

Sustainability & Corporate Responsibility Report 2023

Reporting on Non-Financial Matters

dottiko



dottikon

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1 INTRODUCTION TO THE NON-FINANCIAL REPORTING

This report on non-financial matters in accordance with the Swiss Code of Obligations ("non-financial reporting") is based on the Global Reporting Initiative ("GRI") reporting standards and was prepared for the first time with a corresponding index ("GRI index") in this present report. Therefore, no corrections or restatements regarding information that require a revision of information to account for consistency and comparability with previous reporting periods are necessary. The Annual Report of DOTTIKON ES Group referenced in the GRI index covers the period from April 1 to March 31 of the following year, while the Sustainability & Corporate Responsibility Report of DOTTIKON ES Group covers the period from January 1 to December 31 of the reporting year along the categories of the listed GRI standards. The difference in reporting periods between the two reports is due to the fact that most of the regulatory requirements related to non-financial matters reporting to the authorities must be submitted on a calendar-year basis. The present Sustainability & Corporate Responsibility Report / Reporting on Non-Financial Matters is an integral part of our legal reporting obligation according to the Swiss Code of Obligations ("OR"), Art. 964a et seqq. OR (SR 220), for Dottikon ES Holding AG with its controlled subsidiaries, together DOTTIKON ES Group. The Sustainability & Corporate Responsibility Report was approved by the Board of Directors of Dottikon ES Holding AG on May 17, 2024, for publication on May 28, 2024. It is also subject to auditor-verified (KPMG AG) submittance to the Annual General Meeting on July 5, 2024, for approval.

Approved and signed on behalf of the Board of Directors



Dr. Markus Blocher
Chairman of the Board of Directors



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2 GRI INDEX

GRI Standard	Disclosure		Annual Report 2023/24 page(s) ¹	S&CR 2023 ² page(s) ³	Reasons for omission ⁴
GRI 1: Foundation 2021					
GENERAL DISCLOSURES					
	The organization and its reporting practices				
GRI 2: General Disclosures 2021	2-1	Organizational details	50, 55-56, 73, 77, 106-107	10, 12, 13	
	2-2	Entities included in the organization's sustainability reporting	55-56, 73, 77, 106-107	10	
	2-3	Reporting period, frequency and contact point		3	
	2-4	Restatements of information		3, 9	
	2-5	External assurance		3, 9	
	Activities and workers				
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	36, 55-56, 106-107,128	8-9, 10, 11, 16, 17, 19, 34	
	2-7	Employees	6, 7, 43	41	RC (C, P, S, F)
	2-8	Workers who are not employees	6, 7, 43	41	RC (C, P, S, F)
	Governance				
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	78, 79-80, 97, 98-99, 100, 106, 110-116, 117-120	3, 9, 12, 13	RC (C, P, S, F)
	2-10	Nomination and selection of the highest governance body	110-116	16	
	2-11	Chair of the highest governance body	98-99, 100, 110-111, 115, 116, 117, 120	13	
	2-12	Role of the highest governance body in overseeing the management of impacts	105-125	12-15, 16	
	2-13	Delegation of responsibility for managing impacts	105-125	12-15	
	2-14	Role of the highest governance body in sustainability reporting		3, 8-9, 12-15	
	2-15	Conflicts of interest	55-57, 77, 79-80, 98-99, 100, 107, 110-116, 117-120	12-15, 34	
	2-16	Communication of critical concerns	112-116, 124	12-15	RC (C, I, F)
	2-17	Collective knowledge of the highest governance body	110-111	12-15, 17-33, 34, 35-40	
	2-18	Evaluation of the performance of the highest governance body	90-94		RC (C, F)
	2-19	Remuneration policies	90-96		RC (C, F)
	2-20	Process to determine remuneration	90-96		
	2-21	Annual total compensation ratio	94, 95		RC (C, P, S, I, F)
	Strategy, policies and practices				
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	5-24, 128	12-15, 16, 35-40	
	2-23	Policy commitments		8-9, 12-15, 16, 17-33	
	2-24	Embedding policy commitments		12-15, 16, 17-33	
	2-25	Processes to remediate negative impacts		12-15, 16, 17-33, 35-40	LP (S) RC (C, I, F)

GRI Standard	Disclosure	Annual Report 2023/24 page(s) ¹	S&CR 2023 ² page(s) ³	Reasons for omission ⁴
	2-26 Mechanisms for seeking advice and raising concerns		12-15, 19-20, 32	
	2-27 Compliance with laws and regulations		12-15, 16	RC (I, F)
	2-28 Membership associations		16	
	Stakeholder engagement			
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement		8-9, 12-15, 16, 34	
	2-30 Collective bargaining agreements			Na (N)
MATERIAL TOPICS				
	Disclosures on material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics		8-9	
	3-2 List of material topics		5-7, 12, 17, 34, 35-36	
SOCIAL RESPONSIBILITY				
	Promotion of prosperity and health			
GRI 3: Material Topics 2021	3-3 Management of material topics		12-15, 16, 17-33	RC (C, S, I, F)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		12-15, 16, 17, 19-33	
	403-2 Hazard identification, risk assessment, and incident investigation		12-15, 16, 17, 19-33	
	403-3 Occupational health services		30-33	
	403-4 Worker participation, consultation, and communication on occupational health and safety		12-15, 16, 17, 19-33	
	403-5 Worker training on occupational health and safety		19-33	
	403-6 Promotion of worker health		12-15, 16, 19-33	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		19-33	
	403-8 Workers covered by an occupational health and safety management system			RC (C, F)
	403-9 Work-related injuries		41	RC (C, F)
	403-10 Work-related ill health			RC (C, F)
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		10-11, 12-13, 16, 17-18, 20-30	RC (C, S, F)
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		10-11, 12-13, 16, 17-18, 20-30	RC (C, S, F)
COMMERCIAL PRINCIPLES				
	Long-term sustainable profitability			
GRI 3: Material Topics 2021	3-3 Management of material topics	27-64	12-15, 16, 34	RC (C, S, I, F)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	6, 28, 43-58	12-15, 16, 34	
	201-2 Financial implications and other risks and opportunities due to climate change	51-54	12-15, 35-40	

GRI Standard	Disclosure		Annual Report 2023/24 page(s) ¹	S&CR 2023 ² page(s) ³	Reasons for omission ⁴
	201-3	Defined benefit plan obligations and other retirement plans	40, 43-44		RC (P, F)
	201-4	Financial assistance received from government	30, 43, 46, 48		
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes		19-20	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee		32-33	RC (C, P, S, F)
	404-2	Programs for upgrading employee skills and transition assistance programs		20-30, 32-33	
	404-3	Percentage of employees receiving regular performance and career development reviews		32-33	RC (C, P, S, F)
GOVERNANCE					
	Compliance with laws, regulations, and industry standards				
GRI 3: Material Topics 2021	3-3	Management of material topics	50-54, 105-125	12-15, 16	RC (C, S, I, F)
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		9, 12-15, 19-20	
	205-2	Communication and training about anti-corruption policies and procedures		12-15, 19-20, 32-33	RC (C, S, I, F)
	205-3	Confirmed incidents of corruption and actions taken		12-15	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	100, 116, 120	15, 16	Na (C)
	405-2	Ratio of basic salary and remuneration of women to men	44		
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		12-15	
ENVIRONMENTAL PROTECTION AND RESOURCE EFFICIENCY					
	Entropy efficiency				
GRI 3: Material Topics 2021	3-3	Management of material topics	115	8-9, 10, 12-15, 16, 35-40	RC (C, S, I, F)
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource		11, 12-15, 17-18, 20-30, 35-40	
	303-2	Management of water discharge-related impacts		11, 12-15, 37-40	
	303-3	Water withdrawal		11, 12-15, 37-40, 42	Na (N)
	303-4	Water discharge		11, 12-15, 37-40, 42	Na (N)
	303-5	Water consumption		20-30, 35-40, 42	Ina
GRI 302: Energy 2016	302-1	Energy consumption within the organization		8-9, 16, 17, 35-40, 41-42	Na (C)
	302-2	Energy consumption outside of the organization		8	Na (C)
	302-3	Energy intensity		41-42	RC (I)
	302-4	Reduction of energy consumption		35-40	Na (C)

GRI Standard	Disclosure	Annual Report 2023/24 page(s) ¹	S&CR 2023 ² page(s) ³	Reasons for omission ⁴
	302-5 Reductions in energy requirements of products and services		35-40	Na (N)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		35-40, 42	Ina
	305-2 Energy indirect (Scope 2) GHG emissions		35-40, 42	Ina
	305-3 Other indirect (Scope 3) GHG emissions		35-40, 42	Ina, Na (C)
	305-4 GHG emissions intensity		35-40, 42	Ina, Na (C)
	305-5 Reduction of GHG emissions		35-40, 42	Ina, Na (C)
	305-6 Emissions of ozone-depleting substances (ODS)			Na (N)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		42	Na (C)
Environmental issue	Ordinance on Climate Disclosures		35-40, 41-42	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		8, 10-11, 16, 17, 35-40, 42	Na (C), Ina
	306-2 Management of significant waste-related impacts		8, 10-11, 16, 17, 35-40, 42	Na (C), Ina
	306-3 Waste generated		42	
	306-4 Waste diverted from disposal		8, 10, 16, 17, 35-40, 42	RC (C)
	306-5 Waste directed to disposal		42	RC (C, S)

¹ Page numbers refer to the Annual Report 2023/24 of DOTTIKON ES Group in German

² S&CR = Sustainability & Corporate Responsibility Report

³ Page numbers refer to the S&CR 2023 of DOTTIKON ES Group in English

⁴ Reasons for omission

Na = Not applicable

C = Disadvantageous cost/benefit relation

N = Reporting requirement not appropriate

LP = Legal Prohibitions

S = Swiss law

RC = Restriction due to confidentiality obligations

C = Competition

P = Privacy

S = Security/Safety

I = Overriding interests

F = Confidentiality

Ina = Information not available/incomplete

3 MATERIAL TOPICS

Material topics are topics that represent an organization's most significant impacts on the economy, environment, and people, including their impact on human rights. In order to determine the material topics, DOTTIKON ES Group developed in a first step the concept for understanding the organizational context by creating an initial high-level overview of its activities and business relationships, the sustainability context in which these occur, and an overview of its stakeholders. This provided DOTTIKON ES Group with critical information for identifying its actual and potential impacts. In a second step, DOTTIKON ES Group identified its actual and potential impacts on the economy, the environment, and people, including the impact on human rights across DOTTIKON ES Group's activities and business relationships. Where possible, DOTTIKON ES Group has considered actual and potential impacts that it causes or contributes to through its activities, as well as actual and potential impacts that are directly linked to its operations, products, or services by its business relationships. The negative and positive impacts were identified as far as possible. In a third step, the significance of the impacts was classified and assessed. This included a qualitative assessment of potential severity and actual or potential impacts based on scale, scope, as well as potential irremediable character. The severity was ultimately set in relation to the quantitative or qualitative likelihood of occurrence, thus defining the material topics.

Activities

The determination of activities is based on DOTTIKON ES Group's focus on being a manufacturer of high-quality performance chemicals, intermediates, and exclusive active pharmaceutical ingredients ("APIs") for the world's leading chemical, biotech, and pharmaceutical industry. DOTTIKON ES Group positions itself as a strategic development and manufacturing partner and performance leader in the areas of hazardous reactions, low-temperature and high-pressure chemistry as well as continuous processing. Its safety culture created over decades guides the innovative use of technologies in order to challenge, tighten, or shorten conventional chemical synthesis routes, improve selectivities, yields, and purities, as well as avoid and reduce energy consumption, waste, and CO₂ emissions sustainably. Furthermore, the one-site strategy offers the advantage of short decision and communication pathways. This ensures rapid and efficient project development and management, clear and transparent data and process documentation, and close customer communication.

Business Relationships

As a strongly back-integrated company, DOTTIKON ES Group operates its broad-based core activities locally at its own site. In case of high cumulation needs for certain non-core activities, the company's own resources can be supplemented by external specialist sources, where DOTTIKON ES Group focuses on long-term business relationships, preferably with local anchoring, and on contractual basis. Raw materials, energy, and technical components are sourced internationally and regionally according to economic and qualitative availability, whereby great importance is given to trustworthy, reliable, stable, cooperative, sustainable, long-term and competitive business relationships with integrity. DOTTIKON ES Group focuses its supplier base on companies with an established market positioning that have a good reputation with integrity in their business practices, as DOTTIKON ES Group is convinced that such good business practices are advantageous in the long term, are sustainable, and have a beneficial effect on its own business performance.

