



Creating Value in 2022

6	Letter from the Chairman
8	Letter from the CEO
10	2022 Highlights
12	Lonza at a Glance
14	Financial Highlights
19	Investor Information
22	Our Strategic Priorities
26	Our Approach to Sustainability
30	Our People and Culture

Letter from the Chairman



Albert M. Baehny

Chairman of the Board of Directors

Dear Stakeholders

For Lonza, 2022 was a year characterized by sustained growth momentum supported by a focus on stable business performance and corporate sustainability. The Board has worked closely with the executive management to ensure the company strategy remained focused on serving the most pressing and complex needs of our customers while delivering long-term value back to our business.

Macroeconomic Context

In 2022, we saw the COVID-19 lockdown restrictions lifted in various western markets, meaning many of our colleagues were able to return to our offices. However, the year also brought challenges, including inflationary pressures, exacerbated by the prospect of energy supply shortages and increasing macroeconomic uncertainty. All these issues carried impacts for the global corporate community.

Through this time, I have been impressed by the focus and commitment of our global employee network. The focus and dedication of our people have helped us to navigate uncertainties while maintaining performance and continuity for our customers.

Investing for Long-Term Success

In 2022, the Board has coordinated with the Executive Committee (EC) to ensure that our investment strategy continues to focus on areas of sustained customer demand and market growth. Following these guiding principles, we have approved significant investments across all our divisions to serve our customers' complex needs across the value chain, from development to commercialization.

Specifically, the Board approved a major investment to build a new large-scale, commercial drug product facility in Stein (CH). The CHF 500 million investment will enable our business to further support customers across the product life cycle, by including commercial drug product manufacturing for large-scale market supply. Scheduled to come online in 2026, this facility consolidates our strong reputation for a broad range of offerings across services and modalities.

Looking more widely at our investment strategy, we have committed more than CHF 4 billion in CAPEX programs over the last three years to support our long-term success. While we maintain our growth momentum, we are proposing a shareholder dividend of CHF 3.50 per share, representing a year-on-year increase of 17% or CHF 0.50.

Furthermore, our strong balance sheet and positive outlook enable us to initiate a share buyback program of up to CHF 2 billion. This will enable us to return excess capital to shareholders at a time when our stock valuation is attractive for purchase. We remain committed to maintaining our strong investment grade rating. The share buyback does not impact our capability to invest in organic growth and bolt-on M&A.

Corporate Responsibility

We understand that sustainable value creation is an ethical, social and commercial imperative for our business, and aligns with our company's purpose of enabling a healthier world. This commitment to corporate responsibility is shared by our stakeholders, leadership team and global colleague community.

In 2022, we have consolidated our commitment to responsible business by embedding sustainability into our global business practices. The Board previously worked with the Executive Committee to agree on the seven United Nations' Sustainable Development Goals (SDGs) that are most relevant to our business. In 2022, targets were placed against each of the seven selected SDGs and an Executive Committee member was assigned to ensure the company delivered on its commitments.

2022 was the first year in which company performance against our sustainability targets was integrated into our global remuneration and reward programs. This has been designed to ensure that our people integrate sustainability considerations into their working practices. It will help us to create a culture of contribution, where our success is defined by how much we give back, as well as how much we achieve.

Looking to the Past, Present and Future

2022 represented a landmark moment as Lonza celebrated the 125th anniversary of its foundation. Such significant milestones present rare opportunities for reflection. Our company has undergone repeated transformations since it was founded in 1897 by the Swiss banker and philanthropist Alfons Ehinger. A contemporary Swiss newspaper report described Alfons as a leader of "tireless diligence and unshakable calm". Buried in our distant past, these characteristics still remain relevant and valuable to our business today, and act as a guide to manage the challenges and opportunities ahead.

Like the River Lonza, our business continues to move forward, and the Board continues to ensure our Group strategy remains agile and flexible to a changing world context. As we move into 2023, we will remain focused on serving our customers, maintaining stability and pursuing our purpose to enable a healthier world.

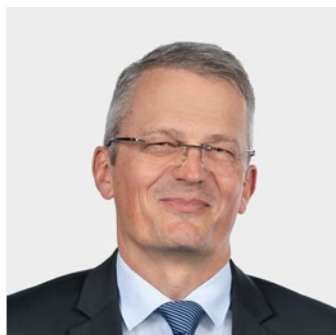
Thanks to our stakeholders

Lonza's success depends on the skills of our people, the loyalty of our customers, the confidence of our investors and the cooperation of our business partners. On behalf of the Board of Directors, I would like to close by extending my sincere thanks to all our stakeholders for their support and contribution to our business over the course of the year. I look forward to continuing our work and building further on our success in the year to come.

Albert M. Baehny

Chairman of the Board of Directors

Letter from the CEO



Pierre-Alain Ruffieux
Chief Executive Officer

Dear Stakeholders

125 years on from the foundation of our company, Lonza is more dynamic, agile and forward-focused than ever. Since 1897, Lonza has constantly evolved to meet the needs of the day with energy, light, fertilizer and now medical treatments and technologies. In 2022, we continued to adapt to our changing environment, while consolidating our position as a strategic partner to the healthcare industry.

Today, the biopharma industry is able to treat many of the world's most serious illnesses. The great challenge of modern medicine does not lie only in the discovery of new treatments. We must also find ways to manufacture and commercialize these treatments while maintaining safety, quality and value. During 2022, we have continued to fulfil our role as a trusted Contract Development and Manufacturing Organization (CDMO), while delivering on our targets, extending our offerings to meet customer needs and laying strong foundations for our future success.

Financial Performance

In 2022, Lonza reported sales of CHF 6.2 billion, sales growth of 15.0% AER (15.1% CER), and CHF 2.0 billion CORE EBITDA, resulting in a margin of 32.1%. These robust financial results are driven by strong underlying business performance and a COVID-related sales peak in 2022, which supported both sales and margin.

During the year, we maintained an active dialogue with our investor community. Following Philippe Deecke's appointment as Chief Financial Officer at the end of 2021, he and I have both spent time building relationships with our stakeholders and investors. Alongside our Half-Year and Full-Year updates,

we hosted a series of investor briefings, including an investor roadshow in H2. For the first time since the pandemic began in 2020, Phillipe and I have also had the opportunity to meet with investors in person at events in key locations including London, Zurich, New York and Boston.

Growth Investments and Consolidated Focus

Our investment strategy continues to focus on capturing growth opportunities with attractive margins, while minimizing risk. In 2021, CAPEX reached 24% of sales, and in 2022 we continued to expand this ambitious target to CHF 1.9 billion or 30% of sales. In July, we committed to expanding our Drug Product Services offering with a CHF 500 million investment in a new drug product facility in Stein (CH). Once operational, the facility will complete the value chain for our Biologics customers.

We also announced a series of additional planned investments over the year, including an expanded highly-potent active pharmaceutical ingredients (HPAPI) suite for antibody-drug conjugate (ADC) manufacturing in Visp (CH). We also announced an early phase capacity expansion in Bend (US). These projects will enable us to build a global end-to-end offering for our customers in key modalities.

Operating in the Post-Pandemic Era

Although many Western countries emerged from strict COVID-19 lockdowns in H1 2022, we remained vigilant across our global business, monitoring outbreaks and observing local restrictions. Infection levels were under control in many markets at the end of 2022, but we remain aware of long-term impacts to communities, economies and healthcare systems.

2022 brought industry challenges, such as extended lead times for raw materials. Specifically, H2 was characterized by global uncertainties arising from increased energy costs and potential shortages. We continue to observe this shifting external context by actively reviewing our business and operating context, both at global and local site levels. We are actively working to mitigate known risks while remaining agile to emerging and unexpected business conditions.

Talent Retention and Development

There are high levels of competition to attract and retain industry-leading talent in the healthcare industry. In this context, we are continuing to focus on employee engagement, ensuring that we listen to feedback and adapt to meet our colleagues' needs.

Enabling employee growth is a critical driver for retention, and in 2022 a particular focus was placed on establishing leadership development programs, mentoring opportunities and career roadmaps. Our Voice of Employee Survey shows a strong increase in employees feeling that they can learn and grow at Lonza. Our redesigned performance and rewards structure – the Lonza Bonus – was launched in 2022. This aligns our divisions and functions into one performance structure, and is designed to recognize top talent with a consistent metric that takes

both company performance and personal development into account. While recognizing colleague performance, we also responded to global inflation volatility with an extraordinary mid-year salary increase for the 16 countries in which 2022 inflation levels substantially exceeded forecasts.

We also remain committed to carrying forward our flexible working practices from the pandemic, with a clear focus on work-life integration. In 2022, we launched a Global Hybrid Working Policy, allowing office-based colleagues to balance three days in the office with up to two days working from home each week. We also introduced a tech-enabled program that allows colleagues to work internationally for up to four weeks per year while observing local employment laws. These developments are designed to improve productivity, support wellbeing, and encourage collaboration and creativity.

