 Making the Medicines of Tomorrow

Lonza

Sustainability Report

2024



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➤ Sections that are covered by the requirements of Art. 964b of the Swiss Code of Obligations and the Swiss Ordinance on Climate Disclosures and the limited assurance engagement covering the disclosures on non-financial matters in accordance with Art. 964b of the Swiss Code of Obligations and the Swiss Ordinance on Climate Disclosures. ◀

◀ Disclosures covered by the limited assurance engagement covering Global Reporting Initiative (GRI) requirements and Lonza internally developed KPIs.

Our Commitment to Sustainability



Jean-Marc Huët
Chair of the Board of Directors



Wolfgang Wienand
Chief Executive Officer (CEO)

Dear Stakeholders,

Sustainable value creation is an ethical, social and commercial imperative for Lonza, and a collective responsibility shared by our global community. In this report, we share an overview of our sustainability initiatives alongside an update on our progress throughout 2024. This year's Sustainability Report contains additional detail, as we seek to increase transparency into our business and meet ESG reporting requirements.

Our sustainability strategy remains centered around the seven United Nations Sustainable Development Goals (SDGs) most relevant to our business. Our strategy encompasses initiatives in health and wellbeing; climate action; gender equality; quality education; water stewardship; responsible consumption and production; and industry, innovation and infrastructure. Each SDG is overseen by a member of our Executive Committee to drive accountability and progress across the organization. Building on this framework, we reached significant milestones in 2024 on our journey towards achieving our sustainability goals.

In 2024, our near-term greenhouse gases (GHG) reductions targets were validated by the Science Based Targets Initiative (SBTi). We have committed to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030, from a 2021 base year. Additionally, we have set a target for Scope 3 emissions, aiming for 79% of our suppliers (by emissions) to have science-based targets by 2028. Achieving these targets will drive us closer to meeting our ambition of achieving net-zero by 2050 or earlier.

In support of our GHG reduction targets, we increased our use of renewable energy in 2024. We signed a multi-party renewable power agreement in China, marking the first time that companies across the healthcare sector came together to decarbonize their China operations. Our virtual power purchase agreement for our European Union and Swiss sites began to produce renewable electricity in 2024, and we signed a long-term Renewable Energy Certificate in Texas (US) to offset the majority of our US emissions from the end of 2025. Collectively, these agreements cover our major geographies and support our ambition to purchase all electricity from renewable sources where available by 2025.

Alongside minimizing our own environmental impact, we recognize the role of collaboration with our suppliers in achieving sustainability throughout our value chain. To date, we have commenced discussions with more than 400 suppliers to support their GHG emissions reduction journeys and we have updated our Responsible Supplier Toolkit to provide practical guidance and clarify our expectations in relation to sustainability and decarbonization. In 2024, we also developed an extensive supplier decarbonization training program covering topics including setting science-based targets, emissions reduction strategies and product carbon footprints.

We are committed to supporting local communities through initiatives such as science days, volunteering in education and training, and providing donations to nonprofits and educational institutions. Our colleagues play a vital role in these community engagement programs by volunteering their time to assist with local projects. Each year, each employee is able to dedicate one full working day to contribute to their local communities through volunteer efforts. Collectively, this means that Lonza provides colleagues with a cumulative total of nearly 140,000 hours of volunteering for local communities and causes each year.

Looking ahead, responsible business practices will remain central to our strategy as we continue to focus on initiatives aligned with our priority SDGs. In 2025, we aim to deepen our understanding of climate-related impacts on our operations and enhance our pipeline of water, energy and GHG reduction projects. Our supplier engagement efforts will extend to encompass supply chain compliance and environmental footprint management. Additionally, alongside maintaining our commitment to health and safety, we will also place increased focus on talent attraction, retention and development to foster sustainable growth and secure Lonza's continued success.

Our sustainability commitment is a critical component of our One Lonza strategy, which focuses on driving outstanding long-term value creation for our business. We understand that by contributing to our communities and protecting our planet, we are acting in the interests of all our stakeholders and ensuring that Lonza remains a place of unique opportunity.

Best regards,
Jean-Marc Huët
Chair of the Board of Directors

Wolfgang Wienand
Chief Executive Officer (CEO)

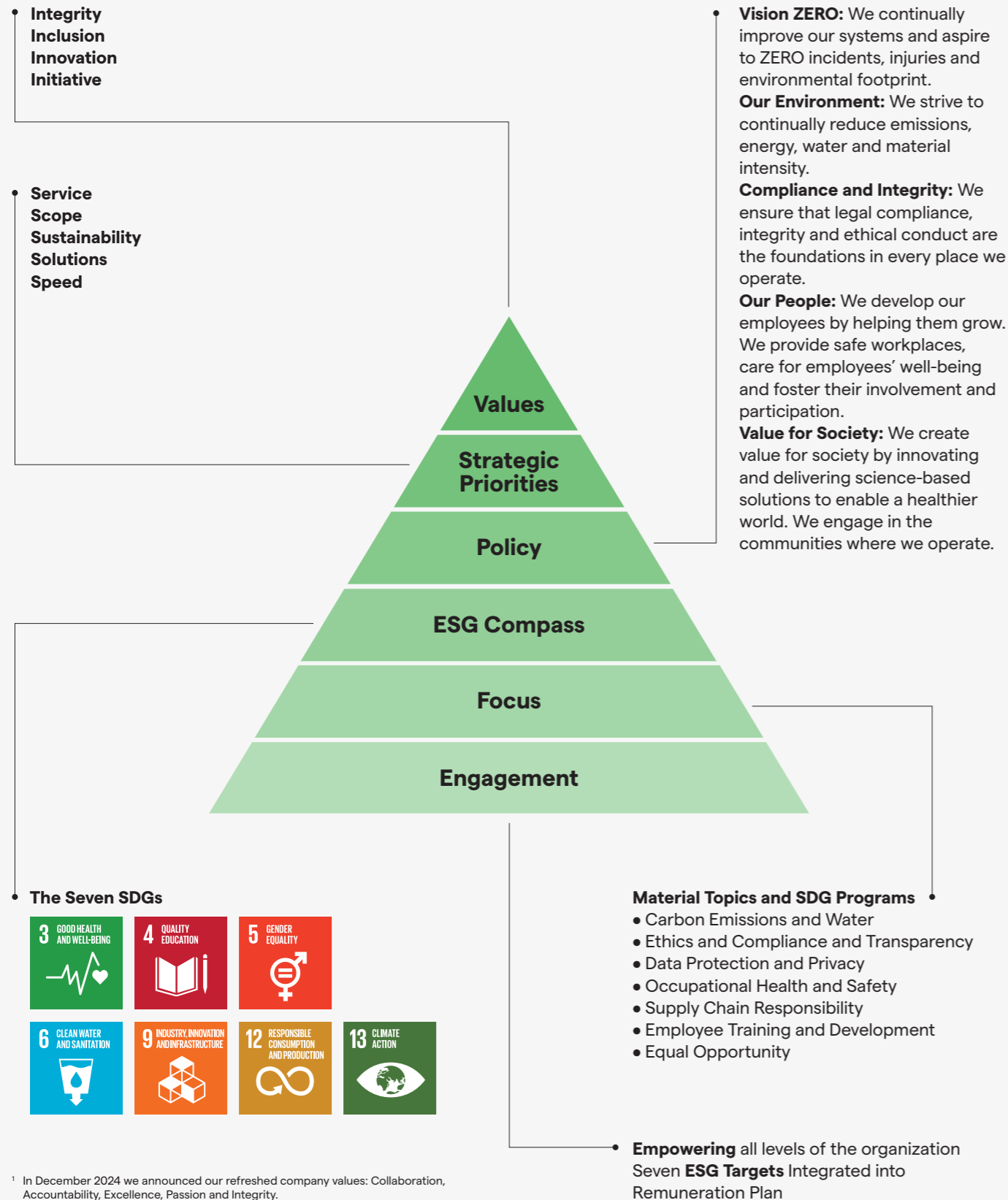
Sustainability at Lonza

Safety and sustainability are essential to how we operate. In this report we share an overview of our performance relating to commitments and relevant sustainability topics for our business and stakeholders.

We have grouped our sustainability initiatives around our material topics and the related United Nations (UN) Sustainable Development Goals (SDGs). The SDGs provide a global blueprint to achieve a better and sustainable future, which companies can utilize to focus their activities and enhance their impact. We have aligned our workstreams to the seven SDGs that relate most closely to our material topics (see GRI Index in the Appendix) and global priorities. This Environment, Social and Governance (ESG) framework enables us to create a meaningful sustainability strategy and a systematic program which is relevant to our business, society and the planet. As our compass, it guides us on our journey to implementing robust action plans for the mid- and long-term, integrating short-term initiatives. The success of our ESG program depends on the individual and collective commitment of the workforce and the company as a pre-requisite for our success.

Each of our priority SDGs has been assigned to an Executive Committee (EC) member who – in turn – is supported by a Program Manager to initiate and execute an effective cross-functional program built around each goal. Since 2022, executive compensation and global performance-based rewards have been aligned with our SDGs and related metrics. For more information, please see the [Remuneration](#) section of our Annual Report.

Our Sustainability Framework¹



¹ In December 2024 we announced our refreshed company values: Collaboration, Accountability, Excellence, Passion and Integrity.

How Lonza is Supporting the Sustainable Development Goals



Good Health and Wellbeing: We collaborate with our customers to produce patient treatments and bring new therapies to market with the support of novel services and cutting-edge manufacturing technologies. The safety and wellbeing of our global workforce also represents a top priority across our global network.



Climate Action: Greenhouse gas (GHG) emissions contribute to global warming, affecting the climate and impacting the health of people and planet. We are taking decisive steps to reduce our GHG emissions in pursuit of our ambition to reach net-zero by 2050. In 2024, our near-term targets were verified by the Science Based Targets Initiative (SBTi). We signed multiple renewable energy certificate (REC) agreements in the United States, which will cover over 90% of our electricity consumption in this region. Together with existing agreements in place in Europe and China, these initiatives will enable us to decarbonize the majority of our global electricity consumption.



Gender Equality: Our diverse global colleague community embraces differences in characteristics, preferences, perspectives and beliefs and demonstrates respect for human rights, which also contributes to business outcomes. We hire and promote individuals based on merit. We train hiring managers in the importance of removing gender-based obstacles to success. We share best practices internally to support inclusion. In 2024, we developed a Leadership Toolbox in support of these efforts and joined several associations to partner and network with other businesses to support an inclusive environment.



Industry, Innovation and Infrastructure: We develop game-changing technologies, including gene editing and automated therapy manufacturing systems. Across the industry, these innovations support our customers to benefit patients and society. Sustainability is embedded into our organic growth and footprint expansion during project ideation, design, construction and operation. We estimate the future carbon footprint of each project and identify additional measures to reduce it. Sustainable Design Standards provide a framework to allow us to limit energy and water consumption and waste across growth assets, while supporting our target to reduce Scope 1 and 2 GHG emissions by 42% by 2030.



Responsible Consumption and Production: We prioritize sourcing materials from suppliers that meet strict compliance standards and have action plans in place to reduce their emissions, waste and natural resources, alongside climate action plans that support our Scope 3 SBTi target. Our Supplier Code of Conduct integrates all environmental and compliance requirements, and we conduct risk assessments that include due diligence on child labor and conflict minerals. We are engaging and training our suppliers to participate in our Scope 3 reduction efforts, and we continue to reduce our environmental impact through the implementation of programs to limit consumption and waste.



Clean Water and Sanitation: Clean, plentiful, potable water is a basic human need, and it is also critical to ensure the quality of our products. Our water program focuses on reducing our demand for water and preventing water scarcity in the areas where we operate. We are committed to protecting the water ecosystem to ensure that it stays clean of pharmaceutical substances or other pollutants. Our site representatives conduct water risk and opportunity assessments, analyze consumption and discharge quantity and quality, and share best practices for continuous improvement.



Quality Education: The development of our people is critical to our success. We support colleagues with extensive training and development curricula, individual development plans, coaching opportunities and internal promotions. We forge partnerships with academia and contribute to the scientific progress in our industry. We invest in and collaborate with local communities through science days, volunteering in education and training, and donations to educational causes. In 2024 we launched the Learn@Lonza Learning Experience Platform to enhance engagement and rolled out the Employee Development Journey initiative, promoting regular development discussions.

"Our commitment to sustainability is part of our strategy and a competitive advantage that helps us differentiate for the benefit of our stakeholders. We work to make a meaningful difference for our business, people and communities."

Andreas Bohrer
Group General Counsel



General Information

We are a leading strategic global partner to the healthcare industry, founded in Switzerland in 1897. We collaborate with our customers on new and innovative medicines that help treat a wide range of diseases. We achieve this by combining technological insight with world-class manufacturing, scientific expertise and process excellence. Our breadth of development and manufacturing processes enable our customers to commercialize their discoveries and innovations in the pharmaceutical, biotech and nutrition markets.

Basis for Preparation

This Sustainability Report 2024 was prepared in accordance with the GRI Standards for the period from 1 January 2024 to 31 December 2024, on a consolidated basis for the Lonza Group. The content of this report has also been prepared in accordance with Art. 964b, 964j-k of the Swiss Code of Obligations, as well as the Swiss Ordinance on Climate Disclosures, with implementation of the Recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

In addition, as a step towards the EU Corporate Sustainability Reporting Directive (CSRD), we adapted the report's structure to the European Sustainability Reporting Standards (ESRS) and conducted a double materiality assessment, following those standards as a basis for our reporting scope. While CSRD compliance will be required at a later stage, this report represents progress in aligning our sustainability efforts with these evolving standards. It reflects our commitment to continuous improvement in measuring, managing, and reporting on our most material ESG topics.

The consolidation logic is the same as for the financial statements, except where specifically noted in the environmental section and we evaluate our supply chain up to our Tier 1 suppliers.

"This year's Sustainability Report discloses more information than ever before. By adding this extra layer of detail, we continue to meet evolving ESG requirements while increasing transparency and visibility."



Matthias Hofmann
Head Global Sustainability

We use assumptions and estimates for the reporting of some data points, especially for our Scope 3 calculations. Information on the key estimates, assumptions or any change in methodology or restatement is mentioned in the text or in footnotes when the corresponding metric is presented. Additionally, the GRI Content Index and SASB Index contains additional information on the reported key performance indicators.

Information relating to specific disclosure requirements outside of the Sustainability Report that are incorporated by reference to other sources – such as sections in our 2024 Annual Report – are mapped in the index tables at the end of this report.

Business Model

➤ We operate across five continents and our structure has been designed to capture synergies and meet the needs of our global customer base. More information on our business model is provided in the [Our Businesses](#) section of our 2024 Annual Report.

We create value for our shareholders, customers, employees, suppliers and communities. We distribute the derived economic value to the stakeholders through a variety of streams. These include employees through compensation and benefits, shareholders through share price evolution and dividends, suppliers and service providers through raw material and service contracts and society and governments through taxes and local community projects. Part of the earned value is retained in the company for further growth through innovation, strategic investments and bolt-on acquisitions. ⬅ Our tax report and policy is available on our website. For further information on our financial performance, please see the [Financial Statements](#) section of our 2024 Annual Report.

In 2025, we will prioritize the following key internal sustainability initiatives:

- Increasing our understanding of climate-change related effects on our main manufacturing sites and the Group
- Strengthening the pipeline of water, energy and GHG reduction projects in support of our reduction commitments
- Expanding supplier engagement to manage supply chain compliance and environmental footprint
- Ensuring focus on business continuity, alongside the health and safety of our employees
- Enhancing talent attraction, retention and development to support expansion and sustainable growth

Lonza's Financial Performance 2024

1,908 million
CORE EBITDA in CHF

8.4%
ROIC

6,574 million
Sales in CHF

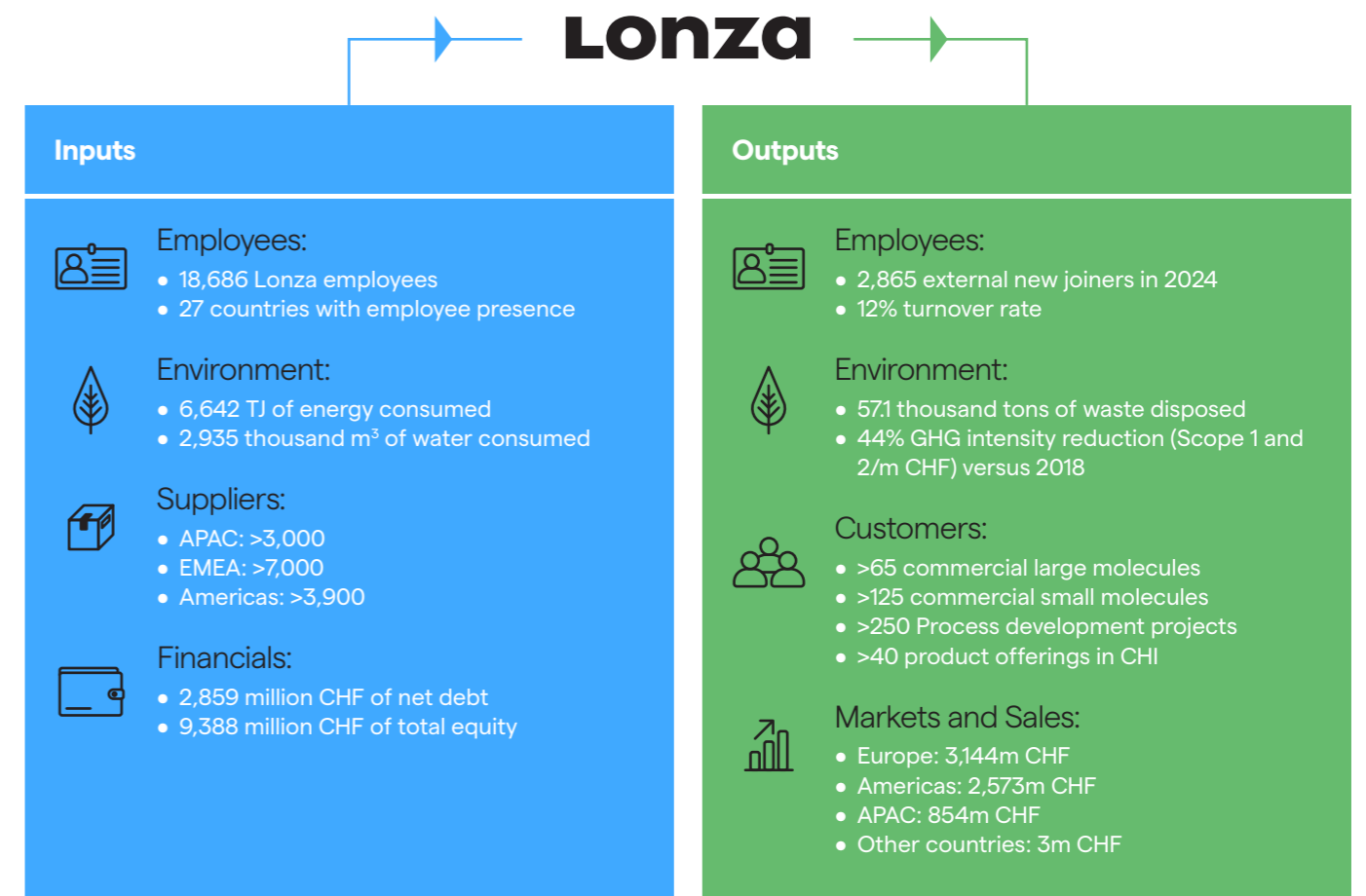
29.0%
CORE EBITDA margin

Our Divisions²

	What we do	Key Modalities	
Biologics	We work across the entire spectrum of customers, from small biotech to large pharmaceutical companies. We offer different manufacturing scales and development services and support customers throughout the molecule's lifecycle from clinical to commercialization.	Mammalian Microbial Licensing Bioconjugates Drug Product Services mRNA	3.7bn Sales in CHF
Small Molecules	We support customers throughout their journey from clinical to commercialization, across drug substance and drug product. We provide contract development and manufacturing services for customers including large pharmaceutical and small biotech companies.	Active Pharmaceutical Ingredients Drug Product Formulation	983m Sales in CHF
Cell & Gene	Our Cell & Gene division provides comprehensive solutions that accelerate the development, manufacturing and commercialization of novel life-changing treatments. We also offer tools and technologies that enable cell and gene innovators to develop, de-risk and industrialize their therapies.	Bioscience Cell & Gene Technologies Personalized Medicine	689m Sales in CHF
Capsules & Health Ingredients	Our Capsules & Health Ingredients (CHI) division offers high quality capsules and encapsulation technology to the global pharmaceutical and nutraceutical markets. Our network supports our customers with the design, customization and manufacture of hard empty capsules, capsule filling equipment, differentiated dosage form solutions and science-backed health ingredients.	Capsules Health Ingredients	1.1bn Sales in CHF



² Our new organizational structure, announced in December 2024, became operational in 1 April 2025 with three integrated business platforms: Integrated Biologics, Advanced Synthesis and Specialized Modalities. Capsules & Health Ingredients, which we plan to exit at the appropriate time, will operate as an independent business platform.



How We Create Value for Society	
For our employees	> by ensuring fair remuneration, development, training, progression, and rewarding career opportunities
For customers (healthcare partners and patients)	> by supplying therapies and health ingredients and collaborating on technologies to enable better patient outcomes
For suppliers and business partners	> by establishing and maintaining fair relationships, offering leadership, and supporting their efforts to reduce their environmental footprint
For shareholders	> by de-risking their long-term investments
For society	> by delivering patient therapies, supporting communities through volunteering and financial contributions and following sustainable practices that support and protect our planet

Corporate Governance

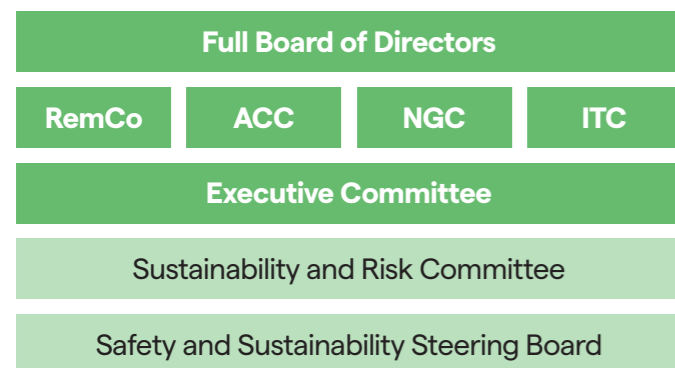
In accordance with the law and the Lonza Articles of Association, the Board of Directors (Board) is the supreme governing body of the Lonza Group. The Board defines the strategic direction and is responsible for the supervision of the individuals entrusted with the Group’s management. The members of the Executive Committee (EC) are appointed by the Board. The EC is responsible for managing Lonza’s business globally and for implementing policies and strategies as defined by the Board. Our governing bodies, management and employees provide for the necessary skills and expertise to effectively oversee and implement sustainability matters.

More detailed information can be found in the Governance Information section of this report and in the [Corporate Governance](#) section of our Annual Report.

Board Oversight

➤ Governance and oversight of sustainability and ESG is the responsibility of the Board, headed by the Chair of the Board, with specific aspects covered by the Board’s committees. ⚡ The Audit and Compliance Committee (ACC) and its chair oversee the reporting and assurance process for ESG, as well as risk oversight, including Enterprise Risk Management (ERM), and Ethics and Compliance. The Remuneration Committee (RemCo) sets the ESG targets within the Lonza compensation system and oversees the achievements of such targets and respective incentive payouts on an annual basis. The Nomination and Governance Committee (NGC) is responsible for overseeing governance, talent development and succession planning for the Board and Executive Committee. The Innovation and Technology Committee (ITC) reviews innovation and technology, including related and relevant ESG developments.

ESG Governance Structure



➤ While the Board acts as sponsor and overall owner of the ESG program, implementation is the responsibility of the EC. The Board and its Committees review and endorse Lonza’s sustainability program and reporting, including a regular update on status and key performance indicators, such as climate-related risks. The Board also receives regular updates on regulatory and other developments relating to ESG which are of importance to our business and stakeholders. Lonza’s climate-related targets and results are discussed several times during the year and at year-end in the context of sustainability reporting. The Board also has oversight of enterprise risks that are identified through the company’s Enterprise Risk Management program, which are reviewed annually. ⚡

Management Oversight

➤ Senior management, and particularly the EC, is responsible for continually monitoring the evolution of risks and opportunities and the risk mitigation progress in the organization. For risks to be managed at the appropriate level, the heads of business units, operational units, corporate functions and business services provide adequate and timely reporting to the EC. The EC escalates information about significant risks to the Board as appropriate. ⚡

In addition to this governance structure and under the leadership of the CEO, ➤ the EC is responsible for reviewing and approving the company’s sustainability program and agenda, including climate, water and energy targets. ⚡ The EC and Board both receive quarterly updates on the status of environmental target achievements.

➤ The Sustainability and Risk Committee (SRC), led by the Lonza Group General Counsel and Company Secretary, manages identified material topics (as shown in the Materiality section) and oversees sustainability reporting. Reporting to Lonza’s Group General Counsel, the Head of Global Sustainability and the Head of Global Environment, Health and Safety (EHS) teams are responsible for proposing the corporate sustainability strategy and for implementing the Safety and Sustainability Policy. At a divisional level, sustainability representatives report to each Division Operations Head to support the implementation of ESG initiatives and divisional programs. ⚡

➤ Sustainability governance at corporate level is assured by the SRC and the Safety and Sustainability Steering Board (SSSB). ⚡ The SRC meets monthly and includes members from Global Sustainability, Ethics and Compliance, EHS, Corporate Responsibility and Enterprise Risk Management. Its responsibilities include the following:

- Defining Lonza’s sustainability strategy implementation and alignment with global functions
- Providing leadership, driving awareness and engagement in sustainability, including changes in the regulatory and reporting landscape
- Overseeing the design and execution of programs aligned with the seven SDGs
- Serving as a link and source of dialogue between internal networks and external stakeholders
- Encouraging sharing of best practice across divisions and functions

➤ The SSSB deals with the operational aspects of safety and sustainability and meets quarterly. It includes global leaders from EHS, Sustainability, Operations, Engineering, Corporate Responsibility and Enterprise Risk Management, as well as the Head of Group Operations (an EC member). ⚡ Its responsibilities include:

- Monitoring the EHS and sustainability performance of the group, the divisions and aligning group and divisional targets, programs and initiatives
- Identifying significant operational EHS and sustainability risks, emerging issues, regulatory developments and compliance matters
- Endorsing global EHS and sustainability procedures and standards and ensuring involvement of the business divisions
- Reviewing quarterly audit summaries and significant governmental enforcement notices, citations and actions to drive appropriate corrective actions and programs

The SRC continues to drive our ESG agenda by working with the Board and EC on the SDG-aligned targets integrated in our compensation framework. The Board and the RemCo conduct an independent evaluation of the ESG program annually, with a direct impact on compensation.

The Annual General Meeting (AGM) is an opportunity for our shareholders to provide feedback. The election or re-election of each Board member provides an evaluation of Board performance. The Sustainability Report is reviewed by the RemCo and the ACC with final approval by the Board and is published together with the Annual Report ahead of the AGM. The sustainability report is assured in relevant parts by the Auditors applying a limited assurance process. At the AGM 2025, our shareholders will have the opportunity to vote on non-financial disclosures with respect to the Swiss legal requirements (Art. 964b CO).

Further details on corporate governance and the group structure can be found in the [Corporate Governance](#) section of our 2024 Annual Report.

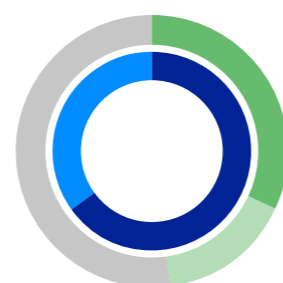
Our Employees

Our employee population grew to 18,686³ colleagues by the end of 2024. Within the same period, our total turnover rate slightly increased from 10.5% in 2023 to 12% in 2024 and remains in line with industry norms. We maintained a strong focus on onboarding, training and development of our new employees, ensuring that colleagues feel supported to grow, stay and develop with Lonza. Through enhanced dashboards, people managers can access vital information to manage the success of their teams.



