



04 At a glance

06 Report to the shareholders

10 Company

21 Sustainability

74 Corporate Governance

105 Compensation Report

127 Financial Report

BOSSARD
Proven Productivity

Annual Report 2023

SHORT PROFILE

Proven Productivity

Bossard's global team is fully committed to Proven Productivity. Together we create sustainable values for our customers.

The Bossard Group is a leading strategic partner for industrial fastening and assembly technology solutions to OEM customers globally with proven expertise in engineering and logistic services.

Bossard was founded in Zug in 1831. Today local and multinational companies count on Bossard's expertise to increase their productivity – with success. Bossard calls this concept, which is also a promise to its customers, Proven Productivity. This includes, among other things, optimizing processes and reducing inventories to increase the efficiency and productivity sustainably. In addition, Bossard is considered a pioneer in developing intelligent production facilities in line with Industry 4.0.

With more than 2,900 employees at 81 locations in 31 countries throughout the world, the Bossard Group generated CHF 1,069.0 million in sales in the financial year 2023. Bossard is listed on the SIX Swiss Exchange.



Content

04 **At a glance**

06 **Report to the shareholders**

10 **Company**

21 **Sustainability**

74 **Corporate Governance**

105 **Compensation Report**

127 **Financial Report**

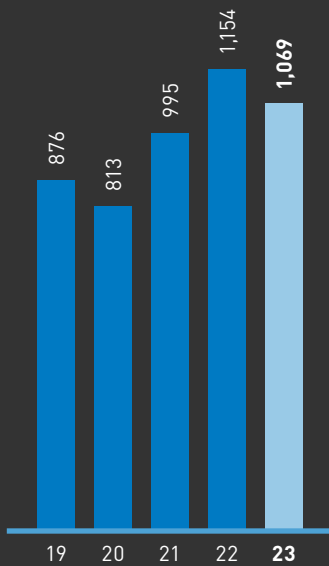
AT A GLANCE

Solid profitability in a challenging environment

Despite economic normalization over the course of the year and the negative impact of the strong Swiss franc, Bossard was able to report a satisfactory result and strengthen its market position in all three market regions.

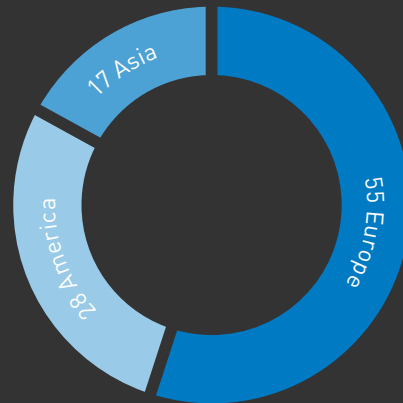
Net sales

in CHF million



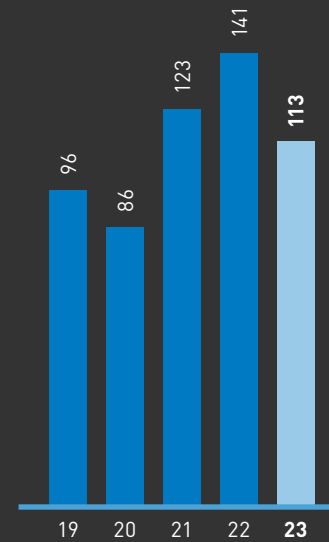
Geographic sales distribution

in %



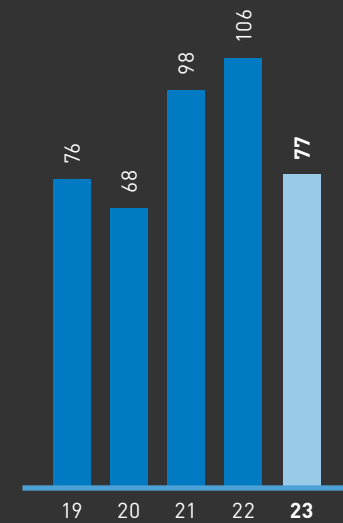
EBIT

in CHF million



Net income

in CHF million



Key figures

| in CHF 1,000 | 2023 | 2022 |
|---|-----------|-----------|
| Net sales | 1,068,976 | 1,153,841 |
| Change to prior year in % | -7.4 | 15.9 |
| Gross profit | 339,168 | 360,131 |
| Personnel expenses | 215,002 | 216,475 |
| in % of net sales | 20.1 | 18.8 |
| EBITDA | 138,081 | 165,185 |
| in % of net sales | 12.9 | 14.3 |
| EBIT | 113,086 | 141,467 |
| in % of net sales | 10.6 | 12.3 |
| Net income | 76,829 | 105,583 |
| in % of net sales | 7.2 | 9.2 |
| Cashflow ¹⁾ | 101,824 | 129,301 |
| in % of net sales | 9.5 | 11.2 |
| Capital expenditures | 38,361 | 41,230 |
| Operating net working capital ²⁾ | 463,988 | 554,964 |
| in % of net sales | 43.4 | 48.1 |
| Net debt ³⁾ | 241,041 | 318,989 |
| Shareholders' equity | 372,686 | 379,623 |
| in % of total assets | 46.2 | 41.7 |
| Total assets | 807,237 | 910,089 |
| Return on equity | 20.4 | 29.0 |
| Return on average capital employed (ROCE) ⁴⁾ | 13.3 | 17.4 |
| Dividend yield in % (Basis: share price at Dec. 31) | 1.8 | 2.8 |
| Earnings per share ^{5) 6)} | | |
| Registered A share in CHF | 9.64 | 13.38 |
| Registered B share in CHF | 1.93 | 2.68 |
| Price/earnings ratio (Basis: share price at Dec. 31) | 22.9 | 14.9 |
| Price/book value per share | 4.6 | 4.1 |
| Annual weighted average number of employees ⁷⁾ | 2,871 | 2,765 |
| Net sales per employee ⁸⁾ | 372.3 | 417.3 |

1) Net income + depreciation and amortization

2) Accounts receivable, inventories, less accounts payable

3) Short-term debits + long-term debts, less cash and cash equivalents

4) Average annual capital employed in relation to NOPAT

5) Basis: Average share capital entitled to dividend

6) Basis: Share attributable to shareholders of Bossard Holding AG

7) Average full-time equivalents

8) Basis: Annual weighted average number of employees

REPORT TO THE SHAREHOLDERS

Satisfactory results in times of economic normalization



Dear Shareholders,

We are pleased to report on the past financial year in which Bossard again made significant strides implementing its Strategy 200, but also a year that was marked by volatility.

The strong, above-average market demand observed since the fourth quarter of 2020 normalized across all regions over the course of 2023. In addition, the recovery in global supply chains led our customers to reduce inventory, thus ending a phase of retaining safety stock in the wake of the COVID-19 pandemic. The end of this economic boom, as well as price pressure, challenged us in times of rising labor costs.

In this environment, and despite the strong Swiss franc, Bossard achieved satisfactory results. Thanks to stable demand in several of our growth industries and the gratifying performance of Smart Factory services, we were able to strengthen our market position in all three regions. The steady implementation of Strategy 200 and its associated investments, as well as significant wage inflation, impacted profitability.

Dr. Daniel Bossard
CEO

Dr. Thomas Schmuckli
Chair of the board of directors

Sales in the financial year 2023 totaled CHF 1,069.0 million (prior year: CHF 1,153.8 million). EBIT was CHF 113.1 million (prior year: CHF 141.5 million), corresponding to an EBIT margin of 10.6 percent (prior year: 12.3 percent). Net income decreased by 27.2 percent to CHF 76.8 million (prior year: CHF 105.6 million). As a result, the Bossard Group was able to achieve a net income in line with the average of the strong prior years and significantly reduce net debt thanks to a strong free cash flow of CHF 121.4 million.

