

Remuneration

170	Letter from the Chairman of the Nomination and Compensation Committee	189	Share Ownership of the Members of the Board of Directors and the Executive Committee
172	2023 At a Glance	190	Mandates of the Members of the Board of Directors and the Executive Committee
174	Compensation Governance	191	Report of the Statutory Auditor
178	Compensation of the Executive Committee 2023		
187	Compensation of the Board of Directors 2023		

Letter from the Chairman of the Nomination and Compensation Committee



Christoph Mäder
Chairman of the Nomination and Compensation Committee

Dear Shareholders,

In my role as Chair of the Nomination and Compensation Committee (NCC) and on behalf of its fellow members, I am pleased to introduce our 2023 Remuneration Report, which was prepared in compliance with the Swiss Code of Obligations, the SIX Exchange Regulation, the Swiss Code of Best Practice and Lonza's Articles of Association. In this report, we outline the current compensation policies and the decisions made in relation to 2023 compensation for the Executive Committee and Board of Directors of Lonza.

We are grateful for the active engagement and time with our shareholders, the investor community and proxy advisors in 2023. It helps to ensure we continue our open and transparent dialogue. Our discussions during 2023 covered matters relating to changes to the Executive Committee, Long-term Incentive Plan (LTIP) performance metrics for 2024 onwards, the simplification of our reporting and disclosures, as well as overall company developments.

2023 Performance Outcomes

Lonza presents solid 2023 performance outcomes which have benefitted the public, our shareholders and our employees. The NCC measured the 2023 Lonza Bonus performance outcomes and payout levels against the predetermined and originally set performance targets. The 2021 – 2023 LTIP performance targets were predetermined exclusive of LSI which was carved out in 2021 and so remain as originally set. Performance outcomes, and in turn payout levels, were measured against these predetermined 2021 targets.

The Group performance outcomes against all four performance measures (sales, CORE EBITDA, free cash flow and ESG) combined with individual performance, resulted in a proposed annual bonus payout at 112.4% of target for the Executive Committee. See page 182 for more details.

Overall Group performance against CORE EPS and in particular ROIC targets, measured at the end of the 2021 – 2023 performance period adversely impacted the 2021 LTIP achievement level. As a result the plan did not meet the threshold performance level to result in a plan vesting.

We explain in this report how our company performance impacts the compensation under the incentive plans for the Executive Committee.

2023 NCC Activities

The NCC performed its regular activities throughout the year, including the succession planning for the Executive Committee and Board of Directors, as well as the performance management and the determination of the compensation for the members of the Executive Committee and Board of Directors.

The NCC monitored and reviewed the relevance of the KPIs in the Lonza Bonus and LTIP plans. The NCC concluded that the existing KPIs for the Lonza Bonus plan continue to be relevant, reflecting both top and bottom line performance as well as ESG goals. Overall, the ESG goals tie compensation to annual progress against long-term environmental objectives to reduce GHG emissions, and optimize energy and water consumption, as well as expanding programs to improve our supply chain sustainability, female representation in management positions and our educational programs. This year, we promoted more measurable quantitative targets and have reduced the number of qualitative targets in total. The qualitative targets specifically are used to build the foundation for longer-term ESG initiatives, necessary to ensure continued success.

As an example, delivering a letter of commitment to the Science Based Targets initiative (SBTi) was the pre-requisite to develop and agree to industry-recognized, measurable decarbonization targets in Scopes 1, 2 and 3.

In relation to the LTIP, the NCC determined that ROIC continue to be a relevant long-term performance measure given Lonza's CAPEX strategy. Similarly, CORE EPS remains relevant to the plan as a key metric for our investors. Furthermore, the NCC decided to introduce Total Shareholder Return (TSR) relative to other companies of the SMI index as of 2024 onwards as further alignment with Shareholder interests. The defined peer group will be the SMI with a Swiss market prevalent payout curve. The three KPIs ROIC, CORE EPS and relative TSR will be equally weighted and will be measured over the three-year LTIP performance period. Further details will be provided in the 2024 Remuneration Report.

Finally, we have enhanced our reporting to comply with the new Swiss Code of Obligations and to further strengthen the transparency of our remuneration disclosure. Key updates relevant to the 2023 report include:

- setting out how Lonza's remuneration principles and policies align with the company's strategic objectives,
- presenting details of other mandates held by both the Board of Directors and the Executive Committee,
- using visual tables and charts throughout the report as well as color coding of remuneration elements to facilitate reading and understanding.

In 2023, we also simplified the Executive Committee compensation voting mechanism whilst maintaining our pay-for-performance principles. The system was amended from a three-vote approach to a two-vote approach, in line with market practice in Switzerland. The simplified two-vote approach encompasses a retrospective binding vote on the variable short-term compensation (Lonza Bonus) of the Executive Committee and a prospective vote on the maximum aggregate amount of both fixed compensation and variable long-term compensation (LTIP) of the Executive Committee for the next financial year. Full information can be found on page 174.

Changes to the Executive Committee during 2023

Our Executive Committee went through two changes in 2023. Caroline Barth, Chief Human Resources Officer (CHRO) stepped down on 30 April 2023. Ulrike Käppler has been appointed as the new CHRO with effect from 1 January 2024. On 30 September 2023, Pierre-Alain Ruffieux, Chief Executive Officer (CEO) stepped down and Albert Bæhny, the Chair of the Board of Directors, took on the additional duties of CEO *ad interim*. The Board of Directors has now appointed Wolfgang Wienand as CEO of Lonza, effective from the summer of 2024. Albert Bæhny decided not to stand for re-election at the upcoming Annual General Meeting (AGM) in May 2024 and will continue in the CEO *ad interim* role until Wolfgang Wienand commences his tenure as CEO. The Board of Directors is proposing the election of Jean-Marc Huët as the new Chair of the Board of Directors of Lonza at the 2024 AGM.

All compensation decisions relating to the appointments and departures were made in line with our Executive Compensation Appointment and Termination Policies outlined on page 176.

On behalf of the Nomination and Compensation Committee, I thank our shareholders for the continued dialogue during 2023. We respectfully ask for your endorsement of this 2023 Remuneration Report and approval of Executive Compensation that will be put forward to you at the 2024 Annual General Meeting.

Yours faithfully,
Christoph Mäder

Chair of the Nomination and Compensation Committee

2023 At a Glance

Compensation Principles



Pay for Performance – our compensation programs are performance-based linking employee reward with company and individual performance, both financial and non-financial. Non-financial targets focus on ESG measures to support the UN Sustainable Development Goals.

Create Shareholder Value – our share-based compensation encourages long-term performance and alignment of interests of our management with those of our shareholders. Our Executives are required to hold a minimum level of shares to ensure they have a stake and interest in the long term success of the company.



Drive Sustainability – our compensation programs are linked to our sustainability strategy. Strategic decisions that drive competitive advantage are encouraged but excessive risk taking is discouraged to avoid jeopardizing the financial health, reputation or sustainability of the Company. We believe in equal pay for equal work. Our compensation programs are simple, transparent and communicated internally and externally.

Drive Strategy – a strong focus on growth, sustainability and individual contribution means our incentive programs support our strategic priorities including service (right first time), scope (breadth of offerings), solutions (scientific, manufacturing, regulatory) and speed. Our competitive compensation programs are designed to attract and retain diverse talent who drive these strategic priorities.