Full-time Employees

17,995



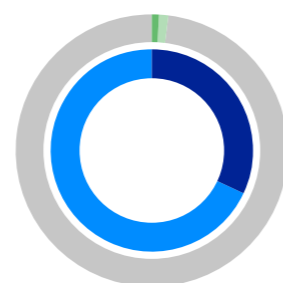
Americas (32%)
APAC (16%)
EMEA (52%)

Male (65%)
Female (35%)
Other (<1%)

Headcount

Part-time Employees

949



Americas (1%)
APAC (1%)
EMEA (98%)

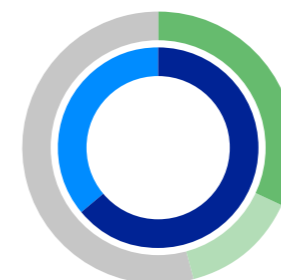
Male (32%)
Female (68%)

Headcount

³ Number in Full-Time Equivalents. Total employee headcount is 18,944 including temporary fixed-term employees excluding interns, Board members, agency workers and consultants. The remaining statistics and numbers in this section refer to headcount. Data include the Vacaville (US) acquisition closed in Q4 2024.

Permanent Employees

18,574



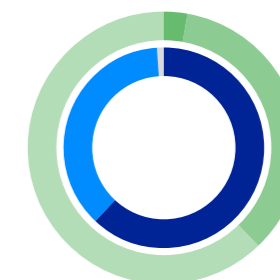
Americas (32%)
APAC (14%)
EMEA (54%)

Male (63%)
Female (37%)
Other (<1%)

Includes regular employees, those on collective agreements and international assignees (headcount)

Temporary Employees

793



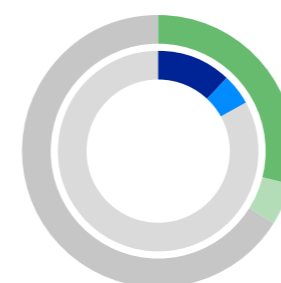
Americas (3%)
APAC (35%)
EMEA (62%)

Male (62%)
Female (37%)
Other (1%)

Includes employees on fixed-term contract, interns and trainees (headcount)

Contingent Workers

6,176

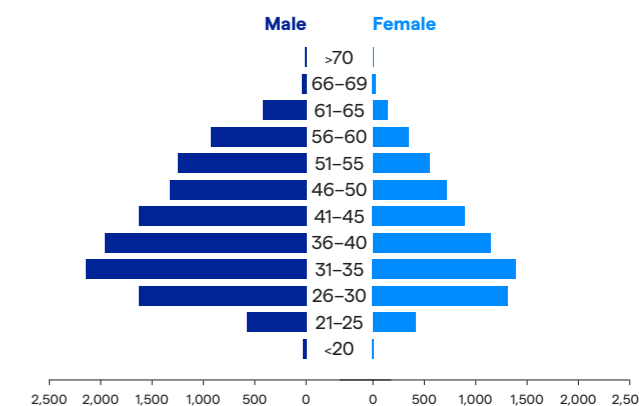


Americas (29%)
APAC (5%)
EMEA (66%)

Male (12%)
Female (5%)
Other/Not available (77%)

Includes consultants, external contractors, outsourced service providers and agency staff (headcount)

Broad Balance Across Age Groups



Lonza allows employees to identify as male, female, transgender or to choose not to disclose. 46 employees identified as transgender or chose not to disclose in 2024

Our Workforce

		2023	2024
Gender (headcount)	Male	11,535	11,923
	Female	6,681	6,975
Region (headcount)	Americas	5,348	5,868
	EMEA	9,763	10,235
	APAC	3,134	2,841
Hires (headcount)		2,447	2,879
Hires by Region (headcount)	Americas	833	1,323
	EMEA	1,323	1,327
	APAC	291	229
Total Turnover (%)		10.5%	12.0%
Total Turnover by Region (headcount)	Americas	740	327
	EMEA	911	172
	APAC	234	330
Voluntary Turnover (%)	Managers	7.2%	5.5%
	Non-managers	8.6%	7.9%
Involuntary Turnover (%)	Managers	1.4%	3.5%
	Non-managers	2.4%	4.8%

Our Stakeholders

We have identified the relevant stakeholder groups who may have a vested interest in our performance and can directly or indirectly influence the direction of the company. We see international organizations such as the UN as authorities, and the relevant agreements between states as a guideline for industry. Our material topics and the selected SDGs guide and direct our corporate goals and approach to sustainability.

Stakeholder engagement is key to understanding their expectations related to our company. The table below summarizes how we engage with our main stakeholder groups.



Stakeholder	Engagement
Employees	<p>We hold regular employee events and Town Halls at a global and local level to encourage communication between company leaders and employees. Question and answer forums are included in each Town Hall to ensure employee inquiries are heard and responded to. Our global Voice of Employee (VoE) employee engagement survey was conducted during the year (see more information in our Social Information section).</p> <p>In 2024, we enhanced the channels of communication to and amongst employees, including the introduction of a monthly CEO newsletter providing curated news for all employees. Following Wolfgang Wienand's appointment as CEO of Lonza in July, he embarked on a tour of 10 sites across the global network in his first 100 days to gain firsthand insights and engage directly with employees. We also continue to use our global intranet to facilitate dialogue among the global employee community.</p>
Employee Associations and Unions	<p>All Lonza employees are free to join a union or similar association. We do not track union membership or discriminate against employees with memberships.</p> <p>Around 14% of the total global workforce is subject to a collective bargaining agreement. In addition, many employees are based in locations with labor contract frameworks, which typically define minimum wage and wage increases and give guidance for the formation of works councils. We actively partner with works councils on the development and deployment of global and local employment policies. Alongside country-specific employee representation, we have established a European Works Council (EWC) that holds regular meetings. The EWC's 2024 Annual Meeting took place in person with senior leaders including members of the EC. It included an update on our business and people strategy.</p> <p>Ad hoc sessions with local representatives took place during the year to update Council members on people-related topics and any agreed upon topics are typically jointly communicated to the relevant employees.</p>
Customers and healthcare partners	<p>We maintain regular contact with our customers through our sales teams at a divisional level and through direct contact with the sustainability team and Lonza Group leadership.</p> <p>During 2024, we conducted the Lonza Promoter Score (LPS) survey for the fifth consecutive year, gaining more than 1,900 responses. The survey provides a quantifiable and consistent measure of customer engagement across Lonza. The LPS survey supports SDG 3 (Good Health and Wellbeing) by measuring the satisfaction of our customers delivering life-saving and life-enhancing medicines to patients. The survey results showed that customers continue to value our highly skilled employee community and the quality of our services and products. This feedback was consistent across the customer base.</p>
Suppliers and business partners	<p>We engage with suppliers and conduct risk assessments on ESG aspects. This includes the role of our suppliers and business partners in the decarbonization of our supply chain (see Responsible Sourcing chapter). Recognizing the importance of the Responsible Sourcing program and expectations, we organized a virtual supplier event in 2024. More than 1,100 attendees, representing more than 400 suppliers, gained an understanding of their Sustainability and Decarbonization performance. They received actionable insights to drive positive change and many expressed appreciation for the practical nature of the guidance provided.</p> <p>Every year we also attend more than 100 trade shows and in-person events for the pharmaceutical and nutrition industries, including CPhI Worldwide, DCAI and BIO International. These global and regional events present opportunities to interact with new and existing customers, receive feedback, present thought leadership topics and meet suppliers and industry groups.</p>
Shareholders and Investors	<p>In 2024, more than four hundred virtual and face-to-face meetings took place with shareholders, key proxy advisors, rating partners and ESG analysts to discuss financial and industry trends as well as corporate governance, compensation, sustainability and other relevant topics.</p> <p>Our financial reporting milestones provide regular opportunities for engagement with shareholders. After the Full-Year 2023 and Half-Year 2024 reports, we hosted roadshows in Zurich, London, New York, Toronto, Paris, Frankfurt, Stockholm and Copenhagen to engage with investors in person. We also attended key industry conferences in San Francisco, New York and London.</p> <p>In May 2024, we hosted our Annual General Meeting (AGM) at the Congress Center in Basel (CH). More than 40% of Lonza's share capital was represented and all motions proposed by the Board of Directors were accepted.</p> <p>Additionally, in December 2024 we hosted an Investor Update event in Basel (CH), which included a business strategy update and a Q&A session. Shareholders not attending in person had the opportunity to watch the presentations via a livestream.</p>
Society	<p>Our entities and sites regularly engage with their relevant stakeholders on a local level and incorporate their requirements for site development, though not necessarily in a formalized manner. For example, in November 2024, we hosted a public consultation at our Basel (CH) headquarters to enable the local community to review and comment on plans to erect two new high-rise buildings in the Lindenhof area, adjacent to our existing building.</p> <p>In August 2024 in Valais (CH), we engaged with the local community at the third Lonza Forum, which focused on the topic "a look at the Valais of tomorrow". The event was held in Brig (CH) for the first time and we were able to welcome close to 400 guests to engage in presentations, panel events and a short update on the development of our Visp (CH) site.</p> <p>We also seek opportunities to support our local stakeholders through community events. In July 2024, our Slough (UK) site hosted a School Business Insights Day for a local school, which aimed to give students an insight into the world of work, the work we do at Lonza and opportunities to enter the biopharmaceutical industry.</p> <p>Additionally, we are active on relevant and useful social media platforms, through which we can engage in conversations and receive feedback from individuals or groups.</p>

Stakeholder	Engagement
Associations	<p>Lonza joined the United Nations Global Compact (UNGC) in 2009 and was an ambassador of the program for Switzerland and Liechtenstein in 2024. We are committed to aligning our business and operations with its universally accepted principles of sustainable development. This encompasses the areas of human and labor rights, anti-corruption and environmental sustainability. We are committed to implementing the UNGC Ten Principles, in order to uphold our responsibilities to people and the planet and set the stage for long-term success.</p> <p>In 2024, we joined the newly launched supplier partnership of the non-profit business membership organization Pharmaceutical Supply Chain Initiative (PSCI). PSCI brings together the pharmaceutical industry to define, implement and champion responsible supply chain practice. We have embedded its principles into our Supplier Code of Conduct.</p> <p>We are a member of various associations in the pharmaceutical and biopharmaceutical industry sectors, as well as in the wider business community, including: Scienceindustries, SwissHoldings, Biophorum Operations Group, Drug, Chemical and Associated Technologies Association, International Society for Cellular Therapy, International Society for Pharmaceutical Engineering, Parenteral Drug Association, American Society for Quality, Alliance for Regenerative Medicine, Association A3P, Together for Sustainability and Rx-360 Consortium.</p>
Regulators	<p>We see an increase in ESG regulation in the countries where we operate. We work with trade associations, such as Scienceindustries and SwissHoldings, to participate in consultation processes for upcoming regulations.</p> <p>We also work alongside industry working groups and participate in industry initiatives (see Associations section) to define common implementation pathways.</p>

Materiality

➤ A double materiality assessment (DMA) forms the essential first step towards aligning with the EU's sustainability reporting requirements under the CSRD and associated standards, which will apply to Lonza in a future reporting cycle. The DMA is required to map the sustainability matters most relevant to our business and our stakeholders and to enable us to focus efforts on these topics.

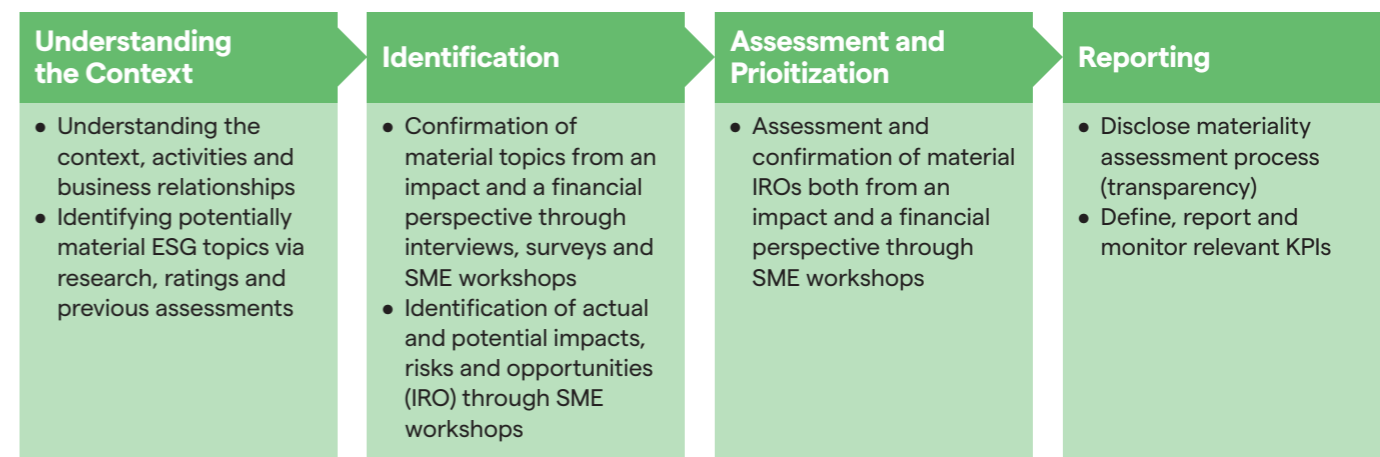
- Impact materiality is the "inside-out" view, which considers actual and potential impacts of our business activities on people or the environment

Our assessment was based on the respective impacts, risks and opportunities (IRO) assessment of each topic and included stakeholder consultation, C-suite insights, an analysis of ESG trends, industry initiatives, reputational aspects, and a review of the strategic focus areas and best practices of our peers. We will continue to refine our DMA process and methodology going forward. Topics which were not rated as material are also included in this report for transparency reasons. ⬅

In 2024, Lonza performed its first DMA based on the CSRD requirements, to identify the most material ESG topics for future non-financial reporting. It was conducted using a dual approach:

- Financial materiality is the "outside-in" view, which considers the opportunities and risks that ESG topics have on our company value, our financial performance, and our overall capacity to create value for shareholders

Process of the DMA



i. Understanding the Context

➤ We mapped our key business operations and geographical scope, integrating publicly available information, internal insights, and information gathered in previous assessments. This review covered all aspects of our products and services, drawing on public disclosures, financial reports and external ratings. We did not further disaggregate topics.

The stakeholder mapping involved a thorough analysis of available insights and led to an updated stakeholder map. Stakeholders were categorized based on their consultation perspective, distinguishing between "impact" stakeholders, "financial" stakeholders, and those relevant to both perspectives. The next key step was to list all sustainability topics with potential significance to Lonza in the sense of the CSRD (from topic to sub-subtopic level) and its respective IROs. Sources included external ESG ratings, ESG related items from the enterprise risk management (ERM) process, internal expertise and Lonza's previous materiality assessment from 2021. Once a long-list of topics was established, similar topics were consolidated and grouped and finally a final shortlist was derived. ◀

ii. Identification

➤ A stakeholder engagement was conducted to confirm or identify any further topics, following the identification of a representative stakeholder group. This was designed to ensure coverage of the whole spectrum of Lonza's activities from both impact and financial perspectives and provide inputs to inform the assessment and prioritization of IROs. Selected stakeholders took part in a survey to ascertain the topics and impacts they perceive as most relevant to prioritize and to identify any other relevant topics. Stakeholders included the Board, EC, SRC, customers, suppliers and employees from functions including EHS and Finance. We also conducted interviews to confirm the pertinence validity of the survey results, delve into stakeholders' perspectives and mitigate any potential biases. ◀

➤ Based on the confirmed shortlist of material topics and the sustainability matters as defined by the CSRD, a list of potential and actual IROs relevant for Lonza was compiled. Alongside the outcomes of the surveys, this process was supported by desktop research, an internal peer review and the results of previously conducted interviews. ◀

iii. Assessment and Prioritization

➤ The list of IROs was evaluated, including where each impact, risk or opportunity is located in the value chain, and the time horizon in which it is expected to materialize. The IROs were then rated according to CSRD requirements.⁴

We identified 13 material IROs, each with scores exceeding the established threshold for top material IROs. These IROs are grouped under eight topics, which can be seen in the matrix in page 20. These results were also compared to the topics deemed to be material in the stakeholder survey and the comparison showed good alignment. ◀



ESG	IRO	ESG Matter	Value Chain	Description of IRO	Mitigation	Report Section
Environmental	Impact	Climate change mitigation	Own operations	Our activities generate GHG emissions from use of natural gas and electricity (e.g., product manufacturing). GHG emissions drive global temperatures, contributing to climate change.	Climate transition plan, GHG and SBTI-targets, climate scenario modelling, technology changes	Climate Change and Carbon Footprint Reduction
	Impact	Water consumption	Own operations	We utilize water for heating, cooling, steam generation, washing, cleaning, sanitization, and as product ingredient. Our processes could contribute to water depletion, decreasing availability of fresh water from the natural environment.	Water reduction and efficiency, stewardship programs, permits for water quantities/use, technology changes	Water and Effluents
	Risk	Climate change adaptation	Downstream	Climate change may lead to extreme weather events, such as storms, floods, or wildfires, disrupting own operations or infrastructure. This could result in delays, or even complete shutdowns of transportation routes, impacting the ability of Lonza to deliver on contractual obligations.	Climate transition plan, GHG targets, climate scenario modelling, climate risk analysis, site business continuity plans, investment planning for mitigation	Climate Change and Carbon Footprint Reduction

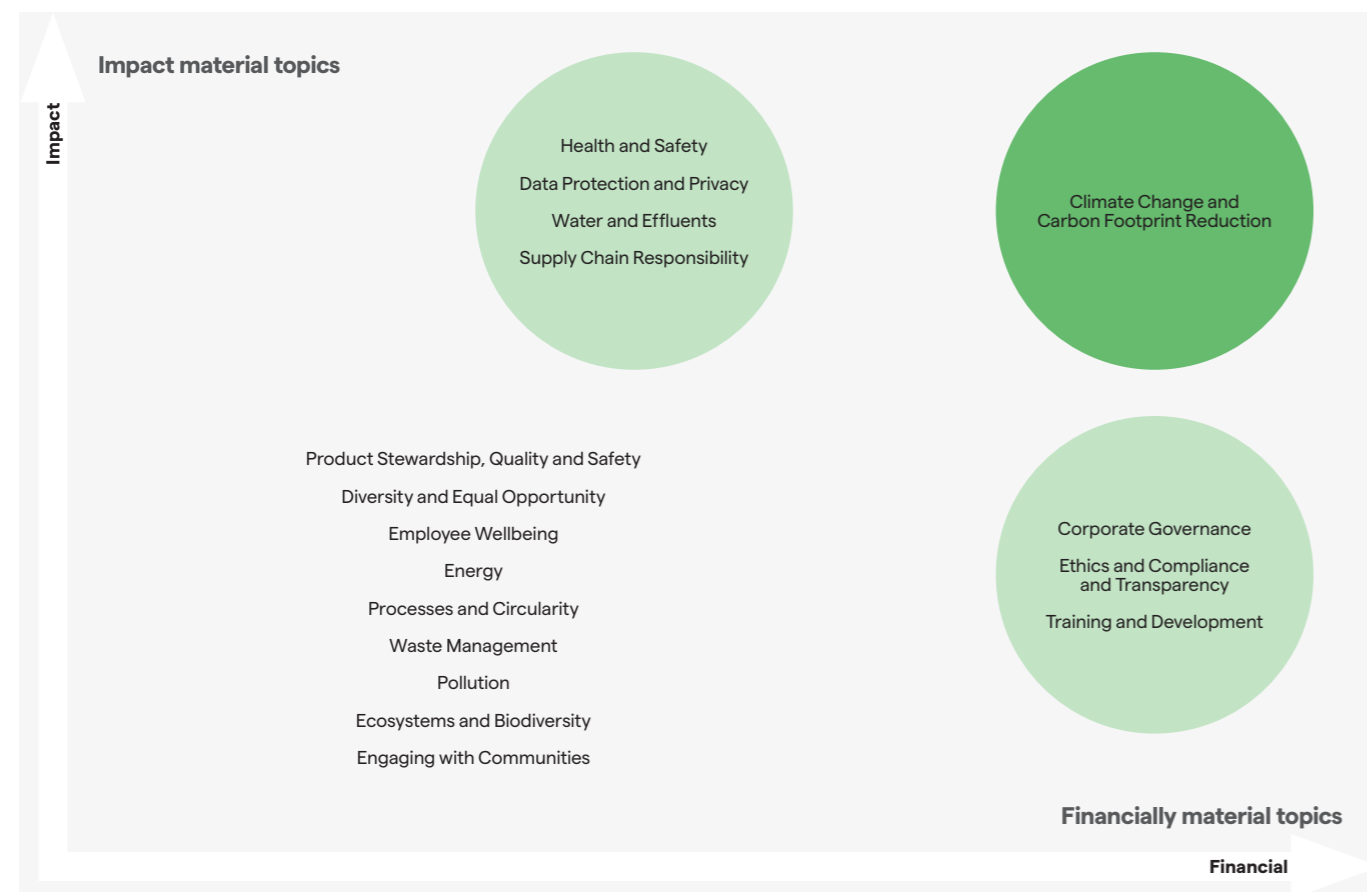
⁴ Each impact was assessed as negative or positive, actual, or potential. For the scoring, likelihood is multiplied by severity, which is calculated as the average between scale, scope and remediability. For potential human rights impacts, severity took precedence over likelihood.

ESG	IRO	ESG Matter	Value Chain	Description of IRO	Mitigation	Report Section
Social	Impact	Health and safety	Own operations	Employees may be exposed to safety risks at our facilities. If employees ignore health and safety controls or protections, they might be vulnerable to negative physical and mental health impacts from injuries or other health risks.	Safety culture programs, training, job and process hazard assessments, e.g. chemical, physical, ergonomic hazards, industrial hygiene, substance exposure monitoring, near miss and observation program, technical safety installations and improvements	Health and Safety
	Impact	Working conditions	Upstream operations	Various policies aim to assure the working conditions of those workers are sufficient. If such policies are not implemented, this might cause harm to employees, and ultimately to Lonza through potential supply chain disruptions.	Supply chain due diligence, supply chain screening, supplier engagement, screening public information	Supply Chain Responsibility
	Risk	Training and skills development	Own operations	We rely on a stable base of employees for our operations. Not providing sufficient skills development and career progression opportunities to our employees could lead to negative impact on Lonza's brand value, increase voluntary employee turnover, reduce the number of candidates for management positions, decrease the pool of available candidates. This may also lead to Lonza falling behind competitors in innovation, leading to revenue loss.	Hiring and leave processes, training offerings, individual development plans, team development programs, monitoring of leave rates and reasons	Training and Development
	Risk	Training and skills development	Own operations	We rely on a stable base of employees for our operations. As the workforce ages and employees retire, we might face losses of valuable skills (e.g., technical skills needed to operate machinery) and institutional knowledge that may be difficult to replace. This loss may hinder Lonza's ability to effectively operate, innovate and adapt to changing market conditions, thereby affecting financial performance.	Hiring and leave processes, training offerings, individual development plans, team development programs, monitoring of leave rates and reasons, succession planning	Training and Development
	Risk	Training and skills development	Own operations	Lonza must have employee succession schemes in place to prevent the loss of knowledge transfer when employees depart from the company. Without such schemes valuable expertise and intellectual property might be lost, jeopardizing our competitive advantage and potential revenue streams.	Hiring and leave processes, training offerings, individual development plans, team development programs, monitoring of leave rates and reasons, succession planning	Training and Development
	Impact	Information security and cybersecurity	Own operations	IT security and data protection practices are tools to mitigate risks of data breaches. Without robust cybersecurity measures, sensitive company data could be vulnerable to breaches, which could lead to financial losses, legal consequences, and reputational damage.	Cybersecurity, data protection, training and awareness, robust cybersecurity program, data protection audits and surveillance	Data Protection and Privacy
Governance	Risk	Corruption and bribery incidents	Upstream	We operate in international markets and import goods from overseas. As such, robust policies and contracts are employed to help avoid violations of laws and regulations, including corruption and bribery, which could subject Lonza to liability and could adversely affect the company's results of operation.	Code of conduct, Antibribery and Anticorruption (ABAC) policy, regular training of employees, Ethics Hotline and case investigation, supplier code of conduct, supply chain due diligence, anti-corruption screening	Ethics, Compliance and Transparency
	Risk	Corporate culture	Own operations	Our corporate culture is shaped by our diverse global workforce. Without a robust governance framework and strong corporate culture, investor confidence may wane. This could lead to non-compliance, financial losses, such as reduced investment and potential regulatory fines, as well as reputational damage (i.e., perception that Lonza is poorly managed).	Cross-functional ESG programs, individual ESG targets, functional and site programs, continuous improvement of internal and external reporting and transparency, stakeholder engagement	Corporate Governance
	Risk	Corporate culture	Own operations	Failure to meet ESG commitments and monitor project implementation may lead to reputational damage and negative perceptions. This could result in financial losses, such as decreased customer loyalty and potential fines, as well as reputational damage.	Cross-functional ESG programs, individual ESG targets, functional and site programs, continuous improvement of internal and external reporting and transparency, stakeholder engagement	Corporate Governance
Risk	Corporate culture	Own operations	Responding to stakeholder ESG demands in a rapidly evolving regulatory environment is crucial. Failure to do so could lead to financial losses, such as decreased stakeholder trust and potential fines, as well as reputational damage.	Cross-functional ESG programs, individual ESG targets, functional and site programs, continuous improvement of internal and external reporting and transparency, stakeholder engagement	Corporate Governance	



Compared to the single materiality assessment that was performed in year 2021, some topics decreased relatively. Energy is absorbed by the improved energy management system and climate transition plan. Waste was more material in the past due to the discontinued specialty chemicals business. Inclusion and employee engagement are continuously addressed, also through our SDG programs. With the increase in relevance of ESG governance, data protection, artificial intelligence and cybersecurity, these topics became more material.

DMA Matrix



Risk Management

Risk management is an integral process in our operations at every level, from individual sites and functions to the entire organization. We believe that effective risk management is everyone's responsibility. Risk management is a process present everywhere, that complements our day-to-day operations and strategic decision making. Selected elements include:

- Job safety analyses, technical safety reviews of equipment
- Process hazard analyses, audits and inspections
- Site risk analyses, including fire safety, natural disaster risk, climate change and interruption risk
- Supply chain risk analyses
- Quality risk management
- Cybersecurity risk management
- Business conduct and compliance risk management, including risks related to respect for human rights and compliance with bribery and corruption prohibitions
- Enterprise risk management (ERM)

We identify and manage risks at the appropriate level and implement mitigations and controls as necessary. For more significant risk areas, we maintain focused programs and, if necessary, a crisis management organization and escalation procedure responding to situations which could affect the Group.

i. Enterprise Risk Management (ERM)

Our ERM program is a critical element of our risk management and strategic planning activities, by providing a mechanism and appropriate governance for risk management. We have leveraged the methodology of our ERM processes to develop a holistic, Group-level risk management program. This enables us to identify the most significant risks to our organization that may impact value to our stakeholders, including risks relating to macroeconomics and geopolitics, climate change, compliance and human rights, along with mitigation plans to minimize the probability and/or impact of such risks. The annual ERM process includes the following elements:

Lonza Enterprise Risk Management

Risk Identification	Trend Analysis	Calibration and Mitigation Planning	Reporting to Executive Committee	Reporting to Board of Directors
We identify risks using internal and external data analytics and resources. We have discussions with risk owners and incorporate anticipatory risks identified through climate, social and other data trends.	Our ERM team consolidates input, assesses the risks and maps probability and impact versus prior year.	We conduct calibration workshops with senior leadership teams and ensure appropriate mitigation measures are in place. Mitigation measure owners report status of their measures periodically throughout the year.	We report findings to the Executive Committee for evaluation and alignment with strategic planning.	We report top risks and mitigation plans to the Board of Directors and its Audit Committee to ensure awareness and appropriate oversight.