Sustainability Context

Economic, environmental, human rights, and other social challenges at local, regional, and global level relating to the industry and the geographical location of the activities and business relationships are gradually placed in the context of the activities and business relationships. Relevant intergovernmental agreements, applicable laws and regulations, as well as widely recognized standards are duly taken into account, implemented and enforced on a business-related basis. For DOTTIKON ES Group, treating committed people with respect and dignity is always an important priority, as it is these people that make up a valuable, long-term, sustainable business relationship.

Stakeholders

As a manufacturer of APIs, we place patients and their well-being at the center of our business activities. In addition, the regulatory requirements and industry standards provide a framework for ensuring quality and thus patient safety. Our customers develop innovative drugs, and we maintain a mutual contact with them, as they are an important link in fulfilling needs and implementing requirements via their downstream activities and related stakeholder interactions. Without the active, disciplined, and committed implementation and execution by our employees, by suppliers for support and supply, and by financial investors, the mission to alleviate health impairments could not be successfully completed. Within this context, it is pivotal to analyze, duly consider, and always respect the legitimate interests of society and the environment in which the activities are carried out and put forward by various stakeholders.

Approval Process on Material Topic Reporting

Various task forces commissioned by the Sustainability Committee worked out and supplied the basics and provided the Sustainability Committee with data and information during the step-by-step process to establish the fundamental basis for decision making, taking informed decisions, and approve results on material topics. The Sustainability Committee presented the results on material topics to the Board of Directors for critical scrutiny and examination, potential input, and final approval. The Board of Directors verified the plausibility of the material topics, challenged them, and approved them for reporting. The description of the material topics is part of the non-financial reporting, which in turn is submitted by the Board of Directors to the Annual General Meeting for the final approval as required by law.

The report provides an account of the material topics, mainly in relation to environmental matters, particularly CO₂ targets, social matters, employee matters, respect for human rights, and the fight against corruption. The report further provides insights into DOTTIKON ES Group's business performance, the financial result, the business positioning, and the impact of its activities on the matters mentioned above. This also includes a description of the material risks associated with the relevant matters.

The material topics are listed and explained in the GRI index with corresponding reference to the detailed statements.

The present report is the first report on the material topics according to Art. 964 OR. Therefore, there were no changes to material topics.

4 FACILITY BACKGROUND INFORMATION

4.1 Incorporation

DOTTIKON ES Group's parental company is Dottikon ES Holding AG. Dottikon ES Holding AG is the parental company of the following Swiss companies, all founded and conducted in accordance with the laws of Switzerland and the laws of the respective cantons

- Dottikon Exclusive Synthesis AG / investment share of 100 percent
- Dottikon ES Management AG / investment share of 100 percent
- SYSTAG, System Technik AG / investment share of 49.7 percent

and the following US company, founded in accordance with the laws of Delaware and the United States of America and conducted in conformance with the laws of the states in which DOTTIKON ES Group actively engages in business activities

- DOTTIKON ES AMERICA, INC. / investment share of 100 percent

Dottikon Exclusive Synthesis AG is the main operational company of DOTTIKON ES Group. The individual company and all companies together are hereinafter referred to as "DOTTIKON". For setting the operational boundaries the financial control approach was chosen in accordance with a corporate accounting and reporting standard of the Greenhouse Gas Protocol ("GHG Protocol").

Clear and accurate information about DOTTIKON's performance, practices, and expectations are communicated to its employees, customers, shareholders, and suppliers. DOTTIKON requires all its employees, customers, and suppliers to comply with applicable laws. DOTTIKON commits to social and environmental corporate responsibility as well as to continuous improvement. DOTTIKON is committed to operations and practices which prevent harm or damage to people, the environment, or property with regard to its products, processes, and facilities. DOTTIKON procures on a globalized market, however with regional and diverse focus. In terms of volume and expenses, most of DOTTIKON's procurement is from Europe.

4.2 Historical Background

The origins of DOTTIKON go back to 1913, when it was founded as Schweiz. Sprengstoff-Fabrik AG ("SSF"). From the 1930s through the 1970s, the focus of activities shifted away from explosives and toward the development of processes such as nitration, hydrogenation, and oxidation, which evolved into today's chemical intermediates and API business and production using hazardous chemical reactions, high-pressure chemistry, low-temperature chemistry, and continuous processing.

SSF was purchased by EMS-CHEMIE HOLDING AG in 1987, changed its name to Ems-Dottikon AG at the end of 1989, and finally to Dottikon Exclusive Synthesis AG in a spin-off transaction from EMS-CHEMIE HOLDING AG with subsequent initial public offering in 2005. Dottikon ES Holding AG was first listed on the SIX Swiss Exchange on March 31, 2005. Today, it is listed in the Swiss share segment under the Swiss Reporting Standard.

4.3 Present

DOTTIKON's history in handling explosives makes DOTTIKON one of the most experienced partners in the industry for safety-critical exothermal reactions such as nitrations, oxidations, and azide chemistry, to name but a few. Today, DOTTIKON is a Custom Development and Manufacturing Organization ("CDMO") with additional specialization in hazardous, safety-critical chemical reactions focused on the exclusive synthesis of fine chemicals. The core technologies of DOTTIKON include hazardous reactions, low-temperature, high-pressure, and continuous processing such as catalytic hydrogenations, alkylations, halogenations, Grignard, and other metalorganic reactions. The type of activity currently performed at the production facility is the manufacturing of chemical substances and APIs as well as advanced intermediates for pharmaceutical and industrial companies around the world (more information under <https://dottikon.com/>). For this purpose, DOTTIKON operates several 100–1'000 liter reactors in

the pilot plant and large-scale manufacture reactors of up to 12'000 liters in its multipurpose production plants. Furthermore, DOTTIKON operates special waste treatment in a high-temperature thermal waste recovery plant at incineration temperatures of over 1'100°C (> 2s). The company is located near the villages of Dottikon and Villmergen, about 6 kilometers south-east of Lenzburg, close to a small river called Bünz, and covers an area of more than 600'000 m². The site is owned by DOTTIKON. 240'000 m² of the area is currently used for manufacturing purposes, with 110'000 m² in addition ready for expansion to meet future market needs. An area of 40'000 m² is reserved and used as ecological compensation area.

DOTTIKON holds a high educational standard among the employees and in in-house trainings and has wide personnel capacities and capabilities in research and development, production, as well as quality management and quality control. The primary corporate language on the site for all employees and local suppliers is German.

4.4 Site Characteristics

DOTTIKON's site is located in a rural region. Only a small part of the site area is located on a groundwater body that is used for municipal drinking water production. No ground water or water source is exploited on site. The groundwater that is used for drinking water purposes was investigated thoroughly and no contamination was found outside the DOTTIKON site. The effluent at DOTTIKON's site boundary is monitored on a four-month basis and data are reported to the authorities.

DOTTIKON's site has been used for industrial purposes for more than 110 years. In 2000, a historical investigation report was compiled by an external engineering company. Some soil contamination is known on site. In accordance with the authorities, a program and timeline are in place for the restoration or monitoring of a contaminated area. A systematic evaluation of other areas is ongoing. A contamination level assessment for construction projects is mandatory. During excavation, the soil is analyzed, classified, and treated or disposed of according to its quality and in line with local legislation.

DOTTIKON's site is located in a moderate climate zone in the northern Swiss plateau. The probability of a significant earthquake is low (lowest possible value hazard zone). Flooding can occur, however, there are basins to retain flood water upstream along the river Bünz located near the site. DOTTIKON's site is surrounded by protection barriers and walls to protect the area from out-of-site flood water. Rainwater on the premises is collected, analyzed and can be retained in a retention basin or pumped to the river Bünz by high-capacity pumps. Windstorms might occur, but buildings are built with appropriate statics. When strong winds are expected, organizational measures are taken to secure mobile equipment and non-fixed objects. Lightning conductors are installed on buildings. No hurricanes, avalanches, volcanic activity, or tsunamis are expected to occur at DOTTIKON.

5 GOVERNANCE

5.1 Compliance with Laws, Regulations, and Industry Standards

DOTTIKON bases its business on the core values of integrity, honesty, reliability, excellence, critical but constructive loyalty, sustainability through entrepreneurial spirit, future-oriented problem-solving, fairness, respect, and tolerance when interacting with employees, customers, suppliers, other business partners and stakeholders, and investors. Openness, transparency, as well as checks and controls shall ensure that trust abuse is immediately uncovered and sanctioned consistently to preserve the trust base for constructive value creating interactions. Therefore, as a company domiciled and located in Switzerland, DOTTIKON always strives for compliance with applicable laws, regulations, and industry standards aligned with Swiss values and western value orientation. In case of potential non-compliance, authorities have the possibility to deny authorization or permissions for certain activities including the power to issue fines. Customers have contractual rights to audit and terminate business contracts in cases of material non-compliance with agreed applicable laws, regulations, and standards, both with negative reputational and financial impact. Compliance builds trust and a solid foundation for long-term valuable business partnerships with the opportunity to create value, finding solutions for challenges within generally accepted frameworks of the society, reduce potential conflicts of interests with stakeholders, and protect the environment. Compliance has a positive impact on human rights such as equality before law and the right to trial.

5.2 Basic Requirements, Monitoring, and Control

One of the basic prerequisites for the sustainable management of DOTTIKON is legitimate behavior toward people and nature. Sustainability is anchored at all business levels of DOTTIKON. The Sustainability Committee, which deals with sustainability tasks, is made up of members of the Senior Management. The Sustainability Committee, supported by specific task forces, reports to and prepares a report on non-financial matters for the Board of Directors. The reporting on non-financial matters on all material topics is reviewed and the report is approved by the Senior Management and the Board of Directors as part of the annual business reporting. The Sustainability Committee makes proposals for the adoption of concepts and applicable due diligence as required. In addition, the main risks in connection with business activities are evaluated and proposals for dealing with them are brought to the attention of the Board of Directors for consultation and approval of guidelines. The topic of sustainability is included on the agenda and dealt with in every ordinary and, if necessary, extraordinary meeting of the Senior Management and the Board of Directors. The Board of Directors determines and ensures sustainability as part of the corporate strategy. The Board of Directors, the Senior Management, supervisors, and employees are all obliged to comply with the Code of Conduct. Responsibility and competence for specific economic, environmental, and social matters are defined within the operational management structure. These responsible functions report to their direct reports according to importance and frequency with respect to urgency along the line organization. All employees are informed and trained for this in an overarching induction program and as further required. Supervisors and employees are required to review, enforce, and implement the Code of Conduct and to disclose, report promptly, and directly address any breaches. Reviews are part of external and internal audits. Deviations are corrected, and required preventive actions are taken. Non-compliance is sanctioned as appropriate and legal.

As in the previous year, no material violations of the law were identified in 2023. The term "law" includes all applicable legally binding requirements at the location of the DOTTIKON companies for all areas, particularly for environmental, social, and employee matters as well as respect of human rights and the fight against corruption. There are no known cases of corruption or anti-competitive behavior. As in the previous year, there were no significant legal disputes in 2023 other than those reported in the Annual Report, if any.

In 2023 as in the previous year, no complaints or incidents of material matter concerning breaches of privacy or data losses have been reported to DOTTIKON, including but not limited to customer-related data. As a result, no significant direct financial impact has occurred or is expected.

The Board of Directors hears legitimate and material concerns from stakeholders and shareholders, examines them and derives any necessary action, always considering the sustainable interests of DOTTIKON ES Group. In the first half of 2023, concerns were raised regarding the corporate governance, shareholder structure, and sustainability reporting. In response, a Sustainability & Corporate Responsibility Report 2022 was published in the second half of 2023. In view of the clear majority structure, the Board of Directors concluded that, as the majority shareholder is also the CEO of the parental company, the logical and natural consequence is that he takes responsibility for the company in the role of Chairman of the Board of Directors as well. The potential conflict of interests has to be and is anticipated by the other members of the Board of Directors and the Senior Management with direct reporting access to the other board members. The free float was also increased by placing shares from the majority shareholder's private stock to broaden the shareholder base and to create a preferable environment for potential institutional investor participation in a future capital increase. Further information on governance at DOTTIKON can be found in the Corporate Governance section of the Annual Report of DOTTIKON ES Group (full German version).

5.3 Management System

DOTTIKON assesses ongoing compliance with Health, Safety and Environment ("HSE"), business ethics, and labor regulations. Furthermore, DOTTIKON has processes in place to enforce responsible business practices related to labor, ethics, environmental protection, health, and safety, also with its supplier base. Legal and customer requirements and requests are examined in good faith by competent personnel to ensure the best possible fit and satisfaction for demand, particular use, needs, and requirements. Methods and instructions for standard operation procedures ("SOPs") and specifications are put in place to ensure that only current and released versions are used in the implementation.