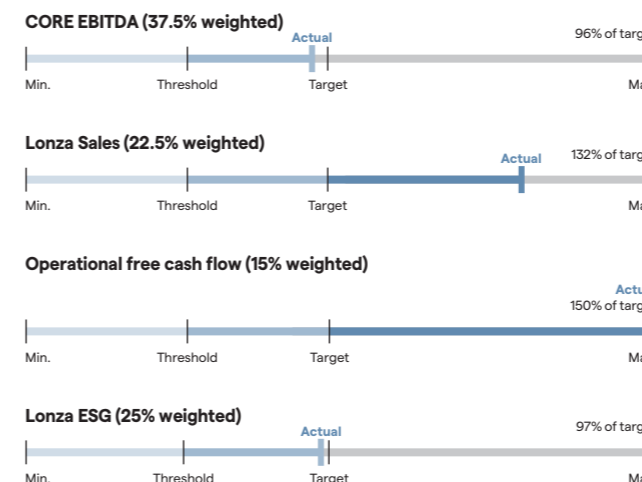
2023 Executive Committee Compensation Structure

	Fixed pay and benefits		Performance related variable pay		
	Base Salary	Pension and Benefits	Lonza Bonus	Long-term Incentive Plan (LTIP)	Lonza Restricted Share Plan (LRSP)
Purpose	Attract Market aligned payment for role	Attract and retain Protection against risk	Reward for year-over-year performance	Attract and retain Reward for long-term performance Align with shareholder interests	Attract and retain Supports Appointment Policy
Form of payment	Cash	Pension contributions Benefits, allowances and insurances	100% cash; or 50% cash and 50% equity until shareholding guidelines are met	Performance shares subject to a three-year vesting period	Restricted shares subject to a two to five year vesting period
Drivers	Role and responsibilities Skills and experience Market value	Market practice Role	Performance against annual Group financial and ESG objectives Individual goals Values and behaviors	Group performance over 3 years	Replacement award if on joining Lonza Executive forgoes certain compensation at their previous employer Level is set lower than forgone awards
Performance measures			Sales CORE ¹ EBITDA Free cash flow ESG KPIs Individual performance	CORE ¹ Earnings per share (EPS) Return on invested capital (ROIC)	Sustained performance in role Continued employment

¹ CORE results for incentive plans are adjusted for divestitures, acquisitions, restructuring and extraordinary one-time events, as well as rounding and as approved by the NCC

2023 Lona Bonus and LTIP outcomes

2023 Annual Bonus

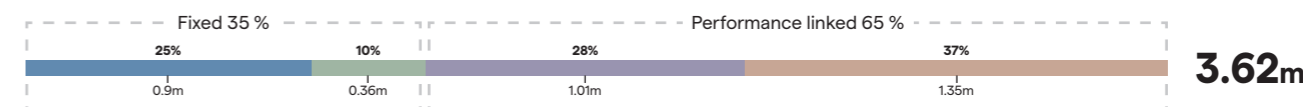


2021 – 2023 Long-term Incentive Plan

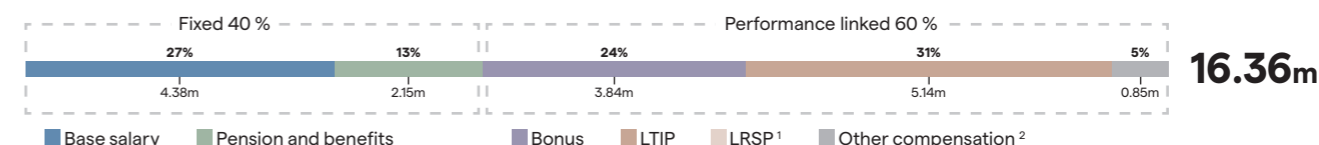


2023 Total Remuneration Paymix (CHF)

Highest Paid Member of the Executive Committee



All Executive Committee



¹ Lonza Restricted Share Unit Plan (LRSP) awards are separate from typical total compensation and are awarded at appointment and only in cases where a new Executive Committee member forgoes cash or equity at their previous employer. No awards were made in 2023.
² Cash payment (including base salary, other benefits, short-term incentive and social security) and shares (LTIP) received by departed members of the Executive Committee during 2023

Board of Directors Compensation Policy

Compensation of Board of Directors from Annual General Meeting (AGM) 2023 to 2024 excluding social security contributions.

In CHF (gross)	Base annual fee	Committee membership fee per committee	Committee Chairperson fee
Chair of the Board of Directors¹	750,000	-	-
Member of the Board of Directors²	200,000	40,000	80,000
The additional responsibilities of Vice-Chairperson and Lead Independent Director ³ do not attract any additional fees			
Form of payout	50% in Lonza Group shares (with 3-year blocking period) and 50% in cash and paid in arrears in quarterly installments		

¹ The compensation of the Chair of the Board of Directors includes compensation as a member of the Innovation and Technology Committee of the Board of Directors
² In the case of multiple committee memberships, the committee fees are cumulated
³ The roles and responsibilities of the Lead Independent Director are in line with sect. 19 para. 2 of the Swiss Code of Best Practice for Corporate Governance, requiring adequate control mechanisms, and commensurate to such position

Compensation Governance

Rules in the Articles of Association

Lonza's [Articles of Association](#) contain rules regarding the approval of compensation by the Shareholders' Meeting ([Article 22](#)), the supplementary amount in the event of changes in the Executive Committee ([Article 23](#)), compensation of the members of the Board of Directors and the Executive Committee, including the principles applicable to performance-related compensation and the allocation of equity awards ([Article 24](#)), the agreements with members of the Board of Directors and the Executive Committee ([Article 25](#)) and loans to members of the Board of Directors and the Executive Committee ([Article 27](#)).

Responsibilities of Board of Directors

The Board of Directors has the following roles and responsibilities as outlined in the [Organizational Rules](#) and [Articles of Association](#).

Responsibilities of the Nomination and Compensation Committee

The Nomination and Compensation Committee (NCC) has the following roles and responsibilities as outlined in the [Organizational Rules](#) and [NCC Charter](#). After each NCC meeting the Board of Directors is informed of the topics discussed and decisions taken. NCC meeting minutes are available to all members of the Board of Directors.

The NCC continuously reviews the aspects of executive compensation and compliance with good governance standards, giving considerations to the continuous growth and the transformation of the Company.

	NCC	Board of Directors	Annual General Meeting
Compensation strategy and design	Proposes	Approves	
Maximum aggregate compensation of the Board of Directors	Proposes	Reviews	Approves (binding vote)
Individual compensation of the members of the Board of Directors	Proposes	Approves (within the budget approved by the AGM)	
Maximum aggregate compensation for the Executive Committee	Proposes	Reviews	Approves (binding vote)
Individual compensation of the members of the Executive Committee	Proposes	Approves (within the budget approved by the AGM)	
Performance target setting and performance assessment for the purpose of incentive plans	Proposes	Approves	
Remuneration Report	Proposes	Approves	Consultative vote

Shareholders' Meeting

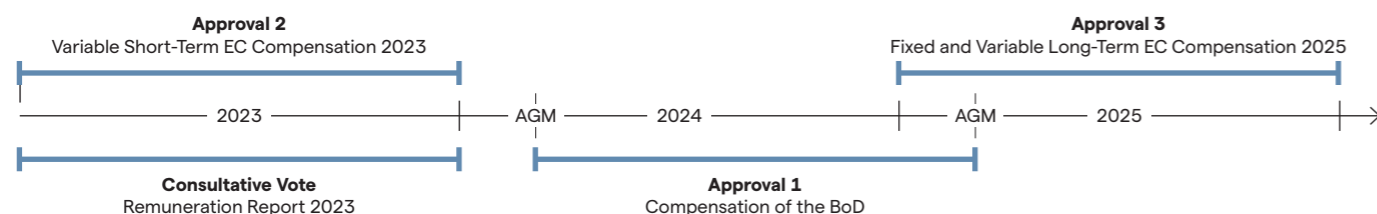
The Shareholders' Meeting approves annually the compensation of the Board of Directors and the Executive Committee in accordance with Article 22 of Lonza's Articles of Association. In relation to the Board of Directors, prospective approval is sought for the compensation of the Board of Directors from AGM to AGM.

variable short-term compensation of the Executive Committee for the prior financial year. This maintains our commitment to pay for performance.

In addition, a prospective approach is sought for the maximum aggregate amount of fixed compensation and variable long-term compensation (LTIP) for the upcoming financial year.

In relation to the Executive Committee, a simplified two-vote approach was implemented in 2023 following approval at the Annual General Meeting. Under this two-vote system, retrospective approval is sought for the aggregate amount of

This Remuneration Report shall be submitted to a consultative vote by the shareholders at the AGM 2024. The voting mechanism that will be conducted at the 2024 AGM is described below.



External Advisors

Lonza engages with external advisors on an ad hoc basis as required. In 2023, the NCC obtained external market and legal insights from PWC¹, Obermatt¹ and Blesi & Papa¹ reflecting a total cost of approximately CHF 67,000. The CHRO and relevant HR specialists support the NCC in preparing the NCC meetings and materials. These individuals have an advisory function without voting rights.

Market Benchmarking

Lonza reviews the total compensation of the Executive Committee, wider employees and Board of Directors through regular benchmarking analysis versus practice market, to ensure that compensation levels remain competitive and support the retention and attraction of talents. The total compensation (base salary,

variable incentives, pension and other benefits) for Executive Committee members is benchmarked against relevant peer group(s) every two to three years or when fundamental company parameters alter (e.g. acquisition or divestment).

