return to a path of growth, driven primarily by the aerospace and defense growth initiative. In the Communication segment, the aim is to build on the success of 2024 and, in addition to new business to compensate for the India project, to make further progress in the data center growth initiative. In the Transportation segment, electromobility solutions continue to offer great potential in the medium term, even as the automotive market may not experience a substantial recovery in the current financial year. Conversely, the rail communications growth initiative is expected to support momentum in the railway business.

HUBER+SUHNER's innovative capacity, customer proximity and operational excellence are strengths which are embedded in corporate culture and supported by the respective investments. Alongside balanced diversification and a focus on attractive growth markets, these strengths underpin the company's long-term success and resilience, even in challenging times.

For 2025, considering ongoing market uncertainties, HUBER+SUHNER expects net sales to remain at the previous year's level. The medium-term target range of 9–12 % for the operating profit margin remains unchanged. For the current financial year, the company is aiming for an operating profit margin within the target range. This EBIT guidance assumes that key influencing factors such as inflation, exchange rates and geopolitical tensions do not have an excessively negative impact on business development.

Thank you

On behalf of the Board of Directors and the Executive Group Management, we would like to thank our employees around the world for their tireless dedication and commitment to our company. Our strong performance over the past financial year is thanks to their hard work and unrivalled commitment. Special thanks also go to our shareholders, customers and suppliers for their valued cooperation, loyalty and continued trust.

Urs Kaufmann
Chairman of the Board of Directors

Urs Ryffel
Chief Executive Officer

Key figures and financial calendar

Group

in CHF million	2024	2023	Change
Order intake	908.0	821.4	10.5%
Order backlog as of 31.12.	291.0	271.9	7.0%
Net sales	893.9	851.1	5.0%
Gross margin	35.4%	35.3%	
EBITDA	122.6	110.5	11.0%
as % of net sales	13.7%	13.0%	
EBIT	86.6	77.6	11.7%
as % of net sales	9.7%	9.1%	
Financial result	(0.8)	(2.9)	n/m
Net income	72.3	64.8	11.5%
as % of net sales	8.1%	7.6%	
Purchases of PP&E and intangible assets	44.7	51.4	(13.1%)
Cash flow from operating activities	90.2	115.7	(22.0%)
Free operating cash flow	53.4	63.7	(16.2%)
Net liquidity as of 31.12.	184.1	163.1	12.9%
Return on invested capital (ROIC) in %	16.8%	15.8%	
Equity as of 31.12.	656.5	609.6	7.7%
as % of balance sheet total	73.8%	78.4%	
Employees as of 31.12.	3 975	4 109	(3.3%)
Market capitalisation as of 31.12.	1 369.2	1 254.7	9.1%

n/m = not meaningful

Data per share

in CHF	2024	2023	Change
Stock market price as of 31.12.	74.20	68.00	9.1%
Net income	3.87	3.48	11.3%
Dividend	1.90[1]	1.70	11.8%

[1] Proposed dividend

Alternative Performance Measures (APM) are key figures not defined by Swiss GAAP FER. HUBER+SUHNER uses APM as guidance parameters for both internal and external reporting to stakeholders. For the definition of APM please visit the website under www.hubersuhner.com/en/company/investors/publications

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Financial calendar

Annual General Meeting (Rapperswil SG)	2.4.2025
Half-year Report 2025	19.8.2025
Media and analysts' conference (webcast)	19.8.2025
Sales and order intake (9 months) 2025	21.10.2025
Sales and order intake (12 months) 2025	22.1.2026
Annual Report 2025	10.3.2026

The management report in English and German is also available in the Download Center and on the website at www.hubersuhner.com/en/company/investors/publications. The German version is binding.

Strong order intake and sustained profitability in the Industry segment

In the Industry segment, a weaker start was followed by more positive development in the second half of 2024. Overall, order intake rose by 18.6 % to CHF 306.1 million (PY CHF 258.1 million). Net sales declined slightly by 3.0 % to CHF 276.7 million (PY CHF 285.3 million) and were thus almost on par with the previous year. The book-to-bill rate was high at 1.11. The aerospace and defense growth initiative recorded an increase in both order intake and net sales, as the subsegment benefits from rising defense spending and continued investments in commercial satellite programmes. Higher order intake was also achieved in all other subsegments, but did not consistently lead to an increase in net sales. In particular, sales in the high power charging subsegment have not yet followed the recovery in orders. The EBIT margin in the Industry segment rose slightly to 17.0 % (PY 16.4 %).

“The segment saw sales and profitability almost on par with the previous year, even as some market challenges persisted. In the second half of the year, business with aerospace and defense customers and the Americas region made a positive contribution overall. Encouragingly, we saw a significant jump in new orders. The situation regarding the expansion of the fast-charging infrastructure for e-mobility proved difficult. However, we experienced a reversal in the order trend versus the prior year, and the lower sales in this subsegment were largely offset by other customers.”

Reto Bolt, COO Industry segment

Gradual recovery throughout the year, with a positive contribution from aerospace and defense

The segment gained momentum over the course of 2024 as customer inventories returned to normal levels. This development was driven in particular by the aerospace and defense growth initiative, which benefits from growing defense budgets and continued investments in commercial satellite programmes. Furthermore, communication solutions for military use are growing in importance.

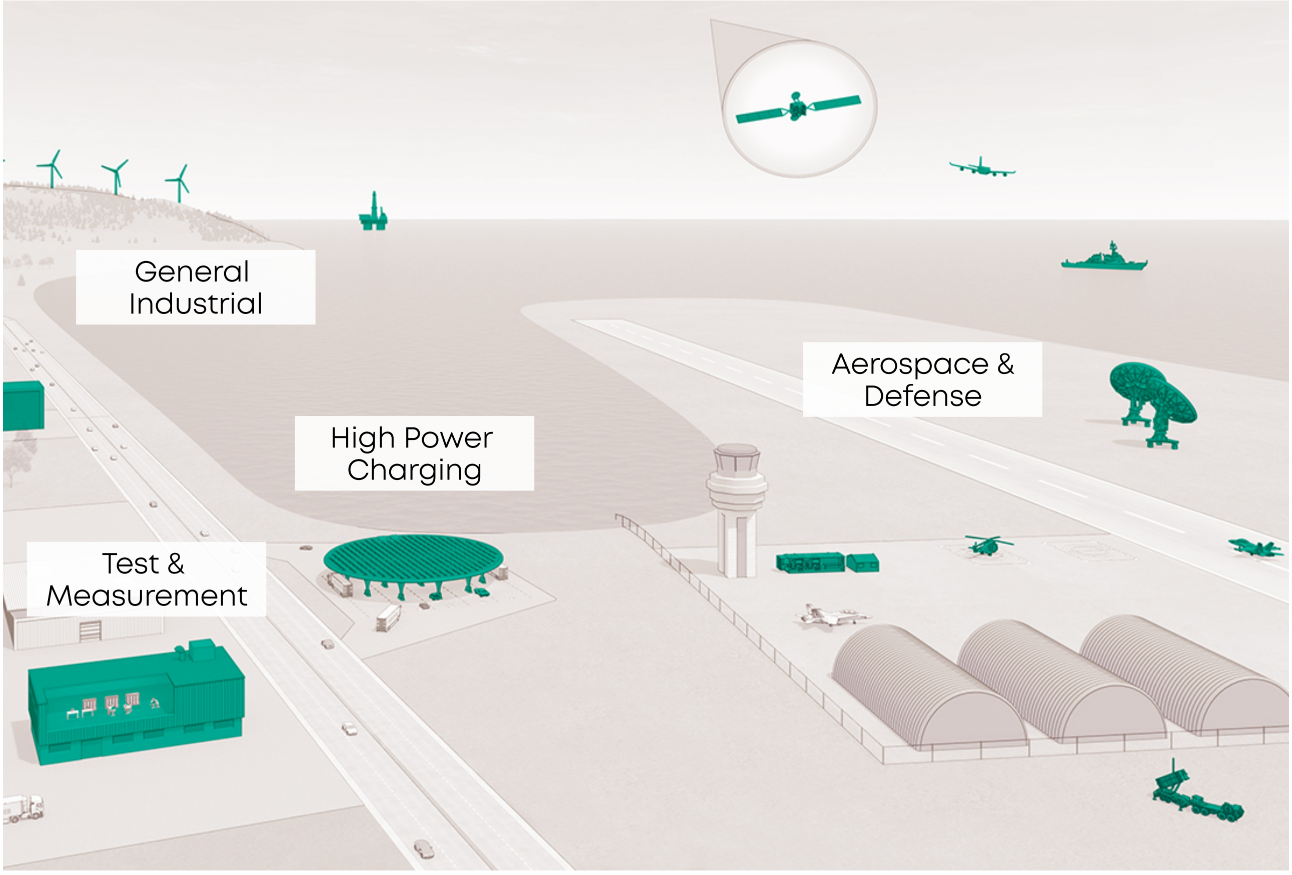
The test and measurement subsegment gradually recovered from the sluggish development in the communications and electronics markets, reporting higher order intake and stable sales development compared to the previous year. Additional opportunities are emerging in lab automation.

Despite increased order intake in the high power charging subsegment in 2024, this recovery was not yet reflected in net sales. Demand has been negatively impacted by prevailing market uncertainties since 2023, e.g. regarding regulatory requirements and charging standards in the United States.

Key figures

		2024	2023	%
Order intake	CHF million	306.1	258.1	18.6
Net sales	CHF million	276.7	285.3	(3.0)
Operating profit (EBIT)	CHF million	47.0	46.8	0.4
EBIT margin	%	17.0	16.4	

Our solutions for the Industry market



Significantly higher business volume and improved EBIT margin in Communication segment

The Communication segment recorded double-digit growth in order intake and net sales, making a significant contribution to the Group's overall development. Order intake increased by 21.1 % to CHF 343.2 million (PY CHF 283.4 million), while net sales rose by 26.1 % to CHF 353.6 million (PY CHF 280.3 million). This was mainly due to a major project to expand the mobile communications infrastructure in India and successes in the data center growth initiative thanks to investments in artificial intelligence (AI). The subsegments of communication equipment manufacturers and fixed access network also generated higher orders compared to 2023 – despite weak global demand in the communications market, which continued through 2024. Based on the increase in business volume, the EBIT margin improved significantly to 8.1 % (PY 4.9 %), representing a clear turnaround following the weak level in the previous year.

"In an uncertain environment, especially in Europe, we achieved strong double-digit growth and significantly improved our profitability in 2024. One of the key drivers of this development was the pan-India rollout of mobile communication infrastructure where HUBER+SUHNER contributed vital solutions, demonstrating our strong execution capability and competitiveness. Optical circuit switching technology is proving its potential to significantly simplify and drive efficiency of data center and artificial intelligence network architectures, which represents a significant opportunity for our Polatis® DirectLightTM products."

Jürgen Walter, COO Communication segment

Strong performance despite lower volumes in the global communications market

In 2024, the Communication segment benefitted from two primary factors: a major project to expand the mobile infrastructure in India and progress in the data center growth initiative. This positive development contrasted with a continuing challenging environment. After high levels of investment in previous years, the global communications market had already experienced a slump in 2023 that impacted the entire supply chain.

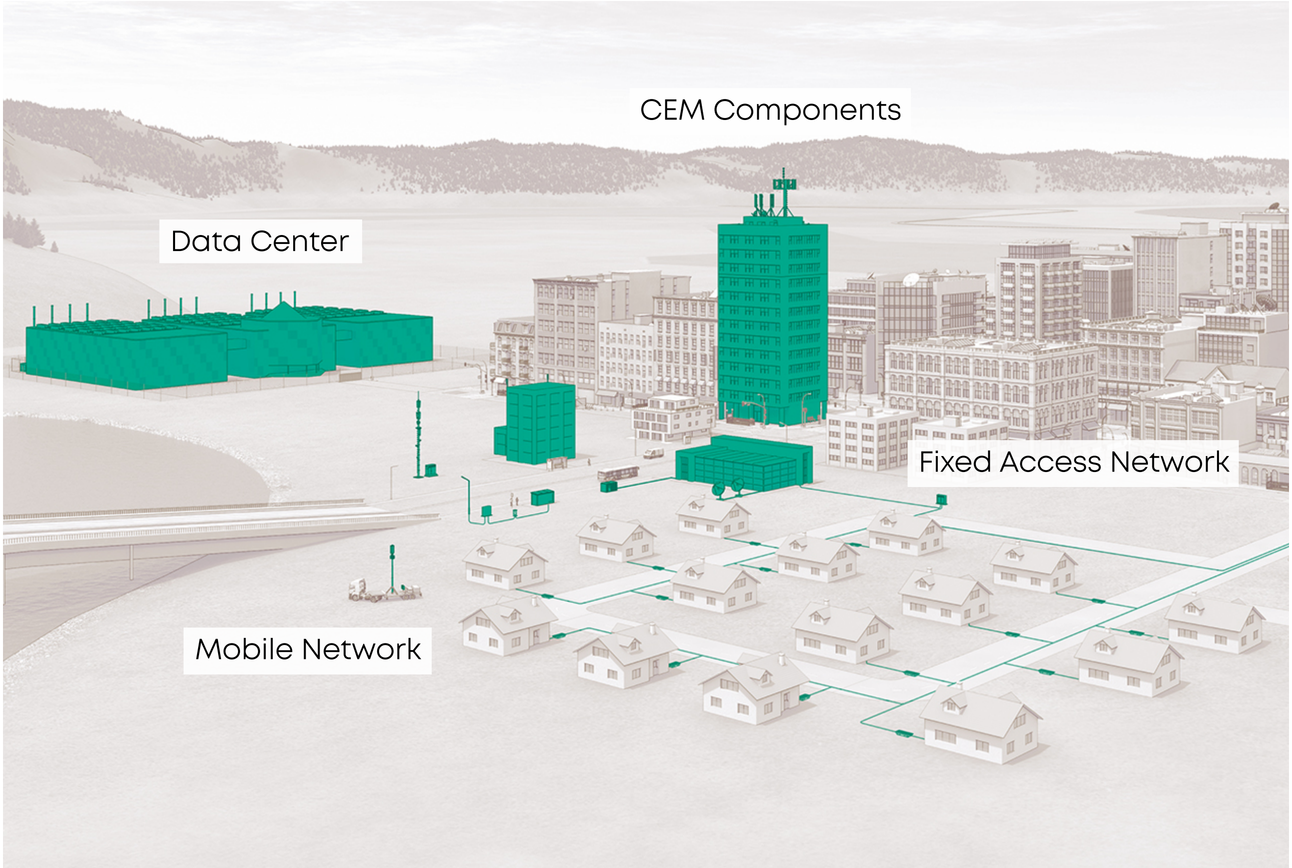
Following on from the India project, which will come to an end in 2025, HUBER+SUHNER sees opportunities in the steady upgrades of 5G infrastructure in the mobile network target market driven by rising data volumes as well as in the preparation for the 6G mobile communication standard.

The proliferation of AI applications also brings new challenges for data center architectures, which, offers the company attractive prospects in this growth initiative. HUBER+SUHNER has unique solutions to address these market demands, such as all-optical switching technology.

Key figures

		2024	2023	%
Order intake	CHF million	343.2	283.4	21.1
Net sales	CHF million	353.6	280.3	26.1
Operating profit (EBIT)	CHF million	28.7	13.7	108.9
EBIT margin	%	8.1	4.9	

Our solutions for the Communication market



Transportation segment sees decline following good performance in 2023

After the positive development in the previous year, the Transportation segment achieved a lower result. Overall, order intake and net sales each decreased by 7.6 % to CHF 258.7 million (PY CHF 279.9 million) and CHF 263.6 million (PY CHF 285.5 million), respectively, due to the development of the automotive subsegment. The electric vehicle (EV) growth initiative was impacted by sluggish demand for commercial vehicles, while progress in the ADAS (advanced driver assistance system) business was slower than expected. In contrast, the larger railway subsegment developed positively, closing 2024 with a slight increase in order intake and net sales. In this market, HUBER+SUHNER saw good demand in the rail communications growth initiative. Compared to the strong previous year, the EBIT margin decreased to 7.3 % (PY 9.1 %), which does not meet the long-term ambition level of HUBER+SUHNER.

"The development of the Transportation segment was influenced by diverging trends. Favourable market conditions continued in the railway market in 2024, including operators upgrading passenger information systems such as passenger wi-fi, especially in Europe and North America. Meanwhile, the automotive market – especially in Europe – faced major headwinds which impacted the adoption of new EV for commercial use. However, the trend towards EV persists with truck OEMs continuing major development projects for the next generation platforms and new designs proving as economically viable as traditional trucks. For the first time, an e-truck was awarded 'International Truck of the Year 2025'."

Drew Nixon, COO Transportation segment

Decline due to weak demand in the automotive market

The positive development of the railway business did not compensate for the significant downturn in the automotive subsegment, resulting in a decline for the Transportation segment following a good 2023.

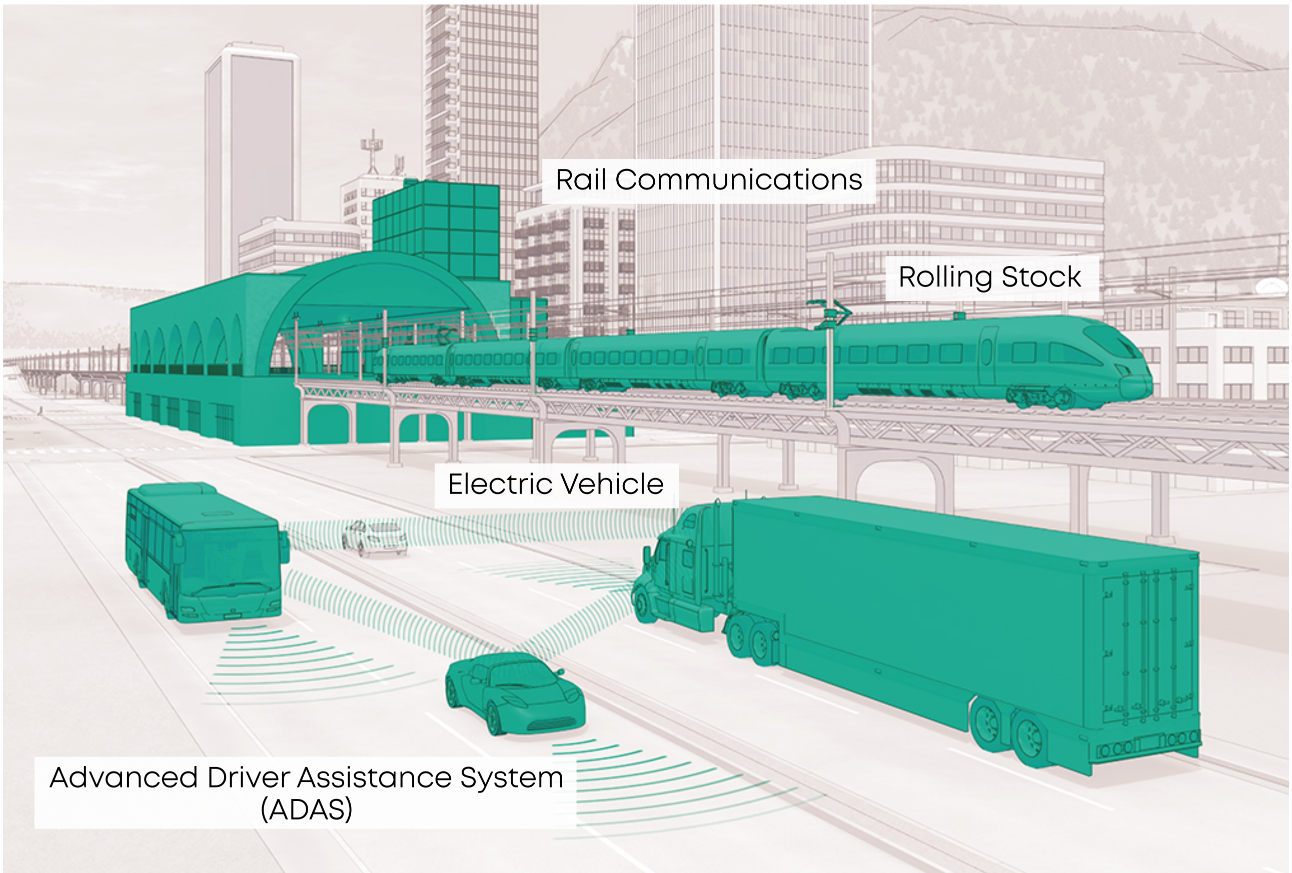
The global railway business saw good demand for rail communications solutions, which was reflected in the result of the respective growth initiative. Significant investments are expected in this area in the coming years regarding both retrofitting existing fleets and equipping new rolling stock. The HUBER+SUHNER solutions address passenger demand for connectivity while also connecting the moving train to the fixed rail infrastructure.

Challenges faced by the automotive market in 2024, which affected both manufacturers and suppliers, were also felt by HUBER+SUHNER. This was reflected in weaker demand for high-voltage cable system solutions for commercial vehicles in the electric vehicle growth initiative, even though these solutions are expected to become established in the long term and manufacturers are already working on the next generation of e-trucks. Progress in the ADAS (advanced driver assistance system) business, which develops radar antennas for automated driving in passenger vehicles, was slower than expected, and it is therefore no longer classified as a growth initiative.

Key figures

		2024	2023	%
Order intake	CHF million	258.7	279.9	(7.6)
Net sales	CHF million	263.6	285.5	(7.6)
Operating profit (EBIT)	CHF million	19.1	25.9	(26.1)
EBIT margin	%	7.3	9.1	

Our solutions for the Transportation market



People and culture

Patricia Stolz, CHRO

Employee satisfaction is key for our success

At HUBER+SUHNER, we consistently strive to foster a workplace where all colleagues feel recognised, supported and enabled to grow. Our success as a company depends on it. To measure how our people perceive their work environment, we conduct a global employee survey every two years, with the most recent survey taking place in autumn 2024. The results show a notable improvement in employee satisfaction, indicating that 75 % of our people are genuinely satisfied, an increase from 71 % in 2022, across our locations.

Being an attractive employer for new talent is just as crucial as remaining the employer of choice for our current colleagues. Therefore, we thoroughly analyse the survey results at a global and local level, deriving actions and initiatives as we strive for continuous improvement in the workplace.

As part of our efforts to shape an environment conducive to professional growth and collaboration, we reached several milestones in 2024, such as the opening of new modern workspaces in the United States and Germany, laying the cornerstone for a new factory in Poland, celebrating a 20-year anniversary in India and being ranked as a top company by kununu, a prominent job portal offering employer reviews and other information, in Switzerland.

Diversity and inclusion are integral to our company culture

As a values-driven company, we were pleased to see a significant increase in the diversity category of the 2024 employee survey. This year, more employees agreed with the statement that the company ensures equal opportunities among employees. At HUBER+SUHNER, we view diversity as a crucial success factor, with different perspectives enriching our creativity, collaboration and innovation. Diversity helps us develop better products and solutions for our customers.

I am particularly delighted with the progress we have made in advancing the diversity of our extended Executive Group Management (EGM+) in 2024, as we successfully hired two women as part of our strategic succession planning.

With our global talent acquisition and retention approach, we seek to attract and retain the best talent regardless of age, gender, cultural or ethnical background. Our benefits and programmes are tailored to the needs of our locations and underscore our commitment to supporting and developing our employees. For instance, onboarding young talents is at the heart of our vocational training schemes in Switzerland, Germany, India and Malaysia, where we offer structured apprenticeships and internships. They build a cornerstone for tomorrow's skilled workforce and their future careers.

Based on our global, structured approach and thanks to a wide range of career and development opportunities for our diverse employee groups, we benefit from their unique skills and perspectives. The invaluable contributions of our colleagues at all levels and locations within our organisation inspire us to continuously build a workplace where they feel genuinely satisfied and valued.

Risk management

As a global company, HUBER+SUHNER is exposed to a diverse set of risks. Managing these risks is an integral part of our business. Our risk management framework allows us to identify, assess, and mitigate risks in a continuous and iterative process.

Risk management framework and risk policy

Our global risk policy defines our goals and principles for effective corporate risk management. Through our risk management framework, we assess actual risks and identify potential risks. Risks are assessed in a two-dimensional risk matrix based on likelihood of occurrence and financial impact. Taking diverse types of risks into account has become crucial for companies because non-financial risks associated with business activities or business relationships, products, and services can lead to major financial loss or jeopardise their financial position. Sustainability-related risks have become an increasingly relevant driver for other risk categories with significant financial implications and are integrated in our company-wide risk management process.

Risk management process and risk governance

For each identified risk topic, an "owner" is assigned from the extended Executive Group Management (EGM) or other senior management. Each risk owner sponsor analyses the risk within her/his area of responsibility. This includes the following:

- Identifying the relevant risk drivers
- Developing a set of conclusions from a Group perspective with regard to the respective risk
- Proposing a set of high-level mitigation actions to hedge the risk
- Defining for each of the mitigation actions a timeline and assigning the relevant people within the organisation

Each year, the risks are reviewed and assessed for their materiality and re-prioritised where necessary. Risks that are deemed no longer material are removed from the risk map, whereas newly emerging risks are assessed and, if qualified as material, added to it. The respective risk owner is responsible for identifying risk drivers, drawing conclusions, and proposing mitigating actions. With the annual risk report, HUBER+SUHNER provides an overview of the company's risk position, risk profile, and top risks identified as well as mitigating actions. The report is submitted to the EGM and the Board of Directors (BoD) for review and approval and made available to the extended EGM including the General Counsel, area compliance officers, and the global process owners.

Top eight risks

Risks are prioritised based on their significance with regard to the financial impact they could have on the company, and according to their probability of occurrence. The top eight risks identified in 2024 are the following (in alphabetical order):

Cleaner economy transition: Transition risks are associated with the shift to a cleaner economy as part of efforts to combat climate change. They arise from increasing compliance obligations, customer demands, and transparency requirements. Our climate targets and transition plan, as well as continuous monitoring of the compliance landscape and responses to regulatory changes and customer sentiment, are actions to mitigate these risks (see chapter Environment for further details).

Cybercrime: In addition to a significant number of "commercial" cybercriminals, government-backed criminals are increasingly pursuing attacks on intellectual property (IP) and data. In addition to effective information technology (IT), stringent processes, governance, and awareness campaigns among employees, such threats are managed by ensuring that information security risks at HUBER+SUHNER are identified, evaluated, and mitigated for each application level.

Disaster: Events such as natural disasters, fires, electricity/gas outages, IT interruptions, strikes, geopolitical conflicts, and terrorist attacks can disrupt our delivery of goods. Climate change exacerbates these risks, which we manage as a risk driver (see Environment chapter for details). We mitigate these risks through business continuity plans and emergency procedures, which are in place globally. Our global operations network supports these efforts.

Exposure to currency fluctuation: HUBER+SUHNER has a significantly higher portion of its cost in Swiss francs than in sales. Due to its status as a "safe haven" currency, the Swiss franc will remain strong in demand. Transfer of cost from Swiss franc to Euro and US Dollar as well as foreign exchange accounting are two important measures to hedge against these risks related to currency fluctuations.

Exposure to geopolitical conflicts: Unstable global geopolitical situations may threaten global supply chains and operations. As a risk mitigation measure, we closely monitor regulatory and political developments in relevant countries and adjust our sales and supply chain strategy in line with these developments.

Non-compliance with internal and external standards: Growing compliance requirements present an increasing challenge for multinational companies operating in an environment of unprecedented complexity. In particular, the areas of export control, compliance, and taxation have grown in complexity. To mitigate this risk, HUBER+SUHNER follows stringent processes to determine necessary measures and maintains a compliance programme that ensures constant monitoring of relevant regulations and continuous education of our employees.

Serial defects: Serial defects of products may occur because of design and/or manufacturing flaws; such defects can lead to exhaustive dismantling and replacement actions and – in the event of safety concerns – to product recalls. To mitigate this risk, we maintain a quality-centric mentality and strive for highest reliability solutions in our design processes, operational excellence, implementing processes and controls.

Worldwide pandemic: Based on the experiences of the Covid-19 pandemic, which led to global business disruptions and supply chain shortages, a global pandemic may still pose a potential risk to our business. A comprehensive pandemic plan and continuously evolving our operational set-up based on lessons learnt increase our resilience in a potentially emerging health crisis.

THE HUBER+SUHNER GROUP IN BRIEF

Founded
1969

Employees globally
Around 4,000

Employees in Switzerland
Close to 1,200

Listed
SIX Swiss Exchange: HUBN

What we do
We design and create connectivity solutions for data and power transmission.

Global presence

Locations	Countries	Production sites
39	20	18

Customers
Around 4,300

Net sales
CHF 893.9 million

EBIT
CHF 86.6 million

Connecting – today and beyond

The Swiss company HUBER+SUHNER, founded through the merger of two Swiss companies, R. & E. HUBER and SUHNER & Co. AG in 1969, has its headquarters in Herisau (Appenzell Ausserrhoden) and Pfäffikon (Zurich). The company designs and creates connections for data and power transmission. We specialise in electrical and optical connectivity components and system solutions that deliver high performance, quality, reliability, and a long service life – even under the toughest of conditions. Connections between humans, places, and systems are a prerequisite for the functioning of our society. The need to being connected is driven by the fundamental human needs to:

- stay in touch with one another
- be mobile
- feel safe
- contribute to a more sustainable future

With its connectivity solutions, HUBER+SUHNER helps customers bring people closer together and addresses global megatrends such as security, safety, connectivity, and mobility.

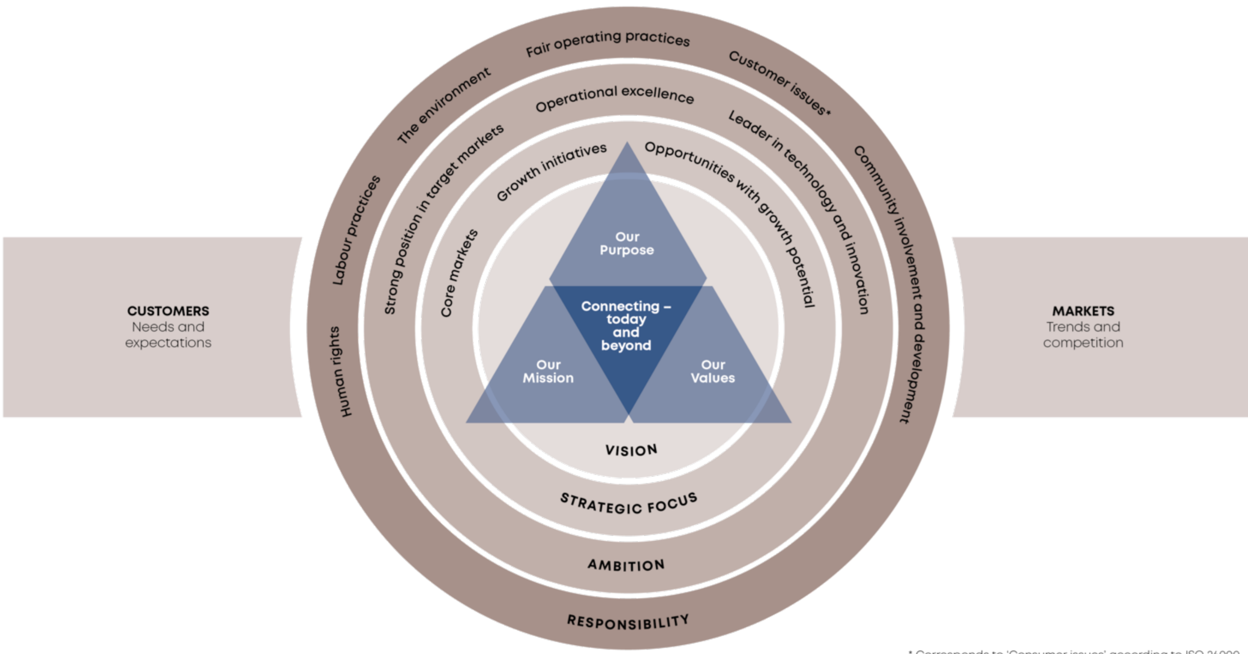
Every day, around 4,000 employees work in 20 countries and 39 locations to fulfil the HUBER+SUHNER purpose. The global production network includes 18 sites. And through its own sales force complemented by agencies and distributors, HUBER+SUHNER is close to its customers in over 80 countries. Its employees live up to the five company values, namely trust, care, passion, transparency, and accountability which promote the entrepreneurial spirit and are based on respect for people.

Since 2021, HUBER+SUHNER has oriented itself towards three market segments: Industry (31 % of net sales), Communication (40 % of net sales) and Transportation (29 % of net sales). These three dimensions of our business are addressed with applications from the three technologies of radio frequency, fiber optics, and low frequency. Currently, HUBER+SUHNER serves over 4,300 buying customers in Europe, Middle East and Africa (EMEA) with 50 % of net sales, in the Americas with 19 %, and in Asia-Pacific (APAC) with 31 %.

HUBER+SUHNER is listed on the SIX Swiss Exchange and has around 7,000 shareholders (as per 31 December 2024) of which four major shareholders are above the reporting threshold of 3 %. In 2024, net sales amounted to CHF 893.9 million and operating profit (earnings before interest and taxes [EBIT]) stood at CHF 86.6 million.

Our fundamentals

"Connecting – today and beyond" is at the heart of everything we do. Our world is based on connections between people, places, and systems. Connections are essential to the functioning of our society, and our customers enable them by transporting data and power through networks. Our strategic focus is aligned to basic human needs: to stay in touch with one another, to be mobile and safe, and to contribute to a more sustainable future. HUBER+SUHNER and its employees are in constant exchange with customers, shareholders, suppliers, authorities, the financial community, and others. Each stakeholder group has its own requirements and expectations of our organisation. "Connecting – today and beyond" articulates a vision that addresses our stakeholders' needs and the commitment to meeting them continuously and well into the future.