Our Global Leadership Team

There have been planned changes to our Executive Committee, as Claude Dartiguelongue (former President of Capsules & Health Ingredients) and Stefan Stoffel (former Head of Group Operations) retired in 2022. I would like to take this opportunity to share my sincere thanks for their many contributions to Lonza and wish them both a long and happy retirement. As these valued colleagues retire, we have appointed new industry leaders to join the Executive Committee. In July, we were joined by Christian Seufert as President of the Capsules & Health Ingredients division, and in August, Maria Soler Nunez took up the position of Group Head of Operations. Finally, in November, Daniel Palmacci joined as President of the Cell & Gene division, succeeding Jean-Christophe Hyvert who will now refocus on his role as President of the Biologics division.

This expanded leadership structure will support the business in optimizing growth potential, with a dedicated President for each of our four divisions. It is my pleasure to extend a warm welcome to Christian, Maria and Daniel. All three are proven industry leaders with outstanding credentials, who will contribute in steering our business towards new levels of sustainable growth and development.

Progress on Sustainability

In 2022, our global operations continued to drive progress towards our seven key sustainability targets, based on selected relevant United Nations' Sustainable Development Goals (SDGs). We maintained momentum throughout the year in our ESG ambitions. Year-on-year, we achieved a 6% reduction in energy intensity, a 13% reduction in GHG emissions intensity, and a 13% reduction in water intensity. The substantial growth of our business in 2022 was achieved largely without footprint increases, and efficiency gains have enabled us to either meet or exceed our 2022 ambitions.

As part of our ESG focus, we remain committed to contributing to the communities in which we operate. To mark our 125th anniversary, in October 2022 we announced plans to give 125,000 volunteering hours to community causes across our global network. Commencing in 2023 – and every year thereafter – each colleague in our global community can take an annual volunteering day to dedicate to a local cause. Looking to the future, the amount of time we give back will increase in proportion to our growing colleague community.

Finally, we were proud to be recognized by Ethisphere® as one of the 2022 World's Most Ethical Companies. To receive this recognition for the second year running is a testament to the integrity of our people for remaining true to our values in the decisions they take at work each day.

Group Outlook 2023

In 2022, the global business community experienced challenges arising from macroeconomic uncertainty. In this context, our position as a dedicated partner to the healthcare industry has helped to protect our core business from short-term economic fluctuations. In addition, our focus on long-term customer contracts has helped to ensure continuing stability.

Looking forward, we remain on track to deliver our 2024 Mid-Term Guidance, supported by a 2023 Outlook of high single-digit CER sales growth. This reflects our strong underlying business performance, balanced by a reduction in COVID-related sales following the peak in 2022. A CORE EBITDA margin of 30 to 31% is supported by strong productivity and pricing, and offset by residual inflation and the ramp-up of new assets.

Thanks to our People and Stakeholders

As we celebrate 125 years of progress at Lonza, I would like to take this opportunity to thank our partners and suppliers for their engagement and loyalty, and our customers for trusting us to bring their treatments and products to market. I would also like to thank our investors for continuing to support our business.

Finally, my thanks to our colleagues across the global network for their commitment and dedication to making a meaningful difference in an increasingly complex world. I am particularly pleased to extend a welcome to our 3,500 new colleagues who joined Lonza in 2022, and I look forward to seeing what our growing community will achieve for our business and customers in 2023.

Pierre-Alain Ruffieux

Chief Executive Officer

2022 Highlights

January

We started 2022 with the [launch](#) of our new bYlok® Technology for the discovery and design of bispecific antibodies.

We also shared solid [Full-Year 2021](#) financial results.

April

We [expanded](#) the functionality for our Cocoon® Platform with a new magnetic selection capability for cell therapy manufacturing.

May

We [announced](#) our investment in additional inhalation capabilities at our Tampa (US) site.

We [expanded](#) our Capsugel® offering with the launch of titanium dioxide-free (TiO₂-free) white hard gelatin capsules, helping customers to meet new EU regulatory requirements for nutraceutical applications.

March

We [announced](#) Christian Seufert as our new President of the Capsules & Health Ingredients division.

We also announced the successful [expansion](#) of our API manufacturing laboratory in Nansha (CN).

June

We announced the [completion](#) of our early clinical phase development and manufacturing facility in Bend (US).

We also [launched](#) the PyroCell® Monocyte Activation Test - Human Serum System. This uses human serum instead of fetal bovine serum for pyrogen testing.

July

At the beginning of H2, we [announced](#) the appointment of Maria Soler Nunez as Head of Group Operations.

We announced a CHF ~500 million [investment](#) to build a large-scale commercial drug product facility in Stein (CH).

We also announced a solid financial performance at [Half-Year 2022](#) with 16.8% CER sales growth and 33.1% CORE EBITDA margin.

October

We [announced](#) the collaboration with Singzyme to enhance our bioconjugation offering.

October marked an important milestone for our Houston (US) site, with two cell and gene therapies [manufactured](#) at the site receiving FDA approval.



September

We [announced](#) our collaboration with Touchlight to expand our end-to-end offering for mRNA manufacturing.

We [completed](#) the expansion of our Highly Potent API (HPAPI) multipurpose suite for payload-linkers in Visp (CH).

We also [announced](#) the appointment of Daniel Palmacci as President of the Cell & Gene division.

November

We [launched](#) Capsugel® Enprotect™, the first ever coating-free capsule to support the delivery of acid-sensitive APIs directly to the small intestine.

We [announced](#) the collaboration with biotech company AbTis to extend our bioconjugation capabilities.

Lonza at a Glance

1,995m

CORE EBITDA in CHF

32.1

CORE EBITDA margin in %

6,223m

Sales in CHF

15.1

Sales growth in %¹

11.4

ROIC in %

>790

CDMO customers⁴



17,494

Employees (Full-time equivalent)

Creating Value in 2022



~375

New CDMO programs signed in 2022



>35

Global development and manufacturing sites



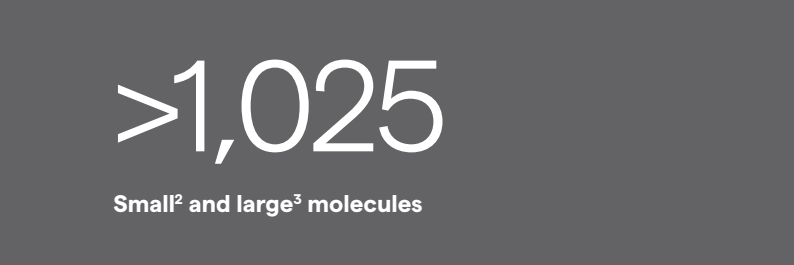
2,605

Trademark filings



~115

New CDMO customers in 2022⁴



>1,025

Small² and large³ molecules



344

Active patent families

¹ Constant exchange rate (CER); in actual exchange rate (AER) +15.0%

² Including active pharmaceutical ingredients (API), highly potent API (HPAPI), dosage form and delivery systems and particle engineering

³ Including mammalian, microbial, bioconjugates and cell and gene therapy products (personalized medicines are included for pre-clinical and clinical molecules only, early development services are included for pre-clinical molecules only)

⁴ Based on distinct companies

Financial Highlights

2022 was another year of strong performance for Lonza with CHF 6.2 billion sales (15.0% AER¹; 15.1% CER² sales growth) and CHF 2.0 billion CORE EBITDA, resulting in a margin of 32.1%. The sales growth was supported by strong momentum in the underlying business and a COVID-related sales peak which enhanced both sales and margin.

CORE EBITDA grew 19.8%, leading to a year-on-year margin improvement of 1.3ppts. This increase was driven by a combination of growth projects ramping-up and productivity improvements in the base business. However, the strong productivity and base profitability were offset by the residual impact of inflation. Our business model and proactive approach allows us to actively and effectively manage the impact of inflation through price increases in our product business and inflation clauses in our CDMO contracts. We are also working on procurement and supply chain initiatives to manage the rising costs of raw materials.

Throughout 2022, we continued our accelerated investment program to support future growth. For the Full Year, total capital expenditures (CAPEX) reached CHF 1.9 billion or 30% of sales, from which around 85% was deployed for growth projects. Our growth projects carry an attractive financial return profile and larger projects are de-risked by customer commitments, long-term contracts and strong pipeline.

Our return on invested capital (ROIC) remains strong at 11.4% (0.7% ppts increase vs prior year). This was driven by CORE EBITDA growth and partially offset by a 5ppts increase in our effective tax rate, which now stands at 15.9% - around the lower end of our guided range (16 to 18%).

In 2022, we delivered a negative free cash flow (FCF) before acquisitions of CHF 465 million, reflecting our strategy of high CAPEX investments but also a temporary increase in inventory to maintain supply continuity. Underlying cash generation remains solid, with strong 18% FCF conversion before growth CAPEX.

We intend to initiate the return of excess capital to shareholders through a share buyback of up to CHF 2 billion, based on our strong balance sheet and positive outlook. The share buyback will not impact our capability to invest, and we remain committed to maintaining our strong investment grade rating. We expect the buyback to commence in H1 2023 and be completed in H1 2025.