In our ERM process, we have identified top priorities to ensure we achieve our strategic objectives. The table below reflects our top priorities following this year's ERM cycle, categorized by the type of impact, risk or opportunity.

Priority	Relevance	Mitigations
Strategic		
Strategic IROs include competitive pressures, market dynamics, regulatory changes, and shifts of stakeholder (including customer) preferences, which may affect our ability to achieve or the timing of achievement of our strategic objectives.		
Capacity Offering	Achieving our growth ambitions requires us to have the capacity in key markets and modalities to best serve our customers. This includes having sufficient early-phase and commercial capacity in alignment with market demand. An inability to offer such capacity could adversely affect our operations and financial performance.	We continue to grow our capacity, whether by acquisition or site asset expansion. Our recent acquisition of the Vacaville (US) site enhances our Biologics large-scale manufacturing capacity. Across the Group business we continue to monitor market demand and drug pipelines, investing as appropriate to support our growth strategy.
Pipeline Health	Delivering on our financial and growth targets requires a strong pipeline of business opportunities. The combination of strong early phase/pre-clinical and commercial pipelines is necessary to ensure our success. Early phase development relationships, despite more recent funding constraints for such customers, can serve to fill future commercial capacity.	We consistently apply commercial efforts to have a strong pipeline of potential new customers, expand portfolios with existing customers, and actively monitor the venture capital funding and pipeline progression of drugs and molecules under development.
Competitive Advantage	Delivering on our value proposition is essential to retaining competitive advantage. However, competition from other Contract Development and Manufacturing Organizations (CDMO) and providers of capsules and health ingredients in the form of pricing, risk tolerance or capacity may erode our competitive advantage or lead to missed opportunities.	Across Lonza we closely monitor the competitive landscape and market demand, adapting our approach as appropriate to ensure critical elements of our value proposition are delivered to customers, including in terms of quality, capacity, differentiation (in business model, time to market and modalities), innovation and sustainability.
Delivery of Acquisitions and Divestments	As we grow by acquisition or undertake a transformational divestment, it is imperative that we deliver the corresponding business case in alignment with stakeholder expectations. Any failure to execute or realize the expected benefits of such transactions could have financial, operational or reputational impact.	We carefully plan and closely monitor the progress of our acquisitions and other transformational projects. We prioritize resource allocation to ensure effective Day 1 readiness delivery of the corresponding business case. This includes cross-functional integration taskforces, proactive CapEx planning and complimentary commercial efforts to ensure capacity is filled in accordance with expectations.
Operational		
Operational IROs include impacts related to internal processes, systems, cybersecurity, or infrastructure, as well as from external factors such as supply chain disruptions. They can impact our ability to maintain consistent and efficient operations across sites.		
Product and Manufacturing Quality	Consistently meeting best-in-class quality standards is a critical component of our value proposition. Successful inspections for new asset ramp up and complying with increasing Quality regulations and standards require proper processes, systems and controls. We operate various IT systems in support of our Quality standards and operations and it is important that we maintain and upgrade these systems as they near end-of-life to avoid inefficiency and potential operational disruption.	We prioritize processes, systems and controls to safeguard our operations. We are focused on upgrading and replacing our Quality Management Systems to ensure they are robust and fit for future to ensure any disruptions associated with system downtime are minimized.
Adapting and Executing for Growth	As our business continues to grow, we are focused on adapting our internal processes, systems and controls, as well as ensuring timely execution of transformational projects, including capital expansion projects.	We are investing in our corporate infrastructure process improvement and standardization, data management and control systems, including our enterprise resource planning system. We have established a focused project management office and stage-gating process to ensure on-time, cross-functional alignment for on-time ramp-up of new assets.
Resiliency of our Largest Site Visp (CH)	Delivering on our financial and operational targets requires mitigating the risk associated with any disruption at our largest site.	Our mitigation efforts serve to maximize our operating model resilience. We have expanded specific modality capacity to additional sites and continue to invest in infrastructure and site planning to ensure Visp infrastructure is robust and capable of supporting continued expansion. This includes investing in upgrades and expansion to electricity, steam, cooling water and wastewater treatment assets and processes. We facilitate tech transfer processes and invest in flexible assets to allow for business continuity should disruption in a particular site occur. We carefully monitor risk indicators and our exposure to several hazards, including natural disasters, that could disrupt operations and mitigate those risks accordingly.
Cybersecurity and Data Loss Prevention	Protecting data and confidential and proprietary information that is ours, or entrusted to us by our customers, is of critical importance. Cybersecurity threats and other data breaches or system failures could compromise our protections, disrupt our operations, and jeopardize customer trust.	We have robust policies, procedures and operational controls in place to prevent and detect data loss. We continuously invest in advanced cybersecurity systems, conduct regular threat assessments and provide training to employees to further mitigate risks. Additionally, we collaborate with external security experts to strengthen our defenses and implement proactive measures to safeguard critical assets.
Legal, Regulatory, Ethics and Compliance	We promote a culture of ethical conduct and compliance with applicable laws and regulations. Evolving and increasing regulatory and stakeholder expectations require focused efforts to ensure appropriate policies, procedures and controls are in place.	We update our policies, procedures, standards and operational controls and corresponding employee training to adapt to increasing and different regulatory expectations. See our Governance Information section for more information.

Priority	Relevance	Mitigations
Macroeconomic and Geopolitical		
Macroeconomic and geopolitical IROs include potential impacts of political or policy changes, instability, or conflicts in specific regions or countries, including trade barriers, regulatory shifts, sanctions, and social or political unrest in regions where we operate or source resources.		
Management of Foreign Exchange, Inflation and Energy Prices	Macroeconomic volatility creates risk in achieving our financial targets in various ways, including by devaluation of one of our major sales currencies versus CHF, causing significant spikes in energy prices, and non-transitory, high inflation.	We seek to limit the impacts of these risks through proactive monitoring, hedging programs and a focused inflation risk management program.
Geopolitical Impacts	Political instability, regulatory uncertainty, and economic pressures in specific countries can disrupt operations, impact supply chains, and pose challenges to market access.	We seek to limit the impacts of these risks through proactive monitoring of trade compliance requirements, internal governance processes and controls and focused projects, including alternative supply chains, to insulate against risks associated with a particular geography.

ii. Risks related to our material topics

➤ In addition to the above priority topics, our ERM process considers additional impacts, risks and opportunities related to EHS, sustainability, talent, third-party misconduct, supply chain security, force majeure events and site security. We monitor additional emerging impacts, risks and opportunities with potential impact beyond the three year ERM time horizon. ◀

Following the Swiss and European non-financial reporting requirements, companies need to identify and elaborate on the risks from their own business activities and supply chain related to their ESG material topics. As mentioned in the Materiality section, in the scope of our DMA, we have IRO related to ESG matters.

Environmental Information

We continuously work to reduce our impact on natural systems and the environment, with a focus on energy, greenhouse gases, water and waste. Programs are developed and deployed by the global functions and implemented together with site level functions based on the Safety and Sustainability Plan issued annually, aligning priorities and goals. The Group and sites build multi-year roadmaps to enable continuity of improvement and consistency over the years.

We are also building communities of practice within the company that exchange knowledge and experience related to energy, GHG, waste and water reduction projects.

Performance improvements are the responsibility of the divisional operations management and the site networks. At site level, operations, engineering and EHS departments are responsible for devising and developing multi-year rolling safety and sustainability roadmaps. These are designed to drive compliance, efficiency and safety at site level, thereby participating in the overall sustainability target achievement. Local goals can be added to the group plan, based on the priority analysis or regulatory requirements for the site (e.g. water or air emissions limits).

Data on energy consumption, related GHG emissions, effluents, waste, water and other emissions are reported quarterly by each site to Corporate EHS and Global Sustainability, a process described in detail in the reporting procedure. This data and information forms the basis for tracking performance, planning future reduction goals and creating action plans to meet targets.⁵

Our Progress in 2024

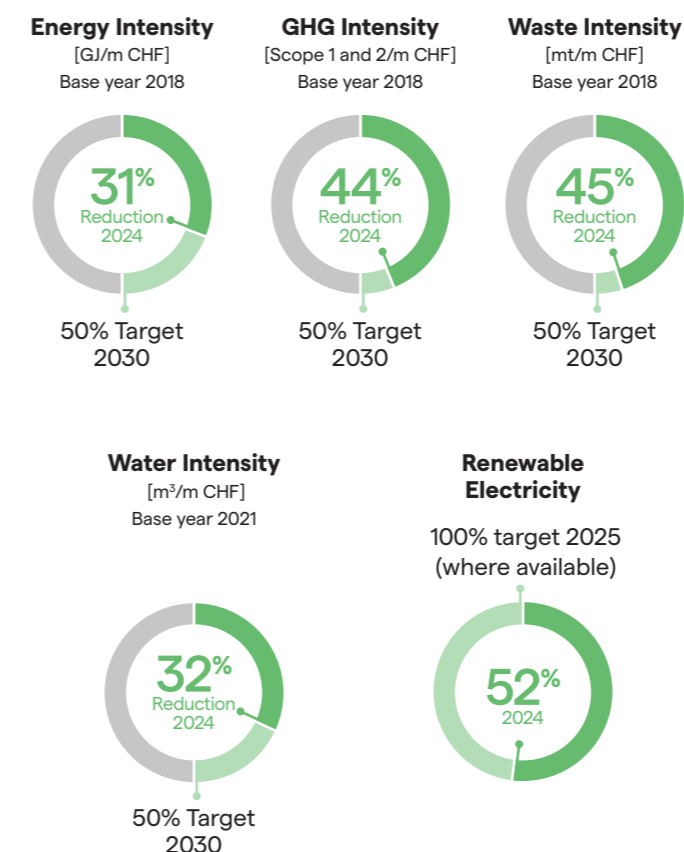
👉 In February, the Science Based Targets initiative (SBTi) validated our near-term GHG emission reduction targets that were submitted in July 2023. We have committed to reducing absolute Scope 1 and 2 GHG emissions by 42% by 2030, from a 2021 base year. We also set a supplier engagement target for Scope 3 emissions, committing that 79% of our suppliers by emissions (covering purchased goods and services, capital goods and upstream transportation and distribution) will have science-based targets by 2028. 🌱

We have diligently worked towards achieving those targets, including on our program to switch to 100% renewable electricity, where available, by 2025. As an example, we have executed several Power Purchase Agreements (PPA) for renewable electricity for our sites in China in partnership with four other pharmaceutical companies. Our virtual PPA in place for all our European Union and Swiss sites began to produce the first MWh of renewable electricity in 2024. We also signed a long-term Renewable Energy Certificate (REC) agreement linked to a newly constructed solar field in Texas (US), which will begin to offset our US Scope 2 emissions from the end of 2025. In 2024, 52% of the electricity we consumed was procured and sourced from renewable sources.

In terms of lessons learned, the partnership with other pharmaceutical companies for our renewable electricity coverage in China has proven transformative. The partnership enabled the project to be completed in a limited amount of time, surpassing all optimistic projections. Following this success story, we are looking at replicating the same strategy for other markets in which access to renewable electricity is not obvious or challenging due to specific conditions.

The graphs below show our 2024 achievement levels as a proportion of all our 2030 targets. Our intensity targets are based on CHF million sales to adjust for the company's continued growth. Intensity targets were set in 2018⁶, baselining to the most recent year with complete data. The targets also reflect our diverse and evolving product portfolio, which includes the manufacturing of pharmaceutical ingredients, capsules, food supplements, gene therapies and cell media and proceeds from licensing of technologies and systems. Such diversity can be normalized with the financial denominator of net sales. Intensity targets can also be carried forward in the event of acquisitions or divestments.

2030 Targets



EU Taxonomy

The EU Taxonomy (Regulation (EU) 2020/852) is a classification system that aims to identify economic activities defined to be environmentally sustainable. The EU Taxonomy specifies criteria for activities that contribute to environmental objectives such as climate change mitigation, adaptation and sustainable resource use. An economic activity included in the EU Taxonomy (Taxonomy-eligible activity) is Taxonomy-aligned if it contributes substantially to one or more of the specified environmental objectives and does no significant harm to any of the others, complies with the relevant technical screening criteria and with the minimum social safeguards.

We have evaluated our activities according to the Taxonomy providing financial turnover as the main purpose of the company (core activities). Other activities (e.g. construction) are enabling the core business and are considered not in scope.

i. Eligibility

We have determined eligibility for two activities under the "Manufacturing" chapter of the EU Taxonomy.

- Manufacture of active pharmaceutical ingredients (APIs) or active substances (NACE code C21.1): corresponds to activities of the Small Molecules division
- Manufacture of medicinal products (NACE code C21.2): corresponds to activities of the Biologics division

The financial turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for these Taxonomy-eligible activities for 2024 are displayed in the following table.

	Manufacture of active pharmaceutical ingredients (API) or active substances	Manufacture of medicinal products	Total
Sales (m CHF)	797	2,902	3,699
OpEx (m CHF)	433	2,040	2,474
CapEx (m CHF)	99	552	650

⁵ All data in this section are excluding the recently acquired site in Vacaville (US). All sites (manufacturing and non-manufacturing) report on energy and GHG. Smaller non-manufacturing sites with less than 50 FTE are excluded from other environmental indicators reporting, as per our reporting procedures.

⁶ The water intensity target was set later on in 2022, therefore the base year is 2021.

ii. Alignment

Determining the part of Sales, OpEx and CapEx aligned with the criteria of the EU Taxonomy is done both at company and manufacturing site level to get the required granularity.

Some criteria are subject to interpretation and need company and/or industry-specific assumptions. Discussions with customers (license holders) have shown different views and interpretations of the criteria. We will continue the dialogue with our customers to understand in which direction the industry is leading regarding this point. As a CDMO to the pharmaceutical industry, we mainly manufacture innovative medicine and we do not manufacture generics. For this year, we therefore considered zero alignment with the requirements.

	Eligible	Aligned
Sales (m CHF)	3,699	0
OpEx (m CHF)	2,474	0
CapEx (m CHF)	650	0

Climate Change and Carbon Footprint Reduction

The increase in global GHG emissions is both a cause of and catalyst for climate change. This is triggering an increase in average temperature and increasing the number of severe weather events including droughts, floods, fires, storms and rising sea levels. These events have negative impacts, including water scarcity, land erosion, and damages to the built and natural environments. These impacts could potentially affect our operations and our capability to provide the products, services and technologies needed by our customers and their patients.

"Renewable electricity and reduced consumption are key to decarbonizing our carbon footprint. From global power purchase agreements to site-led energy efficiency initiatives, it is great to see so many projects underway that directly support our net-zero ambition."



Maria Soler
Head of Group Operations

GHG emissions are typically categorized into three groups: Scope 1 from fossil fuel use in our operations, Scope 2 from purchased electricity and steam and Scope 3 from indirect emissions in our value chain, e.g. from raw materials, construction projects and transport. Our direct GHG emissions result mainly from combustion processes and include incineration of waste onsite, which we also perform as a service to industrial partners at our Visp (CH) site. Waste incineration services for external parties constitute a significant part of our GHG footprint, in the range of 8% of our Scope 1 emissions.

➤ Reduction of GHG emissions is a priority for our business. To support this effort, part of our executive compensation and global performance-based rewards for all employees is linked to GHG reduction metrics (more details in the [Remuneration](#) section of our Annual Report). ⬅

i. Climate Transition Plan

Our Ambition

- Our ambition is to achieve net-zero by 2050 or earlier
- As a first step, we have set near-term GHG emission reduction targets that were validated by the SBTi in February 2024. We are now focusing on delivering those committed reductions
- Once the near-term reduction process has been established and we are on the path to achieve these targets, we will focus on devising long-term targets and defining the next steps to achieve net-zero operations

Climate Transition Plan



Our Science-Based Near-Term Targets

By 2030, we aim to:

- Use renewable electricity for all our operations worldwide, where available. This will be achieved mainly through various instruments like Power Purchase Agreement (PPA), and virtual PPA, which fulfil RE100 criteria
- Ensure that all new assets have the smallest operative GHG footprint possible, by integrating Sustainable Design Standards and minimizing locked-in emissions
- Capture opportunities to upgrade end-of-life assets to new, efficient technology to reduce footprint, accelerate energy efficiency projects, pursue an electrification strategy where possible and switch to biogenic fuels where available
- Change or redesign our manufacturing processes to reduce energy and material
- Engage with our suppliers to set science-based targets

ii. Climate Risk Assessment

Scenario modelling helps us, and our stakeholders, analyze potential medium- and long-term climate related hazards, potential impacts on the business and operations and possible mitigation mechanisms. It is also a legislative requirement for information on these topics to be disclosed under Swiss and European regulations. Swiss public companies are obliged to start assessing and evaluating potential effects, following the Task Force on Climate-Related Financial Disclosures (TCFD), which provides a reference framework for assessing and disclosing climate-related effects, risks and opportunities.

➤ The related governance resides with our SRC, with process integrated as a sub-stream into Global Sustainability and ERM. The climate risk management process results in a separate risk repository and applies specific timeframes for extended climate risks: short-term until 2040, medium-term (until 2060) and long-term (until 2100).

We conducted a physical climate change risk assessment with the ten major sites covering most of our commercial manufacturing for the 28 hazards defined in the EU Taxonomy. Regarding transition risks and opportunities, we identified two relevant risks (carbon and energy costs) and one opportunity (water intensity reduction). ⬅

As a climate change risk mitigation for the entire Lonza Group, we have SBTi-verified near-term targets with a timeframe until 2030 and a climate transition plan and roadmap in place, as described in the previous section. We also have an ambition to be net-zero by 2050.

Climate Scenarios Used

➤ We centered the modelling on climate and temperature change consequences of two Intergovernmental Panel on Climate Change (IPCC) GHG increase scenarios: Representative Concentration Pathway (RCP) 2.6 and RCP 8.5. In principle these reflect ~1°C and >4°C global mean temperature increases.

RCP 2.6 is a scenario with stringent reduction in levels of GHG emissions, in which emissions peak in 2020 and turn negative by 2070. This scenario requires considerable interventions on behalf of governments and society to achieve a reduction in emissions and consequently brings about greater transition risks associated with navigating these interventions. Transition risks are related to the adjustment towards a lower-carbon economy, such as changes in policy, law, technology and market conditions.

RCP 8.5 is a scenario with high GHG emissions throughout the timeframe, in which emissions do not peak and continue to rise. This scenario strongly emphasizes physical risks such as extreme weather events, rising sea-levels and other climate-related consequences that can have direct or indirect physical impacts on our assets, supply chain and people. The scenario assumes no or less action is taken to inhibit GHG emissions, leading to more frequent and severe weather events with long-term impacts.

Consequences have been also modelled by the IEA (International Energy Agency) in their projections specifically on carbon price developments. For energy pricing, we have leveraged NGFS (Network for Greening the Financial System) scenarios. ⬅

Physical Risks

➤ To assess our operations for physical risk exposure we analyzed site specific climate intelligence reports using EcoAct's ECLR platform for our top 10 sites between years 2021 to 2040, and 2041 to 2060. ⬅

Acute Risk Exposure

➤ Acute risk refers to short-term, immediate threats to assets or operations arising from extreme climate events or environmental hazards from:

Temperature-related	Wind-related	Water-related	Solid-mass related
Heatwave	Cyclone, hurricane, typhoon	Drought	Avalanche
Cold wave/frost	Storms	Heavy precipitation	Landslide
Wildfire	Tornado	Flooding	Subsidence
		Glacial lake outburst	

Chronic Risk Exposure

Chronic risk refers to long-term, gradual threats to assets and operations caused by persistent changes in climate or environmental conditions. These include risks that develop over time and have sustained impacts, including:

Temperature-related	Wind-related	Water-related	Solid-mass related
Changing temperature	Changing wind patterns	Precipitation pattern and types	Coastal erosion
Heat stress		Precipitations variability	Soil degradation
Temperature variability		Ocean acidification	Soil erosion
Permafrost thawing		Saline intrusion	Solifluction
		Sea level rise	
		Water stress	

Based on these gross exposure scores, the value of assets and revenue is highest in our site in Visp (CH). However, if we take into account existing mitigation measures, the gross risk of river flooding is significantly reduced with the completion of the Rhone River correction and additional protection installed by Lonza, resulting in a minor net risk. The riverbed now provides for high water capacity of a maximum flood event. While there remains a low probability of a flood occurring in the area and at the site, such an event could still cause temporary business issues; the risk is known and evaluated, and the necessary contingency plans exist and are ready to be activated.

Impact Ranges

From the identified hazards to which our sites have exposure, we have prioritized two and created estimated ranges of impact based on vulnerability. Vulnerability is a combination of two factors:

- Criticality – the value of the assets (plant, property and equipment) and operations (e.g., net revenue)
- Sensitivity – how damaging or disruptive a given hazard is to those operations

It is important to be aware that, as we align with forthcoming reporting requirements, this is a “gross” scoring, where we do not take into account protections or controls in place or mitigating factors. The scale on annual average loss applied uses the ratings: low, intermediate, moderate, high and very high.

Hazard	Annual average loss, across all exposed sites ⁹		Gross impact measure
	2030	2050	
Drought and water stress	Intermediate	Intermediate	Revenue loss
Heavy precipitation – flooding	Intermediate	Intermediate	Value at risk

Outcome of Exposure-based Ranking

This information describes the gross risk without any mitigation, i.e. revenue located in a geographic area with high exposure scores. It does not reflect the site sensitivity or value at risk. Highlighted rows were those further quantified for financial impacts.

Hazard	Type	Number of sites exposed ⁷	Potential impacts	% of total revenue ⁸
Heavy precipitation	Acute	6	<ul style="list-style-type: none"> • Damage to assets (plant, property, equipment) • Production disruption 	38
Drought	Acute	2		6
Tornados	Acute	4		23
River Flood	Acute	3		45
Cyclones	Acute	5		29
Increasing temperatures (driving increased cooling needs)	Chronic	3	<ul style="list-style-type: none"> • Increased operating costs • Production disruption 	18
Water stress	Chronic	5		18

⁷ Top 10 sites are located across Belgium, China, Mexico, Singapore, Spain, Switzerland, United Kingdom and United States of America.

⁸ Total revenue exclude revenues associated with licensing and intellectual property. Revenues not tied to a physical location and not exposed to physical risks are also excluded from total revenue.

⁹ Impacts are likely to be lower than presented here, as the annual average loss as presented is based on the total impact across all sites, which is unlikely to occur within a single year. We specifically evaluate the risks of tropical cyclones, extratropical storms, hail, tornados, lightning, river floods, flash floods, storm surges and wildfires already for a long period at three-year intervals with our insurance engineering services. Our manufacturing sites engage in contingency planning and have established backup systems and alternatives in place. These measures enable sites to make informed decisions on the acceptable level of risk and the physical investments needed to address such risks as part of our BCP.

Transition Risks

Transition risks may arise from technology, reputation and market or changes to policy and law. We continue to mature the assessment of transition risks and opportunities, as detailed below.

Transition Risk 1: Carbon Pricing

Carbon pricing refers to taxes or emission trading schemes for GHG emissions of an industrial operation. Of relevance to project the carbon price risk are the regional carbon price forecasts by the IEA, which we applied to our forecasted emissions without consideration of our SBT reduction pathway to establish a gross risk level. According to the IEA forecasts, in general and across all geographies, the carbon price suffers a threefold increase by 2030 and four-fold increase by 2040 under a net-zero policy scenario.

We applied the “stated policies” and “net-zero” projected carbon prices to our forecasted emissions. We assumed mid single-digit CER sales growth until 2030 and then low single-digit CER sales growth to 2040, modelling for both a 50% pass through (Scopes 2 and 3), and a 100% cost pass through of the carbon cost from suppliers^{10,11}:

We modelled the carbon pricing risk across our top 10 sites. The scale applied uses the following ratings: low, intermediate, moderate, high and very high.

Scope	Gross Risk Lower to higher estimate		Net Risk: SBT in value chain Lower to Higher estimate	
	2030	2040	2030	2040
1 and 2	Intermediate to moderate	Moderate to very high	Intermediate	Intermediate
3	Intermediate to very high	Moderate to very high	Intermediate to very high	Intermediate to very high

Gross Risk: Lower range – Stated policies scenario, Business as usual by Lonza, 50% pass through; Upper range – Net-Zero scenario, business as usual by Lonza, 100% pass through.

Net Risk: Lower range – stated policies scenario, Lonza delivers on its SBTi commitments, 50% pass through; upper range – net-zero scenario, Lonza delivers on its SBTi commitments, 100% pass through.

¹⁰ Assumptions: 2021 is used as base year for Scope 1 and 2. Site-level emissions forecasts for 2030 are based on internal growth projections and assumed to continue until 2040. Near-term SBT emission levels are used to assess net risk scenarios. 2050 net-zero targets are assumed, to calculate abatement levels required by 2040. Full carbon cost pass-through (100%) from suppliers to Lonza for Scope 2 and 3 emissions was assumed to reflect maximum risk exposure. The delta between current regional carbon taxes/ETS and IEA scenario prices is used to estimate exposure to carbon pricing. For 2040, abatement levels are allocated to sites based on emissions remaining after achieving 2030 targets. Emission reduction is assumed to align with those communicated in our SBT strategy.

¹¹ Disclaimer: While every effort has been made to ensure data accuracy, actual emissions and carbon pricing exposure may vary due to unforeseen operational, regulatory, and market changes. The report uses IEA energy models (STEPS and NZE) and NGFS Net-Zero 2050 scenarios for transition risk assessment. These models are based on assumptions about future energy markets and policy developments, which are inherently uncertain. Emission forecasts do not account for potential disruptive overachievements, technological innovations, or policy interventions beyond those explicitly stated. A 100% pass-through rate from suppliers to Lonza represents a maximum risk scenario with Lonza unable to pass cost to downstream. The report assumes no major policy or market changes beyond those incorporated into the referenced scenarios. Future developments could significantly impact the analysis.

Due to the threshold set, the net risk higher estimate remains “very high” qualitatively, but our modelling showed the quantitative difference for 2030 is ~50% reduced versus gross risk higher estimate and the 2040 net risk is ~70% reduced versus gross risk higher estimate. The model does not include the transfer of cost downstream through the value chain. We will monitor the real exposure as carbon prices come into force and fluctuate.

Transition Risk 2: Energy Pricing

To estimate our exposure to energy pricing risks we used NGFS scenarios to calculate the percentage growth in energy prices between 2021 and 2030, and between 2021 and 2040.^{12,13}

Energy costs risk

Gross Risk 2030: Intermediate – high (volatility: moderate)
Gross Risk 2040: Intermediate – moderate (volatility: high)

Net risk has not been calculated as we maintain a robust energy procurement program which would have a notable impact on the materialized risk. However, as this program typically operates on a three-year cycle, we have not rated a net risk scenario that would include up to 2030 or 2040.

Transition Opportunity: Water Efficiency

Water resilience and efficiency were identified as transition opportunities. The analysis revealed that the monetary impact of the risk for Lonza is rather mild. To estimate potential savings and benefits from improved water management and stewardship, we utilized the EcoAct ECLR platform’s water stress ratings for 2030 and 2040. As there is not a comparable, globally recognized set of scenarios concerning water pricing similar to IEA or NGFS, we had to make some assumptions to perform this assessment.

¹² Assumptions: Lonza typically fixes energy prices three years ahead, the analysis accounts for potential market changes over that timeframe. Growth trends are aligned with NGFS scenarios. Historical data on energy and raw material prices from the last three years were used to establish a baseline. NGFS projections offer detailed insights into energy price movements. No assumptions about energy efficiency improvements or hedging strategies are made, presenting a conservative estimate of gross risk. The focus is on mid-term (2030) and long-term (2040) horizons.

¹³ Disclaimer: The analysis relies on historical pricing data and NGFS scenario projections, which are inherently uncertain and subject to change. Future energy and raw material prices may deviate from projections due to unforeseen market disruptions, geopolitical events, or technological changes. The analysis does not account for energy efficiency improvements or risk mitigation measures, which could reduce Lonza’s actual exposure. NGFS projections reflect specific assumptions about policy and market trends that may not materialize as anticipated.