Strong interest for service solutions amidst a structural shortage of skilled labor

In an environment marked by a shortage of skilled labor and rising labor costs, Bossard's Smart Factory services continued to attract strong interest. Smart Factory Assembly solutions offer our customers better control over their assembly process while increasing productivity and traceability of their production steps. These benefits have led to a substantial increase in the number of newly installed assembly stations. Bossard's Smart Factory Logistics (SFL) applications also help increase productivity. In spite of investment-dampening interest rates, the number of smart devices grew by 4.1 percent to 455,000 units, installed at more than 1,150 customers globally.

Komax site visit – fastening technology meets automation solutions

Bossard is proud to have been supporting the Komax Group, the market leader in automation solutions for wire processing, with fastening technology since its foundation in 1975. In November 2023, institutional investors and analysts were able to take a first-hand look at the collaboration based on the successful partnership between the two companies at the Komax Group's headquarters in Dierikon. All Smart Factory services and their impact on total cost of ownership were presented at this well-attended event.

Innovation and inspiration

Innovation, inspiration, and fastening technology come together at the Bossard Academy in the company headquarters in Zug. In state-of-the-art facilities, Bossard shares with its customers theoretical and practical knowledge on the latest fastening technology and the potential for cost savings through design and product line optimization.

Normalization of growth over the course of the year

The positive business dynamic, which had continued into the first quarter, normalized over the course of the year,

eventually exhibiting declining growth rates in all regions. Normalization of incoming orders due to inventory reductions seamlessly transitioned to weaker customer demand. The appreciation of the Swiss franc had an additional negative impact on sales development.

In Europe, demand normalized over the second quarter, following a recovery of supply chains and subsequent inventory reductions on the part of our customers. The increasing economic slowdown led to a considerable drop in sales over the course of the year. In an environment marked by economic uncertainty, the railway and electromobility sectors set positive accents.

Demand in America developed similar to Europe. However, in America the slowdown in demand only started in the third quarter. The significant appreciation of the Swiss franc over the course of the year additionally impacted sales development negatively. The successful expansion of the customer base and growth from existing customers were particularly evident in the positive development of the focus industry of electromobility.

The results in Asia were mixed. After COVID-19 restrictions were lifted in China, only slight growth momentum was noticeable over the course of the year. In the other Asian regions, the demand dynamic behaved similarly after a mostly positive start. Business progressed well in India, where Bossard benefited from nearshoring trends, a dynamic start-up landscape, and infrastructure projects in the focus industry of railway.

Sustainability at Bossard

The Bossard Group has been committed to sustainable corporate development for generations. Innovative, efficient, and holistic solutions – that is Bossard’s approach. With products and services that simplify and optimize our customers’ processes, sustainability is an integral component of Bossard’s business model.

Initial publication of our carbon reduction goals

In 2023, Bossard and all its divisions defined their climate protection ambitions, key performance indicators, and possible actions. To reduce greenhouse gas emissions, Bossard is focused on promoting energy efficiency and the responsible use of electricity. In the reporting year, Bossard set the following climate goals: reduction of

Scope 1 and Scope 2 greenhouse gas emissions by 50 percent by 2031 and to net zero by 2040.

“We set clear goals to continually and purposefully reduce our ecological footprint and do our part for global climate protection,” stated Dr. Daniel Bossard, CEO of the Bossard Group.

Empowered people – Bossard a popular employer

Among other things, Strategy 200 aims to foster the potential of Bossard’s employees and strengthen their loyalty to the company. Bossard wants to acquire committed, enthusiastic talents and motivate employees to act as ambassadors for the company. Bossard met important milestones in the past year on its way toward reaching its strategic goals.

A learning module on corporate culture was introduced. Directed primarily at new employees, it is designed to ensure that everyone across the globe receives the same information. The intranet “Learning Hub” was created as a central repository for all learning content from the different departments. In addition, interdisciplinary learning and training programs are offered.

Successful roll-out of the new ERP system in Asia

The comprehensive modernization of the ERP system aims to increase the Group’s overall efficiency. To this end, a new digital platform is rolled out gradually over several years. Bossard is continuing to deploy the new system even in a more challenging economic environment and successfully completed the rollouts of the new ERP system in Malaysia, Thailand and Singapore in the past year. The Group plans further rollouts in all regions in 2024.

Digital support of the sales process

Bossard is restructuring and resystematizing its sales process through the “Sales Engine” growth initiative, which is part of Strategy 200. Driven by digital marketing, the aim is to increase organic growth with more efficient use of sales marketing. In America, sales structures were adjusted, and the “Sales Engine” was introduced. In Germany, the preparations for the new sales structure were completed, and it will be launched as of January 2024.

Outlook

At this point in time, it is difficult to forecast how the challenging economic environment will evolve over the coming quarters. Based on current market observations, Bossard expects restrained development in demand in the first half of 2024 along with a continued rise in wage levels. The Group continues to stand by the medium-term financial goals previously communicated and the consistent implementation of Strategy 200.

Dedicated employees and a strong balance sheet with an equity ratio of 46.2 percent allow us to continue pursuing strategically significant projects in line with Strategy 200.

Proposals at the annual general meeting of shareholders

At the 2024 annual general meeting of shareholders, the board of directors will propose a gross dividend of CHF 4.00 per registered A share (prior year: CHF 5.50 gross), in line with our dividend policy of approximately 40 percent payout of net income. This represents a decrease of 27.3 percent.

We express our deep gratitude to all our employees for their tireless dedication, solidarity, team spirit, and enthusiasm – they are the core of the Bossard Group’s success. We thank our customers for their years of loyalty, and our partners and suppliers for their outstanding cooperation. And we thank you, our valued Shareholders, for your continued trust.



Dr. Thomas Schmuckli
Chair of the board
of directors



Dr. Daniel Bossard
CEO

Zug, February 28, 2024



Company

Founded 1831 in Zug, Switzerland, the Bossard Group is a leading strategic partner for industrial fastening and assembly technology solutions to OEM customers globally with proven expertise in engineering and logistic services.

With more than 2,900 employees at 81 locations in 31 countries throughout the world, the Bossard Group generated CHF 1,069.0 million in sales in the financial year 2023. Bossard is listed on the SIX Swiss Exchange.

110

AT A GLANCE

Company

Market position

Top 3

Bossard is one of the top 3 global distributors of fasteners.

Customer loyalty

> 10

More than 90 percent of our large and medium-sized customers have been working with Bossard for more than ten years.

Customers worldwide

> 30,000

Bossard is proud to serve more than 30,000 customers globally – in a huge variety of industries.