¹ Actual exchange rate

² Constant exchange rate

Outlook 2023 and Mid-Term Guidance 2024

Lonza provides the following Outlook for Full-Year 2023, assuming no unexpected adverse events:

- High single-digit CER sales growth
- CORE EBITDA margin of 30-31%

Lonza confirms its Mid-Term Guidance 2024:

- Low teens CER sales CAGR (2021-2024)
- ~33-35% CORE EBITDA Margin
- Double-digit ROIC

Personal Perspective

Philippe Deecke

Chief Financial Officer

In 2022, we delivered a solid financial performance in line with our guidance, despite a challenging macroeconomic environment characterized by supply chain challenges, and rising inflation and interest rates. Our net debt leverage of +/-0, enables us to fully maintain our investment and financing flexibility.

CAPEX reached 30% of sales in 2022 as we continued to invest in organic growth opportunities to secure our long-term success. We maintained a strong investment focus on Biologics, while ensuring a balance by providing funding to growth projects across all divisions. Our investment criteria remained unchanged, with an IRR threshold of between 15 and 20% and a ROIC at peak of 30% or more.

IT continued to support growth, with the initiation of major infrastructure projects to boost our operational resilience and security. This will remain critical as we continue to grow. At the same time in Finance, we introduced new automation processes in our Global Business Service Centers and continued our focus on advisory excellence. In 2023, a functional priority will be a focus on end-to-end processes and further standardizing our finance offering to improve scalability.

We continue to work on pricing and productivity which are two core competencies in the current macroeconomic environment. We are committed to continue investing in high-value organic opportunities to drive future growth. These measures will support our financial performance in 2023 and beyond.

Supported by our strong and differentiated market position and our record for innovation and quality, we are well placed to capture value in the CDMO industry.



Historic Progression

Sales

Million CHF



ROIC

in %

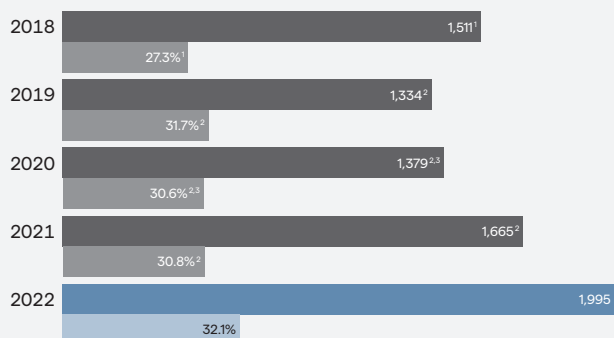


CORE EBITDA

Million CHF

CORE EBITDA Margin

In %

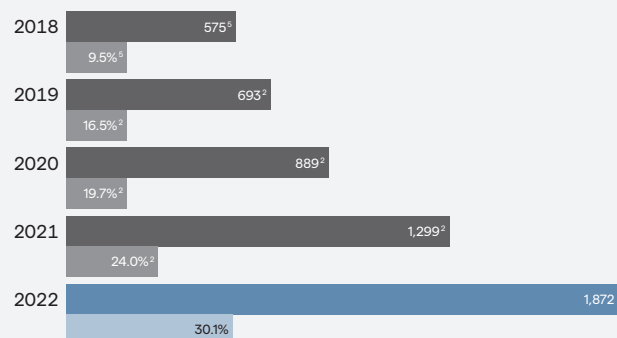


Capital Expenditures (CAPEX)

Million CHF

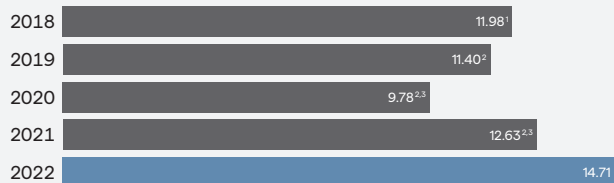
CAPEX/Sales

In %



CORE EPS diluted

CHF



Net Debt/CORE EBITDA⁴

Ratio



¹ Lonza continuing operations, excluding the Water Care business classified as discontinued operations

² Lonza continuing operations excluding the Specialty Ingredients business, that was sold on 1 July 2021 and therefore reported as discontinued operations in 2021

³ CORE results for the Full-Year 2021 were restated to reflect the changes from the revised Alternative Performance Measures policy that was introduced on 1 January 2022

⁴ "Net debt", "Net debt / CORE EBITDA" reflect total group including discontinued operations from 2018 to 2020 and continuing operations (excluding Lonza Specialty Ingredients business) from 2021 onwards

⁵ Lonza including Water Care business





Investor Information

Shares of Lonza Group Ltd are listed on the SIX Swiss Exchange and Swiss Market Index (SMI). We also maintain a secondary listing on the SGX Singapore Exchange. The nominal value of the Lonza Group Ltd share is CHF 1. Our share price closed at the end of 2022 at CHF 453.1 per share, which represents a decrease of 40.5% in 2022.

The free float in Lonza Group Ltd registered shares reached 99.75% at year-end, and the average daily trade volume was 166,895 shares in 2022.

Listing and Security Information

Stock Exchange Listing / Trading:

SIX Swiss Exchange
SGX Singapore Exchange

Common Stock Symbols:

Bloomberg LONN SW
Reuters LONN.S
Six Swiss Exchange LONN
SGX Singapore Exchange O6Z

Security Number:

Valor 001384101
ISIN CH0013841017

Shareholdings

According to disclosure notifications filed with Lonza, the following shareholders held more than 3% of Lonza's share capital as of 31 December 2022:

Principal Shareholders:

BlackRock, Inc., New York, NY (USA) 9.92%

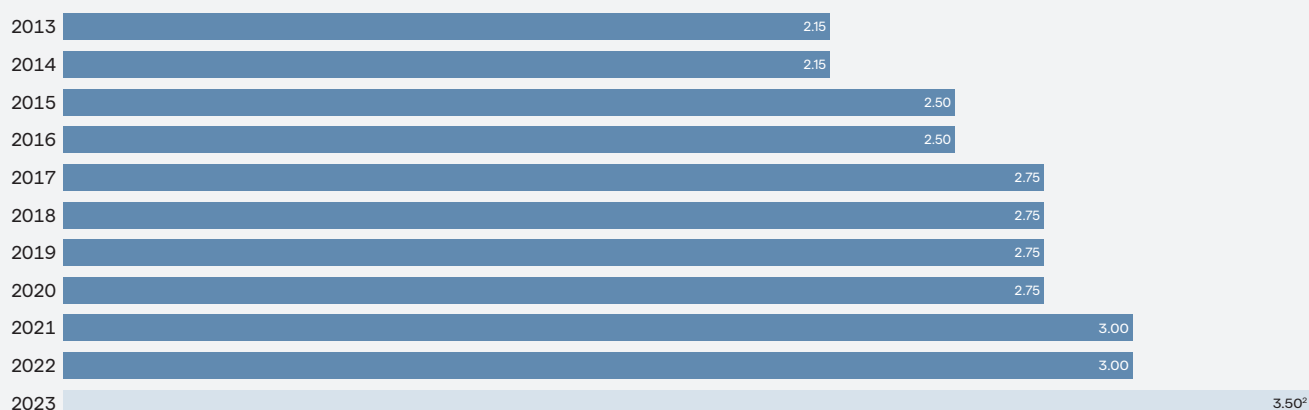
We know of no other shareholder(s) that owned more than 3% of our share capital as of 31 December 2022. To the best of our knowledge, the shareholder mentioned above is not linked by any shareholders' agreement or similar arrangement with respect to their shareholdings in Lonza or the exercise of shareholders' rights. For a full review of the individual disclosure notifications made during 2022, please refer to the SIX Swiss Exchange disclosure platform.

Dividend

Lonza's Board of Directors is proposing a dividend for shareholders of CHF 3.50 per share for 2022. The proposal represents a payout of 21.4% of 2022 reported profit for the period of Lonza Group (or 25% excluding the gain of divestitures). Subject to approval at the upcoming Annual General Meeting (AGM) on 5 May 2023, 50% of the dividend of CHF 3.50 per share will be paid out of the capital contribution reserve and will therefore be free from Swiss withholding tax.