* Corresponds to 'Consumer issues' according to ISO 26000

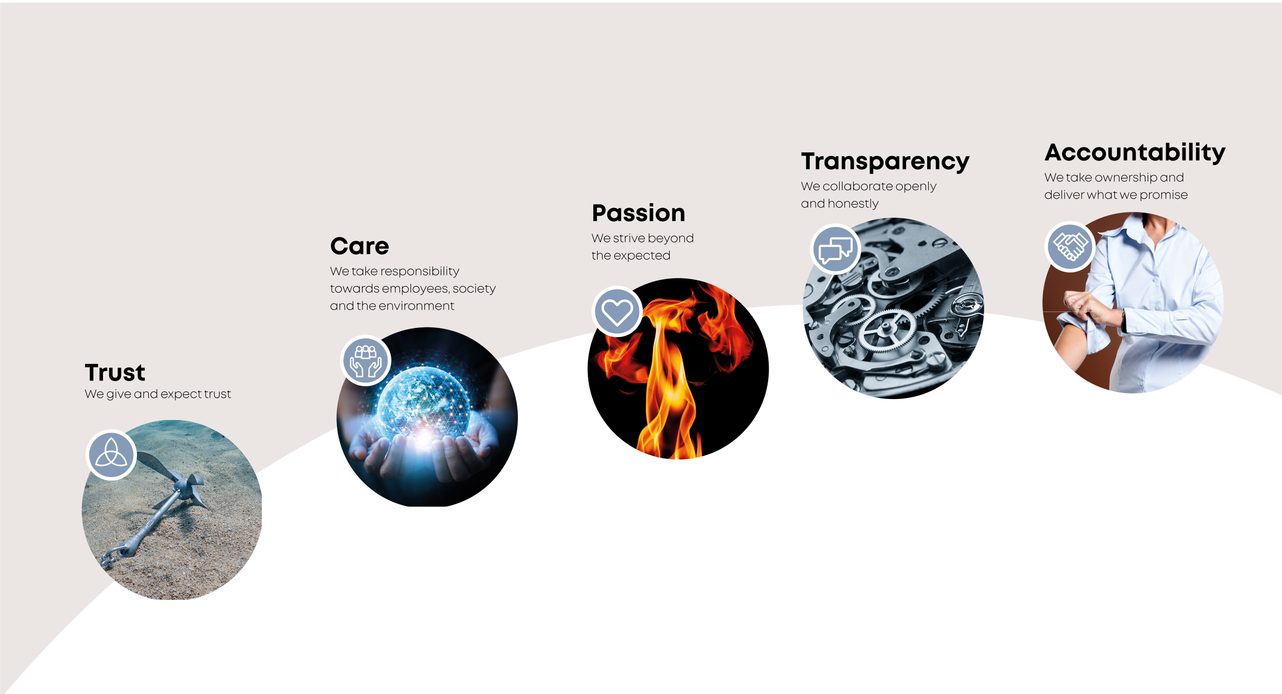
Our purpose

Our purpose – "We help customers bring people closer together" – expresses how HUBER+SUHNER positively contributes to global issues in a variety of markets with crucial products and solutions, which are often hidden and small in size yet ensure highest precision and connectivity. Considering our social and environmental impacts, we are fully dedicated to going far beyond selling products: We are a dependable partner to our customers, helping them keep their networks running with stable and reliable connectivity solutions for industry, communication and transportation applications. HUBER+SUHNER continuously monitors market trends and our customers' needs, driving innovative connectivity solutions. As an employer, we strive to create a workplace where employees can make a meaningful impact and develop to their full potential.

Our guiding principles

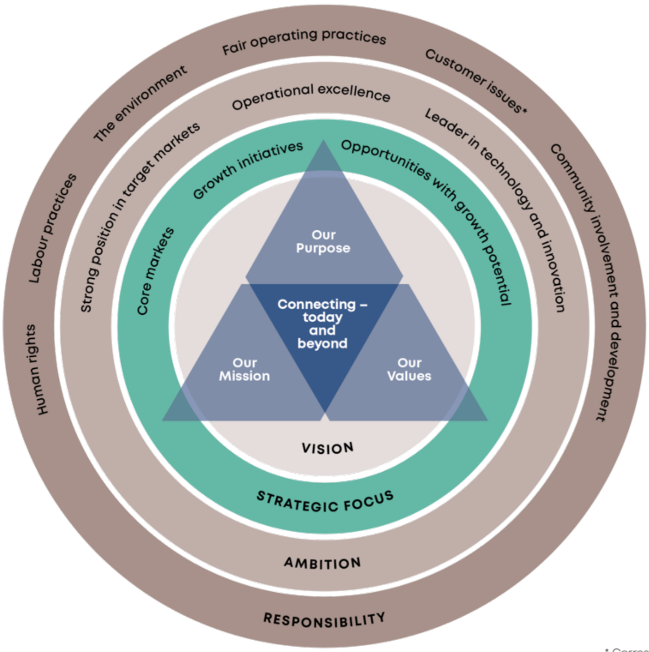
Our values and leadership principles guide us as we pursue our purpose, reminding us every day of what is important when interacting with one another and with external stakeholders in terms of our aspirations, behaviours and attitudes. They provide direction on how to succeed in a continuously evolving business environment.

Read more about our values.



Strategic focus

HUBER+SUHNER strives for sustainable growth based on a diversified yet focused business approach with market verticals which form a highly attractive portfolio. They can be grouped in three different states of maturity: core markets, growth initiatives, and opportunities with growth potential.



* Corresponds to 'Consumer issues' according to ISO 26000

Core markets form the foundation of today's business. Their turnover is crucial to secure the company's current size and setup. We want to be active in attractive core markets which allow HUBER+SUHNER to use its expertise to maintain a strong position. Core markets are essential to reach today's goals and fund our growth initiatives.

Our five core markets are:

- Test and measurement (Industry segment)
- Communication equipment manufacturer (CEM) components (Communication segment)
- Mobile network (Communication segment)
- Fixed access network (Communication segment)
- Rolling stock (Transportation segment)

Besides the core markets, HUBER+SUHNER conducts business in a number of focused market verticals, which include a range of highly attractive niche applications in smaller-sized markets such as:

- Advanced Driver Assistance System (ADAS) (Transportation segment)
- General industrial (Energy, Industrial automation, Medical device, Process industries) (Industry segment)
- High power charging (HPC) (Industry segment)

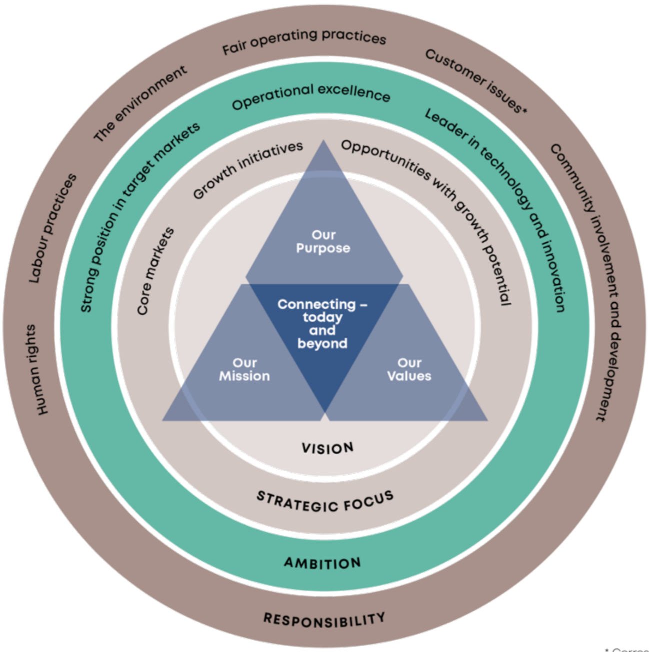
Growth initiatives have been identified based on their significant sales potential, profitable growth, and strategic fit:

- Aerospace and defense (Industry segment)
- Data center (Communication segment)
- Electric vehicle (Transportation segment)
- Rail communications (Transportation segment)

Opportunities with growth potential are early-stage opportunities which HUBER+SUHNER manages and systematically pursues to maintain a pipeline of attractive future growth initiatives.

Our ambition

We have three strengths that form our ambition and which guide us in our daily work and interaction with our customers:



* Corresponds to 'Consumer issues' according to ISO 26000

Three strengths form our ambition:

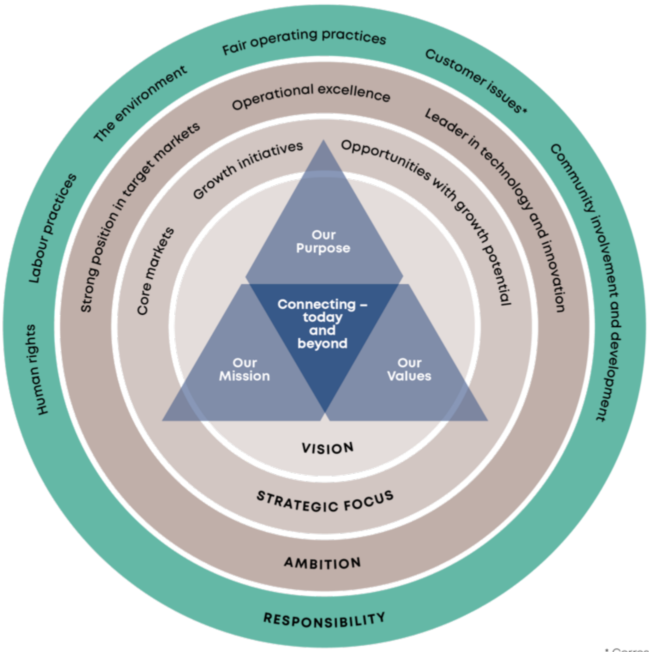
1. Leader in technology and innovation
Mastery of the applicable technologies and the necessary innovative strength are essential to open new markets and defend existing markets. At HUBER+SUHNER, innovation takes place in three areas to ensure a high degree of differentiation of the company's solutions: exploring new technologies and business fields, developing new product generations and applications, and improving existing products in terms of cost and performance.

2. Operational excellence
Through operational excellence – spanning production processes as well as logistics and the supply chain – HUBER+SUHNER sustains and extends its market position. By continuously optimising our operations and entire supply chain, we strive to provide a superior end-to-end customer experience, which is essential to establish long-term partnerships with various stakeholders. Our production sites' close proximity to key customers reduces environmental impact through shorter transport distances in outbound logistics, while also providing a competitive advantage.

3. Strong position in target markets
HUBER+SUHNER uses its strong position, long-standing relationships, and solid reputation in existing market verticals to tap into new, related markets. We capitalise on our innovative strength to offer customers added value while supporting them in becoming and remaining relevant market players.

Responsibility

Our efforts and plans for advancing our strategy and performance are linked to our commitment to conducting business responsibly.



* Corresponds to 'Consumer issues' according to ISO 26000

Our continuous journey and commitments are based on improving our economic performance as well as analysing and transforming existing business and production processes.

We have set ambitious goals based on and integral to our business strategy and we regularly measure our performance. To become a truly sustainable business, we integrate and align our sustainability and business goals at the management level and with all employees. HUBER+SUHNER's Non-financial Report shows the progress we made in 2024 and addresses the requirements of Article 964b of the Swiss Code of Obligations and the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). Additionally, we have issued our first report on climate-related risks according to the framework of the Taskforce on Climate-related Financial Disclosures (TCFD). Read more in our Non-financial Report.

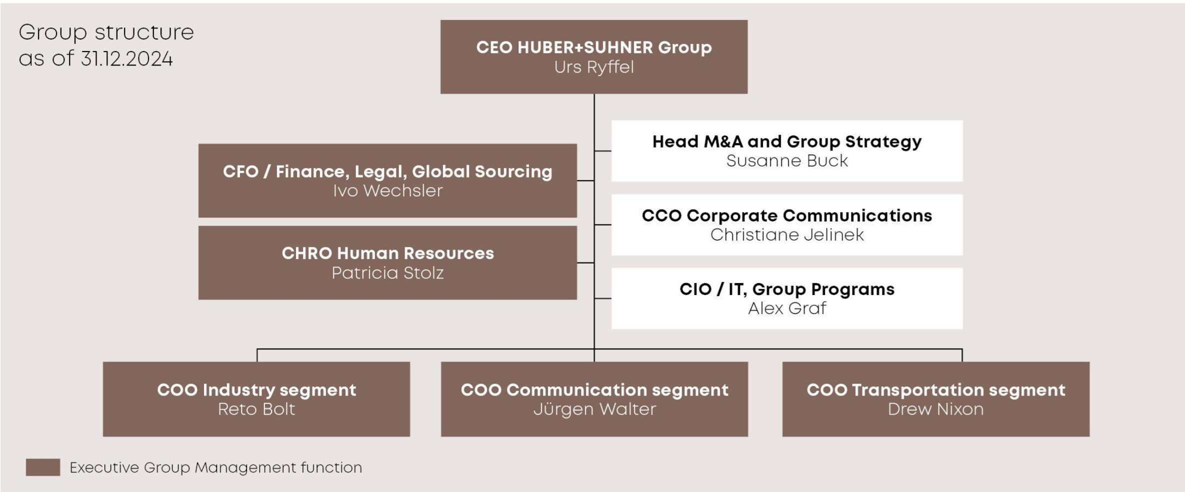
Corporate Governance

Corporate Governance

The term “Corporate Governance” refers to all of the principles and rules aimed at safeguarding sustainable company interests. These principles are intended to guarantee transparency and a healthy balance of management and control while maintaining decision-making capability and efficiency at the highest level of a company.

The following Corporate Governance report is structured in accordance with the Directive on Information relating to Corporate Governance (DCG) issued by SIX Swiss Exchange. All information presented reflects the situation as of 31 December 2024, unless otherwise stated.

1 Group structure and shareholders



1.1 Group structure

The operational management of the HUBER+SUHNER Group consists of the Chief Executive Officer (CEO) and five other Executive Group Management members. It is structured according to the three market segments Industry, Communication and Transportation, and in addition two functional units Finance, Legal, Global Sourcing and Human Resources. At Group level, three further service units – M&A and Group Strategy, Corporate Communications and Information Technology including Group Programs – assist the CEO.

Listed Group company

HUBER+SUHNER AG, domiciled in Herisau AR, Switzerland, is the parent company of the HUBER+SUHNER Group. It is incorporated under Swiss law and its shares are listed on the SIX Swiss Exchange in Zurich (Swiss Reporting Standard, VALOR number: 3038073; ISIN: CH0030380734). The market capitalisation as per 31 December 2024 amounted to CHF 1 369 million. Further key share data is provided in the chapter Share Data.

Non-listed Group companies

The directly and indirectly held companies consolidated in the Group accounts of HUBER+SUHNER AG are shown in the chapter Group Companies.

1.2 Significant shareholders

Based on the information available to the company, the following shareholders held 3 % or more of HUBER+SUHNER shares at the end of the fiscal year:

Shareholder	Country	% of shares
EGS Beteiligungen AG	CH	9.74%
S. Hoffmann-Suhner	CH	6.50%
UBS Fund Management (Switzerland) AG[1]	CH	4.96%
Huwa Finanz- und Beteiligungs AG	CH	3.42%

[1] disclosed by UBS Fund Management (Swizerland) AG as of 20 November 2024

The company holds 736 640 treasury shares (726 640 treasury stock, 10 000 other treasury shares for remuneration purposes).

HUBER+SUHNER AG has published eight disclosures in connection with shareholder participation in the year under review. Significant shareholder disclosures can be viewed at: Significant shareholders.

The HUBER+SUHNER Board of Directors is not aware of any shareholders' agreements or other arrangements with significant shareholders concerning the registered shares they hold in HUBER+SUHNER or the exercise of their shareholder rights.

1.3 Cross-shareholdings

The HUBER+SUHNER Group has no cross-shareholdings of capital or other voting rights with any other company.

2 Capital structure

2.1/2.2 Capital, capital band and conditional capital in particular

The HUBER+SUHNER AG share capital, as on the balance sheet date, is fully paid in and stands at CHF 4 797 500. HUBER+SUHNER AG has not introduced a capital band or conditional capital.

More information regarding the share capital is presented in the Notes to the Financial Statements of the Group, under note Share Capital.

2.3 Changes in capital

On 29 October 2021, HUBER+SUHNER AG launched a share buyback programme over a maximum period of three years, for up to 5 % of the registered shares. The programme was successfully concluded by 30 March 2023 via a second trading line on the SIX Swiss Exchange. The shares acquired under this programme were cancelled by means of a capital reduction at the Annual General Meeting on 27 March 2024.

2.4/2.5 Shares and participation certificates/Dividend-right certificates

The share capital is divided into 19 190 000 registered shares, each with a nominal value of CHF 0.25. Each registered share represents one vote. HUBER+SUHNER has issued neither participation nor dividend right certificates.

2.6 Limitations on transferability and nominee registrations

In line with the Articles of Association, only persons who are registered in the share register shall be deemed to be shareholders or beneficiaries with voting rights. The Board of Directors may refuse to record an acquirer as a shareholder with voting rights in the company if:

a) the acquirer, as a recognised shareholder, was to directly or indirectly acquire more than 5 % of the total number of registered shares;
b) insofar as, and as long as, the recognition of the acquirer as a shareholder could, on the basis of information available to it, hinder the company from providing shareholder composition information as required by federal law;
c) the acquirer, following a request by the company, fails to expressly declare that he has acquired and will hold the shares in his own name and for his own account, that no agreement to redeem or return such shares exists and that he shall bear the economic risk associated with the shares.

Individuals, legal entities and groups with joint legal status which are related by capital, voting rights, management, or in some other manner, as well as all individuals, legal entities and groups with joint legal status coordinated for the purposes of circumventing the registration limitations are to be considered as one single acquirer. These limitations shall also apply in cases where shares are acquired following the exercise of subscriptions, options or conversion rights. The rescindment of or alterations to the rules regarding registration limitations to registered shares requires a resolution of the Annual General Meeting passed by at least two-thirds of the represented votes and the majority of the represented share per value.

In line with the regulations for registering HUBER+SUHNER AG shareholders in the share register, the Board of Directors may, in exceptional cases, waive the 5 % limit, in particular to facilitate the tradability of registered shares and in connection with corporate mergers and the increase of shareholder stability through new anchor shareholders. In the year under review, the Board of Directors did not grant any exceptions.

Further, in accordance with the regulations for registering HUBER+SUHNER AG shareholders in the share register the registration of nominee as shareholder with voting rights is not admitted.

2.7 Convertible bonds and options

HUBER+SUHNER AG does not have any outstanding convertible bonds or any shareholder or employee options on its books.

3 Board of Directors

3.1/3.2 Members of the Board of Directors/Other activities and vested interests

The Board of Directors of HUBER+SUHNER AG must consist of at least five members. All members of the Board of Directors are non-executive. They do not participate in the executive management of the Group. They also do not have any significant business relationships with HUBER+SUHNER AG or other Group companies. No member of the Board of Directors has served as a member of HUBER+SUHNER Executive Group Management or one of its Group companies in the three financial years preceding the period under review.

At the Annual General Meeting on 27 March 2024, the eight acting members of the Board of Directors were re-elected.

On 31 December 2024, the Board of Directors comprised the following eight members:

Urs Kaufmann

Chairman of the Board of Directors since 2017
Member of the Board of Directors since 2014

1962, Swiss citizen

Education

Dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich
Senior Executive Program IMD, Lausanne

Professional background

HUBER+SUHNER Group

- 2002-2017 Chief Executive Officer
- 2001-2002 COO Polymer Systems Sector, since 2001 Member of Executive Group Management
- 1997-2000 Division Head Materials Technology and Member of the Management Board
- 1994-1997 Managing Director, Henry Berchtold AG (CH)

Previous employments

- 1987-1993 Project Manager, Production Manager and Head of Sales, Zellweger Uster AG, Uster (CH) and USA

Other activities and vested interests

- Bucher Industries AG**, Niederweningen (CH): Chairman of the Board of Directors
- SFS Group AG**, Heerbrugg (CH): Vice-Chairman of the Board of Directors
- Müller Martini Holding AG, Hergiswil (CH): Member of the Board of Directors

Dr. Beat Kälin

Deputy Chairman of the Board of Directors
(Chairman 2015 - 2017)
Member of the Board of Directors since 2009

1957, Swiss citizen

Education

Dr. sc. techn., dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich
MBA INSEAD, Fontainebleau

Professional background

- Since 2015 Chairman of the Board of Directors, Komax Holding AG**, Dierikon (CH)
- 2007-2015 CEO, Komax Group, Dierikon (CH)
- 2006-2007 COO, Komax Group, Dierikon (CH)
- 2004-2006 Member of the Divisional Management Board for Packaging Technology, Robert Bosch GmbH, Neuhausen am Rheinfall (CH)
- 1998-2004 Member of Executive Group Management, SIG Schweizerische Industrie-Gesellschaft Holding AG, Neuhausen am Rheinfall (CH)
- 1987-1997 Various management positions, Elektrowatt Group, Stäfa and Zug (CH)

Other activities and vested interests

- CabTec Holding AG, Rotkreuz (CH): Member of the Board of Directors

Marina Bill

Member of the Board of Directors since 2023

1973, Swedish-Swiss dual citizen

Education

Master of Science in Industrial Engineering and Management, Royal Institute of Technology, Stockholm
Commercial Law Basics, Stockholm University, Stockholm

Professional background

- Since 2018 Group Vice President, Global Head of Marketing & Sales and Global Product Line Manager Software and Digital, ABB Robotics Division, Zurich (CH)
- 2016-2018 Group Vice President, Global Sales & Marketing, ABB Grid Automation, Zurich (CH)
- 2013-2015 Group Vice President, Global Product Group Manager, ABB Power Generation Automation Products, Zurich (CH)
- 1997-2012 Various product and sales manager positions ABB (PH, SE, UK, DE, CH)

Other activities and vested interests

- Piab AB, Danderyd (SE): Member of the Board of Directors
- IFR (International Federation of Robotics), Frankfurt am Main (D): Vice President and Member of the Board

Prof. Dr. Monika Bütler

Member of the Board of Directors since 2014

1961, Swiss citizen

Education

Dipl. math. University of Zurich
Dr. oec. University of St. Gallen

Professional background

- Since 2021 Self-employed economist
- 2004-2021 Full Professor of Economics and Public Policy and Director of the Swiss Institute for Empirical Economic Research (SEW) at the University of St. Gallen (CH)
- 1999-2004 Professor at the University of Lausanne (CH)
- 1997-2001 Assistant Professor at the University of Tilburg (NL)

Other activities and vested interests

- AC Immune SA**, Lausanne (CH): Vice Chair of the Board of Directors
- Schindler Holding Ltd.**, Hergiswil (CH): Member of the Board of Directors
- Swiss Life Holding AG** and Swiss Life AG, Zurich (CH): Member of the Board of Directors
- Vice President of the Foundation Board, Gebert Rüf Stiftung, Zurich (CH)
- SMG, Swiss Management Association, Zurich (CH): Member of the Executive Board

Kerstin Günther

Member of the Board of Directors since 2023

1967, German citizen

Education

Master of Science in Electronics, Technical University, Wroclaw
Master of Business Administration with specialisation in International Management, University of Cleveland

Professional background

- 2019-2023 Chief Financial and Technology Officer, Helmholtz Zentrum München, München (DE)
- 2015-2017 Managing Director, Deutsche Telekom Pan-Net S.R.O., Bratislava (SK)

- 2012-2016 Senior Vice President Technology Europe (CTIO), Deutsche Telekom AG, Bonn (DE)
- 2010-2012 Senior Vice President Network and Investment Planning, Deutsche Telekom Technik GmbH, Bonn (DE)
- 2003-2009 Various managerial positions, Deutsche Telekom AG, Bonn (DE)
- 1991-2002 Various positions in the telecommunication industry in Slovakia, Hungary and Germany

Other activities and vested interests

None

Rolf Seiffert

Member of the Board of Directors since 2010

1958, Swiss citizen

Education

Dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich

Professional background

- Since 2014 CEO, AlpRail GmbH, Gais (CH)
- 2019-2021 Managing Director, BBR rail automation Swiss AG, Lucerne (CH)
- 2018-2019 Head of Railway Signaling, Kummler+Matter AG, Zurich (CH)
- 2015-2017 Managing Director, Kummler+Matter AG, Zurich (CH)
- 2013-2015 Head of Sales, Ruf Telematik AG, Schlieren (CH)
- 2011-2013 Vice President Sales, duagon AG, Dietikon (CH)
- 1999-2010 Various product development and sales functions, Siemens Switzerland, Rail Automation, Wallisellen (CH)
- 1988-1998 Product development and product management posts, ABB Transportation/Adtranz, Zurich (CH)

Other activities and vested interests

None

Dr. Franz Studer

Member of the Board of Directors since 2019

1965, Swiss citizen

Education

Dr. iur. University of Zurich
Admitted to the Zurich bar
MBA from the University of St. Gallen
International Directors Programme at INSEAD, Fontainebleau

Professional background

- Since 2024 Managing Director, EGS Beteiligungen AG*, Zürich (CH)
- 2012-2024 Investment Director and Member of the Executive Committee, EGS Beteiligungen AG*, Zürich (CH)
- 2010-2011 CEO/COO, aizo group AG, Zurich (CH)/Wetzlar (DE)
- 1999-2009 Industry experience in various legal and commercial management positions, Bühler AG, Uzwil (CH)

Other activities and vested interests

- Kantonsspital Winterthur, Winterthur (CH): Chairman of the Board of Directors
- FAES AG, Wollerau (CH): Member of the Board of Directors
- Roth Gerüste AG, Gerlafingen (CH): Member of the Board of Directors
- Sensirion Holding AG** and Sensirion AG, Stäfa (CH): Member of the Board of Directors
- DV Bern AG, Bern (CH): Member of the Board of Directors
- Serto Holding AG, Serto AG (since 2 April 2024) and Serto Group AG (since 29 January 2024), Frauenfeld (CH): Member of the Board of Directors

*Significant shareholder at HUBER+SUHNER AG

Jörg Walther

Member of the Board of Directors since 2016

1961, Swiss citizen

Education

Lic. iur. University of Zurich
Admitted to the Aargau bar
MBA from the University of Chicago
Post-graduate degree from University of St. Gallen in European Economic Law
Advanced Management Program at University of Oxford

Professional background

- Since 2010 Partner at Schärer Attorneys at Law, Aarau (CH)

- 2001-2009 Global Head Legal M&A and Antitrust, Member of the Group Legal Executive Committee, Novartis International AG, Basel (CH)
- 1999-2001 Group Vice President M&A, ABB Asea Brown Boveri AG (CH)
- 1995-1998 Senior Legal Counsel, ABB Schweiz AG (CH)
- 1991-1995 Senior Legal Counsel and Head Legal Services, Danzas Management, Basel (CH)

Other activities and vested interests

- Zehnder Group AG**, Gränichen (CH): Vice-Chairman of the Board of Directors
- AEW Energie AG, Aarau (CH): Vice-Chairman of the Board of Directors
- SFS Group AG**, Heerbrugg (CH): Member of the Board of Directors
- Kraftwerk Augst AG, Augst (CH): Member of the Board of Directors
- Immobilien AEW AG, Aarau (CH): Member of the Board of Directors
- Apotheke im Stadtspital Zurich AG, Zurich (CH): Member of the Board of Directors
- Aare-Apotheke Rombach AG, Rombach (CH): Member of the Board of Directors
- swissVR, Rotkreuz (CH): Member of the Executive Board

** listed company

Honorary chairmen

Marc C. Cappis, 1935
David W. Syz, 1944

3.3 Number of permitted activities

As per Article 30 of the Articles of Association, a Member of the Board of Directors may hold up to 5 mandates in comparable positions at other listed companies. In addition, a Member of the Board of Directors may hold up to 10 mandates in comparable positions with non-listed companies with an economic purpose. The acceptance of outside mandates shall not interfere with the member's performance of his duties to the company.

3.4 Elections and terms of office

In line with the legal provisions, all Members of the Board of Directors, the Chairman and the Members of the Nomination and Compensation Committee are elected annually and individually. The Articles of Association do not allow for any deviation from these election rules. The term of office of a Member of the Board runs until the end of the next Annual General Meeting. Re-election is possible. For the first election per member please refer to 3.1/3.2. Members of the Board cannot run for re-election at the Annual General Meeting in the year in which they turn 70 years of age.

3.5 Internal organisational structure

The Board of Directors exercises overall management, supervision and control over the running of the Group. Except for the election of the Chairman and the Members of the Nomination and Compensation Committee by the Annual General Meeting, the Board of Directors constitutes itself. The Board of Directors may appoint the Deputy Chairman from among its members. It may also appoint a Secretary from outside the ranks of the Board.

Working practices of the Board of Directors

The Board of Directors meets as often as business requires, but at least five times a year. The Chairman, or if he is unable to attend, the Deputy Chairman, chairs Board meetings. The Chairman convenes Board meetings and sets their agendas. He also ensures that members receive the agenda at least 10 days in advance of the meeting, and decision material generally one week beforehand. In addition to the CEO, the CFO also attends Board meetings as a representative of Executive Group Management. Depending on the business at hand, other members of Executive Group Management may take part. The Board of Directors may use electronic means for the meetings.

Decisions are taken by the Board as a whole. The Board shall constitute a quorum when the majority of its members are present. A Member of the Board of Directors is also deemed present when attending via telephone or via video conference or by other electronic means. A majority quorum is not necessary for determining a capital increase, capital reduction or change of the currencies of the share capital and the related amendments to the Articles of Association. All decisions require a voting majority. In a tie, the Chairman shall have the casting vote. Voting by proxy is not allowed. All resolutions and agreements are minuted and approved by the Board.

Five regular Board meetings with an average duration of 6 hours, one additional telephone conferences with a duration of an hour, as well as one “strategy workshop” lasting two and a half days, which was also attended by the entire Executive Group Management, were held during the year under review. The meetings took place at regular intervals during the financial year with a 96.25 % participation rate.

The Chairman of the Board regularly meets with the CEO to discuss current financial performance and business activities and makes decisions regarding the disclosure of ad hoc announcements. In addition, he is responsible for monitoring the implementation and compliance with resolutions taken by the Annual General Meeting and the Board of Directors and keeps the other members of the Board updated in a regular and timely manner. In addition to his core responsibilities, the Chairman performs additional duties for the HUBER+SUHNER Group, including liaising with key stakeholders and participating as a member of the Foundation Committee or other organisations.

In 2024, a comprehensive self-evaluation was carried out by the Board of Directors (covering also the two committees) to verify that each body is working efficiently and effectively. The review covered especially the composition of the Board of Directors, the availability of its members, engagement, cooperation and culture within the Board of Directors, the processes for preparing for and holding the meetings and the interaction between the Board of Directors and the Executive Group Management.

Committees – composition and working practices

The areas of responsibility and authority of the Nomination and Compensation Committee and the Audit Committee are defined in the appendix to the HUBER+SUHNER Bylaws. These committees support the Board in its supervisory and control capacities and function mainly as advisory, assessment and preparatory bodies. The members of the committees are as follows:

	Nomination and Compensation Committee	**Audit Committee**
Monika Bütler	Chairwoman	
Marina Bill	Member	
Beat Kälin	Member	
Jörg Walther		Chairman
Kerstin Günther		Member
Franz Studer		Member

The committees meet as often as business requires, but at least twice a year. Minutes are taken at each meeting and sent to all meeting participants and to all Members of the Board of Directors. At the subsequent Board meeting, the Committee Chair briefs the Board and puts any motions to it.

The Nomination and Compensation Committee (NCC)

The committee consists of at least two non-executive Members of the Board elected annually by the Annual General Meeting, one of which will be designated as Chair by the Board of Directors.

The committee prepares all the relevant decisions relating to nominating and compensating members of the Board of Directors and Executive Group Management and the Group’s compensation policy. The Chairman of the Board attends the meetings. The CEO attends the meetings, except if his own performance is under review or his own compensation is under discussion. Where necessary, the CHRO (Chief Human Resources Officer) is also present. The committee held two meetings with an average duration of 2 hours and a 100 % participation rate during the year under review.

The main duties of the Nomination and Compensation Committee are:

- to manage the selection process and to put forward proposals concerning new Board members and the CEO
- to examine the selection process of the other members of the Executive Group Management as well as to examine the main conditions of their employment contracts
- to prepare the compensation report
- to prepare the proposals for the compensation voting to the Annual General Meeting according to Art. 23 of the Articles of Association to the attention of the Board of Directors
- to examine and propose the individual compensations of the CEO and of the other Members of the Executive Group Management in the frame of the maximum aggregate compensations approved by the Annual General Meeting
- to approve the annual salary adjustment within the Group proposed by the CEO
- to inform the Board of Directors regarding all NCC-relevant events which are not directly within the responsibility of the Board of Directors
- to perform further tasks assigned to the Committee by the Board of Directors.

Audit Committee (AC)

The committee consists of at least two members. The Board of Directors appoints the members and designates the Chair annually. It supports the Board with financial management, supervision of accounting, financial reporting, internal auditing and cooperation with the external auditor. It decides on urgent technical matters. Areas of authority and responsibility assigned to the Board of Directors by law and by the Bylaws remain wholly within the Board.

The Chairman of the Board, the CEO, the CFO, the Head of Corporate Controlling and the external auditor attend committee meetings. For sustainability topics and non-financial reporting, the Head Global Sustainability is present. Where necessary, the committee addresses certain agenda items with the external auditor alone. The committee held two meetings with an average duration of 4 hours and a 100 % participation rate during the year under review.

The main duties of the Audit Committee are:

- to review accounting functions (applicable accounting procedures, valuation policies, internal and external financial reporting, liquidity and financing management, assessment of evaluation and financing principles) in terms of suitability, reliability and effectiveness and, if necessary, submission of amendments to the attention of the Board of Directors
- to check of the Annual and the Half-year reports and of the other financial information to be published
- to monitor the evaluation of corporate risks and reviewing the risk management practices
- to verify the controlling system
- to supervise business activities with regard to compliance with resolutions of the Board of Directors, internal regulations and guidelines, principles of corporate policy and instructions as well as with regard to the relevant statutory provisions, especially in terms of stock market legislation (compliance)
- to review performance, independence and remuneration of the statutory external auditor as well as giving recommendations for elections to the Board of Directors and/or the Annual General Meeting
- to handle of audit reports; consultation regarding all significant findings and recommendations of the external statutory auditor together with the CEO and the CFO as well as with the external auditors
- to monitor of the implementation of recommendations of the external auditors
- to determine the internal audit plan
- to handle of audit reports; consultation regarding all significant findings and recommendations of the internal audit together with the CEO and the CFO as well as with the internal audit

- to inform the Board of Directors regarding all AC-related events which are not directly within the responsibility of the Board of Directors
- to review of the non-financial reporting including the sustainability report
- to execute further tasks assigned to the Committee by the Board of Directors.

3.6 Definition of areas of responsibility

The areas of authority and responsibility of the various bodies are set out in the Bylaws (available under Corporate Governance).

The Board of Directors issues guidelines for business policy and makes decisions about all matters that are not reserved for, or assigned to, the Annual General Meeting or another company body by law, by the Articles of Association or the Bylaws. In particular, the Board of Directors approves the business strategy and organisation proposed by Executive Group Management, as well as budgets, medium-term plans, acquisitions and other businesses which, by their nature or financial impact, is considered strategically significant. Written requests are prepared for all projects that require a decision by the Board. The Board of Directors delegates the Group's operational management to the CEO. The Bylaws are periodically reviewed and adapted by the Board, most recently on 26 June 2024.

3.7 Information and control instruments vis-à-vis the Executive Group Management

Management information system (MIS)

The Board's main information and control instrument is a management information system based on financial accounting according to Swiss GAAP FER.

On a monthly basis, the Board of Directors receives a written commentary from the CEO on business activities and financial performance including key financial figures from the Group and the three market segments. The minutes of monthly Executive Group Management meetings are also submitted to the Chairman of the Board of Directors.

Additionally, on a quarterly basis, the Board of Directors receives a comprehensive Group financial status (income statement, balance sheet, cash flow statement, capital expenditure) and key financial figures per legal entity and the three market segments.

The attendance of Executive Group Management members (especially the CEO and CFO) at the Board of Directors' meetings and its committees is reported in Section 3.5 (Internal organisational structure). During Board meetings, the CEO provides information about the current state of business and major business transactions; the CFO explains the annual and half-year financial statements. Each Member of the Board may also ask for information about all matters pertaining to the HUBER+SUHNER Group.