Thereof with B- and C-parts management

> 1,150

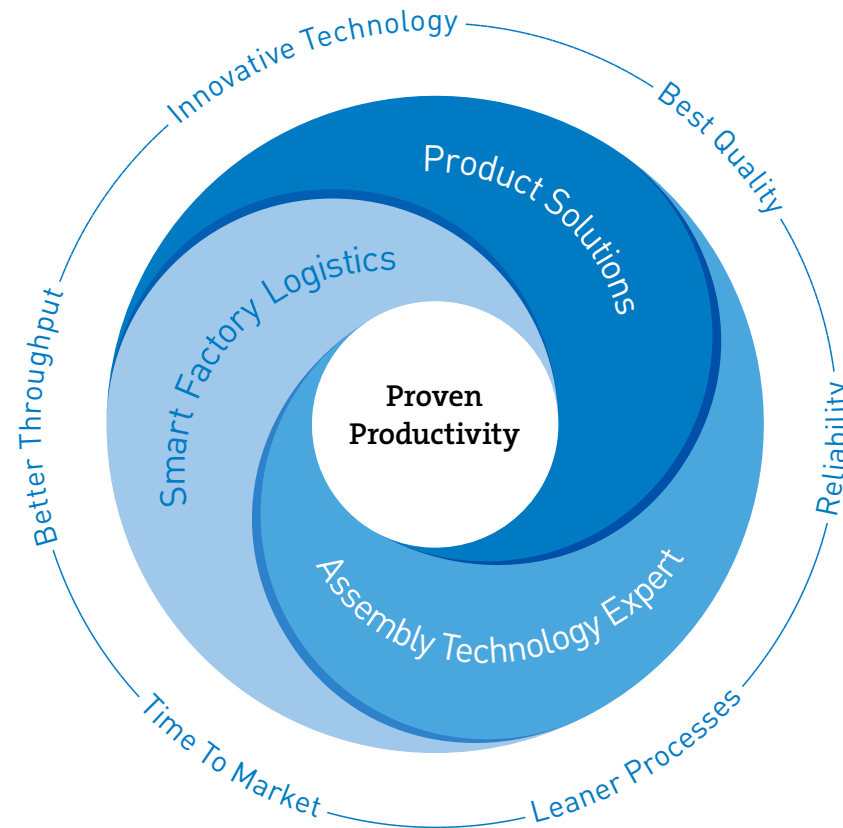
More than 1,150 customers rely on Bossard's automated B- and C-parts management solutions.

BUSINESS MODEL

Proven Productivity

Bossard offers fastening solutions and process optimization measures that are proven to deliver the best possible efficiency, thereby reducing costs. In evaluating our services, we rely on facts. They consistently show that by working with us, our customers are able to achieve lasting and measurable productivity improvements. That is why we talk about Proven Productivity.

The interplay of Product Solutions, Assembly Technology Expert and Smart Factory Logistics gives our customers competitive advantages in six key areas.



Time to market

Thanks to shorter delivery times, products make it to market faster.

Leaner processes

Systematic time, money, and resource savings reduce overall operational costs.

Better throughput

Advanced logistic systems and lean assembly processes markedly boost efficiency.

Best quality

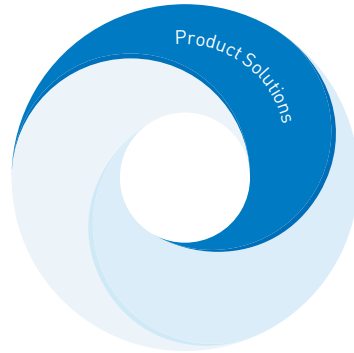
For our product solutions, we rely on the highest quality combined with comprehensive process consulting. This leads to maximum reliability and predictable planning.

Innovative technology

Our forward-looking solutions are tailored to the very latest requirements of Industry 4.0.

Reliability

We value continuity and this is how we empower and support our team to ensure that we will be there for our customers tomorrow.



Product Solutions

Our fastening solutions are as unique as our customers' products. Sometimes standard fasteners are just right, while in other cases brand solutions or custom fastening solutions get the best results. Bossard has the right solution for every challenge.

Fastening technology catalog products

We have more than 200,000 different fasteners ready to ship from our warehouses: screws, nuts, rivets, washers, electrical fasteners and more.

Customized items

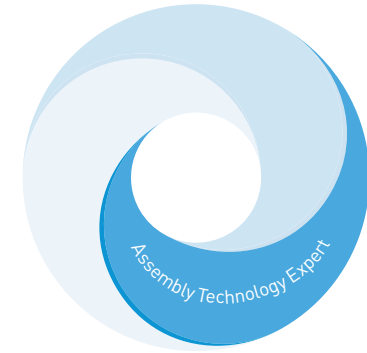
Customized solutions and parts (turned, milled, extruded, stamped and bent parts) for unique technical requirements, manufactured to our customers' specifications.

Bossard ecosyn®

The ecosyn® product line features premium quality fasteners. They are both economical and in sync with the needs of our customers. Smart and safe quality products based on innovative engineering and designed to make work easier and more efficient.

Brand products

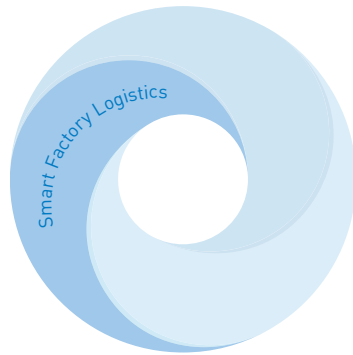
Bossard maintains a carefully selected brand portfolio in cooperation with highly innovative and reliable partners.



Assembly Technology Expert

Our customers develop a diverse range of premium products whose production methods place equally diverse demands on fasteners. Six field-proven Bossard Assembly Technology Expert services help find, test and implement the most suitable fastening solutions based on specific requirements. In addition, they optimize the customers' assembly processes and product assortment and train their employees.

Using this three-step approach, from design to optimization to training, the specialists at Bossard help product designers and engineers meet the most diverse challenges with respect to innovation, process optimization, and efficiency. This leads to a sustainable reduction in production time and costs, increases product safety and quality, and significantly improves our customers' competitiveness.



Smart Factory Logistics

In the world of Industry 4.0, Smart Factory Logistics is a core element for profitable growth. The more precise and smarter factory logistics is, the better companies fare against their competitors.

While our customers fully focus on their core competences, we take care of automating their B- and C-parts management processes, thus ensuring a lean assortment and a smooth supply flow. Inventory is controlled in real time, and material is delivered directly to the assembly stations thanks to smart order management. All at the right time and in the right place. Lower material handling costs and smaller inventories enable our customers to significantly boost productivity in their production.

In addition, we support our customers in the digital transformation of their production with our Smart Factory Assembly services. Digital documentation and connected devices ensure consistently high quality, and the recorded data provide maximum transparency and traceability.

As a result, processing control takes place automatically, significantly reducing faulty assembly and lowering the overall cost of a product. Manufacturing companies can more easily make the right decisions and produce high-quality products with shorter lead times and smaller batch sizes.

Hidden aspects account for about

85%

of the total cost of ownership of fasteners. We are reducing them.

BUSINESS RESILIENCE AND STRATEGY 200

Solid foundation for accelerated growth

Bossard's business model has proven not only its strength for growth in normal circumstances but also its extraordinary resilience in unprecedented times. With the Bossard "Strategy 200" – Bossard turns 200 years old in 2031 – we will focus on this business model and accelerate growth in all our key markets.

Leader in digitalization in our industry

28 years ago, Bossard invented the first fully digitalized and automated C-parts management system, based on IoT technology, that today is being used every day by over 1,150 customers globally. Our proven solutions, used by customers to maintain a seamless supply of C-parts for production without manual interaction, have been successful since their launch. With the digital platforms developed over the last years, Bossard was able to switch its wide range of services to the virtual space – instantly and across the globe.

Industrial and geographical diversification

As impressively demonstrated in the crisis, our broad industrial diversification with more than 30,000 customers from a wide variety of industries enables us to balance customer growth and makes us much less dependent on single industrial segments. Our global footprint, with more than 80 operations in Europe, America and Asia, allows for a global distribution of income. This global

presence also helps us on the procurement side where, for key products, Bossard has always been working with multiple sources from different continents to mitigate supply risks.

Customer centricity and sustainability

The close and strategic collaboration with our customers, focusing on services to ensure the customers' peace of mind in C-parts management and supply and enabling trusted relationships, creates a solid customer base for the long term. This is reflected in our enduring relationships with our customers, with over 90 percent of our large and medium-size customers still working with Bossard after ten years. Our sustainable customer base is a key foundation for our long-term sales and profit development.