Dividend Payment History¹

In CHF/Share

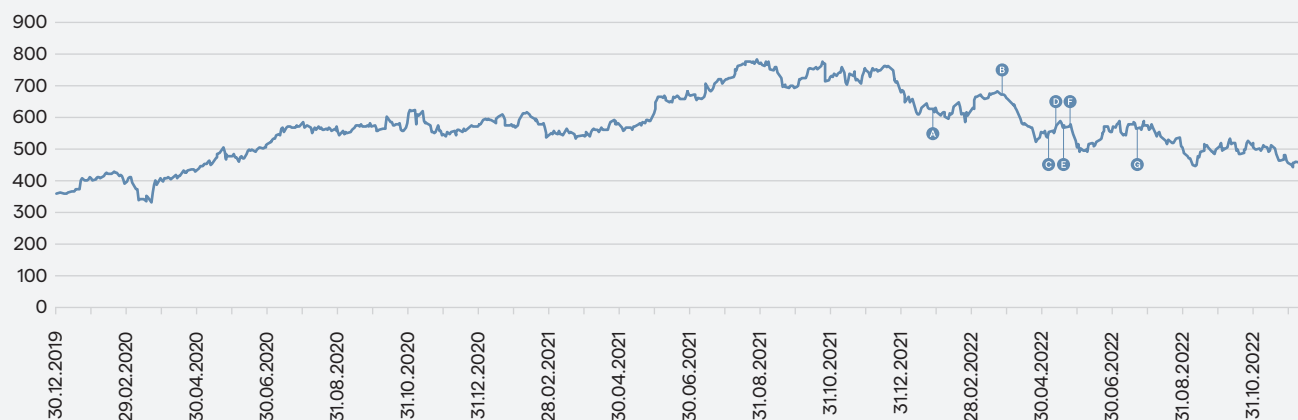


¹ This overview shows year of pay-out for all past years, thereby addressing some inconsistencies in previous reports

² Proposed

Lonza Share Price Development 2020 – 2022

In CHF/Share



Financial Events in 2022

A	Full-Year Results 2021	26.01.2022
B	Annual Report 2021	24.03.2022
C	Annual General Meeting	05.05.2022
D	Ex-Dividend Date	09.05.2022
E	Record-Dividend Date	10.05.2022
F	Dividend-Payment Date	11.05.2022
G	Half-Year Results 2022	22.07.2022

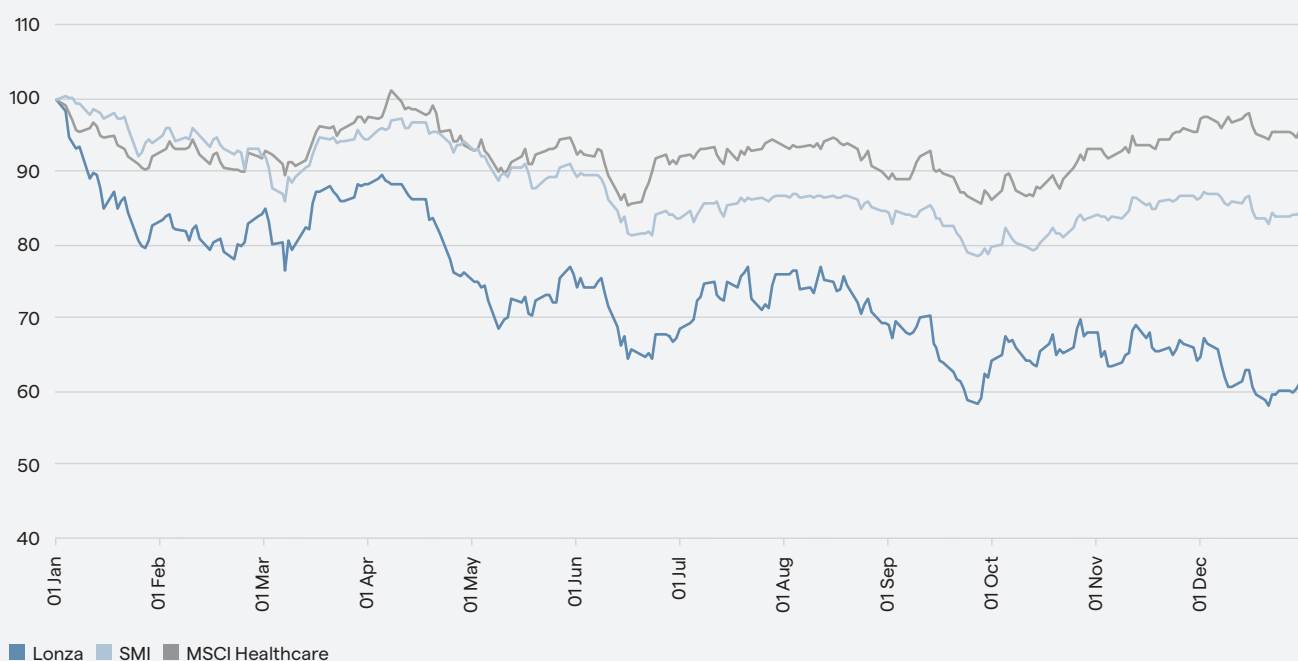
Share Price in 2022

Share Price High	CHF 749.2 on 03.01.2022
Share Price Low	CHF 437.5 on 20.12.2022
Share Price Closing	CHF 453.1 on 30.12.2022

Source: Bloomberg

Lonza Share Price Development vs. Swiss Market Index (SMI) and MSCI Healthcare Index 2022

Rebased to 100



Source: Bloomberg

Upcoming Financial Events

Date	Time	Event
20 April 2023	17:00 CEST	Closing of the Share Register
5 May 2023		Annual General Meeting for the Financial Year 2022
9 May 2023		Ex-Dividend Date
10 May 2023		Record-Dividend Date
10 May 2023		Qualitative Update
11 May 2023		Dividend-Payment Date
21 July 2023		Half-Year Results 2023
17 October 2023		Capital Markets Day (including Qualitative Update)
31 January 2024		Full-Year Results 2023

More information for our shareholders and capital market is available on Lonza's Investor Relations [webpage](#). To learn more about Lonza's activities during 2022, refer to our [News Archive](#).

Ten-Year Overview of Major Key Indicators

million CHF	2013	2014	2015	2016	2017	2018 ¹	2019 ²	2020 ^{2,3}	2021 ²	2022
Sales	3,584	3,640	3,803	4,132	4,548	5,542	4,207	4,508	5,409	6,223
CORE EBITDA	711	743	793	918	1,196	1,511	1,334	1,379	1,665	1,995
Margin in %	19.8	20.4	20.9	22.2	26.5	27.3	31.7	30.6	30.8	32.1
EBITDA	647	737	780	848	1,084	1,429	1,264	1,378	1,365	2,139
Margin in %	18.1	20.2	20.5	20.5	23.8	25.8	30.0	30.6	25.2	34.4
Result from operating activities (EBIT)	253	423	428	486	673	842	825	901	851	1,541
Margin in %	7.1	11.6	11.3	11.8	14.8	15.2	19.6	20.0	15.7	24.8
ROIC in % ⁴	n.a.	n.a.	n.a.	n.a.	8.4	8.0	9.2	9.1	10.7	11.4
CORE EPS (diluted) in CHF	4.97	6.76	6.76	8.38	10.78	11.98	11.40	9.78	12.63	14.71
EPS (diluted) in CHF	1.67	4.54	5.26	5.69	9.70	8.77	8.68	9.77	9.05	16.34
Operational free cash flow (bef. acquisitions and divestitures)	519	476	693	638	658	884	371	504	399	(465)
Net debt / (net cash) ⁵	2,103	2,011	1,660	1,584	3,762	3,534	2,961	2,813	(958)	(186)
Net debt / CORE EBITDA ⁵	3.0	2.7	2.1	1.7	2.7	2.3	1.8	1.7	(0.6)	(0.1)
Number of employees (Full-Time Equivalent) ⁶	9,935	9,809	9,829	10,130	14,618	15,375	15,468	14,062	16,218	17,494

¹ Lonza continuing operations, excluding the Water Care business classified as discontinued operations

² Lonza continuing operations, excluding the Specialty Ingredients business classified as discontinued operations and disposed of effective 1, July 2021

³ CORE results for the Full-Year 2020 (CORE EBITDA, ROIC, CORE EPS) were restated to reflect the changes from the revised Alternative Performance Measures policy that was introduced on 1 January 2021

⁴ Refer to section "Alternative Performance Measures" of the Financial Report for more details on the calculation methodology

⁵ "Net debt", "Net debt / CORE EBITDA" reflect total group including discontinued operations from 2013 to 2020 and continuing operations (excluding Lonza Specialty Ingredients business) from 2021 onwards

⁶ "Number of employees (Full-time Equivalent)" reflect total group (including discontinued operations) from 2013 to 2019 and continuing operations (excluding Lonza Specialty Ingredients business) from 2020 onwards

Our Strategic Priorities

Across our four divisions (Biologics, Small Molecules, Cell & Gene and Capsules & Health Ingredients), we offer a wide breadth of services and products that deliver on our Group vision to bring any therapy to life.

Today, the biopharmaceutical industry is able to treat many of the world's most serious illnesses. The great challenge of modern medicine does not only lie in the discovery of new treatments. We must also find ways to manufacture and commercialize these treatments at speed while maintaining safety, quality and value. At the same time, we see that treatments and modalities are becoming increasingly complex and the path to commercialization is becoming more challenging to navigate. In this uncertain and changing environment, Lonza's ability to support customers across the entire product lifecycle has never been more important.

Our unique capability to meet customers' complex needs is underpinned by five strategic priorities which sit at the heart of our business strategy. While maintaining a focus on these priorities, we also remained responsive to changes in the external environment in 2022 – from macroeconomic trends to the evolving competitive landscape. By delivering on our strategic priorities while remaining agile to change, we will continue to drive long-term value and success.