The Board of Directors is also closely involved in the company's planning cycle. In the third quarter of each year, it receives, for its approval, the results of the strategic mid-term plan, which covers a period of 5 years. In the fourth quarter, the Board approves a detailed budget for the coming year. It also receives a forecast of the annual results twice a year.

Internal audit

Internal auditing at HUBER+SUHNER is within the responsibility of Corporate Controlling. The Head Corporate Controlling is subordinate to the CFO, but reports directly to the Audit Committee regarding these activities. This solution, tailored to the specific situation and size of HUBER+SUHNER, is cost effective and ensures that internal audit findings are available in their entirety to the Controlling team. Based on financial risk considerations, an annual plan of the companies to be audited is drawn up and submitted to the Audit Committee for approval. The main priorities of the audit are compliance with internal policies, processes, reviews and the implementation of the internal control system. The internal auditors discuss the results of each audit in detail with the companies concerned, and concrete measures are agreed upon. Internal audit reports are submitted, together with suggested recommendations, to the Audit Committee, the Chairman of the Board, the CEO, the CFO, the respective COO, the management of the audited company as well as the external Group auditor. Audit reports with significant findings are presented and discussed in the Audit Committee. The Audit Committee ensures, on an annual basis, that issues and recommendations are dealt with.

The external auditor annually assesses the internal control system (ICS) in a comprehensive report to the Audit Committee and the Board of Directors and confirms its existence.

Risk management system

Risk management of the HUBER+SUHNER Group and all Group companies is laid down in the Board of Directors' risk policy and in the Executive Group Management's guidelines on the risk management process. In the reporting year, the Executive Group Management reviewed the progress and effectiveness of the measures taken and has selected and reassessed the most significant financial, operational and strategic risks at Group level. This was based on its own top-down assessment and on bottom-up data from market segments and corporate functions. The risks were categorised according to their probability of occurrence and potential financial impact. In addition, mitigating measures as well as operational responsibilities were defined for each top risk. The evaluated risks as well as the ongoing and planned compliance measures were presented in the 2024 Risk Report to the Board of Directors for review and approval. After its review, the Board approved the report on 4 December 2024.

Whistleblowing platform

HUBER+SUHNER is committed to conducting business responsibly. Therefore, HUBER+SUHNER Group operates its whistleblowing platform, provided by a third party provider, to promote a speak-up culture and to combat any non-compliant or non-ethical behaviour that might violate the HUBER+SUHNER Code of Responsible Business Conduct or the HUBER+SUHNER Supplier Code of Conduct or any underlying business or ethics principles. The platform is accessible for all HUBER+SUHNER employees (internal channel via the intranet or posters with a QR code) and for all other stakeholders (external channel via the HUBER+SUHNER website), ensuring anonymity if desired. Submitted complaints are handled by the Whistleblowing Steering Committee and an anonymised monthly summary is provided to the CEO and CFO.

4 Executive Group Management

4.1/4.2 Members of Executive Group Management/Other activities and vested interests

Executive Group Management is the highest management level and it assists the CEO with his operational management tasks. It deals with all business and decisions that are important for the company. On 31 December 2024, Executive Group Management consisted of the following six members:

Urs Ryffel
Chief Executive Officer (CEO)

1967, Swiss citizen

Education

Dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich

Professional background

HUBER+SUHNER Group
- Since 1 April 2017 Chief Executive Officer
- 2007-2016 Head of Fiber Optics Division, since 2008 Member of Executive Group Management
- 2004-2007 Head of the Cable System Technology business unit
- 2002 joined HUBER+SUHNER as Head of Rollers business unit

Previous employments
- 1999-2002 General Manager Hydro Power segment, ABB/ALSTOM, Lisbon (PT) and Hydro Power Plants and Systems, Paris (F)
- 1992-1999 Head of the Business Development unit, ABB Power Generation Switzerland, Baden (CH); Head of the Hydro Power Plant Service global business unit at ABB Power Generation segment, Zurich (CH)

Other activities and vested interests

- Vetropack Holding AG**, Bülach (CH); Member of the Board of Directors (since 25 April 2024)
- Bergbahnen Scuol AG, Scuol (CH): Member of the Board of Directors
- SMG, Swiss Management Association, Zurich (CH): Member of the Board
- Swissmem, Zurich (CH): Member of the Board

Reto Bolt

Chief Operating Officer (COO) Industry segment

1966, Swiss citizen

Education

Dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich

Professional background

HUBER+SUHNER Group
- Since 2021 COO Industry segment
- 2012-2020 Head of Radio Frequency Division, since 2012 Member of the Executive Group Management
- 2007-2012 Head of the Cable Systems business unit within the Low Frequency Division
- 2004-2007 Head of Global Management Systems
- Joined HUBER+SUHNER in 1993 as Operations Engineer for coaxial connectors, then held several management positions in the Operations department of the Radio Frequency Division

Other activities and vested interests

- Mosmatic AG, Neckertal (CH): Member of the Board of Directors

Drew Nixon

Chief Operating Officer (COO) Transportation segment

1965, United States citizen

Education

Bachelor in Business Administration, Babson College, Wellesley Massachusetts

Professional background

HUBER+SUHNER Group

- Since 2021 COO Transportation segment
- 2015-2020 Chief Operating Officer Global Sales, since 2015 Member of the Executive Group Management
- 2012-2015 Managing Director of the Region North Asia, Shanghai (CN)
- 2008-2012 Managing Director North America, Vermont (USA)
- Joined HUBER+SUHNER in 2004 as Finance Director North America (USA)

Previous employments

- 2000-2004 as Director of Finance and Administration, Zettacom INC, Santa Clara (USA)
- 1988-2000 working in various management functions for the American companies Charleswater Products INC, Boston Metal Products Corp, Cerplex Mass INC and Decibel Instruments INC (USA)

Other activities and vested interests

None

Patricia Stolz

Chief Human Resources Officer (CHRO)

1969, Swiss citizen

Education

Certificate of competence and EMBA University of Applied Sciences St. Gallen

Professional background

HUBER+SUHNER Group
- Since 2015 Chief Human Resources Officer and Member of the Executive Group Management
- Joined HUBER+SUHNER in 2008 as Human Resources Manager of the Fiber Optics Division

Previous employments
- 2003-2007 Head of HR Management at Flawa AG, Flawil (CH)
- 1990-2003 Assistant in Human Resources at NAW Nutzfahrzeuge AG, Arbon (CH)

Other activities and vested interests

- Raiffeisenbank Mittelthurgau, Weinfelden (CH): Member of the Board of Directors (since 2 May 2024)
- focus50+, Zurich (CH): Member of the Board

Jürgen Walter

Chief Operating Officer (COO) Communication segment

1968, German citizen

Education

Dipl. Ing. electrical engineering Technical University of Munich

Professional background

HUBER+SUHNER Group
- Joined HUBER+SUHNER in 2021 as COO Communication segment and Member of the Executive Group Management

Previous employments
- 2019-2021 COO at Kathrein Mobile Communication, Ericsson, Rosenheim (DE)
- 2015-2019 Solution Business Unit Manager, Kathrein Group, as of 2017 COO and Member of the Executive Board at Kathrein SE, Rosenheim (DE)
- 2012-2015 Busines Transformation Officer and as of 2013 CEO Central Europe and Chairman of the Management Board, Fujitsu Technology Solutions, Munich (DE)
- 2010-2012 Head of the Segment Business Solutions and member of the Executive Board at Nokia Siemens Networks, Munich (DE)
- 2007-2009 Head of the Business Unit Converged Core, Nokia Siemens Networks, Munich (DE)
- 1995-2007 various consulting and commercial positions, Siemens Gruppe, Munich (DE)

Other activities and vested interests

None

Ivo Wechsler

Chief Financial Officer (CFO)

1969, Swiss citizen

Education

Lic. oec. HSG (University of St. Gallen)

Professional background

HUBER+SUHNER Group

- Since 2010 Chief Financial Officer and Member of the Executive Group Management
- Joined HUBER+SUHNER in 2008 as Head Corporate Controlling

Previous employments

- 2001-2007 Head Corporate Controlling and from 2005 in addition Head Corporate Treasury, Ascom Group, Bern (CH)
- 1998-2000 Controller and from 1999, Head of Controlling & Treasury at Sunrise Communications, Rümlang (CH)
- 1995-1997 at Schweizerische Bankgesellschaft (UBS) in Corporate Finance in Zurich/London (CH, UK)

Other activities and vested interests

- St. Galler Kantonalbank AG**, St. Gallen (CH): Member of the Board of Directors (since 1 May 2024)
- Zehnder Group AG**, Gränichen (CH): Member of the Board of Directors

** listed company

The Board of Directors of HUBER+SUHNER AG has appointed Richard Hämmerli as new Chief Financial Officer (CFO) and member of the Executive Group Management effective 1 January 2025. He succeeds Ivo Wechsler, who stepped down from his CFO role at the end of 2024.

4.3 Number of permitted activities

As per Article 30 of the Articles of Association, a Member of the Executive Group Management may hold up to 3 mandates in comparable positions at other listed companies. In addition, a Member of the Executive Group Management may hold up to 5 mandates in comparable positions with non-listed companies with an economic purpose. The acceptance of outside mandates shall not interfere with the member's performance of his duties to the company. As per Article 4.2 of the Bylaws, outside mandates of the Members of the Executive Group Management need the approval of the Chairman of the Board of Directors.

4.4 Management contracts

No management contracts exist that transfer management responsibility to companies or individuals outside the HUBER+SUHNER Group.

5 Compensation, shareholdings and loans

The principles and elements of compensation and shareholding programme for the members of the Board of Directors and the Executive Group Management are laid down in Articles 24 to 29 of the Articles of Association and specified in the compensation regulations issued by the Board of Directors. More detailed information about the compensation, shareholding programmes and shareholdings of the Board of Directors and the Executive Group Management as well as loans and the approval procedure by the Annual General Meeting is set forth in the Compensation Report.

6 Shareholders' participation rights

6.1 Voting rights restrictions and representation

One share represents one vote. Each shareholder may be represented either by the independent proxy, a representative authorised by written or electronic power of attorney, or by another individual or legal entity by a power of attorney in writing. Proxy holders do not need to be shareholders.

When exercising voting rights, no shareholder representing another shareholder may, with their own shares and the shares they represent, together account for more than 10 % of the entire share capital. Proxy holders who are not shareholders may not control more than 10 % of the entire share capital. Individuals, legal entities and groups with joint legal status which are bound by capital or voting rights, by consolidated management or in another manner, or individuals, legal entities and legal communities which coordinate their action to circumvent the above restrictions are to be considered as one single shareholder. The limitation does not apply to the independent proxy. The Board of Directors may decide on exceptions to restrictions on voting rights and representation. In the year under review, the Board of Directors did not grant any exceptions.

According to Article 13 of the Article of Association, a resolution for abolishing voting rights restrictions requires the relative majority of the casted votes.

Powers of representation and voting instructions are granted to the independent proxy representative in accordance with legal provisions. The Annual General Meeting appoints the independent proxy representative each year. The term runs until the end of the next Annual General Meeting. Re-election is possible. As per Art. 9 para 7 of the Articles of Association the Board of Directors may make a provision for the Annual General Meeting to be held by electronic means without a venue.

6.2 Quorums required by the Articles of Association

The Annual General Meeting makes its decisions and carries out its elections with the majority of casted votes unless the law determines otherwise. In line with the legal provisions a decision by the Annual General Meeting passed by at least 2/3 of the represented votes and the majority of the represented shares par value is in particular required for:

1. an amendment in the purpose of the company
2. the consolidation of shares, unless this does not require the approval of the shareholders concerned
3. a capital increase from equity, against contributions in kind or by offsetting against a claim and the granting of special advantages
4. the restriction or cancellation of subscription rights
5. the adoption of a conditional capital or the adoption of a capital band
6. the conversion of participation certificates into shares
7. the restriction of transferability of registered shares

8. the adoption of voting shares
9. a change to the currency of the share capital
10. the introduction of a casting vote by the chairperson at the Shareholders Meeting
11. the inclusion of a provision in the Articles of Association on holding the Shareholders Meeting abroad
12. the delisting of the company's equity securities
13. the relocation of the company's registered office
14. the introduction of an arbitration clause in the Articles of Association
15. the conversion of registered shares into bearer shares
16. the dissolution of the company, followed by liquidation.

6.3/6.4 Convocation of the Annual General Meeting/Inclusion of items on the agenda

Convening the Annual General Meeting and setting the agenda are governed by Articles 699 and 700 of the Swiss Code of Obligations. In line with the legal provisions, Article 9 para 3 of the Articles of Association stipulates that shareholders entitled to vote may place an item of the agenda or request proposals relating to agenda items included in the announcement of the convening of the Annual General Meeting if together they represent at least 0.5 % of the share capital or votes. The Board must be notified of a request to place an item on the agenda and be given the proposals in writing no later than 60 days prior to the Annual General Meeting.

6.5 Entries in the share register

As a general rule, no entries of registered shareholders are made in the share register in the five working days before the Annual General Meeting. The Board of Directors announces the deadline for making entries in the share register in the invitations to the Annual General Meeting. In the year under review, the Board of Directors did not grant any exceptions to this rule.

7 Changes of control and defence measures

7.1 Duty to make an offer

The Articles of Association do not entail any rule governing opting-up or opting-out as per the Financial Market Infrastructure Act (FMIA).

7.2 Clauses on changes of control

No contractual clauses governing changes in control exist in the employment contracts with members of either the Board or the Executive Group Management. The share blocking periods are not revoked when members of the Board or Executive Group Management resign. According to the HUBER+SUHNER AG Compensation Policy, the Board may prematurely revoke existing blocking periods only under special circumstances, such as a change of control, and if requested by the Nomination and Compensation Committee.

8 Auditors

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

Ernst & Young AG, Basel, has been the independent auditor of HUBER+SUHNER AG and various Group companies since 2018. The current lead auditor, Mr. Iwan Zimmermann, has been in charge since 1 April 2021. As per article 730a para 2 Swiss Code of Obligations, his tenure as lead auditor may not exceed seven years. The auditors are elected by the Annual General Meeting for a term of one year.

8.2/8.3 Auditing fees/Additional fees

Ernst & Young (EY) charged CHF 350 000 for auditing the Group Financial Statements and selective individual financial statements of the different Group companies during the reporting year, CHF 45 000 for an independent assurance for the Non-financial report, and CHF 5 000 for additional EY services (in relation to the share capital reduction).

8.4 Information instruments pertaining to the external audit

The Audit Committee informs the Board of the work performed by and working relationship with the external auditor. Each year, the external auditor submits an audit plan, a "high level review" of the half-year figures and a comprehensive report on the annual financial statements with conclusions on financial accounting, the internal control system, the Compensation Report (Chapter 5) and the audit results for the attention of the Board of Directors and the Audit Committee. The Audit Committee also assesses the scope of the annual audit and the audit plans, and discusses the audit findings with the external auditor. In the year under review, the external auditor was present at both Audit Committee meetings.

The Audit Committee annually assesses the external auditors' performance, independence and fees and recommends to the Board the external auditing company to be nominated by the Annual General Meeting.

This evaluation is based on the reports and presentations provided by the external auditors, the discussions held in the meetings, their objectivity as well as their technical and operational expertise. The Audit Committee reviews the suitability and scope of the additional services rendered by the external auditor. If the planned additional services exceed the monetary limit set by the Audit Committee, the Audit Committee must be informed in advance.

9 Information policy

As a listed company and as a credible and sustainable business partner, HUBER+SUHNER informs its internal and external stakeholders actively, transparently and in good time. Its communication policy is guided by the SIX Swiss Exchange regulations, legal provisions and internal guidelines.
HUBER+SUHNER communicates regularly with its shareholders, the capital market and the public. In accordance with Swiss GAAP FER, HUBER+SUHNER discloses its business and financial performance on a half-yearly basis in form of an Annual or Half-year Report which are published electronically in English. Additionally, shareholders receive a short printed version of the Management Report/Letter to Shareholders in German or English half-yearly. Also, at the end of January of any given year, HUBER+SUHNER announces sales and order intake figures for the past year. Sales and order intake figures for the first nine months from January to September are published at the end of October of any given year.

The exact dates can be found under investors.

Additional information which could affect the share price is published during the year in accordance with SIX Swiss Exchange ad hoc publication requirements. Official announcements and company notices are published in the Swiss Official Gazette of Commerce (SOGC).

The CEO is responsible for corporate communications. He is assisted in his investor relations activities by the CFO.

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Phone +41 71 353 41 11

Relevant news, shareholder information and legal documents can be found using the links below:
News & Ad hoc news
Investors

Articles of Association
Bylaws
Information service

An important source of current information on the Group, including products and further contact details is the HUBER+SUHNER website.

10 Quiet periods

At HUBER+SUHNER, the general quiet period starts on the day of the last regular Board meeting of the preceding fiscal year (usually early December) or preceding first half of the fiscal year (usally late June), as the case may be, and ends two days after the publication of the relevant ad hoc announcement related to the respective Annual or Half-year Report.

The following group of persons has signed the "Guideline on the prohibition of insider trading" of 22 June 2022 and is affected by the general quiet period:

- Members and Honorary Chairmen of the Board of Directors
- Secretariat of the Board of Directors
- Members of the HUBER+SUHNER Executive Group Management including their assistants
- Participants of the Group Meeting
- Head of Group Strategy and M&A and team members
- Head of Corporate Communications and team members
- Head of Finance and Accounting at HUBER+SUHNER AG
- Head of Corporate Controlling and team members
- Head of Business Controlling and team members
- Head of Treasury
- General Counsel and team members

During a general quiet period, affected persons are prohibited from trading in HUBER+SUHNER AG securities or financial instruments derived therefrom, for themselves or through third parties. This transaction block also applies to transactions falling within the scope of an asset management mandate, regardless of the structure of the latter and the agent's powers. In the year under review there were no execption of this rule.

The CFO sends a written notification of the dates of the general quiet periods yearly and maintains a list of all affected persons.

These general quiet periods also apply to HUBER+SUHNER Group itself. The purchase of HUBER+SUHNER shares (e.g. for remuneration purposes) must take place outside quite periods.

In addition to the general quiet period, a project-specific transaction block in HUBER+SUHNER AG securities may be imposed by the CEO to employees who are aware of specific confidential projects.

Compensation Report 2024

Compensation Report

The Compensation Report provides an overview of the remuneration principles and compensation systems of the HUBER+SUHNER Group. It describes how compensation is determined and contains detailed information on the compensation of the Members of the Board of Directors and the Executive Group Management in the fiscal years 2023 and 2024.

In the interests of clarity, accessibility and transparency, the structure and presentation of various aspects have been adapted and additional information, in particular on the achievement of objectives, has been included in the Compensation Report.

The Compensation Report fulfils the requirements of the Swiss Code of Obligations (OR) and the provisions set forth in the Directive on Information relating to Corporate Governance issued by SIX Swiss Exchange.

1 Guidelines and responsibilities

Guidelines

The HUBER+SUHNER Group's success heavily depends on the capabilities and commitment of its employees. The compensation policy aims to attract skilled managers and employees and to gear their activities towards the company's goals and a long-term career with HUBER+SUHNER.

Payments are made according to the following principles:

- performance-based remuneration with market-competitive fixed and variable components
- variable component based on predefined targets and maximum thresholds
- contribution towards the sustainable success of the company
- transparency and clarity

The principles governing the compensation of Members of the Board of Directors and Executive Group Management are laid down in the following Articles of Association: Article 23 (Compensation Approval); 24 (Compensation of the Board of Directors); 25 (Compensation of Executive Group Management); 26 (Principles of Success and Performance-related Compensation); 27 (Principles for Allocating Shares); 28 (Additional Amount) and 29 (Activities for Group Companies).

For more details, please refer to the Corporate Governance Report.

In accordance with Article 734b of the Swiss Code of Obligations (OR), credit and loans as well as benefits outside of the occupational pension scheme may only be granted, if a provision to this end is included in the Articles of Association. During the year under review and as per its previous practice, HUBER+SUHNER did not add any such provision in its Articles of Association.

Responsibilities

The Board of Directors is responsible for regulating general questions regarding compensation. The compensation models applicable to the Board of Directors and Executive Group Management are outlined in a compensation policy approved by the Board of Directors. The Board of Directors is supported by the Nomination and Compensation Committee. The committee reviews the principles and prepares all relevant decisions concerning compensation of Members of both the Board of Directors and the Executive Group Management. The composition, main tasks and working practices of the Nomination and Compensation Committee are described in the Corporate Governance Report.

No external advisors are involved in the preparation of the relevant decisions.

2 Compensation system for the Board of Directors

2.1 Components of the compensation

The compensation of the Chairman, Deputy Chairman and the other Members of the Board of Directors consists of the four components as shown in the table below and in addition (if applicable) an additional compensation for serving on the Nomination and Compensation Committee or Audit Committee. The responsibility and the increased workload of the various functions are therefore accounted for individually.

Basic Compensation p.a.	**Chairman**	**Deputy Chairman**	**Board Member**
Fixed compensation in cash (CHF)	240 000	90 000	70 000
Long-term oriented compensation in the form of a fixed number of shares [1]	2 000	1 200	800
Pension (if applicable)	yes [2]	no	no
Social Security benefits (if applicable)	yes [2]	yes [3]	yes [3]
Additional fixed compensation in cash (CHF) p.a.	**Committee Chair / Committee Member**		
Audit Committee	0	10 000	
Nomination and Compensation Committee	0	10 000	

[1] The blocking period of the shares is at least three years. The share blocking periods are not to be rescinded on retirement from the Board.

[2] The employer's obligatory contributions to social security and accident insurance schemes and regulatory contributions to pensions from the compensations paid to the Chairman are borne by the company. The Swiss system defines a portion of the pension and social security contribution to be paid by the employee. Accordingly these contributions are deducted from the fixed compensation in cash.

[3] The obligatory contributions towards social security out of the remuneration paid to Board Members are covered by the company.

2.2 Payout of the Compensation

The fixed compensation in cash, including if applicable an additional compensation for committee service, is generally paid at the end of the year in office. In the event of early termination of office, it is paid out on pro-rata basis.

The long-term oriented compensation in the form of a fixed number of shares is allocated only at the end of the one year term in office. The total market value of the shares is accrued in accordance with the accrual principle in the financial statements of the given financial year.

3 Compensation system for the Executive Group Management

The total compensation for a Member of the Executive Group Management reflects the responsibility assigned, qualifications, complexity of the task, achievement of goals and local market conditions in the machinery and electrical industry.

Comparisons in order to benchmark the Executive Group Management's salaries are executed every year, the last time in 2024 (based on 2023 compensation reports). The fixed and variable elements assessed are short-term incentives (basic salary and cash bonus), long-term incentives (shares) and complementary benefits (pension fund and other compensation).

In 2024, the comparison of the Executive Group Management's salaries included manufacturing industrial companies with registered seat in Switzerland and of similar size (based on net sales, EBIT margin, number of employees and market capitalisation) like Arbonia, Belimo, Bossard, Burckhardt Compression, Comet, dormakaba, Kardex, Komax, Landis+Gyr, LEM, SFS and Zehnder Group.

In addition, every three to five years an international compensation analysis for selected management positions is conducted. The latest comparison was executed in 2021 by Mercer, a consulting company specialising in international salary benchmarking. It is based on anonymised data and helps to determine the Executive Group Management's salaries. The elements assessed are short-term incentives (basic salary and bonus) and long-term incentives (shares).

The comparison mentioned above was made by Mercer using two peer groups. The sample in the two peer groups consisted of (i) manufacturing industrial companies with registered seat in Switzerland and similar size as HUBER+SUHNER (based on annual net sales and number of employees), (ii) direct competitors in the job market in the machinery and electrical industry with registered seat in Switzerland (based on annual net sales and number of employees). In case of companies bigger than HUBER+SUHNER, the consulting firm benchmarked the salary of the respective HUBER+SUHNER manager against that of a manager with comparable responsibility. The benchmarking consulting firm has vast experience in determining which roles are comparable in companies of different sizes. The benchmarking consulting firm does not have any other roles or mandates at HUBER+SUHNER.

Remuneration for the Members of the Executive Group Management consists of the following components:

a) Fixed compensation in cash
b) Variable achievement and performance-related compensation consisting of:
   b1) Cash Bonus
   b2) Long-Term Incentive (in the form of shares)
c) Pension and other social security benefits

a) Fixed compensation in cash

Executive Group Management Members receive a fixed compensation in cash (Basic Salary) which is paid in monthly installments. This is determined individually and takes into account the role and responsibilities of the given Executive Group Management Member. It also includes allowances such as child or education allowances, work anniversary compensation and other compensation in connection with relocation for the purposes of conducting business on behalf of HUBER+SUHNER outside the Member’s country of residence.

b) Variable achievement and performance-related compensation

The Executive Group Management variable compensation system is based on the MbO (Management by Objective) process, which also applies to the entire Group. The actual amount of variable compensation depends on the degree of achievement of the targets – set annually in a structured target setting process – measured at the end of each financial year as described hereafter.

b1) Cash Bonus

The performance-related Cash Bonus depends on the achievement of a set of targets structured in Target Categories. The performance-related Cash Bonus Target (this corresponds to 100 % target achievement) for Executive Group Management Members is defined on an individual basis and corresponds to a ratio to the Basic Salary of 50 % for the CEO and a ratio between 20 % and 50 % for all other Executive Group Management Members.

The Target Categories and the weighting of the Target Categories is set as follows:

Target Category	**Group Financial Targets**	**Individual Targets**	**Leader-ship Factor**
CEO	60 %	20 %	20 %
Other EGM Members	40 %-60 %	20 %-40 %	20 %

Every year, the Board of Directors sets in advance three weighted **Group Financial Targets** which are applicable for a one-year period. For the years 2023 and 2024, the Group Financial Targets were: net sales, EBIT margin and net working capital (NWC).

The **Individual Targets** are three to five market segment or function-specific measurable management targets. These are set and weighted annually in a structured target-setting process, which ensures the four-eyes-principle, by the Chairman of the Board of Directors for the CEO, and by the CEO for Members of the Executive Group Management.

The Individual Targets of each Member of the Executive Group Management include at least one Environmental, Social and Governance (ESG) target. Taking into account the various aspects of ESG, HUBER+SUHNER deliberately relies on individual ESG targets for the Members of the Executive Group Management. The Board of Directors is convinced that the Members of the Executive Group Management can achieve the greatest impact on their respective business area and thus achieve a positive ESG-development most efficiently within the framework of their Individual Targets. For the completed financial year 2024, individual ESG targets for example aimed at (i) increasing the share of suppliers on ESG-platform, (ii) maintaining and improving existing ratings such as Silver rating from EcoVadis and the A- from CDP, (iii) fostering diversity, (iv) implementing corporate responsibility programs regarding products and solutions as well as (v) environmentally responsible packaging.

A **Leadership Factor** which assesses the performance regarding the implementation of HUBER+SUHNER's leadership principles, the cooperation and conduct, networking, market and customer focus as well as relevant contributions to the success of the Group beyond the defined bonus objectives. The Leadership Factor is also included in the calculation of the Cash Bonus and its setting and performance review is conducted annually in a structured process along with the Individual Targets.

The specific targets are considered confidential information and are therefore not disclosed. However, an ex-post performance assessment is provided in the section Executive Group Management compensation 2024 below.

Failure to reach targets means that no bonus is paid out. Outperforming all targets may increase the Cash Bonus to a maximum of 150 % of the agreed Cash Bonus Target. Payment is made following approval by the Annual General Meeting. The amount of the Cash Bonus is accrued in accordance with the accrual principle in the financial statements of the corresponding financial year.

b2) Long-Term Incentive (in the form of a variable number of shares)

As Long-Term Incentive the Members of the Executive Group Management receive a variable number of HUBER+SUHNER shares each year. The annual Target Number of Shares for the CEO is 4 000, and between 800 and 2 000 shares for other Executive Group Management Members. The number of shares effectively allotted annually (Target Number of Shares multiplied by a factor (Multiple) between 0.0 and 1.5) is determined by the Board of Directors according to the long-term business success, which is assessed based on the performance measures “Market Environment”, “Strategy Implementation” and “Financial Position” including macro-economic indicators and benchmarking with relevant competitors as detailed in the table below.

Performance Measures

	Market Environment	Strategy Implementation	Financial Position
Description	Assessment of the performance of HUBER+SUHNER in the completed year compared to the strategically important target markets and compared to benchmark companies.	Assessment of progress regarding the implementation of key strategic initiatives both from a Group perspective and in terms of the individual contribution of the Members of the Executive Committee compared to the targets set in the annual business planning cycle for a five-year period.	Assessment of the company's financial starting position and financial outlook.
Relevant KPIs	- Organic sales growth rates compared to the target markets and benchmark companies - Development of profitability compared to the target markets and benchmark companies	- Sales growth - Gross margin development - Progress achieved on key strategic action plans	Development of: - Free operating cash flow - Return on invested capital - Liquidity situation - Forward-looking financial planning
Rationale	Relative external measure. Demonstrates HUBER+SUHNER's business performance compared to the target markets and/or benchmark companies.	Absolute internal measure. Demonstrates the multi-year performance and individual contribution regarding the company strategy implementation.	Absolute internal measure. Demonstrates the financial performance and the long-term financial sustainability of the company.
Weighting	Determined by the NCC and approved by the Board		
Target level	Determined by the NCC and approved by the Board		
Minimum / Maximum Multiple	0.0 (0 % of Target Number of Shares) / 1.5 (150 % of Target Number of Shares)		
Blocking period	Between 3 to 10 years		
Achievement Levels	Objective not achieved = Multiple 0.0 Objective partly achieved = Multiple 0.25 / 0.50 or 0.75 Objective achieved = Multiple 1.0 Objective partially exceeded = Multiple 1.25 Objective exceeded = Multiple 1.5		

The detailed target levels for the KPIs are considered confidential information and are therefore not disclosed. However, an ex-post performance assessment is provided in the section Executive Group Management compensation 2024 below.

A blocking period of at least three years applies for the allocated shares. The share blocking periods are not rescinded on the resignation of the Member concerned.

The Board of Directors deliberately opts for a method without vesting period as the assessment of the Long-Term Incentive is based on a comprehensive analysis of all factors over a period of several years and against an approved five-year plan.

A detailed analysis confirmed that the average holding period of allocated shares for the current Members of the Executive Group Management is more than twice the defined minimum blocking period of three years. This emphasises clearly the long-term nature of compensation in the form of shares and confirms the alignment of the interests of the Executive Group Management with those of the shareholders.

The shares are only effectively allocated following approval by the Annual General Meeting. The market value of the shares is accrued in accordance with the accrual principle in the financial statements of the corresponding financial year.

c) Pension and other social security benefits

The employer's obligatory contributions to social security and accident insurance schemes and regulatory contributions to pensions from the compensations paid to the Members of the Executive Group Management are borne by the company. The Swiss system defines a portion of the pension and social security contribution to be paid by the employee. The employee's contribution to social security and pensions are deducted from the employee's gross salary.

Additional information

The Executive Group Management Members' employment contracts provide for a notice period of six months; under certain circumstances, this may be extended to a maximum of twelve months by the employer. If the employment relationship is terminated by notice, the person entitled to compensation loses his eligibility for the Long-Term Incentive in the form of shares for the current financial year, except if otherwise allocated by the Board of Directors. All other entitlements remain in force on a pro-rata basis.

Executive Group Management Members receive an expense allowance for effective minor expenses as per the expenses policy approved by the appropriate tax authorities.

The Board of Directors can approve additional fixed compensation for Executive Group Management Members who are appointed after the Annual General Meeting. In this case, the total amount of approved fixed compensation for Executive Group Management Members may be increased by a maximum of 20 % per new Executive Group Management Member and by 40 % if a new CEO is appointed.

4 Determining method and approval

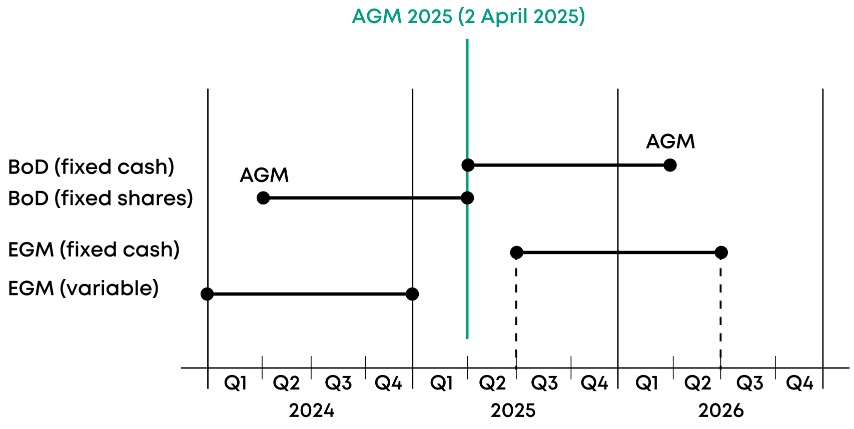
At the request of the Nomination and Compensation Committee, the Board of Directors determines in February the compensation for both Board and Executive Group Management Members. In addition, the previous financial year's target attainment (Group Financial Targets, Individual Targets, Leadership Factor as well as the share allocation multiple) for Executive Group Management Members is assessed and set by the Board of Directors, as proposed by the Nomination and Compensation Committee.

All Members are present when the Board of Directors determines compensation for Board Members; there are no special rules of abstention. The CEO is present when determining compensation for Executive Group Management Members, unless his own target attainment is under review or his compensation is under discussion.

The compensation is subject to approval by the Annual General Meeting. The Annual General Meeting grants final approval of the maximum compensation for the Board of Directors (BoD) and the Executive Group Management (EGM), as follows:

- total amount of fixed aggregate compensation in cash of the Board of Directors for the one-year term from the current Annual General Meeting until the conclusion of the next Annual General Meeting (prospective);
- compensation in form of a fixed number of shares for the Board of Directors for the one-year term of office expiring at the current Annual General Meeting (retrospective);
- total amount of fixed aggregate compensation in cash to the Executive Group Management for the period from 1 July of the ongoing year to 30 June of the following year (prospective);
- total amount of variable compensations for the Executive Group Management (i.e. Cash Bonus and Long-Term Incentive in form of shares) for the completed financial year (retrospective).

Compensation vote at the 2025 AGM



5 Compensation for the Members of the Board of Directors and Executive Group Management for financial year 2024

Board of Directors compensation 2024

The Board of Directors compensation consists of a fixed compensation in cash and in the form of a fixed number of shares as shown in Section 2.1 above.

In 2024, the Board of Directors consisted of eight Members. The Members of the Board of Directors received TCHF 915 as fixed compensation in cash for the financial year under review (previous year: TCHF 869). A long-term oriented compensation in form of a fixed number of shares amounting to TCHF 650/8 000 shares (previous year: TCHF 582/7 600 shares) was also awarded. Details are provided in the table below. No compensation was paid to former Members of the Board of Directors.

Total compensation for Members of the Board of Directors for the reporting year amounted to TCHF 1 565 (previous year: TCHF 1 451).