Innovation and experimental mindset

Ongoing curiosity has always been at the core of the Bossard DNA. For this reason, we would consider ourselves a "start-up with 193 years of experience." Solving customer problems with creativity and passion – using years of experience in fastening technology, supply chain and assembly solutions – has enabled us to provide leading-edge market services. And the journey continues: for example, we are looking into new products for lightweight applications, AI-enabled systems to speed up the quoting process for customized fasteners, and new services to ensure secure assembly processes.

With our Strategy 200, we want to build on the past, focusing on our key strengths and scale our business model to achieve relevant market share in all our key markets by 2031.

Proven Productivity – our promise...

For the average industrial OEM (original equipment manufacturer), more than 50 percent of single assembly parts are fastener-related while they only represent a very small amount of the purchasing value. The related management and handling costs – parts definition, ordering, goods receipt, inventory management, and assembly costs – typically exceed the purchase price of the C-parts significantly. With our long-time philosophy of Proven Productivity, we focus on substantially reducing the management and assembly costs of C-parts for our customers, thereby boosting their competitiveness in a sustainable and measurable way. This philosophy strengthens the bridge of trust between us and our customers day in and day out.

...in a globally fragmented market with growth potential

The global fastener market for industrial OEMs is heavily fragmented. With only 3 percent global market share in our industry segment, Bossard is one of the top 3 global distributors of fasteners. This leaves significant opportunities for growth. We will make use of these opportunities by continuing to be as close to our customers as possible.

Customer proximity creates growth opportunities...

For us, proximity goes beyond geography. It also encompasses the primary challenge that keeps our customers awake at night – boosting their competitiveness with the lowest total cost of ownership and the highest product availability. The better we understand our customers' perspective on this core challenge and the more in-depth we go in analyzing the issues associated with it, the better we can bring our extensive experience and expertise to bear when responding to this challenge.

...captured by a truly empowered organization

Bossard Strategy 200 has one theme at its core: to create a company as amazing as its people, where everybody collaborates, feels empowered, experiments, talks real, and delivers value. Together we will create and pave the way for accelerated sales and profitability growth in the years to come.

Strategic aspiration towards 2031

Together, we bring Proven Productivity and sustainability to every assembly operation in the world. To turn this aspiration into reality, we focus on OEM customer groups with the aim of supporting them to boost their competitiveness. In doing so, we rely on high-quality products, outstanding services, assembly technology consulting, and efficient processes along the entire supply chain.

Strategy 200 – focus and scale

Within the context of our winning aspiration towards 2031 we are aiming to achieve sustainable, profitable growth by focusing on our key strengths. We want to substantially increase our sales revenue to further expand our market position – organically and through acquisitions. Bossard plans to increase its average organic growth rate to over 5 percent after a period of increased investments. As a result, the Group is targeting mid-term an EBIT margin of 12 percent to 15 percent. Bossard continues to rely on a strong balance sheet with an equity ratio of at least 40 percent. Notwithstanding the stepped-up growth initiatives, the dividend payout is expected to remain at about 40 percent of the Group's net income.

“With our Strategy 200, we aim to achieve sustainable, profitable growth.”

In 900 seconds

you will experience what Bossard means by Proven Productivity. Stay up to date on product innovations, services and customer experiences by reading our blog.

provenproductivity.com

RISK MANAGEMENT

Systematic risk monitoring and reduction

The aim of risk management is to identify potential risks at an early stage and avoid or substantially limit them with suitable measures. Bossard's risk management approach is an integral part of its group-wide planning, control and monitoring system and is regularly reviewed by the executive committee. Each year, the board of directors and executive committee reassess the risk situation with a strategic and operational view.

We examine all business activities and balance sheet items annually for potential risks, using a standardized process. Each identified risk is assessed in terms of the possible loss that would be incurred should the damaging event occur. From the results, we derive targets and effective steps to be taken to mitigate the risks. The results of the risk process are summarized in a report to the board of directors and executive committee. The Group's risk management process is continuously documented and checked for effectiveness. The Group finance department coordinates the revision of the risk documentation centrally.

Low supply risk as a result of a large network

Supply bottlenecks can occur when our suppliers are working close to capacity during times of above-average demand. Risks can also arise from working with suppliers and when the price of raw materials fluctuates. We counter these risks with tactical and preventive measures in our procurement activities by continuously assessing the market situation and by maintaining a sufficient level of stock. In taking these steps, we ensure that the required volume and quality of fastening parts are available in order to avoid production shutdowns at our customers. Steel, chrome, nickel and different alloys are the most important raw materials for fasteners. Because we purchase finished products, we cannot hedge against price increases. We have an extensive supply portfolio of more than 5,100 manufacturers worldwide and rely on long-term relationships with various suppliers in Europe, America and Asia. Our large network of suppliers enables us to minimize supply risks. Diversification also reduces the risk of negative consequences resulting from political tensions or currency fluctuations.

Systematic quality monitoring

Quality assurance constantly faces new challenges as our customers' requirements continue to rise and increasingly stricter regulations apply. Therefore, we have developed appropriate systems and testing standards. Quality assurance measures are performed in close cooperation with our procurement team and suppliers. We also check our suppliers' technical and economic performance. Deviations and defects identified during quality testing are continuously analyzed, documented and discussed with our suppliers, thereby minimizing quality-relevant risks from the very beginning.

Responding to sales risks through diversification

Regional and global economic developments impact our business environment and can lead to high price and volume fluctuations in the sales markets. We therefore closely monitor economic developments in the individual countries in order to minimize sales risks. We counter this risk with a wide range of products and a customer portfolio that covers a broad spectrum of industrial sectors and regions of the world.

IT protection is a high priority

Unauthorized data access, data abuse and system failure can seriously disrupt operating processes. To prevent this, we use technical measures such as access authorization, virus scanners, firewalls and backup systems. Our IT systems are continuously monitored and updated in order to meet the latest requirements. We have an emergency concept that includes daily backups and data mirroring. Detailed internal policies govern how we use hardware and software. The Group has implemented an internal cyber security training program. All employees have to go through this program, where they receive simulated phishing emails on the one hand and have to answer

cyber security questions on the other. Bossard has outsourced the 24/7 cyber security monitoring to be able to react more quickly and thus ensure better protection against IT attacks.

Minimizing financial risks

Given its international operations, the Bossard Group is exposed to various financial risks; these comprise foreign currency, interest rate, credit, liquidity and capital risks. The individual risks are minimized through stringent controls and monitoring.

Financial risk management is described in detail on pages 158 to 159.

Bossard Group's risk policy also includes a comprehensive and efficient insurance scheme to protect against risks. This is achieved with the help of an international insurance program against third-party liability, property damage and business interruption. Overall, risks that could negatively impact the Group's further development can never be completely excluded. Such risks include, for example, war, terror attacks, natural hazards and pandemics.

“Low supply risk as a result of a large, global network.”



Sustainability

The Bossard Group has been committed to sustainable corporate development for generations. This sustainability report explains Bossard's activities and efforts to achieve long-term sustainable growth. The report contains information on the strategic and organizational anchoring of sustainability throughout the Group's operations as well as explanations on the respective focus areas: Future Proven Solutions, Reduced Footprint, Empowered People, and Fair Partnership.