Primary and secondary peer groups are used for the purpose of compensation benchmarking. The primary peer group contains European pharmaceutical, life sciences and CDMO businesses of similar size. Given the relevance to Lonza and the talent market, this peer group serves as the essential benchmark reference point. Additional secondary peer groups of European pharmaceutical businesses of varying size, Swiss companies in wider industries and US life science companies, provide market insights and a broader understanding of talent trends in relevant companies which are smaller or larger than Lonza or in key markets other than Europe.

Executive Committee benchmarking peer groups

Primary peers	Secondary peers	Swiss companies in wider industries	US life science companies
European life science businesses of similar size <ul style="list-style-type: none"> Alcon AG Eurofins Scientific SE Grifols SA H. Lundbeck A/S Hikma Pharmaceuticals Plc ICON plc Ipsen SA Merck KGaA QIAGEN NV Reckitt Benckiser Group Plc Sartorius AG Smith & Nephew Plc Sonova Holding AG Teva Pharmaceutical Industries Limited UCB SA 	European life science businesses of varying size <ul style="list-style-type: none"> AstraZeneca Plc BASF SE Bayer AG Grifols SA GSK Plc H. Lundbeck A/S Hikma Pharmaceuticals Plc Ipsen SA Merck KGaA Novartis AG Novo Nordisk A/S Perrigo Company Plc Roche Holding AG Sanofi Sartorius AG Smith & Nephew Plc Sonova Holding AG Teva Pharmaceutical Industries Limited UCB SA 	<ul style="list-style-type: none"> Alcon AG Barry Callebaut AG Bucher Industries AG Emmi AG Galencia AG Georg Fischer AG Givaudan SA Implenia AG Logitech International SA OC Oerlikon Corp AG SGS SA Siegfried Holding AG Sika AD Sonova Holding AG Straumann Holding AG Sulzer AG 	<ul style="list-style-type: none"> bbvie Inc Agilent Technologies Inc Align Technology Inc Avantor Inc Baxter International Inc Becton, Dickinson and Company Biogen Inc BioMarin Pharmaceutical Inc Bio-Rad Laboratories Inc Boston Scientific Corporation Bristol-Myers Squibb Company Catalent Inc Charles River Laboratories International Inc Danaher Corporation Dentsply Sirona Inc Elanco Animal Health Inc Eli Lilly and Company Illumina Inc Incyte Corporation IQVIA Holdings Inc Mettler-Toledo International Inc Regeneron Pharmaceutical Inc Stryker Corporation The Cooper Companies Inc Thermo Fisher Scientific Inc Vertex Pharmaceutical Incorporated Viatris Inc Waters Corporation West Pharmaceutical Services Inc Zimmer Biomet Holdings Inc Zoetis Inc

¹ PWC have further consulting arrangements with Lonza Human Resources. Obermatt and Blesi & Papa have no other consulting arrangements

Executive Committee Appointments Policy

Compensation Element	Policy
Levels and Structure	<ul style="list-style-type: none"> Total compensation and components for an incoming Executive Committee member will be directly aligned with the Executive Committee compensation structure (page 172)
Base Salary	<ul style="list-style-type: none"> The NCC will set base pay levels in a reasonable range around market level considering scope of role responsibilities, experience, skills and internal relativities If the scope of an Executive Committee member's role changes significantly the NCC may make adjustments in line with benchmark and defined budget The NCC will review Executive Committee base salary as part of the merit based annual salary review, with increases based on strong performance and proven contributions in role over a sustained period.
Incentives	<ul style="list-style-type: none"> Incoming Executive Committee members are eligible for incentive target levels in line with their role (see page 179)
Pension and benefits	<ul style="list-style-type: none"> Incoming Executive Committee members are eligible for pension and benefits in line with the wider workforce in the country in which they are employed
Replacement Awards	<ul style="list-style-type: none"> The NCC will consider making replacement awards at the commencement of the employment relationship using equity (LRSP) or cash. Such awards compensate forfeited awards at the previous employer, as a result of accepting the Lonza appointment (see page 183) Details of any such buyout award for Executive Committee members will be disclosed at the time of grant, in the relevant Remuneration Report In line with mandatory Swiss law, Lonza does not give any "golden handshakes" or sign-on awards

Executive Committee Termination Policy

The employment agreements of the Executive Committee members are in line with the below provisions.

Termination type	Treatment of compensation
Death, disability and retirement	<ul style="list-style-type: none"> Payment of base salary and benefits over the 12-month notice period, except in the case of retirement. In the case of death, this is paid out to the next of kin
Termination by the Company Without Cause	<ul style="list-style-type: none"> Pro-rata annual bonus payment relating to year of termination, measured up to the termination date (payout subject to shareholder vote at the relevant Annual General Meeting) Unvested LTIP awards will be pro-rated, based on number of months employed (including the notice period) during the 36-month performance period (this applies to all outstanding LTIP awards) and will vest on the ordinary vesting date for each plan Unvested LRSP awards will be pro-rated, based on number of months employed (including the notice period) during the relevant vesting period and will vest on the ordinary vesting date for each plan
Resignation by the Executive	<ul style="list-style-type: none"> Payment of base salary and benefits over the 12-month notice period No entitlement to annual bonus award with respect to the plan year in which the termination date occurs, except if both of the following apply: <ol style="list-style-type: none"> Termination is after 31 December of the plan year; and Executive was not released from their obligation to work during the plan year Forfeiture of all unvested LTIP / LRSP awards
Termination by the Company for Cause	<ul style="list-style-type: none"> Payment of base salary and benefits over the 12-month notice period No entitlement to annual bonus award relating to plan year in which employment is terminated Forfeiture of all unvested LTIP / LRSP awards
Change of Control ¹	<ul style="list-style-type: none"> Payment of base salary and benefits up to point of transaction if moving to new entity following transaction or up to the end of the notice period, if terminated by the Company without cause Within 18 months following a change of control, an annual bonus payment will be made on a pro-rata basis reflecting the period up to the end of the notice period. The payment will also be based on actual (to the extent that it may be determined) or presumed achievement and, if to the extent that the executive is released from an obligation to work, target achievement (100%) will be assumed Unvested LTIP / LRSP awards shall vest immediately and the granted price shall be the price at which the shares are sold in the transaction resulting in the Change of Control
Non-Compete	<ul style="list-style-type: none"> For a period of six months (for Executive Committee members) and 12 months (for the Chief Executive Officer) following the end of the notice period individuals will not be partially or fully employed by any entity that materially competes with the Company In case of a breach of the non-competition clause, the executive shall pay damages to the Company Compensation for the period of non-competition, will be a monthly consideration equal to the executive's last monthly base salary minus any new income earned in the relevant month In line with the revised Code of Obligations (art. 735 para 2) compensation will not exceed the average compensation paid to the EC Member in the three previous financial years and will only be paid when commercially justifiable The Company may elect to fully or partially release the departing Executive Committee member from the non-competition obligation no later than six months prior to the end of the notice period

¹ If employment is terminated by the Company without cause or an Executive Committee member terminates the employment due to good reason, as outlined in employment agreement

Clawback and Malus

The Lonza Clawback and Malus Policy applies to Executive Committee members and covers all new, future and outstanding variable compensation including Lonza Bonus, LTIP and LRSP awards. In instances of gross misconduct, material breach of duties, violation of code of conduct, material misstatement of and error in calculation of performance (company or personal), the Clawback and Malus policy allows Lonza to recover any relevant compensation from Executive Committee members and / or to forfeit or reduce in whole, or in part, any future awards or payments.

The clawback and malus period applies until the third anniversary of the vesting date.

Shareholding Guidelines

Executive Committee members and other senior managers requirements must meet minimum shareholding to strengthen their alignment with our shareholders' interests. The minimum shareholding levels must be achieved within a specified five-year period which begins on the date of commencing the relevant role. Progress towards achieving the guideline levels is measured in January of each calendar year.

CEO	300% of base salary
Other Executive Committee members	200% of base salary
Other senior managers	Annual LTIP grant value

The NCC periodically reviews the minimum shareholding requirements. No changes were made to the guidelines during 2023.