Compensation for the Board of Directors

(BoD)		Cash-based compensation[1]		Share-based compensation[2]		Total compensation		Number of allotted shares	
TCHF		**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Urs Kaufmann [a]	Chairman	287	287	166	157	453	444	2 000	2 000
Beat Kälin [b]	Deputy Chairman	114	114	100	95	214	209	1 200	1 200
Marina Bill [c]	Member (as of AGM 2023)	91	68	66	46	157	114	800	600
Monika Bütler [d]	Member	91	91	66	63	157	154	800	800
Kerstin Günther [e]	Member (as of AGM 2023)	91	68	66	46	157	114	800	600
Rolf Seiffert	Member	70	70	60	56	130	126	800	800
Franz Studer [f] [g]	Member	80	80	60	56	140	136	800	800
Jörg Walther [h]	Member	91	91	66	63	157	154	800	800
Total		**915**	**869**	**650**	**582**	**1 565**	**1 451**	**8 000**	**7 600**

[1] The Chairman receives a fixed contractual amount including social security/accident insurance scheme/pension fund contributions. All other Members receive a basic remuneration and an extra post allowance including social security contributions (if applicable). A maximum fixed compensation has been approved in previous Annual General Meetings.

[2] Share-based compensation is calculated at a share price of CHF 75.50 (for the part of the allocation approved by the Annual General Meeting 2024) (previous year: CHF 78.30) and at CHF 74.20 (as of year-end 2024) (previous year CHF 68.00) for the outstanding amount including social security. Outstanding shares are transferred in the following financial year, subject to approval by the Annual General Meeting.

[a] Chairman

[b] Deputy Chairman and NCC Member

[c] NCC Member (as of AGM 2023)

[d] NCC Chairwoman

[e] AC Member (as of AGM 2023)

[f] AC Member

[g] Dr. Franz Studer is the Managing Director of EGS Beteiligungen AG, a significant shareholder of HUBER+SUHNER AG. His compensation, including cash payments and allocations of shares is made directly to his employer EGS Beteiligungen AG

[h] AC Chairman

No loans have been granted to current or former Board members. In addition, no compensation, loans or credit have been granted to related parties of the Board of Directors.

In accordance with Article 734d of the Swiss Code of Obligations (OR), shareholdings in the company by Members of Board of Directors are as follows:

Shareholdings of Board of Directors

(Number of shares at 31 December 2024)		**Own shares**	**Shares of close family members**	**Total shares**	**Of which non-restricted shares**	**Of which restricted shares[2]**	**Total share of votes[3]**
Urs Kaufmann	Chairman	95 200	400	95 600	60 600	35 000	0.52%
Beat Kälin	Deputy Chairman	28 100	-	28 100	18 500	9 600	0.15%
Monika Bütler	Member	8 400	-	8 400	6 000	2 400	< 0.10%
Rolf Seiffert	Member	15 833	-	15 833	13 433	2 400	< 0.10%
Jörg Walther	Member	8 400	-	8 400	3 600	4 800	< 0.10%
Franz Studer [1]	Member	-	-	-	-	-	-
Marina Bill	Member	800	-	800	-	800	< 0.10%
Kerstin Günther	Member	800	-	800	-	800	< 0.10%
Total shareholdings BoD 2024		**157 533**	**400**	**157 933**	**102 133**	**55 800**	**0.86%**

Shareholdings of Board of Directors

(Number of shares at 31 December 2023)		**Own shares**	**Shares of close family members**	**Total shares**	**Of which non-restricted shares**	**Of which restricted shares[2]**	**Total share of votes[3]**
Urs Kaufmann	Chairman	93 200	400	93 600	56 600	37 000	0.51%
Beat Kälin	Deputy Chairman	26 900	-	26 900	18 500	8 400	0.15%
Monika Bütler	Member	7 600	-	7 600	4 800	2 800	< 0.10%
Rolf Seiffert	Member	15 033	-	15 033	12 233	2 800	< 0.10%
Jörg Walther	Member	7 600	-	7 600	2 400	5 200	< 0.10%
Franz Studer [1]	Member	-	-	-	-	-	-
Marina Bill	Member	-	-	-	-	-	-
Kerstin Günther	Member	-	-	-	-	-	-
Total shareholdings BoD 2023		**150 333**	**400**	**150 733**	**94 533**	**56 200**	**0.82%**

[1] The figures stated do not include the participation of EGS Beteiligungen AG, where F. Studer is the Managing Director.
[2] Shares with remaining lock-in periods of up to ten years
[3] Shares in % of shares entitled to a dividend

Executive Group Management compensation 2024

The Board of Directors determined the achievement level respectively the payout factor for the variable compensation of the Executive Group Management for financial year 2024 in its February 2025 meeting. The assessment was based on the criteria as defined under chapter 3, section b) above.

Achievement level for the Cash Bonus 2024
To determine the achievement level of the **Group Financial Targets** for the Cash Bonus 2024, the values are neutralised for currency, copper and Merger and Acquisition (M&A) effects. After these corrections the Group achieved the following values: Net sales of MCHF 887, EBIT margin of 9.8 % and net working capital (NWC) of 34.1 %. This represents an achievement level as per table below.

Achievement level of the Group Financial Targets*

	2024	2023
Net sales	+/-	--
EBIT	+/-	--
NWC	+/-	--

* (++) objective exceeded: 150 %
(+/-) objective achieved: 100 %
(--) objective partially achieved: 50 %
(0) objective not achieved: 0 %

The achievement level of the **Individual Targets** (including the individual ESG targets) and the individual **Leadership Factor** relevant for the variable Cash Bonus in 2024 ranges from 83 % to 104 % (previous year: 54 % to 86 %).

Achievement level for the Long-Term Incentive 2024

Achievement level of relevant Performance measures*

	2024	2023
Market environment	++	+/-
Strategy implementation	-	+/-
Financial situation	+/-	+/-
Multiple*	1.25	1.00

* Calculation:
++ = 150 %, + = 125 %, +/- = 100 %, - = 75 %, -- = 50 %, --- = 25 %, 0 = 0 %
The achievement level in the table above corresponds to the performance against the Group long-term objectives. Due to the consideration of a few individual aspects within the KPIs, there may be variances between the different Members of the Executive Group Management.

Based on the above assessment, that emphasizes the good performance in a difficult market environment and compared to other market players within the last years, the multiple (payout factor) for the LTI evaluation 2024 was set at 1.25 for all Members of the Executive Group Management.

Compensation of the Executive Group Management 2024

The Executive Group Management Members received a fixed compensation in cash of TCHF 2 588 for the year under review (previous year: TCHF 2 559). Subject to approval by the Annual General Meeting, Executive Group Management will be awarded based on the target achievement level for the financial year 2024 a variable compensation of TCHF 2 001 (previous year: TCHF 1 467). This comprises a Cash Bonus and a share-based compensation (LTI). Details are provided in the table below.

No compensation was paid to former Executive Group Management Members.

Total compensation for the Executive Group Management for the year under review was TCHF 4 589 (previous year: TCHF 4 026). In 2024, the total compensation overall increased by 14.0 %. In order to compare total compensation for the Executive Group Management of the reporting period with 2024, one has to consider:

- The year-end share price was CHF 74.20 (previous year: CHF 68.00).
- The variable compensation was higher than in the previous year (as shown in the table below) due to the higher target achievement levels.

Compensation for Executive Group Management

TCHF	Highest individual compensation[1]		Total Executive Group Management[2]	
	2024	**2023**	**2024**	**2023**
Basic salary [3]	567	558	2 031	2 011
Contributions to social security and pension funds on fixed compensation	164	161	557	548
Total fixed compensation	**731**	**719**	**2 588**	**2 559**
Variable compensation in cash	280	212	781	573
Share-based compensation [4]	371	272	1 094	802
Contributions to social security on variable compensation	50	37	126	92
Total variable compensation	**701**	**521**	**2 001**	**1 467**
Total compensation	**1 432**	**1 240**	**4 589**	**4 026**
Number of allotted shares	**5 000**	**4 000**	**14 750**	**11 800**

[1] Urs Ryffel, CEO

[2] The Executive Group Management consists of six Members

[3] Including allowances

[4] Based on the year-end share price of CHF 74.20 (previous year: CHF 68.00). Shares are transferred in the following financial year, subject to approval by the Annual General Meeting.

No loans or credits have been granted to current or former Executive Group Management Members. In addition, no compensation or loans have been granted to related parties of the Executive Group Management.

In accordance with Article 734d of the Swiss Code of Obligations (OR), shareholdings in the company by Members of Executive Group Management are as follows:

Shareholdings of Executive Group Management

(Number of shares at 31 December 2024)		Own shares	Shares of close family members	Total shares	Of which non-restricted shares	Of which restricted shares [1]	Total share of votes [2]
Urs Ryffel	CEO	47 100	-	47 100	34 100	13 000	0.26%
Reto Bolt	Member	17 280	-	17 280	3 680	13 600	< 0.10%
Drew Nixon	Member	15 530	-	15 530	10 330	5 200	< 0.10%
Patricia Stolz	Member	9 520	-	9 520	4 970	4 550	< 0.10%
Jürgen Walter	Member	3 600	-	3 600	–	3 600	< 0.10%
Ivo Wechsler	Member	18 800	-	18 800	9 600	9 200	0.10%
Total shareholdings EGM 2024		**111 830**	**–**	**111 830**	**62 680**	**49 150**	**0.61%**

Shareholdings of Executive Group Management

(Number of shares at 31 December 2023)		Own shares	Shares of close family members	Total shares	Of which non-restricted shares	Of which restricted shares [1]	Total share of votes [2]
Urs Ryffel	CEO	43 100	-	43 100	29 100	14 000	0.23%
Reto Bolt	Member	15 680	-	15 680	3 680	12 000	< 0.10%
Drew Nixon	Member	13 930	-	13 930	8 330	5 600	< 0.10%
Patricia Stolz	Member	8 120	-	8 120	3 220	4 900	< 0.10%
Jürgen Walter	Member	2 000	-	2 000	–	2 000	< 0.10%
Ivo Wechsler	Member	19 200	-	19 200	10 000	9 200	0.10%
Total shareholdings EGM 2023		**102 030**	**–**	**102 030**	**54 330**	**47 700**	**0.55%**

[1] Shares with remaining lock-in periods of up to ten years

[2] Shares in % of shares entitled to a dividend

6 Management compensation compared to amounts approved by the Annual General Meetings 2023 and 2024

The tables below provide a comparison of the actual amounts in the reporting year to the respective amounts approved by the Annual General Meeting.

Board of Directors

	Cash based compensation Board of Directors 1 April 2023 - 31 March 2024 [1]		Share based compensation Board of Directors 1 April 2023 - 31 March 2024 [2]		
	Approved Maximum as applied for	**Actual**	**Approved Maximum as applied for**	**Approved Maximum based on share price as of allottment date**	**Actual**
Cash, in CHF 1 000	964	811	0	0	0
Number of shares	0	0	8 000	8 000	8 000
Share-based compensation in CHF 1 000 [3]	0	0	503	604	604
Social security, pension and rounding up in CHF 1 000	136	103	97	39	39
Total	**1 100**	**914**	**600**	**643**	**643**

Executive Group Management

	Fixed compensation EGM 1 July 2023 - 30 June 2024 [1]		Variable compensation EGM 1 January 2023 - 31 December 2023 [2]		
	Approved Maximum as applied for	**Actual**	**Approved Maximum as applied for**	**Approved Maximum based on share price as of allottment date**	**Actual**
Cash, in CHF 1 000	2 082	2 011	571	571	571
Number of shares	0	0	11 800	11 800	11 800
Share-based compensation in CHF 1 000 [3]	0	0	742	891	891
Social security, pension and rounding up in CHF 1 000	818	564	187	98	98
Total	**2 900**	**2 575**	**1 500**	**1 560**	**1 560**

[1] According to AGM Agenda 2023

[2] According to AGM Agenda 2024

[3] Share price 62.84 (average 5 days before the NCC meeting of 21 February 2024) compared to share price 75.50 as of 27 March 2024 (allottment date)

7 Functions held by Members of the Board of Directors and Members of the Executive Group Management in other companies as of 31 December 2024

Members of the Board of Directors

Urs Kaufmann

- Bucher Industries AG**, Niederweningen (CH): Chairman of the Board of Directors
- SFS Group AG**, Heerbrugg (CH): Vice-Chairman of the Board of Directors
- Müller Martini Holding AG, Hergiswil (CH): Member of the Board of Directors

Dr. Beat Kälin

- Komax Holding AG**, Dierikon (CH): Chairman of the Board of Directors
- CabTec Holding AG, Rotkreuz (CH): Member of the Board of Directors

Marina Bill

- Piab AB, Danderyd (SE): Member of the Board of Directors
- IFR (International Federation of Robotics), Frankfurt am Main (D): Vice President and Member of the Board

Prof. Dr. Monika Bütler

- AC Immune SA**, Lausanne (CH): Vice Chair of the Board of Directors
- Schindler Holding Ltd.**, Hergiswil (CH): Member of the Board of Directors
- Swiss Life Holding AG** and Swiss Life AG, Zurich (CH): Member of the Board of Directors
- Gebert Rüf Stiftung, Zurich (CH): Vice President of the Foundation Board
- SMG, Swiss Management Association, Zurich (CH): Member of the Executive Board (until April 2025)

Kerstin Günther

- None

Rolf Seiffert

- AlpRail GmbH, Gais (CH): CEO

Dr. Franz Studer

- EGS Beteiligungen AG*, Zurich (CH): Managing Director
- Kantonsspital Winterthur, Winterthur (CH): Chairman of the Board of Directors
- FAES AG, Wollerau (CH): Member of the Board of Directors
- Roth Gerüste AG, Gerlafingen (CH): Member of the Board of Directors
- Sensirion Holding AG** and Sensirion AG, Stäfa (CH): Member of the Board of Directors
- DV Bern AG, Bern (CH): Member of the Board of Directors
- Serto Holding AG, Serto Group AG and Serto AG, Frauenfeld (CH): Member of the Board of Directors

*Significant shareholder at HUBER+SUHNER AG

Jörg Walther

- Schärer Attorneys at Law, Aarau (CH): Partner
- Zehnder Group AG**, Gränichen (CH): Vice-Chairman of the Board of Directors
- AEW Energie AG, Aarau (CH): Vice-Chairman of the Board of Directors
- SFS Group AG**, Heerbrugg (CH): Member of the Board of Directors
- Kraftwerk Augst AG, Augst (CH): Member of the Board of Directors
- Immobilien AEW AG, Aarau (CH): Member of the Board of Directors
- Apotheke im Stadtspital Zurich AG, Zurich (CH): Member of the Board of Directors
- Aare-Apotheke Rombach AG, Rombach (CH): Member of the Board of Directors
- swissVR, Rotkreuz (CH): Member of the Executive Board

Members of the Executive Group Management

Urs Ryffel

- Vetropack Holding AG**, Bülach (CH); Member of the Board of Directors (since 28 February 2024)
- Bergbahnen Scuol AG, Scuol (CH): Member of the Board of Directors
- SMG, Swiss Management Association, Zurich (CH): Member of the Board (since 25 April 2024)
- Swissmem, Zurich (CH): Member of the Board

Reto Bolt

- Mosmatic AG, Neckertal (CH): Member of the Board of Directors

Drew Nixon

- None

Patricia Stolz

- Raiffeisenbank Mittelthurgau, Weinfelden (CH): Member of the Board of Directors (since 2 May 2024)
- focus50+, Zurich (CH): Member of the Board

Jürgen Walter

- None

Ivo Wechsler

- St. Galler Kantonalbank AG**, St. Gallen (CH): Member of the Board of Directors (since 2 May 2024)
- Zehnder Group AG**, Gränichen (CH): Member of the Board of Directors

** listed company

Functions held by Members of the Board of Directors and Members of the Executive Group Management in other companies as of 31 December 2023 are disclosed in previous years' compensation report Section 5, p. 60 et seq.

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To the General Meeting of
Huber+Suhner AG, Herisau

Basle, 10 March 2025

Report of the statutory auditor on the audit of the compensation report

Opinion
We have audited the compensation report of HUBER+SUHNER AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables on page 59 to 65 of the compensation report.

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

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the compensation 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 on page 59 to 65 in the compensation report, the HUBER+SUHNER Group Financial Statements, the Financial Statements of HUBER+SUHNER AG and our auditor's reports thereon.

Our opinion on the compensation 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 compensation 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 compensation 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 compensation report
The Board of Directors is responsible for the preparation of a compensation 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 compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's responsibilities for the audit of the compensation report

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

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

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

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

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

Ernst & Young Ltd

Iwan Zimmermann (Qualified Signature)	Erik Zeller (Qualified Signature)
Licensed audit expert (Auditor in charge)	Licensed audit expert

Financial Report

HUBER+SUHNER Group Financial Statements

Key Figures

Group

in CHF million	2024	2023	Change
Order intake	908.0	821.4	10.5%
Order backlog as of 31.12.	291.0	271.9	7.0%
Net sales	893.9	851.1	5.0%
Gross margin	35.4%	35.3%	
EBITDA	122.6	110.5	11.0%
as % of net sales	13.7%	13.0%	
EBIT	86.6	77.6	11.7%
as % of net sales	9.7%	9.1%	
Financial result	(0.8)	(2.9)	n/m
Net income	72.3	64.8	11.5%
as % of net sales	8.1%	7.6%	
Purchases of PP&E and intangible assets	44.7	51.4	(13.1%)
Cash flow from operating activities	90.2	115.7	(22.0%)
Free operating cash flow	53.4	63.7	(16.2%)
Net liquidity as of 31.12.	184.1	163.1	12.9%
Return on invested capital (ROIC) in %	16.8%	15.8%	
Equity as of 31.12.	656.5	609.6	7.7%
as % of balance sheet total	73.8%	78.4%	
Employees as of 31.12.	3 975	4 109	(3.3%)
Market capitalisation as of 31.12.	1 369.2	1 254.7	9.1%

n/m = not meaningful

Data per share

in CHF	2024	2023	Change
Stock market price as of 31.12.	74.20	68.00	9.1%
Net income	3.87	3.48	11.3%
Dividend	1.90[1]	1.70	11.8%

[1] Proposed dividend

Segment information

in CHF million		2024	2023	Change
Industry	Order intake	306.1	258.1	18.6%
	Net sales	276.7	285.3	(3.0%)
	EBIT	47.0	46.8	0.4%
	as % of net sales	17.0%	16.4%	
Communication	Order intake	343.2	283.4	21.1%
	Net sales	353.6	280.3	26.1%
	EBIT	28.7	13.7	108.9%
	as % of net sales	8.1%	4.9%	
Transportation	Order intake	258.7	279.9	(7.6%)
	Net sales	263.6	285.5	(7.6%)
	EBIT	19.1	25.9	(26.1%)
	as % of net sales	7.3%	9.1%	

Consolidated Income Statement

in CHF 1 000	Notes	2024	%	2023	%
Net sales	6	893 874	100.0	851 062	100.0
Cost of goods sold		(577 726)		(550 493)	
Gross profit		**316 148**	**35.4**	**300 569**	**35.3**
Selling expense		(127 044)		(119 332)	
Administrative expense		(49 297)		(49 954)	
Research and development expense		(56 164)		(57 354)	
Other operating expense		(634)		(818)	
Other operating income	7	3 610		4 448	
Operating profit (EBIT)	6	**86 619**	**9.7**	**77 559**	**9.1**
Financial result	8	(834)		(2 929)	
Income before taxes		**85 785**	**9.6**	**74 630**	**8.8**
Income taxes	9	(13 511)		(9 783)	
Net income		**72 274**	**8.1**	**64 847**	**7.6**
Attributable to shareholders of HUBER+SUHNER AG		71 383		64 221	
Attributable to minority interests		891		626	

Data per share

in CHF	Notes	2024		2023	
Undiluted / diluted earnings per share	30	3.87		3.48	
Dividend		1.90[1]		1.70	

[1] Proposed dividend

The notes are an integral part of the consolidated financial statements.

Consolidated Balance Sheet

in CHF 1 000	Notes	31.12.2024	%	31.12.2023	%
Assets					
Cash and cash equivalents	16	174 133		108 100	
Marketable securities	17	10 000		55 000	
Trade receivables	18	210 522		131 101	
Other short-term receivables	19	23 590		21 444	
Inventories	20	155 433		163 190	
Accrued income		7 290		5 115	
Current assets		**580 968**	**65.3**	**483 950**	**62.3**
Property, plant and equipment	22	233 591		226 554	
Intangible assets	23	31 626		28 820	
Financial assets	24	25 103		23 703	
Deferred tax assets	28	17 872		13 999	
Non-current assets		**308 192**	**34.7**	**293 076**	**37.7**
Assets		**889 160**	**100.0**	**777 026**	**100.0**
Liabilities and equity					
Trade payables	25	113 611		60 614	
Other short-term liabilities	26	57 235		49 910	
Short-term provisions	27	11 913		10 158	
Accrued liabilities		18 279		15 654	
Current liabilities		**201 038**	**22.6**	**136 336**	**17.6**
Other long-term liabilities		2 222		2 345	
Long-term provisions	27	7 630		7 433	
Deferred tax liabilities	28	21 748		21 283	
Non-current liabilities		**31 600**	**3.6**	**31 061**	**4.0**
Liabilities		**232 638**	**26.2**	**167 397**	**21.6**
Share capital[1]	29	4 798		5 050	
Capital reserves[1]		(47 524)		33 478	
Treasury shares[1]		(930)		(82 379)	
Retained earnings		697 238		650 997	
Equity attributable to shareholders of HUBER+SUHNER AG		**653 582**	**73.5**	**607 146**	**78.1**
Minority interests		2 940	0.3	2 483	0.3
Total equity		**656 522**	**73.8**	**609 629**	**78.4**
Liabilities and equity		**889 160**	**100.0**	**777 026**	**100.0**

[1] See footnote 3) at the end of the Consolidated Statement of Equity.

The notes are an integral part of the consolidated financial statements.

Consolidated Cash Flow Statement

in CHF 1 000	Notes	2024	2023
Net income		**72 274**	**64 847**
Income taxes		13 511	9 783
Depreciation of property, plant and equipment and intangible assets	14	35 985	32 940
Other non-cash items		(5 247)	1 485
Loss/profit from the disposal of property, plant and equipment		(219)	(572)
Change in trade receivables		(76 400)	22 706
Change in inventories		10 006	24 455
Change in other receivables and accrued income		(6 779)	7 116
Change in trade payables		51 930	(12 148)
Change in other liabilities and accrued liabilities		6 311	(12 361)
Change in provisions		2 001	(7 139)
Income tax paid		(13 107)	(15 411)
Interest paid		(75)	(40)
Cash flow from operating activities		**90 191**	**115 661**
Purchases of property, plant and equipment	22	(32 321)	(44 351)
Proceeds from sale of property, plant and equipment	22	279	847
Purchases of intangible assets	23	(7 025)	(7 934)
Purchases and disposals of financial assets		(30)	(91)
Purchases and sales of marketable securities	17	45 000	(55 000)
Interest received		2 274	1 831
Cash outflow from acquisitions and disposals	4	–	(2 289)
Cash flow from investing activities		**8 177**	**(106 987)**
Payment of dividend		(31 388)	(38 773)
Payment of dividend to minority interests		(447)	(318)
Purchase of treasury shares[1]		(1 640)	(8 959)
Cash flow from financing activities		**(33 475)**	**(48 050)**
Effect of exchange rate changes on cash		1 140	(3 662)
Net change in cash and cash equivalents		**66 033**	**(43 038)**
Cash and cash equivalents at beginning of year		108 100	151 138
Cash and cash equivalents at end of year	16	174 133	108 100
Net change in cash and cash equivalents		**66 033**	**(43 038)**

Included in the cash flow from investing activities			
Government grants related to property, plant and equipment		119	–

[1] See footnote 3) at the end of the Consolidated Statement of Equity.

The notes are an integral part of the consolidated financial statements.

Consolidated Statement of Equity

in CHF 1 000	Share capital[1]	Capital reserves	Treasury shares	Other retained earnings	Goodwill offset	Translation differences	Retained earnings	Equity attributable to shareholders of H+S AG	Minority interests	Total equity
Balance at 1.1.2023	**5 050**	**33 480**	**(75 231)**	**833 627**	**(146 980)**	**(46 589)**	**640 058**	**603 357**	**3 295**	**606 652**
Change in scope of consolidation[2]	–	–	–	–	–	–	–	–	(1 036)	(1 036)
Net income	–	–	–	64 221	–	–	64 221	64 221	626	64 847
Dividend paid	–	–	–	(38 773)	–	–	(38 773)	(38 773)	(318)	(39 091)
Purchase of treasury shares[3]	–	–	(8 959)	–	–	–	–	(8 959)	–	(8 959)
Share-based payment	–	(2)	1 811	(550)	–	–	(550)	1 259	–	1 259
Goodwill offset[4]	–	–	–	–	277	–	277	277	–	277
Currency translation differences	–	–	–	–	–	(14 236)	(14 236)	(14 236)	(84)	(14 320)
Balance at 31.12.2023	**5 050**	**33 478**	**(82 379)**	**858 525**	**(146 703)**	**(60 825)**	**650 997**	**607 146**	**2 483**	**609 629**
Net income	–	–	–	71 383	–	–	71 383	71 383	891	72 274
Dividend paid	–	–	–	(31 388)	–	–	(31 388)	(31 388)	(447)	(31 835)
Capital reduction[3]	(252)	(81 165)	81 417	–	–	–	–	–	–	–
Purchase of treasury shares	–	–	(1 640)	–	–	–	–	(1 640)	–	(1 640)
Share-based payment	–	163	1 672	(146)	–	–	(146)	1 689	–	1 689
Currency translation differences	–	–	–	–	–	6 392	6 392	6 392	13	6 405
Balance at 31.12.2024	**4 798**	**(47 524)**	**(930)**	**898 374**	**(146 703)**	**(54 433)**	**697 238**	**653 582**	**2 940**	**656 522**

[1] See note 29
[2] See note 4
[3] Following approval by the Annual General Meeting on 27 March 2024, the shares acquired as part of the share buyback programme completed in March 2023 have been cancelled by means of a capital reduction. In total 1'010'000 treasury shares were purchased back at an average share price of CHF 80.61, amounting to CHF 81.4 million.
[4] See note 23

The notes are an integral part of the consolidated financial statements.

Notes to Group Financial Statements

1 General

These consolidated financial statements were approved by the Board of Directors on 10 March 2025 and released for publication on 11 March 2025. They are subject to the approval of the shareholders at the Annual General Meeting on 2 April 2025.

2 Accounting policies

2.1 Basis of preparation

The consolidated financial statements of the HUBER+SUHNER Group are based on the individual financial statements of the Group companies and were prepared in accordance with all of the existing guidelines of the accounting and reporting recommendations of Swiss GAAP FER. Unless otherwise stated in the consolidation and accounting policies, the consolidated financial statements have been prepared under the historical cost convention.
Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and deltas are calculated using the underlying amount rather than the presented rounded amount.
The financial year-end date for HUBER+SUHNER AG, all subsidiaries and the Group financial statements is 31 December.

2.2 Scope and principles of consolidation

Investments in subsidiaries are included in the Group financial statements as follows:

- All subsidiaries which HUBER+SUHNER controls are fully consolidated. Control is usually presumed where the Group directly or indirectly owns more than 50 % of the voting rights of the subsidiaries. All of the assets and liabilities as well as the income and expenses of these companies are fully included. Minority interests in the consolidated equity and net income are shown separately. All intercompany transactions and balances as well as intercompany profits in inventory and other assets are eliminated on consolidation.
- Those companies purchased during the reporting year are included in the consolidation as at the date on which control was effectively transferred. All previously recognised assets and liabilities as well as contingent liabilities of the company are valued from the date of transfer of control and at fair value. Companies which have been divested during the reporting year are included in the consolidated financial statements until the date on which control ceased.
- Joint ventures and investments with voting rights of between 20 % and 50 % are recognised using the equity method and with the proportionate equity share as at the balance sheet date. They are reported under financial assets in the balance sheet and as joint ventures and investments in the notes. Using the equity method, the proportional share of net income is shown as income (expense) in the consolidated income statement.
- Capital consolidation is based on the purchase method (acquisition method). The net assets acquired are revalued at the acquisition date and compared with the purchase price; only previously recognised assets are revalued. Any resulting goodwill is directly offset against equity. This approach is used for both positive and negative goodwill. If parts of the purchase price are dependent on future results, they are estimated as accurately as possible at the date of acquisition and recognised in the balance sheet. In the event of disparities the goodwill offset in equity is adjusted accordingly.

2.3 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are prepared in Swiss francs (CHF). CHF is the Group's presentation currency and, unless stated otherwise, the information is given in CHF 1 000 (KCHF).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Group companies

The results and financial position of all the Group entities with a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities, for each balance sheet, are translated at the closing rate on the balance sheet date;
- income and expenses, for each income statement, are translated at average exchange rates of the period;
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, profit and loss are not affected by exchange differences arising from the translation of the net investment in foreign operations and of borrowings and other currency instruments which are designated as hedges of such investments.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, postal and bank accounts, cheques and term deposits with an original maturity of three months or less. Cash and cash equivalents are stated at nominal value.

2.5 Marketable securities

Marketable securities are short-term investments in readily realisable notes, bonds, quoted shares and term deposits, which are traded in liquid markets. Marketable securities are stated at fair value. Term deposits are stated at nominal value.

2.6 Trade receivables and other short-term receivables

Trade receivables and other short-term receivables are valued at nominal value less provision for doubtful trade receivables, if any. Indications for provisions for doubtful trade receivables are substantial financial problems on the customer side, a declaration of bankruptcy or a material delay in payment.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of goods comprises direct material and production costs and related production overheads. Borrowing costs are excluded. Early payment discounts are treated as a deduction of the purchase price. The inventory valuation is based on standard costs; these are verified annually. Slow-moving and obsolete stock that have insufficient inventory turnover are systematically value-adjusted, either partially or fully.

2.8 Property, plant and equipment

Property, plant and equipment are stated on the balance sheet at the purchased or manufactured cost less accumulated depreciation and impairment. Using the straight-line method, depreciation is charged over the estimated useful lives of the related assets. Investment properties (including undeveloped property) are held for the purposes of rental income and capital gains. They are valued at purchase cost less accumulated depreciation and impairment, and are depreciated over their estimated useful life (20 to 40 years) using the straight-line method. Land is not depreciated. Assets under construction, which are not yet available for use, are depreciated when the asset is in use.

Asset category	Useful life in years
Land	not depreciated
Buildings	20-40 years
Technical equipment and machinery	5-15 years
Leasehold improvements	5-10 years
Office furniture and fixtures	3-5 years
IT hardware	3-5 years
Other equipment	3-7 years

2.9 Intangible assets

Software

Acquired computer software and other intangible assets are capitalised on the basis of the costs incurred to acquire and bring the asset to use. These costs are amortised over their estimated useful life (3 to 10 years). Development costs for software are capitalised on the basis that the asset generates future economic benefits such as revenues or owner-utilisation and that the costs of the asset can be identified reliably. Self-developed intangible assets are not capitalised (including internal costs associated with developing or maintaining computer software).

Other intangible assets

Acquired rights of land use are capitalised on the basis of the acquisition costs incurred. They are amortised on a straight-line basis for the full term of the rights.

2.10 Impairment of assets

Property, plant and equipment and other long-term assets including intangible assets are reviewed for impairment if events or changes in circumstances have occurred that indicate that the book value cannot be recovered. Assets with a book value above the recoverable amount are deemed impaired and are carried at no more than the recoverable amount. The recoverable amount is the higher of an asset's fair value less the cost to sell and value in use. To determine the reduction in value, assets are allocated to specific cash-generating units; cash flows for the latter are determined separately.
If there is an indication that the impairment in the prior period no longer exists or has decreased, the carrying amount is, with the exception of goodwill, increased to its recoverable amount and is recognised immediately in the income statement.

2.11 Financial assets

Financial assets include securities with a long-term investment horizon where the share in equity is less than 20 %, joint ventures and investments as well as loans, assets from employer contribution reserves, long-term rental deposits and re-insurance of retirement plans. As a general rule, marketable securities are valued at the current market price; in some circumstances, they are valued at the cost of acquisition. Joint ventures and investments are accounted for using the equity method (in case that the investment is negative it is recognised in the balance sheet under other long-term liabilities). Loans are valued based on the nominal values less any value adjustments. Assets from employer contribution reserves are valued at their current value; long-term rental deposits are valued at their nominal value and are only discounted if material. Re-insurance of retirement plans is accounted for using an actuarial valuation.

2.12 Financial liabilities

Financial liabilities consist of bank debt and are recognised at nominal value.

2.13 Trade payables and other short-term liabilities

Trade payables and other short-term liabilities are recognised at nominal value.

2.14 Provisions

Provisions are made for warranties, personnel expenses, restructuring costs, as well as legal and other miscellaneous operational risks that meet the recognition criteria. They are recognised when the Group has a current legal or constructive obligation as a result of past events and if it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.
Warranty provisions are generally measured and recognised based on prior experience. The amount of the provision is measured by the current value of the expected cash outflows insofar as the cash outflow substantially underlies interest effects.

2.15 Off-balance-sheet transactions

Contingent liabilities and other non-recognisable commitments are valued and disclosed at each balance sheet date. If contingent liabilities and other non-recognisable commitments lead to an outflow of funds without a simultaneous usable inflow of funds, and the outflow of funds is probable and can be measured reliably, a corresponding provision is made.

2.16 Employee benefits

Companies in the HUBER+SUHNER Group operate employee pension plans in accordance with the regulations of the country where the given company is domiciled.
The economic impact of these pension plans on the HUBER+SUHNER Group is determined annually. For Swiss pension plans, economic benefits and/or economic obligations are determined on the basis of the annual financial statement, which is prepared in accordance with Swiss GAAP FER 26. The economic impact of foreign pension plans is determined according to the methods applied in the given country.

An economic benefit is capitalised if it is permissible and the intention is to use the pension plan funds to cover the company's future pension expense. An economic obligation is recognised when the conditions for the recognition of a provision are met. Existing employer contribution reserves are recognised as a financial asset. Changes in the economic benefit or the economic obligation are recognised in the income statement as personnel expenses incurred during the reporting period.

2.17 Share-based payment

Members of the Board of Directors, Executive Group Management and selective Senior Management employees are partly compensated in HUBER+SUHNER AG shares. These are issued with a blocking period of at least three years. The allocation of shares is subject to approval Notes to Group Financial Statements 78 HUBER+SUHNER Annual Report 2024 by the Annual General Meeting for Members of the Board of Directors and Executive Group Management; the valuation of the share-based payment is determined at the grant date (i.e. the date at which the share allocation was approved by the Annual General Meeting). Share-based payment transactions which have not yet been approved by the Annual General Meeting are valued at the year-end share price. The market value of the shares is fully recognised in equity based on the accruals principle and the one-year vesting period in the accounts of the respective year under review. Any subsequent variances between the year-end share price and the share price at the date of the retroactive approval by the Annual General Meeting are recorded in the income statement of the following year.

2.18 Revenue recognition

HUBER+SUHNER generates revenues mainly from the sale of products and systems. Revenues from these sales are recognised upon delivery to the customer. Depending on the terms of the sales contract, delivery is made when the risks and rewards of the sold products are transferred to the customer or when the service has been performed. Sales are shown as a net amount in the income statement. They represent the total value of invoices to third parties less sales taxes, credits for returns and revenue reductions (primarily rebates and discounts).