21

AT A GLANCE

Sustainability

66.1

Recycling rate of waste in percent

80

Purchasing volume in percent covered by signed Supplier Code of Conduct

22,556

Total energy consumption in MWh

2,746

thereof renewable

9,151

Electricity consumption in MWh

2,247

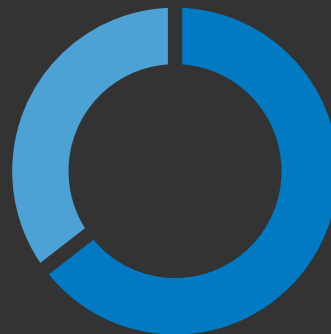
thereof renewable

Employees by region



- Europe (57%)
- America (15%)
- Asia (28%)

Employees by gender



- Men (65%)
- Women (35%)

SUSTAINABILITY AT BOSSARD

Business model

As one of the largest global distributors of fasteners, Bossard's business model itself represents a connecting element between manufacturers of fasteners and customers from a wide range of industries. Bossard also provides consulting services in the field of assembly technology.

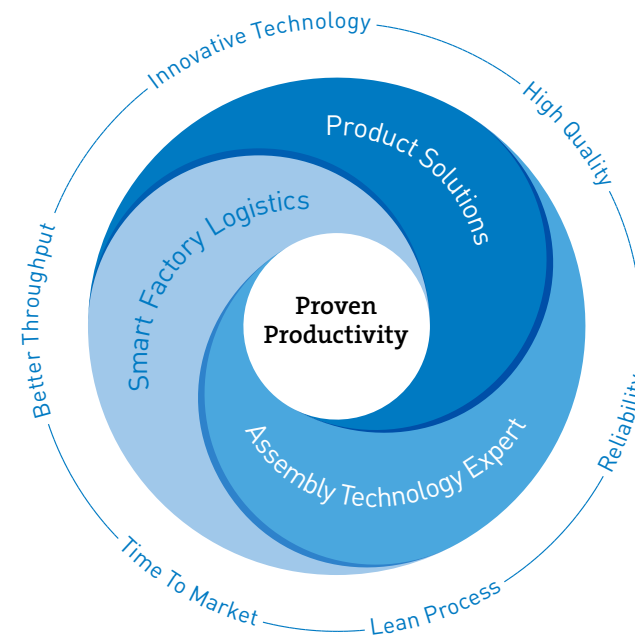
Bossard is a leading partner providing industrial fastening and assembly solutions for companies in the electro-mobility, railway and medical technology industries around the globe. In addition to product solutions, Bossard also offers engineering and logistic services. Bossard's services cover a wide spectrum ranging from product design to the structuring of supply chains and the digitalization of manufacturing processes. The focus is on three strategic core areas. First, finding optimal product solutions by evaluating and using the best fasteners for each intended application. Second, from the moment

a customer starts designing a new product, Bossard's application engineers provide the smartest solution for any given fastening challenge. And third, streamlining customer logistics, specifically reducing or even eliminating procurement costs along the entire supply chain.

Bossard with its headquarters in Zug, Switzerland, has more than 2,900 employees in 81 locations in 31 countries. Most locations are in Europe, where 55 percent of sales are generated. For additional information, see the [\(→\) Company section](#) and the [\(→\) Financial Report](#).

Increasing customer productivity

Bossard's business model consists of three areas: Product Solutions, Assembly Technology Expert, and Smart Factory Logistics. The overarching objective is Proven Productivity. For Bossard, this means helping customers increase their productivity.



Product Solutions

Bossard's product range includes approximately 200,000 different fastening elements, including screws, nuts, rivets, washers and electrical fasteners. Bossard sources these products from more than 5,100 suppliers worldwide. Most of the fasteners are purchased in Asia, with a smaller share purchased in Europe and the USA and finished locally. This large network of suppliers helps to minimize supply risks. Bossard stocks standard products in its own warehouses from where they are dispatched to customers. Special parts and products for specific requirements are manufactured to order.

Customers generally place orders through Bossard's online store. To meet special requirements, Bossard puts together customized product solutions. For example, bought-in parts are coated or packed in suitable kits as required. Transportation and delivery to customers are carried out by external service providers on behalf of Bossard.

Assembly Technology Expert

As part of its Assembly Technology Expert services, Bossard assists the product designers and engineers of its customers with design, optimization of assembly processes and selection of suitable fasteners. In addition, Bossard conducts training courses at its customers' locations to teach their employees the technical basics of fastening technology and to provide expertise in implementing digitalized production environments.

Smart Factory Logistics

For many customers, the products sourced from Bossard are just one of many elements they need to manufacture their own products. Bossard offers a smart logistics solution that digitalizes and automates logistics so that customers can focus on their core business. For example, stock levels are checked in real time and replenished automatically, allowing materials to be delivered directly to the assembly workstations. This reduces errors in parts logistics and makes material handling easier for customers.

The Smart Factory Assembly software supplements the digital logistics processes with digital documentation of work instructions and a connection of smart devices. The recorded data ensures maximum transparency and traceability, which is particularly important for customers when it comes to controllable processes and their optimization.

“Bossard offers a smart logistics solution so that customers can focus on their core business.”

SUSTAINABILITY AT BOSSARD

Strategic foundations of sustainability

Bossard's products and services simplify and optimize processes across all fastening solutions. By targeting savings in materials, energy and production capacities, they are increasingly helping customers achieve their sustainability goals. Bossard also endeavors to be known and valued as a sustainable supplier through strategic sustainability efforts and transparent communication.

Bossard's overarching sustainability ambitions are based on the United Nations Sustainable Development Goals (SDGs) and are in line with the ten principles of sustainable corporate leadership laid out in the United Nations Global Compact. Bossard's sustainability efforts are based on the topics identified as material. These were defined in 2022 in accordance with the principles of double materiality.