This section highlights our five strategic priorities, and demonstrates the progress made in each key area during 2022.

Service

Delivering exceptional customer service, built upon mutual trust and respect, is a priority for our business. We work alongside our customers to address their most pressing needs. This approach is supported by close collaboration and an integrated, end-to-end service offering.

Across the business, we continued to maintain our focus on Lean operating principles with the rollout of our Lean training program in 2022. By actively identifying opportunities for improvement in day to day performance, this approach drives operational excellence internally while delivering improved levels of speed, value and quality for our customers.

In 2022, we ran our Lonza Promoter Score (LPS) survey for the third consecutive year. This provided valuable insights into our customers' satisfaction with our services and products, and enabled us to measure our impact. The feedback consistently demonstrated the value that our customers place on the specialist knowledge of our people. From large pharma and nutraceuticals to small biotech, our customers actively seek the expertise of our colleague community to bring their treatments to market. We have seen increased satisfaction scores across the business in 2022 compared with the first LPS survey in 2020. This reflects our ongoing efforts to drive continuous improvement.

In Capsules & Health Ingredients, we launched a new service package to further enhance collaboration with our customers. Through Launch with Lonza™, we now partner with customers to help solve their unique dosage delivery challenges. This collaborative approach positions Lonza as an industry leading partner with the capabilities and expertise to guide customers through the entire product cycle.

Our Strategic Priorities



Scope

To support our vision to bring any therapy to life, we continued to expand our breadth of offerings. Over the course of the year, we continued to build both capacity and capability in our Small Molecules division. In March 2022, we completed an expansion to our laboratories in Nansha (CN) for the clinical supply of highly-potent APIs (HPAPIs). HPAPIs form a large part of our development pipeline, and the expansion enables us to meet growing global demand for HPAPI manufacturing - especially in oncology clinical trials.

In response to strong demand from customers for agile, phase-appropriate manufacturing services for early-phase clinical trials, we added a dedicated Early Phase Clinical Manufacturing facility at our Small Molecules site in Bend (US). This new facility provides additional capacity for solutions to complex bioavailability challenges in clinical projects.

In Biologics, there was a major development in July 2022, when we announced a ~CHF 500 million investment to build a new commercial Drug Product facility in Stein (CH). This new facility strengthens our ability to support customers throughout the drug development journey from early development to clinical and commercial supply.

Finally, in Capsules & Health Ingredients, we expanded the breath of our offerings in 2022 to satisfy growing pharmaceutical and nutraceutical customer demand for high-value capsules with novel functionalities. From specialized delivery solutions to “free-from” products, our differentiated and broad portfolio ensures that we can meet customer needs.

Sustainability

At Lonza, sustainability is about delivering long-term value environmentally, economically and socially. To support our work in this important area, we have selected the seven UN Sustainable Development Goals (SDGs) that are most relevant to our business. These range from climate and water action to people development and gender equality. As of 2022, we reflected this ESG focus in our global remuneration policies across every level of the organization. This was designed to drive engagement and ensure that sustainability achievements are recognized as a core metric in our long term success.

Significant gains have been made at a site level across the global network. In Visp (CH), we completed an investment to achieve a 20% annual reduction in water usage by using recycled water for steam production. In Nansha (CN), we have achieved an annual saving of 90 MWh with a simple upgrade to automate our air conditioning systems. Finally, our site in Puebla (MX) is now using 100% renewable electricity from wind and solar to power its operations.

At a global level, we sourced 25% of our purchased electricity from renewable sources in 2022, as part of a program to replace our traditional power mix with green electricity by 2025, where possible. While our business grew substantially during the last year, this was achieved alongside efficiency gains and without significant footprint growth. As a result, we met all of our global sustainability intensity goals in 2022, and have already reached our 2030 targets on waste and CO₂ emissions. We have since amended our 2030 goals to target a more ambitious 50% reduction in intensity.

Solutions

We support our customers with a combination of scientific, regulatory and manufacturing expertise. In 2022, we responded at speed to changing regulatory requirements and supported customers through stringent commercial approvals. This was accompanied by the launch of several new solutions backed by our scientific and manufacturing capabilities.

Capsules & Health Ingredients launched two innovative capsule solutions in 2022. Capsugel® Enprotect™ is designed for intestinal drug delivery and does not disintegrate during stomach transit. This provides a viable oral solution to deliver novel therapies to the small intestine. We also launched our proprietary titanium dioxide (TiO₂)-free white hard gelatin capsule in response to the European Union Commission's decision to ban TiO₂ from food colorants. The TiO₂ free capsule was recognized with a Regulatory and Compliance Award at the CPhI Pharma Awards in Q4.

The regulatory expertise of our Cell & Gene division was highlighted in October 2022 when we announced that two cell and gene therapies manufactured at our Houston (US) site received FDA approval. These approvals represent the second and third cell and gene therapy (CGT) commercial approvals supported by the facility, and reflect our colleagues' commitment to partnering with our customers on the path to commercialization. We are committed to collaborating with regulatory authorities and playing an active role in establishing commercial manufacturing quality standards as the CGT field continues to evolve.

Our approach to innovation provides a critical point of differentiation for our business and delivers advantages for our customers. In the last year, Cell & Gene focused on further enhancing the performance and functionality of our innovative Cocoon® Platform for automated cell therapy manufacturing by introducing a magnetic selection capability, which is designed to address challenges in the manufacturing process. The magnetic selection capability, which we announced in April 2022, can be utilized at any point in the manufacturing process to provide a high level of customization and consistency. It expands our end-to-end solution for cell therapy manufacturing and demonstrates our commitment to sustained investment in next-generation technologies.

We continue to innovate our offering in line with evolving customer needs. In recent years, the biologics pipeline has continued to evolve towards more complex protein formats. Responding to this industry development, in January 2022 we launched our new bYlok® technology platform for the discovery and design of complex proteins. The solution was recognized by *The Medicine Maker* amongst the top innovations of 2022.

Speed

The path to commercialization continues to accelerate across the healthcare industry, and we understand that speed remains a critical contributor to competitive advantage. Across the business, we continue to find new ways to ramp up speed to market for customers of all sizes. In particular, smaller companies without in-house development and manufacturing capacity can significantly benefit from collaborating with a single CDMO throughout their development and manufacturing journey.

We understand that biopharmaceutical companies face increasing pressure to advance molecules to first-in-human trials faster than ever before. Our early development services in Slough and Cambridge (UK) are helping Biologics customers to de-risk this process with efficiency gains, which offer huge potential to accelerate timelines. We combine human expertise with artificial intelligence (AI) to resolve potential issues and stabilize molecules prior to clinical trial. This offering is helping customers to reduce failure risks in early development, reduce failure risks and accelerate speed to market.

We also launched two new offerings in Biologics targeting standard and more complex proteins to support timelines to clinic. We can now support our customers in moving from gene to Investigational New Drug designation (IND) filing in 11 months for standard monoclonal antibodies (mAbs), and from gene to IND in 13 months for more complex proteins.

We continue to advance our bioconjugates offering to support speed to patient. We now offer the Lonza Bioconjugation Toolbox, which provides customers access to tools and scalable technology to support discovery, development and manufacture.



Our Approach to Sustainability

Our purpose to enable a healthier world shapes not only the products and services that we deliver for our customers, but also our approach to doing business. Across our global network, we remain committed to improving our social engagement and governance activity while reducing our environmental footprint.

The Global Reporting Initiative (GRI) Standards are critical in ensuring transparent reporting against sustainability commitments. We track our performance against this recognized industry benchmark, across a range of economic, environmental and social indicators.

This section of our Annual Report provides a short overview of the most important sustainability topics in our business today. It is supported in greater detail by the [2022 Sustainability Report](#), which offers deeper levels of information and insight into our sustainability commitments and latest performance indicators.

Building a Sustainable Business Model

In 2021, we completed a materiality assessment to support our business as it completed its transformation into a pure play partner to the pharma, biotech and nutrition industries. This assessment enabled us to prioritize the initiatives and activities that best support sustainable development in the healthcare context. It laid the groundwork for establishing a clear sustainability focus in 2022 – the first full year in which our business has been fully dedicated to serving the healthcare industry. Ten sustainability topics were identified as the most relevant for us globally, reflecting the impact of our operations, products and services across the value chain.

We also support the UN Sustainable Development Goals (SDGs). These goals span health, education, inequalities, responsible consumption, climate change and natural resources. We have prioritized seven SDGs which are most relevant to our own operations. These goals are embedded within our sustainability roadmap and provide a focus for our targets and achievements.

To raise awareness and drive engagement with these important metrics, each of the seven SDGs has been directly assigned to an Executive Committee (EC) member. They are each supported by a Program Manager to develop initiatives and oversee implementation across the business.

As of 2022, these SDGs and related performance metrics are built into our global compensation framework, to capture sustainability as a key measure of both business success and personal development.

Our Guiding Principles

UN Sustainable Development Goals (SDGs)



Our Policy

Compliance and Integrity

We ensure that legal compliance, integrity and ethical conduct are the foundations in every place we operate.