2.19 Gross profit

The income statement is presented by function, whereby gross profit represents net sales less the cost of goods sold.

2.20 Income taxes

Income taxes are accounted for on the basis of the income for the reporting year, less the use of tax losses carried forward, using expected effective (local) tax rates. Income tax receivables and payables outstanding at the balance sheet date are disclosed under other short-term receivables or other short-term liabilities. Deferred income tax is calculated using the liability method for any temporary difference between the carrying amount according to Swiss GAAP FER and the tax basis of assets and liabilities. Deferred income tax is measured at tax rates that are expected to apply to the period when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates/laws that have been enacted or substantively enacted at the balance sheet date.
Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be offset.

Deferred income tax is provided for temporary differences on investments in subsidiaries and associates, except when the Group can control the timing of the reversal of the temporary difference or the reversal is not probable in the foreseeable future.

From 2024, HUBER+SUHNER will be subject to the provisions of the pillar two OECD/G20 BEPS 2.0 project (a global minimum tax of 15%) in several jurisdictions. The respective top up tax consequences are considered.

2.21 Alternative Performance Measures

Alternative Performance Measures are key figures not defined by Swiss GAAP FER. HUBER+SUHNER uses alternative performance measures as guidance parameters for both internal and external reporting to stakeholders. For the definition of Alternative Performance Measures please visit Publications.

3 Changes in Swiss GAAP FER accounting principles per 1 January 2024

The **Swiss GAAP FER 28** standard “Government grants” was published in 2022 with effective date 1 January 2024. Government grants are recognised when there is reasonable assurance that the HUBER+SUHNER Group complies with any conditions attached to the grant and the value can be estimated reliably.

Government grants related to assets are offset against the purchased or manufactured cost of the asset. The reduced depreciation amounts are thus taken into account in profit or loss over the useful life of the assets. Government grants related to income are presented in the income statement as “Other operating income” or in objectively justified cases are offset against the corresponding expenses.

The adoption of the new Swiss GAAP FER 28 standard has no impact on HUBER+SUHNER Group's net income, because the accounting entries had been already booked accordingly in previous years.

The **Swiss GAAP FER 30** standard “Consolidated financial statements” was revised in 2022 with effective date 1 January 2024. The implication of the revised Swiss GAAP FER 30 was assessed and it was decided, that the following accounting policy choice regarding goodwill and intangible accounting regarding acquired businesses is applied: As of 1 January 2024, acquired intangible assets which are relevant to the decision to obtain control are identified, recognised and amortised over the useful life (Swiss GAAP FER 30, 14). The remaining goodwill or badwill are offset as in the past against equity (Swiss GAAP FER 30, 15 and 19).

Previously, any resulting goodwill was directly and completely offset against equity after deducting the net assets acquired and revalued at the acquisition date, without identifying, recognising and amortising acquired intangible assets separately.

4 Changes in the scope of consolidation and other changes

On 19 April 2024, ARGE Connectivity Systems GbR, a partnership under the German Civil Code (Gesellschaft bürgerlichen Rechts [GbR]) was founded based on a customer request in the framework of a public tender. The control of HUBER+SUHNER is 50% and the company is recognised using the equity method. The net income distribution of the partnership is 70% (HUBER+SUHNER) : 30% between the partnership parties. See chapter Joint Ventures and Investments.

On 1 August 2023, HUBER+SUHNER sold the majority share (51 %) of BKtel Pacific Rim (Japan) Inc, a fully consolidated H+S Group company, to the minority shareholder for a price of CHF 1.1 million, which is equivalent to 51 % of equity. After the deduction of sold net cash (CHF 1.7 million) and the deferred payments to receive (CHF 0.2 million) the net cash outflow was CHF 0.8 million in 2023. In the consolidated Statement of Equity the derecognition of minority interests (49 %) is recognised in the line “change in scope of consolidation”. The year 2023 includes net sales and operating profit until 31 July 2023 while the comparative period includes twelve months. Pro rata net sales 2023 amounted to CHF 1.1 million (net sales 2022: CHF 1.9 million). The transaction resulted in a gain on sale of CHF 0.02 million, which was recognised in 2023 in the position “Other operating income”. BKtel Pacific Rim (Japan) Inc was reported in the Communication segment.

The following net assets were derecognized:

Effect of deconsolidation	**Fair Value**
Cash and cash equivalents	1 726
Trade receivables	3
Other short-term receivables	276
Inventories	44
Other short-term assets	63
Property, plant and equipment	31
Financial assets	16
Trade payables	(154)
Other short-term and accrued liabilities	(125)
Derecognised net assets	**1 880**

In June 2023, the outstanding payment for the acquisition of Phoenix Dynamics Ltd. (acquired in 2022), has been reduced from CHF 1.8 million to CHF 1.5 million as the criteria for deferred payment were not fully achieved. CHF 1.5 million was paid and the goodwill was reduced accordingly by CHF 0.3 million. Phoenix Dynamics Ltd. is reported in the Industry segment.

A complete list of all Group companies can be found in chapter Joint Ventures and Investments.

5 Exchange rates for currency translation

The following exchange rates were used for the Group's main currencies:

	Spot rates for the consolidated balance sheet		Average rates for the consolidated income and cash flow statement	
	31.12.2024	**31.12.2023**	**2024**	**2023**
1 EUR	0.94	0.94	0.95	0.97
1 USD	0.90	0.85	0.88	0.90
100 CNY	12.34	11.93	12.26	12.64
1 GBP	1.13	1.09	1.13	1.12
100 INR	1.05	1.02	1.05	1.09
1 PLN	0.22	0.22	0.22	0.21
1 HKD	0.12	0.11	0.11	0.11
1 AUD	0.56	0.58	0.58	0.60

6 Segment information

The segment reporting of HUBER+SUHNER consists of three market segments and Corporate.

Industry segment

HUBER+SUHNER utilises its expertise in electrical and optical connectivity to develop advanced and differentiated solutions for demanding applications in a variety of industrial markets. Customers benefit from a wide range of components, including cables, connectors, cable assemblies, antennas, lightning protection and resistive components – all of which can be customised to meet specific requirements. This comprehensive portfolio features products specifically designed to withstand the extreme environments of space and offshore applications, ensure data integrity and connectivity to safeguard protective forces, guarantee accuracy and repeatability for test and measurement systems, maintain safe handling in high power electric vehicle charging, provide lifetime data transfer and control for wind energy and industrial automation, and deliver the precision and flexibility necessary for medical applications in improving lives.

Markets served: test and measurement, aerospace and defense, high power charging, general industrial.

Communication segment

HUBER+SUHNER is a strategic partner to the communication market, combining profound technical expertise with close customer proximity to meet the needs of mobile networks, fixed access networks, data centers and communication equipment manufacturers. Customers benefit from a comprehensive and customisable portfolio of physical layer connectivity products and systems that are based on fiber optic and radio frequency technologies. HUBER+SUHNER provides an extensive range of reliable, future-ready solutions that draw from products such as harsh environment connectivity, antenna transmission, residential access, video overlay, bandwidth expansion, cable systems, cable management, hardware interconnection, optical switching and wavelength-selective switching. Each solution is designed and engineered to provide the highest performance, density and scalability for today and beyond.

Markets served: mobile network, fixed access network, data center, communication equipment manufacturer.

Transportation segment

HUBER+SUHNER develops comprehensive and sustainable connectivity solutions for the transportation market by combining three in-house technologies to create innovations. The solutions in the transportation segment address the mobility needs of today and tomorrow in the railway and automotive markets. These needs also include the addition of communication solutions, enabling mobility while staying connected. The portfolio includes an extensive range of cables, cable assemblies, hybrid cables and cable systems, as well as antennas, radar and connectors. By specialising in polymer compounds using a patented formula developed in-house for high-quality cable insulation, and in combination with electron beam cross-linking technology, low frequency cable products offer competitive advantages of space and weight savings, and durability, even under extreme conditions. Altogether, customers benefit from efficient electrical transmission, high-speed data transfer, and autonomous control in future-ready transportation concepts.

Markets served: railway (rolling stock, rail communications), automotive (electric vehicle, advanced driver assistance system).

Corporate

This segment chiefly covers the expenses of corporate functions in Switzerland and all business activities that cannot be allocated to one of the three market segments.

Net sales by segment

	2024	2023
Industry	276 659	285 296
Communication	353 569	280 295
Transportation	263 646	285 471
Total net sales	**893 874**	**851 062**

Net sales by region (sales area)

	2024	2023
Switzerland	43 098	44 770
EMEA (Europe, Middle East and Africa [excl. CH])	404 303	427 099
APAC (Asia-Pacific)	278 894	221 261
Americas (North and South America)	167 580	157 931
Total net sales	**893 874**	**851 062**

Operating profit (EBIT)

	2024	2023
Industry	47 037	46 836
Communication	28 663	13 721
Transportation	19 146	25 913
Corporate	(8 227)	(8 911)
Total operating profit (EBIT)	**86 619**	**77 559**

7 Other operating income

	2024	2023
Government grants received	1 289	1 634
Other operating income	2 321	2 814
Total other operating income	**3 610**	**4 448**

Government grants received are related to research and development projects in Switzerland, Germany, United Kingdom and France. Other operating income includes amongst others licence and rental income.

8 Financial result

	2024	2023
Interest income	2 713	1 888
Foreign exchange gains incl. derivative financial instruments	945	2 243
Other financial income	4	8
Total financial income	**3 662**	**4 139**
Interest expense	(74)	(37)
Foreign exchange losses incl. derivative financial instruments	(3 881)	(5 200)
Share of profit/(loss) from joint ventures and investments	(25)	–
Other financial expense	(516)	(1 831)
Total financial expense	**(4 496)**	**(7 068)**
Total financial result	**(834)**	**(2 929)**

Other financial expense includes amongst others bank charges (in previous year non-refundable withholding taxes on dividends from Group companies are included, see note 9).

9 Income taxes

	2024	2023
Current income taxes	(16 489)	(11 686)
Deferred income taxes	2 978	1 903
Total income taxes	**(13 511)**	**(9 783)**

The differences between the expected and the effective income taxes were as follows:

	2024	2023
Net income before taxes	85 785	74 630
Expected income tax rate	**18.1%**	**17.4%**
Expected income taxes	(15 492)	(13 005)
Effect of utilisation of non-recognised tax losses carry-forward	656	661
Effect of non-tax-deductible expenses and non-taxable income	2 408	2 569
Effect of non-recognition of current tax losses	(1 207)	(2 015)
Effect of increased/reduced allowance on deferred tax balances	(39)	(8)
Effect of changes in tax rates on deferred tax balances	286	(67)
Effect of non-refundable withholding taxes on dividends	(846)	–
Effect of BEPS Pillar 2.0 (15% minimum taxation)	(568)	–
Effect of tax credits/debits from prior years and other effects	1 291	2 082
Effective income taxes	**(13 511)**	**(9 783)**
Effective income tax rate	**15.7%**	**13.1%**

The expected Corporate income tax rate corresponds to the weighted average income tax rate based on the net income before taxes and the income tax rate of each individual Group company. The net income before taxes complies with the ordinary result according to Swiss GAAP FER.

In the reporting year, the difference between the expected income tax rate of 18.1 % and the effective income tax rate of 15.7% is mainly attributable to the following five factors: First, in several countries (Switzerland, China, France, UK, Germany) research and development and other tax benefits are available, that are used by HUBER+SUHNER (shown in the line “effect of non-tax-deductible expenses and non-tax-deductible income”). Second, in accordance with the valuation principles for recognizing tax assets on losses carried forward, one subsidiary recognised only a portion of the potential tax asset on current year tax loss (shown in the line “effect of non-recognition of current tax losses”). Third, due to the deviation from the assumed income tax rate and the effective income tax rate and prior-year true-up in Switzerland (shown in the line “effect of tax credits/debits from prior years and other effects”). Fourth, in line with the CbCR filing to Swiss tax authority in 2024 and the BEPS Pillar 2 developments, non-refundable withholding taxes on dividends from Group companies are booked as current income taxes from 2024 onwards (shown in the line “effect of non-refundable withholding taxes on dividends”). Last but not least, for 2024, HUBER+SUHNER will be subject to the provisions of the pillar two OECD/G20 BEPS 2.0 project (a global minimum tax of 15%) in several jurisdictions (shown in the line “effect of BEPS Pillar 2.0 (15% minimum taxation))".

The capitalised deferred tax assets on losses carried forward amount to CHF 7.4 million (previous year: CHF 4.7 million). The increase compared to prior year is mainly related to the recognition of current year tax losses in three subsidiaries. The unrecognised tax loss carried forward was CHF 35.1 million (previous year: CHF 28.7 million). This corresponds to a potential tax asset of CHF 8.8 million (previous year: CHF 8.0 million). In 2024, no tax losses carried forward expired (previous year: CHF 0.0 million).

The valuation of related tax assets on losses carried forward is generally based on business plans. The capitalisation of usable tax losses carried forward is assessed on a yearly basis. Tax losses carried forward are recognised only to the extent that it is probable that future taxable profits will be available and therefore allow the assets to be utilised. In countries and for subsidiaries where the use of tax losses carried forward is not foreseeable, tax loss is not capitalised. For the calculation of deferred income taxes in the consolidated balance sheet, the expected tax rate per tax subject is applied.

10 Personnel expenses

Personnel expenses included in the income statement amount to:

	2024	2023
Total personnel expenses	**287 000**	**279 071**

11 Post-employment benefits

According to local law, autonomous pension funds bear the risks relating to the defined benefits. In the event of restructuring measures, the employer must pay an additional contribution alongside its normal contributions. Through the HUBER+SUHNER AG pension fund, HUBER+SUHNER AG provides pension benefits for its employees in the event of retirement, invalidity and death.
The leading body administering the fund is the Board of Foundation, which comprises an equal number of employee and employer representatives. The Board of Foundation establishes an Investment Committee, which is responsible for investing the funds held by the pension plan in accordance with the investment regulations defined by the Board of Foundation. All insured persons can claim their pension or part thereof in the form of either capital or retirement pension payments. HUBER+SUHNER AG also has two paternal foundations.

Most HUBER+SUHNER subsidiaries operate defined contribution pension plans. As a general rule, these involve employees and employer paying into pension funds administered by third parties. The HUBER+SUHNER Group has no payment obligations beyond these defined contributions, which are recognised as personnel costs in the profit and loss. The economic obligation recognised in the balance sheet for pension plans without own assets (mainly for a few retired executives) concern pension plans operated in Germany and the USA.

Employer contribution reserves (ECR)

	Nominal value	Waiver of use	Accu-mulation	Balance sheet		Income statement impact from ECR	
	31.12.2024	2024	2024	31.12.2024	31.12.2023	2024	2023
Employer contribution reserves[1]	18 299	–	386	18 299	17 913	386	11
Total	**18 299**	**–**	**386**	**18 299**	**17 913**	**386**	**11**

[1] The ECR are based on the annual reports of the paternal fund from the previous year. The economic benefits/economic obligations are assessed at each balance sheet date. In 2024 as well as in 2023, interest on the paternal fund of the ECR is recognised as financial income.

Economic benefit/economic obligation and pension benefit expenses

	Funding surplus	Economic part of the organisation		Change from prior year with income statement impact	Change from prior year with no income statement impact	Contribu-tions for the period	Pension costs within personnel expenses	
	31.12.2024	31.12.2024	31.12.2023	2024	2024	2024	2024	2023
Paternal fund[1]	61 786	–	–	–	–	–	–	–
Pension plans with surplus[1]	47 883	–	–	–	–	(9 427)	(9 427)	(9 314)
Pension plans without own assets	–	1 349	1 419	(18)	88	–	(18)	(98)
Total	**109 669**	**1 349**	**1 419**	**(18)**	**88**	**(9 427)**	**(9 445)**	**(9 412)**

[1)] The paternal fund and the funding surplus of the pension plan of HUBER+SUHNER AG are based on annual reports issued by the corresponding institutions for the previous year. The economic benefits / economic obligations are assessed at each balance sheet date.

12 Share-based payment

Compensation and remuneration for Members of the Board of Directors, for Members of the Executive Group Management and for selective Senior Management employees includes, amongst others, long-term incentives in the form of shares (see Compensation Report, Notes 2 and 3).

The Members of the Board of Directors annually receive a long-term incentive in the form of a fixed number of HUBER+SUHNER AG shares, with a blocking period after assignment of at least three years.

As long-term compensation, the Members of Executive Group Management receive a variable number of HUBER+SUHNER AG shares each year. The number of shares that are effectively granted is determined by the Board of Directors and driven by long-term business success, which is assessed according to three factors: market environment, strategy implementation and financial situation. The shares are allocated also with a blocking period of at least three years.

As part of the yearly compensation, selective Senior Management employees receive a variable number of HUBER+SUHNER AG shares each year. The number of shares that are effectively granted is determined by the CEO and driven by long-term business success, which is assessed according to three factors: market environment, strategy implementation and financial situation. The shares are allocated also with a blocking period of at least three years.

Share-based compensation is calculated based on the market price of CHF 75.50 (previous year: CHF 78.30) at date of allotment for 2 000 shares (previous year: 1 600 shares) allotted during the year and the 2024 year-end share price of CHF 74.20 for outstanding shares (previous year: CHF 68.00). In the year under review, 28 557 shares (previous year: 23 900 shares) were allocated. Expenses, which included social security, in the amount of CHF 2.4 million (previous year: CHF 1.8 million) are recognised accordingly in the income statement. For members of Board of Directors and Executive Group Management, the assignment is subject to approval by the Annual General Meeting. The 2 000 shares (previous year: 1 600 shares) that were allotted during the year were assigned to the Board of Directors in turn of the Annual General Meeting held in 2024.

13 Related party transactions

Business relationships with joint ventures and investments are as follows:

Net sales and other income

	2024	2023
Net sales with joint ventures and investments	3 657	n/a
Other income with joint ventures and investments	29	n/a

Receivables

	31.12.2024	31.12.2023
Trade receivables from joint ventures and investments	388	n/a

There were no services purchased from other related parties in 2024 and 2023.

The joint venture is described in Note 4.

Pension contributions to the HUBER+SUHNER AG pension plan are disclosed in Note 11, line item 'Pension plan with surplus'.

14 Depreciation and amortisation

Depreciation and amortisation expenses included in the income statement are as follows:

	2024	2023
Depreciation of property, plant and equipment	31 029	28 571
Amortisation of intangible assets	4 956	4 369
Total depreciation and amortisation	**35 985**	**32 940**

15 Liabilities from operating lease

Some Group companies lease a number of offices, warehouses and cars under operating lease contracts which cannot be cancelled at short notice.

Liabilities from operating lease

	31.12.2024	31.12.2023
Less than 1 year	6 881	6 424
Between 1 and 5 years	19 975	15 724
More than 5 years	13 008	9 056
Total liabilities from operating lease	**39 864**	**31 204**

16 Cash and cash equivalents

	31.12.2024	31.12.2023
Cash at bank and on hand	44 634	51 839
Term deposits < 3 month term, in CHF	118 000	40 000
Term deposits < 3 month term, in other currency	11 499	16 261
Total cash and cash equivalents	**174 133**	**108 100**

17 Marketable securities

	31.12.2024	31.12.2023
Term deposits > 3 month term, in CHF	10 000	55 000
Total marketable securities	**10 000**	**55 000**

18 Trade receivables

	31.12.2024	31.12.2023
Trade receivables from third parties	213 585	132 914
Provision for doubtful trade receivables	(3 063)	(1 813)
Total trade receivables, net	**210 522**	**131 101**

In the reporting year, the increase is mainly due to a major ongoing project in India to expand the mobile communications infrastructure.

19 Other short-term receivables

	31.12.2024	31.12.2023
Other short-term receivables	23 516	20 578
Derivative financial instruments	74	866
Total other short-term receivables	**23 590**	**21 444**

Other short-term receivables include value-added and withholding tax receivables, current income tax receivables, received letters of credit, and other short-term receivables such as a receivable relating to prepayments, pledged fixed deposits to secure a bank guarantee and letter of credits and other current assets.

20 Inventories

	31.12.2024	31.12.2023
Raw materials and supplies	86 866	94 472
Work in progress	14 918	11 295
Finished goods	94 910	104 111
Total inventories, gross	**196 694**	**209 878**
Inventory provision	(41 261)	(46 688)
Total inventories, net	**155 433**	**163 190**

In the reporting year, the decrease of the inventory provision is caused by decreasing slow moving parts mainly in the Communication segment.

21 Derivative financial instruments

To hedge exposure related to fluctuation in foreign currencies, the Group uses derivative financial instruments, in particular forward exchange contracts. Derivative financial instruments used for hedging balance sheet items are recognised at current value and at the date a derivative contract is entered into. They are recorded as other short-term receivables or other short-term liabilities. Derivatives are subsequently re-measured, based on current market prices, to their fair value at each balance sheet date; unrealised gains and losses are recognised in the income statement.

Derivative financial instruments

	Positive market value	Negative market value	Purpose	Positive market value	Negative market value	Purpose
		31.12.2024			31.12.2023	
Foreign exchange	74	358	Hedging	866	130	Hedging
Total	**74**	**358**		**866**	**130**	

22 Property, plant and equipment

	Unde-veloped property	Land and buildings	Technical equipment and machinery	Other equip-ment	Assets under construc-tion	Total
Cost at 1.1.2023	**2 971**	**221 614**	**371 118**	**91 376**	**22 948**	**710 027**
Additions	–	1 829	5 844	2 424	33 895	43 992
Disposals	–	(3 018)	(12 312)	(2 793)	(445)	(18 568)
Reclassifications	(911)	5 860	20 036	5 735	(30 720)	–
Change in consolidation scope	–	–	–	(64)	–	(64)
Currency translation differences	20	(2 711)	(5 995)	(874)	458	(9 102)
Cost at 31.12.2023	**2 080**	**223 574**	**378 691**	**95 804**	**26 136**	**726 285**
Additions	–	610	4 343	2 126	29 842	36 921
Disposals	–	(647)	(28 462)	(9 952)	(192)	(39 253)
Reclassifications	–	900	12 609	3 920	(17 429)	–
Change in consolidation scope	–	–	–	–	–	–
Currency translation differences	–	960	2 434	582	80	4 056
Cost at 31.12.2024	**2 080**	**225 397**	**369 615**	**92 480**	**38 437**	**728 009**
Accumulated depreciation and impairment at 1.1.2023	**–**	**(128 801)**	**(291 086)**	**(75 273)**	**–**	**(495 160)**
Additions	–	(5 263)	(16 601)	(6 707)	–	(28 571)
Impairments	–	–	–	–	–	–
Disposals	–	3 009	12 066	2 719	–	17 794
Reclassifications	–	–	–	–	–	–
Change in consolidation scope	–	–	–	31	–	31
Currency translation differences	–	1 059	4 424	692	–	6 175
Accumulated depreciation and impairment at 31.12.2023	**–**	**(129 996)**	**(291 197)**	**(78 538)**	**–**	**(499 731)**
Additions	–	(6 031)	(18 206)	(6 792)	–	(31 029)
Impairments	–	–	–	–	–	–
Disposals	–	609	28 404	9 743	–	38 756
Reclassifications	–	3	37	(40)	–	–
Change in consolidation scope	–	–	–	–	–	–
Currency translation differences	–	(294)	(1 693)	(427)	–	(2 414)
Accumulated depreciation and impairment at 31.12.2024	**–**	**(135 709)**	**(282 655)**	**(76 054)**	**–**	**(494 418)**
Net book value at 1.1.2023	**2 971**	**92 813**	**80 032**	**16 103**	**22 948**	**214 867**
Net book value at 31.12.2023	**2 080**	**93 578**	**87 494**	**17 266**	**26 136**	**226 554**
Net book value at 31.12.2024	**2 080**	**89 688**	**86 960**	**16 426**	**38 437**	**233 591**

[1] Other equipment includes vehicles as well as IT, measurement and testing equipment.

23 Intangible assets

	Software	Other	Total
Cost at 1.1.2023	**94 606**	**1 357**	**95 963**
Additions	7 409	–	7 409
Disposals	(540)	–	(540)
Change in consolidation scope	–	–	–
Currency translation differences	(68)	(139)	(207)
Cost at 31.12.2023	**101 407**	**1 218**	**102 625**
Additions	7 768	–	7 768
Disposals	(1 031)	–	(1 031)
Change in consolidation scope	–	–	–
Currency translation differences	32	42	74
Cost at 31.12.2024	**108 176**	**1 260**	**109 436**
Accumulated amortisation and impairment at 1.1.2023	**(69 406)**	**(307)**	**(69 713)**
Additions	(4 339)	(30)	(4 369)
Disposals	189	–	189
Impairments	–	–	–
Change in consolidation scope	–	–	–
Currency translation differences	53	35	88
Accumulated amortisation and impairment at 31.12.2023	**(73 503)**	**(302)**	**(73 805)**
Additions	(4 928)	(28)	(4 956)
Disposals	990	–	990
Impairments	–	–	–
Change in consolidation scope	–	–	–
Currency translation differences	(26)	(13)	(39)
Accumulated amortisation and impairment at 31.12.2024	**(77 467)**	**(343)**	**(77 810)**
Net book value at 1.1.2023	**25 200**	**1 050**	**26 250**
Net book value at 31.12.2023	**27 904**	**916**	**28 820**
Net book value at 31.12.2024	**30 709**	**917**	**31 626**

Other intangible assets include amongst others the land use right in Changzhou, China.

Theoretical movement schedule for goodwill

Goodwill from acquisitions is fully offset against equity at the date of acquisition. The theoretical amortisation of goodwill is based on the straight-line method over the useful life of five years. Goodwill from new acquisitions is set in Swiss francs and calculated based on the closing rate at the acquisition date. This procedure means that the movement schedule no longer has to include foreign exchange differences. The impact of the theoretical capitalisation and amortisation of goodwill is presented below:

Cost

	2024	2023
Balance at 1.1.	146 703	146 980
Additions from acquisitions	–	–
Reduction of goodwill	–	(277)
Balance at 31.12.	**146 703**	**146 703**

For the changes in goodwill see note 4.

Accumulated amortisation

	2024	2023
Balance at 1.1.	(134 280)	(124 332)
Amortisation expense	(8 972)	(9 948)
Balance at 31.12.	**(143 252)**	**(134 280)**
Theoretical net book value at 31.12.	**3 451**	**12 423**

Impact on balance sheet

	31.12.2024	31.12.2023
Equity according to the balance sheet	656 522	609 628
Theoretical capitalisation of goodwill	3 451	12 423
Theoretical equity incl. net book value of goodwill	**659 973**	**622 051**

Impact on income statement

	2024	2023
Net income	72 274	64 847
Amortisation of goodwill	(8 972)	(9 948)
Theoretical net income	**63 302**	**54 899**

24 Financial assets

	31.12.2024	31.12.2023
Assets from employer contribution reserves	18 299	17 913
Others	6 804	5 790
Total financial assets	**25 103**	**23 703**

Others include rental deposits and re-insurance from retirement plan obligations.

25 Trade payables

	31.12.2024	31.12.2023
Trade payables	**113 611**	**60 614**

In the reporting year, the increase is mainly due to a major ongoing project in India to expand the mobile communications infrastructure.

26 Other short-term liabilities

	31.12.2024	31.12.2023
Accrual for personnel expenses	32 432	27 797
Advance payments from customers	1 767	1 056
Derivative financial instruments	358	130
Current income tax liabilities	13 091	11 010
Other liabilities	9 587	9 917
Total other short-term liabilities	**57 235**	**49 910**

Other liabilities include indirect tax liabilities and advance payments from other third parties (not customers).

27 Provisions

	Retirement plan obligations	Employee-related provisions	Order-related provisions	Other provisions	Total
Balance at 1.1.2023	**1 481**	**4 544**	**14 472**	**4 456**	**24 953**
Additions	173	251	489	33	946
Releases	(75)	(570)	(1 630)	(2)	(2 277)
Utilisation	(90)	(916)	(4 771)	(2)	(5 779)
Change in consolidation scope	–	–	–	–	–
Currency translation differences	(70)	(57)	(111)	(14)	(252)
Balance at 31.12.2023	**1 419**	**3 252**	**8 449**	**4 471**	**17 591**
Additions	31	1 914	1 757	737	4 439
Releases	(12)	(26)	(1 156)	(198)	(1 392)
Utilisation	(91)	(70)	(932)	(22)	(1 115)
Change in consolidation scope	–	–	–	–	–
Currency translation differences	(1)	(14)	62	(27)	20
Balance at 31.12.2024	**1 346**	**5 056**	**8 180**	**4 961**	**19 543**
Short-term provisions	–	763	7 415	1 980	10 158
Long-term provisions	1 419	2 489	1 034	2 491	7 433
Total provisions at 31.12.2023	**1 419**	**3 252**	**8 449**	**4 471**	**17 591**
Short-term provisions	–	1 648	7 585	2 680	11 913
Long-term provisions	1 346	3 408	595	2 281	7 630
Total provisions at 31.12.2024	**1 346**	**5 056**	**8 180**	**4 961**	**19 543**

Retirement plan obligations include liabilities in connection with defined contribution plans (pension plans without own assets) and primarily concern specific former employees.

Employee-related provisions mainly include length-of-service rewards and obligations to employees. In 2024, for HUBER+SUHNER AG the amount for length-of-service rewards has been benchmarked and improved.

Order-related provisions are directly related to services arising from product deliveries and projects, and are formulated based on the experience and estimation of each project. Order-related provisions relate to warranties, customer claims, penalties and other guarantees.

Other provisions include obligations which do not fit into the aforementioned categories, such as current or possible litigations arising from divestments, licence agreements or duties as well as other constructive or legal obligations.

Due to the nature of the long-term provisions, the timing of the cash outflows is uncertain. However, a partial cash outflow can be expected within two to three years, on average.

In both the reporting and the prior-year period, there were no restructuring provisions.

28 Deferred tax assets and liabilities

	Deferred tax assets	Deferred tax liabilities
Balance at 1.1.2023	**10 494**	**18 917**
Additions	5 753	2 394
Releases / utilisation	(1 456)	–
Releases through equity	–	–
Reclassifications	–	–
Change in consolidation scope	–	–
Currency translation differences	(792)	(28)
Balance at 31.12.2023	**13 999**	**21 283**
Additions	3 947	464
Releases / utilisation	(540)	(35)
Releases through equity	–	–
Reclassifications	–	–
Change in consolidation scope	–	–
Currency translation differences	466	36
Balance at 31.12.2024	**17 872**	**21 748**

29 Share capital

As at 31 December 2024, 19 190 000 (previous year: 20 200 000) registered shares, with a nominal value of CHF 0.25, were outstanding. The Company has no authorised or conditional capital. Reserves which are not disposable or distributable amount to CHF 2.4 million as at 31 December 2024 (previous year: CHF 2.5 million).

The following table shows transactions and balances relating to treasury shares:

	Quantity	Transaction price (Ø) in CHF	Purchase cost	Quantity	Transaction price (Ø) in CHF	Purchase cost
	2024			2023		
Balance at 1.1.	**1 748 640**		**82 379**	**1 655 799**		**75 231**
Purchases of treasury shares	22 300	73.54	1 640	115 941	77.27	8 959
Disposals of treasury shares	(24 300)	68.81	(1 672)	(23 100)	78.39	(1 811)
Cancellation by means of capital reduction	(1 010 000)	80.61	(81 417)	–	–	–
Balance at 31.12.	**736 640**		**930**	**1 748 640**		**82 379**

Out of the total purchases of treasury shares of 22 300 (previous year: 115 941), in 2024, 22 300 treasury shares were purchased for remuneration purposes (previous year: 34 025). In addition, in 2023, 81 916 treasury shares were purchased as part of the share buyback programme.

Following approval by the Annual General Meeting on 27 March 2024, the shares acquired as part of the share buyback programme completed in March 2023 have been cancelled by means of a capital reduction. In total 1 010 000 treasury shares were purchased back at an average share price of CHF 80.61, amounting to CHF 81.4 million.

As at the balance sheet date, foundations related to the HUBER+SUHNER Group hold 274 716 shares in HUBER+SUHNER AG (previous year: 274 716). Pension funds connected with the HUBER+SUHNER Group directly hold no shares in HUBER+SUHNER AG.

30 Earnings per share

	2024	2023
Net income attributable to shareholders of HUBER+SUHNER AG	71 383	64 221
Average number of outstanding shares	18 459 742	18 476 202
Undiluted / diluted earnings per share (CHF)	**3.87**	**3.48**

The average number of outstanding shares is calculated based on issued shares less the weighted average of treasury shares. There are no conversion or option rights outstanding; therefore, there is no dilution of earnings per share.

31 Future commitments

The Group companies have committed to various capital expenditures essential for the day-to-day business operations. At year-end, there were commitments for the purchase of property, plant and equipment and intangible assets amounting to CHF 24.4 million (previous year: CHF 30.0 million).

32 Contingent liabilities

As at 31 December 2024, parent guarantees in the amount of CHF 9.9 million (previous year: CHF 7.9 million) exist in favour of a third party for a long-term lease agreement, of a repayment of an advance payment and of a bank to secure bank guarantees and letter or credits. This amount represents the maximum amount of the obligation assumed. HUBER+SUHNER Group has not given any other guarantees in respect of its business relationships with third parties.

33 Events after the balance sheet date

No events occurred between the balance sheet date and the date these consolidated financial statements were approved by the Board of Directors (10 March 2025) which affect the annual results or require any adjustments to the Group's assets and liabilities.