Identification of material topics

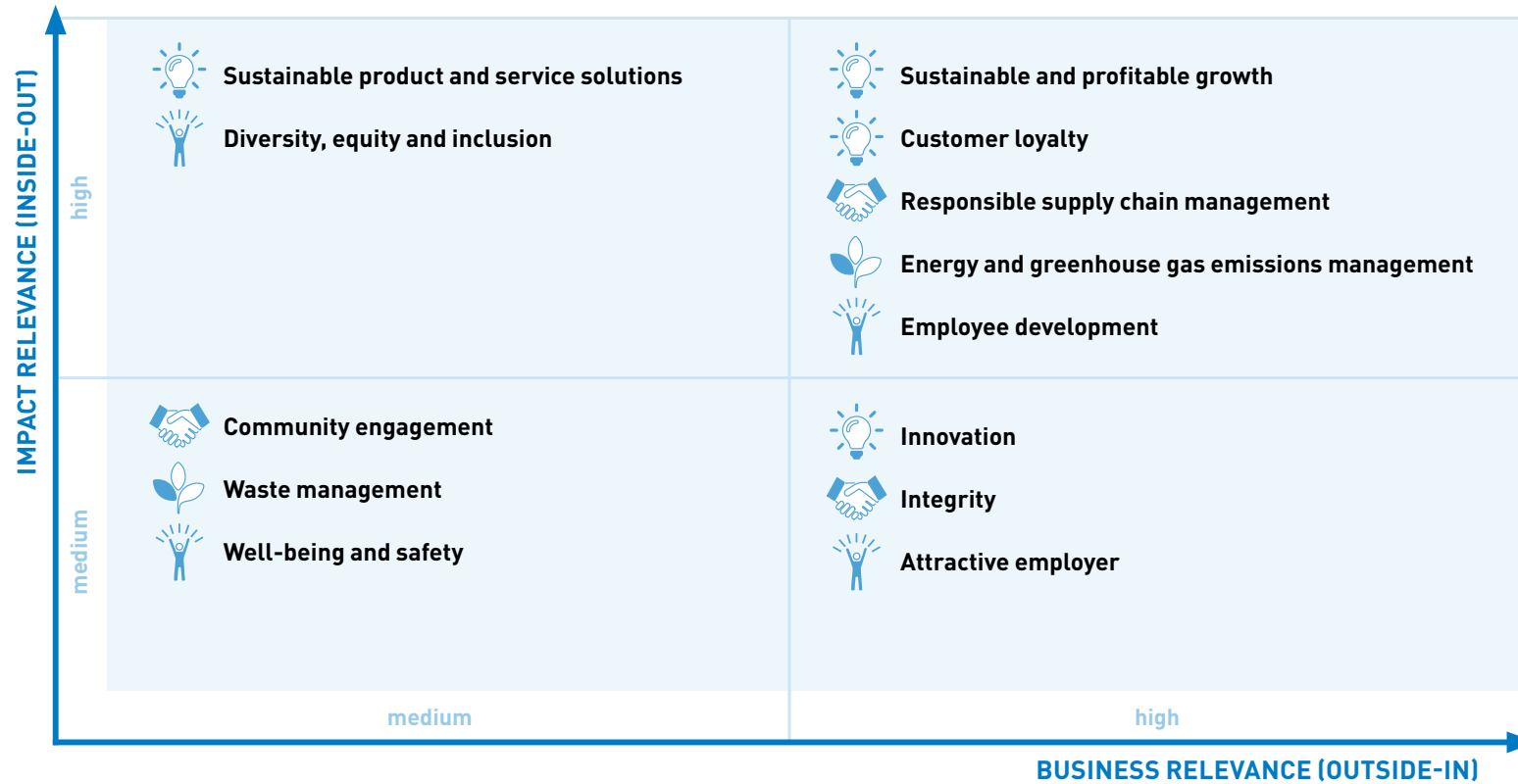
The material topics are the basis for Bossard's sustainability management and external reporting. These material topics were defined in 2022 as part of a double materiality analysis. The starting point was a series of potentially material topics, compiled from comparable companies and upstream and downstream partners in the value chain, reporting standards and ratings. Taking into account the findings from a strategy workshop, the list of potentially material topics was shortened to 13. In an online survey, around 20 leaders in their respective field of expertise assessed the relevance of Bossard's impact in these areas (impact materiality) as well as the relevance of the impact these topics have on Bossard's business success (financial materiality). Based on the mean values of impact and effect, a provisional materiality matrix was created, which then underwent final validation by the CEO, the CFO and the ESG project team during a workshop. The final materiality matrix and the list of material topics for Bossard were presented to the board of directors in 2022 and acknowledged accordingly.

For the reporting year 2023, Bossard reviewed the material topics to ensure they are current and comply with Swiss legal requirements for non-financial reporting. As a result, no adjustments were made to the material topics.

As part of this review, Bossard's material topics were mapped to the topics stipulated by Swiss law ([→ CO reference table](#)). For 2024, Bossard plans to conduct a materiality analysis that takes into account European legislation.

“Bossard products and services are increasingly helping customers to achieve their sustainability goals.”

MATERIALITY MATRIX



- Future Proven Solutions
- Reduced Footprint
- Empowered People
- Fair Partnership

Focus areas as strategic foundations for sustainability

Bossard's four focus areas provide the overarching strategic framework for both strategic sustainability efforts and this sustainability report:

- **Future Proven Solutions**
- **Reduced Footprint**
- **Empowered People**
- **Fair Partnership**

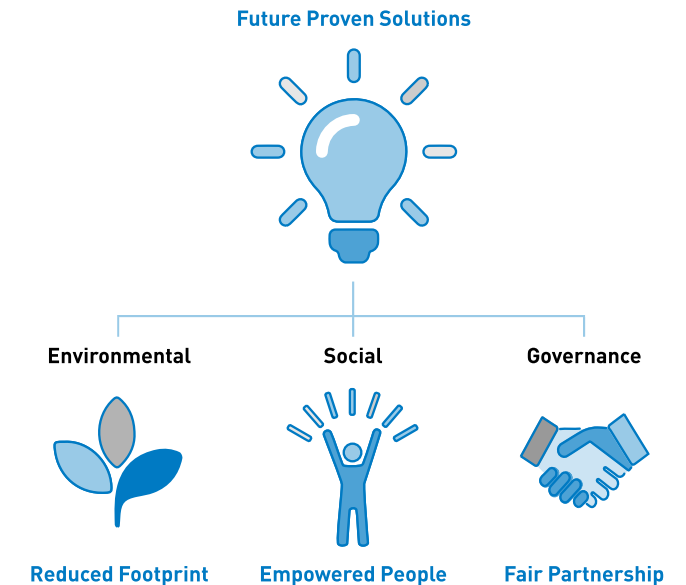
These four focus areas cover the economic, environmental, social and governance dimensions of responsible corporate leadership at Bossard.

The **Future Proven Solutions** focus area encompasses the economic topics "Sustainable product and service solutions", "Sustainable and profitable growth", "Customer loyalty", and "Innovation". Bossard's solutions not only lead to greater efficiency and productivity, but also enable the careful use of resources. With quality and efficiency in mind, Bossard endeavors to optimize the sustainability of the services and product solutions it offers.

The **Reduced Footprint** focus area includes all environmental issues which Bossard is able to influence and which affect Bossard's business activities. Specifically, these are the material topics "Energy and greenhouse gas emissions management", and "Waste management". Bossard endeavors to systematically identify and minimize the environmental impact associated with its business activities and the upstream and downstream processes in the value chain. Bossard uses natural resources sparingly and records key figures to identify strengths and weaknesses in terms of environmental performance.

Empowered People means that Bossard's employees are the driving force behind Bossard's business success. For this reason, a working environment that supports the physical and mental well-being of employees is key. Implementing a diversity and equal opportunities strategy, combating discrimination, and promoting training and professional development allows employees to realize their full potential and helps the company attract new talent and reduce employee turnover. The Empowered People focus area is made up of the material topics of "Diversity, equality and inclusion", "Occupational health and safety", "Employee development", and "Attractive employer".

Fair Partnership covers the material topics of "Community engagement", "Responsible supply chain management", and "Integrity". Engagement in the Fair Partnership focus area goes hand in hand with transparent and fair corporate governance and helps Bossard maintain its reputation with its stakeholders and ensure responsible cooperation with suppliers.



Stakeholders and memberships

Bossard recognizes a growing interest in sustainability issues on the part of its stakeholders and therefore maintains a continuous dialog on the subject. These expectations also encourage Bossard to set ambitious goals and implement specific projects.

In addition to its employees, Bossard's most important stakeholders include customers, suppliers, business partners, investors, rating agencies, the media and legislators. Dialog, for example engagement meetings, as well as interactions on various communication channels or direct collaboration, allows Bossard to understand needs, reconcile expectations and build partnerships. This vehicle is primarily used for exchanges with suppliers and investors. Exchange with business partners and customers primarily takes place in the course of cooperation. When working with suppliers, exchange on sustainability issues is integrated into the audit process. This enables both parties to learn how to handle ESG challenges and make better use of synergies.

To meet the needs of customers, for example, a project was implemented to provide better guidance on recycling Smart Factory Logistics solutions. In the context of packaging, Bossard has developed best practice cases that help customers to optimize their processes. The 50th anniversary of Swiss Export Day, which gave Bossard the opportunity to present its sustainability ambitions and Strategy 200, was a key event for the company's exchange with stakeholders on sustainability.