DOTTIKON participates voluntarily in the Responsible Care Programme of scienceindustries. Roles and responsibilities of employees are clearly defined and documented in detailed job descriptions. Furthermore, DOTTIKON has an integrated quality management system based on ISO 9001:2015, which also covers HSE aspects, and DOTTIKON complies with the Customs-Trade Partnership Against Terrorism ("C-TPAT") program. HSE-related functions are the Safety Department, the fire brigade, and an Environmental Department including a Dangerous Goods Safety Advisor, all of whom report to the Head of Production. In addition, DOTTIKON has a safety lab that reports to Research & Development and a Product Safety Officer who reports to the Head of Quality Management. All functions provide monthly and annual reports to Senior Management. All departments appoint an HSE Officer as the first point of contact for employees. Periodical meetings with the HSE Officers take place, e.g. to review past incidents and take corrective and preventive actions ("CAPAs"). Lessons learned from accidents and incidents are brought to the attention of employees through periodic reports. DOTTIKON has developed a set of key benchmarks to allow Senior Management to focus on a proactive approach. Common key operational indicators include the number and nature of incidents or accidents, the number of audits or risk assessments, the number of measures implemented or to be implemented, and the number of trainings conducted and respective attendees.

DOTTIKON uses the casual factor tree analysis for investigating major deviations. Minor deviations and near misses are investigated in a less formal way. These investigations aim, by a root cause analysis ("RCA"), to identify the most likely root cause(s) to define sustainable measures that correct and prevent potential reoccurrence of deviations, incidents, or accidents. These RCAs are well documented and forwarded to Senior Management. Remedial actions are identified and incidents as well as near-accidents are reported to all involved departments. All of these events and corresponding corrective actions are discussed with the respective Safety Officers. Senior Management is provided with monthly reports. Every trimester a brief security and safety release is issued to Senior Management, followed by a comprehensive report at the end of the business year.

5.4 Data Integrity

DOTTIKON follows the principles and requirements with respect to data integrity, in particular for current Good Manufacturing Practice ("cGMP"), relevant data and information (quality data) and their records as well as personal data. Data integrity means completeness, consistency, and precision of data. Data should be attributable, legible, contemporaneous, original, accurate, and furthermore complete, consistent, enduring, and available ("ALCOA⁺"). Attributable means the data generated or collected must be distinctly traceable to who generated the information and to the timing when the data were generated or collected. Legible means the data recorded has to be readable. Contemporaneous means the data must be recorded at the time the work is performed or as close to the time as possible. Original means the original record of data or information has to be retained in its original condition. Accurate means the data recorded or information must be recorded truthfully, accurately, and precisely. Complete means all data and information that are critical and sufficient to recreating and understanding an event must be recorded. Consistent means original records and changes thereof must be comprehensible and coherent. Enduring means the records must be maintained, intact and accessible throughout their defined retention period. Available means records must remain accessible for authorized persons during the defined retention period.

DOTTIKON protects the confidentiality and security of the employees' personal data and the personal and commercial data that DOTTIKON learns of through its activities and from its customers and other business partners. DOTTIKON safeguards these data by ensuring that the applicable Swiss laws and the respective security measures are observed (see <https://dottikon.com/privacy/>). For this reason, every DOTTIKON employee is accountable for ensuring that any data they generate, acquire, check, evaluate, document, and report comply with these standards. In general, third-party subcontractors are not granted access to customers' products or intellectual property, unless otherwise agreed with customers. Files and documents are archived in compliance with legal and statutory provisions and to ensure that DOTTIKON's requirements as well as confidentiality and privacy requirements are met. DOTTIKON maintains and takes measures to preserve confidential and personal data it holds, compiles, and handles in accordance with applicable laws, professional standards, and its own data protection policies and practices. DOTTIKON strictly prohibits the disclosure of confidential and personal data entrusted to DOTTIKON, unless authorized or required by law or regulation, or unless there is a legal or other professional right or duty to disclose. DOTTIKON prohibits the use of confidential data of DOTTIKON's customers for the personal benefit or the advantage of third parties. DOTTIKON keeps business records and other documents in its premises locked overnight. Emails which contain confidential and/or sensitive data are sent to external addresses using additional encryption methods. Hardcopies of documents such as process descriptions, analytical methods, specifications, and technical transfer documents are stored in the Research & Development archive, while electronic versions are stored on the local servers. Stability studies performed on site are monitored online with regard to both temperature and moisture. The reliability is surveilled at all times. The Laboratory Information Management System ("LIMS") is validated. The back-up premises are protected by a fire alarm system. Disaster recovery measures are tested periodically and comprise, among other aspects, the separate storing of documents in different buildings and in fire safes. Backup files are kept in a secure place in a deposit box off site. The main computing facilities are equipped with uninterruptible power supply systems. DOTTIKON has established procedures to control computer/data access. DOTTIKON maintains a secured network architecture designed to protect and maintain the confidentiality, integrity, and accessibility of its company network and its resources. The systems are secured in such a manner that in-house, only authorized devices and applications are allowed to communicate with the company's systems. All kinds of remote access to DOTTIKON's internal IT systems are safeguarded (VPN, 2FA) and continuously monitored. Access to the systems is protected in a manner that only authorized devices and services can be connected with the network itself (NAC). An up-to-date directory of IT devices, including storage and processing capacities, is maintained. Additionally, DOTTIKON maintains a software inventory and a documented hardware type on servers and end-user devices. The dismantling of devices and equipment carrying data is performed under supervision and the

devices and equipment are destroyed externally or in DOTTIKON's own incineration plant. Furthermore, it is assured that sensitive data is encrypted during external transmission. Patch management is designed to proactively administer and monitor security patches to mitigate vulnerabilities and thus reduce the operational impact on the business environment. Anti-malware/anti-virus ("AV") software is configured throughout endpoints to update malware and virus signatures automatically and to provide real-time detection so that malware and compromised files are identified and quarantined as quickly as possible. The AV rules prevent users from disabling or adjusting the rule setting in the AV software. DOTTIKON uses firewalls to ensure the filtering of internet content on endpoints, servers etc. being used to access, save, process, or transfer sensitive data or information. Additionally, different types of logical network components are shielded against each other and limited to the most necessary communication routes. These systems generate log files, used for detection and investigation purposes if needed.

5.5 Code of Conduct

A rapidly changing world with a fast-growing and diversifying number of stakeholders exposes DOTTIKON to the challenge to swiftly keep up with evolving details and facets regarding perspectives and values to be considered appropriate as well as commonly and broadly accepted by society. Therefore, guidance by practical rules based on fundamental principles and values are of great importance. The Code of Conduct (<https://dottikon.com/en/investors/code-of-conduct/>) shall guide DOTTIKON employees and business partners in living up to our core values.

6 CORE MISSION AND SUSTAINABILITY APPROACH

The overarching responsibility mission of DOTTIKON includes the following business priorities:

(1) Health: to secure drug substance supply to support human and animal health; (2) Compliance: to comply with laws, regulatory requirements, and industry standards applicable to the site and business activity; (3) Value: to create long-term value for customers, employees, suppliers, and shareholders; and (4) Efficiency: to be entropy efficient; this means, entropy increase shall be minimized and structures and orders containing negentropy (past entropy increase for build-up) shall be preserved and efficiently used.

DOTTIKON's sustainability mission follows the concept of preservation of information and order.

The priorities of sustainability measures derived therefrom are: (1) more efficient and longer use of existing structures; (2) recycling and reuse of existing structures at high value levels; and (3) focus on more sustainable approaches when expanding or replacing existing structures with new ones.

DOTTIKON's safety culture created over more than 110 years guides the innovative use of hazardous reactions, low-temperature and high-pressure chemistry, as well as continuous processing in order to challenge, tighten, or shorten conventional chemical synthesis routes to improve selectivities, yields, and purities and thereby avoid and reduce energy use, waste, and CO₂ emissions sustainably. The sustainability priorities with respect to material and resources use and processes are to avoid, reduce, treat, recycle, reuse, and lastly destroy. The versatile technology and equipment portfolio is used, maintained, and continuously expanded to design, develop, and optimize chemical processes and technical manufacturing procedures for the rapid scale-up from kilograms to multi-tons in order to produce and deliver the respective market volumes and make drug substances and their respective drug products available and affordable as pharmaceuticals for humans and animals to improve their health-related quality of life.

6.1 Diversity

DOTTIKON promotes and values a culture of sincere openness, understanding for others' legitimate needs, constructive criticism, direct disclosure, and an effective addressing of problems.

DOTTIKON respects and tolerates different fact-based opinions and views. DOTTIKON is convinced that this diversity allows and favors best engagement in a joint and constructive discourse for the best target-oriented and consensus-based solution. Next to social skills, capability and willingness to perform by self-responsibility, self-initiative, discipline, and flexibility, the view on diversity to cover the full solution space in constant search for the best solution drives DOTTIKON's evaluation and decision making process when selecting employees, suppliers, and partners.

6.2 Open Dialogue with Stakeholders

DOTTIKON welcomes and maintains an open exchange with various stakeholder groups.

DOTTIKON in particular supports the interactive dialogue on interests, laws and regulations, standards, their implementation in practice, and expected future developments. DOTTIKON is also an active or passive member of various organizations and associations to represent and support DOTTIKON's corporate and industry interests and to raise awareness for key topics. These organizations and associations include scienceindustries, SCS, SAFEX, AIHK, SOCMA, SGVC, VBSA, VSA, VUR, SVBL, SAQ, SGIG, SVBL, ECO SWISS, Electrosuisse, EnAW, AGBFW, Schweiz. Feuerwehrverband, FBV, Handelskammer Deutschland-Schweiz, ORDAT-Benutzergruppe.

7 SOCIAL RESPONSIBILITY

7.1 Promotion of Prosperity and Health

DOTTIKON is a CDMO that provides process development and manufacturing services for performance and intermediate chemicals and small molecule APIs to its customers, the world's leading chemical, biotech, and pharmaceutical industry. DOTTIKON is specialized in hazardous reactions. Its safety culture created over more than 110 years guides the innovative use of hazardous reactions, low-temperature and high-pressure chemistry, as well as continuous processing in order to challenge, tighten, or shorten conventional chemical synthesis routes, improve selectivities, yields, and purities, as well as avoid and reduce energy consumption, waste, and CO₂ emissions sustainably. The versatile technology and equipment portfolio is used, maintained, and continuously expanded to design, develop, and optimize chemical processes and technical manufacturing procedures for the rapid scale-up from kilograms to multi-tons in order to produce and deliver the respective market volumes. It is DOTTIKON's top priority to secure drug substance supply to support human and animal health. This includes the safety and health of our own employees and our business partner's employees, safety and maintenance of our plants and equipment and the environment as well as patient safety by securing potency and availability by appropriate risk assessments, correct process execution and in-spec material on time and in-full delivery. Safety for us is equal to quality and vice versa.

The reliable and efficient manufacture of innovative APIs promotes good health and saves lives. This is an important basis for the right to life, prosperity and wealth and basic source of value creation for society. This added value is also a solid basis for a long-term sustainable business. However, the manufacturing processes involve corrosive, flammable, toxic, and explosive chemicals as well as controlled substances. If not handled properly, these hazardous properties can potentially adversely impact human health and cause financial, psychological, reputational, and material or physical damage to living creatures, water, soil and air, of various severity in scale, scope and irremediability. Employees working with such chemicals have to be, and are, protected by appropriate measures from modes of chemicals entry by inhalation, absorption, ingestion or transfer from mother to unborn child or infant. This includes technical and organizational measures, personal protection equipment and periodic health checks, all embedded in a trained and maintained safety culture based on prevention by individual basic mindset of personal responsibility, ownership and initiative, knowledge and experience, available resources, and instructions and regulations. Despite the active measures to cope with the low remaining residual likelihood risk of a potential incident with explosions, fire, gas release, and spills with severe impact on the environment or on humans through injury or death, the safety culture also involves the reactive concept of detection, alert, immediate measures, and intervention forces to reduce potential scale and scope as well as the irremediable character of potential incidents.

7.2 Quality Management

cGMP and other higher industry quality standards are an integral part of the comprehensive quality system of DOTTIKON's independent Quality Management Department.

DOTTIKON meets the high quality requirements of its customers due to the strict adherence to a quality system based on the process approach of ISO 9001:2015, which includes cGMP according to ICH Q7 as well as HSE protection.

DOTTIKON is authorized by the Swiss Agency for Therapeutic Products ("Swissmedic") to manufacture and sell APIs including liquid and solid dosage forms. It is subject to regular inspections by the Regional Medicines Inspectorate of North-Western Switzerland. The most recent audit was completed in February 2022.

The quality management system is based on a three-level hierarchy

- Quality manual with a general overview and the perspectives of quality management
- Processes and general instructions for the main business processes
- Standard operating procedures with detailed description of each operational step

As part of the company's Quality Management, the Quality Control unit is responsible for testing raw materials, intermediates and final products to ensure compliance with specifications. The Process Analytics unit is responsible for in-process tests as well as release of cleaning results. The Quality Assurance unit monitors compliance with cGMP requirements such as review of batch records. Activities such as cleaning and process validation are performed by the responsible Quality Management project manager.