The opportunity was evaluated for 2030, focused on achieving immediate cost savings and meeting our intensity targets, and for 2040, including projections for business growth while maintaining our sustained water intensity and pricing trends^{14,15}. Our water intensity target aims for a 50% intensity reduction by 2030. After 2030, a flat water consumption baseline is assumed of 325 m³ per million CHF in sales. This combined with a low single-digit yearly sales growth to project savings from reduced water use.

Water Opportunity, per year

2030: Low to mid-single digit
2040: Low to high-single digit

Cumulative water savings (m³)

2030: Low-double digit
2040: Low- to mid-double digit

➤ To better consider all aspects related to water risks and opportunities, we leveraged the new WWF (World Wide Fund) Water Risk Filter module to assess reputational risks associated with water usage, focusing on operational, community, and ecosystem impacts.

Of the 10 sites we assessed, five are in areas of heightened risk of water conflicts (scoring above a 4 on a 5 point scale), eight are in areas of heightened risk of media scrutiny and four are located in areas of international interest. ⬅

Whilst the cost avoidance opportunity is relatively low, these findings indicate that some sites operate in areas where poor water stewardship could result in criticism, loss of trust, and generally negative reputational impacts especially among stakeholders prioritizing environmental stewardship. As such, we consider our water stewardship program as mitigating exposure to these risk factors, alongside delivering minor cost benefits.

iii. Policies

➤ Our commitment to reducing our environmental footprint is one pillar of our Safety and Sustainability policy. ⬅ And it is also embedded in our target setting SDG-framework which also sets the bar for management and employees rewards. Regarding new assets and growth projects, we follow our Sustainable Design Standard to ensure the lowest GHG footprint is implemented. We do not use offsets, as we focus on actual reduction measures.

iv. Actions and Ongoing Initiatives

Our sites drive energy efficiency and waste reduction measures within their site roadmaps. To support the sites in identifying and implementing meaningful and future-proof projects, we have been partnering with energy consultants to perform onsite assessments and help identify technologies that can be deployed in most manufacturing sites.

New Assets

➤ For planning new assets, we have adopted a comparative footprint calculator to calculate GHG savings early in the ideation phase. For all new assets and refurbishments-capitalizations, our Sustainable Design Standard requires energy and water efficiency measures, and the use of sustainable technologies. This standard highlights the best solutions for reducing energy and water use, GHG emissions, waste and total cost of ownership (CapEx plus OpEx) for the useful life of an asset for the most common utilities. It also includes guidance for onsite renewable electricity generation, selection of refrigerants and asset lifecycle management. ⬅

Efficiency

➤ To support the sites in identifying and implementing meaningful reduction projects, we have been partnering with energy consultants in several sites to perform onsite assessments and help identify efficiencies and technologies that can be deployed across manufacturing sites.

Using a risk-based approach in HVAC (heating, ventilation and air conditioning), air exchange rates can deliver significant energy savings and reduce GHG emissions ensuring GMP requirements. ⬅ This is a continuous process that has been described in previous Sustainability Reports.



Our site in Slough (UK) continues to deliver energy efficiency measures. In 2024, air handling units (AHUs) at the site were adapted to operate using recirculated air to address safety, quality and regulatory risks, as well as reduce operational cost and energy use by 300 GJ/year. The AHUs were previously operating at a 100% fresh air mode, which required high energy consumption. By installing HEPA filters to the AHUs outlet ducts, the AHUs can now operate with 80% recirculated air and 20% fresh air, thus minimizing heating and cooling from external temperature air. The building management system software was also updated to regulate differential pressure, enabling this energy efficiency measure to work effectively.

¹⁴ Assumptions: Site-specific water invoices were collected and extrapolated to estimate annual costs. Water consumption were assumed to remain flat, with a mid single-digit sales growth annually. Annual water costs were extrapolated from site-specific invoices. A 10% annual reduction in relative water consumption was assumed, aligning with Lonza's water intensity targets. Projections assumed no external disruptions to water pricing or supply beyond those reflected in the ECLR and WWF scenarios.

¹⁵ Disclaimer: Some water cost and consumption data was estimated. Projections rely on EcoAct's ECLR and WWF Water Risk Filter data, which are based on modeled scenarios that may not fully reflect future conditions.

➤ Cleaning in place (CIP) optimization not only provides a modest reduction in GHG emissions but also significantly reduces water and cleaning agent usage through risk-based improvements to cleaning processes. ⬅

Our in-house process optimization teams can develop chemical process improvements for our customers to reduce time, material and energy demand, which drives a reduction in GHG emissions.

Electrification

➤ We pursue two main electrification options in our manufacturing sites: the use of heat pumps for heating, hot water and steam generation, and the use of a membrane process to produce compendium, sterile water instead of distillation. ⬅ Both options have been thoroughly studied and are expected to be implemented as appropriate. The implementation of the compendium water is dependent on a change of the Chinese Pharmacopoeia to explicitly allow the membrane process.

Fuel Switch

➤ Two Lonza sites are using biomass as fuel for their boilers, ⬅ with an effective reduction of 3,200 ton CO₂eq (versus natural gas) in 2024. ➤ We are gradually reducing the operation time of a steam turbine at one of our sites, as part of a fuel switch from natural gas to renewable electricity. ⬅ This initiative is delivering a staged reduction in Scope 1 of 7,500 tonCO₂eq until 2026.

Renewable Electricity

➤ We have signed an industry-first PPA for renewable electricity used by our sites located in China in partnership with four other pharmaceutical companies. ⬅ This delivered an effective reduction of 60,000 ton CO₂eq (versus location-based value) for 2024.

➤ Following a virtual PPA (VPPA) signed in 2023 with Ignis on solar production in Spain to cover our European electricity consumption, we received the first Guarantees of Origin (GO) in June 2024, verifying the generation of renewable electricity. ⬅ Due to a good solar production in the remaining months of the year, we received sufficient GOs to cover most of the electricity purchased by our sites in the EU and in Switzerland, with an effective reduction of over 9,000 ton CO₂eq versus location-based value for 2024.

Some solvents used for chemical synthesis of pharmaceutical substances are incinerated onsite and the recovered heat is used for other processes. Using solvents from biogenic sources in 2024 reduced Scope 1 by 2,800 ton CO₂eq.

Supply Chain Decarbonization

Some solvents used for chemical synthesis are regenerated and recycled and can be used several times before being incinerated. This provided an annual reduction of approximately 20,000 tonCO₂eq in Scope 3 (Category 1 Purchased Goods and Services) in 2024, reducing the use of fresh solvent.

➤ Our near-term SBTi validated target for Scope 3 is an engagement target and discussions have commenced with over 400 suppliers to support their GHG emissions reduction journeys. ⬅

All initiatives described above do not require CapEx and are providing savings (such as solvent recycling) or potential profits (such as VPPAs).

v. Metrics and Targets

Our targets related to climate change mitigation and adaptation are listed in the table below and refer to the whole company. The decarbonization levers we are using to achieve them are presented in the climate transition plan and actions and ongoing initiatives sections. Our science-based targets are validated by SBTi and align with a 1.5°C trajectory.

Scope of Target	Base year	Base year value	Target year	Target in target year	2024 Status
Scope 1 and Scope 2 (location based) intensity reduction [t CO ₂ eq/m CHF]	2018 ¹⁶	145	2030	-50%	-44%
Energy intensity reduction [GJ/m CHF]	2018	1,470	2030	-50%	-31%
Renewable electricity [%]	-	-	2025	100% (where available)	52%
Science-based target: Scope 1 and Scope 2 (market based) absolute reduction ¹⁷ [kt CO ₂ eq]	2021 ¹⁸	534	2030	-42%	-15%
Science-based target: Scope 3 engagement target, suppliers with science-based targets [%]	2021	-	2028	79% of our suppliers by emissions covering purchased goods and services, capital goods, upstream transportation and distribution	33%

¹⁶ When our intensity targets were set in 2019, the most recent year with complete data was established as base year.

¹⁷ The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks, and also refrigerants and fleet emissions (beyond the boundaries of the intensity targets).

¹⁸ Our SBTi Scope 1, 2 and 3 base year is 2021, as the full year dataset for our near-term targets.

GHG Emissions

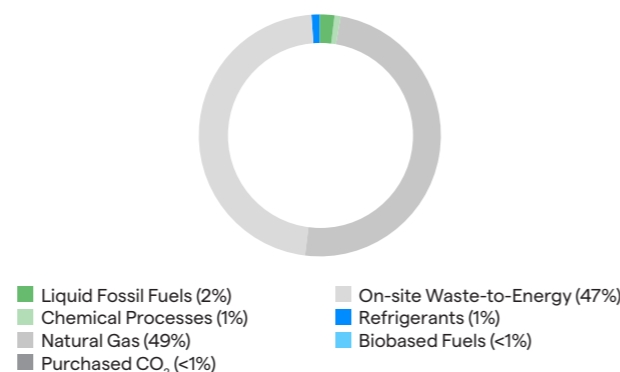
Our GHG emissions data is shown in the following table¹⁹. We follow the requirements of the GHG Protocol Corporate Standards to calculate our GHG emissions, under the operational control approach.

	Base Year (2021)	2023	2024	Δ% 2024 / 2023	
Scope 1	Gross Scope 1 GHG emissions (ktCO ₂ e) ²⁰	330	321	319	-1%
	Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	n.a.	44%	45%	+1%
Scope 2	Gross location-based Scope 2 GHG emissions (ktCO ₂ e)	215	228	218	-5%
	Gross market-based Scope 2 GHG emissions (ktCO ₂ e)	204	202	137	-32%
Scope 3	Total gross indirect (Scope 3) GHG emissions (ktCO ₂ e)	1,849	1,936	1,878	-3%
	1. Purchased goods and services	1,262	1,227	1,278	+4%
	2. Capital goods	195	308	239	-22%
	3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	100	109	107	-2%
	4. Upstream transportation and distribution	120	146	120	-8%
	5. Waste generated in operations	26	31	26	-16%
	6. Business travel	24	15	16	+7%
	7. Employee commuting	32	30	29	-3%
	9. Downstream transportation	32	13	13	0%
	10. Processing of sold products	53	52	45	-13%
	11. Use of sold products	4	3	2	-33%
	12. End-of-life treatment of sold products	2	1	1	0%
Total GHG	Total GHG emissions (location-based) (ktCO ₂ e)	2,394	2,485	2,415	-3%
	Total GHG emissions (market-based) (ktCO ₂ e)	2,383	2,459	2,334	-5%

Scope 1 GHG Emissions

Scope 1 includes direct GHG emissions from fossil fuels combustion or other sources that we either own or control. Specific factors are used for calculating emissions from fuel combustion (CO₂, CH₄ and N₂O), including from company-owned vehicles²¹. Emissions from other on-site processes, such as chemical reactions or waste incineration, are directly measured, calculated or estimated by each site. Parts of our Scope 1 emissions originate from on-site waste and waste gas incineration, to treat final waste streams and produce heat. We also perform infrastructure services – such as waste incineration, steam generation and delivery – for neighboring companies which form a substantial part of our Scope 1 emissions.

Lonza Scope 1 Emissions Sources 2024



¹⁹ Scope 3 categories for downstream leased assets and franchises are not applicable. Scope 3 category for investments is also not reported since the GHG emissions from the operations of BioAtrium Ltd and Bacthera Ltd (strategic partnerships with Sanofi and Novonosis, respectively) in our Visp (CH) site are included in our Scope 1 and 2 numbers, since we have operational control of the utilities management of those facilities.
²⁰ In Scope 1, emissions related to our fleet and due to losses of refrigerants were estimated and included for previous years. These emissions are tracked yearly as of 2024.
²¹ Each GHG has a specific Global Warming Potential (GWP). We follow the latest GWP published by the Intergovernmental Panel on Climate Change (IPCC), namely AR6 – the Sixth Assessment Report of the IPCC, wherever possible. Emission factors used for Scope 1 and 2 are from sources such as UK DEFRA, USA eGrid or the International Energy Agency, therefore we do not have a specific breakdown of the type of GHG included in those factors. For Scope 1, we track onsite emissions of CO₂, N₂O and refrigerants. Emissions of CH₄, SF₆ and NF₃ have not been evaluated as there is no known process emitting such gases in our company.

Scope 2 GHG Emissions

Scope 2 encompasses GHG emissions from purchased electricity and steam. In Lonza-owned sites, purchased electricity and steam is measured directly on our own metering devices. In rented multi-occupant facilities, if no direct metering is available, consumption is derived from the total facility consumption to reflect our proportionate consumption.

We report Scope 2 GHG values using two methods: location-based and market-based GHG emissions quantification.

The location-based method reflects the total electricity consumption of the site, multiplied by local electricity grid average GHG-emission factors. Location-based values are used to track energy efficiency gains against our GHG targets. Efficiency in this context means producing higher output or achieving higher sales with the same amount of electricity input and related emissions.

The market-based method reflects calculated emissions from electricity contracts selectively purchased, including renewable electricity certificates or green tariffs, as shown in the table below. Market-based values are used for our science-based targets and also to measure our continuing efforts to replace fossil fuel generated electricity with renewable electricity.

Region	Instrument	Capacity	Renewable source
European Union and Switzerland	Virtual Power Purchase Agreement	Up to 350 GWh	Solar
China	Power Purchase Agreement	At scale	Wind
Mexico	Mix of Power Purchase Agreement and Contract	At scale	Solar
United Kingdom	Contract	At scale	Wind

Scope 3 GHG Emissions

Scope 3 includes GHG emissions from purchased goods and services, construction, business travel, upstream and downstream transportation, waste disposal, employee commuting, etc. We quantified our Scope 3 GHG emissions in 2021 and we report them annually²². The downstream processing and use of sold products were added to our reporting scope in 2024 as per SBTi recommendation.

As generally observed in our industry, Scope 3 GHG emissions are considerably higher than Scope 1 and 2 GHG emissions. The most substantial portion of our Scope 3 GHG emissions can be attributed to purchased goods and services and capital expenditure for new assets. Waste disposal and fuel- and energy-related activities (not included in Scope 1 and 2) also contribute, though to a lesser extent, because emissions from the significant amounts of waste incinerated onsite in Visp (CH) are reported under Scope 1. Other categories are all comparatively minor contributors to the total Scope 3 GHG emissions. Categories such as upstream leased assets and investments are not included as they are covered in Scope 1 and 2 or in the spend data. The franchises category is not applicable to our business.

All underlying approximations rely on average industry data and therefore carry some level of uncertainty, because primary data is generally unavailable. We continue to focus on improving data quality through validation, in order to ensure sufficient granularity to prepare reduction plans for the categories with the highest contribution.

Purchased goods and services, capital goods and upstream transportation and distribution

Calculations for the purchased goods and services, capital goods and upstream transportation categories are based on spend data (or activity data, when captured in the spend information) covering Q4 2023 to Q3 2024. All other data refers to Full-Year 2024. The spend (or activity) data is multiplied by emission factors specific to each spend category.

Fuel and energy-related activities (not included in Scope 1 or Scope 2) and waste generated in operations

Calculations are based on the energy consumption and waste reported by the sites, multiplied by corresponding emission factors. For electricity, data is multiplied by upstream emissions by country, and by a factor accounting for the transmission and distribution losses from electricity.

Business travel

Data refers to business travel in 2024 for all Lonza employees booked with our corporate travel agency, and rail travel extracted from our booking tool.

We are using emission factors for each type of travel mode (plane, rail and car), including well-to-tank emissions from fuels and distance travelled.

Employee commuting

Estimations are based on the number of full-time-equivalent (FTE) employees by country at the end of the year, and commuting scenarios per country, multiplied by emission factors for each type of transport (car, bus, rail, tram or metro). Emissions for remote workers are not included.

²² Also for Scope 3 we work to follow the latest GWP published in the AR6 – the Sixth Assessment Report of the IPCC, wherever possible. Emission factors used for Scope 3 are from sources such as the UK DEFRA, ecoinvent, US Environmentally-Extended Input-Output databases, therefore we do not have a specific breakdown of the type of GHG included in those factors.

Our site in Suzhou (CN) has made progress in its decarbonization journey. The site continues to implement process efficiency projects, such as cycle time optimization and installing a high efficiency chiller, saving more than 700 MWh per year. Alongside installing the first section of solar panels on site, all of our purchased electricity in Suzhou has been fully renewable since January 2024.

Downstream transportation

An estimation of distance, based on site of origin and customer location and mass transported, is multiplied by emission factors for the type of transport (truck, plane or ship). This excludes transportation paid by Lonza covered in the upstream transportation category. As a conservative approach, all transport is considered "Refrigerated Transportation".

Processing of sold products

Based on lifecycle assessment data of a drug product, we determined that in the case of a classical monoclonal antibody, the API manufacturing footprint was ten times higher than the final drug product manufacturing step. We therefore assume that the further processing of the API required to manufacture a final drug product represents 10% of our Scope 1 and 2 emissions.

Use of sold products

The majority of our products – including APIs, capsules and cells – do not entail energy consumption or other direct GHG emissions during their use. Some products, such as our Cocoon® Platform for cell therapy manufacturing, do directly consume energy during use, but the impact of these remains modest. GHG emissions estimation has been made based on power consumption and assuming intensive use during a decade or more.

End-of-life treatment of sold products

For this category, we estimate the end of life of the packaging of our products (based on spend data), of electronic instruments (e.g. Nucleofactor® Technology) and estimated final products from our customers containing active ingredients manufactured by Lonza which are discarded. These values are multiplied by emission factors for each type of waste material and waste treatment type.

GHG Emissions Intensity

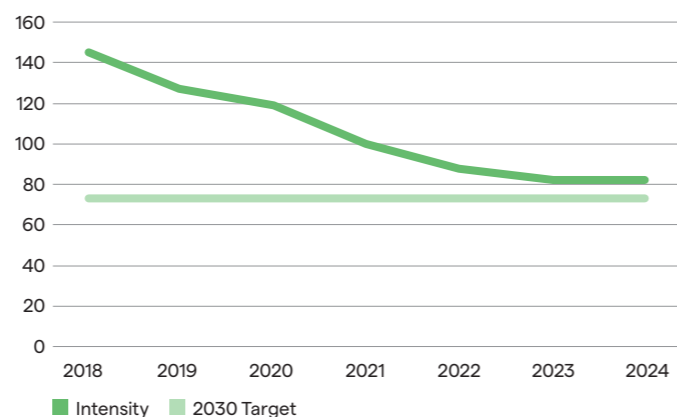
The total GHG emissions (Scopes 1, 2 and 3) per net revenue is presented in the following table. Emissions and revenue – CHF 6,534 m – do not include the Vacaville (US) acquisition closed in Q4 2024.

GHG Intensity per net revenue	2023	2024	Δ%
Total GHG emissions (location-based) per net revenue (t CO ₂ eq/m CHF)	370	370	0%
Total GHG emissions (market-based) per net revenue (t CO ₂ eq/m CHF)	366	357	-2%

For our GHG intensity target relating to Scope 1 and Scope 2 (location-based) by revenue, the development is depicted below. The reduction effect is the result of proportionate increase in sales, technology or product portfolio shifts as well as efficiency improvements.

Greenhouse Gas Emissions Intensity

Scope 1 and Scope 2 location-based, tons CO₂eq/mio CHF



Water and Effluents

Water is used for a variety of purposes across our businesses, including heat transfer, cooling, steam generation, cleaning and sanitization. It is also a product ingredient for many active substance solutions. As water is a limited natural resource, Lonza is actively managing water sources, particularly in locations where there is a risk of scarcity.

"We are making great progress in reducing water consumption and this is a continued focus across our global network. Looking ahead, we plan to take action beyond our own sites by rolling out a water stewardship program across our operations."

Gordon Bates
President, Small Molecules

i. Policies

Besides our general commitment in our Safety and Sustainability policy to reduce our environmental footprint, we set a specific reduction target for industrial water consumption (SDG 6). For growth projects, we follow our Sustainable Design Standard to achieve the lowest possible water footprint. A specific water policy emphasizes our commitment to reducing our impact on water.

In 2024, we have taken steps towards a comprehensive water stewardship program. The goal is to align all major production sites to the Alliance for Water Stewardship Standards in the coming years. We work to reduce water inputs, set water recycling targets, select and optimize effluent pre-treatments and appropriate effluent treatments.

Sites hold local permits and follow all local requirements related to water treatment and relevant wastewater discharge parameters, including quantity and chemical limit values. Final effluents are managed and controlled according to the parameters permitted by local authorities' wastewater permits. Any deviations are reported within the environmental incident reporting system. Sites hold local permits and follow all local requirements related to water treatment and relevant wastewater discharge parameters, including quantity and chemical limit values.

In addition, sites that handle APIs which are viewed as substances of concern for the receiving waterbody adopt a risk-based approach to wastewater discharge. This approach is based on the current industry best practice endorsed by PSCI. It involves comparing the predicted environmental concentration (PEC) – determined by mass balance or analytical measurement – with the predicted no effect concentration (PNEC). Discharges with a higher risk potential are investigated in detail and tailored approaches are taken, which may include a change to the cleaning procedures, disposal of first rinse or any other appropriate method.

To significantly reduce water consumption at the Greenwood (US) site, teams focused on recovering condensate water. This was achieved by making improvements and upgrades to pump stations, valves and steam traps, while also installing a meter to obtain accurate readings. Most recently, the site installed a new conveyor system in the raw material cleaning processing equipment, which replaced the previous system using water. This initiative will reduce more than 6,000 m³/year of water.

ii. Actions and Ongoing Initiatives

Access to clean, plentiful, potable water is critical to ensuring the quality of our products. Our sites have not experienced water shortages or impacts to operations, however, we are taking various measures to reduce water consumption, water use intensity and minimize downstream effects. Internal standards include the requirement for sites to have a water balance to understand and optimize water use and eliminate losses, reduce water usage through asset optimization and process changes, to promote water recycling and reuse and to treat effluents according to permits and internal limit values.

In addition, each major site assesses local water risks and opportunities every three to five years, by sharing information related to water availability, legal requirements, infrastructure capability and costs.

Risks can include periodic water scarcity, droughts or other supply limitations, discharge restrictions, emerging regulations and risks associated with a direct discharge to natural water bodies or to publicly owned wastewater treatment plants.

Opportunities can include ways to improve internal recycling of industrial water, water conservation and resource efficiency, ground and surface water protection and better discharge quality. Our sites are required to identify stakeholders to address water needs in their local water basin and downstream, as well as availability and quality.

In countries such as India and Mexico where freshwater is periodically scarce, we may be exposed to water shortages or restrictions, water price volatility and a decline in water quality. To mitigate water-related risks, sites in these locations track their water balance and derive water management programs to meet agreed reduction targets. Sites in water-stressed regions and geographies incorporate measures to optimize water consumption and management into their sustainability roadmaps.

As part of the capsule manufacturing process at our site in Bornem (BE), liquid ring vacuum pumps are usually used to transport gelatin from a large bag to a storage hopper or melt vessel. These liquid vacuum pumps require cooling and can consume over 3,000 m³/year of water. As part of the site's resource-efficiency measures, it investigated and implemented a dry-running vacuum pump for the dry section of the gelatine loading. The site also created savings in heat, energy and water consumption by increasing the temperature of its dehumidification systems by 1°C. Together, these actions are delivering an annual saving of more than 5,000 m³ of water.

iii. Metrics and Targets

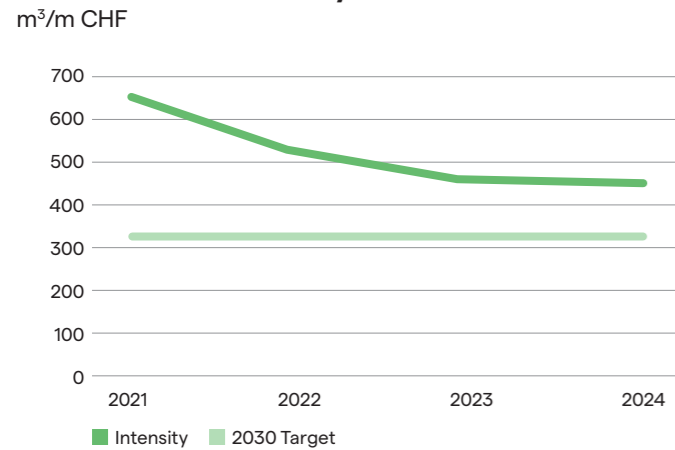
We monitor and measure both industrial water, which may be altered chemically or physically by the manufacturing processes, and chemically unaltered non-contact cooling water²³.
 Globally, we used 29,238 thousand m³ of water for cooling purposes in 2024.

	2022	2023	2024
Water Consumption: Industrial Water [thousand m ³]	3,273	3,073	2,935
Water Recycled and Reused [thousand m ³]	148	145	163

The effectiveness of the described measures has delivered a continuous reduction of our industrial water intensity, as shown in the chart below. Each site is also working to improve its understanding of water consumption by asset or building and where additional metering may be required.

Our target is to reduce industrial water intensity by 2030 by approximately 50%, compared to the 2021 base year, in line with our commitment to SDG 6 (Clean Water and Sanitation). We continue to build on the risk and opportunity assessment with a mid-term action plan to reach this target.

Industrial Water Intensity



Water withdrawals and discharges for 2024 are shown in the following tables. Due to the diverse nature of water effluent requirements, we do not report on discharge water quality. The water emission parameters listed below are tracked at sites where the following emissions are relevant: heavy metals, nitrogen, organics (COD and TOC) and phosphorus and other locally permitted parameters. In 2024, we recorded a total of three incidents of discharge permit deviation. None of these incidents entailed significant fines or prosecution.

Water Withdrawal by Source ²⁴	2022	2023	2024
Groundwater Wells [thousand m ³]	2,778	2,839	2,825
Public Supply [thousand m ³] ²⁵	4,137	3,981	3,854
Surface Water Bodies [thousand m ³] ²⁶	21,710	22,179	21,418
Total Water Withdrawn [thousand m ³]	28,625	29,000	28,097

Lonza Water Discharge	2022	2023	2024
Water Discharged to Sewer [thousand m ³]	3,341	3,116	2,849
Water to Water Bodies [thousand m ³]	29,586	29,071	29,264
Total Water Discharged [thousand m ³]	32,926	32,187	32,113

Other Environmental Topics

We actively manage important environmental topics, like energy consumption, waste and ecosystems, even if not identified as high priorities in our materiality assessment. We usually perform an analysis, focusing first on the impact on our facilities or the impact due to our facilities and then extend the analysis – if relevant – to our supply chain.

i. Energy Consumption

We collect and analyze energy data by site, by division and across the company. Purchased fuels, electricity and steam are metered directly, or derived from the total facility consumption in rented multi-occupant facilities. We use fuels in our manufacturing processes for utility generation such as steam, heating, cooling, quality water, ventilation, air conditioning, refrigeration and transport. Most of the energy we consume is natural gas, followed by electricity and energy generated on site, mainly through the incineration of gaseous by-products, solvents and waste. Our absolute energy consumption has been slightly increasing since 2018, but at a much lower rate than our sales growth. In Visp (CH) and Nansha (CN), the energy generated in 2024 from incinerating waste solvents, by-products and waste was around 2,000 TJ. These waste solvents replaced the consumption of 57 million m³ of natural gas.

Our Portsmouth (US) site installed a plant steam microturbine to capture energy that was previously lost, in order to provide a supply of low-pressure steam to process heat exchangers. Instead of relieving the high pressure steam through a pressure relief valve and losing the energy to the atmosphere, the site is now using that steam pressure to generate electricity through spinning a turbine. The electricity generated with this turbine is enough to power the equivalent of 300 households annually, which is more than was anticipated.

²⁴ We do not withdraw nor discharge directly to seawater; produced water is not applicable to Lonza.
²⁵ Third-party water.
²⁶ Water bodies means surface water.