Group Companies

Companies at 31.12.2024 (all fully consolidated)		Domicile		Capital stock	Ownership	Purpose
Switzerland	HUBER+SUHNER AG	Herisau	CHF	4 798	parent company	▲■
Australia	HUBER+SUHNER (Australia) Pty Ltd.	Frenchs Forest, New South Wales	AUD	5 000	100%	▲■
Brazil	HUBER+SUHNER América Latina Ltda.	São José dos Campos	BRL	39 197	100%	–
Canada	HUBER+SUHNER (Canada) Ltd.	Ottawa	CAD	2 350	100%	–
China	HUBER+SUHNER (Hong Kong) Ltd.	Hong Kong	HKD	12 325	100%	◆■
	HUBER+SUHNER (Shanghai) Co. Ltd.[1]	Shanghai	CNY	19 970	100%	■
	HUBER+SUHNER CCT (Shanghai) Co. Ltd.[1]	Shanghai	CNY	27 854	100%	■
	HUBER+SUHNER CCM (Changzhou) Co. Ltd.[1]	Changzhou	CNY	126 246	100%	▲
Costa Rica	HUBER+SUHNER Astrolab Costa Rica S.r.l.[2]	San José	USD	–	100%	▲
France	BKtel photonics SAS[3]	Lannion	EUR	10	57%	▲■
	HUBER+SUHNER (France) SAS	Voisins-le-Bretonneux	EUR	200	100%	■
Germany	HUBER+SUHNER BKtel GmbH	Hückelhoven	EUR	600	100%	▲■
	HUBER+SUHNER GmbH	Unterhaching	EUR	3 068	100%	◆■
	HUBER+SUHNER Cube Optics AG[4]	Mainz	EUR	590	100%	▲■
India	HUBER+SUHNER Electronics Pvt. Ltd.[5]	New Delhi	INR	170 000	100%	▲■
Malaysia	HUBER+SUHNER (Malaysia) Sdn Bhd[6]	Kuala Lumpur	MYR	2 500	100%	▲■
Netherlands	HUBER+SUHNER B.V.	Rosmalen	EUR	200	100%	–
Poland	HUBER+SUHNER Sp. z o.o.	Tczew	PLN	5 600	100%	▲
	HUBER+SUHNER Polatis Sp. z o.o.[7]	Nawojowa Góra	PLN	6 205	100%	▲
Singapore	HUBER+SUHNER (Singapore) Pte Ltd.	Singapore	SGD	3 000	100%	◆■
Spain	HUBER&SUHNER (Spain)[8]	Madrid	EUR	3	100%	▲
Tunisia	HUBER+SUHNER (Tunisie) SARL	Sousse	TND	4 000	100%	▲
United Kingdom	HUBER+SUHNER (UK) Ltd.	Bicester	GBP	4 000	100%	▲■
	HUBER+SUHNER Polatis Ltd.	Cambridge	GBP	12 700	100%	▲■
	HUBER+SUHNER Phoenix Dynamics Ltd.[9]	Staffordshire	GBP	10	100%	▲■
USA	HUBER+SUHNER (North America) Corp.	Charlotte, North Carolina	USD	1	100%	◆
	HUBER+SUHNER, Inc.[10]	Charlotte, North Carolina	USD	50	100%	▲■
	HUBER+SUHNER Astrolab, Inc.[10]	Warren, New Jersey	USD	12 000	100%	▲■

1) Subsidiary of HUBER+SUHNER (Hong Kong) Ltd.
2) Subsidiary of HUBER+SUHNER Astrolab, Inc.
3) Subsidiary of HUBER+SUHNER BKtel GmbH
4) Subsidiary of HUBER+SUHNER GmbH
5) Subsidiary of HUBER+SUHNER AG and of HUBER+SUHNER B.V.
6) Subsidiary of HUBER+SUHNER (Singapore) Pte Ltd.
7) Subsidiary of HUBER+SUHNER Polatis Ltd. and HUBER+SUHNER Sp. z o.o.
8) Subsidiary of HUBER+SUHNER Cube Optics AG
9) Subsidiary of HUBER+SUHNER (UK) Ltd.
10) Subsidiary of HUBER+SUHNER (North America) Corp.

Joint Ventures and Investments

Company at 31.12.2024 (equity method applied)		Domicile		Capital stock	Ownership	Purpose
Germany	ARGE Connectivity Systems GbR[1]	Unterhaching		–[2]	50%[3]	■

1) ARGE Connectivity Systems GbR was founded on 19 April 2024.
2) Partnership under the German Civil Code (Gesellschaft bürgerlichen Rechts [GbR]) has no capital stock.
3) Control of the partnership is 50% : 50% between the partnership parties. Net income distribution of the partnership is 70% (HUBER+SUHNER) : 30% between the partnership parties.

◆ Holding/Finance companies
▲ Production and assembly plants
■ Sales organisations
– Dormant / in liquidation

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To the General Meeting of
Huber+Suhner AG, Herisau

Basle, 10 March 2025

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of HUBER+SUHNER AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of equity for the year then ended and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 70 to 94) 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.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Valuation of inventories

Areas of focus

As of 31 December 2024, inventories amounted to CHF 155.4 million, representing 17.5% of the Group's total assets.
As indicated in Note 2.7 to the consolidated financial statements, inventories are valued at the lower of cost and net realisable value. Cost is determined according to the standard costing method. For slow-moving and obsolete stock the Group recognizes an inventory allowance based on the inventory turnover.
Due to the significance of the carrying values of inventories and the degree of management judgment involved in determining production costs, write-downs and fair value less cost to sell, this matter was considered significant to our audit.

Our audit response

Our audit procedures included, amongst other:

- We gained an understanding of the inventory valuation process, the valuation method, as well as the underlying assumptions applied.
- On a sample basis we analysed the standard cost calculations and verified the differences between the standard and actual costs.
- We challenged the estimates made by Management regarding write-downs by assessing whether they are in line with historical experience.
- We reviewed inventory ratio's and audited underlying data of the inventory ageing list.
- We verified compliance with the principle of net realisable value for finished goods by comparing production costs with the expected net sale proceeds.

Our audit procedures did not lead to any reservations regarding to the valuation of inventories.

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 HUBER+SUHNER Group Financial Statements, the Financial Statements of HUBER+SUHNER AG, the tables on page 59 to 65 in the compensation 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.

Building a better working world

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

Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://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 Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

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

Ernst & Young Ltd

Iwan Zimmermann
(Qualified Signature)

Licensed audit expert
(Auditor in charge)

Erik Zeller
(Qualified Signature)

Licensed audit expert

Five-Year Financial Summary

in CHF million	2020	2021	2022	2023	2024
Order intake	**748.2**	**995.6**	**975.4**	**821.4**	**908.0**
change in % over prior year	(6.6)	33.1	(2.0)	(15.8)	10.5
Order backlog as of 31.12.	**195.5**	**323.4**	**320.0**	**271.9**	**291.0**
change in % over prior year	(8.5)	65.4	(1.1)	(15.0)	7.0
Net sales	**737.9**	**862.9**	**954.6**	**851.1**	**893.9**
change in % over prior year	(11.2)	16.9	10.6	(10.8)	5.0
Gross margin	**35.4%**	**38.2%**	**35.7%**	**35.3%**	**35.4%**
EBITDA	**89.3**	**137.6**	**135.3**	**110.5**	**122.6**
as % of net sales	12.1	16.0	14.2	13.0	13.7
EBIT	**61.2**	**104.6**	**103.2**	**77.6**	**86.6**
as % of net sales	8.3	12.1	10.8	9.1	9.7
change in % over prior year	(24.0)	70.9	(1.3)	(24.8)	11.7
Financial result	**(0.6)**	**(2.3)**	**(1.8)**	**(2.9)**	**(0.8)**
Net income	**52.3**	**87.3**	**85.2**	**64.8**	**72.3**
as % of net sales	7.1	10.1	8.9	7.6	8.1
change in % over prior year	(16.7)	66.9	(2.4)	(23.9)	11.5
Purchases of PP&E and intangible assets	**37.7**	**50.7**	**45.3**	**51.4**	**44.7**
change in % over prior year	0.4	34.6	(10.8)	13.6	(13.1)
Cash flow from operating activities	**86.5**	**101.7**	**87.3**	**115.7**	**90.2**
change in % over prior year	(33.0)	17.5	(14.1)	32.5	(22.0)
Free operating cash flow	**50.2**	**56.6**	**37.7**	**63.7**	**53.4**
change in % over prior year	11.3	12.7	(33.4)	69.1	(16.2)
Net liquidity as of 31.12.	**202.9**	**219.8**	**151.1**	**163.1**	**184.1**
change in % over prior year	6.7	8.3	(31.3)	7.9	12.9
Return on invested capital (ROIC) in %[1]	**–**	**23.2%**	**20.9%**	**15.8%**	**16.8%**
Equity as of 31.12.	**591.6**	**643.8**	**606.7**	**609.6**	**656.5**
as % of balance sheet total	79.9	77.2	74.4	78.5	73.8
Employees at year-end (permanent employees)	**4 410**	**4 588**	**4 469**	**4 109**	**3 975**
change in % over prior year	(8.6)	4.0	(2.6)	(8.1)	(3.3)
Employees, yearly average (permanent employees)	**4 726**	**4 466**	**4 608**	**4 279**	**4 122**

[1] as from 2021 onwards ROIC is disclosed as an additional KPI (see APM ROIC).

Alternative Performance Measures

HUBER+SUHNER uses alternative performance measures as guidance parameters for both internal and external reporting to stakeholders. HUBER+SUHNER uses the following definitions, which may differ from the one other companies use.

This document has been prepared in conformity with the Directive on the Use of Alternative Performance Measures issued by SIX Exchange Regulation Ltd.

Organic sales development

The organic sales development is calculated by adjusting the reported net sales for the impact of currency effects, copper price effects as well as portfolio effects (acquisitions and disposals). When determining the currency effects, the functional currency that is valid in the respective country is used.

Order intake

A new order is recognised as an order intake only when the contract creates enforceable obligations between the Group and its customer. When this condition is met, the order is recognised at the contract value.

Book-to-bill

The book-to-bill is the ratio of total order intake third to total net sales third.

Order backlog

The order backlog represents the amount of booked orders not yet delivered/invoiced at a closing date. The order backlog is calculated as follows:

- order backlog at the beginning of the year;
- plus order intake during the reporting period;
- less cancellations of orders recorded;
- less sales recognised during the reporting period.

EBIT

EBIT is calculated by subtracting cost of goods sold and operating expenses from net sales.

	2024	**2023**
Net sales	893.9	851.1
Cost of goods sold	(577.7)	(550.5)
Gross profit	**316.1**	**300.6**
Selling, administrative and research and development expense	(232.5)	(226.6)
Other operating expense / income	3.0	3.6
EBIT (= operating profit)	**86.6**	**77.6**

Alternative Performance Measures — All amounts are in CHF million 99

EBITDA

The EBITDA corresponds to the operating profit (EBIT) before depreciation of property, plant and equipment and amortisation of intangible assets.

	2024	2023
EBIT (= operating profit)	**86.6**	**77.6**
Depreciation of property, plant and equipment	31.0	28.6
Amortisation of intangible assets	5.0	4.4
EBITDA	**122.6**	**110.5**

Return on invested capital (ROIC)

The return on invested capital (ROIC) measures how efficiently the invested capital is used. It is defined as net operating profit after taxes (NOPAT) divided by the average invested capital. The average is calculated by adding the invested capital at the beginning of the period to that at the end of the period and dividing the sum by two.

Invested capital and NOPAT are defined as follows:

	31.12.2024	31.12.2023
Trade receivables	210.5	131.1
Other short-term receivables (excl. derivative financial instruments)	23.5	20.6
Inventories	155.4	163.2
Accrued income	7.3	5.1
Property, plant and equipment (excl. undeveloped property)	231.5	224.5
Intangible assets	31.6	28.8
Deferred tax assets	17.9	14.0
Operating assets	**677.8**	**587.3**
Trade payables	(113.6)	(60.6)
Other short-term liabilities (excl. derivative financial instruments)	(56.9)	(49.8)
Short-term provisions	(11.9)	(10.2)
Accrued liabilities	(18.3)	(15.7)
Other long-term liabilities	(2.2)	(2.3)
Long-term provisions (excl. retirement plan obligations)	(6.3)	(6.0)
Deferred tax liabilities	(21.7)	(21.3)
Operating liabilities	**(230.9)**	**(165.8)**
Invested capital	**446.8**	**421.4**

	2024	2023
Average invested capital	**434.1**	**426.0**
EBIT (= operating profit)	**86.6**	**77.6**
Effective income tax rate	15.7%	13.1%
Income taxes	(13.6)	(10.2)
NOPAT (= net operating profit after taxes)	**73.0**	**67.4**
Return on invested capital (ROIC) in % = NOPAT / average invested capital	**16.8%**	**15.8%**

Alternative Performance Measures — All amounts are in CHF million 100

Free operating cash flow

Free operating cash flow is defined as cash flow from operating activities (excl. purchases of marketable securities) less cash flow from investing activities.

	2024	2023
Cash flow from operating activities	90.2	115.7
Cash flow from investing activities (excl. marketable securities)	(36.8)	(52.0)
Free operating cash flow	**53.4**	**63.7**

Free cash flow

	2024	2023
Free operating cash flow	53.4	63.7
Payment of dividend	(31.4)	(38.8)
Payment of dividend to minority interests	(0.4)	(0.3)
Purchase of treasury shares	(1.6)	(9.0)
Free cash flow	**19.9**	**15.6**

Net liquidity

	2024	2023
Cash and cash equivalents	174.1	108.1
Marketable securities	10.0	55.0
Short-term financial liabilities	0	0
Net liquidity	**184.1**	**163.1**

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and deltas are calculated using the underlying amount rather than the presented rounded amount.

Alternative Performance Measures — All amounts are in CHF million

Financial Report

Financial Statements HUBER+SUHNER AG

Income Statement

in CHF 1 000	Notes	2024	2023
Net Sales		427 940	455 493
Other operating income	3.1	25 203	24 499
Change in semi-finished and finished goods		(1 443)	(8 342)
Total operating income		**451 700**	**471 650**
Material expenses		(178 774)	(205 179)
Personnel expenses		(151 982)	(146 755)
Other operating expenses		(62 505)	(65 533)
Depreciation and amortisation		(21 619)	(22 552)
Total operating expenses		**(414 880)**	**(440 019)**
Operating profit (EBIT)		**36 820**	**31 631**
Financial income		5 076	4 883
Financial expense		(118)	(3 441)
Income from investments	3.2	18 392	30 938
Non-operating income		1 342	1 248
Non-operating expenses		(1 040)	(969)
Income before taxes		**60 472**	**64 290**
Income taxes		(4 934)	(3 771)
Net Income		**55 538**	**60 519**

Balance Sheet

in CHF 1 000	Notes	31.12.2024	%	31.12.2023	%
Assets					
Cash and cash equivalents		137 813		67 116	
Marketable securities		10 000		55 000	
Trade receivables third party		22 592		22 339	
Trade receivables group companies		32 106		30 266	
Other short-term receivables third party		5 751		4 910	
Other short-term receivables group companies		2 070		2 152	
Inventories	3.3	32 340		34 750	
Accrued income		4 951		3 418	
Current assets		**247 623**	**43.8**	**219 951**	**41.4**
Property, plant, equipment and intangible assets	3.4	105 398		105 327	
Investments in subsidiaries	3.5	174 144		163 670	
Long-term loans group companies		38 343		42 046	
Non-current assets		**317 885**	**56.2**	**311 043**	**58.6**
Assets		**565 508**	**100.0**	**530 994**	**100.0**
Liabilities and equity					
Trade payables third party		29 717		24 530	
Trade payables group companies		9 732		8 341	
Other short-term liabilities third party		18 120		16 115	
Short-term provisions		1 098		561	
Accrued liabilities		3 857		5 294	
Current liabilities		**62 524**		**54 841**	
Long-term provisions		33 249		30 514	
Other long-term liabilities		2 095		2 345	
Non-current liabilities		**35 344**		**32 859**	
Liabilities		**97 868**	**17.3**	**87 700**	**16.5**
Share capital	3.6	4 798		5 050	
Legal reserves		40 271		40 271	
General reserves		91 154		90 991	
Retained earnings		332 351		389 366	
Treasury shares	3.7	(934)		(82 384)	
Equity		**467 640**	**82.7**	**443 294**	**83.5**
Liabilities and equity		**565 508**	**100.0**	**530 994**	**100.0**

Notes to Financial Statements

1 General

The financial statements of HUBER+SUHNER AG, domiciled in Herisau, are prepared in accordance with the Swiss Code of Obligations (OR).

2 Accounting policies

2.1 General

These financial statements were prepared in accordance with the commercial accounting provisions of the Swiss Code of Obligations. The accounting of major balance sheet and income statement positions is disclosed hereinafter.

2.2 Foreign currency translation

All assets and liabilities denominated in foreign currencies are converted into Swiss francs at the year-end exchange rates according to the imparity principle. Income and expenses as well as transactions in foreign currencies are converted at the conversion rate valid at the transaction date. The resulting foreign exchange differences are recognised in the income statement.

2.3 Revenue recognition

Revenues from the sale of products are recognised when the risks and rewards of the products sold have been transferred to the customer.

2.4 Trade receivables

Trade receivables are measured at nominal value less allowances. Indications of impairment are substantial financial problems on the customer side, a declaration of bankruptcy or a material delay in payment. In addition, a fiscally permitted allowance is recognised in the remaining trade receivables.

2.5 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of goods comprises direct material and production costs and related production overheads. The valuation of the inventory is based on standard costs that are verified annually. Slow-moving and obsolete stock that have insufficient inventory turns are systematically revaluated, either partly or fully. In addition, a fiscally permitted allowance is recognised in the remaining inventories.

2.6 Property, plant, equipment and intangible assets

Property, plant, equipment and intangible assets are stated at the purchased or manufactured cost less fiscally permitted accumulated depreciation. If there are indications that the carrying amount is overstated, property, plant, equipment and intangible assets are reviewed for impairment and, where necessary, written down to the recoverable amount.

2.7 Investments in subsidiaries

Investments are initially recognised at cost. Investments are assessed annually and individually.

2.8 Provisions

Provisions are made for warranties, personnel expenses, restructuring costs, as well as legal and other miscellaneous operational risks that meet the recognition criteria. They are recognised when the company has a present legal or constructive obligation as a result of past events and if it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Warranty provisions are generally measured and recognised based on experience values. Additional provisions may be made if permitted under tax regulations.

2.9 Treasury shares

Treasury shares are stated at acquisition cost and presented as a negative position in the shareholders' equity. No subsequent valuation is made. If the treasury shares are disposed of later, the resulting gain or loss is recognised in the reserves.

3 Details to individual positions

3.1 Other operating income

Other operating income includes income from other activities such as the sale of scrap, miscellaneous services, the capitalisation of internally produced capital goods, the release of provisions and miscellaneous, not periodical, operating revenues from third parties.

3.2 Income from investments

Income from investments includes dividend payments from subsidiaries in the amount of KCHF 18 392 (previous year: KCHF 30 938). No impairments of investments were recognised (previous year: no impairment) or reversed (previous year: no reversal).

3.3 Inventories

in CHF 1 000	**31.12.2024**	**31.12.2023**
Raw materials and supplies	15 553	20 173
Work in progress	6 065	6 095
Semi-finished and finished goods	58 110	59 553
Inventory provision	(47 388)	(51 071)
Total	**32 340**	**34 750**

3.4 Property, plant, equipment and intangible assets

in CHF 1 000	31.12.2024	31.12.2023
Land	6 225	6 225
Buildings	40 661	43 107
Technical equipment and machinery	19 184	17 946
Other equipment	752	688
Assets under construction	6 476	7 824
Investment property	2 080	2 080
Intangible assets	30 020	27 457
Total	**105 398**	**105 327**

3.5 Investments in subsidiaries

Directly and indirectly held subsidiaries are listed in chapter Group Companies of the Group Financial Statements.

3.6 Share capital

The share capital at 31 December 2023 was composed of 20 200 000 registered shares, with a nominal value of CHF 0.25 each.

Following approval by the Annual General Meeting on 27 March 2024, the shares acquired as part of the share buyback programme completed in March 2023 have been cancelled by means of a capital reduction. In total 1 010 000 treasury shares were purchased back at an average share price of CHF 80.61, amounting to CHF 81.4 million. As a result the share capital has decreased to 19 190 000 registered shares, with a nominal value of CHF 0.25 each, as of 31 December 2024.

The composition of capital stock is disclosed in the Notes to the Group Financial Statements (see Note 29).

The company holds 736 640 treasury shares (726 640 treasury stock and 10 000 other treasury shares for remuneration purposes).

3.7 Treasury shares

	2024	2023
Number at 1.1.	1 748 640	1 655 799
Purchases	22 300	115 941
Allotment	(24 300)	(23 100)
Cancellation	(1 010 000)	–
Number at 31.12.	736 640	1 748 640

For details of transactions and balances relating to treasury shares see note 29 of the Notes to Group Financial Statements.

4 Contingent liabilities

in CHF 1 000	31.12.2024	31.12.2023
Parent guarantee for long-term lease	6 303	5 971
Parent guarantee for repayment of an advance payment	1 879	1 888
Parent guarantee for security of a credit line	1 738	–

5 Liabilities to pension funds

in CHF 1 000	31.12.2024	31.12.2023
Total liabilities to pension funds	–	–

6 Net release of undisclosed reserves

in CHF 1 000	2024	2023
Total net release of undisclosed reserves	218	–

7 Allotted Shares

Allotted number of shares to:

	2024	2023
Board of Directors	8 000	7 600
Executive Group Management	14 750	11 800
Employees	5 807	4 500

Allotted shares

in CHF 1 000	2024	2023
Expensed amount in Income Statement	2 122	1 625

The expense amount excluding social security is based on the market price of CHF 75.50 at date of allotment for 2 000 shares allotted during the year and the 2024 year-end share price of CHF 74.20 for outstanding shares (previous year: CHF 68.00). For members of Board of Directors and Executive Group Management, the assignment is subject to approval by the Annual General Meeting. The 2 000 shares that were allotted during the year were assigned to the Board of Directors in turn of the Annual General Meeting held in 2024.

8 Full-time positions

As in the previous year, HUBER+SUHNER AG had over 250 employees (full-time-equivalent) in 2024.

9 Equal pay analysis

HUBER+SUHNER AG has performed an equal pay analysis based on the reference month March 2021, as required by Article 13a of the Gender Equality Act. The analysis concluded that the employee pay-related gender effect is clearly within the tolerance threshold. Ernst & Young Ltd certified that all legal requirements had been met in full. In 2024, HUBER+SUHNER AG performed another equal pay analysis on a voluntary basis, although it would have been exempt from the repetition requirement under Article 13a para. 3 of the Gender Equality Act. The analysis in 2024 confirmed again the results of the analysis in 2021. As a consequence, HUBER+SUHNER AG received the salary equality certificate for 2024 in Switzerland.

10 Leasing obligations not recorded in the balance sheet

At the balance sheet date there are neither short-term obligations with a duration of less than one year (previous year: KCHF 0.0) nor obligations in excess of one year (previous year: none).

11 Events after the balance sheet date

There were no events after the balance sheet date which affect the annual results or would require an adjustment to the carrying amounts of the HUBER+SUHNER AG assets and liabilities.

12 Additional disclosures, cash flow statement and management report

Pursuant to Article 961d para. 1 of the Swiss Code of Obligations, no additional disclosures are made, as HUBER+SUHNER AG prepares Group Financial Statements in accordance with generally accepted accounting principles (Swiss GAAP FER).

Recommendation for Appropriation of Earnings

The Board of Directors of HUBER+SUHNER AG recommends to the Annual General Meeting the following appropriation of available earnings for the year 2024:

in CHF 1 000	**2024**	**2023**
Prior-year retained earnings	357 978	328 847
Reserve for treasury shares - netting	(81 165)	–
Net income for the year	55 538	60 519
Total retained earnings	**332 351**	**389 366**
Dividend	(35 061)	(31 388)
Total appropriation	**(35 061)**	**(31 388)**
Retained earnings carried forward	**297 290**	**357 978**

If this recommendation is accepted the following amounts will be valid for each registered share, with a nominal value of CHF 0.25 each:

	CHF	**CHF**
Gross dividend	1.900	1.700
Less 35 % withholding tax	0.665	0.595
Net dividend	**1.235**	**1.105**

Building a better working world

Ernst & Young Ltd
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To the General Meeting of
Huber+Suhner AG, Herisau

Basle, 10 March 2025

Report of the statutory auditor

Report on the audit of the financial statements

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

In our opinion, the financial statements (pages 103 to 109) comply with Swiss law and the Company's articles of incorporation.

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

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

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Building a better working world

Valuation of inventories

Area of Focus	As of 31 December 2024, inventories amounted to CHF 32.3 million, representing 5.7% of HUBER+SUHNER AG's total assets. As indicated in Note 2.5 of the notes to the stand-alone financial statements of HUBER+SUHNER AG, inventories are valued at the lower of cost and net realisable value. Cost is determined according to the standard costing method. For slow-moving and obsolete stock the entity recognizes an inventory allowance based on the inventory turnover. Due to the significance of the carrying values of inventories and the degree of Management judgment involved in determining production costs, write-downs and fair value less cost of sales, this matter was considered significant to our audit.
Our audit response	Our audit procedures included, amongst other: • We gained an understanding of the inventory valuation process, the valuation method, as well as the underlying assumptions applied. • On a sample basis we analysed the standard cost calculations and verified the differences between the standard and actual costs. • We challenged the estimates made by Management regarding write-downs by assessing whether they are in line with historical experience. • We reviewed inventory ratio's and audited underlying data of the inventory ageing list. • We verified compliance with the principle of net realisable value for finished goods by comparing production costs with the expected net sale proceeds. Our audit procedures did not lead to any reservations regarding to the valuation of inventories

Valuation of investments to subsidiaries and loans to group companies

Area of Focus	As of 31 December 2024, the HUBER+SUHNER AG holds investments in subsidiaries of CHF 174.1 million and loans to group companies of CHF 38.3 million, which corresponds to 30.8% and 6.8% respectively of total assets. The investments in subsidiaries are disclosed in the note "Group Companies" of the consolidated financial statements of HUBER+SUHNER AG. Investments in subsidiaries and loans to group companies are material to the entity and may be subject to changes in value. Accordingly, Management performs regular impairment considerations and calculations to determine the value of each investment and loan. The investments in subsidiaries and the loans to group companies were considered significant to our audit as the amounts concerned are material and the assessments involve judgment in preparing the underlying key assumptions for the valuation.

Our audit response	Our audit work for the valuation of the investments in subsidiaries and loans to group companies consisted of auditing Management's valuation assessments and the underlying key assumptions. We also assessed the historical accuracy of the Company's estimates and long-term business plans. Our audit procedures did not lead to any reservations regarding to the valuation of investments in subsidiaries and loans to group companies

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 HUBER+SUHNER Group Financial Statements, the Financial Statements of HUBER+SUHNER AG, the tables on page 59 to 65 in the compensation report and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://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 Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we 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.

Ernst & Young Ltd

Iwan Zimmermann (Qualified Signature)	Erik Zeller (Qualified Signature)
Licensed audit expert (Auditor in charge)	Licensed audit expert

Share Data

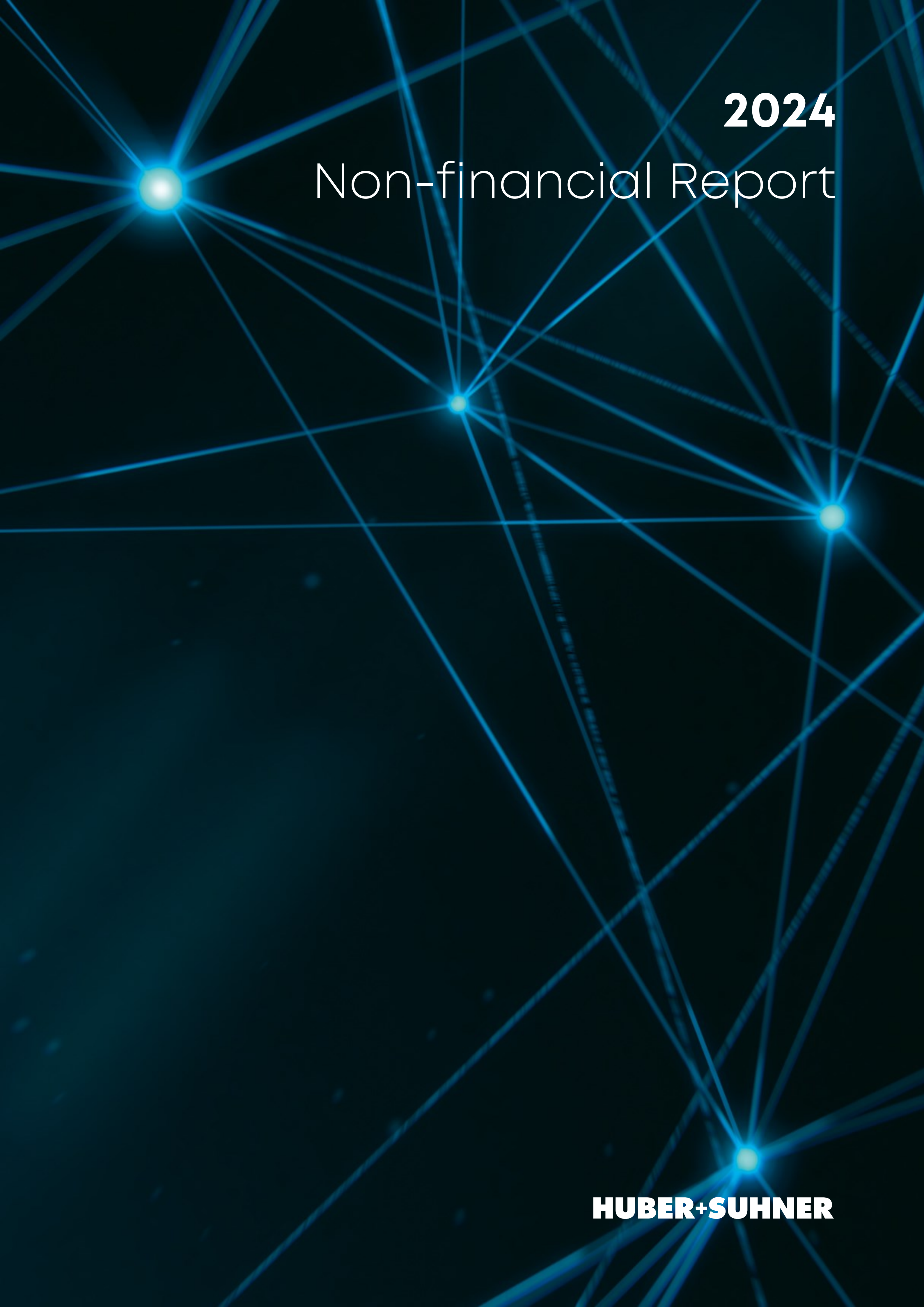
HUBER+SUHNER AG is a company listed in Switzerland and whose shares are traded on the SIX Swiss Exchange, and which has the following listing details:

Registered office	9100 Herisau, Switzerland
Listing	SIX Swiss Exchange, Swiss Reporting Standard
Security number	3'038'073
ISIN	CH0030380734
Security symbol	HUBN
Nominal value	CHF 0.25

Registered shares at 31.12. (nominal value CHF 0.25)	**2020**	**2021**	**2022**	**2023**	**2024**
Number of issued shares	20 200 000	20 200 000	20 200 000	20 200 000	19 190 000
Number of shares entitled to a dividend	19 472 360	19 306 860	18 544 201	18 451 360	18 453 360
Number of shareholders at 31.12.	5 365	6 861	6 054	7 353	6 996
Stock market price (in CHF)					
high	78.80	88.00	95.60	92.40	89.60
low	44.80	69.00	71.50	59.90	60.40
year-end	69.90	87.00	86.30	68.00	74.20
Amounts per registered share[1] (in CHF)					
Net income	2.66	4.45	4.47	3.48	3.87
Dividend	1.30	2.00	2.10	1.70	1.90[3]
Pay-out ratio	49%	45%	47%	49%	49%
Market capitalisation[2]					
in CHF million	1 361	1 680	1 600	1 255	1 369
as % of net sales	184	195	168	147	153
as % of shareholders' equity	230	262	265	207	209

[1] Based on the average outstanding shares
[2] Stock market price at year-end × number of shares entitled to a dividend
[3] Proposed dividend

For further information on the HUBER+SUHNER Group, please visit www.hubersuhner.com.



2024
Non-financial Report

HUBER+SUHNER

Introduction Non-financial Report

At HUBER+SUHNER, our commitment to sustainability is integral to our business strategy. We embed sustainability into our innovative solutions and strive to meet our climate and resource use targets. Next to environmental responsibilities, we strive to foster a diverse, inclusive, and safe workplace for our employees, and ensure compliance with applicable laws and regulations as well as with our Code of responsible business conduct.

This Non-financial Report outlines the HUBER+SUHNER Group's progress in advancing its sustainability strategy in 2024. It addresses the requirements of Article 964b of the Swiss Code of Obligations and the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). For the first time, we are also reporting on climate-related risks and opportunities, in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework. The Annual Report including the Non-financial Report was approved by our Board of Directors (BoD).

Our new climate targets put us on the trajectory to reach net-zero emissions by 2050 and were validated by the Science Based Target initiative (SBTi) in January 2025. We also made progress on our existing targets and achieved a 73 % reduction in the intensity of our operational emissions in comparison to our 2015 baseline. Additionally, our ongoing efforts have resulted in a 11 % year-on-year reduction in the intensity of our core environmental footprint.

In the following chapters, the report details the company's material sustainability issues, including, as mandated by the Swiss Code of Obligations, environmental matters, CO2 reduction targets, social topics, employee-related issues, respect for human rights, and combating corruption. For each of these topics HUBER+SUHNER outlines its relevant policies, measures and performance indicators. The chapter on "responsible supply chains" specifically covers the due diligence obligations defined under the DDTrO.

The shareholder vote on the non-financial matters, as required by Article 964c CO, covers the entire Non-financial Report.

Ernst & Young AG performed a limited assurance engagement on selected key performance indicators (KPIs) in accordance with specific standards of the Global Reporting Initiative (GRI) for this report.

Non-financial Report

Addendum

Sustainability strategy

At HUBER+SUHNER, our proactive approach to sustainability allows us to detect risks and opportunities early and helps improve the company's resilience in a changing world. Sustainability is an integral part of our business; it supports financial performance, especially in the medium and long term. We want to be a company that positively contributes to global issues – including with our solutions and products.

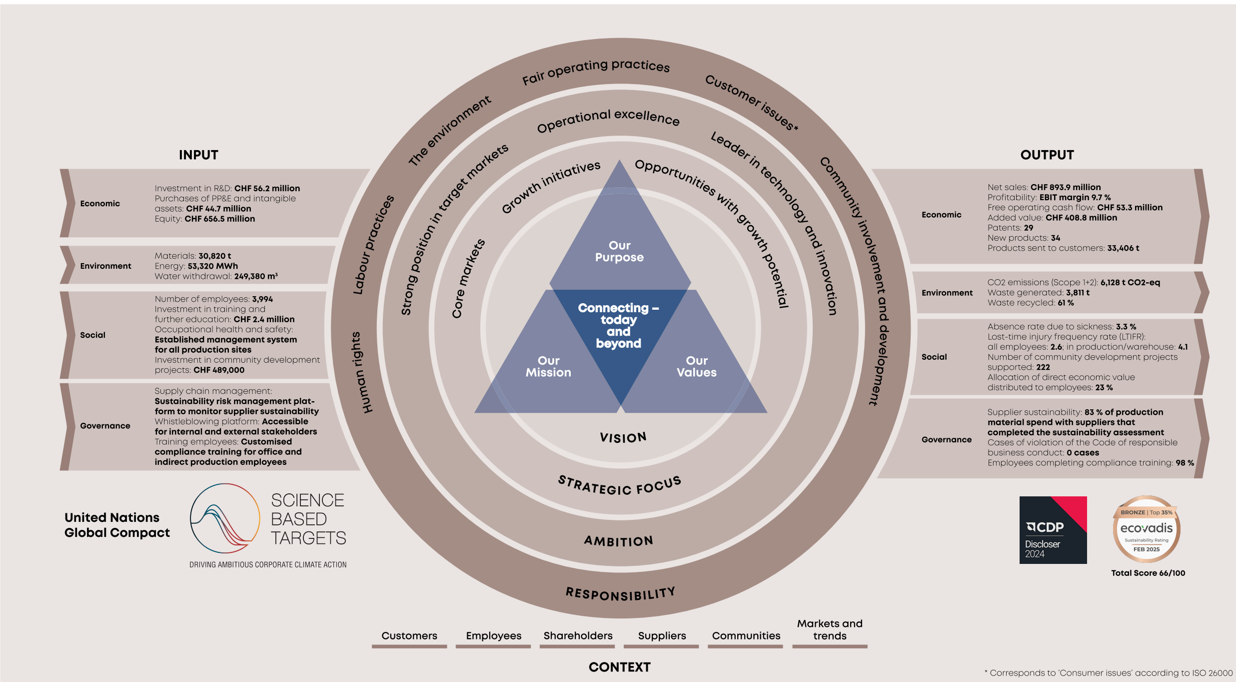
Our value chain: How we create and distribute value

HUBER+SUHNER creates value in multiple dimensions. Our value chain model below shows how we transform economic as well as environmental, social and governance inputs into valuable outputs and outcomes for our five key stakeholder groups – customers, employees, shareholders, suppliers, and communities – over time, concretely over the twelve months of the reporting period.