Active Substance Master Files ("ASMF") or Drug Master Files ("DMF") are prepared in the electronic Common Technical Document ("eCTD") format and are registered with the respective authorities worldwide

- In Europe with the European Medicines Agency ("EMA") in the centralized procedure and with the several national authorities in the national procedure
- In the USA with the Food and Drug Administration ("FDA") as Drug Master File Type II
- In Japan with the Pharmaceutical and Medical Devices Agency ("PMDA")
- In several other countries such as Australia, New Zealand, and Canada

DOTTIKON's most recent FDA inspections can be found on DOTTIKON's webpage (<https://dottikon.com/en/services-and-products/quality-management/fda/>).

Nitrosamine Risk Assessment

For some specific products, there can be a risk that nitrosamine in minor concentrations might emerge. The nitrosamine risk assessment, if requested by customers, is based on a product-specific and systematic theoretical evaluation of the nitrosamine risk level (EMA and FDA guidelines) including

- Stages of API manufacturing starting from registered starting material ("RSM")
- Route of synthesis of RSM
- Starting materials, particularly when they are introduced late in the synthesis
- Reagents, solvents, water
- Recovered materials
- Process control
- Cleaning

If the risk regarding the presence of nitrosamines in a particular API is assessed to be significant, confirmatory testing using state-of-the-art equipment is performed by

- Quantification of volatile N-nitrosamines
 - Determination using newest generation GC-MS-TQ with the option of headspace injection to allow quantification in complex sample matrix
 - Highly selective and sensitive methods in place to quantify volatile N-nitrosamines at or below concentrations according to ICH M7(R1)
 - Methods originating from European Pharmacopoeia and Swissmedic
 - Quantification under cGMP with validated generic methods, requalified for each individual sample and corresponding matrix
- Quantification of non-volatile and product-related N-nitrosamines
 - Application of the most suitable instrument and technique
 - Individual screening and analytical method development
 - Method qualification and validation upon request

A detailed report is provided to support the marketing authorization holder's obligation regarding assessment of nitrosamines in drug products.

7.3 Labor and Ethics

Commitment to Business Ethics and Corporate Social Responsibility

Business activities, structure, financial situation, and performance are disclosed in accordance with applicable laws and regulations. Fair business standards in advertising, sales, and competition are upheld to safeguard customer information. DOTTIKON does not condone illegal or unethical behavior by its suppliers, contractors, and business partners. DOTTIKON selects suppliers through fair procurement processes. All employees are encouraged to report concerns or suspicion of illegal activities in the workplace in a way that is free of threats of retaliation, intimidation, or harassment. Confidentiality and anonymity are guaranteed in accordance with applicable laws and regulations. Intellectual property rights are respected, and the transfer of technology and expertise takes place in a way that protects intellectual property rights.

Egalitarian Social Structure

DOTTIKON ensures that all its employees are compensated fairly. Employees are compensated for overtime hours in accordance with local laws. DOTTIKON also requires its customers and suppliers to adhere to international standards regarding equitable compensation for work performed. Wage deductions are not used as a disciplinary measure. Employees are not required to pay any fees to secure employment. Use of temporary, dispatch, and outsourced labor is made within the limits of local laws. Additionally, DOTTIKON bases its compensation model on objective criteria such as performance, education, work experience, and market demand. Supervisors regularly assess their employees in a performance review process, and Senior Management audits and reviews wages annually. In overall terms, workweeks do not exceed the permitted number of hours as laid out in applicable laws and regulations. DOTTIKON offers vacation time, leave periods, and holidays at least consistent with local laws.

DOTTIKON encourages and values a diverse mix of people, viewpoints, talents, and experiences. Employees shall not be exposed to any discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, labor union membership, national origin, or spousal or marital status in the hiring process and employment procedures. DOTTIKON fosters a culture and working environment where people are treated with respect, courtesy, and fairness, promoting equal opportunity for all. DOTTIKON tolerates no kind of harassment or discrimination in the working environment. Employees are entitled to freely move about in any part of the site around their work area at any time during their working hours, except in restricted areas that require special access, security or safety clearance, and provided that such activity does not interfere with other workers' productivity. DOTTIKON respects the employees' right to freely associate with, form, and join workers' organizations, to seek representation, to engage in bargaining, and to assemble peacefully to the degree permitted by and in accordance with applicable laws and regulations. Employees are encouraged to seek and engage in an open dialogue with Senior Management about employment terms and working conditions with no fear of reprisals, intimidation, or harassment.

To represent the interests of employees in accordance with the Employee Information and Participation Act (SR 822.14), particularly in matters relating to safety and health protection and the prevention of work-related accidents and illnesses, the workforce is organized by a majority voting procedure, with each elected member of the Works Council generally representing one of 10 constituencies. The Works Council assumes the following tasks: Representation of employees vis-à-vis DOTTIKON; submitting suggestions that are in the interest of employees or DOTTIKON, in particular on health and safety issues; supporting DOTTIKON in the enforcement of health and safety regulations; appointing representatives to participate in the approval of construction projects with regard to health and safety; receiving and reviewing suggestions from employees; forwarding well-founded suggestions to DOTTIKON; advising and reviewing matters that affect the interests of employees and that are submitted to it by DOTTIKON for consultation; participation in the amendment or issuance of internal regulations and directives; participation in the transfer of companies within the meaning of Art. 333f OR as well as in mass layoffs within the meaning of Art. 335d–335g OR; involvement in the affiliation to an occupational pension scheme and the

termination of such affiliation contracts; and the nomination of suitable candidates in the internal elections. At least four times a year, usually on a quarterly basis, the Works Council and the Senior Management, usually represented by the CEO (Chair) and the Head of Human Resources, hold plenary meetings. The Works Council president and the CEO have the right to add items to the meeting agenda. The invitation with the agenda and any documents is sent in general to the members of the Works Council and the Senior Management representatives at least seven (7) days before a meeting is held. In the event of significant operational changes, i.e. a change in the operational structure of the company which may have a significant impact on the employees, the notice periods of the affected employees in accordance with the Employee Regulations of DOTTIKON and the individual employment contracts must also be taken into account.

Measures Against Child Labor

Child labor is not used. Workplace apprenticeship programs comply with applicable laws and regulations. Consistent therewith, employees younger than eighteen (18) years ("Young Adults") are hired for education reasons only. DOTTIKON ensures, with the exception of vacation internships, that Young Adult employees completed the minimal scholar education (i.e. eleven [11] years) as required by local laws and the applicable UN conventions prior to their employment. Any apprenticeship employment contract between DOTTIKON and a Young Adult requires the approval of both the legal guardian(s) and the competent Department of Labor to become binding for the parties. Furthermore, DOTTIKON requires its suppliers, subcontractors, agents, and affiliates not to hire employees younger than eighteen (18) years, except for educational purposes, in accordance with international treaties. In order to enforce the protection of children, DOTTIKON regularly audits its main suppliers, subcontractors, agents, and affiliates. In case of substantial violations of DOTTIKON's ethical standards, those standards shall be enforced or the cooperation with suppliers, subcontractors, or agents shall be suspended or terminated.

Measures Against Corruption and Bribery

DOTTIKON condemns corruption and neither makes bribes nor accepts them, nor induces or permits any other party to make or receive bribes on DOTTIKON's behalf. Other means of obtaining undue or improper advantages are not offered or accepted either. All DOTTIKON employees and Board Members are bound by contractual duty neither to bribe third parties or their representatives nor to accept money or valuable presents from third parties or their representatives in exchange for inadequate advantages. Additionally, all DOTTIKON employees and Board Members are required to relay any suspicion or case of corruption or bribery to a designated institution within DOTTIKON (i.e. Human Resources Department or Legal). Corruption, extortion, and embezzlement in any form are strictly prohibited and may result in immediate termination as a DOTTIKON supplier as well as in legal action.

7.4 Safety and Security

Safety Management

DOTTIKON promotes a safety culture, and the prevention of accidents is of utmost importance. Self-discipline, individual responsibility, and everyone's own initiative form the foundation of DOTTIKON's safety culture. By thoroughly searching for and identifying dangers and implementing efficient preventive measures, DOTTIKON constantly reduces any residual risk and probability of occurrence. Furthermore, the principle of double safety redundancy is implemented throughout the organization. This means a single mistake or deviation shall not lead to a critical incident.

Compliance

DOTTIKON complies with the relevant local laws regarding workplace safety. The most pertinent are Art. 6 Para. 1 of the Swiss Labor Law (SR 822.11) and Art. 82 Para. 1 of the Swiss Law on Accident Insurance (SR 832.20). Both articles state that the employer is obliged to adopt measures considered necessary by experience, feasible with the state of the art, and suitable for the conditions of the business to protect the health of the employees. Furthermore, it is the employer's responsibility to implement the required measures to protect the employees' personal integrity.

Safety Within the Organization

Safety functions are embedded in all departments of DOTTIKON. The most important safety functions are briefly described below.

Safety Department

The Safety Department of DOTTIKON is part of the Production Department and consists of personnel trained and certified as Occupational Health and Safety Specialists according to the Ordinance regarding the Suitability of Labor Safety Specialists ("Verordnung über die Eignung der Spezialistinnen und Spezialisten der Arbeitssicherheit" [SR 822.116]). The specialists regularly attend internal and external training courses. The tasks of the Safety Department include

- Managing occupational health and safety
- Managing the HSE handbook (Safety SOPs)
- Managing site security
- Managing emergency services (Fire Department; staff trained in first aid measures ["Paramedics"])
- Managing alarm systems
- Contact with authorities, e.g. regarding the statutory ordinance on hazardous incidents ("Verordnung über den Schutz vor Störfällen" [SR 814.012])
- Responsibility for fire protection requirements (notified representative)
- Risk analyses ("HAZOP")
- Occupational exposure measurements

Safety Laboratory

The safety laboratory of DOTTIKON is part of the Processes & Technologies Department. The safety laboratory provides the required basic safety data in order to conduct process risk analyses of new processes or to classify new substances. The methods the safety laboratory uses include, but are not limited to

- Differential Scanning Calorimetry ("DSC")
- Radex
- Sedex
- Reaction Calorimetry
- Friction Sensitivity
- Impact Sensitivity
- Koenen Test
- Flammability

Product Safety

Product safety at DOTTIKON is in the responsibility of a Quality Assurance team with members that hold the required educational degrees. Quality Assurance is part of the Quality Management Department. The team ensures compliance with the Federal Act on Protection against Dangerous Substances and Preparations ("Bundesgesetz über den Schutz vor gefährlichen Stoffen und Zubereitungen" [SR 813.1]), maintains the Safety Data Sheets of chemicals in use, and classifies new products.

Dangerous Goods Safety

The Dangerous Goods Safety Advisor is in charge of correct procedures for dangerous goods. The Advisor is responsible for managing the checklists for the handling of dangerous goods at DOTTIKON through periodic inspections and audits, and supports the logistics team, which is in charge of handling the carriers and reports to the Purchasing Department. The employees of the warehouse facility check the cargo vehicle against a checklist. All checklists regarding secure dangerous goods guarantee the observance of the Agreement concerning the International Carriage of Dangerous Goods by Road ("ADR"); (SR 0.741.621); and the Regulation concerning the International Carriage of Dangerous Goods by Rail ("RID").

Safety Officers

A Safety Officer ("KOPAS") is assigned to each plant and laboratory. The Safety Officer is trained by the Safety Department and acts as the first contact person on site for the employees of a department in matters related to occupational safety and health protection.

Site Security

The premises of DOTTIKON are fenced and monitored. During workdays, security staff checks incoming and exiting people and vehicles. Only employees of DOTTIKON and registered guests, including employees of our business partners, are granted access to the DOTTIKON site. Security staff is on site at all times. They also control sensitive areas of the premises by patrol and with a video surveillance system ("CCTV"). In the Security Office, the central Security Management System groups all fire and technical alarms. Standard measures are defined for each specific alarm and in case of emergency. Staff is trained and always aware of the action to be taken.

Regulations

The regulation and documentation of the work performed is an important part of occupational safety. As such, all SOPs are part of the ISO 9001:2015 quality management standard used by DOTTIKON. The system ensures that up to date SOPs are in use within DOTTIKON and that all SOPs are revised at least every four (4) years. As soon as a new or updated SOP is published, all relevant parties are informed whether and by when training of the content is required. Safety-relevant SOPs are collected in a separate HSE manual. In departments with workplaces without access to a personal computer, a folder with the latest hard copies of the safety SOPs is available.

Managing Risks

Risks are assessed and measures for risk mitigation are identified and their implementation controlled. If intended activities or operations still contain risks that remain in an unacceptable range, they are not executed at DOTTIKON. The various risk assessment tools used by DOTTIKON are listed below.