Bossard's stakeholder engagement also includes memberships and partnerships. They promote the transfer of knowledge, help Bossard become involved in the industry, and form the basis for new collaborations or innovations:

- Bossard is a member of the European Fastener Distributor Association (EFDA), with Bossard's VP Supply Chain Management as its President. EFDA represents the interests of fastener distributors at the European and global level; its mission is to defend free trade and promote the competitiveness of its members.
- Bossard Switzerland is a member of "Fachverband des Schrauben-Grosshandels" (FDS), the trade association for wholesalers of screws. FDS is the platform and lobbying organization for wholesalers of screws, nuts and other mechanical fasteners. It bundles the industry's knowledge and communicates with policymakers, the media and society as a whole.

- Bossard Switzerland is also a member of procure.ch, the Swiss purchasing association, and Swissmem, the association for both SMEs and major corporations in the Swiss technology industry.
- Bossard America is a member of the National Fastener Distribution Association (NFDA), a nonprofit trade organization focused on quality assurance and market expansion.
- Bossard Ireland is a member of the British Irish Fastener Distribution Association (BIFD).

“Bossard is encouraged to set ambitious goals and implement specific projects.”

Global programs and reference frameworks

Bossard's sustainability efforts are based on internationally recognized guidelines, objectives and standards.

United Nations Global Compact

In 2021, Bossard's CEO signed the Letter of Commitment of the United Nations Global Compact. Like more than 15,000 other companies, Bossard is committed to the ten global principles of sustainable corporate leadership in the areas of human rights, labor, environment and anti-corruption. By joining the United Nations Global Compact, Bossard pledges to publish an annual Communication on Progress.

United Nations Sustainable Development Goals

The 17 United Nations Development Goals (UN SDGs) set out global ambitions for sustainable development. Bossard has identified five SDGs on which its own business activities have the most significant impact.

SDG 7, "Affordable and clean energy": Bossard strives to offer products and services with a low carbon footprint. Wherever possible, the company uses renewable energy and efficient processes.

SDG 8, "Decent work and economic growth": As an international company, Bossard creates jobs for employees regardless of gender, age, religion, ethnicity, disability and sexual orientation. Bossard is committed to providing humane and non-discriminatory working conditions for its employees.

SDG 9, "Industry, innovation and infrastructure": Bossard's business activities have the greatest impact on SDG 9, which aims to build resilient infrastructure and promote sustainable industrialization and innovation. Bossard's solutions and services modernize the industry and support resource-friendly, efficient production processes.

SDG 12, "Responsible consumption and production": The efficient and responsible use of Bossard's products and services is in line with SDG 12. Bossard contributes to SDG 12 by promoting the circular economy, reducing the consumption of resources and materials, and minimizing waste.

SDG 13, "Climate action": Bossard determines its environmental footprint and calculates carbon emissions, which helps the company define climate targets. Bossard is focusing primarily on promoting energy efficiency and the efficient use of electricity, as well as on implementing measures to reduce carbon emissions in transportation and packaging.

7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



SDGs: Bossard focuses on these five sustainability goals (source: www.globalgoals.org).

SUSTAINABILITY AT BOSSARD

ESG governance

Based on the requirements of law and the articles of association, the board of directors exercises overall management (management function), supervision and control (control and organizational function) over the Group and its business units, thus ensuring corporate governance within the Group. As a result, the board of directors is responsible for Bossard’s business activities. This applies to both financial and non-financial matters.

As the highest supervisory and management body, the board of directors is responsible for the overall management of Bossard. This also includes non-financial matters relating to environmental, social and governance (ESG) issues. It is therefore important for the board of directors to ensure that it has ESG expertise ([→ competence matrix](#)). The VP Sustainability regularly reports to the board of directors on ESG issues. The involvement of the board of directors with regard to climate is described in the TCFD report ([→ TCFD reporting](#)).

Board of directors sets ESG targets for the first time

Bossard endeavors to set targets for all focus topics up to 2031 and 2040. Corresponding targets were developed in workshops during the reporting year, taking into account regional needs and ambitions, and approved by the Group executive committee and the board of directors. Bossard will tackle the development of specific implementation measures in the coming years.

Sustainability positioned high in the hierarchy

The management of the business is delegated to the executive committee. Within this body, overall responsibility for sustainability lies with the CEO. The VP Sustainability, who reports to the CEO, is a member of the extended executive committee and thus part of Bossard’s management team. The sustainability team headed by the VP Sustainability reports regularly to the executive committee on progress made on ESG issues.

Compliance violations in the area of ESG

Bossard has defined the legal department as well as local trusted leaders as points of contact for compliance violations, which also include critical concerns in the area of ESG. This is set out in the Code of Conduct and is communicated to employees during training sessions.

Critical concerns can be reported in person, by e-mail to a trusted leader, to the legal department, or via the new electronic Integrity Line, which allows for anonymous reports ([→ Integrity](#)). Critical concerns reported are processed with the involvement of other departments if necessary and reported in anonymized form to the board of directors. Bossard plans to give access to the electronic Integrity Line for external stakeholders in the future. No critical issues were reported to the board of directors in 2023.

“Bossard endeavors to set targets for all focus topics up to 2031 and 2040.”

Risk management

The board of directors and the executive committee review the risk landscape annually from a strategic and operational perspective ([→ Risk management](#)). In addition to financial risks, this also includes ESG risks, such as risks in the supply chain or environmental risks. Each risk is analyzed in terms of the potential (financial) loss that would arise if the risk were to materialize. Based on these findings, Bossard defines targets and measures to minimize the risk. This process is documented on an ongoing basis and its effectiveness is reviewed by the finance department. The climate-related risks and opportunities and their management are set out in the TCFD report ([→ TCFD reporting](#)).

DIVERSITY OF MANAGEMENT BODIES

| Diversity of management bodies | 31.12.2023 | | | 31.12.2022 | | |
|--------------------------------|----------------|--------------|----------------|----------------|--------------|----------------|
| | Male | Female | | Male | Female | |
| By gender | | | | | | |
| Board of directors | 4 | 3 | | 6 | 2 | |
| Executive committee | 6 | 1 | | 6 | - | |
| By age | < 30 | 30-50 | > 50 | < 30 | 30-50 | > 50 |
| Board of directors | - | 4 | 3 | - | 3 | 5 |
| Executive committee | - | 1 | 6 | - | - | 6 |

“Bossard defines targets and measures to minimize risk.”

SUSTAINABILITY AT BOSSARD

TCFD reporting

In 2023, Bossard gave extensive consideration to the requirements of the Task Force on Climate-Related Financial Disclosures (TCFD). Risks and opportunities and their impact on the business strategy were analyzed and evaluated in a multi-stage process. At Bossard, climate-related risks are integrated into the standard risk management process. Bossard's exposure to climate-related risks is moderate. They are outweighed by opportunities for new, sustainable business areas.

Governance

The Bossard Group's organizational structure is based on a clear delineation of tasks, competencies and responsibilities. Climate-related issues are integrated into all strategic tasks. The ESG team, which is responsible for the operational implementation of the Group-wide sustainability strategy, regularly reports to the executive committee on climate-related opportunities and risks. At these meetings, the executive committee and the VP Sustainability discuss climate-related budget allocations and the design of climate protection measures.

The VP Sustainability reports directly to the CEO on climate-related opportunities and risks and is responsible for integrating them into the business strategy. The CEO approves climate protection measures and strategies for dealing with climate-related opportunities and risks. As part of its responsibility for Bossard's business strategy, the board of directors also approves the sustainability strategy, which includes climate targets and climate protection measures.