	2022	2023	2024
Net Energy Consumption [TJ]	6,299	6,589	6,658

Lonza Energy Consumption 2024

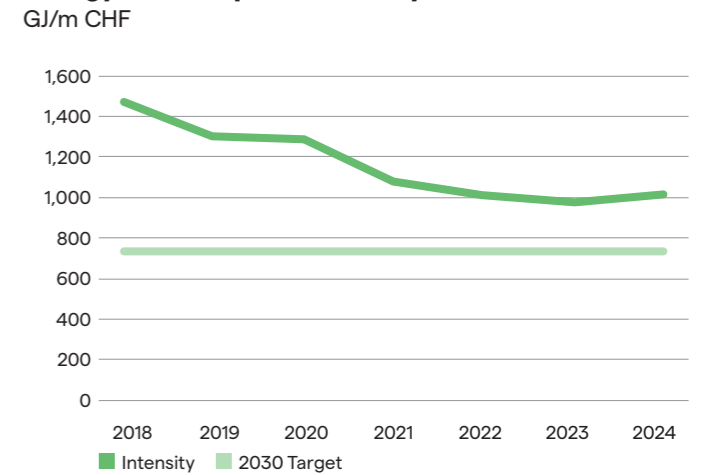
	TJ	GWh
Diesel	2	0.6
Fuel Oil	47	13
Gasoline	1	0.3
LPG	7	2
Natural Gas	3,018	838
Self-Generated Energy (Waste, Processes)	2,110	586
Total Fuel Consumption from Non-Renewable Sources ²⁷		
Purchased Steam	1,792	498
Purchased Electricity Non-Renewable	1,141	317
Total Energy Consumption from Non-Renewable Sources		
Biomass (Wood)	70	19
Total Fuel Consumption from Renewable Sources		
Purchased Electricity Renewable	1,218	338
Renewable Electricity (On-Site)	15	4
Total Energy Consumption from Renewable Sources		
	1,303	362
Total Electricity Consumption		
Energy Produced for Others	2,763	767
Net Consumption	6,658	1,849

Since 2018, we have worked with a specialist partner to analyze data for electricity sourcing, contracting, supply and demand patterns and to collect data from all sites into one platform. This has informed our understanding of opportunities to improve energy efficiency and cost management. In addition, some sites have adopted energy management systems aligned with the ISO 50000 framework, which includes forming an energy team, a policy, target setting and a rolling action plan.

Energy Intensity

In 2024, our energy intensity value was 1,019 GJ/m CHF, considering all energy types, a decrease of 31% compared to the 2018 base year with 5,520 TJ and an intensity of 1,470 GJ/m CHF. This demonstrates progress towards our 2030 target of a 50% reduction in energy consumed per CHF million in sales. This decrease is driven by strong growth and an under-proportional increase in energy consumption, high efficiency new assets, and many energy reduction and efficiency projects. The effectiveness of these measures has led to a sustained reduction in energy intensity, as shown in the following chart.

Energy Consumption Intensity



ii. Waste Management

Each manufacturing site across our network maintains a waste disposal process, tailored to relevant waste streams, for the efficient and environmentally sound treatment and disposal of waste outputs. All sites are committed to waste reduction, to the reuse, treatment and disposal of all waste materials in full compliance with local regulations and international standards.



Sites carefully select, oversee and audit their partners for waste transportation and treatment based on performance and capabilities, also regarding safety and sustainability. We operate our own waste and wastewater treatment facilities at specific locations, such as Visp (CH) and Nansha (CN).

²³ Water values are generally reported on the basis of invoices received from third parties or based on meter readings. Water stored and changes in storage is a KPI listed in the ESRS but this is not relevant for our activities, nor is it tracked.

²⁷ We do not specifically source from nuclear sources nor from coal.

As a CDMO, we have limited influence on waste generated by customer-defined manufacturing processes and downstream user behavior. We therefore focus improvements on our own operations and where we can facilitate improvements with customers.



Our site in Walkersville (US) was recognized for its engagement in sustainability with the 2024 Frederick County Sustainability Award (Industrial category). Some of the latest initiatives on site included the installation of 16 electric vehicle charging stations, investments in paperless systems and technology, and the adoption of refillable water bottles and water filling stations. The site already achieved more than 60% reduction in waste by process improvement, repurposing and identifying secondary markets. The site also participates in World Cleanup Day activities in collaboration with other Lonza sites worldwide.

Waste Generated

Production-related waste is regularly tracked at a corporate level²⁸. Typical waste for our industry includes liquid waste (mother liquors, solvents and cleaning liquids), spent packaging material from incoming raw materials, auxiliary materials, sterile single-use materials like pipes, bags, used cleaning materials like rags, mop heads, paper towel, solid residues of processes, products out of specification, production scrap, discarded production equipment, lab devices and IT equipment and typical household waste²⁹. In line with our corporate reporting guidelines, construction, demolition, remediation and excavation waste are excluded from our sustainability reporting framework.



Our site in Sagamihara (JP) made a simple change to its waste disposal method that has led to several benefits. The site is now using only bags to dispose of waste capsules, instead of using cardboard boxes besides the bags. This reduces about 33 ton/year of cardboard, which was going to incineration. It has also reduced the waste volume and therefore transportation needs by 15%.

The production technology and quality requirements for bio-pharmaceutical production have changed in recent years. Improved cleaning practices and the use of single use technology (SUT), such as plastic bag reactors and appliances instead of stainless steel, are reducing the use of water for cleaning. On the other hand, this shift has increased SUT plastic waste. As this technology continues to develop, and alternative disposal and recycling solutions are not yet broadly available, local approaches to disposal have been implemented in the meantime. The SUT industry is yet to develop a recycling or take-back system for its products or develop reusable assembly parts that would allow users to reduce the waste burden.

Our sites and divisions focus on reducing waste intensity as part of their site plans and roadmaps. These are further supported by guidance on waste management and minimization. The amount of waste generated can fluctuate for several reasons, including changes in the product portfolio, discarding production batches, use of SUT and additional cleaning practices.

	2022	2023	2024
Total Waste Disposed [thousand tons]	61.9	64.1	57.1

Our waste is managed by third parties that have been approved by the relevant authorities and our local sites. We have implemented a waste recycling KPI to measure the internal waste recycled or reused onsite (including closed loop) to help track and incentivize onsite circularity measures, currently at 14 thousand tons.

Lonza Waste Disposal by Destination 2024

Waste Hazardous Incinerated [thousand tons]	37.1
Waste Hazardous Landfilled [thousand tons]	1.4
Waste Hazardous Recycled [thousand tons]	2.1
Waste Hazardous Treated [thousand tons]	0.02
Total Hazardous Waste [thousand tons]	40.7
Waste Non-Hazardous Incinerated [thousand tons]	4.9
Waste Non-Hazardous Landfilled [thousand tons]	4.5
Waste Non-Hazardous Recycled [thousand tons]	7.0
Total Non-Hazardous Waste [thousand tons]	16.5
Total Non-Recycled Waste [thousand tons]	48.0
Total Waste [thousand tons]	57.1

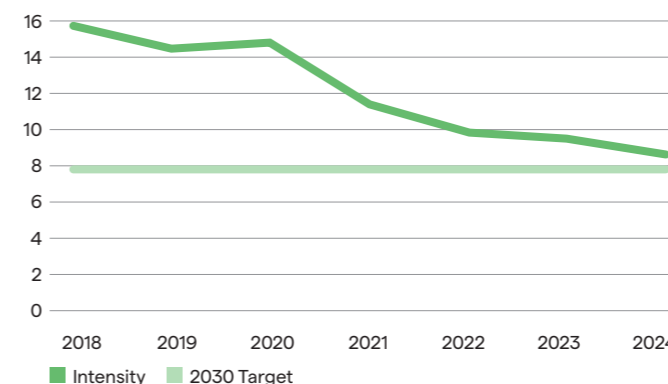
²⁸ Waste is generally reported on the basis of invoices received from third parties or with site-specific measurements. The waste generated equals the waste disposed. Effluents are reported under water discharge when heading to wastewater treatment.

²⁹ Radioactive waste is not deemed as a material stream and is not specifically quantified and mainly returned to suppliers.

Waste Intensity

In 2019, we set waste intensity targets aiming for a 50% reduction in total waste per revenue by 2030 compared to 2018 levels. In 2024, the waste intensity value was 8.7 tons/m CHF, meaning a decrease of 45% compared to the 2018 base year (with 59 thousand tons, and an intensity of 15.8 tons/m CHF). The effectiveness of our waste management measures leads to a continuous reduction in total waste intensity, as shown in the chart below.

Waste Intensity
tons/mio CHF



iii. Processes and Circularity

All sites are committed to our waste reduction and circularity principles (avoid, reduce, recycle). We are working to increase the efficiency of input materials in production processes, including yield improvement, reworking off-specification production and the re-use of auxiliary materials wherever possible to generate business and sustainability benefits. Sites develop their own circularity measures, such as increasing the number of reuse cycles of solvents or using biomass waste as fuel.

Contract manufacturing forms a large proportion of our business. In this context, staying up to date with production technology and streamlining manufacturing processes is important in improving efficiency.

In our Small Molecules division, organic solvents play an important role in the manufacturing process. We continue to improve the efficient use, reuse and recycling of solvents. This reduces our environmental footprint by minimizing the consumption of fresh solvents and the amount of waste that is generated and treated. We also work with some of our major customers to enable reuse, by demonstrating that using recycled solvents is feasible from a technical and quality perspective and is key to achieve our common decarbonization plans.

These projects reduce production downtime, bottlenecks and simplify logistics. The solvent recycling implemented in Small Molecules processes in Switzerland and China avoided in excess of 5,000 tons of wastewater using modern technologies and more than 900 tons of fuel-related CO₂eq in 2024. In addition, we currently recycle over 10,000 tons of solvents, reducing incineration and consumption of fresh solvents, avoiding more than 45,000 tons of CO₂eq per year.

We have established a platform for reutilizing or selling excess equipment to optimize resource use and we continue to onboard our sites. This platform supports asset utilization, avoiding waste and creating further savings opportunities. Equipment not requested internally is being offered externally. To date, we have made over 1,500 assets available across our network.

iv. Ecosystems and Biodiversity

We understand that biodiversity is crucial for thriving communities and a sustainable planet and we acknowledge our responsibility for utilizing environmental services and our impact on nature. Additionally, we understand our dependency on these services for business continuity and growth. Healthy ecosystems are essential to ensure a stable supply chain, reducing operational risks and fostering innovation.

Among the factors impacting biodiversity, we consider climate change and water use to be the most relevant to our manufacturing activities. This perspective was further supported by our latest double materiality assessment, which identified these two topics as among the most material.

Impacts

We are addressing climate change with our commitment to reduce our GHG emissions and we continue to develop programs to address water use. In addition to complying with legal requirements regarding water discharge, sites in scope have determined the PEC to PNEC ratio for the APIs they discharge (see Water and Effluents section). All results have been evaluated to be non-critical. Relating to water, we are rolling out a comprehensive water stewardship program globally.

Our sites continue to initiate various activities to enhance their land use and surroundings. In Verviers (BE), our team cultivates outdoor beehives, while our Greenwood (US) site supports and maintains a wildlife reserve adjacent to the facility. Additionally, our colleagues in Visp (CH) are actively participating in cleaning and tree planting activities in their region. Globally, all employees are entitled to one paid volunteering day per year, with many choosing to focus on nature conservation and restoration.

We have little impact on threatened species and their ecosystems. However, we do realize our dependency on certain species to enable the services and products we offer to our customers and their patients. One species we engage with is the North American Horseshoe Crab, whose blood contains Limulus Amebocyte Lysate (LAL), essential for testing pharmaceutical products for harmful endotoxins and ensuring patient safety. The horseshoe crab is critical to endotoxin testing, as its blue blood is the only known natural source that can be used in the LAL assay. We are committed to sourcing horseshoe crabs sustainably, and are supporting protection initiatives and we follow strict processes to ensure our interactions do not harm the crabs or disrupt their reproduction, safeguarding the wellbeing of this species.

Worldwide, there is a growing appeal in the pharmaceutical industry for recombinant technologies that help alleviate and eventually replace, the use of animal resources for endotoxin testing purposes. To evolve endotoxin testing and reduce reliance on animal resources, we developed the PyroGene® rFC Assay, an alternative test to the LAL Assay which does not contain horseshoe crab blood. We have offered this assay since 2003.

Dependencies

Consequences of the loss of biodiversity on our supply chain

A preliminary study of our spend showed that a portion of the goods we purchase is of organic origin. Loss of biodiversity could have an impact on the security of supply. This is a rather slow and gradual process, which would lead to an increase in the sourcing cost and therefore push to alternative sourcing of goods.

Impact on biodiversity of the production of the goods we purchase

Some suppliers may have a more relevant impact on biodiversity. We have programs in place to monitor potential issues in our supply chain related to environmental pollution (including water), resources use, and climate change as part of our Supply Chain Responsibility activities (see corresponding chapter in this report).

Nature as an Overarching Topic

To assess our dependencies and impacts on nature in general, we use frameworks provided by the Science-Based Targets for Nature and the Taskforce on Nature Financial Disclosure. Due to our activities, our potential impacts are limited to water use, water and soil pollutants, solid waste and biologic alteration. Due to the broad spectrum of our supply chain, we are investigating all topics. One of our next steps is to engage our suppliers of organic goods to understand how they approach this topic.

v. Pollution

Energy generation from fossil fuels, waste incineration and some of our industrial processes result in emissions to air, in addition to GHG. Emissions such as particulate matter (PM), nitrogen oxides (NOx), sulfur dioxide (SO₂) and volatile organic compounds (VOC) are continuously monitored and controlled, to comply with statutory limits and to reduce them beyond regulatory requirements.

Continual investment, technical improvements at emission points and emission control equipment contribute to the control and reduction of such emissions. Water emissions are discussed in the *Water and Effluents* section. Remediation of legacy contamination issues is described in the following chapters.

Air Emissions 2024 [t]	
VOC [t]	89
NOx [t]	164
SO ₂ [t]	5
Particulate Matter [t]	32

Remediating Legacy Issues

Mercury Remediation

We continue to address the legacy mercury contamination in the Valais (CH) along a former wastewater discharge canal, on surrounding soils and in other areas where sediments containing mercury were deposited as fertilizers. This issue dates to when Lonza used mercury as a catalyst in chemical processes. Between the 1930s and the 1970s, before the construction of the wastewater treatment plant, industrial wastewater containing mercury was discharged into the canal.

Since 2013, we have worked closely with local authorities and communities to finance and implement the required technical investigations in residential areas and agricultural zones between Brig-Glis and Niedergesteln (CH). Remediation in residential areas started in 2017. By the end of 2024, 165 parcels of land in Visp, Raron and Brig-Glis were remediated, representing 96% of affected residential plots. Remediation works in the contaminated agricultural area started with pilot remediations in 2021 in Raron and in Visp in 2022. Following the completion of the two pilot remediation projects, regular remediation work in the agricultural area has been underway since 2023. By the end of 2024, about 55,000 m² of land had been remediated, representing approximately 80% of the total agricultural area to be remediated (around 67,000 m²).

We continue to work closely with the Swiss Canton of Valais, the municipalities and other relevant parties to resolve this industrial legacy. Progress and updates on our remediation activities are published on a dedicated [webpage](#).

Decommissioned Gamsenried Landfill

The Gamsenried landfill site in Gamsen (CH) is owned and managed by Lonza and consists of a decommissioned waste disposal area and a new and fully permitted disposal location for the disposal of waste incineration slag from Lonza’s Visp site and the regional waste incineration plant. The decommissioned section was primarily used between 1918 and 1978 for the landfilling of lime hydrate and gypsum sludge. Following the discovery of high pollutant values in the groundwater downstream of the decommissioned site, the current management activities include detailed groundwater monitoring and a pump-and-treat approach to polluted groundwater at the edge of the landfill.

Detailed investigations identified the section of the landfill that could pose the greatest risk to the groundwater, and related financial provisions for a first remediation phase were made in 2021. To minimize risks to the groundwater during the remediation, and to improve the containment of the old landfill, an extended hydraulic barrier is proposed for installation in the coming years. Detailed hydrogeological investigations showed that a slurry wall is best suited for this purpose. Provided that the necessary permit is granted, construction work for the slurry wall is planned to commence in 2025. Information and updates on our activities relating to the old Gamsenried landfill are published on a dedicated [webpage](#).



Social Information

Our activities, policies and practices serve our purpose to provide goods and services to our customers, which support them in developing and delivering therapies and medicines to patients.

We take a systematic approach to supporting and empowering our employees and the communities in which we operate. Our people are central to the success of our business and we offer many opportunities for them to improve skills, build experience and grow their careers. We provide safe workplaces, care for wellbeing and encourage colleagues to be involved in creating a positive and inclusive working environment and culture.

When it comes to financial donations, we focus our support on charitable and educational institutions that align with our priority SDGs. We engage in a range of initiatives to deliver benefits to our stakeholders, including the local communities in which our employees and their families live. By cultivating relationships and engaging with people in our communities, we strive to create sustainable value at a local level across our network.

Health and Safety

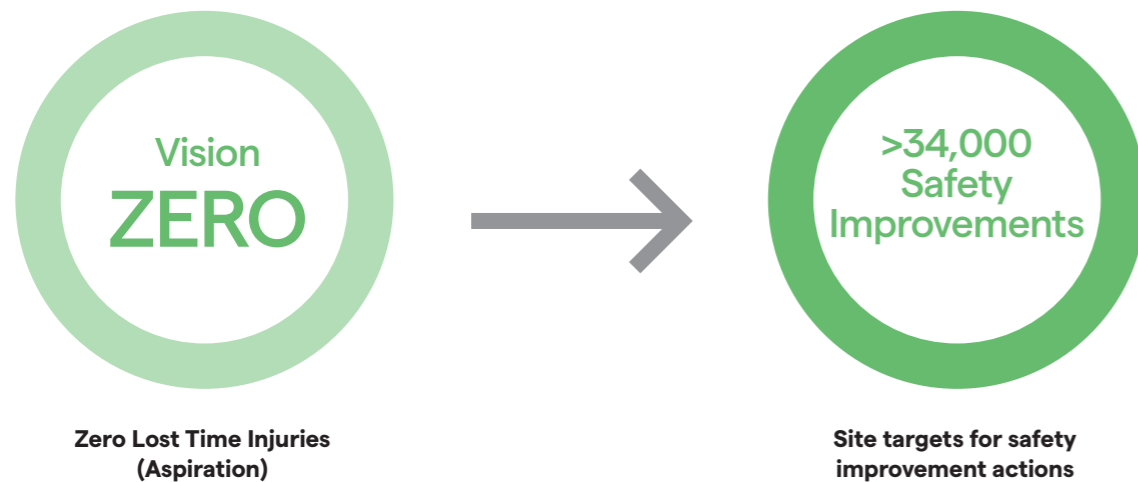
We continue to advance comprehensive occupational injury and illness prevention programs. High occupational health and safety standards assure the wellbeing of our people, our customers and others who attend our sites.

➤ The Environmental Health and Safety (EHS) function is organized at group level with EHS business partners representing every division, and site EHS functions reporting to site management. Relevant metrics and data are reported regularly to the EC and the Board. The EHS groups continually monitor regulations, industry standards and other best practices to meet our obligations and aim for compliance through regular internal and external audits. ⬅

We work diligently to eliminate health and safety hazards and incidents, including those that result in injuries and illnesses through rigorous root cause analysis. Our "Vision Zero" ambition specifically aims to eliminate adverse events such as workplace accidents, environmental and process incidents. This focus has led to a considerable reduction in safety incidents. Ultimately, we strive for an injury-free workplace where all incidents are preventable.

➤ We have a safety and wellbeing engagement program for corrective actions (CAPAs) which are generated by colleagues in our facilities. This program drives the identification and closure of safety and workplace-related observations and improvements across our sites. ⬅ The program has moved the focus from injury-based metrics to the leading indicator driving employee behavior and involvement. The program resulted in more than 34,000 identified, documented and closed improvements in 2024, largely detected and corrected by our manufacturing workforce.

Safety Target



At our Visp (CH) site, we are testing a safety system to help manage incidents whereby employees and contractors can use mobile devices to report unsafe conditions, behaviors or deviations. This system allows the integration of construction plans and can directly visualize the precise location (in 3D) of the hazardous situation. The person identifying the problem can add photos and directly notify contractors, project managers and the EHS team. Once corrective actions are addressed, corresponding images can be added to the case, showing the corrected situation.

➤ Labor practices and safe working conditions are defined in standards, the implementation of which is the responsibility of site management reporting to the respective Division Head of Operations. Each site has an EHS manager responsible for the occupational safety process, target setting and ensuring the site meets local targets. Every employee contributes by identifying risks and unsafe conditions and correcting them through the safety CAPA program and engaging for safety in the work environment.

While our Safety and Sustainability Policy defines high-level principles, our corporate EHS management system – applicable for all our sites – is fully aligned to ISO 45001 requirements, describes the essential elements. Examples include planning, compliance, training, incident investigation, performance reporting, emergency preparedness, inspections and audits, and management review. ⬅



Our Singapore (SG) site launched a Safe Ambassador program in which motivated employees were nominated as safety advocates and champions who can engage and coach their peers to improve EHS aspects in their individual areas of work. In 2024 the site also organized and launched a Safety & Wellness Day, which included the presence of the Swiss Ambassador to Singapore and the Singapore Civil Defense Force showcasing firefighting techniques and equipment.

Corporate standards establish additional requirements for managing specific EHS hazards or topics. Topics include chemical safety, process safety, waste and wastewater management, contractor management, site security and business continuity planning, and critical safe working standards (such as confined space entry, personal protective equipment and fall protection).

➤ Local EHS standards address both our corporate EHS expectations and local requirements. The standards guide actions and clarify specific roles and responsibilities. Some sites are certified according to the occupational safety standard ISO 45001.

We regularly audit sites and locations – on average every three years – for compliance with rules and regulations, technical integrity and effective management systems. We actively monitor performance in occupational health and safety and distribute a monthly analysis report to employees. These reports and subsequent activities are carefully tracked so that approaches can be adapted accordingly. ⬅

Hazard Identification, Risk Assessment and Incident Investigation

➤ We identify work-related hazards and assess risks on a routine and non-routine basis and apply the hierarchy of controls to eliminate hazards and minimize risks. ⬅ Various tools are used to address hazards including risk assessments, job safety analysis, site inspections and process hazard reviews. Site employees are trained to use these tools, and local and global EHS leaders collaborate with each site to ensure the workplace is safe and productive.

➤ We require all injuries, illnesses and incidents involving our employees to be reported and investigated to determine their cause. A formal investigation and root cause analysis process, aligned with an internationally recognized methodology, is used for recordable injuries, as well as significant process safety incidents and environmental incidents. All employees and contractors are trained to refuse actions that they consider hazardous for themselves, their colleagues, the community or environment. ⬅ There are no reprisal for employees reporting EHS related matters. Beyond normal reporting, all employees have access to the Lonza Ethics Hotline.

Process Safety

➤ Our process safety program identifies, controls and manages risks associated with the manufacturing and handling of our products. ⬅ The program applies to all manufacturing sites, labs and warehouses. In the early stages of product development, we conduct chemical and thermal testing of our intermediate materials and products to identify potential reactivity, fire and explosion hazards and environmental risks. Process safety professionals work with operations and engineering personnel to analyze and thoroughly evaluate our operations. Structured reviews take place at every stage from initial start-up through to the final process design. This ensures our facility, equipment, operating controls and maintenance procedures are effective in identifying, evaluating, managing and mitigating process related hazards.

High-Hazard and Non-Routine Work

➤ We have global safety standards to minimize the potential for serious incidents when conducting non-routine work, working at heights, entering confined spaces, line breaking, lockout/tagout and excavation work. ⚡ This global system is focused on creating a rigorous and safe approach to risk reduction when performing these non-routine, high-hazard work activities.

Contractor Safety

➤ We also place emphasis on contractor safety with our contractor safety program, establishing expectations for the selection of suitable contractors, assessing risk and safe working methods, providing training and supervising contractors working on Lonza sites. ⚡ We also acknowledge and encourage continued communication and engagement with contractors, promoting the sharing of safety concerns, best practice and lessons learned, to foster a culture of safety and continuous improvement.

Occupational Health Services

➤ Operating sites have processes in place to recognize, evaluate and control occupational health risks. ⚡ Where required, we have supplementary medical programs, such as a designated clinician or physician to administer medical support and evaluate occupational injuries or illnesses. We ensure confidentiality of any personal health related information for employees who participate in these programs, or use occupational health services, by safeguarding that information in compliance with applicable law. We do not utilize personal health related information received from occupational health services as a basis for favorable or unfavorable treatment of workers.

Worker Participation, Consultation, Communication and Training on Occupational Health and Safety

➤ Worker participation is essential to improve safety. Every worker plays an important role in facilitating a culture of EHS excellence where improvements, ideas, suggestions and opportunities are welcomed. In many cases, sites have a safety committee integrated into the EHS council to oversee all safety-related matters. Additionally, all sites are required to conduct frequent safety meetings or have standard agenda items in team meetings and escalate any identified safety concerns.

Colleagues and contractors receive EHS training relevant to their job roles, including measures to prevent workplace incidents and injuries. As required in our EHS Management System, each site is required to establish and maintain a safety and sustainability training matrix and plan. ⚡ This includes a listing of required training topics, training frequencies and methods, either by job title or similarly effective means. It integrates topics that reflect changes in site activities, risks and regulations.

Promotion of Worker Health

Our people are fully committed to health, safety and injury prevention, and the importance of these factors in employee engagement. Health programs are managed at site level. In 2024, we continued with our wellbeing portfolio and focused on creating more awareness about our Employee Assistance Program (EAP) and other support services with support from our leaders.

Prevention and Mitigation of Occupational Health and Safety Impacts

Even with good safety performance, we always see room for improvement. We continually monitor our operations to identify potential health risks to our employees. This includes (but is not limited to):

- Job and technical hazard assessments
- Technical improvements
- Training and education
- Substance exposure monitoring for chemicals, according to the limit values set by the Corporate Toxicology group

Our products primarily support the healthcare industry. In addition to the required safety information, these products and their raw materials undergo extensive testing, registration requirements and instructions for use so that they can be used safely by customers and their patients. Supplier contracts include specific occupational health and safety criteria.

i. Work-Related Injuries

➤ At Lonza, slips, trips and falls are leading causes of injuries. To improve our lost-time and recordable injury and illness rates, we launched a program focused on the proactive identification and prevention of risks associated with slips, trips and falls. ⚡ This program, deployed across our manufacturing sites in 2023 and 2024, aims to help identify hazards and events so that preventative action can be taken and the learnings shared across our global network to drive continuous improvement in injury prevention. In 2024, we saw a reduction of more than 45% in slips and falls records, compared to 2023.

➤ Over the course of 2024, the Recordable Work-related Injury Rate³⁰ was 0.52, roughly flat against previous year. However, a larger portion resulted in lost time, and we recorded a Lost Time Injury³¹ Frequency Rate of 0.79, an increase compared to last year's rate. ⚡ All incidents are analyzed to identify the most probable causes and corrective actions. The depth and detail of each investigation, the investigation method and the level of participation by local management, employees and other functions, are commensurate with the nature and scale of the incident and its impact. Industry comparison shows that our safety management system is effective and incident rates are similar to those of peer companies.

For all Lonza sites at the year	2022	2023	2024
Lost Time Injury Frequency Rate ³² Per 1,000,000 worked hours	0.52	0.54	0.79
Recordable Work-related Injury Rate Per 200,000 worked hours	0.50	0.48	0.52
Recordable Work-related Injuries	96	95	101
Lost-Time Work-Related Injuries ³³	20	21	31
Fatalities	0	0	0
Days Lost to Work-Related Injuries	n.a.	n.a.	743
Number of Hours Worked (million)	38	39	39

The majority of injuries recorded and analyzed in 2024 resulted from slips, trips, falls, chemical contact, material handling, and sprains and strains, which are common types of injuries in our industry. There were no incidents or injuries resulting from commuting transport organized by the company.