HAZOP

For production lines and new production plants, DOTTIKON conducts a risk analysis in form of a hazard and operability study (HAZOP plant).

Before production, the process chemist together with the project manager and a member of the plant management conduct a risk analysis of chemical processes. If major hazards are identified during the risk analysis, a similar type of HAZOP (HAZOP plant/process) is initiated for the process on a dedicated production line.

For each HAZOP plant, the team comprises a member of the Safety Department, a member of the plant management, a supervisor, and a plant engineer. In the case of a HAZOP plant/process, the respective process chemist is also part of the team.

Safety Assessment

New chemicals with new characteristics to be handled at DOTTIKON are subject to a safety assessment by the Safety Department. During this assessment the Safety Department determines whether, and how, this new chemical can be handled at DOTTIKON. In the safety assessment, the

Safety Department considers the toxicological, physical, and chemical properties of the compounds.

Occupational Hygiene

Regarding specific steps in handling critical chemicals with low permissible exposure limits at the workplace, the Safety Department conducts occupational hygiene measurements to ensure that employees are not exposed to hazardous chemicals.

Toxic Gas Dispersion Modeling

For highly toxic chemicals (e.g. chlorine gas), the gas dispersion is modeled for the unlikely event of an incident. A case simulation is generally performed with the incident scenario of the largest unit failing. The modeling is performed by a computer program (Model for Effects with Toxic gases, MET) to evaluate the dispersion zones and expected local concentrations and impact.

Annual Training Program

Every year trainings for employees are published on DOTTIKON's intranet. Topics for such trainings include, without limitation

- How to use fall protection
- How to use fire extinguishers
- How to grant drilling and welding permits

Each year the plant supervisors set up a training plan for their employees and schedule the necessary trainings. Trainings are documented in attendance lists and archived as well as in the employees' individual training booklets.

PEP Program

DOTTIKON has a Prevent injury, Enhance Performance ("PEP") program managed by the Safety Department. If there is a topic that requires a short training session, the Safety Department organizes mandatory 30-minute training sessions for affected staff. Examples for PEP trainings are

- How to open pressure vessels
- Eye-protection awareness
- Containment
- Recent near misses
- Earthing of equipment

SiWaKo Program

SiWaKo is a safety maintenance program that stands for **S**icherheit (Safety), **W**artung (Maintenance), and **K**ontrolle (Control).

There are two SiWaKo programs: One on a yearly basis and one on a monthly basis that is combined with the safety audits. The annual SiWaKo is based on a checklist on which different aspects have to be verified in a defined time period (weekly, monthly, yearly). The tasks may include

- Inspection of personal full face masks of any department
- Inspection of elevators of the plant
- Inspection of equipment earthings
- Inspection of first aid kits

In the monthly SiWaKo, all departments receive a sheet from the Safety Department listing the items to be checked within the next one-month period. Both types of SiWaKo are monitored by the Safety Department.

Training for Safety SOPs

The regular training of employees in the relevant safety SOPs is triggered by the monthly SiWaKo sheet that is provided by the Safety Department and lists safety SOPs that need to be trained. The plant supervisors are in charge of training all their employees. Upon completion of the training, the supervisor files the training documentation and signs the SiWaKo sheet.

Inspections and Audits

DOTTIKON conducts a variety of audits and unannounced inspections relevant to safety in the workplace. The various types of inspections and audits are shown in the following.

Full Safety Audit

In line with ISO quality standards, a safety audit of a plant is triggered every three (3) years. The audit is then conducted by two members of the Safety Department and one member of the Environmental Department. The plant manager, the plant engineer, and the plant supervisor are present during the audit. During each audit, the employee training documentation is inspected. Inspections are carried out to ensure that the SiWaKo program is followed and documented properly. In addition, the respective plant is examined during a tour. Safety deviations are filed in a report and followed up by the Safety Department to ensure the implementation of CAPAs.

External Safety Audit

An external safety consultant conducts one safety audit per year. This prevents safety deviations caused by operational blindness from remaining undetected. Safety deviations are recorded in a report and followed up to ensure implementation of CAPAs by the Safety Department.

Insurance Inspections

DOTTIKON has a number of insurance plans. The insurance agencies conduct regular inspections at DOTTIKON to review appropriate measures in place to mitigate unacceptable risks.

Customer HSE Audit

Every year between three and six customer HSE audits are conducted. The audits at the DOTTIKON site typically last for one or two days.

Annual Internal Safety Audit

The Safety Officer of a department conducts an annual internal safety audit of the respective department together with a Safety Officer of another department. The Safety Department defines the subject of these annual audits. The Safety Officers record the results in a report and send the report to the Safety Department. The responsibility for correcting any issues or deviations lies with the plant supervisor.

Reporting System for Near Misses and Suggestions

DOTTIKON has established a reporting system for near misses and improvement suggestions. Employees are encouraged and incentivized to report any unsafe conditions, deviations, and near misses in writing. Additionally, all employees can submit a form to make suggestions for improvements. The plant manager comments this form, while the Head of Department reviews and submits it to the Safety Department. The Safety Department collects forms and reviews reports with the Head of Production on a regular basis. If a report contains a worthwhile suggestion for DOTTIKON, the initiating employee is financially awarded. A summary of the suggestions and derived measures is reported quarterly so that all employees can learn from the experience. In the case of accidents and spills, a RCA is carried out for each case. In case of a major incident (e.g. major spill or potential for serious injury), the Safety Department carries out the RCA to define preventive measures to avoid respective risks in the future.

Explosion Protection / ATEX

DOTTIKON evaluates the areas (rooms, pipes, tanks, and vessels) where flammable substances are handled for the probability of the formation of a dangerous explosive atmosphere. The space is then classified in the respective EX zone and documented in the explosion protection document. In these EX zones, only CE-certified equipment for the respective EX zone is used. Floors in EX zones are anti-static and all employees wear anti-static ATEX shoes. In order to further mitigate any risk, recently installed tanks and vessels are explosion pressure shock resistant.

Fire Protection Requirements

Main buildings at DOTTIKON are built to meet the standard of the local fire protection requirements such as the Law on Preventive Fire Protection (SAR 585.100) and the Fire Protection Ordinance (SAR 585.113) as well as the fire protection standards and fire safety directive issued by the association of cantonal fire insurance agencies. DOTTIKON maintains fire protection plans for buildings, and the buildings are divided into fire sections with fire resistant materials and doors according to the rules and regulations described above.

Fire Detection and Extinguishing Systems

Main buildings at DOTTIKON are equipped with fire detection systems. The alarms are perceivable both locally and in DOTTIKON's alarm center.

Manufacturing plants and some tank storages are equipped with a manually activated spray flood system. The newer tank storages have an automated spray flood system. Archives are equipped with automated fire extinguishing systems that operate with inert gas in order not to jeopardize the integrity of the archived documents.

Fire Hydrants

DOTTIKON has around 80 fire hydrants on site. Most hydrants are connected to the drinking water system. In addition, there are some emergency hydrants connected to the raw water system which is normally used for cooling purposes. Drinking water is sourced from the three municipal water supply systems that surround the DOTTIKON site. In addition to the fire-fighting water basins within the three supply systems, DOTTIKON maintains another 300 m³ fire-fighting water basin on site.

Pressure Vessels

Pressure vessels at DOTTIKON are regularly checked by the Swiss Association for Technical Inspections (SVTI) and are equipped with pressure release valves that are regularly maintained.

Maintenance Data Base

Safety- and quality-related equipment – such as the ones identified in HAZOPs – is registered in DOTTIKON's maintenance database to ensure maintenance and inspection within the specified periods.

Fire Water / Spill Retention

In the event of a fire on site, sewage water from DOTTIKON can be manually diverted to a fire-fighting water retention basin with a total capacity of 5'450 m³. Sewage is monitored online during 24 hour operation (for TOC and pH values). In the event of a deviation, sewage is redirected automatically into an isolated retention system.

Safety Data Sheets

DOTTIKON keeps updated safety data sheets of chemicals handled on site. Safety data sheets are available on DOTTIKON's intranet as well as in the form of hardcopies in the plants handling the respective chemicals.

Storage

Bulk storage takes place in tank storages. Tank storage sites for the storage of chemicals are registered at cantonal level. Above-ground tank storages at DOTTIKON are located in concrete retaining structures which are regularly controlled for leaks. Underground tanks at DOTTIKON are double-walled and equipped with leak monitoring systems. Tank farms are equipped with a flooding system.

Separately packed goods are stored in warehouses or on paved surfaces. Warehouses are equipped with a fire alarm system. Incompatible chemicals are stored separately according to the Guideline regarding the Storage of Hazardous Substances issued by the Environment Commission of North West Switzerland.

Transport

Internal transport of chemicals is carried out using forklift trucks, truck trailers, or tank trailers. Chemicals not transported in bulk are packed in UN-approved packaging. Forklift drivers receive regular training and hold a valid license.

A set of employees from the Logistics Department manage the freight forwarders' operations on site. The warehouse employees check the freight vehicle against a checklist. Checklists for secure dangerous goods provide compliance with ADR/RID. The Dangerous Goods Safety Advisor inspects the correct handling of dangerous goods through periodic checks and audits.

Education to Handle Chemicals

All employees that handle chemicals receive regular training in the relevant safety SOPs such as "Handling of Flammable Liquids", "Handling of Acids", and "Alerting". For every process in manufacturing, employees receive training in both the process and the chemicals handled prior to the manufacturing campaign.

Permits

DOTTIKON maintains a system of permits required for different tasks. The different kinds of permits are listed and described below.

General Work Permit

Any technical/engineering project manager who hires employees from third parties must notify the Safety Department before the work is carried out. On the day of work, the third-party workers are required to register at the entrance of the site and obtain a work permit. The technical/engineering project manager accompanies the third-party workers to their place of operation. On completion of the work, the technical/engineering project manager signs off the work permit and the third-party employees hand in their signed work permit before logging out at the site entrance.

Construction Work Permit

For major construction projects, the technical/engineering project manager is required to notify the Safety Department of third-party construction workers for safety reasons. The Safety Department then conducts a formal safety training with these workers and issues personal construction work badges for each approved third-party worker. The third-party construction workers are required to register and sign out at the main entrance upon each arrival and departure.

Hot Work Permit

Hot work permits are required for grinding, drilling, welding, soldering, cutting, brazing, burning, and the use of powder and dust developing tools outside of designated hot work areas for both third-party and internal employees. Hot work permits grant a so-called "drilling permission" by the plant supervisor once it is established that such work will not result in flying sparks or open flames that might represent a safety risk. If flying sparks or open flames are expected as a result of the work, hot work permits in the form of so-called welding permits are in the responsibility of plant

management. The granting authority must assess the risk of fire in the work area and implement appropriate safety precautions such as

- Removal of flammable substances within the hot work area
- Handing out and usage of a gas detector (explosimeter)
- Appointment of a surveillance person
- Instruction of the employees

Maintenance Work

For any maintenance work on potentially contaminated equipment, a maintenance work permit is required for both third-party and internal employees. Maintenance permits are granted by the plant supervisor or foreman. The granting authority must assess the risk of the remaining chemicals and implement appropriate safety precautions such as

- Decontamination or cleaning of the equipment
- Definition of appropriate personal protective equipment to be worn during maintenance
- Instruction of the employees
- Lockout tagout system to protect workers during maintenance

Confined Space Entry Permit

As a general rule, entering closed containers and spaces is forbidden. In order to enter closed containers such as tanks, vessels, or sewers, both third-party and internal employees are required to obtain a confined space entry permit that is subject to strict conditions. The permit is granted by the plant management and the granting authority must assess the risk of asphyxiation and implement appropriate safety precautions such as

- Removal of nitrogen sources
- Ensuring ventilation
- Precautionary use of a rescue harness
- Appointment of a surveillance person
- Handing out oxygen/gas detectors (explosimeter)
- Definition of appropriate personal protective equipment
- Instruction of the employees and third parties

Security

DOTTIKON has implemented several security mechanisms. The mechanisms are briefly described below.

Key Access Management

Restricted areas are secured with keys and/or electronic badges. The Safety Department manages the access rights for each employee.

Perimeter Security

The DOTTIKON site is fenced by a wire mesh fence topped with barbed wire. There are only two entrances to the premises. The main entrance is permanently monitored by security staff. The second entrance is locked, not in regular use and purely serves as a backup in case of emergency.

Surveillance

DOTTIKON monitors key areas such as storage facilities and site entrances with a CCTV.

Patrols

The security staff of DOTTIKON patrols the site at varying times.

Air Freight Security Program

DOTTIKON takes part in the known consignor program of the Federal Office of Civil Aviation ("FOCA"). As such, DOTTIKON has introduced an air freight security policy and engages air freight security officers. Two members of the Senior Management check that the rules are being followed. DOTTIKON is regularly audited to ensure that security measures are up to date.