Executive Committee Performance Management Annual Process

Executive Committee members are subject to a performance management process, broadly aligned with the process for the wider organization. The NCC works to set robust targets to drive sustainable results. Both personal goals and group wide goals (financial and ESG) are set after iterative reviews and are ultimately approved by the Board of Directors.

At year-end, a performance assessment takes place. Each Executive Committee member conducts a self-assessment of their performance, considering the deliverables of their role, including divisional financial targets and company-wide ESG targets, achievement of annual personal goals, and values and behaviors. A discussion is held between each Executive Committee Member and the CEO who recommends a performance rating for NCC endorsement. The Executive Committee members are not present during NCC meetings when their own performance and compensation is discussed.

The Chair of the Board of Directors assesses the performance of the CEO, including: a review of company targets set at the beginning of the year (financial and ESG), personal goals and values and behaviors, in order to determine a performance rating approved by the NCC. The CEO is not present during the section of the NCC meeting when their own performance and compensation is discussed.

1. Target Setting

- Group (financial and ESG) targets proposed to the Board with inputs from relevant functions. A robust iterative review process ensures targets are stretching to drive competitive advantage, whilst discouraging excessive risk taking
- Personal goals are proposed by each EC Member, including values and behaviors
- CEO sets personal goals with the Chair of the Board. Other EC members set goals with CEO

2. Year-end Performance Assessment

Company Performance

- Outcomes for financial and ESG measures are calculated against each weighted metric considering constant exchange rates and result in a company performance factor

Personal Performance

- EC members conduct self-assessment
- CEO performance assessed by the Chair of the Board to determine a performance rating considering a review of company targets set at the beginning of the year (financial and ESG), personal goals, and values and behaviors
- EC Member performance is assessed by the CEO to determine a performance rating considering deliverables of their role including: Divisional financial targets and company-wide ESG targets, achievement of annual personal goals and, values and behaviors
- The personal performance assessment may result in a rating of Outstanding Performance (exceptional contributions and performance over and above expectation and exemplifying Lonza's values and behaviors), Successful Performance (strong performance in line with expectation and having delivered defined goals), or Developing Performance (performing generally in line with expectations yet may not have fully delivered defined goals or had effective business impact)
- CEO and EC ratings are calibrated and endorsed by NCC resulting in a formulaic non-discretionary personal performance factor as outlined on page 179

3. Determining CEO and EC Compensation

- Annual bonus outcomes are formulaic (using the company and personal performance factors) and are submitted to the AGM
- Long-term incentive outcomes are formulaic based on outcomes of the relevant financial metrics
- Base salary is reviewed by NCC in line with performance, market benchmarks, internal relativities, experience and scope of role, and is submitted to the AGM

Compensation of the Executive Committee 2023



Base Salary

Objective and overview	<ul style="list-style-type: none"> • Paid as a fixed cash amount • Basis for total compensation (incentives target amounts set in percentage of base salary) • Reviewed annually, taking into consideration the scope and responsibilities of the position, market benchmark and base salary increase made across the Company, as well as the personal performance of the individual • May be adjusted in case of change in scope of role
2023 implementation	<ul style="list-style-type: none"> • Base salary for those appointed to the Executive Committee during 2023 was set taking in consideration the experience of individual and relevant market levels • Base salary for existing Executive Committee members was not adjusted during 2023

Benefits

Objective and overview	<ul style="list-style-type: none"> • Complement the total compensation offering on a country or market specific basis • Includes risk benefits such as retirement, life, health insurance and medical allowance, as well as perquisites such as transportation allowance and expense allowance
2023 implementation	<ul style="list-style-type: none"> • Administered in line with country benefit policies • Provided to Executive Committee members on the same terms as the wider workforce in the country in which they are employed

Lonza Bonus

Objective	A reward for year-over-year performance, providing potential for an annual bonus payment based on Group and personal performance			
Overview and pay out method	Bonus performance conditions are defined for each financial year ahead of the relevant annual bonus cycle based on the company's short-term objectives, and include a mix of financial, ESG and individual goals			
	Annual bonus target amount	Company performance factor	Personal performance factor	Bonus award
		<ul style="list-style-type: none"> • Sales • CORE¹ EBITDA • Free Cash Flow • ESG KPIs 	<ul style="list-style-type: none"> • Personal factor based on personal performance rating considering delivery of: role deliverables; annual goals; values and behaviors, results in a formulaic non-discretionary pay out percentage 	<ul style="list-style-type: none"> • Bonus award is paid 100% in cash or, 50% cash and 50% shares if shareholding guidelines have not been met
Levels	<p>CEO 100% of base salary at-target</p> <p>Other Executive Committee members 75% of base salary at-target</p>	0 - 150% of target	<ul style="list-style-type: none"> • Unsatisfactory 0 - 40% • Developing Performer 80% • Successful Performer 100% • Outstanding Performer 130% 	Realized bonus award ranges from 0 - 195% of target
2023 company performance conditions	The 2023 annual bonus was based on Company performance and personal performance measures with financial and ESG performance results derived from the audited 2023 results. These financial KPIs measures were selected to reflect company performance holistically considering topline revenue generation as well as bottom line operational efficiencies, cost and expense management. They are coupled with ESG goals which are outlined in the following section.			
Definition	Sales Measures revenue generated	CORE¹ EBITDA Measures Group operating performance and profitability	Free Cash Flow Measures the company's ability to generate cash	ESG Measures the company's contribution to seven UN Sustainable Development Goals
Weighting	22.5%	37.5%	15.0%	25.0%

¹ CORE results for incentive plans are adjusted for divestitures, acquisitions, restructuring and extraordinary one-time events and as approved by the NCC including rounding



Environmental, Social and Governance (ESG)

Lonza has prioritized seven of the United Nations Sustainable Development Goals as the most relevant to our purpose of supporting a healthier world through supporting our customers to bring medicines and therapies to patients, investing in the development of our people and reducing the environmental impact of our operations and supply chain. This commitment is anchored in our annual bonus for the Executive Committee and the wider employee population, with the equally weighted targets set out below. The Executive Committee have a collective responsibility for the achievement of the ESG goals and each member sponsors one of the goals to ensure a dedicated focus.

2023 pay out factor

ESG

2023 Achievement (% of target)						
Sustainable Development Goal	Objective Description	2023 Achievements	Threshold	Target	Maximum	Payout
3. Good Health and Wellbeing	Lonza contributes to the wellbeing of the world and global society, measured by the satisfaction of our customers who bring medicines and therapies to patients	Customer satisfaction for our products and services offerings increased 5.5 points year over year				96%
	Annual progress on our ESG roadmap	We improved our ESG risk management, governance and reporting by enhancing our TCFD risk assessment process to include site-level climate scenario planning and improving supply chain programs				100%
13. Climate Action	Annual progress in reducing Scope 1 and 2 emissions with the long-term goal of cutting our GHG emissions by half by 2030	While absolute emissions increased slightly year over year due to the growth of our business, we developed roadmaps to reduce Scope 1 and 2 emissions in the mid – long term. Our emissions intensity (tons of CO ₂ /m CHF) decreased year over year				63%
	Enhancement of roadmap and commitment to reduce Scope 1 and 2 emissions	Priority sites further developed plans identifying projects to reduce emissions in mid to long term We completed our analysis and strategic plan to reduce Scope 1 and 2 emissions, resulting in delivering our commitment to Science Based Targets initiative (SBTi) by H2				125%
5. Gender Equality	Annual progress towards our long-term ambition of having 35% of females in management positions by 2035	We increased the percentage of females in management positions by 1% year over year				85%
4. Quality Education	Lonza supports the learning and development of its employees, measured by their satisfaction of such opportunities and programs	Our focus on education continued throughout the year with a communication campaign and the development of a single entry point for our learning platforms. Nonetheless, employee satisfaction related to learning and development decreased by 1 point year over year				0%
6. Clean Water and Sanitation	Annual progress towards reducing industrial water intensity by 50% by 2030	We reduced industrial water intensity (m ³ /m CHF) by more than 10% year over year				130%
12. Responsible Consumption and Production	Lonza improves ESG along its supply chain	We strengthened our child labor and conflict minerals due diligence programs, continued our progress on performing sustainability evaluations for our suppliers, as well as supplier engagement in support of our commitment to Scope 3 decarbonization				125%
	Enhancement of roadmap and commitment to reduce Scope 3 emissions	We completed our analysis and plan for reduction in Scope 3 emissions, which resulted in the delivery of a commitment to Science Based Targets initiative (SBTi) by H2, with a target to engage with our suppliers in setting Scope 3 emissions reduction targets				150%
9. Industry, Innovation and Infrastructure	Lonza further reduces the environmental impact of our operations through innovation for efficiency in growth projects and investments	We implemented improved Sustainable Design Standards for all large capital expansion and refurbishment projects worldwide. These standards incorporate the best solutions in terms of reducing energy consumption, GHG emissions, water consumption and waste production into our assets for the most common utilities				100%
Total ESG Factor						97%

Overall Company Performance

2023 Group performance targets and outcomes

	Weighting	Target	Maximum	Actual	2023 Payout (% of target)
Lonza Sales	22.5%	6,578	6,878	6,772	132%
CORE ¹ EBITDA	37.5%	2,008	2,123	1,997	96%
Free Cash Flow	15.0%	1	116	353	150%
Lonza ESG	25.0%				97%
Total Company Performance Factor	100%	-	-	-	112.4%

¹ CORE results for incentive plans are adjusted for divestitures, acquisitions, restructuring and extraordinary one-time events and as approved by the NCC including rounding

The 2023 annual bonus will be paid to eligible Executive Committee members in May 2024 subject to shareholder approval at the 2024 Annual General Meeting.