Lost time injury frequency rates are calculated based on one million hours worked. Data on incidents and work hours represents the employed workforce, agency workforce and directly supervised contingent workers in regular manufacturing processes.³⁴

³⁰ Recordable Incident: follows OSHA methodology.
³¹ Lost Time Injury: injury or illness involving one or more days away from work.
³² Injury rates are subject to change over time as new cases are added, and case classifications change in accordance with applicable requirements.
³³ From these lost-time work-related injuries, none were of high-consequence.
³⁴ Data includes Vacaville (US) site as of October 2024.

Training and Development

➤ Our global People Strategy is based on four pillars: **Come, Stay, Grow** and **Make a Meaningful Difference**. ⚡ To help understand these pillars, we monitor and analyze data points related to recruitment, retention and turnover at different levels.

➤ As a foundation to our ways of working, we provide employees with compliance and job-related training via a company-wide learning management system. Training topics include systems, processes and Good Manufacturing Practice (GMP) to support efficient operations and ensure the delivery of safe and effective products. ⚡

"Connecting education with inclusion, we have created customized learning paths for people managers to enable meaningful conversations about career development, alongside a leadership toolbox to support gender engagement, inclusion and belonging at work."



Nicoleta Baumgärtner,
Chief Human Resources Officer (CHRO)

In addition, ➤ we launched Learn@Lonza globally in 2024, ⚡ marking a breakthrough in our investment in and commitment to the professional and personal growth of our people. ➤ Learn@Lonza provides every employee access to a voluntary, customized learning experience that caters to diverse learning styles and needs. ⚡ Employees have easy access to the resources necessary for skill enhancement and continuous growth. An engagement score of more than 19% was achieved in the first year of launch, well above the industry average score (15.2%). A total of 12,227 training hours were completed on the platform between March and December 2024.

Lonza Global People Strategy



The new learning experience platform included the launch of “The Lonza Manager Learning Path” designed to empower managers through targeted microlearning courses that fit seamlessly into daily schedules, allowing People Leaders to learn at their own pace without disrupting their daily commitments. Whether they are a seasoned manager seeking to refine their strategies or an aspiring leader looking to build foundational skills, this digital learning path caters to diverse learning needs.

Digital learning efforts are supported by an instructor-led training deployment of the Leadership Advantage workshop for managers, building on our core leadership values of Care, Communicate, Coach. This has been implemented in our Biologics division, and other areas of the business will follow next year.

i. Actions and Ongoing Initiatives

Our focus in 2024 remained on supporting employee growth with the following key initiatives:

- In support of the “Employee Development Journey” efforts, we completely revamped our digital learning strategy by investing in a new innovative learning experience platform with high end learning content
- To support digital agility, we provided training on improving skills in the Microsoft Office 365 Suite, Windows and other important office software tools
- Continued integration of our Lonza Leadership Framework into our organization and people processes through Leadership Advantage workshops
- To develop our top talent, we continued the Accelerated Management Development Program (AMDP) and implemented a new talent program, the Site Leadership Development Center (SLDC)
- Continued employee access to professional coaching and mentoring
- In support of SDG 4 (Quality Education) and SDG 5 (Gender Equality) we continued to train hiring managers on the importance of removing any gender-related obstacles that may inhibit the success of candidates and colleagues. We shared best practice and learnings internally through site ambassadors in our sites and initiatives to support colleagues at all levels (e.g. via employee resource groups). Finally, we regularly trained employees in relation to inclusion topics such as unconscious bias, to ensure that each person is assessed fairly based on merit

Moreover, we invest in our employees and managers with a range of programs to encourage continuous improvement. More than 50% of employees have completed White Belt level training as part of our Lean operating principles training program, with hundreds of employees taking their Lean training further to achieve Yellow, Green and Black Belts. This has resulted in significant cost per unit savings and cost avoidance at all our sites, while simultaneously supporting individual talent development. In addition, more than 1,500 employees across the business took part in the Personal Productivity Program, a self-development program that looks at all aspects of personal performance to make it more productive and meaningful. In 2024, managers at our Slough (UK), Colmar (FR), Houston (US) and Visp (CH) sites attended Leadership Development programs aiming to improve our business and the employee experience.

ii. Metrics and Targets

To foster a culture of learning, functional career paths and capability guides have been developed. These initiatives empower employees with clear advancement pathways and targeted skill-building, creating a motivated, skilled workforce aligned with business goals. For example, the deployment of the Employee Development Journey, a program to enable employees to take charge of their career. A set of tools, including mentoring, conversation and development planning guides were repeatedly provided to managers and employees. As a result of the campaign we have seen an increased record of employee individual development plans from 38% in July 2023 to 64% at the end of the year 2024.

Over the course of 2024, we invested time in assessing and evolving our talent and succession pipelines. This resulted in an increased internal fill rate (positions we were able to fill with internal candidates) to 43.5% (from 39.2% in 2023). Our internal promotion rate (percentage of employees moving to a higher position within Lonza) had a slight decrease to 16.2% (versus 18.6% in 2023). Both figures trend in line with our industry peers and we strive to continuously improve.

	2022	2023	2024
Internal Promotion Rate	21.0%	18.6%	16.2%
Internal Position Fill Rate	29.8%	39.2%	43.5%
Total Turnover	12.8%	10.5%	12.0%

Under the SDG 4 (Quality Education) workstream, we have measurable targets directly linked to our company remuneration program. Further details about ESG target achievement are included in the [Remuneration](#) section of the Annual Report.

Other Social Topics

i. Employee Wellbeing

Lonza’s compensation philosophy sets a strong foundation for sustainable reward and wellbeing programs.

- Our performance management program supports sustainable performance management practices as employees are required to set one behavioral goal and one business goal aligned to our strategic priorities and company values. ➡ The performance review process links to our short-term bonus plan, rewarding employees for their efforts and contributions as well as reflecting overall business performance. Business performance comprises both financial and ESG targets. Further details about the Lonza compensation are included in the [Remuneration](#) section of the Annual Report.

- Our wellbeing programs are regularly benchmarked to ensure competitiveness within the industry and reviewed in line with feedback from our people surveys. ➡ In 2024, key initiatives included:

- The expansion of our employee share purchase plan to additional locations, making a total of 93% of all Lonza employees eligible to join the program. In 2024, 23% of all employees were enrolled in the share purchase plan. It allows employees to buy Lonza shares at a discounted price and receive a free share for each share purchased, after a three-year blocking period
- The continued inclusion of mid-level employees in the Lonza Restricted Share Units Plan in key markets. This plan allows employees to be nominated to receive restricted stock on a three-year holding period basis
- The continuation of our Global Hybrid Work Policy, which allows flexibility for eligible employees to work remotely up to two days per week on a regular basis. Eligible employees were also empowered to “Work from Anywhere” in an international location for up to 28 days in each 12-month period. In 2024, 1,212 colleagues benefited from our “Work from Anywhere” initiative
- In addition to income protection and disability benefits, we offer a wide range of healthcare, wellness, sports and fitness, and illness prevention programs. These benefits are in line with market standards and complementary to country social security provisions. To ensure our employees have financial stability during challenging times, we routinely evaluate these benefits in comparison to benchmarks and changes in legislation
- We have expanded our benefits and wellbeing portfolio to support a positive working environment and promote work-life balance:
 - o Launching sustainable mobility initiatives, such as electric vehicle schemes and cycle-to-work programs in countries such as Belgium and the Netherlands

- o In response to increasing premiums and employee feedback, we have implemented alternative health benefits, such as menopause support, cancer screenings, dental care, personal accident coverage and critical illness protection in some markets
- o As a raising awareness of our Employee Assistance Program (EAP) and other support services, the use of EAP has increased by over 12%, compared to 2023. We have also begun to offer financial wellbeing events to assist employees
- o To further increase engagement, customized webinars have been developed to support regional wellbeing efforts, alongside targeted communication for particular employee groups and regions
- o We have expanded maternity and paternity leave in Switzerland, introduced menopause and sabbatical policies in the UK and raised parental leave in the US and other locations
- o We are also looking into other solutions, such as creating more part-time jobs and implementing a flexible working scheme that would enable employees to achieve greater work-life balance

In order to create positive working conditions, Lonza is committed to ethical labor practices including appropriate working hours in line with local legislation. In keeping with our commitment to the financial security of our employees we offer:

- Compensation for atypical working hours, also in line with local legislation, including benefits such as additional annual leave, shift allowances, overtime pay, standby and on-call allowances as well as one-off recognition bonuses for exceptional performance and contributions on special projects
- Severance and redundancy plans in line with market practice

Our cross-functional and cross-regional online recognition program, BRAVO, aims to enable a positive and self-reinforcing working environment. Using this platform, more than 57,000 individual “thank you” messages and rewards were shared across the business over the course of 2024. We foster a positive, cooperative approach to labor relations and the workplace environment through:

- Legal compliance: we ensure full compliance with national and international labor laws
- Facilitating union formation and participation: we allow our employees to form or join unions and engage in collective bargaining without interference, discrimination, or retaliation from management
- Promoting social dialogue: we engage in open and constructive dialogue with employees and their representatives, including unions, to address concerns, improve working conditions and resolve conflicts collaboratively
- Creating transparent communication channels: we have established clear, formal mechanisms for employees to raise issues and participate in discussions about workplace conditions and policies, promoting a culture of mutual respect and cooperation

- Respecting collective bargaining agreements: we honor all terms and conditions agreed upon during collective bargaining to ensure that the company meets its commitments to labor contracts and agreements

To monitor the impact of the programs supporting our People Strategy and to better understand employee perceptions and feelings, we conducted our global Voice of Employee (VoE) survey through an independent external supplier in 2024.

The survey outcomes were reviewed at a company, division, site and team level. Areas of opportunity were identified at a manager level, to allow them to understand and act on general and specific team needs. Our people leaders have been given support to develop improvement programs to address specific challenges in their teams.

In 2024, the survey indicated improvement in the combined index for the employee development area (growth and career drivers), with a score of 68 for the statement “I have the opportunity to learn and grow” and the same score, 68, in regards to whether their managers have meaningful conversations on career development. The overall Employee Engagement Index is calculated from the scoring of the question: “How happy are you working at Lonza?” and the statement “I would recommend Lonza as a great place to work”. The Engagement Index has remained more or less stable, and the response rate steadily increased then stabilized in the latest survey.

Voice of Employee survey	2022	2023	2024
Response Rate	78%	81%	81%
Employee Engagement Index	71	70	71

The 2024 survey continued to gauge Employee Engagement and also introduced new questions and indexes inspired by previous employee feedback from the surveys. These additions hone in on critical areas such as leadership, culture, growth and managerial effectiveness.

ii. Diversity and Equal Opportunity

We understand that an inclusive workforce is an ethical and cultural imperative, as well as a commercial and competitive advantage. Our people are the cornerstone of our success, and we value inclusion as a source of strength. We work to create an inclusive environment and are committed to non-discriminatory working practices. As stated in our Code of Conduct (CoC), we do not tolerate any form of discrimination, harassment or bullying on the basis of ethnicity, national origin, color, religion, marital status, sexual orientation, gender identity or gender expression, creed, age, sex, disability, veteran status or any similar characteristic in the workplace and throughout our supply chain, including our business partners.



In 2024, we improved our background check process. While critical for hiring managers to ensure compliance, improved decision making and cultural fit, this also is a key process for candidates. We view this as a means to foster trust by demonstrating – through an efficient process – that we are committed to our values, we

provide fair opportunity and we support a safe and secure work environment.

The provision of pay equity is the foundation of our global reward policies and practices. Lonza is committed to ensuring compliance with pay transparency and pay equity laws across Europe, the UK, Switzerland and the US (including Equal Pay reporting under the Art 13a of the Swiss Federal Act on Gender Equality and the UK Gender Pay Reporting requirements). In line with local regulations, we regularly review and adjust our compensation structures to promote fairness and eliminate any unjustified pay gaps, ensuring that employees performing similar roles with comparable experience are compensated equitably. We have comprehensive reporting mechanisms to meet legal requirements, including gender pay gap disclosures and salary audits. Through these measures, we uphold our dedication to inclusion and fairness in the workplace. Total Reward Education, including bias-free pay decision-making is also a foundational pillar to support Lonza’s Pay Transparency and Pay Equity agenda.

Our Inclusion, Diversity and Belonging (IDB) initiative promotes inclusion across backgrounds, characteristics, preferences, beliefs and perspectives with the goal of ensuring Lonza colleagues feel a sense of belonging. Lonza’s IDB initiative supports our ambition to make a meaningful difference by celebrating the difference we make together. Composed of volunteers across functions, divisions and sites, the IDB Council works to devise and manage inclusion-based programs and share knowledge, insights and experiences across our network. We have a global community of colleagues who volunteer as site ambassadors supported by a cross-functional steering committee to represent for IDB at the EC and Board level. In 2024, the IDB Council continued to support local employee resource groups across our sites. The employee resource groups are open to all employees. Local initiatives brought focus on neurodiversity awareness, understanding menopause and celebrating Pride Month with education on allyship.

The global RiseUp@Lonza program, an employee resource group dedicated to bring together colleagues to build relationships, gain confidence and be inspired with the common goal of removing barriers to ensure that no person is disadvantaged because of gender, was financially and logistically supported by Lonza in 2024. The business sponsored the platform for the RiseUp mentoring program and encouraged all colleagues to join global events of the initiative. In 2024 the program held empowering events such as “Inspiring Inclusion in Celebration of International Women’s Day”, bringing together internal and external allies to share insights on leadership and building inclusive teams. RiseUp@Lonza also supported the UN International Day of the Girl Child with the event “Empowering Female Voices: Leading the Future”. Membership in RiseUp@Lonza is open to everyone.

	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
New Hires	40%	59%	40%	59%	40%	59%
Employees	36%	64%	37%	63%	37%	63%
Management ³⁵	28%	72%	29%	71%	30%	70%
Executive Committee Members	25%	75%	17%	83%	25%	75%
Board Members	38%	63%	38%	63%	38%	63%

We also made progress on the roadmap of SDG 5 (Gender Equality), demonstrating our commitment to ensure nondiscrimination and equal opportunity for all employees, regardless of gender. We have initiatives to build a strong pipeline of male and female leaders. In support of our global initiative in 2024, Lonza joined Advance Switzerland, a network of companies in Switzerland committed to increasing the proportion of women in management. Details on our targets are included in the Annual Report.

³⁵ Reflects employees at director level and above.
³⁶ 0.3% of non-managers have identified as transgender or chose not to disclose in 2024.

Lonza Diversity 2024

	Board		EC		Managers		Non-managers ³⁶	
	Female	Male	Female	Male	Female	Male	Female	Male
	38%	63%	25%	75%	34%	66%	37%	62%
Age structure								
Under 30	0	0	0	0	4%	3%	24%	18%
30 – 50	0	0	0	17%	73%	64%	60%	60%
Over 50	100%	100%	100%	83%	23%	33%	16%	22%

We support the Swiss Cancer Foundation (SCF), which brings businesses and individuals together in the fight against cancer. The SCF aids institutions and organizations such as Krebsliga Schweiz and Stiftung Krebsforschung Schweiz by supporting innovative research, prevention and treatment projects to improve the life and health of cancer patients. Since 2019, we have contributed to SCF projects including the development of a centralized digital platform to provide crucial information in the diagnosis and treatment of patients and a research project exploring new treatment options with immunotherapy. We are committed to continue our support of SCF to help bring innovative solutions to patients in need.

In 2024, we supported Schweizer Jugend forscht (Swiss Youth in Science). This non-profit organization connects coaches with young people passionate about research to drive the development of scientific research in a wide variety of areas. This program supports the education of young people on their journey to becoming the next generation of scientific innovators.

Supporting Mothers in STEMM Careers Donation

We work to ensure no one is disadvantaged because of gender in the workplace. In alignment with this aim, we contribute to the work of Mothers in Science (MiS), an international non-profit organization providing research and support for mothers working in science, technology, engineering, math and medicine (STEMM) careers. MiS raises awareness of career obstacles faced by mothers working in STEMM fields and advocates for workplace equality and inclusion, providing resources for industry, academia and individuals. Our support continues to fund global research that addresses these challenges. It also supports the development of webinars and the expansion of its mentorship program, whereby mothers new to STEMM fields can be paired with volunteer mentors who have navigated the balance of motherhood and a career.

Lake and Wetland Protection for Biodiversity and Climate Network Donation

In 2024, we donated to the Global Nature Fund (GNF), a not-for-profit organization for the protection of the environment and nature. The donation was used to finance GNF's Living Lakes program, a biodiversity and climate network which aims to protect more than a hundred lakes and wetland areas worldwide. Emphasis is placed on community development and upskilling, as well as biodiversity and climate positive wetland management.

The Living Lakes program has supported the development of a co-operative network of local organizations active in lake and wetland protection and restoration. They are united in the aim to protect and restore aquatic ecosystems from impacts including farming, fisheries and tourism using nature-based techniques. Learnings and results are shared at a regional, national, and global level to improve the implementation of lake protection legislation and management plans.

Volunteering Highlights

Health and Wellness Initiatives

Our commitment to promoting health and wellbeing spans a range of initiatives, including blood donation drives, fundraising efforts and cancer support.

Our Tampa (US) site hosted a blood drive with OneBlood, collecting enough blood to save 54 lives. Similarly, colleagues at the Porriño (ES) site contributed to the Galician Agency for Blood Donation, enhancing our longstanding global commitment to blood donation campaigns. In collaboration with the Spanish Association Against Cancer, our Porriño team also raised over CHF 5,000 to aid cancer research, patient care and survival efforts.

In Portsmouth (US), our team raised over \$10,000 for the National Organization for Rare Disorders by hosting a fundraising dinner and engaging in the Boston Marathon. This effort helped raise awareness for rare diseases and strengthened community bonds.

Our Rockland (US) site supported the Rotary Club's initiative to create an all-inclusive playground, raising \$2,300 to fund a safe and accessible play area for children of all abilities.



Community Empowerment and Hunger Relief

Several Lonza sites partnered with local organizations in 2024 to alleviate hunger and provide support to underserved populations.

In Rockland (US), colleagues initiated "The Giving Garden," a project aimed at providing fresh produce to residents through a food bank.

Our Walkersville (US) site's "Blessings in a Backpack" initiative provided weekend meals to school-aged children who might otherwise go hungry, while volunteers prepared over 750 food bags with personalized messages of encouragement. Teams at the site also collaborated with Habitat for Humanity to support home construction for families, provided support for the Boys & Girls Club, and helped at the YMCA camp with landscaping and cleanup.



Environmental and Nature Initiatives

Lonza's dedication to environmental responsibility is reflected in various initiatives across sites.

Our Visp (CH) site organized a "Hike & Cleanup" day in 2024 with more than 200 volunteers maintaining hiking trails and preserving the natural landscape.

Meanwhile, Lonza colleagues and their families in Porriño (ES) took part in restoring the Couso River, joining local organizations for a river cleanup event. Additionally in collaboration with Sanitas Medical Insurance, the site introduced the "Healthy Cities" challenge, where employees' step count translated into tree planting efforts, promoting both personal wellness and climate action.



Governance Information

Every day, our products and services have a positive impact on people's lives. As much as this is a great privilege, it is also a great responsibility. Responsible business is both an ethical and a business imperative for Lonza. This includes our responsibilities across ESG areas. We are committed to ethical business practices and sustainability in how we work. Every employee is trained regularly to fully understand and uphold these principles.

Our respect for human rights is evident in all we do. We take an active approach to provide value to stakeholders, our partnerships and our community involvement initiatives, generating sustainable value for society. We are contributing to communities, employees, customers, shareholders and suppliers. Inclusion and integrity are high values, and abidance is monitored on our premises and supply chain through assessments, surveys, data analytics and evaluations.

Ethics and Compliance and Transparency

➤ The importance of conducting business in an ethical and compliant manner is a ground rule of all our interactions and is anchored in our Code of Conduct (CoC). The key pillars of our Ethics and Compliance program are as follows: ◀

i. Ethics and Compliance Program Our Culture of Integrity

Our activities are guided by our dedication to integrity and ethical conduct. This means setting the right priorities and delivering our commitments while adhering to our values and to the standards outlined in our CoC. Our ethical culture is evident in:

- Setting a clear tone from the top, with our leadership serving as role models for ethical business conduct
- Incorporating integrity in all we do
- Holding ourselves personally accountable to high, ethical standards
- Fostering an environment focused on performance with integrity and accountability
- Speaking up to build an open and responsible workplace culture

Ethics and Compliance Program





Our successful efforts in this area were recognized by Ethisphere, a global leader in defining and advancing the standards of ethical business practices. For the third time, we were honored as one of the 2024 World's Most Ethical Companies®.

Lonza is one of just two companies headquartered in Switzerland included in the 2024 ranking and one of four companies named within the pharmaceuticals designation of the Ethisphere ranking.

Our Ethics and Compliance program follows a risk-based approach, increasingly utilizing data analytics to anticipate areas of risk and adapt our program accordingly. The Board has full oversight of the Ethics and Compliance Group at Lonza. The ACC oversees the Ethics and Compliance program, including reporting and investigations of allegations of wrongdoing.

Risk Assessment, Awareness and Mitigation

Our Ethics and Compliance program assesses risk in several ways. In addition to evaluating compliance risks as part of our ERM process, we conduct more focused risk assessments by monitoring and evaluating the Ethics and Compliance Hotline and Disclosure system (the "Hotline"), by evaluating training and other operational controls data, through our third-party screening and due diligence program and by conducting program benchmarking exercises. We periodically conduct additional risk assessments to identify risks across business areas and geographies. The findings of these risk assessments drive program improvements, including the implementation of new policies and procedures and increased training or guidance. Where greater risks are identified, controls and mitigation plans are developed and implemented as appropriate.

Globally, we conduct cross-functional due diligence and risk assessment processes for all third parties we work with. This includes real-time screening against sanctions, restricted and denied party lists, including sanctions for corruption, trade, human rights, environmental and other topics for all suppliers, agents and customers. Suppliers are also screened for adverse media coverage, against watchlists, and for government ownership.

Based on the results of the screening and risk assessments, we may request third parties to make additional disclosures or implement additional controls, including training and contractual provisions. In some cases, we may prohibit suppliers from conducting business with Lonza based on the results of the risk assessment.

All third parties are blocked from all transactions in our enterprise resource planning (ERP) system until they have been screened against sanctions and restricted and denied parties lists, and all new vendors are blocked from all transactions in our ERP system until satisfactory conclusion of our due diligence process and risk assessment. The above-mentioned third-party diligence processes are managed via integrated systems. For more details on overall supply chain due diligence, please see the Supply Chain Responsibility section.

In 2024, as part of our efforts to continuously improve our program, we enhanced our supplier screening process to better align with a risk-based approach and regulatory expectations. The improved process allows for more focus on higher-risk supplier conduct, including bribery, corruption, human rights violations and financial crimes, more detailed due diligence in these areas of concern and increased internal oversight and mitigation measures. In 2024, 0.41% of direct, new suppliers (or direct suppliers who were newly created in SAP) were considered high risk for ABAC concerns.

We also conduct risk assessments when investigating an internal or external report of wrongdoing, such as violations of policy or law. This may include a review of transactions and other factors related to the allegation.

In 2024, a high level company-wide ABAC risk assessment was concluded considering bribery and corruption risk and evaluating the robustness of our global compliance program. We evaluated the global compliance program, which covers all (100%) Lonza sites and operations. Additionally, we considered site-specific information from 27 production sites (comprising 80% of our 34 production sites as of December 2023). It was conducted internally utilizing internal and external resources and following the UNGC process guidance for assessing corruption risk.

While the risk assessment did not identify significant concerns, opportunities for program improvement include increasing awareness and utilization of our conflicts of interest disclosure system and the Hotline in jurisdictions where the number of reports is lower than our internal per capita average. To mitigate these concerns, in 2025, we will undertake a training and communication campaign to increase awareness of internal disclosure requirements and systems, operational controls and reporting mechanisms.

In 2024, we thoroughly investigated several allegations of corruption. Of the investigations concluded in 2024, two were leading to remedial actions. The first involved embezzlement of company inventory (personal protective equipment) in violation of law and internal policies and the second involved the failure to disclose a conflict of interest and receipt of kickbacks from a vendor in violation of internal policies. In each case the remedial actions included termination of the subjects' employment, review and improvement of internal processes and controls, and the provision of additional training for the affected site or functional team.

Our compliance program also serves to identify and mitigate risks associated with human rights violations, including risks related to child and forced labor. We begin with standardized hiring practices by country to ensure employees are suitable for work. We utilize our ERM program, which assesses the most significant risks to our organization that impact value to our stakeholders, along with mitigation plans to minimize the probability and/or impact. Our Hotline allows colleagues and third parties to report suspected wrongdoing related to any topic, including child labor.

This year, we also completed a high level human rights impact assessment throughout our operations, following UNGC guidance. While no material risks were identified within our own operations, opportunities for improvement were identified to increase awareness of applicable policies and procedures, including regarding internal reporting of any suspected violations of policy or law to the Hotline.

In 2024, no allegations of severe human rights impacts, including forced labor, human trafficking or child labor, within our own workforce were alleged. We received and investigated an internal report of suspected child labor employed by a Lonza supplier, but found no violation of law. This investigation found violations of our internal policies and contractual requirements and resulted in termination of the supplier. No public legal cases regarding severe human rights impacts were brought against the company.

ii. Policies

Our CoC provides behavioral guidance and expectations to help all colleagues understand that doing what is right everyday matters. Expanding on the requirements of our CoC, we have a number of stand-alone policies to provide additional guidance on key topics.

Our Anti-Bribery and Anti-Corruption Policy, alongside additional policies and procedures that provide further information and controls, ensure colleagues understand and comply with ABAC expectations. These include our Business Gift Policy, Global Business Expense and Travel Policy, our Philanthropic Sponsorship and Donation Policy and various procurement and financial accounting policies and procedures.

Our Human Rights Principles reinforce Lonza's commitment to respect all internationally recognized human rights that are relevant to our operations. These principles reflect our support of the UNGC principles, the International Labor Organization (ILO), and the Organization for Economic Cooperation and Development's Guidance (OECD) for Responsible Business. We have additional policies and procedures that provide further information and controls to ensure respect for all internationally recognized human rights, including our Safety and Sustainability Policy. Together, this framework ensures awareness of Lonza's respect for human rights, including our commitment to a safe workplace, the wellbeing of our colleagues, prohibition of child and forced labor, quality education for our current and future colleagues, a diverse and inclusive workforce, freedom of association and right to collective bargaining and equal pay for equal work, among others.

In addition, the Supplier Code of Conduct sets forth our expectations of suppliers with respect to corruption and bribery, human rights, and other topics (please see more information in the Supply Chain Responsibility section).

Our policies are supplemented with practical tips and frequently asked questions, to ensure colleagues understand how to abide by them in their daily work. All of our policies are available on our global document management system (DMS) and through various links on our intranet, including on our Ethics and Compliance Portal. All ethics and compliance policies are available in multiple languages.

iii. Training and Communication

Training and communications are planned with a focus on the audience, topic and modality. Our training and communication plan is developed based on emerging risks, changes in regulatory environments and stakeholder expectations. The training schedule is flexible, allowing for quick adaptation to any changes in the risk environment and ensuring that additional topics that warrant training during the course of a year can be delivered quickly to relevant teams. Some training programs are provided annually.

All employees and certain contingent workers are required to complete CoC training annually, up to and including our EC and our Board. The training includes a confirmation that they have read and understand the CoC, as well as a signed integrity pledge. We target our web-based training for ethics and compliance courses at 100% completion. Where there is limited access to a computer for training, we ensure that colleagues and contract workers receive live training. In 2024, in addition to the annual CoC training (which includes modules on Anti-Corruption, Conflicts of Interest, Fair Dealing, Reporting and Non-Retaliation, Workplace Harassment and Human Rights), we provided additional global, computer-based training on the following topics: Ensuring Data Privacy, Anti-Bribery and Anti-Corruption, and Preventing Workplace Harassment.

We also provided additional training to colleagues based on their roles and responsibilities, including Good Documentation Practices and Inclusive Leadership: Understanding Unconscious Bias. Additional business conduct training is provided as part of our Responsible Sourcing program (see Supply Chain Responsibility section).