Our People

We develop our employees by helping them grow. We provide safe workplaces, care for employees' well-being and foster their involvement and participation.

Our Environment

We strive to continually reduce emissions, energy, water and material intensity.

Vision ZERO

We continually improve our systems and aspire to ZERO incidents, injuries and environmental footprint.

Value for Society

We create value for society by innovating and delivering science-based solutions to enable a healthier world. We engage in the communities where we operate.

Our Focus: Material Topics

Responsibility

- Anti-Bribery/Anti-Corruption
- Supply Chain Responsibility

Environment

- Carbon emissions (Scope 1, 2 and 3)
- Energy
- Water and Effluents
- Waste

Social

- Occupational Health and Safety
- Diversity and Equal Opportunity
- Employee Recruitment, Development and Retention
- Employee Engagement

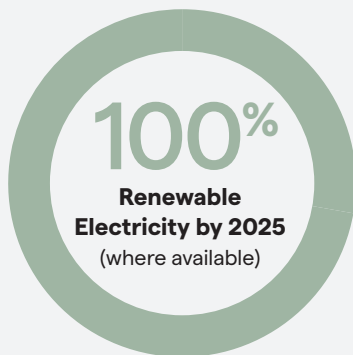
Sustainability Targets

To enable continual progress on our safety and sustainability performance, we have established a clear set of incremental targets between 2019 and 2030. These intensity targets include a 36% reduction for energy and greenhouse gas emissions and 24% reduction for waste. Our 2018 performance establishes a baseline, and targets were reassessed and updated to reflect the new focus of our business after the divestment of the former Specialty Ingredients segment in 2021.

Each sustainability target is measured per CHF million in sales to align with our growth trajectory. This measure takes into account our diverse and evolving product portfolio, which includes manufacturing pharmaceutical ingredients and capsules, health ingredients, gene therapy and cell media production, alongside the licensing of technologies and systems. Using a denominator of financial value ensures that our diverse portfolio can be consistently measured and allows us to carry forward this metric in the case of business growth, major acquisitions or divestments.

Alongside these initiatives, we continue to work towards our global goal of procuring and sourcing all our electricity from renewable sources by 2025, where available.

Renewable Electricity Ambition



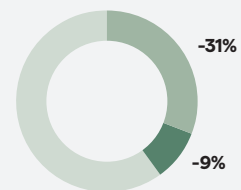
In addition to this global measurement framework, operating sites set targets for material topics within their localities (such as emissions, water quantity and other parameters). Each site in our global network has a three-year roadmap with detailed action plans to deliver against global and local targets.

Our Progress in 2022

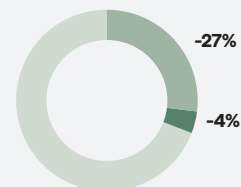
In 2022, we recorded a considerable reduction in the intensity numbers, which is related to significant growth without proportionate footprint increases, supported by additional efficiency gains. These intensity reductions also reflect the shift in our business model to become a strategic partner to the healthcare industry. As we have already reached the majority of our initial 2030 intensity targets, we are resetting our targets to a more ambitious level. We are now aiming to achieve 50% reductions in intensity by 2030, compared to the 2018 baseline.

Our Progress in 2022

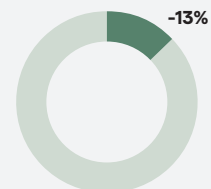
GHG emissions intensity reduction (vs 2018 baseline)



Energy intensity reduction (vs 2018 baseline)



Water intensity reduction (vs 2021 baseline)

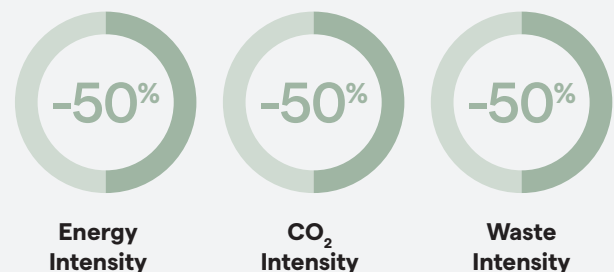


■ Progress in 2022

■ Progress up to FY 2021

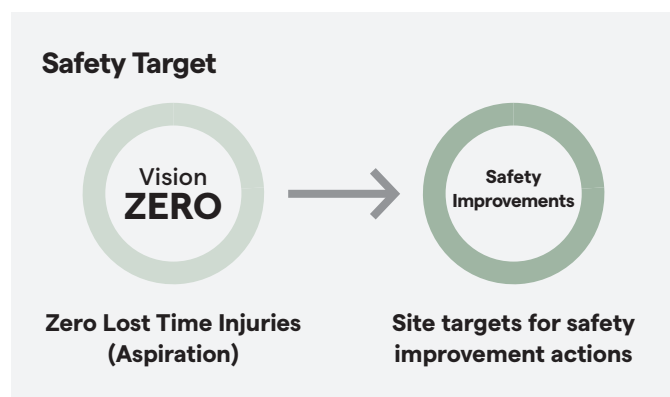
Updated 2030 Targets

Baseline 2018, Total Company (Per CHF 1 Million Sales)



Safety Targets

At Lonza, we follow our Vision Zero initiative, which aspires to zero workplace injuries and illnesses, manufacturing process incidents and environmental incidents. Safety targets are set locally by sites and are aligned with Vision Zero. Our framework measures both the identification and completion of safety-related corrective actions, rather than measuring injuries alone (which can vary widely from year to year). This leading metric drives engagement, understanding and behavior change within our global workforce.



Mitigating Risk with a Data-Driven Approach

Safety and sustainability are both commercial and ethical imperatives. They provide opportunities to drive value for society, our customers, our employees and the environment. To ensure we maximize these opportunities, we take a systematic and data-driven approach to delivering on our targets.

At every site, we collect data on accidents and incidents, energy, water and waste, and analyze deviations from established goals. Our sites are regularly visited by our Environment, Health and Safety (EHS) team. The EHS team audits our sites to identify compliance risks and procedures to ensure that we can take appropriate corrective measures. We also regularly review site and workplace risks and identify ways to mitigate any impact on our wider business performance.

Personal Perspective

Andreas Bohrer

General Counsel

Sustainability is one of our five core strategic priorities. It secures our freedom to operate, boosts investor confidence and supports talent attraction and retention. For these reasons, it sits at the heart of our approach to delivering long term value at an economic, environmental and social level.

In 2022, we made good progress on our ESG commitments. We reduced greenhouse gas, energy and waste intensity, progressed our initiative to transition to 100% renewable electricity, and undertook major water stewardship projects. At the same time, we defined sustainable design standards for our growth projects, and engaged with our suppliers to reduce Scope 3 emissions across the value chain.

We understand that our people are key to driving progress on sustainability. Starting in 2022, we increased engagement across the organization. ESG now accounts for 25% of the business performance component in our employee bonus calculations.

There is a lot more to do in this area and our aspirations are ambitious. In 2023 and beyond, we aim to further reduce greenhouse gas emissions as well as water and energy intensity. We will also continue to work with our suppliers and our customers to improve ESG along the value chain. At the same time, as a science-led company we are currently examining how we can refine our approach to target setting.

By ensuring that sustainability remains a long-term strategic priority, we will continue to enable a healthier world for people and planet alike.



Our People and Culture

Overview

Our people sit at the heart of our business. They are critical to our ability to deliver and succeed. To ensure they feel valued, we continue to focus on developing a strong structure adapting accordingly, and continually improving our employee experience. This is an important part of our global people strategy, which is designed to enable our colleagues to “Come, Stay, Grow and make a Meaningful Difference”.

In 2022, we have continued to evolve our strategy to encourage continuous improvement on the topics that matter most to our employees across our global network. As we maintain momentum through a period of rapid growth, in 2022 we focused on the “stay” and “grow” pillars of our employee offering to support the retention of our current colleagues, as well as improving the onboarding experience for newly hired talent. Personal development and job satisfaction remain priorities to ensure we continue to offer rewarding career opportunities, improve long-term job satisfaction and support sustainable growth across our global business.

People at Lonza

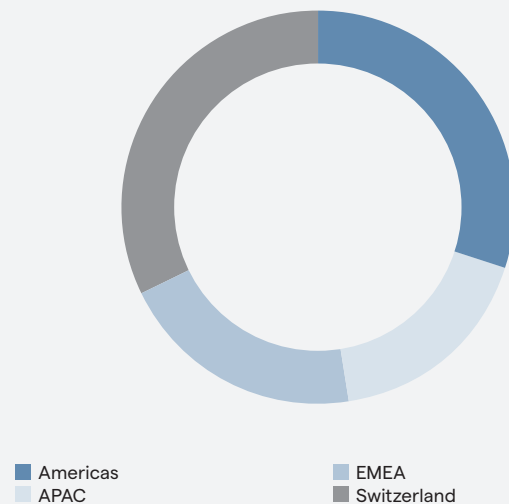
Our diverse global community encompasses a broad range of backgrounds, cultures and perspectives. Across the 28 countries in which we operate, our employee community comprises more than 100 nationalities. We have a cross-generational community and – in line with previous years – we continued to see a proportionate increase in the recruitment of younger employees during 2022. Globally, the gender split remains at 36% female and 64% male.