CEO Personal Performance

In addition to company financial and ESG targets, the CEO also has personal objectives. The overall holistic personal performance factor is determined by considering performance against goals, as well as overall contributions and demonstration of Lonza values and behaviors.

Overall holistic assessment

During his tenure, the Board assessed that the CEO navigated external challenges including exchange rate impacts to deliver global capacity expansion in line with business strategy and the LBMS operational excellence agenda both of which supported the continued solid growth of the company. However, the CEO did not fulfil the broader defined expectations of the Board.

Personal Performance Factor in line with the Executive Committee Termination Policy (page 176)	100%
CEO Overall Pay-out Factor	112.4%

Long-term Incentive Plan (LTIP)

Objective and overview	<ul style="list-style-type: none"> Part of variable compensation, the LTIP aligns the interests of participants with those of Lonza's shareholders. It also contributes towards the offering of a competitive total reward package Executive Committee members are awarded the conditional right to receive a number of Lonza shares in the future, provided that performance conditions are achieved over a three-year performance period The LTIP plan design and performance targets are determined at the beginning of each three-year performance period 																											
Levels	<ul style="list-style-type: none"> CEO: 150% of base salary at target Other Executive Committee members: 125% of base salary at target Minimum payout is 0% of target levels Maximum payout is up to 200% of target levels 																											
Payout ranges	Payout ranges from 0% to 200% of target opportunity levels																											
	<table border="1"> <thead> <tr> <th>Performance</th> <th>Payout (% of target)</th> </tr> </thead> <tbody> <tr> <td>Minimum</td> <td>0%</td> </tr> <tr> <td>Threshold</td> <td>50%</td> </tr> <tr> <td>Target</td> <td>100%</td> </tr> <tr> <td>Maximum</td> <td>200%</td> </tr> </tbody> </table>	Performance	Payout (% of target)	Minimum	0%	Threshold	50%	Target	100%	Maximum	200%																	
Performance	Payout (% of target)																											
Minimum	0%																											
Threshold	50%																											
Target	100%																											
Maximum	200%																											
Performance Conditions	CORE ¹ EPS and ROIC, each weighed 50%. These KPI's align the interests of the Executive Committee with Lonza's long-term performance and thus the interests of our shareholders.																											
2021 LTIP award – performance conditions and payout	<p>The 2021 LTIP award was granted in 2021</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Weighting</th> <th colspan="3">2021-2023 LTIP performance</th> <th rowspan="2">2023 Payout (% of target)</th> </tr> <tr> <th>Target</th> <th>Maximum</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>CORE¹ EPS (earnings per share)</td> <td>50%</td> <td>16.9</td> <td>23.7</td> <td>14.0</td> <td>0%</td> </tr> <tr> <td>ROIC (return on invested capital)</td> <td>50%</td> <td>11.4%</td> <td>16.0%</td> <td>8.9%</td> <td>0%</td> </tr> <tr> <td>Total</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0%</td> </tr> </tbody> </table> <p>This resulted in a payout of 0% of target LTIP levels for Executive Committee members with this award</p>		Weighting	2021-2023 LTIP performance			2023 Payout (% of target)	Target	Maximum	Actual	CORE ¹ EPS (earnings per share)	50%	16.9	23.7	14.0	0%	ROIC (return on invested capital)	50%	11.4%	16.0%	8.9%	0%	Total	-	-	-	-	0%
	Weighting			2021-2023 LTIP performance				2023 Payout (% of target)																				
		Target	Maximum	Actual																								
CORE ¹ EPS (earnings per share)	50%	16.9	23.7	14.0	0%																							
ROIC (return on invested capital)	50%	11.4%	16.0%	8.9%	0%																							
Total	-	-	-	-	0%																							
2022 LTIP award	The 2022 LTIP award was granted in 2022 and will vest in early 2025 following a three year performance period. Full details were provided in the Remuneration Report 2022																											
2023 LTIP award – grant	<p>Overview The 2023 LTIP budget value for the Executive Committee was approved by the Board of Directors and submitted to the 2023 AGM. Following shareholder approval at this meeting, the awards were subsequently administered. Similar to previous years, the 2023 LTIP awards include minimum, threshold, target and stretch goals, as outlined in the table above.</p> <p>Performance measures 2023 and target setting The respective performance targets at the threshold (50%), target (100%) and maximum (200%) payout levels were recommended by the NCC and approved by the Board of Directors in January 2023. They are commercially sensitive at this time and will not be disclosed publicly until after the awards have vested.</p> <p>CORE¹ EPS EPS (Earnings per share) is defined as CORE net income divided by the average number of outstanding shares and measures profitability. The 2023 LTIP award threshold performance level was determined to be 98% of the CORE EPS threshold performance level for the 2022 LTIP award. The 2023 LTIP maximum performance level was determined to be above the 2028 Guidance and is a double-digit percentage figure above threshold performance levels.</p> <p>ROIC ROIC (return on invested capital) is defined as adjusted net operating profit after tax divided by average invested capital. This measures the return the company generates on its investments for both organic, and inorganic expansion. The measure is a reflection of the effect of decisions taken by Executive Committee members and senior management over the course of the relevant LTIP performance period. The 2023 LTIP award threshold performance level was determined to be 98% of the ROIC threshold performance level set for the 2022 LTIP award. The maximum performance level was determined to be above the 2028 Guidance and is close to a double-digit percentage figure above threshold performance levels.</p>																											

¹ CORE results for incentive plans are adjusted for divestitures, acquisitions, restructuring and extraordinary one-time events and as approved by the NCC

Lonza Restricted Share Plan (LRSP)

Objective, overview and performance measures	<ul style="list-style-type: none"> A replacement award instrument for Executive Committee members awarded solely at the commencement of the employment relationship if certain compensation is forfeited at their previous employer as a result of joining Lonza. It is used as a vehicle to support the Executive Committee Appointments Policy and replicates existing vesting schedule at previous employer Two to five-year time-based vesting period, depending on the structure of the forgone compensation Replacement awards subject to continued employment and sustained performance in role
Levels	<ul style="list-style-type: none"> Levels set less than forgone awards, considering, but not limited to, previous employer variables such as historical company performance, volatility and the equity instrument
Payout method	<ul style="list-style-type: none"> 100% equity following a two to five-year time-based vesting period
2023 Implementation	<ul style="list-style-type: none"> No LRSP awards were made to Executive Committee Members in 2023

The LTIP and LRSP plans outlined above are the only share-based programs provided.

Highest Compensation Paid to a Member of the Executive Committee

The table below shows the breakdown of compensation for Pierre-Alain Ruffieux, CEO, as the highest-paid Executive Committee member in 2023 including compensation received as an active member of the Executive Committee and compensation received in relation to the contractual notice period falling in 2023, (1 October – 31 December 2023).

The higher total remuneration in 2023 is driven solely by the higher company performance factor under the Annual Bonus plan, see page 182 for details. The base compensation, pension, benefits and LTIP grant value remained unchanged from 2022 to 2023.

The fixed and variable long-term compensation budgets are based on shareholders' approval during the 2023 Annual General Meeting.