All of our global trainings are accompanied by a message from senior leadership, expressing the importance of working with integrity as it relates to the particular subject of the training. Our internal communications plan further reinforces the training topics by demonstrating our commitment from senior leadership. It also includes examples of acting with integrity and speaking up through employee spotlights, and it provides resources and tools to managers for use in their day-to-day tasks.



2024	
EC and Board members to whom the Code of Conduct and related policies are communicated	16 / 100%
Employees to whom the Code of Conduct and related policies are communicated	19,369 ³⁷ / 100%
Active suppliers to whom anti-corruption policies and procedures are communicated ³⁸	14,032 / 100%
EC and Board members who have received training on the Code of Conduct ³⁹	16 / 100%
Employees who have completed 2024 Code of Conduct training ⁴⁰	18,119 ⁴¹ / 96% ⁴²
<i>Code of Conduct Training completion rates by region (all employees excluding EC)</i>	
Americas	96%
APAC	98%
EMEA	95%
<i>Code of Conduct Training completion rates by employee type (all employees excluding EC)</i>	
Managers	97%
Non-managers	95%



iv. Reporting and Investigations

We encourage colleagues and third parties globally to anonymously (if allowed by their jurisdiction) report good faith allegations of wrongdoing, including those related to ethics and compliance and ESG matters for our own operations and supply chain, including allegations of violations of our ABAC and human rights policies, procedures and applicable laws and regulations. The Hotline also serves as our disclosure system for conflicts of interest, business gifts and hospitality, if above certain thresholds, where colleagues can make required

disclosures in accordance with our policies. All allegations of wrongdoing and disclosures of conflicts, business gifts and hospitality are received, evaluated and addressed by the Ethics and Compliance Group.

Our internal investigations are thorough and objective. Investigations are led by members of the Ethics and Compliance Group. They may be supported by internal or external subject matter experts and Human Resources colleagues as appropriate, in each case with investigators who are separate from the chain of management involved in the matter.

On average, around three in ten reports are partially or fully substantiated. The Ethics and Compliance Group performs root cause analyses and recommends remediation actions for all substantiated allegations of wrongdoing. These remedial actions are then tracked to ensure implementation by the appropriate stakeholders. Those found responsible for wrongdoing face disciplinary action, which may include termination of employment or the contractual relationship with Lonza.

Lonza Ethics and Compliance Hotline



	2022	2023	2024
Number of reports per 1,000 employees ⁴³	11.3	14.3	14.4
% of reports which are only inquiries	28%	18%	18%
Substantiation rate ⁴⁴	36%	30% ⁴⁵	28%
Anonymity rate	21%	36%	35%



The Ethics and Compliance Group regularly conducts assessments of Hotline submissions for trending, benchmarking and risk assessment purposes. Data generated from these assessments are used to guide compliance program improvements, as mentioned above, and to measure the effectiveness of existing training, policies or procedures. A wide range of case submissions indicates an awareness and comfort in speaking up across all aspects of the business.

Each year, we benchmark our reporting data against other companies similar in size, industry, revenue and geographic location. Multiple data points (e.g., submission type, disclosure of the reporter, source of the report, etc.) are consistently reviewed to measure the effectiveness of the Hotline and investigations. Areas that do not meet our expectations or benchmark standards are addressed via targeted training and communications programs, as well as enhancements to the overall Ethics and Compliance program.

³⁷ Number of employees who were enrolled in 2024 Code of Conduct training as of December 31, 2024 and received communication regarding the Code of Conduct and related policies.

³⁸ Our Supplier Code of Conduct contains anti-corruption policies and procedures for reporting wrongdoing, and it is integrated into electronic ordering systems and contractual terms throughout the Group. Our supplier base is depicted in the Supply Chain Responsibility section.

³⁹ Including modules on Anti-Corruption, Conflicts of Interest, Fair Dealing, Reporting and Non-Retaliation, Workplace Harassment and Human Rights.

⁴⁰ Including modules on Anti-Corruption, Conflicts of Interest, Fair Dealing, Reporting and Non-Retaliation, Workplace Harassment and Human Rights.

⁴¹ 18,119 employees completed the 2024 Code of Conduct training as of February 1, 2025. Between December 31, 2024 and February 1, 2025, 416 employees left Lonza and are therefore not included in the completion rate calculation.

⁴² Completion as of February 1, 2025 for those enrolled in 2024.

⁴³ Employees indicates headcount of employees (regular, collective agreement, international assignees and temporary employees, excluding interns and Board members) and does not include contingent workers. Figures from 2023 are restated due to closure of additional cases after the publication of our 2023 Sustainability Report.

⁴⁴ Substantiation rate is the calculation of reports of wrongdoing which included partially or fully substantiated allegations out of all reports made during the year, including those still under investigation.

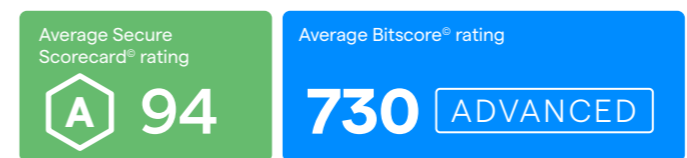
⁴⁵ Substantiation rate from 2023 is restated from 28% to 30% due to the completion of investigations that were ongoing at the time of reporting.

The Ethics and Compliance Group provides regular reports of allegations of wrongdoing, investigations and findings to the ACC, including a summary of each case and certain metrics that show trends in reporting, investigations and any substantiated misconduct. The Group also reports summary information on reporting, investigations and misconduct to the Board, along with broader updates on the Ethics and Compliance program.

Data Protection and Privacy

i. Cybersecurity, Data Protection and Artificial Intelligence (AI) Governance

We are committed to maintaining the highest standards of cybersecurity, data protection and AI governance to safeguard our operations and the data of our stakeholders. In 2024, we reinforced these commitments with increased oversight, robust security frameworks and comprehensive risk management processes. These efforts are integral to our ESG strategy, ensuring that our approach aligns with global good industry practices and regulatory requirements.



Governance

Our Board of Directors plays a critical role in overseeing the company's cybersecurity and AI governance initiatives. The Audit and Compliance Committee reviews and monitors the effectiveness of our cybersecurity strategy, risk management practices and response readiness. The Board and EC hold periodic reviews of key security metrics, ensuring that cybersecurity remains a top priority. This oversight ensures alignment between business strategy, risk management and security initiatives.

Our cybersecurity policy framework is designed in accordance with international standards such as ISO 27001, CIS, NIST Cybersecurity Framework and EU General Data Protection Regulation (GDPR). The framework governs all aspects of data security, access control and incident response. It is reviewed and updated periodically to adapt to the evolving cyber threat landscape.

As AI becomes increasingly utilized in our industry, we are implementing a comprehensive AI governance framework to ensure the secure, responsible and ethical use of AI technologies. This framework is designed to support transparency, accountability and compliance with evolving regulatory requirements and ethical standards. Securing Lonza data from AI risks is also a key parameter of the governance program. Measures include isolating AI environments that contain company information and integrating AI risk assessments into our broader cybersecurity strategy.

Awareness and Reporting

A strong culture of security awareness is critical to mitigating risks across our global workforce. In 2024, more than 99% of employees and associates (including all contractors with access to Lonza systems and data) completed mandatory cybersecurity and data privacy training that now includes information on AI. These programs were delivered through interactive sessions and simulated phishing attacks to increase engagement and real-world preparedness.

We have a clearly defined escalation and reporting process for any potential cybersecurity incidents. All employees are trained to recognize and report suspicious activities, with immediate escalation to the Security Operations Center (SOC). In 2024, we enhanced this process with AI-driven automation tools that provide real-time alerts and automated triage for potential incidents, ensuring timely responses.

Risk Management

We conduct comprehensive incident response tests annually to ensure that our response teams are prepared for any potential security breaches. These tests include simulated cyber-attacks that involve both internal and external stakeholders, allowing us to assess the readiness of our incident response teams and improve our processes. In 2024, we carried out several exercises that simulated sophisticated attack scenarios, further strengthening our resilience.

In today's interconnected business landscape, third-party risk management is essential. We maintain strict controls on third-party access to our systems, conducting regular security audits and risk assessments of all suppliers and partners. In 2024, we expanded our third-party risk management program to include continuous monitoring of suppliers' security practices, ensuring alignment with our internal cybersecurity standards.

As part of our comprehensive risk management strategy, we maintain cyber insurance coverage to mitigate the financial impact of any major cybersecurity incidents and provide an additional layer of protection.

Thanks to our robust cybersecurity practices and continuous vigilance, we are pleased to report that there were no major cybersecurity incidents in 2024. Our SOC, supported by advanced AI-driven threat detection tools, ensured that all potential threats were mitigated before causing any significant impact.



Priorities and Lessons Learned

Looking ahead, our cybersecurity and AI governance priorities include:

- Enhancing AI risk management by strengthening safeguards around AI-driven operations and improving transparency in AI decision-making
- Expanding predictive security measures by leveraging AI and automation to identify potential threats before they materialize
- Deepening third-party cybersecurity collaboration by strengthening partnerships with suppliers to ensure security across our ecosystem
- Refining incident response capabilities by improving response times and enhancing post-incident learning processes

Lessons learned in 2024 highlight the importance of:

- Continuous adaptation – cyber threats are evolving rapidly, requiring ongoing updates to governance and security frameworks
- Integrated risk management – AI security risks must be addressed holistically, aligning with both cybersecurity and ethical considerations
- Proactive employee engagement – security awareness training must remain dynamic and interactive to sustain a strong security culture

By maintaining a proactive and adaptive approach, we will continue to fortify our position on cybersecurity, uphold ethical AI governance, and safeguard data privacy across our operations.

ii. Data Protection

Data protection at Lonza is built on a foundation of trust. We strive for full transparency in how we handle personal data. While Lonza operates as a business-to-business company and does not retain patients' personal data, we do manage the personal data of employees, consultants, and, to some extent, suppliers and customers to ensure smooth and secure business operations. We do share such personal data with suppliers only when it is lawful to do so.

We aim to comply with the GDPR and the Swiss Data Protection Act worldwide, and we adapt to local laws where needed. Our records of data processing activities are maintained and regularly updated to reflect our ongoing and state-of-the-art compliance. Our Privacy Taskforce, comprised of senior representatives from key departments such as Legal, HR, IT, and Marketing, plays a critical role. This taskforce holds monthly meetings to document new data processing activities and assess the compliance of new software and systems to mitigate the likelihood of data breaches. Additionally, third-party companies that may hold the personal details of Lonza personnel are audited as necessary.

Measures and Activities to Enhance IT Security

	<p>Preventive Measures</p> <ul style="list-style-type: none"> • Enhanced Technical Standards • Various countermeasures in place to address modern threats 	<p>Incident Response</p> <ul style="list-style-type: none"> • Data Breach Response Plans • Security Incident Response Plans • Active Security Operations Center monitoring and Response team 	<p>Testing</p> <ul style="list-style-type: none"> • Penetration tests on critical externally facing websites • Phishing and other active tests • Compliance testing and assessments • Vulnerability tests and mitigation
	<p>Training</p> <ul style="list-style-type: none"> • Security Fundamentals • Data Privacy • Periodic Awareness Updates, E-trainings, simulated phishing and on-site trainings 	<p>Policy and Framework</p> <ul style="list-style-type: none"> • Framework for IT Security and Compliance • Technology Standards • Processes and Procedures 	<p>Governance</p> <ul style="list-style-type: none"> • Active Internal Compliance Committees with representatives from across the business • Periodic Executive Committee and Audit and Compliance Committee briefings

When new software or systems that will hold personal data are applied, Lonza conducts thorough data protection impact assessments to ensure both technical and organizational compliance. Our employees receive comprehensive training, either in person through the Legal department or via mandatory annual online courses, wherever they are located. Every employee with computer access receives online training on data protection. In addition, we offer ad-hoc in-person training and tailored sessions for HR colleagues. We are applying the data minimization principle, ensuring that personal data is retained only for as long as necessary.

Our Internal Data Protection Guidelines emphasize the importance of safeguarding employee rights, encouraging all staff to actively prevent data breaches. Additionally, our website's privacy and cookies policy is updated regularly to provide customers and visitors with the highest levels of choice and security.

Data Protection at Lonza

	2023	2024
Data Protection Impact Assessment (DPIA) ⁴⁶	49	54
Privacy Training	n.a.	96%

Supply Chain Responsibility

Our responsible sourcing approach focuses on embedding ESG principles and compliance with applicable regulations within our procurement management processes. Dialogue and intensive collaboration with our suppliers are both essential for achieving responsible consumption and production, in alignment with our ambitions for SDG 12 (Responsible Consumption and Production).

The breadth and diversity of our business is reflected in our supply chain, which involved approximately 14,000 suppliers in 2024. Around 1,600 are direct material suppliers, providing materials ranging from basic chemicals and naturally derived materials such as gelatin, to high-end systems and consumables for biopharmaceuticals or specialized components for cell and gene therapy production.

⁴⁶ Every new software that is creating new databases must necessarily be assessed, with scrutiny from Legal, IT and IT Security.

⁴⁷ Numbers in this chapter concern indirect and direct spend for January to December 2024 inclusive, as consolidated by the end of January 2025. These exclude out of scope spend, such as spend with intracompany, taxes, donations, pensions, etc.

Lonza Supplier Base

Supplier Location	% of Spend	Number of Suppliers ⁴⁷	% Direct / % Indirect
APAC	13%	>3,000	11% / 89%
EMEA	61%	>7,000	9% / 91%
Americas	25%	>3,900	15% / 85%

i. Management Approach

To manage supply chain complexity and mitigate ESG risks, our Procurement Team involves category managers and site-based buyers. They develop and implement category strategies and manage the selection of suppliers and negotiation of terms on behalf of divisions and enabling functions. This enables us to embed responsible sourcing criteria across our upstream business relationships. All activities are based on our Procurement Policy and Procurement Standard, both enhanced with the fundamental principles of responsible sourcing. We review our purchasing policies and practices on an ongoing basis to ensure their alignment with new ESG regulations and best practices.

The Responsible Sourcing team, within the Procurement Excellence function, is responsible for Lonza's Responsible Sourcing Program and coordinating supplier sustainability and decarbonization initiatives globally. We derive annual targets from our Responsible Sourcing Roadmap, including the performance of suppliers with sustainability evaluations coverage, and the number of suppliers engaged as part of our decarbonization initiative.

These targets are cascaded within the organization, resulting in a target per procurement division, as well as individual sustainability targets for buyers. Performance is reviewed on a monthly basis through live digital dashboards. Data is consistently gathered, consolidated and reported in a unified format, leading to standardized results within the digital dashboards. From 2023, we have standardized contract clauses and category strategy templates embedding Responsible Sourcing requirements. By the end of 2024, 26 category strategies were correspondingly updated and contracts with 113 suppliers were enhanced with the clause, representing 11% of total spend.

In 2024, we extended our Responsible Sourcing Ambassador Network beyond Procurement, to have nine colleagues in total from procurement and also local sites and business divisions.

We are involved in industry-led initiatives, including the UNGC, the BioPhorum Sustainability and the Together for Sustainability initiative (TfS), which aim to establish and harmonize supply chain ESG oversight and enhance supplier performance for pharmaceutical and chemical value chains.

In the context of our TfS engagement, we have built a partnership with The Climate Drive – part of the World Business Council for Sustainable Development (WBCSD) – to encourage TfS members to publish successful decarbonization use cases in The Climate Drive library.

Lonza was reaching a higher score in sustainable procurement in our EcoVadis assessment in 2024 compared to the previous year, an acknowledgment of our advanced management system for Responsible Sourcing. In addition, Lonza was awarded the 'Sustainability for the Future Award' by Procurement Success Awards and the Highly Commended Reuters Sustainability Award in the category "Stakeholder Engagement".

ii. Responsible Sourcing

Our Responsible Sourcing program is aligned with the OECD Due Diligence Guidance for Responsible Business Conduct. Our procurement buyers use this transparency to ensure suppliers adhere to the Supplier Code of Conduct principles and continuously improve sustainability and decarbonization performance in the value chain.

Supplier Sustainability Initiative for Existing Suppliers

This program aims to identify, measure and mitigate the ESG risks of our suppliers, including conflict minerals and child labor issues.

To determine a theoretical risk level for all suppliers and prioritize further follow-up, we conduct desktop supplier ESG risk classification using a methodology developed by Integrity Next. It is based on online indices of ESG risks, related to geographies, countries (e.g., UNICEF's Children's Rights in the Workplace Index) and industries.

Suppliers classified by business stakeholders and Procurement as strategic or critical are further evaluated based on our Supplier Sustainability Risk Evaluation Framework, following prioritization criteria, such as purchasing volume and actual or potential sustainability risks.

Ambition 2028:
Suppliers representing 90% of Lonza's spend to have a sustainability evaluation

We use EcoVadis online questionnaires and TfS on-site audits to evaluate suppliers within this framework. For other suppliers, alternative types of sustainability evaluations are accepted, such as the Integrity Next self-assessments and Dun&Bradstreet (D&B) ESG rankings. All evaluation methodologies include environmental criteria (including climate and energy), social standards (including child labor), ethics, and health and safety, among others.

	2022	2023	2024
Percentage of spend from suppliers having a sustainability evaluation	33%	72%	80%

⁴⁸ In addition to the supplier evaluations described here, we perform an additional third party screening and risk assessment for new suppliers, specifically screening for social non-compliance topics (see ABAC section).

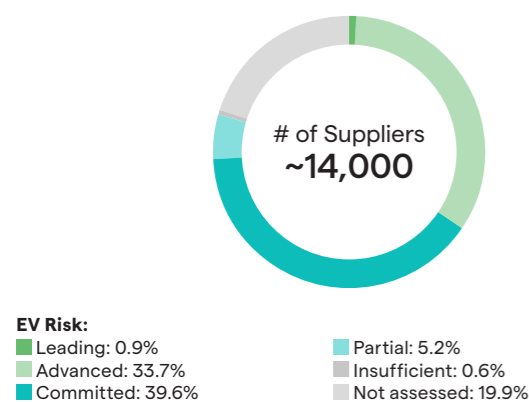
100% of Spend – ~14,000 Suppliers

Supplier ESG Risk Classification (Country-Industry Risk)

Environment	Social			Governance
Environmental pollution	Forced Labor & Mistreatment	Child Labor	Diversity	Corruption & Bribery
Waste	Working Conditions & Wages	Discrimination	Health & Safety	
GHG Emissions	Collective Bargaining & Freedom of Association	Impact on Local Communities		

Based on the risk evaluation results, we work with selected suppliers to devise a Corrective Action Plan (CAP) in EcoVadis, support them in the CAP implementation and monitor progress until a re-evaluation takes place. In 2024, more than 68% of re-evaluated suppliers improved their sustainability scores compared to their previous evaluation. This year, we also completed several key supplier site audits and communicated compliance gaps. We continue to track their resulting remediation plans.

EcoVadis Risk Distribution [% Spend]



The most significant negative environmental and social impacts are gaps in supplier sustainability management systems, mostly for suppliers located in North America and APAC. Common areas for improvement include inconclusive policies and measures related to human rights due diligence of suppliers. We also see a lack of reporting on environmental topics, specifically waste management, as well as on workplace inclusion. In line with our Sustainability Risk Evaluation Framework, we collaborate with suppliers on closing the gaps through CAPs. In 2024, no business relationship with a supplier was terminated following an environmental and social assessment⁴⁹.

⁴⁹ One supplier was terminated related to contractual and safety concerns, see Ethics and Compliance and Transparency section.

Supplier Sustainability Initiative for New Suppliers

In November 2024, we introduced a new Supplier Life Cycle Management tool for Switzerland to streamline the supplier onboarding process. This tool integrates key Lonza requirements, including master data, quality standards, and ESG considerations. As part of this initiative, an initial screening functionality has been developed, enabling procurement teams to improve supplier selection by incorporating D&B's ESG risk rankings. Furthermore, new suppliers⁵⁰ undergo a sustainability screening during onboarding through assessments by EcoVadis, Integrity Next self-assessments, or D&B ESG risk rankings. Thanks to this new tool, more than 80% of relevant new suppliers in Switzerland were screened using environmental and social criteria during the last months of 2024. We plan on implementing the tool for more sites in 2025.

Due Diligence Process on Child Labor in our Supply Chain

We have implemented a child labor due diligence process consisting of the following elements:

- A supply chain policy reflecting child labor due diligence obligations, which is publicly communicated in the form of our [Supplier Code of Conduct](#). It clearly addresses our expectations of our suppliers and promotes human rights protection practices
- Reporting tools regarding concerns around child labor in the supply chain through Lonza's Ethics and Compliance Hotline, as well as the due diligence alert systems
- A risk management process according to the likelihood of occurrence and severity of adverse impacts to identify and assess risks
- Measures to prevent, mitigate or remediate potential and actual child labor risks in the supply chain, such as corrective action plans, supplier engagement and capability building
- Traceability measures through the addition of supplier country information in our risk identification process

⁵⁰ Excluding one-time and micro (<10 FTE) suppliers.

Supplier Sustainability Initiative for Existing Suppliers

	2022	2023	2024
Number of suppliers assessed for environmental impacts	2,434	3,474	3,721
Number of suppliers identified as having actual or potential significant negative environmental impacts	49	86	66
Percentage of suppliers identified as having actual or potential significant negative environmental impacts, with whom improvements (CAP) were agreed based on the assessment results	41%	44%	95%
Number of suppliers assessed for social impacts	2,434	3,469	3,721
Number of suppliers identified as having actual or potential significant negative social impacts	33	49	24
Percentage of suppliers identified as having actual or potential significant negative social impacts, with whom improvements (CAP) were agreed based on the assessment results	18%	53%	92%

As part of our due diligence process, we differentiate between three levels of child labor risk:

- An actual risk is identified when controversies or negative events are confirmed via a supplier sustainability evaluation, alert systems or external sources. If a confirmed child labor incident occurs, we engage with the relevant suppliers to reconfirm our expectations on human rights, initiate a dialogue on enhancing human rights due diligence in the supply chain and check that a remediation response is provided. In 2024, no confirmed child labor incident was identified in our supply chain
- A potential risk is derived from performance gaps in a supplier's child labor management system, highlighted in the sustainability evaluation results. We focus on mitigating risk related to suppliers without evidence of policies or actions on child labor in their operations and supply chain, by requesting them to work on a Corrective Action Plans. In 2024, we identified two suppliers, located in APAC, with potential risks of child labor and triggered corrective actions for both
- A theoretical risk is identified based on the country and the industry database risks of the supplier. In such cases, we request that our suppliers perform a sustainability evaluation to confirm that they have child labor risk management systems in place. Based on the results, suppliers are then prioritized for further due diligence through the Supplier Sustainability Initiative for existing Suppliers. In 2024, we identified 11 suppliers, mainly located in North America, with theoretical risks of child labor and will engage with them on preventive measures in 2025

Due Diligence Process on Conflict Minerals in our Supply Chain

Our [Public Policy Statement on Conflict Minerals](#) forms the basis of our due diligence program. It clearly communicates our expectations to our suppliers and promotes responsible sourcing of 3TGs (tin, tungsten, tantalum and gold).

In 2024, our screening of imported volumes of 3TGs did not identify any relevant mineral import above legal thresholds which would require additional due diligence. Lonza is therefore exempt from the obligations under Art. 964j-l of the Swiss Code of Obligations. Nevertheless, we request relevant direct suppliers to provide documentation showcasing sourcing practices of 3TGs consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals. In 2024, 89% of such suppliers have provided relevant documentation, and we continuously work to close the gap.

Target 2028:
79% of our suppliers by emissions covering purchased goods and services, capital goods and upstream transportation and distribution, will have science-based targets.

Supplier Decarbonization Initiative for Existing Suppliers

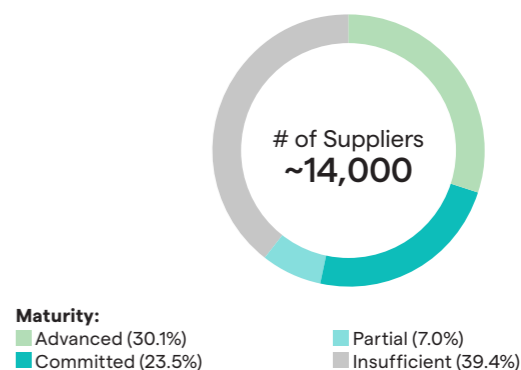
This initiative aims to identify, measure and reduce the GHG emissions of our suppliers in alignment with the Paris Agreement goal to limit temperature increase to +1.5°C. We set a science-based target for Scope 3 in the form of a supplier engagement target. This target applies to the Scope 3 categories of purchased goods and services, capital goods and upstream transportation and distribution, which represent the largest share of our total Scope 3 footprint. These suppliers are evaluated based on our Supplier Decarbonization Maturity Evaluation Framework.

	2022	2023	2024
Percentage of Scope 3 emissions from suppliers having science-based targets (as per SBTi target)	5%	20%	33%

We engage with selected suppliers to further understand their current decarbonization maturity and plans, drive improvement measures and share best practices. By implementing various engagement activities, we aim to support these suppliers in setting science-based climate targets.

In 2024, we started a collaboration with Emitwise to support suppliers in calculating their Scope 1, 2, and 3 emissions in alignment with the GHG Protocol. We hosted a kickoff webinar to launch a pilot and outline goals, a Q&A session and a results webinar to review outcomes and share insights. By the end of the program, over 40% of the suppliers engaged had successfully developed their GHG inventory for the first time.

Decarbonization Maturity Distribution [% Spend]



In addition, we have developed and launched a Science Based Target Checklist, to facilitate an internal validation process of our supplier climate targets, ensuring alignment with the SBTi criteria. In 2024, over 160 suppliers have either obtained approval for their GHG targets from SBTi or signed their commitment letters, and a similar number was internally validated based on our Science Based Target Checklist.

Training and Development of the Procurement Community and our Suppliers

➤ In 2024, our [Responsible Supplier Toolkit](#) was revised to support the continual information flow, training and education of our suppliers. The toolkit summarizes our Responsible Sourcing program, initiatives and targets and provides practical guidance and expected behavior to meet our minimum standards in terms of sustainability risks and decarbonization maturity levels. The toolkit is available in relevant languages via our [Responsible Sourcing webpage](#) and our [EcoVadis Supplier Landing Page](#).

Through our membership of TfS, our suppliers have access to the [TfS Academy](#), a free learning and capability platform focused on sustainability topics. We also invite selected suppliers to live webinars on the EcoVadis assessment and Corrective Action Plans, organized by TfS. Where required, we further support suppliers in implementing improvements and corrective actions by organizing one-to-one exchange or coaching sessions.

In 2024, we collaborated with TfS to develop an extensive decarbonization training program through the TfS Academy. 🟢 The curriculum spans from introductory sessions on climate change, explanation of Scopes 1, 2, and 3 emissions to more advanced topics such as setting science-based targets, emissions reduction strategies and product carbon footprints.

➤ We have also embedded the TfS Academy into our Procurement learning pathways. 🟢 These mandatory pathways are customized to the employee's role (operational, strategic or advanced procurement) and include courses on key Responsible Sourcing topics (e.g. supplier decarbonization, conflict minerals, supplier engagement on sustainability). ➤ In 2024, a Responsible Sourcing training was added to the onboarding pathway of new employees in procurement, in order to communicate our goals, activities and systems to newcomers. 🟢 In total, over 920 TfS Academy courses were completed by users in 2024.

Other trainings include⁵¹:

- TfS Academy courses outside of the learning pathways, attended by 72% of procurement employees
- Fundamentals on our sustainability policies, attended by 85% of procurement employees
- Responsible Sourcing SOP, attended by 89% of procurement employees
- Supplier Code of Conduct, attended by 90% of procurement employees

➤ Finally, all employees have access to a dedicated Responsible Sourcing webpage and in-house webinars in focal areas such as ESG assessments, corrective action plans, climate change and GHG accounting. 🟢

Other Governance Topics

Although not identified as priorities in our double materiality assessment, we engage with some other important governance topics, also for compliance and legal requirements.

i. Product Stewardship, Quality and Safety Regulatory Compliance

We are committed to regulatory compliance and ethical behavior across all areas of our business and operations. As our industry is highly regulated, we are frequently inspected by various regulatory authorities, certification bodies and customers. In addition, regular internal audits of various functions and processes occur at both local and global levels (e.g., EHS audit, loss prevention visits, quality audits). Any findings during these inspections or internal audits are addressed and used to drive continuous improvement in our processes and procedures.