Sensitive Materials

Sensitive materials such as drug precursors, shock- and heat-sensitive materials, highly valuable goods, or confidential documents are locked in high-security storage units such as safes, vaults, or security cabinets.

Security Plan (ADR 1.10)

DOTTIKON has implemented a security plan according to ADR 1.10 Security Provision for the handling of high-consequence dangerous goods such as shock- and heat-sensitive materials, highly toxic substances, or bulk flammable liquids.

Background Checks

DOTTIKON conducts background checks to ensure that employees in key functions such as air cargo handling, sensitive management functions, or security do not have a relevant criminal record. These employees are required to hand in a current extract from the criminal record every three (3) years. The documents are verified by and filed with the Human Resources Department.

Customs-Trade Partnership Against Terrorism

DOTTIKON has implemented the measures of the C-TPAT program in checklists and processes.

Emergency Utilities

Utilities at DOTTIKON are generally designed with redundant systems or equipped with a backup solution. The relevant utilities are briefly described below.

Emergency Power Supply

Major manufacturing plants, the compressed air supply, the fire-fighting water basin pumps, and the incineration plant are equipped with emergency diesel power generators. The process control systems are connected to uninterruptible power supply units.

Emergency Cooling

DOTTIKON uses pretreated water from the river Bünz as cooling water for some condensers and reactors. Additionally, water from the drinking water system can be used in case of emergency to safely shut down overheating chemical reactors.

Gas Station / Fuel Storage

DOTTIKON operates a gas station on site which is connected to an emergency diesel power supply. The fuel storage holds up to 800 m³ of diesel and fuel in order to supply the diesel emergency power generators on site in the event of a prolonged power failure.

Redundant Steam Supply

DOTTIKON is equipped with a redundant steam supply. The base load of steam is generated by the incineration plant on site. Peak steam demand is covered by two steam boilers capable of generating enough steam to satisfy the entire demand. One of the two steam boilers serves as a standby and is usually not in operation.

Emergency Compressed Air

The compressed air supply at DOTTIKON is produced by several compressors which are connected to an emergency diesel power generator. There are buffer vessels distributed across the site to hold enough compressed air for up to 15 minutes.

Emergency Nitrogen Supply

DOTTIKON has two redundant nitrogen supply systems on site. The base load is generated by a nitrogen generator. Peak demand is managed by a liquid nitrogen evaporation unit. Even if one of the systems fails, core nitrogen supply for the site is still ensured.

Emergency Fire-Extinguishing Water

In case of fire, the drinking water system is used as fire-extinguishing water. In addition to the fire-extinguishing water basins of the surrounding municipalities, DOTTIKON maintains a 300 m³ fire-extinguishing water basin on site. The drinking water system can be operated without electricity but uses electric pumps to increase pressure and water flow. The electric pumps are connected to an emergency diesel generator.

There are also emergency fire hydrants connected to the water system used for cooling purposes in non-emergency situations.

Local Alarm Center

Local fire and gas alarms at DOTTIKON are grouped in the alarm center, which is located at the Security Office and is operated at all times.

Emergency Telephone Line

DOTTIKON maintains a separate, dedicated internal telephone line for emergencies. This line is connected to an uninterruptible power supply. Employees who need emergency services call the dedicated emergency phone number to obtain immediate assistance.

Automatic Fire Alarm Activation

When an automatic fire alarm is activated, both a local alarm and an alert at the alarm center in the Security Office are triggered. The security guard on call awaits a confirmation from the affected plant for a maximum of two minutes. If no "all-clear" is given, the security guard immediately alerts the fire brigade.

Manual Fire Alarm Activation

In line with fire protection requirements, the site is equipped with several manual fire alarm activation buttons distributed across the premises.

Pagers

Each member of the DOTTIKON fire brigade is equipped with a pager. When the fire brigade is required, members are alerted and immediately report for duty at the fire station. Members of the fire brigade who are not currently on site are notified as needed by an alarm on their private mobile or landline phones.

Siren

DOTTIKON maintains an alarm siren on site. With the siren, DOTTIKON can

- Alert the members of the fire brigade
- Warn of an imminent explosion
- Warn of an imminent gas leak

for all employees to take the defined actions in each case.

Emergency Services

DOTTIKON maintains a series of emergency services which are briefly described below.

Fire Department

DOTTIKON maintains its own fire brigade. The members of the fire brigade are trained in various functions

- Search and Rescue (with SCBA)
- Chemical HAZMAT Response
- Biological HAZMAT Response
- Engineering
- Paramedics

In case of major incidents, the fire brigade is supported by an emergency group of key DOTTIKON employees of functions such as Senior Management, Human Resources, Incineration Specialists, Engineers, and Chemists.

DOTTIKON's fire brigade also responds to external HAZMAT events in the south-eastern part of the Canton of Aargau. In case of simultaneous internal and external incidents, incidents at DOTTIKON are awarded higher priority.

Firefighting Foam

The Fire Department holds several tons of firefighting foam ready on water tenders. The foam can be injected in the spray flood systems of the plants and tank storages in order to increase the extinguishing efficiency of the spray flood systems.

Medical Rooms

DOTTIKON maintains a medical room near the Security Office. There, employees with injuries get medical assistance at any time by dedicated staff trained in first-aid measures.

A separate medical room is also available for routine medical exams of employees by a occupational health physician.

Escape Hoods

Buildings inside DOTTIKON that could potentially be affected in case of a release of toxic gas are equipped with escape hoods with combination filters to filter toxic gases. The escape hoods are available on site for visitors in case of emergency, while all employees working in an area that can potentially be affected by toxic gases are provided with a personal full-mask respirator equipped with a combination filter.

7.5 Health

Commitment

The health protection of its employees is of highest importance to DOTTIKON. DOTTIKON follows the relevant local legislation on health at work. The most important ones are Art. 6 Para. 1 of the Swiss Labor Law (SR 822.11) and Art. 82 Para. 1 of the Swiss Law on Accident Insurance (SR 832.20). Both articles state that the employer is obliged to take measures which are necessary based on experience, reflect the state of the art and comply with the principle of proportionality in order to protect the health of employees. Employers are also liable to take measures to protect employees' personal integrity.

Building Codes

Buildings at DOTTIKON are built to meet the standard of the local building codes such as Regulation 4 on the Swiss Labor Law (SR 822.114). DOTTIKON is categorized as an industrial company. As such, it is required to submit plans for buildings to local authorities prior to construction. The authorities check that the plans comply with the regulations in place. Once a new building is completed, the authorities check whether it was built according to the approved plans. Only once a building passes these checks do the authorities allow the use of a building. This ensures among others

- That workplaces are equipped with emergency exits
- That workplaces are safely accessible for employees
- Adequate heating, lighting, and ventilation for workplaces
- Windows to the outside for permanent workplaces
- Adequate number of restrooms
- Restrooms and changing rooms separated by gender

Fume Hoods

In order to minimize the exposure of laboratory employees to dangerous chemicals, the laboratories at DOTTIKON are equipped with fume hoods. The fume hoods are regularly maintained and subject to performance inspections.

Containment

In order to minimize the exposure of manufacturing employees to dangerous chemicals, DOTTIKON uses a range of closed transfer systems. Examples of such systems are

- Bag docking stations
- High containment transfer bag systems (such as DoverPac)
- Glove boxes
- Endless liner systems

Occupational Hygiene and OEB

DOTTIKON ensures that employees are not exposed to concentrations of dangerous chemicals that exceed the Occupational Exposure Limit ("OEL") defined by the Swiss National Accident Insurance Fund (SUVA). Where no occupational exposure limit is available, DOTTIKON classifies a substance into an Occupational Exposure Band ("OEB") according to the available information. The exposure monitoring is checked regularly for gas and dust with dedicated monitoring systems. Exposure is primarily controlled close at the emission source by technical measures (primary containment) and by reduced exposure times. Additional double-safety layers (secondary containment) are the Personal Protective Equipment ("PPE") and the separation or enclosure of the working area to protect other products and the environment. Only for defined extraordinary cases the PPE in combination with organizational measures are used as primary protection. In case of campaigns with very toxic chemicals or off-gases the workers are equipped with appropriate sensors.

Medical Checkups

As defined by SUVA, the health status of the employees working in shift-mode in manufacturing is evaluated every two (2), the one of employees working in laboratories and maintenance every four (4) years. The exposure or health monitoring is carried out through special monitoring systems for gas and dust. Health and hygiene records are available for all employees. The Safety Department reports its health and hygiene record data assessment to the Senior Management on a monthly basis. SUVA brochures and information leaflets about nutrition are distributed to ensure that employees are updated and educated on health-related topics.

Hygiene/Cleaning

DOTTIKON employs personnel responsible for cleaning and landscaping. Offices, toilets, and meeting rooms are cleaned regularly. The cleaning of laboratories and manufacturing facilities is conducted by the staff of the respective departments.

Maternity Protection

DOTTIKON assessed workplaces with regard to risks to expectant mothers and unborn children and has defined protective measures.

Employee Voice

DOTTIKON employees have the right and obligation to raise security concerns free from fear of reprisals. Employees are encouraged to submit written suggestions or complaints. The direct supervisor, the Safety Department, and the Head of Production consider suggestions. If employees have urgent issues, they can contact a member of the Safety Department directly by telephone at any time. Queries or suggestions not related to health and safety are reported to the Works Council. The Works Council holds regular meetings with representatives of the Senior Management to represent the employees' interests.

Workwear

Employees that work with chemicals or conduct unsanitary work are equipped with respective workwear. DOTTIKON provides workwear for all employees working in manufacturing and in laboratories. Workwear is exchanged with clean workwear at least every week. Employees can change their clothes in dedicated changing rooms. The changing rooms are separated by gender and are regularly cleaned by cleaning staff. The employees are required to change their protection clothes before entering the dedicated lunchrooms.

Personal Protective Equipment

Where risks to the health and safety of employees cannot be reduced by technical or organizational measures, employees are protected by PPE. Additional levels of protection are established by the plant manager in the course of operations, particularly when chemicals are handled openly. Employees are trained periodically and their supervisors inspect the correct application of PPE. PPE is stored in a dry place to ensure quality and cleanliness. A maintenance program is carried out to ensure that the PPE is in good operating condition. PPE is paid by DOTTIKON and employees are at liberty to upgrade their level of protection at any time.

Investments in Training and Further Education

For DOTTIKON as performance leader and specialist for hazardous reactions, the training and further education of employees is a key success factor. Qualified staff with up-to-date specialist knowledge is not only the basis for effectiveness and efficiency, and consequently safety, quality, and productivity, but also a defined regulatory requirement in the pharmaceutical production environment and for customers. Vocational training ensures continuity and guarantees that DOTTIKON will have future generations of qualified employees. Where possible and appropriate, dual education is offered. Continuous training and education serve to maintain a high level of education in line with the state of the art and ensures that skills, competencies, knowledge, and experience are deepened and developed further. Specific training and the creation of opportunities for targeted, in-depth examination of new issues and regulations ensure that employees are empowered for the strategic success of the company. In addition, staff are supported in expanding and enhancing their own skills, taking on specialist and leadership responsibility, and growing personally as a result.

DOTTIKON works with a variety of internal and external training and development tools, including

- Employee induction program at the workplace
- Central induction course
- Ongoing specialist training
- HSE and cGMP trainings
- Vocational training
- Further education for adults
- Leadership development training

Every year, 5 to 10 percent of working time per DOTTIKON employee is spent on training and further education. The trainings are not gender-specific, as the roles at DOTTIKON are gender-neutral. Depending on the job category and job tenure, training can vary in type and intensity. A performance review is carried out at least once a year with every employee, and the topic of training and development is included as required. The performance reviews can take place within or outside the standard process, depending on requirements and situation.

DOTTIKON periodically presents itself at universities and schools to attract young talents for work or internships at the company. Employees with leadership responsibilities are responsible for determining training needs. The quality of training and the corresponding training success are reviewed as part of the annual performance appraisals or as required.

8 COMMERCIAL PRINCIPLES

8.1 Long-term Sustainable Profitability

DOTTIKON has a long-term sustainable business model. We are convinced that the acknowledging of problems, the analysis of their root causes and effective and efficient CAPAs are the source of consistent and persistent and therefore long-term sustainable value creation.

Broadening knowledge and understanding by problem-solving experience, research, development, and education unfolds additional value creation and secures value preservation and allows to reduce conflict of interests. When there is continuously value added by free and fair competition and by allowing capable persons independent of their origin participate in this process, there is always enough value to be shared with employees, customers, suppliers, other business partners, and stakeholders and investors to improve everyone's prosperity and wealth over time.