Million CHF (gross)	2023	2022
Fixed pay		
● Base salary	0.90	0.90
● Pension and benefits ¹	0.36	0.35
Variable pay		
● Lonza Bonus (cash) ²	1.01	0.92
● Lonza Bonus (shares) ²	0.00	0.00
● LTIP (grant value) ³	1.35	1.35
● LRSP (grant value)	0.00	0.00
● Other compensation	0.00	0.00
Total remuneration	3.62	3.52

¹ The disclosed amounts on this line represent the full costs of employer contributions for social security and pension fund for 2023 and 2022. For 2023 the employer pension contributions were CHF 0.11m (2022: CHF 0.10m)

² For those Executive Committee Members who are yet to reach the minimum shareholding, the 2023 Lonza Bonus will be paid out 50% in cash and 50% in shares (individual exceptions reserved subject to NCC approval)

³ The fair value in 2023 and 2022 was calculated using base salary and market value at grant date (31 January 2023 and 31 January 2022)

Aggregate Compensation of the Executive Committee

The table below shows the aggregated breakdown of all compensation provided to Executive Committee members¹ in 2023 and 2022.

Million CHF (gross)	2023	2022
Fixed pay		
● Base salary ²	4.38	4.01
● Pension and benefits ³	2.15	2.00
Variable pay		
● Lonza Bonus (cash) ^{4, 5}	2.82	2.42
● Lonza Bonus (shares) ⁶	1.02	0.74
● LTIP (grant value) ⁷	5.14	5.42
● LRSP (grant value) ⁸	0.00	1.02
● Other compensation ⁹	0.85	0.98
Total	16.36	16.59

¹ 8.25 members in 2023 and 7.3 members in 2022. Christian Seufert, Maria Soler Nunez and Daniel Palmacci became Executive Committee members on 1 July 2022, 1 August 2022 and 1 November 2022 respectively. Stefan Stoffel retired from the Executive Committee on 1 August 2022 with notice period to 31 July 2023 and his departure was treated in accordance with contractual obligations and applicable plan rules. Caroline Barth stepped down from the Executive Committee on 30 April 2023 with notice period to 30 December 2023. Pierre-Alain Ruffieux stepped down from the Executive Committee on 30 September 2023 with notice period to 30 September 2024. Albert Baehny was appointed as CEO *ad interim* from 1 October 2023

² Base salary levels paid for the periods when individuals were members of the Executive Committee during 2023 and 2022. 2023 includes pro-rated payment to Mr Baehny to the equivalent of CHF 500,000 per annum for the added responsibility of the CEO *ad interim* role

³ Social security, pension fund and other benefits. The disclosed amounts represent the full costs of employer contributions for social security and pension fund amounts for 2023 and 2023. For 2023 the employer pension contributions were CHF 0.85m (2022: CHF 0.66m). The table includes the fair value of the other benefits as well

⁴ The Company performance factor for 2023 was 112.4% (2022: 102%) and the rounded average personal factor for the EC Members was 101% (with personal performance ratings ranging from Developing, Successful and Outstanding performance). Payouts will be made with the first possible payroll after shareholders' approval at the 2024 AGM

⁵ All active Executive Committee members as at 31 December 2023, with the exception of one member (who has met the requirement), are developing their shareholding in line with the shareholding guidelines

⁶ For those Executive Committee members who are yet to reach the minimum shareholding, the 2023 Lonza Bonus will be paid out 50% in cash and 50% in shares (individual exceptions reserved subject to NCC approval)

⁷ The fair value in 2023 and 2022 was calculated using base salary and market value at grant date (31 January 2023 and 31 January 2022)

⁸ In line with the Executive Committee Appointments Policy (see page 176), replacement awards at the commencement of the employment relationship were made in 2022 to Executive Committee members (M Soler Nunez and C Seufert) under the Lonza Restricted Share Unit Plan (LRSP) compensated for equity awards which were forfeited when leaving the previous employer. These awards were made in accordance with Article 23 (Supplementary Amount in the Event of Changes in the Executive Committee) of Lonza's Articles of Association. The fair value at grant was calculated using the three trading day average closing share price prior to the grant date. The awards will vest after two and three year periods, subject to continued employment, sustained performance and clawback and malus, under the Clawback and Malus Policy. See page 183 for full details on the award

⁹ Cash payment (including base salary, other benefits, short-term incentive and social security) and shares (LTIP) received by departed members of the Executive Committee during 2023 and 2022 in line with contractual obligations. Also includes a replacement award cash payment to an Executive Committee member (C Seufert) at the commencement of the employment relationship in lieu of forfeited annual bonus at their previous employer

The aggregated base salary levels increased by 9% in 2023 (as compared to a 12% increase in 2022). There were no changes to base salary levels, the increase is primarily a result of the *ad interim* payment to the CEO *ad interim* and as three Executive Committee members completed a full year, as compared to only a partial year with pro-rated compensation in 2022. There were 8.3 active Executive Committee members in 2023 compared to 7.3 active Executive Committee members in 2022, reflecting the portion of time held by Executive Committee members during each year.

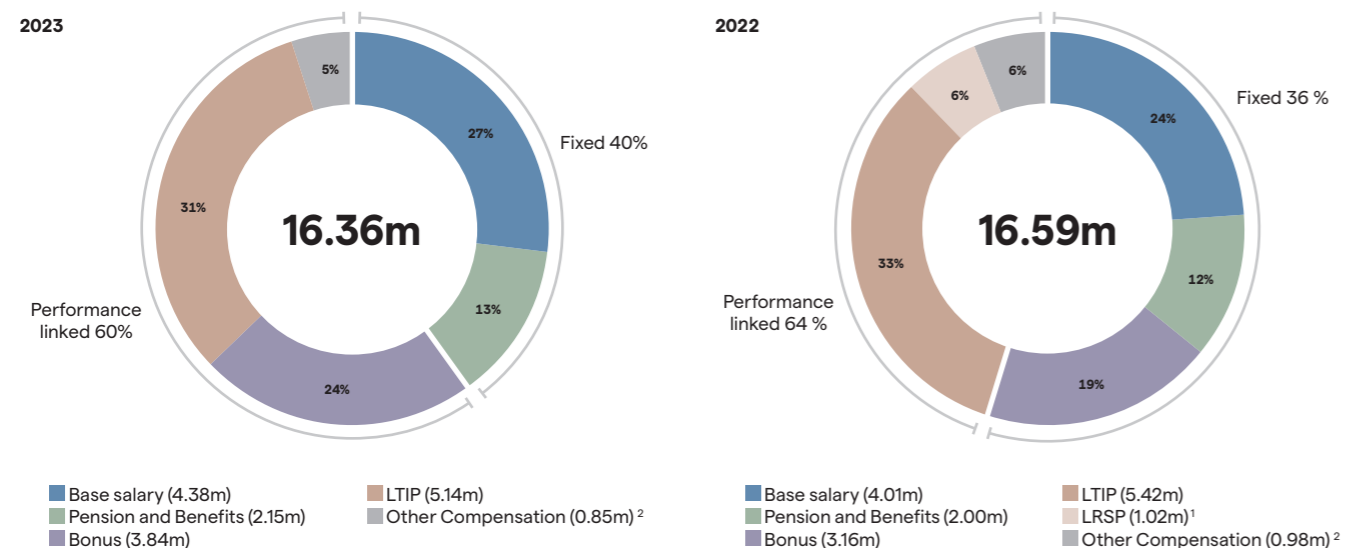
The proposed payments under the Lonza Bonus for 2023 are reflective of the 2023 Group financial and ESG performance, as outlined on page 181 – 182 of this report. The Company performance factor of 112.4% combined with varying personal factors resulted in a proposed average total payout of 113% of target for Executive Committee members. The aggregated bonus payments increased compared to 2022 as a result of the higher Company performance factor and a higher number of Executive Committee members eligible (8.6 as compared to 7.5 in 2022). The CEO *ad interim* is not eligible to participate in the Lonza Bonus plan.

The aggregated 2023 LTIP grant value decreased compared to 2022. There was no change to policy levels during 2023. Despite the higher number of Executive Committee members eligible (8.6 in 2023 as compared to 7.7 in 2022), the decrease arises from the lower market value at the grant date. The CEO *ad interim* is not eligible to participate in the LTIP plan.

Lonza Bonus of CHF 4.3m for active and departed EC Members (inclusive of social security) will be subject to shareholders' approval at the 2024 AGM. Fixed compensation of CHF 6.53m is within the amount of CHF 6.71m approved at the 2023 AGM. The LTIP grants in the amount of CHF 5.14m are within the amount of CHF 12.1m approved at the 2023 AGM.