We understand the value and importance of diversity and inclusion across our employee community. By embracing different characteristics, preferences and beliefs, we can encourage innovation, engagement and creativity. Further information on recent initiatives in this area can be found in our [2022 Sustainability Report](#).

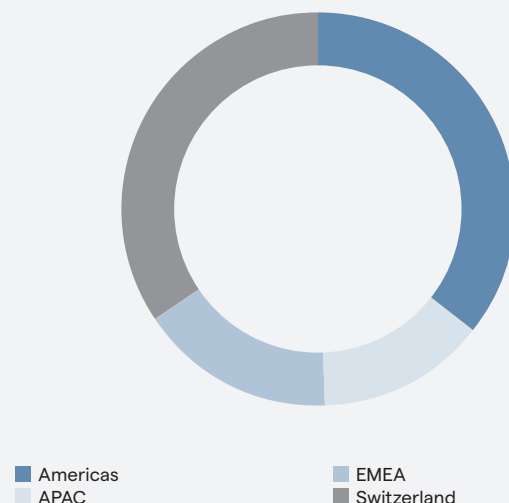
Coming to Lonza (Attracting the Right People)

In 2022, our work continued to support a strong pipeline of talented candidates, supported by a strong onboarding process as an integral part of our recruitment program. More than 3,500 new employees joined Lonza in 2022. Our recruitment activities had a strong focus in our Visp (CH), Houston (US) and Portsmouth (US) sites.

Geographic Diversity



Hires in 2022 by Region



We continued to focus on the strength of our talent pipeline by enhancing our portfolio of Employer Value Proposition (EVP) content and campaigns. Improved access to interactive and video content has supported talent attraction and helped new joiners to understand our working practices and cultural values.

We have also improved the onboarding experience in 2022, in the time prior to an employee's start date as well as in the first days of joining. This has been designed to manage turnover levels for early tenure employees. It was delivered by expanding our digital onboarding tool, which has created a tailored and engaging platform for new hires across selected test sites in the US and Switzerland. Feedback received from Houston (US), the first pilot location, has shown that the tool provides an enhanced onboarding experience with the overall satisfaction rate increasing by 17%. Positive responses to the question: "Do you see yourself working for the organization in two years' time?" rose by 11%, showing a promising impact on retention. By using the tool, managers, HR partners and new colleagues have regular interaction in the time before hire and during onboarding. Having confirmed positive outcomes from the test phase, the program will be further expanded across Europe and Asia in 2023.

We continue to review our initiatives to ensure we can attract industry leading talent and create an environment where they can thrive and feel motivated by a sense of belonging. This will support the ongoing expansion of our employee community as we continue in our work to achieve our ambitious, sustainable growth plans in the coming years.

Staying at Lonza (An Empowering Environment for our People)

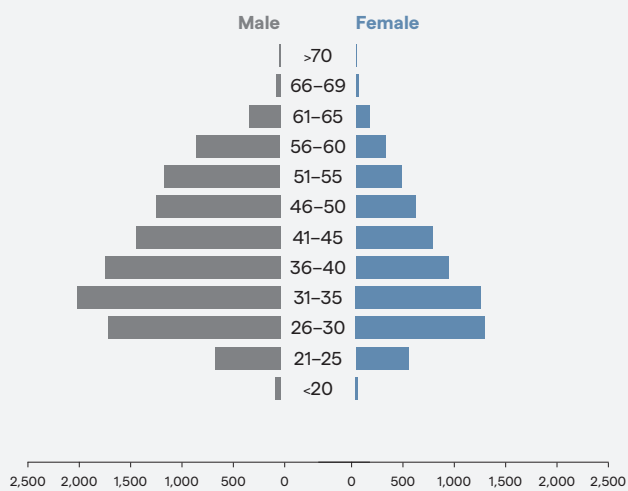
A period of rapid growth in 2021 required us to focus on creating a stable environment to attract new employees and, in 2022 the focus shifted to talent retention. This strategic approach was designed to engage our new colleagues and to manage the challenges arising from a competitive external recruitment market.

2022 saw an employee voluntary turnover rate of 10.7%¹, globally. This is in line with our competitors at a global level and is lower than external market trends. However, higher rates were identified at the beginning of the year for the Americas and for employees with a tenure of two to three years on a global basis. In 2022, we continued to collect data and insights to understand the root causes of these movements. We also worked to establish appropriate initiatives to improve retention. In response to the findings, we worked to provide stronger career progression and development opportunities and to create a more consistent approach to leadership training. We have seen an improvement to 14.4% for the Americas (from 16.6%) and 14% for employees with a tenure of two to three years (from 17.2%). Improving employee engagement and retention will remain a priority in 2023, to ensure that our new programs are culturally embedded through sustained focus and commitment.

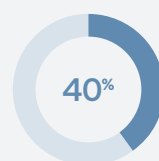
In 2021 and 2022, our Voice of Employee Survey and Exit Survey information indicated that there was an opportunity to improve work schedules across our global network. As part of

¹ Total turnover in 2022 was 12.8%

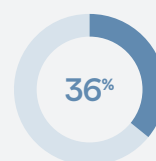
Broad Balance Across Age Groups



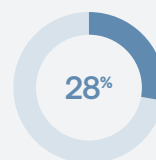
Eight employees did not wish to disclose their gender



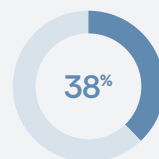
Female New Hires



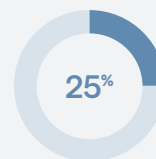
Female Employees



Females in Management



Female Board Members



Female Executive Committee Members

our post-pandemic back-to-office planning, we redeveloped our approach to hybrid working at a global level to ensure that colleagues could continue to deliver while benefitting from improved levels of flexibility.

Lonza's Global Hybrid Work Policy was introduced in 2022, allowing our employee population to perform part of their work remotely for up to two days a week (where tasks allowed, representing 25% of global employee base). This was designed to provide time to connect with colleagues in person during the remaining three days per week. Introducing a global policy ensured a consistent experience for employees across our network. In 2022, we also launched the "Work from Anywhere" policy. This provides employees with an opportunity to work from another location for up to four weeks per year, subject to compliance requirements.

As we work in a highly competitive industry for talent acquisition and retention, we invest in regular external benchmarking, as well as actively listening to our colleagues. The insights gained from our work in these areas has led to enhancements and new offerings across our Total Reward suite.

During 2022, our Lonza Bonus plan was redesigned to bring our divisions and functions into a single performance structure that aligns to our One Lonza company performance ambition. The new Lonza Bonus plan also encourages greater focus on sustainability across the business, as a proportion of the company performance calculation is now measured through our progress on our Environmental, Social and Governance targets.

Further enhancements were made with new employee share program offerings. Our "ShareMatch" program allows employees to purchase an agreed number of Lonza shares at a discount, with a company matching scheme after a three-year holding period. This is expected to encourage colleagues to engage with company performance and supports improved retention rates. In 2022, it was offered to employees in Switzerland, the UK and the US (excluding residents of California), with 30% uptake among eligible employees, higher than external benchmarks for this program. We aim to expand the eligible country list in 2023.

The Lonza Restricted Share Plan (LRSP) was also launched in 2022. It allows senior leaders to nominate key strategic talent to receive company shares on a three year holding period, for those who are not otherwise eligible to receive company shares. The aim is to recognize and reward high-value strategic contributors in a way that will encourage loyalty and improve retention.

Throughout 2022, we have continued to explore ways to support the wellbeing of our people. We launched a pilot of an Employee Wellbeing App ("Lonza Life"), designed to boost the wellbeing of our employees and their families in relation to health, wellbeing and fitness. This pilot has given us the opportunity to listen to and understand the needs of our employees. In 2023, we will take a site or country approach to advance a meaningful

wellbeing offering focused on Mental, Financial, Physical and Social Wellbeing. Further support is provided through the existing Employee Assistance Program (EAP), which provides a global support structure, offering advice and guidance for physical and mental health.

We aim to ensure that our people feel safe and empowered at Lonza through a focus on Inclusion, Diversity and Belonging (IDB). The IDB Council runs a series of regional events and initiatives to ensure every colleague is welcomed and valued for their differences. Specifically, Gender Equality was a focus in 2022, in support of the UN Sustainable Development Goal (SDG) 5, which targets an increase in women in management, alongside initiatives to ensure gender equality across the employee experience. These initiatives have seen the proportion of women in management positions increase to 27.6% and female representation across the company reach 36%. Our Voice of Employee Survey found that appreciation of Lonza as an inclusive and diverse company continued to increase between Q3 2021 to Q3 2022, with an increase in a feeling of belonging from 66% to 68%. More information on the IDB Council and the SDG 5 Gender Equality initiative can be found in the [2022 Sustainability Report](#).