HUBER+SUHNER aims to strengthen its leadership in technology and innovation while securing strong positions in target markets. This is achieved through ongoing collaboration between external markets, internal resources and society. The Group focuses on creating and sustaining value in the short, medium, and long term across all its business activities.

In 2024, 23 % of the direct economic value distributed and retained directly or indirectly benefited employees, and 1 % the public sector in the form of income taxes. Additionally, a proportion of dividends and management salaries flows back to the public through income taxes. Shareholders received 3 % of the direct economic value, while 70 % were operating costs. The economic value retained (3 %) remained in the company in the form of amortisation, depreciation, and retained earnings. A portion of the retained earnings is reinvested in innovation to better serve our customers.

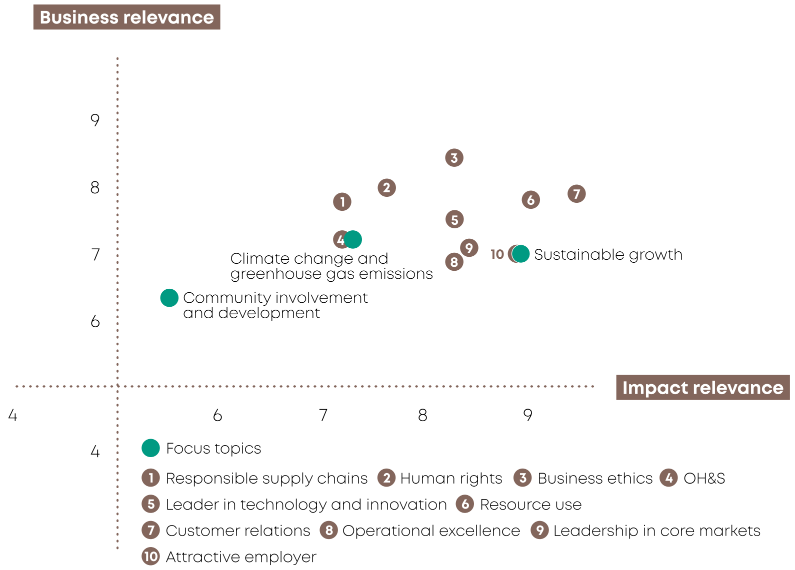
Figure 1: How we create and distribute value



Material issues

In 2024, we collaborated with internal and external stakeholders to conduct a double materiality assessment (DMA). The DMA assesses both financial impact (single materiality) and how a company's actions affect society and the environment. This assessment identified seven key sustainability topics for our company. The DMA was approved by the Executive Group Management in the fourth quarter of 2024. We will align our sustainability strategy in 2025 in accordance with the outcome of the DMA assessment. For the current reporting period, we remain aligned with our sustainability strategy, which is based on the 2022 DMA. The materiality matrix below illustrates the 13 sustainability topics we have been actively managing as part of our sustainability strategy.

Figure 2: Material issues assessed for their business and impact relevance



The graph displays only the upper right quadrant of the assessment matrix, with a rating scale from 0 to 10, to highlight small differences. Focus topics, defined in 2021, are marked in green. Although their materiality declined in 2022, these areas remain actively managed as key parts of a multi-year strategy.

Within these 13 topics, we selected three focus topics:

Sustainable growth is essential for investments that benefit the environment and society, both of which are crucial for overall sustainability. In 2024, 31 % of our net sales came from growth initiatives.

Climate change and greenhouse gas emissions is a top priority within our environmental efforts, as climate change poses significant risks to both the economy and society at large. In 2024, we reduced our Scope 1+2 emissions by 21 %.

Community involvement and development is important to all Group sites. The company is allocating funds to support and initiate 222 projects, with CHF 489,000 provided by both the operating business and the HUBER+SUHNER Foundation.

Integration of sustainability issues into our strategy

In 2024, we conducted our inaugural climate scenario analysis to gain a deeper understanding of medium- to long-term risks and opportunities. Our business strategy has proven largely resilient to climate-related risks. For more details, please refer to the environment and risk management chapters. We will continue to actively monitor both physical and transition risks related to climate change.

Within our business strategy, we continuously strive to seize opportunities and mitigate transition-related risks, as well as negative sustainability impacts. Promoting sustainability at both corporate and product levels was one of our top five initiatives in 2024. This commitment is reflected in our business plan and financial planning, where sustainability is a strategic focus.

Sustainability governance

HUBER+SUHNER has embedded sustainability within its organisation. A well-defined governance structure with clearly assigned responsibilities enables effective monitoring of the progress in implementing the Group's sustainability strategy.

Approving and overseeing the implementation of our sustainability strategy

The Board of Directors (BoD) convenes at least five times annually. During at least two of these meetings, the Executive Group Management (EGM) or Head of Global Sustainability reports on relevant sustainability-related matters. The BoD approves and oversees the implementation of the company's sustainability strategy and targets, as well as the company's Non-financial Report.

Defining our sustainability strategy

The CEO is responsible for defining and overseeing the implementation of the company's sustainability strategy. The Head of Global Sustainability reports to the members of the extended EGM including the CEO on the progress in implementing the company's strategic targets. Sustainability-related objectives are a component of the extended EGM's variable compensation package.

Implementing the sustainability strategy in our organisation

The Head of Global Sustainability is responsible for proposing and implementing the company's sustainability strategy. In this role, the Head of Global Sustainability directs a global network of local environmental and sustainability managers who are responsible for coordinating and implementing the sustainability strategy at the company's various sites. Together with this network, the Head of Global Sustainability also monitors relevant sustainability compliance obligations and assesses sustainability-related risks as well as the implementation of the respective risk response strategy and measures.

Ensuring material compliance

The Global Product Compliance team at HUBER+SUHNER ensures products meet all relevant regulations and directives. They update internal processes, maintain a current material compliance database, and provide training and support for compliance-related queries from global stakeholders and customers.

Promoting sustainable procurement practices

The Global Sourcing team is responsible for engaging with suppliers on sustainability-related matters. The Group's due diligence policy complies with the requirements set forth in the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO).

Advancing sustainable operations

The Head of Global Operations directs a global network of local operation managers. In collaboration with the Head of Global Sustainability, they oversee the development and implementation of a comprehensive global climate transition plan. Additionally, the Head of Global Operations guides the assessment of physical climate-related risks and their integration into local business continuity plans.

Ensuring compliance across the organisation

The Group Compliance Officer, supported by the General Counsel, is responsible for continuously improving the compliance programme. The Group Compliance Officer can veto any business transactions that threaten the Group's reputation due to violations of the Code of responsible business conduct, but the final execution decision rests with the CEO. Twice a year, the Group Compliance Officer meets with area compliance officers, who ensure compliance across the Group. These officers work with country managing directors and line managers to effectively implement control measures, which are integrated into the HUBER+SUHNER management system.

Monitoring and enforcing responsible business conduct

To address cases of misconduct, HUBER+SUHNER provides employees and external stakeholders with a grievance mechanism. Reports are handled by the Whistleblowing Steering Committee, comprised of two area compliance officers (legal compliance and human rights/labour) and a dedicated professional in the Corporate Communications team. The committee is the liaison to the independent operator of the platform as well as the person who filed the report and internal stakeholders. The number of reports filed as well as the number of substantiated violations of the Code of responsible business conduct are reported to the BoD annually.

Environment

This section zooms in on the company's environmental risks and impacts. Supported by facts and figures, it shows how HUBER+SUHNER works to keep its environmental impact as low as possible, while also actively managing the risks and opportunities in the context of the transition to a more environmentally friendly economy. In continuously reducing our environmental impact, we pursue ambitious emission reduction and resource efficiency targets.

Environmental footprint

Since 2009, HUBER+SUHNER has used life cycle analysis (LCA) to determine its environmental performance and significant environmental impacts as required by the ISO 14001 standard. Since 2022, all HUBER+SUHNER sites have reported data on energy consumption and employee commuting. Data on raw materials, commercial goods, internal transport, customer deliveries, and business travel were sourced from central systems. For more details on methodology, please refer to the addendum.

Our LCA establishes the main environmental targets for our production, focusing on the three most critical aspects. We actively manage these issues at all sites, aiming to prevent air, soil and water pollution, and reduce the use and disposal of toxic and hazardous chemicals.

Our environmental impact accounting differentiates between a total balance and a core balance. This complements our greenhouse gas (GHG) inventory (see table 4), which categorises emissions by scope. This distinction helps us understand our operational impact versus our impact across the value chain.

In 2024, we reduced the absolute impact of both balances.

Globally, our main environmental impact comes from sourcing semi-finished goods and materials like copper. In our operations, the main impacts stem from electricity, heating, and disposal.

Table 1: Environmental impact from LCA

	2022	2023	2024	Change y-o-y [EP]
Core balance [EP*]	23 598	19 510	18 395	-6 %
Total balance [EP]	1 094431	1 042 317	935 366	-10 %

* The life cycle impact assessment (LCIA) was conducted using the internationally recognised Ecological Scarcity Method. This method enables a fully aggregated assessment, represented by a single score indicator: Eco-points (EP), which simplifies both communication and interpretation.

Table 2: Environmental impact distribution

Environmental impact [EP*]	2024 share (%)
Commercial goods**	44 %
Copper	30 %
All other materials	16 %
Transport products	3 %
Transport intercompany	2 %
Paper/packaging	2 %
Electricity	1 %
Commuting	1 %

* Eco-points according to the Ecological Scarcity Method [EP].
** Commercial goods refer to third party sourced semi-finished goods

Note: Business traffic, disposal, fuel and heating are below 1 %.

Sustainable products

We continuously explore and adopt safer alternatives to hazardous materials, complying with evolving regulations such as the EU REACH regulation to ensure product safety and environmental protection. HUBER+SUHNER adheres to international standards, including the EU's Restriction of Hazardous Substances (RoHS) and Waste Electrical and Electronic Equipment (WEEE) directives. In line with our sustainability goals, we take proactive measures to ensure compliance with local and global regulations. We work closely with suppliers to align with these regulations and meet our customers' environmental expectations. We invest in innovation to stay ahead of substance obsolescence, such as lead, and have introduced lead-free connectors. Additionally, we have developed tools to track substances and materials in our products, enhancing transparency and ensuring compliance. These efforts reflect our commitment to environmental stewardship and regulatory compliance.

Resource use

In 2022, we introduced three global reduction targets to monitor resource efficiency as part of our environmental management. These targets include the intensity of total energy consumption, the intensity of waste sent to landfill or incineration, and the total water withdrawal.

We are actively working on reducing material consumption and using more sustainable materials. In 2024, we continued to reduce plastics in our packaging with the introduction of paper bags to replace 3 million single-use plastic bags for fiber optic cables. This change resulted in a reduction of 33 tons of CO2-eq emissions.

Table 3: Resource use targets

Target 2030 (2021 baseline)	**2021 Baseline**	**2022**	**2023**	**2024***	**y-o-y**	**2021-2024**	**Status**
-25 % intensity water withdrawal [m3/million CHF added value]	2 349	2 203	1 751	610	-65 %	-74 %	Target reached
-15 % energy intensity [MWh/million CHF added value]	131	136	136	130	-4.6 %	-0.4 %	On track
-25 % intensity waste sent to landfill/ incineration [kg/million CHF added value]	3 632	3 346	3 739	3 667	-2 %	1 %	Off track

* ▶ The data on water consumption, energy consumption, and waste was audited through a limited assurance engagement.

Due to the relocation of one of our Swiss sites, we have exceeded our target for water withdrawal for the second consecutive year. Additionally, we achieved a 4.6 % reduction in energy consumption from the previous year and a 0.4 % reduction from our baseline, despite the continuous ramp-up of our energy-intensive production of ADAS antennas in two locations. Despite an overall increase from our baseline in waste sent to landfill/incineration, we managed to reduce this by 2 % from the previous year. With this turnaround, we will continue to focus on targeted local actions to further decrease waste sent to landfill and incineration. Importantly, we also achieved a 10 % year-on-year (y-o-y) reduction in total waste.

See detailed data on energy, water, materials consumption and waste in the environmental performance indicators table.

Climate change mitigation

In our LCA, we also assess our GHG emissions. For details on the methodology, please see the Addendum: Scope and Methodology.

As indicated in Table 4: GHG inventory, the category "purchased goods and services" – particularly the materials we source – accounts for the largest portion of our overall emissions footprint at 82 %. In comparison, our operational footprint is only 3 % of our total emissions.

Due to changes in our data collection method and the inclusion of purchased commercial goods, we recorded growing GHG emissions in Scope 3 until 2022 (see table 5). This process was important to attain reliable and realistic Scope 3 data. To further reduce emissions from our purchased goods and services, we have started integrating climate criteria into our global sourcing process (see chapter Responsible supply chains).

Table 4: GHG inventory

	Impact
Scope 1 ▶	**3 150 t CO2-eq**
Scope 2 (market-based) ▶	**2 978 t CO2-eq**
Scope 2 (location-based) ▶	10 016 t CO2-eq
Scope 3 emissions ▶	**209 384 t CO2-eq**
1. Purchased goods and services	85 %
3. Fuel-and-energy related activities	1 %
4. Upstream transport and distribution	7 %
5. Waste generated in operations	1 %
6. Business travel	1 %
7. Employee commuting	3 %
9. Downstream transport and distribution	2 %

* In 2023, we conducted a complete screening of all Scope 3 categories (accounting for 97 % of our emissions), including capital goods, use phase, and end-of-life. Due to significant uncertainty in data quality, these categories have not been reported in our inventory for the time being.

To mitigate our impact on global warming, HUBER+SUHNER set targets in 2018 for Scope 1 and 2 emissions validated by the Science Based Targets initiative (SBTi). With the target period ending in 2025, we submitted new targets for all three scopes in July 2024, which were validated by the SBTi in January 2025. The targets, which put us on a trajectory to net-zero emissions by 2050, are summarised in tables 5 and 6 below.

The company remains on track with its Scope 1 and 2 emission targets. GHG emissions in Scope 1 and 2 decreased to 6,128 t CO2-eq in 2024, an absolute reduction of 21 % y-o-y. Most notably this reduction can be attributed to:

- An increase in the share of purchased electrical energy consumed worldwide from renewable sources (hydro, wind, and solar power plants) from approximately 59 % in 2023 to 82 % in 2024
- An increase of 3 % in self-generated renewable electricity through rooftop photovoltaic (PV) panels
- Improvements in leakage prevention have resulted in a significant 62 % reduction in refrigerant loss
- A 12 % reduction in business travel

We are currently not on track with our Scope 3 target due to increasing emissions in the 'purchased goods and services' category, originating from project-based business at one of our sites. Emissions from our core business are slightly declining, and this remains our focus of action.

Table 5: 2025 climate target

2025 Target (2015 baseline)	**2015 Baseline**	**2022**	**2023**	**2024**	**2015-2024**	**Status**
-50 % emission intensity Scope 1+2* [tCO2-eq/CHF] 1.5°C trajectory	56	23	20	15	-73 %	On track
-30 % emission intensity Scope 3 [tCO2-eq/CHF] 2°C trajectory	158	415	470	513	**	Off track

Note: We updated the 2024 background data using v3.11 of the ecoinvent data, released at the end of 2024.

* Market-based approach is used to account for Scope 2 emissions.

** The significant increase in our Scope 3 emissions is primarily due to an expanded scope and substantial improvements in data collection. Consequently, we adopted a new target with a 2023 baseline in 2024.

Table 6: 2030 climate target

2030 Target (2023 baseline)	2023 Baseline	2024	y-o-y	Status
-55 % absolute emissions Scope 1+2* [tCO2-eq] 1.5°C trajectory	7 735	6 128	-21 %	On track
-25 % absolute emissions Scope 3** [tCO2-eq] 2°C trajectory	189 920**	209 384	10 %	Off track

Note: We updated the 2024 background data using v3.11 of the ecoinvent data, released at the end of 2024.

* Market-based approach is used to account for Scope 2 emissions.

** We commit to reducing our absolute scope 3 GHG emissions from purchased goods and services, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution.
The target boundary includes land-related emissions and removals from bioenergy feedstocks.
The baseline for our net-zero target is 255,625 tCO2-eq and also covers the use-phase.
In 2023, we conducted a complete screening of all Scope 3 categories (accounting for 97 % of our emissions), including capital goods, use phase, and end-of-life. Due to significant uncertainty in data quality, these categories have not been reported in our inventory for the time being and are not covered by the SBTi-approved 2030 Scope 3 climate target. We remain committed to improving data quality.

Refer to our environmental performance indicators table for detailed data on our emissions and energy consumption.

Our climate transition plan

In 2024, to curb our emissions in line with our climate targets, we drafted a climate transition plan that outlines our planned actions to minimise our GHG emissions. The climate transition plan is built on the following elements:

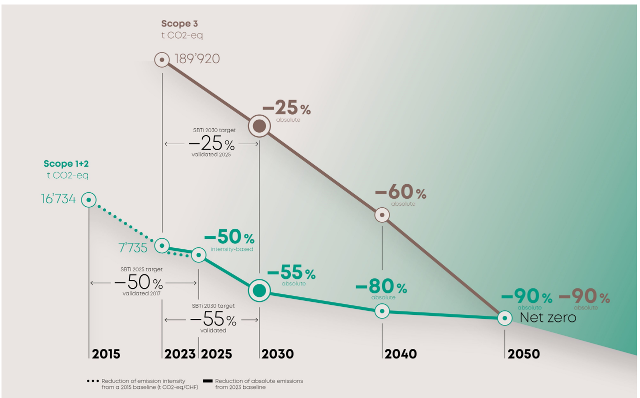
Scope 1+2

- Replacement of the remaining fossil-based heating systems with low-carbon alternatives
- Increase in renewable electricity supply to 100 % by 2030
- Installation of rooftop PV panels, where feasible
- Decarbonisation of our fleet by switching to EVs

Scope 3

- Reduction in material consumed, where feasible
- Engagement with suppliers in their climate strategies
- Life cycle assessments of our products

Figure 3: 2030 targets and transition plan



This is an illustration of our global transition plan. In 2024, we adopted new climate targets and reaffirmed our commitment to achieving net-zero emissions. Targets have been validated by the SBTi in January 2025.

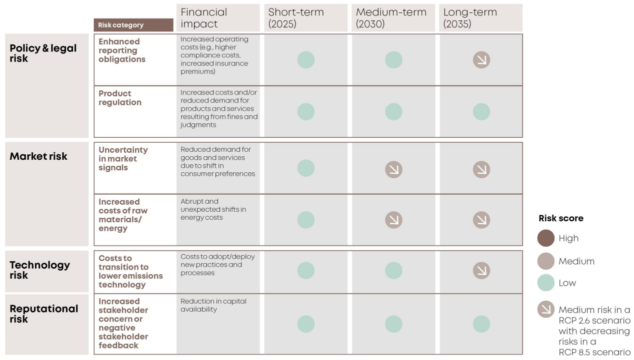
The climate transition plan, which is aligned with our science-based target is available on our website.

Transition risks and opportunities related to climate change

For HUBER+SUHNER, the transition to a low-carbon economy is primarily an opportunity. Our solutions are crucial in enabling this shift. In 2024, 34 % of our revenue came from sectors which are pivotal for the transition to a climate-friendly economy, specifically renewable energies, rail, and EVs.

When it comes to transition risks, changing customer behaviour – particularly the rising demand for climate-friendly products and materials, alongside growing costs – could pose medium-term market risks. Therefore, our transition plan enhances our resilience. We actively monitor customer preferences and engage with them proactively. Currently, the aforementioned risks are not material to our business strategy. We assess them using our standard risk management process, as described in chapter Risk management.

Figure 4: Assessment: climate-related transition risks

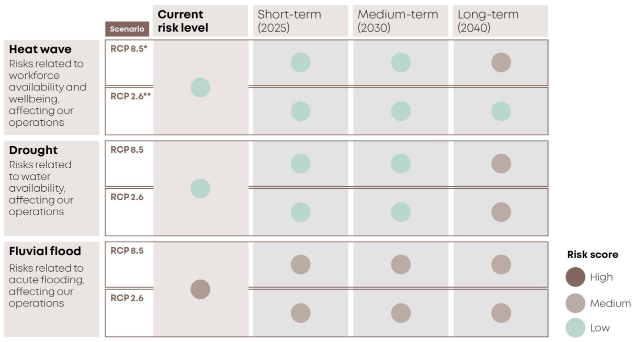


The default scenario considered here is RCP 2.6, which leads to limited global warming (1.5-2 °C). In contrast, RCP 8.5 is projected to increase the global mean temperature by about 4.8 °C by 2100 compared to pre-industrial levels, or 4 °C compared to 1986-2005.

Physical risks related to climate change

Using our standard risk management framework, we conducted a physical climate risk assessment in 2024, utilising data from Swiss Re, the World Resources Institute, and the Climate Impact Explorer to evaluate potential impacts across various time horizons and scenarios. Initially, we focused on operational risks, with plans to include our supply chain in 2025. The assessment results are displayed in figure 5. We currently see the largest risk from river flooding. However, none of the risks analysed are of material impact to our business strategy. Insights from the site-level assessments were incorporated into local contingency planning where applicable.

Figure 5: Assessment: climate-related physical risks



*RCP 8.5 around 4.8 °C increase compared to the pre-industrial state.
**RCP 2.6 around 1.5-2 °C increase compared to the pre-industrial state. Source: Climate Analytics — Climate impact explorer, Swiss Re CatNet® Risk Assessment Report, and Aqueduct Water Risk Atlas (World Resources Institute).

Social

In this section, HUBER+SUHNER reports on the company's social risks and impacts. Material topics include our own workforce and culture and how we attract, continuously develop and retain our people. This also requires special attention to upholding human rights and our employees' health and safety at work and beyond. Furthermore, caring for and interacting with the communities in which we operate is a long-standing tradition at HUBER+SUHNER.

Our own workforce

HUBER+SUHNER continuously strives to be a great place to work, a place where people feel inspired and safe and can develop their potential. Our goal is to retain our talents and, at the same time, to attract new employees. Next to having a strong purpose, the company offers regular training and learning opportunities, and a truly diverse, inclusive, international, agile, and safe work environment.

Our leadership principles are a common guideline for all our employees, placing a high priority on both psychological safety and work in diverse teams. Learning together from mistakes and focusing on constructive feedback enables all employees to perform at their best.

At the end of 2024, the Group had close to 4,000 employees globally working across three regions.

Table 7: Number of employees by region at year end (headcount)

Employees by region*	Americas	APAC	EMEA	Total
2022	279	958	3 232	4 516
2023	263	840	3 006	4 153
2024	263	808	2 923	3 994

* Employees with a HUBER+SUHNER contract (permanent and temporary)

Table 8: Number of employees by employment type at year end (headcount)

Employees by employment type	Permanent contract	Temporary employees	Temporary non-HUBER+SUHNER staff*	Shelter company (Mexico)
2022	4 469	47	1 150	589
2023	4 109	44	786	134
2024	3 945	49	1 395	167

*Number of temporary employees provided by a company primarily engaged in employment activities

Diversity, equality, and inclusion

The best results are achieved by considering different perspectives. Therefore, fostering diversity and inclusion is a priority for HUBER+SUHNER. This includes creating an environment where people with different cultural values, beliefs, ethnic and social backgrounds, as well as a diverse range of age groups and all genders, are welcomed and given equal opportunities. We promote diversity, consistently advocate for equal treatment, and offer attractive and flexible workplaces for different work and life models.

HUBER+SUHNER AG is a cofounder of the focus50plus network in Switzerland, demonstrating our awareness about demographic change and how it may result in workforce shortages.

Table 9: Distribution of employees by age groups

Age groups employees	< 30 years	30 to 50 years	> 50 years
2022	23.2 %	55.3 %	21.5 %
2023	19.6 %	57 %	23.4 %
2024	16.1 %	58.8 %	25.0 %

Out of the total workforce, 41.7 % were women. The share of women in managerial roles further increased to 29 % in 2024 (up 1.4 percentage points y-o-y). This brings us close to our 2030 target figure of 30 % women in managerial positions. HUBER+SUHNER strives to increase the number of women in the workforce and provide opportunities for them to progress into management positions. For many years, HUBER+SUHNER has worked with Landolt & Mächler consultants to actively promote equal pay for women and men at our Swiss sites. The consulting company continues to review the development on a regular basis (see Notes to financial statements AG for more details).

In March 2024, our CEO and our CHRO signed the "Advance Diversity Charter- A Letter of Intent for Gender Balance in Swiss Business." This is a commitment by Advance, the leading business association for gender equality in Switzerland, and signatory firms to gender equality in business. The goal is a workplace that supports a fair and balanced approach to hiring, remunerating, developing and retaining female talent.

Table 10: Employee gender distribution* ▶

Year	Total workforce		Managerial** positions		Top management***		Board of Directors	
	Female	Male	Female	Male	Female	Male	Female	Male
2022	45.1 %	54.9 %	26.1 %	73.9 %	16.7 %	83.3 %	16.7 %	83.3 %
2023	43.5 %	56.5 %	27.6 %	72.4 %	16.7 %	83.3 %	37.5 %	62.5 %
2024	41.7 %	58.3 %	29.0 %	71.0 %	33.3 %	66.7 %	37.5 %	62.5 %

* "Gender distribution" corresponds to Global Reporting Initiative (GRI) disclosure 405-1.

** Managerial positions are roles where a person oversees the job functions of another person or a group of people. Managers might also oversee the operation of a specific function within a company. For example, an accounting manager might lead a team of six accountants, whereas a production manager might oversee otherwise unattended automated assembly lines.

*** Refers to our Extended Executive Management, comprising the CEO, the three Segment COOs, the CFO, CHRO, CIO, CCO, and the Head of M&A and Group Strategy

In Switzerland, where 1,181 of our employees are based, HUBER+SUHNER offers many benefits that exceed legal requirements. These include continued salary payments in case of illness or accident and pension fund contributions. Employees with young children can choose certain nearby day-care centers, which are supported by the HUBER+SUHNER Foundation.

Attracting and retaining employees

For many years, HUBER+SUHNER has invested in a work environment that creates a strong culture, provides flexibility, enhances productivity, and fosters collaboration with internal and external stakeholders. The Group's HR department in Switzerland proposes programmes to local HR teams which can be adopted and adapted as needed by the various sites around the globe in response to country-specific needs.

We observed varied turnover rates across our regions, influenced by business performance and the respective local frameworks. In 2024, 631 positions were filled, with 30 % of them by internal candidates. For management positions, 54 % were filled internally. Overall, we are pleased to report that we have maintained a healthy turnover rate in several locations.
The optimised turnover rate is indicative of our focus on retaining and develop our employees. This is why HUBER+SUHNER offers specialised programmes and benefits to all employees through our internal employee training catalogue or through external training opportunities related to individual professional goals.

Table 11: Employee turnover rate by country*

Country	2022	2023	2024
China	27.8 %	22.9 %	8.9 %
Germany	13.7 %	5.5 %	6.4 %
India	8.2 %	7.7 %	7.9 %
Malaysia	7.3 %	3.8 %	7.7 %
Poland	20.8 %	15.3 %	16.2 %
Switzerland	8.3 %	9.6 %	7.8 %
Tunisia	51.9 %	41.1 %	46.9 %
United Kingdom**	19.8 %	25.1 %	21.7 %
United States	18.4 %	17.3 %	14.8 %

* Reporting for countries with more than 100 HUBER+SUHNER employees only

** United States includes the site of HUBER+SUHNER Inc. and Astrolab

Training and continuous education

It is fundamental to keep employees motivated and committed. HUBER+SUHNER invests in individual training opportunities for its employees to ensure their professional development.

In 2024, we exceeded our target of 16 training hours per employee with a total of 65,033 hours. This equals 17 hours of training per employee across all functions.

Table 12: Overview of employee training hours and costs

Year	Training hours overall	Training hours per employee	Training costs per employee (in CHF)
2022	73 257	16	529
2023	60 848	14	621
2024	65 033	17	614

Apprenticeship and trainee programmes are important offerings that attract the next generation of employees. At HUBER+SUHNER Switzerland, we offer nine different types of apprenticeships to help young people learn essential skills for their chosen vocations through practical and classroom learning. In 2024, we welcomed 24 new apprentices who work across our Swiss sites; 78 (PY 75) apprentices were trained in Switzerland in 2024.

HUBER+SUHNER globally provides internships and apprenticeships for young people and graduates in the United Kingdom, Germany, India, and Malaysia. Other countries, like Australia, started offering work experience programmes which provide a first on-the-job acquaintance for students. You may read more about our internship and apprenticeship programmes in India and Malaysia in our article published in Sustainable Switzerland.

Because HUBER+SUHNER is a member of Swissmem, the leading association for small to large companies in the Swiss tech industry, our employees have access to the Swissmem Academy, which offers an array of courses in further education. The SwisswoMEMclub specifically addresses women in the tech industry, organising regular events and continuing education to enable professional women to build a strong community and get connected through their careers in the technology sector.

Employee engagement

HUBER+SUHNER relies on the passion and commitment of its employees. Their level of engagement was reflected in the 2024 employee survey conducted at all sites worldwide. The participation rate was very high at 89 % (2022: 85 %) which means that 3,371 employees took the opportunity to voice their opinion. Line managers and their teams will review their results, identify strengths and areas for improvement, and decide on relevant measures. These will be consolidated and discussed with the EGM in Q1 2025.

We will continue to conduct employee surveys every second year to gauge trends and the need for any actions or improvements. For more details please refer to the Management Report.

Human rights and labour practices

In its Code of responsible business conduct, HUBER+SUHNER has committed to fully respecting human rights within its sphere of influence. The company does not tolerate any form of child labour or forced labour and is committed to equal and non-discriminatory treatment of employees and their protection from harassment in the workplace.

The company constantly monitors to ensure that no form of child labour [1] or forced labour [2], according to the International Labour Organization (ILO) definition, is occurring at any of its sites of operation.

Since June 2020, HUBER+SUHNER has been a member to the United Nations (UN) Global Compact, adhering to its ten principles [3] including principles 1 through 6 which are related to human rights and labour practices. In Switzerland, where almost one third of our workforce is based, we are a signatory of the collective employment agreement (CEA) of the mechanical and electrical engineering industries. Globally, we have various bargaining agreements and employee representatives. Approximately 70% of our employees are covered by either a collective bargaining agreement or an employee representation.

We implemented a grievance mechanism in 2021 called Trustline to demonstrate our commitment to early discovery of any non-compliance with our Code of responsible business conduct. This includes the possibility for employees to anonymously raise concerns. This grievance mechanism is also available to suppliers and other external stakeholders on our website; for more details, please refer to the governance chapter. Both mechanisms are accessible around the clock in several languages, online via a website or an application as well as by phone. The platform is accessible in all local languages of key countries where HUBER+SUHNER has subsidiaries.

[1] See ILO: https://www.ilo.org/ipec/facts/lang--en/index.htm
[2] See ILO: https://www.ilo.org/global/topics/forced-labour/definition/lang--en/index.htm
[3] See UN Global Compact: https://www.unglobalcompact.org/what-is-gc/mission/principles

Occupational health and safety

HUBER+SUHNER ensures OH&S through strict adherence to local laws and regulations and to three global processes that were introduced at the end of 2020 and subsequently rolled out.

Our global Health and Safety Policy is applied throughout our operations. All sites with production and/or warehousing activities are required to establish and maintain an OH&S management system. With the employees' participation and consultation, we are able to identify hazards, assess workplace risks, and seize opportunities early on in order to eliminate hazards before they become incidents. Every plant has health and safety officers on duty to conduct regular trainings and walk-throughs which sensitise employees' to both work-related hazards and health-related topics in general.

Currently, two of our sites are TÜV SÜD-certified according to ISO 45001 (6 % of our production sites). In 2025, we plan to have two additional sites certified (17 % of our production sites).

In 2024, the average absence rate due to sickness [4] was 3.3 % (PY 4.1 %). For comparison: in the Swiss manufacturing sector, the absence rate was 3.5 in 2023 (most recent available statistics) [5].

The lost-time injury frequency rate for our total employees improved significantly over the past year, decreasing from 3.3 to 2.6 with only 19 lost-time injuries (see table 13 below). In direct and indirect production, the rate remained steady at 4.1 in 2024 (PY 4.1). Notably, six production sites reported zero lost-time injuries. We remain committed to maintaining a 3.0 total lost-time injury frequency rate.

Table 13: Absence rate due to sickness and lost-time injury rate (LTIR)

Year	Absence rate due to sickness	Total number of lost-time injuries*	LTIR total ▶	LTIR in production/ warehouse ▶
2022	4 %	25	2.9	4.1
2023	3.8 %	25	3.3	4.1
2024	3.3 %	19	2.6	4.1

* Lost-time injury (LTI): any injury sustained by an employee while on the job that prevents them from being able to perform their job for at least one day/shift; lost-time injury rate: the number of lost-time injuries that occurred during the reporting period per 1 million hours worked by production employees (LTI multiplied by 1,000,000 and divided by the sum of worked hours).

The lost-time injury severity rate [6] for all employees in 2024 was 62, down from 84 in the previous year (PY). No work-related fatalities were recorded during the reporting period.

[4] Number of absence hours due to sickness divided by the planned working time (in hours)

[5] Source: Swiss Federal Statistical Office

[6] The lost-time injury severity rate is calculated by multiplying the number of man-days lost due to injury by 1,000,000 and then dividing by the total number of hours worked.

Safe and legally compliant handling of hazardous materials

Measures are implemented to protect employees and the environment when handling hazardous materials. Compliance with all relevant laws and regulations is ensured, and manufacturers and importers are required to provide safe handling information, including Globally Harmonized System of Classification and Labelling Chemicals (GHS) hazard pictograms and precautionary statements. Safety data sheets (SDSs) are requested from suppliers, and EHS specialists ensure these are organised for easy access and understanding.

We strictly follow manufacturers' instructions regarding packaging and SDSs, ensuring translations and proper training for operators. Our warehouses are organised in compliance with legal requirements, including appropriate storage practices. We provide personal protective equipment to workers and ensure it is used correctly. For new purchases, we obtain the latest SDS from suppliers and regularly check for updates, informing affected employees as needed.

To minimise risks, we prioritise replacing hazardous materials with non-hazardous alternatives whenever possible and maintain minimal stock levels of hazardous substances.