No loans or credits were outstanding as of 31 December 2023. During 2023, no payments (or waiver of claims) other than those disclosed in this report were made to current or departed Executive Committee members, nor to persons closely linked to them. No member of the Executive Committee benefits materially from any contract between a Lonza company and a third party.

2023 fixed versus variable pay mix



¹ Lonza Restricted Share Unit Plan (LRS) awards are separate from typical total compensation and are awarded only in cases where a new Executive Committee member forgoes cash or equity at their previous employer. See the 2022 Remuneration Report for details of the award made in 2022
² Cash payment (including base salary, other benefits, short-term incentive and social security) and shares (LTIP) received by departed members of the Executive Committee during 2023 and 2022

Appointments to the Executive Committee in 2023

Albert Baehny was appointed as CEO *ad interim* and member of the Executive Committee effective 1 October 2023. The NCC determined that from 1 October 2023 until the time a successor to the CEO role is appointed, Mr Baehny will receive the equivalent of CHF 500,000 per annum for this added responsibility which will be delivered as monthly cash payments. This is in addition to the CHF 750,000 fee received as Chair of the Board of Directors. All relevant compensation for this *ad interim* appointment is included in the Aggregate Compensation of the Executive Committee table on page 185. Details of Mr Baehny’s Board fee are in section 5 of this report Compensation of the Board of Directors 2023, page 188.

Ulrike K ppler has been appointed as the new CHRO with effect from 1 January 2024.

Payment to Departed Executive Committee Members in 2023

Stefan Stoffel stepped down as Head, Group Operations and Member of the Executive Committee on 31 August 2022.

Rodolfo Savitzky stepped down as Chief Financial Officer and Member of the Executive Committee on 20 November 2021. Their departures continues to be treated in accordance with contractual obligations and in line with applicable plan rules, including the Executive Committee Termination Policy.

No other payments (or waiver of claims) were made to former Executive Committee members in 2023.

Compensation Compared to the Lonza Workforce

Executive Committee members did not receive a base salary increase in 2023. In comparison, eligible employees in the wider Lonza workforce in Switzerland received an average base salary increase of 2.0% as part of the annual salary review in April 2023. As the Executive Committee is primarily Swiss based, comparison is made to Swiss based employees. Any workforce representation wider than this would not enable a fair comparison due to varying inflation, currency exchange and market levels across the world.

Compensation of the Board of Directors 2023

Policy

Objective and Market Benchmarking

The Board of Directors reviews the compensation of its members in general on a biennial basis, including the Chair, based on a proposal by the Nomination and Compensation Committee, including relevant benchmarking information. In 2023 there was no change to the Chair or committee fees which are set in line with the median of the benchmarking peer group. The benchmarking peer group consists of Swiss companies of various sectors that are comparable in type of business, complexity of operations, size (market capitalization) and global presence to Lonza. The peer group comprises ABB Ltd, Richemont SA, Givaudan SA, K hne + Nagel AG, Sika AG, Alcon AG, Schindler AG, LaFarge SA, Straumann Holding AG, Swisscom AG, Sonova Holding AG, Geberit AG and SGS SA.

Structure and Level of Compensation

The Chair of the Board of Directors and its members receive their compensation 50% in cash and 50% in restricted shares (blocking period of three years). Compensation is paid in quarterly installments. The number of shares granted for Board of Directors’ compensation is based on the average closing share price of the last five business days of each quarter. Share restrictions lapse after three years from the grant date. Shares are eligible for a dividend. This structure of Board of Directors’ compensation is closely aligned with our shareholders’ interests. The members of the Board of Directors do not receive variable compensation. The members of the Board of Directors are reimbursed for travel and other related expenses associated with their responsibilities as members of the Board of Directors of Lonza.

Compensation Components

For the period from the 2023 AGM to the 2024 AGM, the members of the Board of Directors receive fixed gross compensation for Board of Directors’ membership and additional compensation for Committee Chair and committee members as described in the table below. The compensation of the Chair of the Board of Directors includes compensation as a member of the Innovation and Technology Committee of the Board of Directors. The additional responsibilities of Vice-Chair do not attract any additional fees.

Compensation of Board of Directors from 2023 Annual General Meeting (AGM) to 2024 AGM (excluding social security contributions)

In CHF (gross)	Base annual fee	Committee membership fee per committee	Committee Chair fee
Chair of the Board of Directors¹	750,000	-	-
Member of the Board of Directors²	200,000	40,000	80,000
The additional responsibilities of Vice-Chairperson and Lead Independent Director ³ do not attract any additional fees			
Form of payout	50% in Lonza Group shares (with 3-year blocking period) and 50% in cash and paid in arrears in quarterly installments		

¹ The compensation of the Chair of the Board of Directors includes compensation as a member of the Innovation and Technology Committee of the Board of Directors

² In the case of multiple committee memberships, the committee fees are cumulated

³ The roles and responsibilities of the Lead Independent Director are in line with sect. 19 para. 2 of the Swiss Code of Best Practice for Corporate Governance, requiring adequate control mechanisms, and commensurate to such position

Implementation

The Board of Directors compensation approved by shareholders reflects the July to June period (12 months) following each AGM. As such, any year-on-year change for this period impacts the financial years within which this period falls. The compensation disclosed in the Remuneration Report includes the respective calendar year (January to December). However, shareholders approve the compensation for the period AGM to AGM. At the 2023 AGM, shareholders approved an aggregate maximum compensation amount of CHF 2.9m for the Board of Directors

for the period from the 2023 AGM to the 2024 AGM. This compensation period is not completed yet. At the 2022 AGM, shareholders approved an aggregate maximum compensation amount of CHF 2.92m for the Board of Directors for the period from the 2022 AGM to the 2023 AGM. The compensation effectively paid for this period was CHF 2.74m and is therefore within the approved limits. Compensation levels for the 2024 to 2025 AGM period are disclosed in the 2024 AGM invitation.

Board of Directors Compensation¹

In CHF	2023					2022				
	Net cash payment	Number of shares	Value of shares ²	Social security and taxes ³	Total	Net cash payment	Number of shares	Value of shares ²	Social security and taxes ³	Total
Albert M. Baehny ⁴	339,312	836	373,682	71,375	784,369	322,479	702	354,605	67,541	744,625
Werner Bauer ⁵	n/a	n/a	n/a	n/a	n/a	31,828	52	34,601	6,344	72,773
Dorothee Deuring ⁵	n/a	n/a	n/a	n/a	n/a	31,063	52	34,601	7,332	72,996
Marion Helmes ⁶	64,952	267	119,329	55,048	239,329	48,867	187	88,771	41,133	178,771
Angelica Kohlmann ⁷	142,941	356	159,205	32,624	334,770	133,150	296	149,104	31,435	313,689
Christoph Mäder ⁷	142,941	356	159,205	32,624	334,770	137,633	303	153,762	32,425	323,820
Roger Nitsch ⁶	106,836	267	119,329	24,835	251,000	79,790	187	88,771	18,930	187,491
Barbara Richmond ⁷	69,050	310	138,521	108,724	316,295	66,759	264	133,909	99,269	299,937
Jürgen Steinemann	64,952	267	119,329	55,047	239,328	65,081	232	118,714	54,919	238,714
Olivier Verscheure	106,836	267	119,329	24,834	250,999	106,370	232	118,714	25,273	250,357
Total	1,037,820	2,926	1,307,929	405,111	2,750,860	1,023,020	2,507	1,275,552	384,601	2,683,173

¹ Total compensation amounts refer to gross payments, including social security and withholding tax, except where stated otherwise

² The fair values were calculated using the average closing share price of the last five business days of each quarter, see note 24 in the Financial Report

³ The social security amounts disclosed in this column represent the full costs of the employer and employee social security contributions and withholding tax

⁴ This compensation includes Albert Baehny's membership of the Innovation and Technology Committee

⁵ Werner Bauer and Dorothee Deuring did not stand for re-election at the 2022 AGM

⁶ Marion Helmes and Roger Nitsch were appointed to the Board of Directors at the 2022 AGM

⁷ Angelica Kohlmann, Christoph Mäder and Barbara Richmond are Chair of a Board of Directors' Committee

Share Ownership of the Members of the Board of Directors and the Executive Committee

Board of Directors

Based on information available to Lonza, the members of the Board of Directors and parties closely associated with them held, as of 31 December: 27,187 (2022: 23,077)¹ registered shares of Lonza Group Ltd and controlled <0.1% (2022: <0.1%) of the share capital.