9 ENVIRONMENTAL PROTECTION AND RESOURCE EFFICIENCY

9.1 Entropy Efficiency

The manufacture of complex structured chemical molecules to be used for or as APIs to support human and animal health has the intrinsic need for energy and materials as resources. The increasing complexity has a correlation with corresponding environmental footprint, despite economic reasonable immense efforts to achieve the best possible cost benefit relation efficiency. DOTTIKON's business priorities follow – after ensuring the supply of APIs for humans and animals, compliance with laws, regulations, and industry standards, creating long-term added value for customers, employees, suppliers, and shareholders – sustainability targets in the form of the below described entropy efficiency.

Most residual materials are recycled within manufacturing processes whenever possible, in terms of regulatory and quality requirements, safe and economically viable. However, regulatory provisions set clear boundaries to the potential solution space, for reasons of patient safety. So, thermal recovery of residual destruction by incineration is often the only remaining entropy efficient alternative. Incineration of chemical residuals is in our business the main source of CO₂ emission. CO₂ emissions are an important contributor for global warming. Global warming has positive and negative impacts on environment, society and the economy. A hotter environment will potentially cause climate changes and affect availability and accessibility of water, flooding and storms, need for energy for cooling and affect human and animal health, and therefore foster demand for disease-relieving medications. CO₂ emissions are the product of population number multiplied by prosperity level (GDP per person), energy efficiency (energy consumption per activity), and CO₂ intensity (CO₂ emission per usable energy unit). Technological progress can improve energy efficiency and CO₂ intensity. The most important drivers, however, remain population size and degree of prosperity. Both intrinsically are favored by health care, where DOTTIKON's business and value creation lie in. A growing population with increasing prosperity leads to high energy and material consumption and therefore to significant entropy increase and, as a result, to more disorder or destruction. Entropy is a thermodynamic parameter to measure disorder in a system. If order is created at one place in the system, the same amount or more disorder is created at another place in the system. In a closed system, spontaneous processes are irreversible. There are no possibilities to reverse irreversible processes in any way while at the same time returning aids used for it back into their original state. Entropy, therefore, always increases. If the functioning social structures with population growth and increasing prosperity are to be maintained, we will have to accept the associated increase in entropy. The challenge lies in the sustainable organization of this entropy increase. The increase should be organized along the following entropy efficiency principles and priorities and affects functional structures at global, regional, and local levels, as well as biological (habitats and settlement structures), industrial and economic (production and distribution) and social structures: (1) more efficient and longer use of existing structures; (2) recycling and reuse of existing structures at high value levels; and (3) focus on more sustainable approaches when expanding or replacing structures with new ones.

In Switzerland, according to the Act on Climate Protection Targets, Innovation and Strengthening Energy Security, the federal government must ensure that Swiss man-made greenhouse gas emissions are zero by 2050. Greenhouse gas emissions are to be avoided as much as possible, and remaining greenhouse gas emissions are to be offset by applying negative emission technologies in Switzerland and abroad. After 2050, the amount of CO₂ removed and stored must outweigh the remaining greenhouse gas emissions. In the wording of the Act on Climate Protection Targets, Innovation and Strengthening Energy Security, the reduction targets must be technically and economically feasible. The Act on Climate Protection Targets, Innovation and Strengthening Energy Security mandates DOTTIKON to achieve net-zero greenhouse gas emissions by 2050 for at least those emissions caused directly by its operations and those indirectly caused through purchased energy (i.e. electricity, heating and cooling of buildings). According the GHG Protocol terminology these emissions categories are called Scope 1 and 2. The other emissions from activities in the upstream or downstream value chains outside the company's premises are referred to as Scope 3. In addition to the direct (Scope 1) and indirect (Scopes 2 and 3) emissions, there is

also the concept of avoided emissions, often referred to as Scope 4 (not part of the GHG Protocol terminology). These are potential emissions that are avoided as a result of measures taken to avoid emissions that otherwise would have occurred. In the case of DOTTIKON's business activities, these are reductions in material and energy use through shorter synthesis routes, more efficient manufacturing processes with high selectivities, yields, and purities as well as reduced energy consumption, also taking into account the raw materials in use. In line with the entropy efficiency priorities, waste materials shall be recycled, materially reprocessed and thermally recovered according to the priorities described above. This reduces waste and ultimately (CO₂) emissions. Scope 4 is the most important lever to secure long-term lower Scope 1, 2, and 3 emissions and the primary focus of DOTTIKON.

DOTTIKON's Scope 1 CO₂ emissions are primary from on-site waste incineration (clearly more than half of which with thermal recovery in the form of steam generation), a minor share from steam generation with fossil fuels, and a very small share from heating of buildings, transport, and emergency power generated with oil and diesel. Replacing the fossil energy with additional thermal recovery from waste incineration would increase the Scope 1 emissions by around 1.5 tons of CO₂ for each reduced ton from fossil sources due to lower efficiency and higher CO₂ intensity. If this increased Scope 1 is captured on site at the point source, liquified, and stored using current available negative emission technologies, much more energy in the form of heat and electricity is required. In general, therefore the CO₂ emissions increase significantly above the original Scope 1 and 2 and due to the further amount of energy required, if these additional CO₂ emissions are again also captured, with costs multiple-times higher than the current costs at market price for CO₂ emission allowance rights. Post combustion capture at scale plants for point sources of special waste incineration plants are not yet available of the shelf. Some technical challenges therefore still have to be solved first, which in turn could result in higher costs than anticipated today. As an alternative, CO₂ could be extracted directly from the air using Direct Air Capture ("DAC") technologies at similar costs, however the current available technology is also not yet ready for implementation at scale today. Another theoretical alternative lies in afforestation. This would require an area of around 8 km², which would reach its full potential beyond thirty (30) years only and thereafter fadeout as an absorption-emission-equilibrium is being reached. If the Scope 3 emissions, which are still rather difficult to assess but are multiple times higher than Scope 1 and 2 emissions, are taken into account, net zero over all scopes would cost DOTTIKON tens of millions of Swiss francs per year, even considering that suppliers may be able to achieve their transformation at lower costs based on reduced regulatory requirements for their respective sectors. In the end, this makes life-saving drugs more expensive, and the end consumers and hence the population will have to stem the additional cost for net zero along the entire value chain. Due to limitations for affordability this will have the potential negative impact on human and animal health. Conclusion in terms of feasibility of net zero 2050: From today's vantage point, the net-zero goal for 2050 is not yet feasible technically and may never be feasible from an economic or sociopolitical point of view in the given timeframe. As a result, it is unrealistic in the long term despite being required by law. It must therefore be assumed that the legal targets and framework conditions will inevitably have to be adjusted and loosened significantly and corrected over time. This bears a substantial risk for misinvestments in the short term with associated potential negative impact on the economy and society, human beings and their human right to life and for prosperity.

9.2 Climate-Related Risks and Opportunities and Their Financial Impact

Awareness of sustainability and climate-related issues is an integral part of the DOTTIKON company culture. Climate related risks and opportunities are addressed and managed within the established governance process of DOTTIKON as operational and financial risks and opportunities. The annual operational and financial planning including climate related risk and measures covers a several years period. The results of the planning process are implementation plans including milestones and targets. Several climate related risks and opportunities have been identified and appropriate measures to cope with them were or will be taken. In the short term, the focus is on measures for securing energy and power supply and counteracting against increasing

energy costs. Measures to reduce and manage these risks and opportunities involve improvement measures for overall energy efficiency and CO₂-intensity reduction. For more purchasing power, whenever possible long-term engagements are being made and the number of emergency power units and corresponding fuel depots increased. In the midterm, the focus is on securing the availability of water, temperature-controlled cooling warehouses, the volatility of emissions right prices and diversification of our global supply chain to reduce third party climate related risks. In the long term, the CO₂-emissions of the on-site waste incineration plant will be addressed, being the main source of emissions. Given the current technological and regulatory framework, the most economic and viable suitable technology and approach to achieve the net zero targets in 2050 is still uncertain and needs further assessment. The most appropriate and beneficial solution will be implemented as the visibility regarding technology and regulatory progresses. Most apparent climate-related risks and associated measures have already been managed in operational business. For most of these risks, the financial impact on cost and related pressure on sales is estimated for the future to increase and to be in the mid to high range. DOTTIKON has established a model to estimate product carbon footprints and sets its focus on Scope 4 applying its significant research and development resources allowing to improve Scope 1, 2 and 3 for manufacturing processes in the future. Having these capabilities in place can be a unique selling proposition. The evaluation and determination of the metrics to be used, for the setting of interim targets and milestones for emission reduction as well as the base year are in progress. DOTTIKON is aligning its processes to complete a full and recent GHG inventory / screening of Scope 1, 2 and 3 emissions. Scope 1 and 2 have been completed and published since 2023 for the year 2022. Screening for all elements of Scope 3 categories is ongoing. To date, the relevant categories for DOTTIKON are considered to be 1 (raw materials), 2 (capital goods) and 5 (waste generated in manufacturing). In a first approach, these data are generated by a statistical model based on available data bases and own data. Whereas at the same time, suppliers are being asked and motivated to provide emission data for supplied products and goods and to do the same on their end to improve provided data in quality overtime. For Scope 3 downstream emissions categories 9 through 15 DOTTIKON is dependent on and awaiting emission data from its customers. In the meantime, DOTTIKON continues to make in-depth efforts to include all relevant categories of upstream Scope 3 emissions. In the underlying assumptions and calculations established parameters and models available from public sources as Swiss regulatory authorities and industry practices have been used for emission quantification, factors, and global warming potentials. It is DOTTIKON's aspiration to allocate Scope 1, 2 and 3 (upstream) emissions to manufactured products resulting in the metric Product Carbon Footprint ("PCF"), given as kilogram CO₂ per kilogram product. This provides opportunities to support customers in the effort to get their own transparency on Scope 3 (upstream) and to identify the levers to reduce PCF in a joint effort. To date appropriate and commonly used metrics are carbon intensity related to business volume by sales in relation to Scope 1 and 2 and the absolute amounts of emissions by scopes and categories.

9.3 Commitment to Protect the Environment

DOTTIKON recognizes that its business operations and its provision of services may potentially impact the environment and strives to reduce harmful effects. DOTTIKON develops and operates its facilities in a way that ensures continual improvement of safety, health, and environmental protection. DOTTIKON aspires to develop manufacturing processes for products so that these are produced and handled in a safe and environmentally friendly way. All DOTTIKON employees are instructed to handle the environment with care.

DOTTIKON is a member of and committed to the Responsible Care Programme of scienceindustries. Responsible Care is the Business Association Chemistry Pharma Life Sciences' unifying commitment to the safe management of chemicals throughout their life cycle, while promoting their role in improving the quality of life and contributing to sustainable development. DOTTIKON's manufacturing site satisfies federal standards of environmental protection. Consequentially, DOTTIKON complies with legal guidelines related to environmental protection, explicitly the Act on the Protection of the Environment (SR 814.01, "USG"), the Act on the

Protection of Waters (SR 814.20, "WPA") and all other Acts and subsequent Ordinances, as requested by Swiss law, which are among the strictest environmental protection rules in the world. The activities to protect the environment are implemented within DOTTIKON's ISO 9001:2015 system.

As a company with a longstanding tradition and a one-site strategy, DOTTIKON cultivates a respectful and honest communication and cooperation with local, cantonal, and national authorities. Reports and data are submitted at least on an annual basis, and visits and meetings are held with the authorities regarding topics such as water management, water and air monitoring, energy efficiency, volatile organic compounds and greenhouse gas emissions. The public is informed about the impact on the environment by the publicly available Swiss Pollutant Release and Transfer Register.

Environmental permits are in place for the monitored release of rain and cooling water into the river Bünz, for the use of river water for cooling purposes, for the acceptance of special waste for recycling or incineration in DOTTIKON's special waste incineration plant, and for the discharge of treated wastewater from the incineration plant. Furthermore, a contract between DOTTIKON and the municipal wastewater treatment plant ("MWTP") regulates the discharge of wastewater to the MWTP.

Water is used for a variety of purposes across DOTTIKON's business, including heat transfer and cooling, steam generation, washing and cleaning, sanitization, and as a product ingredient. It is a precious, vital, and valuable natural resource of importance, which must be actively managed to conserve resources. DOTTIKON is in an area where water is available and where water stress will remain low in the future (< 10 percent according to Aqueduct Water Risk Atlas). Food grade water can be obtained from three different municipal water providers that source it from rivers and groundwater. Cooling water is pumped from the river Bünz and treated on site (sand filtration). Water supply is secured by redundant access points to the site and there is a redundant distribution piping system throughout the site. Surrounding communities are obliged to hold water reserves in basins for firefighting operations at DOTTIKON. Furthermore, additional internal water reserves are available on site.

Steam for process heat, and the heating of buildings is produced on site in the waste incineration and treatment plants and additionally, especially during wintertime, in the boiler house. Beside natural gas the boiler house can incinerate waste solvents of good and controlled quality as energy source to substitute fossil fuels.