In 2024, our sites underwent 29 health authority inspections. In line with the increase in commercial development and production and a growing service portfolio, the number of customer audits continues to increase. Regular inspections and audits are a valuable feedback mechanism to support continued compliance across the company.

Product Compliance

All of our product manufacturing practices are highly regulated to ensure the required standards of performance, quality and efficacy are met. All products must be evaluated, manufactured and labeled appropriately, and adequate instruction must be provided to end-users to exclude health and safety risks for customers and consumers.

Our product development and manufacturing expertise, regulatory assurance and global regulatory support provide distinct competitive advantages in an environment of increasing registration, labeling and packaging requirements. Our expertise in the pharma, biotech and nutrition markets supports the services and products that we provide from early phase to commercialization. We have a team of more than 90 regulatory experts in Europe, the Americas and Asia Pacific who serve and support our business globally.

Our processes for assessing ongoing regulatory compliance and improving the health and safety impacts of our products remain a focus for growth and investment. This is particularly important as we continue to integrate newly acquired products and businesses into our stewardship and management structures. All equipment manufactured by Lonza is assessed in line with regional requirements for compliance with applicable safety and conformity standards.

As a business-to-business company, we work to ensure that our customers can safely use our products for their intended purpose. Generally, our customers also have their own procedures and specialists to assess risks, and we aim to provide the foundation and necessary data to support the safe use of their products.

For our products, health and safety profiles are evaluated through systematic processes and procedures that are embedded in our organizational and business structure. We have experts in regulatory compliance and registration, dangerous goods and product classifications, toxicology, risk assessment and product stewardship covering the regions and markets in which we operate. Potential hazards and risks associated with the intended use of our products are clearly communicated to customers via product labels, safety data sheets (SDS) and technical communications.

Relevant programs for the handling of chemicals include the European Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) directive, the US EPA Toxic Substances Control Act (TSCA) and the California Safe Drinking Water and Toxic Enforcement Act (Proposition 65). Other countries are launching similar regulatory schemes, such as China-REACH, Korea K-REACH, Turkey KKDİK and UK-REACH. These are ongoing efforts, and we strive to comply with requirements, including those related to REACH substances of very high concern (SVHC). In addition, we use the Globally Harmonized System (GHS) for the classification, labeling and packaging of chemicals.

Animal Testing

Lonza does not directly conduct animal studies or have animal testing capabilities. Certain regulatory authorities require animal testing to ensure the safe handling and use of certain Lonza products. These requirements apply to our nutrition and capsule products, our proprietary cell lines and some products that we manufacture on behalf of our customers. Wherever possible, we use validated alternatives to animal testing. Where no alternatives exist, in accordance with these requirements, we engage third parties to conduct medical and non-medical animal testing to ensure that any statements we make regarding our products are truthful, not misleading and appropriately substantiated by data as required by applicable laws and regulations.

Where Lonza oversees this testing, we strive to select independent providers that meet ethical and quality standards, are accredited for animal welfare protection, and follow the World Organization for Animal Health recommendations on animal welfare in research and testing environments – which include the '3R' guiding principle to replace animals, reduce the numbers of animals used and refine procedures to minimize distress. All necessary animal testing is conducted with oversight to ensure compliance with animal welfare recommendations and to follow current scientific, legal, regulatory and ethical requirements, guidelines and policies relating to animal welfare. All study protocols are approved by the Institutional Ethics Board and the Institutional Animal Care and Use Committee (IACUC).

⁵¹ Figures refer to the audience that the training was assigned to, and do not include contingent workers who are not employed by Lonza.

Appendix

About the Report

This is our seventh Sustainability Report following the principles of the GRI. We will continue to report on an annual basis. The content of this report has also been prepared in accordance with Art. 964b of the Swiss Code of Obligations and the Swiss Ordinance on Climate Disclosures. We also adhere to the requirements of Art. 964j-k of the Swiss Code of Obligations. We have determined that we are exempt from the obligations of due diligence and reporting on minerals and metals from conflict-affected areas under Art. 964j-k of the Swiss Code of Obligations. In addition, we have begun adapting our reporting to the European Sustainability Reporting Standards (ESRS).

We appointed Deloitte AG as an external auditor to provide independent assurance for the sustainability information under the Lonza material topics disclosed in the Sustainability Report 2024. Deloitte has also been engaged to provide assurance on Lonza's compliance with Art. 964b of the Swiss Code of Obligations and the Swiss Ordinance on Climate Disclosures. Deloitte's limited Assurance Statement is available at the end of this report.

Separately, we obtained limited external assurance of the adequacy of our compliance management system with regard to due diligence obligations in the area of child labor, which was established in accordance with the due diligence obligations pursuant to Art. 964j-k CO and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). The assurance report was provided to our senior management and Board of Directors, in accordance with the Swiss Standard on Auditing 980 (SA-CH 980) following "Principles for the Audit of Compliance Management Systems".

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GRI Content Index and SASB Index

GRI standard	Disclosure	Page	Comments	SDG in focus	SASB*
GRI 1: Foundation 2021		66	Our Sustainability Report 2024 is prepared in accordance with the GRI Standards for the fiscal year from 1 January 2024 to 31 December 2024.		
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details		Lonza Group Ltd is a public company, listed on the Swiss Stock Exchange (SIX) and with a secondary listing at the Singapore Exchange Securities Trading Limited (SGX-ST).		
/ Corporate Governance (top material topic)			Lonza Group Ltd Muenchensteinerstrasse 38 4002 Basel, Switzerland Tel +41 61 316 81 11 Fax +41 61 316 91 11 www.lonza.com		
			For an overview of our operations by location, please consult our website: https://www.lonza.com/about-us/our-locations		
	2-2 Entities included in the organization's sustainability reporting		The information in this report concerns all under Lonza Group Ltd operational control during 2024, including subsidiaries. Joint ventures are not included unless specifically mentioned.		
			Financial reporting and accounting principles are available in the Notes to the Consolidated Financial Statements in the Annual Report 2024.		
			All environmental and supply chain data relates to Lonza's continuing operations, excluding the Vacaville (US) acquisition.		
			Unless otherwise stated, the reporting boundaries for environmental data include the facilities for which we have operational control, own either the facility or significant relevant equipment, and where data is readily available and adequately representative. Facilities outside the reporting boundaries are smaller-sized leased warehouses and office spaces with comparatively insignificant energy consumption.		
	2-3 Reporting period, frequency and contact point	66			
	2-4 Restatements of information		If, in individual cases, a new form of presentation, calculation method or optimized data collection has led to other results for the previous years, then this is noted under the respective disclosures.		
	2-5 External assurance	66, 76-78			
	2-6 Activities, value chain and other business relationships	8-11	Please also visit our website www.lonza.com and the "Our Businesses" section of our Annual Report.		
			Significant changes to the organization and its supply chain can be found on pages 10 and 11 of our Annual Report 2024.		
	2-7 Employees	14-15			HC-BP-330a.1HC-BP-330a.2
	2-8 Workers who are not employees	15	Reported under the contingent workers' category.		HC-BP-330a.1HC-BP-330a.2
	2-9 Governance structure and composition	12-13			
	2-10 Nomination and selection of the highest governance body		Please see the Corporate Governance section of our Annual Report 2024.		
	2-11 Chair of the highest governance body		Please see the Corporate Governance section of our Annual Report 2024.		
	2-12 Role of the highest governance body in overseeing the management of impacts	12-13			

GRI standard	Disclosure	Page	Comments	SDG in focus	SASB*
General Disclosures cont.					
	2-13 Delegation of responsibility for managing impacts	12-13			
	2-14 Role of the highest governance body in sustainability reporting	12-13, 18			
	2-15 Conflicts of interest	12-13, 56-57			
	2-16 Communication of critical concerns	12, 21, 52-56			
	2-17 Collective knowledge of the highest governance body	12	Please see the Corporate Governance section of our Annual Report 2024.		
	2-18 Evaluation of the performance of the highest governance body	12-13			
	2-19 Remuneration policies		Please see the Remuneration section of our Annual Report 2024.		
	2-20 Process to determine remuneration		Please see the Remuneration section of our Annual Report 2024.		
	2-21 Annual total compensation ratio		Information is confidential and not disclosed.		
	2-22 Statement on sustainable development strategy	4-5			
	2-23 Policy commitments	6, 16-17, 30, 35, 42, 55, 62	These include the UN SDGs, our Safety and Sustainability Policy, Code of Conduct, Supplier Code of Conduct, and Human Rights Principles.		
	2-24 Embedding policy commitments	7, 12-13, 24, 30-31, 35, 42-43, 45-46, 55-57, 60-62, 64-65			
	2-25 Processes to remediate negative impacts	13, 16-17, 21, 24-25, 40-41, 52-56, 59-60, 62-63	These include our risk management approach, human rights impact assessment, supply chain due diligence, stakeholder engagement and Ethics and Compliance program.		
	2-26 Mechanisms for seeking advice and raising concerns	56	Our Ethics and Compliance Group provides guidance in recognizing, understanding and complying with the laws and ethical standards that govern our business practices and activities. This is supervised by the Audit and Compliance Committee of the Board of Directors. In addition, we have the Lonza Ethics and Compliance Hotline, operated by an external provider.		
	2-27 Compliance with laws and regulations		Only significant instances of non-compliance are compiled for consolidated reporting. There were no significant instances of non-compliance with laws and regulations which lead to fines or penalties during 2024.		
	2-28 Membership associations	17			
	▲ 2-29 Approach to stakeholder engagement	16-17			
	▲ 2-30 Collective bargaining agreements	16			
Material Topics					
GRI 3: Material Topics 2021	▲ 3-1 Process to determine material topics	17-20			
	▲ 3-2 List of material topics	20			

▲ Assured by Deloitte.

GRI standard	Disclosure	Page	Comments	SDG in focus	SASB*
Economic					
GRI 205: Anti-corruption 2016	▲ 3-3 Management of material topics	52-55		3, 12	HC-BP-510a.1 (losses not reported)
/					
Ethics and Compliance and Transparency (top material topic)	▲ 205-1 Operations assessed for risks related to corruption	54			
	▲ 205-2 Communication and training about anti-corruption policies and procedures	56			
Supply Chain Responsibility (top material topic)	▲ 3-3 Management of material topics	60-63	Percentage of Scope 3 emissions from suppliers having science-based targets** is the amount of GHG emissions from suppliers with SBT over the total Scope 3 categories 1, 2 and 4.		
	▲ 308-2 Negative environmental impacts in the supply chain and actions taken	62		3, 13, 5, 12	HC-BP-430a.1 (all of Lonza's facilities participate in the Rx-360 audit program. We currently do not track the number of Tier 1 suppliers' facilities participating in this program or equivalent)
	▲ 414-2 Negative social impacts in the supply chain and actions taken	62			HC-BP-430a.1
Product Stewardship, Quality and Safety		64-65		3, 12	
Data Protection and Privacy (top material topic)	▲ 3-3 Management of material topics	57-60		5	
Environmental					
GRI 302: Energy 2016	▲ 302-1 Energy consumption within the organization	37	We do not differentiate between purchased heating, cooling and steam. All are reported under purchased steam, as only two smaller sites (office and labs) are purchasing heating and cooling. For the energy sold, we only track total energy and not type of energy. This only occurs in our Visp (CH) site, due to legacy infrastructure, and is not a primary activity. Fuel consumption is converted to energy using Swiss EPA and US EPA factors. The energy values for 2023 were updated as natural gas was being tracked using net calorific value.	13, 9, 12	
	▲ 302-3 Energy intensity	37			

▲ Assured by Deloitte.

GRI standard	Disclosure	Page	Comments	SDG in focus	SASB*										
Environmental cont.															
GRI 303: Water and Effluents 2018 (top material topic)	3-3 Management of material topics	34-35	As per the GRI Standard, water stress in an area was assessed using the baseline of water stress above 40% from the tool Aqueduct Water Risk Atlas , consulted in 2023. Some sites were identified as being in water stressed locations as per the above definition, most being low-water consumers: Mexico, India, Indonesia, China, The Netherlands, Belgium, the UK and the US.	3, 9, 12, 6											
	303-1 Interactions with water as a shared resource	34-35													
	303-2 Management of water discharge-related impacts	35	Water intensity** is calculated by dividing industrial water by the total revenue.												
	303-3 Water withdrawal	36	Our numbers are reported as "thousand m ³ ", which is equivalent to megaliters, as required by this GRI standard. The amount of Total Dissolved Solids in the water sourced is, in general, < 1000 mg/L.												
			<table border="1"> <thead> <tr> <th>Water Withdrawal 2024 [thousand m³]</th> <th>Total from areas with water stress</th> </tr> </thead> <tbody> <tr> <td>Total Water Withdrawn</td> <td>1,241</td> </tr> <tr> <td>Groundwater Wells</td> <td>392</td> </tr> <tr> <td>Public Supply</td> <td>849</td> </tr> <tr> <td>Water Bodies</td> <td>0</td> </tr> </tbody> </table>	Water Withdrawal 2024 [thousand m ³]	Total from areas with water stress	Total Water Withdrawn	1,241	Groundwater Wells	392	Public Supply	849	Water Bodies	0		
Water Withdrawal 2024 [thousand m ³]	Total from areas with water stress														
Total Water Withdrawn	1,241														
Groundwater Wells	392														
Public Supply	849														
Water Bodies	0														
			The amount of industrial water consumed in water stressed locations was 984 thousand m ³ .												
	303-4 Water discharge	36	Our numbers are reported as "thousand m ³ ", which is equivalent to megaliters, as required by this GRI standard. Water discharge to water bodies is mostly heading for surface water. The volume of water discharge to groundwater is not significant. The amount of total dissolved solids in the water discharged to water bodies is generally < 1000 mg/L, also for water stressed areas. Water discharged to the sewer with total dissolved solids > 1000 mg/L is 998 thousand m ³ . From that amount, 44 thousand m ³ are from sites in areas with water stress.												
			<table border="1"> <thead> <tr> <th>Water Discharge 2024 [thousand m³]</th> <th>From areas with water stress</th> </tr> </thead> <tbody> <tr> <td>Total Water Discharged</td> <td>887</td> </tr> <tr> <td>Water Discharged to Sewer</td> <td>843</td> </tr> <tr> <td>Water to Water Bodies</td> <td>44</td> </tr> </tbody> </table>	Water Discharge 2024 [thousand m ³]	From areas with water stress	Total Water Discharged	887	Water Discharged to Sewer	843	Water to Water Bodies	44				
Water Discharge 2024 [thousand m ³]	From areas with water stress														
Total Water Discharged	887														
Water Discharged to Sewer	843														
Water to Water Bodies	44														

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GRI standard	Disclosure	Page	Comments	SDG in focus	SASB*
Environmental cont.					
GRI 305: Emissions 2016 (top material topic)	3-3 Management of material topics	26-31		3, 13, 9, 12	
	305-1 Direct (Scope 1) GHG emissions	32	Biogenic CO ₂ emissions from the biomass fuel were 7,000 tons CO ₂ eq. As part of our commitment to SBTi, we have reviewed the inventory of GHG emissions and have now included emissions from our fleet and those due to the losses of refrigerants in order to provide a complete picture, even if they are very low (around 1% of combined Scope 1 and 2 emissions).		
	305-2 Energy indirect (Scope 2) GHG emissions	32-33	GHG emissions from municipal waste incineration are allocated according to the cut-off method.		
	305-3 Other indirect (Scope 3) GHG emissions	32-34	Note: Our Scope 3 model and datasets used does not support the estimation of biogenic CO ₂ . As part of our commitment to SBTi, we are now tracking and reporting additional Scope 3 categories, namely categories 10 (processing of sold products) and 11 (use of sold products). The calculation of category 12 (end-of-life treatment of sold products) was also updated and values were recalculated also for previous years.		
	305-4 GHG emissions intensity	34			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	40			
GRI 306: Waste 2020	306-3 Waste generated	37-39	Waste intensity** is calculated by dividing total waste generated and disposed by the total revenue.	3, 13, 12	
Processes and Circularity		39		12, 13	
Ecosystems and Biodiversity		39-40		6, 12	
Pollution		40-41		6, 12	

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GRI standard	Disclosure	Page	Comments	SDG in focus	SASB*
Social					
GRI 403: Occupational Health and Safety 2018 (top material topic)	3-3 Management of material topics	42-43		3	
	403-1 Occupational health and safety management system		We maintain an EHS Management System which has been adapted to meet ISO 14001 and 45001 standards. This program applies to all locations and all employees.		
	403-2 Hazard identification, risk assessment, and incident investigation	43-44			
	403-3 Occupational health services	44			
	403-4 Worker participation, consultation, and communication on occupational health and safety	44			
	403-5 Worker training on occupational health and safety	44			
	403-6 Promotion of worker health	44			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	44			
	403-9 Work-related injuries	44-45			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	49	Female management reflects females at director level and above. Female new hires reflects number of new females employees hired in the year divided by the average headcount at month ends (12 months) globally.	3, 5, 4	
Training and Development (top material topic)	3-3 Management of material topics	45-46			
	Internal promotion rate** and internal fill rate**	46	Internal promotion rate: percentage of employees moving to a higher position within Lonza divided by total employees. Does not include those employees who were promoted but who are not within the global grading system. Internal fill rate: positions we were able to fill with internal candidates. Turnover rate reflects number of terminated employees in the year divided by the average headcount at month ends (12 months) globally.	5, 4	HC-BP-330a.1
Employee Wellbeing	Employee survey response rate** and Employee Engagement Index**	47-48	Employee survey response rate relates to percentage of responses to our global Voice of Employee (VoE) survey. Employee Engagement Index is calculated from the scoring of the question: "How happy are you working at Lonza?" and the statement "I would recommend Lonza as a great place to work".	5, 4	HC-BP-330a.1

* Sustainability Accounting Standards Board (SASB) – we have aligned our disclosures with the Biotechnology and Pharmaceuticals Sustainability Accounting Standard 2023. As a Contract Development and Manufacturing Organization (CDMO), most of the SASB indicators do not apply.
 ** Lonza internally developed KPIs.

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TCFD and Swiss Ordinance on Climate Disclosures Requirement Index

We aim to follow the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), also to comply with the requirements in the Swiss Ordinance on Climate Disclosures. This index addresses disclosures in the four TCFD pillars: governance, strategy, risk management and metrics and targets.

TCFD Recommendation	Reference
Governance	
<p>Governance and oversight over sustainability and ESG sits with the Board of Directors (Board), specifically with the Chair of the Board, while the implementation is the responsibility of the Executive Committee (EC).</p> <p>The Sustainability and Risk Committee (SRC) and the Safety and Sustainability Steering Board (SSSB) coordinate the sustainability strategy and activities across the company, including climate change and climate-related measures.</p>	Sustainability Report 2024: Corporate Governance section
Strategy	
<p>Our ambition is to reach net-zero GHG emissions by 2050. We have set science-based targets for near-term reductions and these were verified by SBTi in early 2024.</p> <p>Group functions and individual site roadmaps include concrete actions and projects to support achievement of the corporate goals. These include sustainability by design for new infrastructure and growth investments, efficiency improvements and supplier collaboration and decarbonization.</p> <p>The Sustainability and Procurement teams work together to manage climate strategy and actions in the supply chain. We are engaging with the most relevant suppliers to collaborate on reducing our Scope 3 footprint.</p> <p>In addition, we continue progressing in our program to procure and source electricity globally from renewable sources by 2025, where available through power purchase agreements investing in additional production assets.</p> <p>We have included several ESG targets in our Group remuneration plan since 2022. Among others, these include targets for achieving reductions in Scope 1, Scope 2 and Scope 3 GHG emissions and water intensity.</p> <p>We are currently focusing on three areas: monitoring our progress against our 2030 sustainability targets, enhancing public disclosures regarding ESG topics and providing guidance and support for sustainability-related initiatives across our global site network. We are re-evaluating our sourcing strategy, taking into account availability of materials, logistics and risks for supply chain disruptions. We have also been strengthening the existing due diligence process for new and existing suppliers to identify and minimize the risks in our supply chain, e.g., for environmental, social and labor misconduct.</p>	Sustainability Report 2024: Supplier Decarbonization in Supply Chain Responsibility section and Climate Change and Carbon Footprint Reduction section
Risk Management	
<p>We use scenario analysis to identify potential medium- and long-term climate related hazards and impacts on our business and operations. The governance and strategy are embedded into the general framework of our ERM.</p> <p>We conducted climate change risk assessments for the ten major sites covering most of our commercial manufacturing.</p>	Sustainability Report 2024: Risk Management and Climate Risk Assessment sections
Metrics and Targets	
<p>We report on our direct and indirect GHG emissions performance and targets (Scope 1, 2 and 3) and other data in the Environment section of this report and in our most recent response to the CDP climate questionnaire, which is publicly available. We are also participating in research projects to evaluate carbon capture technologies. ESG metrics, including GHG targets, are included in company performance measurements and reward and recognition allocations for the global employee community, including the EC.</p>	Sustainability Report 2024: Our Journey and Climate Change and Carbon Footprint Reduction sections
Swiss Ordinance on Climate Disclosures, Art. 3 para. 3 and 6	
Transition plan that is comparable to the Swiss climate goals	Sustainability Report 2024: Climate Transition Plan section
Effectiveness of the measures taken by the company in connection with climate issues	Our transition plan applies to all our sites, including those in Switzerland, and is aligned with the Swiss climate goals. Sustainability Report 2024: Actions and Ongoing Initiatives in the Climate Change and Carbon Footprint Reduction section

Swiss Non-Financial Reporting Requirement (Art. 964b CO) Index

➤ The table below points out the content which is reported in compliance with the requirements of Art. 964b of the Swiss Code of Obligations (CO). ◀

Area	Topic	Page
General Requirements	Materiality Assessment	17-20
	Business Model	8-11 Annual Report, "Our Businesses" section
	Concepts / Policies (incl. Due Diligence Applied)	- Safety and Sustainability Policy - ➤ Corporate Environmental Management System (ISO 14001 and ISO 45001 aligned) ◀ p. 43 - Code of Conduct - Supplier Code of Conduct - ➤ Lonza's Human Rights Principles, ◀ p. 55
	Measures implementing these Policies and Assessment of their Effectiveness	Under each of the topics listed below
	Risks Related to Non-financial Matters and their Management	18, 19, 21-23
Environment Matters	Climate Change and Carbon Footprint Reduction	26-34
	Water and Effluents	34-36
Employee-related Matters	Social Information section	45-48
Social Matters	- Social Information section - Health and Safety - Supply Chain Responsibility	42-49, 60-64
Respect for Human Rights	Supply Chain Responsibility	60-64
	Ethics and Compliance and Transparency	52-57
Anti-Corruption	Ethics and Compliance and Transparency	52-57

Swiss Non-Financial Reporting Requirement (Art. 964j-k CO) Index

We also adhere to the requirements of Art. 964j-k of the CO. Our disclosures relating to these requirements are mapped in the table below.

Area	Topic	Page
Supply Chain Due Diligence	Management System	60-61
	Risks in the Supply Chain	60-63
	Material and Metals: Due diligence	63
		We are exempt from the obligations of due diligence and reporting on minerals and metals from conflict-affected areas, since no relevant mineral import above legal thresholds were identified.
	Risk Management	54-56, 61-63
	Child Labor: due diligence, supply chain policy, supply risk management plan and measures, supply traceability system	62-63





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Report of the Independent Practitioner for a Limited Assurance Engagement on selected Sustainability Information of Lonza Group Ltd

To the Board of Directors of
Lonza Group Ltd, Basel

We have performed a limited assurance engagement on selected information included in Lonza Group Ltd's (hereinafter "Lonza") Sustainability Report 2024 for the year ended 31 December 2024. Our limited assurance engagement focused on the information as required by Art. 964b (1) and (2) of the Swiss Code of Obligations ("CO") and the Swiss Ordinance on Climate Disclosures ("Ordinance on Climate Disclosures") and related additional selected information marked as "➔", as well as information related to the Global Reporting Initiative ("GRI") and self-defined criteria marked as "🔵" in the GRI Index table (hereinafter "Sustainability Information").

Our assurance engagement does not extend to information relating to prior periods and to information disclosed outside of the Sustainability Report 2024 unless otherwise indicated, including any images, audio files, or embedded videos.

Applicable Criteria for the Preparation of the Selected Information by Lonza

Lonza prepared the Sustainability Information using the criteria outlined in the "Basis for preparation" included in the Lonza Sustainability Report 2024. Consequently, the selected Sustainability Information needs to be read and understood together with the reporting criteria and may not be suitable for another purpose.

Our Limited Assurance Conclusion

Based on the procedures performed as described under the 'Summary of procedures performed' and the evidence obtained, nothing has come to our attention that causes us to believe that the selected Sustainability Information of Lonza have not been prepared, in all material respects, in accordance with the applicable criteria and as required by Art. 964b (1) and (2) CO and the Ordinance on Climate Disclosures.

Inherent limitations in Preparing the Sustainability Information

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and remain undetected. Our engagement is not designed to detect all internal control weaknesses in preparing the Sustainability Information, as it involves selective testing rather than continuous examination throughout the period. Consequently, we cannot guarantee that all errors or irregularities, if present, will be identified.

The nature of such information, the absence of significant body of established practices on which to draw, and varying methods of precision allow for different, yet acceptable, evaluation and measurement techniques which can result in materially different measurement, affecting comparability between entities and over time and causing inherent limitations on the accuracy and completeness of the information.



Responsibility of the Board of Directors

The Board of Directors of Lonza is responsible for the selection of the applicable criteria and for the preparation and presentation, in all material respects, of the Sustainability Information in accordance with the applicable criteria and as required by Art. 964b (1) and (2) CO and the Swiss Ordinance on Climate Disclosures. This responsibility includes the design, implementation, and maintenance of the internal control relevant for the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for providing sufficient access and making available all necessary records, correspondence, information and explanations to us.

Responsibility of the assurance practitioner

Our responsibility is to express an independent conclusion on the above-mentioned Sustainability Information based on the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and, in respect of the greenhouse gas emissions information included in the Sustainability Information, in accordance with ISAE 3410 *Assurance Engagements on Greenhouse Gas Statements*, both issued by the International Auditing and Assurance Standards Board ("IAASB"). Those standards require that we plan and perform this engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error.

Independence and quality control

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

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

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

Summary of procedures performed

The procedures we performed were based on our professional judgement. In carrying out our limited assurance engagement in respect of the Sustainability Information, and included, among others:

- Inquiries with relevant personnel to understand the business and reporting process, including the sustainability strategy, principles and management of material topics, and assessment thereof;

- Inquiries of relevant personnel and inspection of documentation to understand the reporting system during the reporting period, including the process and internal controls for collecting, collating and reporting the Sustainability Information, and assessment thereof;
- Verification that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the applicable criteria and that key estimates were appropriate;
- Performance of analytical review procedures on the data and trends;
- Inspection, on a sample basis, of internal and external documents;
- Assessment as to whether the Sustainability Report 2024 contains the information required by and complies with the disclosure requirements of Art. 964b (1) and (2) CO and the Ordinance on Climate Disclosures.

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

Use of our Report and Reference to Limitation of Liability

We issue this report to Lonza solely in accordance with the terms of our engagement. Without assuming or accepting any responsibility or liability in respect of this report to any party other than Lonza, we have consented to the publication of our report within Lonza Sustainability Report 2024 for the purpose of Lonza evidencing that it has obtained an independent assurance report in connection with the Sustainability information. This consent does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lonza, for our work, for this report, or for the conclusions we have formed.

Deloitte AG



Fabien Lussu
Licensed Audit Expert



Abetare Zymeri
Licensed Audit Expert

Zurich, 31 March 2025

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www.lonza.com

Disclaimer

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