Executive Committee

The members of the Executive Committee and parties closely associated with them held, as of 31 December 2023: 7,263 (2022: 7,507)¹ shares and controlled <0.1% (2022: <0.1%) of the share capital. The individual control rights are proportional to the holdings shown below. In addition they hold unvested equity rights as outlined in the table below. These will vest only in line with the LTIP and LRSP plan parameters (see page 183).

None of the members of the Board of Directors or Executive Committee owns shares in the Group's subsidiaries or associates.

Board of Directors¹

	Numbers of shares	
	2023	2022
Albert M. Baehny	5,632	4,857
Marion Helmes ²	369	122
Angelica Kohlmann	1,643	1,313
Christoph Mäder	4,289	3,959
Roger Nitsch ²	369	122
Barbara Richmond	4,171	3,884
Jürgen Steinemann	9,196	7,549
Olivier Verscheure	1,518	1,271
Total	27,187	23,077

¹ Board of Director members, spouse, children below 18, any legal entities that they own or otherwise control, or any legal or natural person who is acting as their fiduciary

² Marion Helmes and Roger Nitsch were appointed to the Board of Directors at the 2022 AGM

Executive Committee^{1,2}

	Shareholding		Unvested equity rights (LTIP / LRSP)	Total 31 December 2023	Total 31 December 2022
Pierre-Alain Ruffieux ³				n/a	14,433
Caroline Barth ⁴				n/a	5,744
Gordon Bates	2,404	2,366		4,770	4,535
Philippe Deecke	2,327	3,924		6,251	4,359
Jean-Christophe Hyvert	2,100	3,489		5,589	5,652
Daniel Palmacci ⁵	58	1,832		1,890	704
Christian Seufert ⁶	238	2,744		2,982	1,663
Maria Soler Nunez ⁷	136	2,851		2,987	1,770
Total	7,263	17,206		24,469	18,683

¹ Executive Committee member, spouse, children below 18, any legal entities that they own or otherwise control, or any legal or natural person who is acting as their fiduciary

² All active Executive Committee members, with the exception of one member (who has met the requirement), are developing their shareholding in line with the shareholding guidelines

³ Pierre-Alain Ruffieux stepped down from the Executive Committee on 30 September 2023

⁴ Caroline Barth stepped down from the Executive Committee on 30 April 2023

⁵ Daniel Palmacci appointed to the Executive Committee on 1 November 2022

⁶ Christian Seufert appointed to the Executive Committee on 1 July 2022

⁷ Maria Soler Nunez appointed to the Executive Committee on 1 August 2022

Mandates of the Members of the Board of Directors and the Executive Committee

Board of Directors

Current mandates in for-profit companies and other organizations

Albert M. Baehny	<ul style="list-style-type: none"> Member of the Board of Directors of Investis Group Holding SA (since 2016) 	<ul style="list-style-type: none"> Chairman of the Board of Directors of Geberit AG (since 2011)
Marion Helmes	<ul style="list-style-type: none"> Member of the Board of Directors, Chair of the Audit Committee of Heineken N.V. (since 2018) Member of the Board of Directors, Chair of the Audit Committee of Siemens Healthineers AG (since 2018) 	<ul style="list-style-type: none"> Vice Chair, Member of the Presiding, Compensation and Audit and Finance Committee of ProSiebenSat.1 Media SE (2014 – 2023)
Angelica Kohlmann	<ul style="list-style-type: none"> Member International Advisory Board IE University and Business School, Madrid (since 2017) Chairperson Board of Directors, Bloom Diagnostics AG (since 2018) Chairperson Board of Directors, Kohlmann & Co AG (since 2013) 	<ul style="list-style-type: none"> Chairperson of the Advisory Board Peter Drucker Society Europe / Global Peter Drucker Forum, Vienna (since 2009) Board Observer Teralytics (2017 – 2023)
Christoph Mäder	<ul style="list-style-type: none"> Member of the Board of EMS Chemie Holding AG (2018 – 2023) Member of the Bank Council, Swiss National Bank (since 2021) Member of the Board of Directors Baloise Holding AG (since 2019) President of Economiesuisse (since 2020) Member of the Board of Directors Assivalor AG (since 2019) Member of the Advisory Board of Accenture Switzerland (since 2019) 	<ul style="list-style-type: none"> Partner at the law firm Becker-Gurini-Partner (since 2019) Member of the Council of Schweizer Jugend forscht (since 2018) Member of the Advisory Board of Vereinigung Schweizerischer Unternehmen in Deutschland (since 2016) Member of the Advisory Board of Loeba GmbH (since 2014)
Roger Nitsch	<ul style="list-style-type: none"> CEO and President of the Board of Directors of Neurimmune Group (since 2006) Member of the Advisory Board of PUREOS Bioventures (since 2017) Member of the Board of Directors of NOVAGO Therapeutics AG (since 2015) 	<ul style="list-style-type: none"> Member of the Board of Directors of INTEGRA Biosciences Holding AG (since 2002) Professor at University of Zurich (part-time since 2018) Institute for Regenerative Medicine (1998 – 2024)
Barbara Richmond	<ul style="list-style-type: none"> Group CFO of Redrow plc (since 2010) 	
Jürgen Steinemann	<ul style="list-style-type: none"> Chairman of the Supervisory Board of Metro AG (since 2015) Chairman of the Supervisory Board of Barentz International B.V. (since 2020) Managing Director of JBS Holding GmbH (since 2017) Chairman of the Supervisory Board of Bankiva B.V. (since 2017) Member of the Supervisory Board of Big Dutchman AG (since 2015) 	
Olivier Verscheure	<ul style="list-style-type: none"> Member of the Foundation Council of SWITCH (since 2019) Co-Founder and Executive Director of the Swiss Data Science Center, a joint venture between EPFL and ETH Zürich (since 2016) 	<ul style="list-style-type: none"> Member of the Scientific Advisory Board, ETH Strategic Initiative on Personalized Health and Related Technologies (since 2017) Co-Director of the Executive Education program in Data Science and Management, HEC Lausanne and EPFL

Executive Committee

	Company Name	Function
Gordon Bates	No external mandates	
Philippe Deecke	Assura	Member of the Board of Directors (since 2023)
Jean-Christophe Hyvert	No external mandates	
Daniel Palmacci	LOWENCO	Member of the Board of Directors (since 2022)
Christian Seufert	No external mandates	
Maria Soler Nunez	No external mandates	



Report of the statutory auditor

To the General Meeting of Lonza Group AG Ltd, Basel

Report on the Audit of the Remuneration Report

Opinion

We have audited the Remuneration Report of Lonza Group AG Ltd (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables in the sections “Highest Compensation Paid to a Member of the Executive Committee”, “Aggregate Compensation of the Executive Committee”, “Board of Directors Compensation”, “Share Ownership of the Members of the Board of Directors and the Executive Committee” and “Mandates of the Members of the Board of Directors and the Executive Committee” of the Remuneration Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Remuneration 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 Remuneration Report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables in the sections “Highest Compensation Paid to a Member of the Executive Committee”, “Aggregate Compensation of the Executive Committee”, “Board of Directors Compensation”, “Share Ownership of the Members of the Board of Directors and the Executive Committee” and “Mandates of the Members of the Board of Directors and the Executive Committee” in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

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

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



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

Board of Directors' Responsibilities for the Remuneration Report

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

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to 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 Remuneration Report.

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

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

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



We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and 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.

KPMG AG

Florin Janine Krapp
Licensed Audit Expert
Auditor in Charge

Noemi Maibach
Licensed Audit Expert

Zurich, 2 April 2024

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 2024 and Mid-Term Guidance 2024-2028 herein may not prove to be correct. The statements in the section on Outlook 2024 and Mid-Term Guidance 2024-2028 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 2024 and Mid-Term Guidance 2024-2028 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 2024 and Mid-Term Guidance 2024-2028. 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

investor.relations@lonza.com

Media Relations

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: All images show Lonza colleagues on Lonza premises
Board of Directors, Executive Committee Members and Leadership Portraits: Lonza

The 2023 Annual Report PDF version legally prevails over the 2023 Online Annual Report.

© 2024 Lonza Ltd / All rights reserved