Looking to 2023, we will continue to listen to employees' feedback, benchmark progress, and monitor market trends to ensure that we continue to care for our people. This is important for our business, as we understand that strong and sustained performance is made possible through happy and engaged employees.

Growing at Lonza (Developing our People)

To ensure employees feel that they can build a career at Lonza, personal growth and development became a focus in 2022. It is a vital part of our employee career journey and a key to long-term job satisfaction.

Our new Leadership Framework was developed, comprising three core components: Care, Coach and Communicate. It was designed to provide a common understanding of the expectations of our leaders and to support them in navigating the change from traditional management to servant leadership. With the framework in place, our people can expect a consistent experience across the business while leaders have the clarity of clear guidance supported by a bespoke framework.

This overarching framework is supported by the launch of related leadership development training including the Core Leadership Impact Program (CLIP) and Accelerated Management Development Program (AMDP). CLIP comprises a series of modules to empower leaders by improving their awareness of their own strengths alongside focal areas for improvement. CLIP was rolled out to around 330 leaders in 2022. AMDP is a targeted program to ensure a strong pipeline for senior leadership positions. It gives

up to 10 employees the opportunity to experience supported job rotation (internationally and domestically) and offers intensive development programs to enhance leadership capabilities. It is designed to ensure a strong and sustainable future by nurturing leading internal talent.

We are also developing a culture of learning at Lonza through Quality Education, linked to the UN SDG 4 (Quality Education). By providing technical training programs we are encouraging our people to take ownership of their development. We launched LinkedIn Learning in 2021, and in 2022 we saw increased utilization of this important resource with learning hours increasing by 72%. We have curated several Lonza courses on the platform, allowing for tailored and specialist training in areas most requested by employees. We will explore ways to further enhance the use of this tool in 2023.

The focus on personal and professional learning and the impact on career development is demonstrated with an increase in our internal mobility between positions to 29.8% in 2022 (an increase of 5.6% from 2021).

Opportunities for personal and professional development remain critical in creating and maintaining an engaged employee

community. We will continue to build a compelling environment where employees are inspired to grow, by listening to feedback from our biannual Voice of Employee Survey (distributed in March and September) and establishing programs that can influence career paths in a meaningful way.

Looking to 2023

With a strong baseline of employee feedback from our onboarding experience, Voice of Employee Survey, Exit Survey and live global people data, we have established a data-driven people strategy that aligns with the needs of our people and business.

In 2022, we refined our strategic approach to ensure our employees stay and grow with us, while maintaining momentum in other key areas of our people offering. This will continue into 2023, with an emphasis on operational excellence, enhanced use of automation, technology and continuous improvements to the employee experience. As we continue to consolidate our culture and identity as a strategic partner to the healthcare industry, we aim to empower our leaders, to enable our employees to make a meaningful difference and to provide an innovative approach to sustainable and strategic talent development.

Personal Perspective

Caroline Barth

Chief Human Resources Officer

During 2022, we continued to focus on building strong foundations to drive engagement and retention. This was illustrated by an increase in our Employee Engagement Index to 67 (from 65 in September 2021).

We took time to listen to and understand our employees' priorities, so that we could focus on the areas that mattered most to them. Specifically, our Voice of the Employee survey was designed to create an inclusive feedback culture. This survey is now in its second year and provides an open forum that allows each leader to understand the needs and values of their people. The success of this platform is demonstrated by the increase in participation rates to 71% (from 69% last year).

Collectively, our employee listening programs helped us to develop a framework to guide our leaders on how best to serve and support their people. Focusing on the three key areas of caring, communicating and coaching, the framework is designed to ensure consistent leadership across our global network.

Looking to 2023, we will continue to use the insights from our extensive datasets and, specifically, create improved career development pathways for top talent. We have already seen the benefits of this data-driven approach in 2022 with a year-on-year 5% improvement in perceptions of career development. Personal career growth opportunities are further enhanced by the higher visibility of our internal career options, which have supported an increase in our internal hire rate to around 30%.

To ensure we maintain momentum in the career development space, we are also working to improve access to learning programs to support development at all levels. This will ensure that we are all equipped to make a meaningful difference to our customers and their patients.



Legal Disclaimer

Forward-Looking Statements

Forward-looking statements contained in this publication are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Any statements contained herein that are not statements of historical fact (including statements containing the words “outlook,” “guidance,” “believes,” “plans,” “anticipates,” “expects,” “estimates” and similar expressions) should be considered to be forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty.

There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including the timing and strength of new product offerings; pricing strategies of competitors; the company’s ability to continue to receive adequate products from its vendors on acceptable terms, or at all, and to continue to obtain sufficient financing to meet its liquidity needs; difficulty to maintain relationships with employees, customers and other business partners; and changes in the political, social and regulatory framework in which the company operates, or in economic or technological trends or conditions, including currency fluctuations, inflation and consumer confidence, on a global, regional or national basis.

In particular, the assumptions underlying the Outlook 2023 and Mid-Term Guidance 2024 herein may not prove to be correct. The statements in the section on Outlook 2023 and Mid-Term Guidance 2024 constitute forward-looking statements and are not guarantees of future financial performance.

Lonza Group’s actual results of operations could deviate materially from those set forth in the section on Outlook 2023 and Mid-Term Guidance 2024 as a result of the factors described above or other factors. Investors should not place undue reliance on the statements in the section on Outlook 2023 and Mid-Term Guidance 2024. Except as otherwise required by law, Lonza Group disclaims any intention or obligation to update any forward looking statements as a result of developments occurring after this publication was published.

No Warranty and No Liability

While Lonza Group Ltd and its affiliates (collectively and individually, the “Lonza Group”) make efforts to include accurate and up-to-date information, they make no representations or warranties, express or implied, as to the accuracy or completeness of the information provided in this publication and disclaim any liability for the use of this publication or any site linked to it. Lonza Group may change this publication at any time without notice but does not assume any responsibility to update it. Lonza Group makes no warranties, express or implied, and assumes no liability in connection with any use of this publication. Every user agrees that all access and use of this publication and of any site linked to from this publication and the information contained herein and therein are at their own risk. Neither Lonza Group (including its agents, directors, and employees) nor any other party involved in creating this publication is liable for any direct, incidental, special, consequential, indirect or punitive damages or other damages arising out of your access to or use of this publication, including but not limited to viruses or malware that may infect your computer equipment or software and any damages for lost profits, business interruption, loss of programs or other data on your information handling system or otherwise, even if Lonza Group or any other person or entity is advised of the possibility of such damages and irrespective of whether such damages arise in an action of contract, negligence or other tortious or legal action.

No Offer and No Solicitation

The information provided in this publication does not constitute an offer of or solicitation for the purchase or disposal of, trading or any transaction in any Lonza Group securities. Investors must not rely on this information for investment decisions.

Limited Use

Lonza Group hereby grants you the right to display, store and reproduce copies of this publication for personal use subject to the following conditions:

1. The publication may be used for internal purposes only and may not be sold or distributed for commercial or political purposes;
2. The publication may not be modified, diffused, reposted or transmitted in any respect;
3. The copyright notice must appear on every copy of the work or portion thereof.

Trademarks

The trademarks, logos and service marks (collectively, the “Trademarks”) used or mentioned on this publication are registered and unregistered trademarks of Lonza Group Ltd, one of its affiliates or third parties and are legally protected in Switzerland and/or USA or European Union. Be aware that certain product names are trademarks, even if not specifically mentioned.

Nothing on this publication should be construed as granting, by implication, estoppel or otherwise, any license or right in or to the Trademarks without the express prior written permission of Lonza Group Ltd or such other third party. Your misuse of the Trademarks on this publication and in its conditions is strictly prohibited.

Disclaimer

Lonza Group Ltd has its headquarters in Basel, Switzerland, and is listed on the SIX Swiss Exchange. It has a secondary listing on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Lonza Group Ltd is not subject to the SGX-ST’s continuing listing requirements but remains subject to Rules 217 and 751 of the SGX-ST Listing Manual.

For publications and further information, please contact:

Lonza Group Ltd

Muenchensteinerstrasse 38
4002 Basel, Switzerland
Tel +41 61 316 81 11
www.lonza.com

Investor Relations

Tel +41 79 154 9522
investor.relations@lonza.com

Media Relations

Tel +41 61 316 2283
media@lonza.com

Share Register

c/o Computershare Schweiz AG
P.O. Box 4601 Olten, Switzerland
Tel +41 62 205 77 00
Fax +41 62 205 77 90
share.register@computershare.ch

Production Details:

Corporate Communications, Lonza Group Ltd, Basel (CH)
Design and Illustration: SevenThree Creative, Edinburgh (UK)
and Lonza Design Team
Lonza Online Annual Report: Sears Davies Ltd, London (UK)
Pictures: iStock, Getty Images, Lonza
Board of Directors, Executive Committee Members and Leadership
Portraits: Lonza

The 2022 Annual Report PDF version legally prevails over the 2022 Online Annual Report.

© 2023 Lonza Ltd / All rights reserved