Energy is a necessary input for DOTTIKON's manufacturing processes (agitators, pumps, compressors, rotary sintering kiln, etc.) and is vital for utility generation such as steam, heating, cooling, ventilation, compressed air, nitrogen generation, air conditioning and refrigeration, as well as transportation.

DOTTIKON pursues the goal to increase its energy efficiency. Energy efficiency goals are set and agreed on with the authorities within the framework of the regional energy law.

DOTTIKON takes part in the European CO₂ emission trading system and reports its emissions to the national authorities on a yearly basis. Within the trading system a reduction path for CO₂ emissions is defined.

Waste Management and Treatment

At DOTTIKON, waste management starts before any waste has even been generated. As early as in the routefinding, process design, and process development stages of our Research & Development Department, the principles of "avoid" and "reduce" are taken to heart, and key figures such as the amount of waste per kilogram of product or the Process Mass Intensity ("PMI") are assessed. At the same time, the waste quality, including any potential toxicity of the waste, is discussed with DOTTIKON's Recycling and Waste Treatment Department.

The Recycling and Waste Treatment Department of DOTTIKON is subsequently in charge of chemical waste treatment. This includes, on the one hand, determining the appropriate treatment routes and, on the other hand, the effective treatment of waste on site. Waste treatment

- is based on ecological and economic principles and the availability of capacities
- depends on the properties of the waste, which is assessed by the Recycling and Waste Treatment Department as well as by DOTTIKON's waste laboratory within DOTTIKON's Environmental Department
- is based on available waste treatment options: safe disposal and destruction of toxic and hazardous components are given the highest priority, followed by recycling which is preferred over destruction and thermal energy recovery wherever possible

Solids, organic solvents and contaminated aqueous wastes from the production plants and from external sources are incinerated on site. The Recycling and Waste Treatment Department operates an on-site high-temperature waste treatment plant with a rotary sintering kiln which is able to incinerate solid, liquid, and gaseous wastes at a temperature above 1'100°C, with thermal energy recovery. Organic solvent waste and contaminated aqueous waste are normally incinerated on site or disposed externally, again with material recycling being preferred wherever possible, or incinerated for the safe destruction of hazardous substances. Waste from DOTTIKON's incineration plant (ashes, sludge) is disposed in a landfill site in Switzerland or an underground depot in Germany in accordance with local environmental regulations. Aqueous waste is treated with activated carbon filtration, neutralization, and sedimentation on site and sent to an off-site MWTP. If not possible, it is incinerated or treated off-site. Empty chemical drums are handled or disposed of, depending on prior content, through high-temperature incineration or a licensed company for steel recycling. DOTTIKON does not dispose of or permanently store waste on site (landfill, lagoon, surface impoundment, land treatment etc.). Waste is labelled indicating the type of waste and associated hazards and treated as soon as possible. Audits to third-party waste disposal vendor sites where waste is handled are carried out as required. A waste material database record tracks the quantities of waste as well as the respective way of treatment.

Wastewater

DOTTIKON has defined four different qualities of wastewater and operates separate sewer systems for each quality throughout the entire site

- Uncontaminated used cooling water sourced from the river Bünz and meteor water is led into the river Bünz after release by the internal online analysis (TOC, pH, temperature). In case of a contamination of the cooling and/or meteor water, the effluent is automatically redirected into retention basins with a capacity of 5'450 m³. This capacity can also be used if the wastewater destined for the MWTP is contaminated or for firefighting water retention. During heavy rainfalls, the release of water into the river Bünz is retarded to protect the river from flooding. If the temperature of the river Bünz rises to such an extent that further water withdrawal and return of the cooling exceeds the allowed temperature limit permitted by law, the used cooling water will be cooled by evaporative coolers and reused in circulation mode
- Domestic water and wastewater containing only biologically degradable substances from production plants are treated on site by neutralization and sedimentation. Subsequently, biological treatment and flocculation take place in the MWTP whose outlet is discharged into the Aare, a large river. The pH value of the wastewater is monitored online before the wastewater is transferred to the MWTP. Given that uncontaminated used cooling water is discharged directly into the river Bünz, the MWTP does not have to handle excess amounts of non-contaminated water
- Aqueous waste from production plants containing non-biodegradable substances is treated in two different activated carbon treatment plants on site, one under alkaline and the other under acidic conditions. After activated carbon treatment and removal of non-biodegradable substances, the water is neutralized and led into the MWTP together with other wastewater from DOTTIKON
- Wastewater from the incineration plant is treated in a specialized wastewater treatment plant on site and discharged into the river Aare

DOTTIKON operates its own wastewater laboratory. This laboratory analyzes the samples of aqueous waste from the production plants to establish the best disposal path in terms of content properties, adsorption, biological degradability, and other tests. Process wastewater may only be discharged into the sewer system after approval by the wastewater laboratory.

Furthermore, the wastewater laboratory monitors the functioning of internal and external wastewater treatment as well as the quality of the wastewater and checks compliance with the limits required by law. Parameters, including those indicating the functioning of the activated carbon treatment plant as well as the incineration plant's wastewater treatment plant, are analyzed daily by DOTTIKON's wastewater laboratory within the Environmental Department. Water samples are taken at specific measuring points (influent and effluent of activated carbon treatment plant, site effluent, influent and effluent of off-site MWTP, effluent of wastewater treatment plant of incineration plant) and analytical results are shared daily with the senior management of the MWTP.

Retained water is analyzed and disposed of according to its quality (activated carbon treatment, biological treatment, incineration, external treatment).

Spill Control

Several measures are taken to avoid groundwater and soil contamination. Handling of chemicals and unloading of tanks and tank wagons take place in dedicated areas with local retention basins. These measures include tanks with overfill control systems, safety measures against spills in unloading/loading areas, required vapor control system, and off-gas treatment. The underground storage and process tanks as well as the above-ground storage tanks are periodically tested for condition and tightness. The program is adequate for the types of vessels and quantity of materials handled at the facility, and records are maintained onsite in accordance with regulatory requirements. Spill kits, inert absorbing materials, and sealing cushions are provided throughout the site. Recovered spillages are disposed of according to their properties.

The operating staff is trained with regard to the handling of chemicals, filling of tanks, and behavior in case of incidents, and the respective instructions are documented. The fire brigade on site is specifically trained in dealing with chemical incidents. Spills are recorded in an incident report that also lists measures taken.

Off-Gas Treatment and Measurement

The facility maintains pollution control equipment to reduce gaseous emissions. Processes are performed in closed systems whenever possible. The production plants are equipped with condensers, gas coolers, scrubbers and – depending on the plant, the project, and expected emissions – dust filters, activated carbon filters, cryotrap, mobile excess gas burners, or permanent connection to the high-temperature incineration plant. Emission control measurements at the production plants are undertaken by DOTTIKON and reported to the authorities on a yearly basis including information concerning the total organic emissions for the site.

The incineration plant is equipped with an electric dust filter, air scrubbers, and a DeNOx system. Measurement of the off-gas quality of the incineration steam production plant is performed by an independent external institute on a yearly basis and the results are directly communicated to the authorities.

10 FACTS AND FIGURES

(1/2)

1727	Unit	2022	2023
Financials ¹			
Net sales	CHF Tsd	278'240	338'397
Investments ²	CHF Tsd	149'796	210'400
Site ³			
Total area	m ²	600'000	600'000
Area used for production	m ²	240'000	240'000
Area available for expansion	m ²	110'000	110'000
Management systems			
Overall quality system	ISO 9001:2015		
cGMP related quality system	cGMP, Swissmedic, FDA, Foreign Manufacturer Registration (FMR; PMDA), permits according to Swiss Foodstuffs Act (FSA), and Narcotics Act (NarcA)		
Health, Safety, and Environment (HSE)	Integral part of ISO 9001:2015		
Security	Known Consignor, C-TPAT compliant		
Personnel ⁴			
Total number of employees	FTE	700	730
Working hours ⁵	h	1'189'132	1'240'865
Work-related injuries with lost time >1d	number	17	14
Employees in Administration ⁶	FTE	85	80
Employees in Quality Management	FTE	95	105
Employees in R&D, Pilot Plants	FTE	150	165
Employees in Production ⁷	FTE	370	380
▪ Employees in Safety, Health and Environment	FTE	20	21
Share of PhD Scientists ⁸	[%]	15	15
Share of scientists and engineers ⁸	[%]	31	28
Apprentices (Federal Certificate of Competence)	FTE	37	34
Fire and Hazardous Incident Response			
Members of Search and Rescue Team	number	70	67
Members of Chemical HAZMAT Response Team	number	70	67
Members of Biological HAZMAT Response Team	number	23	23
Members of Paramedic Team	number	17	20
Utilities			
Total electricity consumed ⁹	MWh	23'167	23'803
▪ Electricity sourced	MWh	23'125	23'313
▪ Nuclear power	MWh	23'125	23'313
▪ Electricity generated on site	MWh	42	490
▪ Photovoltaic ¹⁰	MWh	na	471
▪ With fuel oil	MWh	42	19

¹ January 1 until December 31; business year is April 1 until March 31 of the following calendar year

² Asset additions

³ Rounded numbers

⁴ As of December 31, rounded numbers, including apprentices and contract staffing in line function

⁵ Productive working hours

⁶ Includes business development, purchasing, finance and business administration

⁷ Includes production planning and plants, engineering, recycling and waste treatment, safety and security, environment, warehouse and internal logistics and site management

⁸ Of headcount without apprentices

⁹ No sales of electricity to third party outside DOTTIKON property

¹⁰ Commissioning of first photovoltaic unit in April 2023

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	Unit	2022	2023
Utilities (continued)			
Total fuel consumed	MWh	54'393	57'213
▪ Caloric waste ¹¹	MWh	41'959	42'165
▪ Natural gas ^{11,12}	MWh	3'588	3'543
▪ Fuel (oil, diesel, and gasoline)	MWh	7'670	11'110
▪ Residual-derived substitute fuels	MWh	1'176	395
Total steam produced on site for heat ¹³	MWh	35'007	36'187
Raw materials consumed	t	na	12'726
Waste / residual materials from production ¹⁴	t	20'852	20'217
▪ High caloric	t	1'894	1'708
▪ Medium caloric	t	5'574	5'918
▪ Low caloric	t	2'238	2'408
▪ Very low caloric	t	11'146	10'183
Waste materials internally processed ¹⁵	t	7'947	8'105
▪ Waste from external sources	t	na	481
Waste materials externally processed ¹⁶	t	na	55'884
Industrial water consumed ¹⁷	m ³	214'556	211'939
River water for cooling ¹⁸	m ³	1'166'242	1'269'269
Sewage water treated ¹⁹	m ³	117'160	137'820
Emissions			
Scope 1 CO ₂ emissions ²⁰	t CO ₂ -eq	16'154	17'880
▪ By source			
▪ Waste	t CO ₂ -eq	13'397	14'220
▪ Natural gas	t CO ₂ -eq	723	713
▪ Oil, diesel, and gasoline	t CO ₂ -eq	2'034	2'947
▪ By purpose			
▪ Waste incineration ¹¹	t CO ₂ -eq	2'008	2'245
▪ Waste incineration with thermal recovery ¹¹	t CO ₂ -eq	12'038	11'990
▪ Steam generation with fossil	t CO ₂ -eq	1'583	2'032
▪ Other (e.g. heating/cooling, transportation, emergency power)	t CO ₂ -eq	525	1'613
Scope 2 CO ₂ emissions ²¹	t CO ₂ -eq	368	371
Scope 3 CO ₂ emissions ²²	t CO ₂ -eq	na	128'266
VOC ²³ emissions	t	65	na
NO _x emissions ²⁴	t	6	4
TOC sewage water ²⁵	t	35	24

¹¹ Previous year restated mainly by refined caloric waste classification

¹² Lower heating value

¹³ Produced on-site by high-temperature waste processing plant and boiler house; no sales of steam to third party outside DOTTIKON property

¹⁴ Previous year restated mainly by aqueous waste inclusions

¹⁵ Waste from internal production and external sources (waste treatment services)

¹⁶ From production, construction work and internal waste treatment

¹⁷ Drinking water consumption

¹⁸ Cooling water taken from and returned to river

¹⁹ Transfer of pretreated wastewater to community sewage treatment plant

²⁰ Includes CO₂ from on-site high-temperature incineration from external sourced waste

²¹ Nuclear power, assuming 0.0159 kg CO₂/kWh

²² Only GHG Protocol Scope 3 category 1 (raw materials, from chemical manufacturing only) and category 5 (waste generated in manufacturing, externally treated), estimate

²³ Volatile organic compound, not available for reporting year on publishing date of present report

²⁴ High-temperature waste processing plant and boiler house

²⁵ Amount of total organic carbon transferred to community sewage treatment plant



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