Community involvement and development

Our country organisations are encouraged and responsible for their community involvement and development activities according to the local setting, needs, and possibilities. The local teams from various departments select and execute projects according to our globally binding Community involvement and development guidelines. Outcomes are shared quarterly within our organisation to promote different successful projects so they can be implemented in varying forms in other locations if possible and appropriate.

On a quarterly basis, we align activities between country organisations and further increase employee engagement and our relationships with local community members and organisations. Our ambition is to build strong ties and foster a mutual understanding of social and environmental risks and opportunities.

With this focus topic, the goal is not only to support the communities where we operate, but to increase employee motivation and engagement beyond our daily business operations. The spirit of giving back reflects a deep sense of stewardship and our compassion for people. These are crucial traits in everyday life, in business, and beyond. For HUBER+SUHNER this shapes our culture and is one of many ways we live and cultivate our five values: Care, Trust, Passion, Accountability, and Transparency.

In 2024, we supported 222 community involvement and development projects (PY 211) through the engagement of 78 % of HUBER+SUHNER Group companies (PY 79 %). This equalled a financial investment of CHF 489,000 (PY 515,000). The funds are provided from the operating business as well as by the HUBER+SUHNER Foundation.

Table 14: Community involvement and development

Year	Investment in CHF	Number of projects	Proportion of country organisations
2022*	579 000	173	67 %
2023	515 000	211	79 %
2024	489 000	222	78 %

* Since the easing of pandemic-related measures in 2022, our community development activities have increased.

The HUBER+SUHNER Foundation

Established in Switzerland in 1947, the HUBER+SUHNER Foundation is another important channel to support our own employees as well as projects by non-profit organisations in the vicinity of the Herisau and Pfäffikon (canton Zurich) offices and production sites. The foundation's mission is to fund selected environmental, social, cultural, and sports projects.

Table 15: HUBER+SUHNER Foundation projects

Year	Number of projects
2022	142
2023	145
2024	145

Governance

At HUBER+SUHNER, we are committed to a visible culture of integrity, ethics and compliance. This chapter provides an overview of how we established the guiding principles through our group-wide compliance programme. It illustrates how we raise awareness for potential compliance issues and create a culture of transparency by encouraging internal and external stakeholders to report potential misconduct.

Business conduct

Our Code of responsible business conduct

Compliance at HUBER+SUHNER is about living the company's values and speaking up if we witness or suspect unethical behaviour or any non-compliance with the Code of responsible business conduct. Published in six languages, our Code of responsible business conduct lays out important principles on how we manage our business in a responsible manner. It serves as the guiding document for every employee of the HUBER+SUHNER Group as well as for all stakeholders which enter into relationships with our organisation. For certain matters, specific guidelines with more detailed information and instructions have been issued. Aligned with the code's principles and obligations, HUBER+SUHNER has established a Group-wide compliance programme, which specifies our policies and guidelines, procedures, and actions within a defined process to help prevent risks and detect potential violations.

HUBER+SUHNER has a zero-tolerance policy towards corruption and bribery. This commitment is demonstrated through a strong compliance programme that fosters a culture of integrity and adherence to anti-bribery and anti-corruption laws and regulations.

In 2022, HUBER+SUHNER introduced a Supplier Code of Conduct that aligns with its commitment to responsible business practices. This code establishes a comprehensive framework for ethical and sustainable operations throughout its value chain, ensuring adherence to strong standards in environmental, social, and governance (ESG) criteria.

Compliance training for employees

On a yearly basis, one compliance focus topic is defined according to its relevance for an online compliance training. For office employees, topics like anti-bribery, conflict of interest, and non-competition are regularly addressed. Additionally, an online onboarding compliance training – developed specifically for HUBER+SUHNER – is available in seven languages and all employees working in office environments are asked to complete the interactive online course within the first 90 days of their employment with the company as part of their orientation training programme. Employees at our manufacturing facilities hold daily meetings with shift leaders, discussing compliance topics, where relevant. Of office and indirect production employees globally, 98 % completed the online compliance focus training on the prevention and detection of sexual harassment in 2024.

Table 16: Compliance focus training

Compliance focus topics	Year	Participation [%]
Data protection	2022	97 %
Human rights due diligence	2023	97 %
Sexual harassment	2024	98 %

Our grievance mechanism

In 2021, HUBER+SUHNER implemented an independent and secure whistleblowing platform provided by a third party. The platform offers all employees worldwide, including temporary staff, apprentices and trainees, an additional reporting channel to easily raise alleged violations or breaches of the Code of responsible business conduct by phone or in writing. The whistleblowing platform can be accessed around the clock. It is available in several languages, and reports can be submitted anonymously. The company has developed guidelines to encourage employees and external stakeholders to voice their concerns about suspected misconduct with respect to the Code of responsible business conduct.

In 2024, none of the reports submitted via our whistleblowing platform or any other reporting channels were substantiated as violations of the Code of responsible business conduct. Other reporting channels, include line managers, human resources representatives, compliance officers, or external service providers.

Table 17: Reported cases of misconduct

Reports of non-compliance with the Code of responsible business conduct	Number
Reports of non-compliance	9
Substantiated reports of non-compliance	–
Non-substantiated reports of non-compliance	8
Reports still under investigation*	1

*Reports still under investigation as per 31 December 2024.

Our annual compliance report

The Group Compliance Officer oversees the annual compliance report, which is included in our risk report and was presented to the BOD in December. The report includes a summary of the information provided by the area compliance officers, the findings of the other reporting tools such as our internal and external grievance mechanisms, management reviews and internal quality audit reports.

Data privacy and cyber security

Safeguarding our customers' and employees' data as well as data, critical to our operations, is a key concern for HUBER+SUHNER. In line with our information security policy, we are taking decisive action to mitigate the risks of cyberattacks and proactively address potential threats. In addition to sensitising our employees through trainings and activities during the annual "Cybersecurity Awareness Month" in October, constant awareness monitoring allows us to understand our risk exposure and subsequently define follow-up actions where necessary. In the simulations we conducted in 2024, the click-through rate ranged from 0.5 % to 4 %, with an average of 1.17 %. This is significantly lower than the industry average of 8-9 % for untrained employees and approximately 3.4 % after one year of training.

Responsible supply chains

At HUBER+SUHNER, over 50 % of sales turnover is spent on procurement. Based on the resulting material environmental and social impact, we aim to ensure that production materials are sourced only from qualified suppliers, guaranteeing high environmental and social standards. We promote the “regional for regional” approach to strengthen local supplier relationships and ensure short supply chain routes whenever feasible. Active management and regular due diligence of social and environmental risks in our supply chain enable us to meet growing regulatory and market expectations, including those from the Swiss Ordinance on Due Diligence and Transparency in Relation to Minerals and Metal from Conflict-Affected Areas and Child Labour (DDTrO).

Our due diligence process

In 2023, HUBER+SUHNER introduced a multi-step supplier sustainability due diligence process for both new and existing suppliers in production material categories. Going beyond the requirements defined by the DDTrO, suppliers with at least a medium sustainability risk need to demonstrate that they uphold relevant sustainability standards in the following areas: human rights and labour practices (including child labour), OH&S, responsible sourcing of minerals, environmental protection, climate change mitigation, as well as fair operating practices. The Supplier Code of Conduct launched at the end of 2022 lays out the principles and standards we expect our suppliers to follow. Our Global Sourcing team leads the supplier engagement process and has updated our procurement policies accordingly.

New and at-risk suppliers are required to complete eight different self-assessment questionnaires provided by an established sustainability platform. They are also asked to confirm compliance with the Supplier Code of Conduct. Where the self-assessments show any non-compliance for eight core sustainability risks, suppliers are required to improve their sustainability performance. We exceeded our 2024 objective to assess 80 % of our direct production material spend through our sustainability platform.

Table 18: Suppliers that have undergone a sustainability assessment

2024 Target	2022	2023	2024	Status
Assessment of 80% of our production material spend through our sustainability platform	N/A	79 %	83 %	On track

In its operations, HUBER+SUHNER processes conflict minerals such as tin and gold. We aim to ensure that our products are free from conflict minerals, avoiding sourcing from questionable mines. Through additional checks, we gather detailed information about the origin of materials and our suppliers’ smelters or refiners. We carry out annual data collection efforts, aligned with updates to the Conflict Minerals Reporting Template (CMRT) of the Responsible Minerals Initiative, which are publicly available on the HUBER+SUHNER website.

Any form of misconduct, including in our supply chain, may be reported through our independent and secure whistleblowing platform, which is available free of charge and accessible in several languages on our website. For more details on our grievance mechanism, please refer to chapter Governance.

Based on our assessments and due diligence as outlined above, there are currently no reasonable grounds to suspect child and/or forced labour, nor that metals and minerals originate from conflict-affected or high-risk areas.

Engagement on climate-related issues

Our goal is to reduce our scope 3 emissions by 25 % by 2030, focusing on emissions from purchased goods, materials, and packaging (see chapter Environment). Collaborating with suppliers is crucial to lower our emissions and to provide low-carbon solutions to our customers. Table 19 highlights these efforts.

We engage with our suppliers through our sustainability platform and in-person interactions to gather insights and understand their decarbonisation efforts. Additionally, our supplier rating also scores suppliers based on their decarbonisation initiatives.

Table 19: Climate engagement

Year	Number of suppliers that track their CO2 emissions*	Number of suppliers with climate targets
2022	N/A	N/A
2023	N/A	N/A
2024	157	119

Note: No data available before 2024

* Suppliers may not necessary track all their emissions

Regional for regional

We aim to follow the “regional for regional” approach to strengthen local supplier relationships, shorten supply chains, and reduce CO2 emissions. In 2024, HUBER+SUHNER procured over 20,000 items from approximately 1,500 active production material suppliers across 43 countries. Between 89 % and 97 % of these suppliers were in the same region as the receiving HUBER+SUHNER sites.

Table 20: Regional supply* by region 2024

Region	Share of production material spend with regional suppliers
AMERICAS	97 %
APAC	96 %
EMEA	89 %

* Suppliers who are in the same region as the receiving site of HUBER+SUHNER

Glossary Non-financial Report

Abbreviation	Definition
ADAS	advanced driver assistance system
APAC	Asia-Pacific
BoD	Board of Directors
CDP	global non-profit that runs the world's environmental disclosure system for companies (formerly Carbon Disclosure Project)
CH4	methane
CFO	Chief Financial Officer
CHRO	Chief Human Resources Officer
CIO	Chief Information Officer
CCO	Chief Communications Officer
CMRT	Conflict Minerals Reporting Template
CO2	carbon dioxide
CO2-eq	carbon dioxide equivalent
DDTrO	Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour
DMA	double materiality assessment
EBIT	earnings before interest and taxes
EGM	Executive Group Management
EHS	environmental health and safety
EMEA	Europe, the Middle East and Africa
EOL	end-of-life
EPI	environmental performance indicator
ERP	enterprise resource planning
ESG	environmental, social and governance
EVs	electric vehicles
GHG	greenhouse gas
GHS	Globally Harmonized System of Classification and Labelling Chemicals
GRI	Global Reporting Initiative
GWh	gigawatt hours
HFCs	hydrofluorocarbons
HR	human resources
ILO	International Labour Organisation
ISO	International Organization for Standardization
KPIs	key performance indicators
LCA	life cycle assessment
LCIA	life cycle impact assessment
LTIFR	lost-time injury frequency rate
N2O	nitrous oxide
NfR	Non-financial Report
NF3	nitrogen trifluoride
OH&S	occupational health and safety
PFCs	perfluorocarbons
PV	photovoltaic
PY	previous year
RCP	Representative Concentration Pathway
REACH	registration, evaluation, authorisation and restriction of chemicals
RoHS	Restriction of Hazardous Substances
SBTi	Science Based Target initiative
SDS	safety data sheets
SF6	sulphur hexafluoride
Swiss CO	Swiss Code of Obligations

TCFD	Taskforce on Climate-related Financial Disclosures
TüV	Technischer Überwachungsverein
UN	United Nations
WBCSD	World Business Council for Sustainable Development
WEEE	Waste Electrical and Electronic Equipment
WRI	World Resources Institute

Addendum

Addendum 1: Scope and methodology

Scope of the Non-financial report

HUBER+SUHNER collects data within the operational scope of the HUBER+SUHNER Group, including its subsidiaries. Our reporting period for social and governance data is the calendar year 2024. The same applies to environmental data; however, in cases of expected disproportionate delays in evaluation, the data for December 2024 were estimated. HUBER+SUHNER estimates the deviation from the calendar year period to be less than ±5 %. We continuously strive to improve data quality and granularity.

Assurance

Ernst & Young Ltd performed a limited assurance engagement on selected EPIs for 2024 (see Addendum 5 : Independent assurance report (EY)).

Social data

The data describing the HUBER+SUHNER workforce reflect the characteristics of the workforce as of 31 December, 2024. The total number of employees includes all individuals with a HUBER+SUHNER contract, including both permanent and temporary employees.

Environmental data

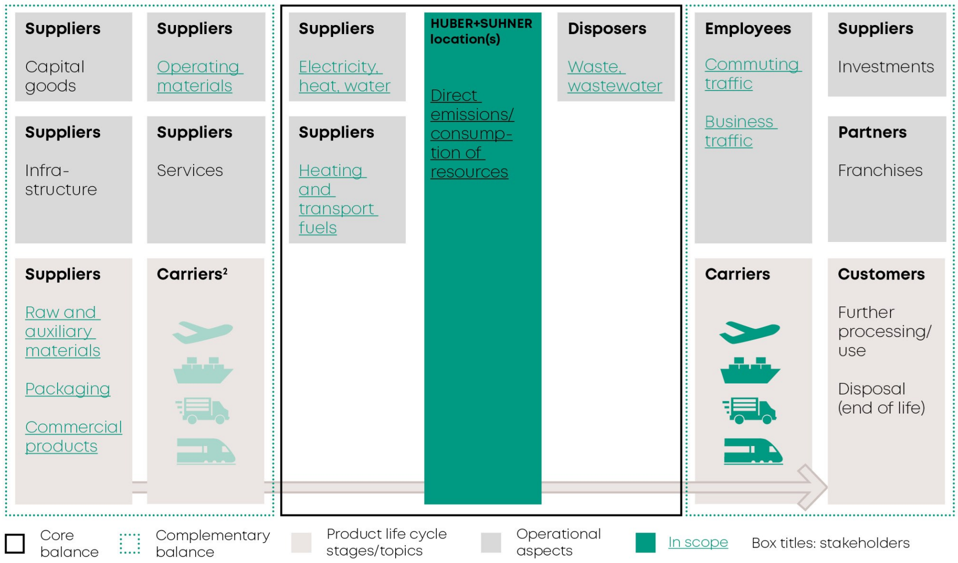
Since 2022, all entities under full operational control of the HUBER+SUHNER Group have at least reported data on energy consumption and employee commuting. Data on raw materials, transport within the Group, customer deliveries, and business travel were sourced from central systems. It is estimated that over 95% [1] of the company's environmental impact has been captured based on production employee numbers and manufacturing activities. HUBER+SUHNER employs an inventory analysis using input-output models, treating each production site as a unit where energy and materials enter (input) and emissions, waste, wastewater, and products are generated (output).

Life cycle assessment

Since 2009, HUBER+SUHNER has conducted annual life cycle assessment (LCA) to assess its environmental performance quantitatively. Since 2019, it has also evaluated significant environmental aspects as per ISO 14001 standards. This process is outlined in the company's environmental management procedures and follows the LCA phases defined by ISO 14040.

Direct emissions and the consumption of resources as well as electricity, heat, water, heating and transport fuels, and waste and wastewater (core balance) are in scope of the LCA as are raw, auxiliary, operating and packaging materials as well as commercial goods, commuting and business traffic, and the transport of materials and products (complementary balance) as shown in figure 1 below. Materials and commercial goods are sourced from external suppliers, with the exception of certain plastic compounds, which are manufactured at the Pfäffikon, Switzerland compounding facility and processed at the Changzhou, China, and Pfäffikon and Herisau plants in Switzerland. The quantities processed or consumed were taken from the ERP system (purchasing data).

Figure 1: Scope of the LCA



[1] "Cradle to gate" plus "transport to customers".

[2] Swiss Eco-Factors 2021 according to the Ecological Scarcity Method. Methodological fundamentals and their application in Switzerland. Environmental studies no. 2121, Bern, 2021

Method

HUBER+SUHNER has delivered all relevant data to sinum AG (St. Gallen, Switzerland), which is responsible for calculating the environmental and carbon footprint. The environmental footprint evaluation is conducted according to ISO 14040. The LCIA method for the environmental footprint is the Ecological Scarcity [2]. The carbon footprint evaluation complies with the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition). Global warming potential factors aligned with the Sixth Assessment Report of the United Nations Intergovernmental Panel on Climate Change have been used, as recommended by the Greenhouse Gas (GHG) Protocol and CDP; GHGs accounted for were carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6), and nitrogen trifluoride (NF3) as listed in the amended Annex A to the Kyoto Protocol. The footprints were calculated by using expert system REGIS and ecoinvent database version v311. Performance data shown in the environmental performance indicator (EPI) table GRI standards 301, 302, 303, 305 and 306. Intensity data always refer to the added value generated as a measure of the economic performance. The added value has been calculated from profit before tax and depreciation plus personnel costs minus other financial results. The added value for the years 2020–2024 is displayed at the bottom of the environmental performance indicators (EPIs) table.

GHG inventory: screening 2023

In 2023, we conducted a comprehensive screening of all Scope 3 categories, including capital goods, use phase, and end-of-life. Due to significant uncertainty in data quality, these categories have not been reported in our inventory for the time being and are not covered by the SBTi-approved 2030 Scope 3 climate target. We remain committed to improving data quality.

Addendum 2: Declaration of performance Scope 1+2 CO2-eq emissions

Performance Scope 1+2. Declaration of performance in accordance with CDP Reporting (Questions C7.9, C7.9ab). Emissions performance calculations were market-based. Compared to the previous reporting year the scope 1+2 emissions of the HUBER+SUHNER Group decreased 21 % corresponding to 1,607 t CO2eq.

Reason	Change in emissions [t CO2-eq]	Direction of change	Emissions value [%]	Comments
Change in renewable energy consumption	2 107	Decreased	27.2	Purchase of renewable energy: CH: 21.67 GWh (hydro power, 2023: 15.97 GWh) CH: 0.51 GWh (biogas, 2023: 0.49 GWh) CN: 3.46 GWh (solar power, 2023: 3.5 GWh) IN: 0.0 GWh (wind power, 2023: 0.6 GWh) PL: 4.18 GWh (wind power, 2023: 1.83 GWh) DE: 0.7 GWh (hydro power, 2023: 0.6 GWh) US/MY/UK/TN: 2.52 GWh (sun, hydro and wind power, 2023: 0.57 GWh) Self-generated electricity: CN: 1.34 GWh (solar power, 2023: 1.44 GWh) CH: 0.62 GWh (solar power, 2023: 0.53 GWh) UK/DE/PL: 0.13 GWh (solar power 2023: 0.05 GWh).
Other emissions reduction activities	175	Decreased	2.3	Various energy efficiency initiatives have been undertaken and are ongoing at all HUBER+SUHNER sites, including the optimization of control and steering mechanisms, the implementation of closed-loop cooling systems, and the utilization of heat recovery.
Divestment	0	No change	0	No divestments.
Acquisitions	0	No change	0	No acquisitions.
Mergers	0	No change	0	No mergers.
Change in output	964	Increased	12.5	Site-specific calculations were conducted using net sales data, with the significant increase in net sales in India being the primary contributing factor. Only production-related emissions, particularly those from electricity, were considered.
Change in methodology	108	Increased	1.4	Change from ecoinvent database version v3.10 to version v3.11
Change in boundary	0	No change	0	No change in boundary.
Change in physical operating conditions	82	Decreased	1.1	The number of heating degree days has decreased in Switzerland and at most international sites.
Unidentified	0	No change	0	No unidentified changes.
Other	315	Decreased	4.1	Following a request from the Swiss government to transition from natural gas to heating oil where feasible, this initiative was subsequently revoked. The management of SF6 emissions in Switzerland and China is ongoing, with continuous monitoring and adaptive measures in place. Additionally, district heating at the Pfäffikon site in Switzerland, supplied by municipal utilities with an annually varying share of energy sources, was assigned a higher CO2 emission factor. Changes in refrigerant emissions into the air are also accounted for.

Addendum 3: Detailed environmental performance indicators (2020–2024)

Ernst & Young Ltd performed a limited assurance engagement on selected environmental performance indicators (EPIs) marked with ▶ for 2024. Ernst & Young Ltd also performed a limited assurance engagement on the same set of key performance indicators (KPIs) every year between 2020 and 2023.

EPIs		2020	2021	2022	2023	2024	Difference 2023/2024	Difference 2020/2024	GRI
Energy ▶									**302**
Total energy	MWh	48 180	54 540	57 297	52 865	53 320	+1%	+11%	
renewable	%	21%	26%	38%	52%	69%	+16	+48	
Purchased electricity	MWh	37 186	42 296	43 264	38 925	39 901	+3%	+7%	
renewable	%	24%	29%	40%	59%	82%	+22	+58	
Purchased heat	MWh	2 831	3 324	3 211	3 238	2 848	(12%)	+1%	
renewable	%	37%	37%	72%	61%	49%	(12)	+12	
Self-generated electricity	MWh	78	66	1 780	2 022	2 084	+3%	+2 577%	
renewable	%	100%	100%	100%	100%	100%	+0	+0	
Total fuel	MWh	8 084	8 854	9 042	8 680	8 488	(2%)	+5%	
renewable	%	3%	2%	6%	6%	7%	+0	+4	
Natural gas	MWh	5 236	5 564	5 471	3 271	4 896	+50%	(6%)	
Biogas	%	–	–	6%	15%	10%	(5)	+10	
Heating oil	MWh	1 327	1 637	1 847	3 663	1 446	(61%)	+9%	
Diesel	MWh	972	1 022	1 368	1 462	1 826	+25%	+88%	
Petrol	MWh	332	455	177	222	256	+15%	(23%)	
Wood	MWh	217	177	178	62	65	+3%	(70%)	
Water ▶									**303**
Total water	m3	915 933	979 079	925 796	677 027	249 380	(63%)	(73%)	
Tap water	m3	64 299	70 498	72 420	70 207	61 420	(13%)	(4%)	
other water (PL, CH)	m3	87 654	99 614	64 786	55 990	56 099	+0%	(36%)	
lake water (CH)	m3	763 980	808 967	788 590	550 830	131 860	(76%)	(83%)	
Materials ▶									**301**
Total materials	t	17 374	21 544	27 783	26 865	30 820	+15%	+77%	
renewable (cardboard and wood)	%	18%	16%	11%	11%	10%	(0)	(8)	
Solvents	kg	15 563	13 846	17 056	15 505	25 616	+65%	+65%	
SF6	kg	27	46	14	14	19	+39%	(30%)	
Refrigerants	kg	264	305	611	377	144	(62%)	(45%)	
Copper	t	7 569	8 715	8 159	7 404	6 801	(8%)	(10%)	
Plastics	t	4 860	6 179	5 489	4 278	4 165	(3%)	(14%)	
Glass fibre*	t	23	239	223	146	153	+5%	+572%	
Packaging	t	4 200	4 377	5 157	4 013	4 533	+13%	+8%	
renewable (cardboard and wood)	%	76%	77%	57%	72%	71%	(1)	(5)	

EPIs		2020	2021	2022	2023	2024	Difference 2023/2024	Difference 2020/2024	GRI
Waste ▶									**306**
Total	t	3 941	5 285	4 449	4 221	3 811	(10%)	(3%)	
Municipal waste (incinceration)	t	175	198	156	164	185	+13%	+6%	
Municipal waste (landfill)	t	170	189	194	197	179	(9%)	+5%	
Inert waste (landfill CH)	t	2	5	0.3	7.9	0.9	(88%)	(53%)	
Hazardous waste	t	450	474	424	416	482	+16%	+7%	
Waste (energy recovery)	t	576	648	632	661	653	(1%)	+13%	

Recycling	t	2 568	3 772	3 043	2 775	2 312	(17%)	(10%)	
Business travel									
Total**	Mio. km	1.8	2.0	9.0	13.9	12.2	(12%)	+564%	
Car (expenses, rented)	%	33%	23%	3%	8%	9%	+2	(24)	
Aircraft	%	67%	77%	96%	86%	86%	(0)	+19	
Product transport* **									
Total	Mio. tkm	76	94	101	67	69	+3%	(9%)	
Trucks	%	30%	31%	35%	34%	44%	+10	+14	
Sea fright	%	56%	27%	41%	44%	35%	(9)	(21)	
Air freight	%	13%	32%	21%	23%	21%	(1)	+8	
Rail freight	%	1%	11%	3%	0%	0%	+0	(1)	
GHG emissions (CO2eq) ▶									**305**
Scope 1	tCO2eq	2 802	3 692	3 572	3 638	3 150	(13%)	+12%	
Scope 2 (market-based)	tCO2eq	8 401	7 824	5 931	4 097	2 978	(27%)	(65%)	
Scope 2 (location-based)	tCO2eq	10 975	11 345	9 274	8 862	10 016	+13%	(9%)	
Scope 3	tCO2eq	84 296	121 878	182 454	189 920	209 384	+10%	+148%	
Environmental impact									**305**
Core balance	Mio. EP	24 484	26 710	23 598	19 510	18 395	(6%)	(25%)	
Total balance	Mio. EP	576 288	769 979	1 094 431	1 042 317	935 366	(10%)	+62%	
References									
Added value	Mio. CHF	352	417	420	386	409	+6%	+16%	

* glass fibre plus aramid yarn

** excluding km own vehicles (included in fuels)

*** 2021 including Transport (intercompany)

Environmental impact: all figures 2020 - 2021 calculated using ecoinvent database version v38, 2022 v391, 2023 v310, 2024 v311
GHG emissions: values according to published GHG Inventories. Used ecoinvent database versions: 2018 v35, 2019 v36, 2020 v371, 2021 v38, 2022 v391, 2024 v311; based on IPCC2013 (2020-2021) and IPCC2021 for 2022, 2023 and 2024.

Scope 3

In 2020, packaging data in Switzerland was newly collected.
Adjustments (as shown below) lead to significant increase in Scope 3 compared to previous year. However, the difference between the recalculated 2020 total is < -1% despite the expansion of the corporate standard (see below).
- Expansion of the corporate standard and data collection (i.e. commuting and packaging data).
As part of the expansion of Scope 3, data on commercial products, product use and EoL (end of life of products) will be included in the company model in the medium term. Furthermore, the existing data collection/quality will be continuously improved wherever possible.
In 2021, the system boundaries were expanded to include, for the first time, part of the commercial products purchased. The quality and the granularity of the collected goods transport data (transport to customers and within the production network) have been significantly improved. The same applies to metal and polymer data. In 2022 raw material and commercial goods data from new central data source, so the modelling could be extended and the data granularity and quality was further improved.

Addendum 4: Indices

Index Swiss Code of Obligations Art. 964 b

The table below shows the disclosures reported in accordance with the requirements of Art. 964b of the Swiss Code of Obligations (Swiss CO).

Topics	Disclosure	Location	Page
General Requirements			
Business model	Description of the business model	Our value chain: How we create and distribute value; Our fundamentals	121-122; 24-28
	Policies adopted	Environment	125-129
	Measures taken to implement policies	Environment	125-129
	Risks related	Sustainability strategy; Environment; Addendum 3: Detailed environmental performance indicators	122; 129
Environmental matters	Performance indicators	Environment	125-128
	Policies adopted	Social	130-135
	Measures taken to implement policies	Social	130-135
	Risks related	Sustainability strategy	122
Social issues	Performance indicators	Social	130-135
	Policies adopted	Social	130-134
	Measures taken to implement policies	Social	130-134
	Risks related	Sustainability strategy	122
Employee-related issues	Performance indicators	Social	130-134
	Policies adopted	Responsible supply chains	138-139
	Measures taken to implement policies	Responsible supply chains	138-139
	Risks related	Sustainability strategy	122
Respect for human rights	Performance indicators	Responsible supply chains	138-139
	Policies adopted	Governance: Business conduct	136-137
	Measures taken to implement policies	Governance: Business conduct	136-137
	Risks related	Sustainability strategy	122
Combating corruption	Performance indicators	Governance: Business conduct	136-137

* Applying Art. 964b of the Swiss Code of Obligations, the topics listed below were identified as being material under the Swiss CO. Based on Swiss CO Art. 964b paragraph 1, HUBER+SUHNER considers all topics in scope for non-financial reporting that are material from an impact and financial perspective (see materiality matrix).

Index Framework 'Recommendations of the Task Force on Climate-related Financial Disclosures'

The table below presents the disclosures made in compliance with the Swiss Ordinance on Climate Disclosures. This ordinance mandates, under Article 964b of the Swiss Code of Obligations (Swiss CO), that organisations disclose climate-related risks in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (Article 3).

TCFD recommendation	Recommended disclosures	Location	Page
Governance			
	a. Describe the Board's oversight of climate-related risks and opportunities.	Sustainability Governance	123
Disclose the organisation's governance around climate-related risks and opportunities.	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability Governance	123
Strategy			
	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Risk management; Environment	20-21; 129
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Sustainability strategy; Environment	121-122; 128
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario.	Sustainability strategy; Environment	122; 128-129
Risk management			
	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Risk management; Environment	20-21; 129
	b. Describe the organisation's processes for managing climate-related risks.	Risk management; Environment	20-21; 126-127
Disclose how the organisation identifies, assesses and manages climate-related risks.	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Risk management; Environment	20-21; 129
Metrics and targets			
	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Risk management; Environment	20-21; 127-129
	b. Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	Environment; Addendum 3: Detailed environmental performance indicators	127-128; 145
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Environment; Addendum 3: Detailed environmental performance indicators	127-128; 145

Index: Global Reporting Initative (GRI)

Ernst & Young Ltd performed a limited assurance engagement on selected environmental KPIs aligned with the GRI Standards for 2024, these are summarized below.

GRI standard	Disclosure	Location	Page
Materials			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Addendum 3: Detailed environmental performance indicators	144
Energy			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environment: Resource use; Addendum 3: Detailed environmental performance indicators	126; 144
Water			
	303-3 Water withdrawal	Environment: Resource use; Addendum 3: Detailed environmental performance indicators	126; 144
GRI 303: Water and Effluents 2018	303-5 Water consumption	Addendum 3: Detailed environmental performance indicators	144
Emissions			
	305-1 Direct (Scope 1) GHG emissions	Environment: Climate change mitigation; Addendum 3: Detailed environmental performance indicators	127; 145
	305-2 Energy indirect (Scope 2) GHG emissions	Environment: Climate change mitigation; Addendum 3: Detailed environmental performance indicators	127; 145
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Environment: Climate change mitigation; Addendum 3: Detailed environmental performance indicators	127; 145
Waste			
GRI 306: Waste 2020	306-3 Waste generated	Addendum 3: Detailed environmental performance indicators	144
Occupational health and safety			
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	Social: Our own workforce	132
Diversity and equal opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Social: Our own workforce	129

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To the Management of

HUBER+SUHNER AG, Herisau

Zurich, 11 February 2025

Independent assurance report on selected sustainability disclosures and indicators in the annual report

We have been engaged to perform assurance procedures to provide limited assurance on selected disclosures and indicators included in HUBER+SUHNER AG's (the Company's) Annual Report 2024 for the reporting period from 1 January 2024 to 31 December 2024 (the Report).

Our limited assurance engagement focused on selected disclosures and indicators presented in Non-financial Report 2024 included in the Annual Report and marked with the check mark ►. An overview of the selected indicators is attached in the Appendix to our independent assurance report.

We did not perform assurance procedures on other information included in the Report, other than as described in the preceding paragraph, and accordingly, we do not express a conclusion on that information.

Applicable criteria
The Company defined as applicable criteria (the Applicable Criteria):
Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) presented on the GRI homepage.

Inherent limitations
The accuracy and completeness of selected disclosures and indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the non-financial matters indicators is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the emissions factors and the values needed to combine e.g. emissions of different gases. Our assurance report should therefore be read in connection with the Company's non-financial report, its definitions and procedures on non-financial matters reporting therein.

Responsibility of the Management
The Management is responsible for the selection of the Applicable Criteria and for the preparation and presentation, in all material respects, of the selected disclosures and indicators in accordance with the Applicable Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the selected disclosures and indicators that are free from material misstatement, whether due to fraud or error.

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

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

Our responsibility
Our responsibility is to express a conclusion on the selected disclosures and indicators based on the evidence we have obtained.

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information.* This standard requires that we plan and perform this engagement to obtain limited assurance about whether the selected disclosures and are free from material misstatement, whether due to fraud or error.

Summary of work performed
Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our limited assurance procedures included, amongst others, the following work:
- Assessment of the suitability of the Applicable Criteria and their consistent application
- Interviews with relevant personnel to understand the business and reporting process, including the sustainability strategy, principles and management
- Interviews with the Company’s key personnel to understand the non-financial reporting system during the reporting period, including the process for collecting, collating and reporting the disclosures and indicators
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Applicable Criteria

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- Analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions supporting calculations
- Testing, on a sample basis, underlying source information to check the accuracy of the data

We have not carried out any work on data other than outlined in the paragraph above. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

Conclusion
Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected disclosures and indicators in the Report of the Company have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Ernst & Young Ltd

Mark Veser (Qualified Signature) Executive in charge	Kim Bischof (Qualified Signature) Manager

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Appendix: Key Performance Indicators in assurance scope

Limited assurance

GRI Indicators

- Scope 1 GHG emissions (GRI 305-1)
- Scope 2 GHG emissions (market-based) (GRI 305-2)
- Scope 2 GHG emissions (location-based) (GRI 305-2)
- Scope 3 GHG emissions (GRI 305-3)
- Gender Distribution (GRI 405-1)
- Lost-time injury frequency rate total (GRI 403-9)
- Lost-time injury frequency rate in production/warehouse (GRI 403-9)
- Environmental performance indicators for energy (GRI 302)

Energy	Unit
Total energy	MWh
renewable	%
Purchased electricity	MWh
renewable	%
Purchased heat	MWh
renewable	%
Self-generated electricity	MWh
renewable	%
Total fuel	MWh
renewable	%
Natural gas	MWh
Biogas	%
Heating oil	MWh
Diesel	MWh
Petrol	MWh
Wood	MWh

- Environmental performance indicators for water (GRI 303)

Water	Unit
Total water	m3
Tap water	m3
other water (PL, CH)	m3
lake water (CH)	m3

- Environmental performance indicators for materials (GRI 301)

Materials	Unit
Total materials	t
renewable (cardboard and wood)	%
Solvents	kg
SF6	kg
Refrigerants	kg
Copper	t
Plastics	t
Glass fibre	t
Packaging	t
renewable (cardboard and wood)	%

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- Environmental performance indicators for waste (GRI 306)

Waste	Unit
Total	t
Municipal waste (incinceration)	t
Municipal waste (landfill)	t
Inert waste (landfill CH)	t
Hazardous waste	t
Waste (energy recovery)	t
Recycling	t

Indicators based on Huber+Suhner's own criteria

- Intensity Water Withdrawal
- Energy Intensity
- Intensity waste sent to landfill / incineration

Publishing information

Concept and Editorial
Corporate Finance
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