Strategy

In accordance with the requirements of the TCFD, Bossard distinguishes between physical and transitory climate risks. Physical risks arise from direct climatic events and have an impact on Bossard's operating activities. Transitory risks, on the other hand, arise from the decarbonization of the economy or from the resulting legal, social, economic or technological conditions. The main risks for Bossard are shown in the table below.

| Risk | Characterization | Potential impact |
|--|--|---|
| Cyclones, hurricanes, typhoons | Short-term, acute-physical, likely, medium impact | Some of Bossard's locations (e.g. in South-East Asia) are exposed to severe weather. Extreme events could cause damage to buildings and impair business processes. |
| Flooding | Short-term, acute-physical, likely, medium-high impact | Extreme weather situations such as flooding could interrupt Bossard's supply chain. This could reduce supplier production volumes, thus leading to a drop in sales. |
| Regulation of existing products and services | Medium-term, transitory, very likely, medium-high impact | Stricter regulations could make purchasing more difficult for suppliers outside the EU, thus influencing Bossard's business. |
| Carbon tax | Short-term, transitory, very likely, medium-high impact | The European Union's Carbon Border Adjustment Mechanism (CBAM) will make Bossard's products more expensive in the future. |
| More expensive raw materials | Short-term, transitory, probable, medium-high impact | Higher energy and raw material prices increase the purchase prices of materials in the supply chain. |
| Stronger climate reporting requirements | Medium-term, transitory, very likely, low impact | There is considerable pressure from customers and society to reduce emissions, set ambitious targets, and disclose relevant efforts. This requires higher personnel expenses, which can affect the cost structure within the Bossard Group. |

In addition to the risks, the following climate-related opportunities were identified as being important for Bossard’s business, strategy and financial planning.

| Opportunity | Characterization | Impact |
|-----------------------|--------------------------------------|--|
| Products and services | Medium-term, probable, high impact | Bossard’s solutions not only enable greater efficiency and productivity, but also promote the careful use of resources and reduce environmental impact. This can boost sales due to increasing relevance and demand. |
| Resource efficiency | Medium-term, probable, medium impact | To an ever greater extent, Bossard products and services are helping customers reduce their emissions. Supplier consolidation for Smart Factory solutions, for example, reduces transportation routes, and Assembly Technology Expert services help customers execute processes efficiently. Reusable products are becoming increasingly relevant. Likewise, dismantling solutions to promote the circular economy are becoming more and more important. This can contribute to an increase in sales due to increasing relevance and demand. |

Influence of climate-related opportunities and risks on Bossard’s strategy

As a distribution company, Bossard is only moderately exposed to climate risks overall. From Bossard’s perspective, positive effects may even outweigh the negative effects in the medium to long term. Thanks to more efficient use of resources, Bossard’s customers can save costs in the development, design, purchasing or logistics of their products. This increases the demand for Bossard’s solutions and, thanks to financial gains, drives further innovation and investment in the development of new, sustainable products and solutions.

Bossard strives for a stable supply chain: To avoid interruptions in the supply chain, transportation routes are increasingly being diversified and logistics processes are being designed to be environmentally friendly.

Thanks to the increasing use of renewable energies, Bossard is reducing operating costs, thus mitigating the risk of carbon taxes. In addition, the integration of circular approaches addresses transitory risks such as increasing regulation and the rising cost of raw materials.

Risk management

For identification and assessment purposes, Bossard has firmly integrated climate-related risks into the risk management process: The board of directors and the executive committee review the risk landscape annually from a strategic and operational perspective. In addition to financial risks, this also includes ESG risks relating to the supply chain, raw materials and physical and transitory climate risks. Each risk is analyzed in terms of the potential (financial) loss that would arise if the risk were to materialize. Based on these findings, Bossard defines targets and, if necessary, next steps to minimize the risk. This process is continuously documented and checked for effectiveness by Bossard’s Group Controlling team.

Metrics and targets

Bossard’s climate-related performance indicators and the targets that have been set can be found in the “Reduced Footprint” focus area in the material topic “Energy and greenhouse gas emissions management”.

FUTURE PROVEN SOLUTIONS

Sustainable and profitable growth

Bossard's understanding of sustainable and profitable growth includes long-term business development that has no negative impact on nature, employees or partners. Sustainable and profitable growth helps Bossard secure its position as a market leader. By implementing high sustainability standards, the company is able to positively influence the entire value chain.

Market leader with a sustainable value chain

Bossard strives for sustainable and profitable growth to ensure competitiveness and productivity while taking sustainability goals into consideration. The aim is to maintain and strengthen Bossard's position as an industry leader. Thanks to this position, Bossard is able to positively influence the upstream and downstream value chain and offer its stakeholders safety, reliability and holistic services. These services give customers access to innovative and efficient processes resulting in less waste of materials.

Growth, but not at any price

Bossard wants to be recognized as a reliable partner of choice in its industry. This requires forward thinking, sustainable management, and transparent communication. The company understands "sustainable and profitable

growth" to mean long-term, profitable business development that is aligned with geographical, ethical and political conditions and does not harm nature, employees, customers or suppliers.

In the course of economic success, it is important for Bossard to create transparency regarding the origin, production conditions and environmental impact of its products. To an increasing extent, these high standards are reflected in Bossard's pricing. On the one hand, Bossard offers products in different price segments and, on the other hand, it wants customers to become aware that compliance with increasingly complex legal requirements and high sustainability standards must be reflected in the price. In the long term, this strategy will increase the company's competitive position.

Strategy 200

In 2021, Bossard presented its strategy for the next ten years: Strategy 200 is intended to contribute to sustainable and profitable growth. It includes implementing a cultural transformation as well as reorganizing and advancing sales and marketing. Strategy 200 thus embeds long-term thought and action in the company and among business partners. It consists of eight target-oriented key initiatives that form an integral part of the management teams'

agenda. As part of Strategy 200, Bossard also set targets for service offerings and products. Strategic success factors have been defined for some of the eight key initiatives, which are monitored using controlling and analysis measures as well as customer surveys and customer evaluations.

Developments in 2023

In 2023, Bossard advanced various projects and services to increase productivity and competitiveness. In particular, the business areas expanded in 2022 offered the potential for further productivity gains: Bossard expanded its Smart Factory Assembly systems and invested in a Fastening Research and Development position to drive its own product and process innovations. The software for Smart Factory Logistics was improved to make system maintenance more effective and efficient. Supplier Consolidation Solution, a supplier management system for reducing process costs, was enhanced as well. In the engineering area, the focus was on ensuring a consistent data structure. To strengthen sustainable business development, Bossard raised awareness of sustainability issues among employees through internal ESG communication. In addition, strategic initiatives such as the implementation of a standard ERP system were integrated and expanded.

FUTURE PROVEN SOLUTIONS

Customer loyalty

For Bossard, customer satisfaction means that customers remain loyal over the years, expand the business relationship on their own accord, report positively about Bossard, and recommend the company to others. Bossard's customers benefit from customized solutions. Satisfied customers see Bossard not only as a supplier, but also as a partner. They work with Bossard to develop tailor-made solutions.

Customer-centric solutions

Bossard pursues a customer-centric approach and maintains an open, trusting and transparent dialog with its customers at all times. Fundamental to this approach are Bossard's Code of Conduct and business ethics policy. Bossard's products and services must ensure consistently high quality and safety and meet legal and customer-specific requirements.

Bossard's strategy is to find the right solution for every customer. This includes high-quality standard fasteners such as screws, nuts, rivets, washers as well as electro-technical fastening elements. Of additional importance are product lines such as ecosyn® and FASTEKS®, which offer smart fastening solutions tailored to customer needs. This allows customized solutions and engineered parts to be produced according to the customer's specifications and facilitates cooperation to achieve optimal results.

Customer needs and customer satisfaction

Bossard uses various tools to determine customer satisfaction: In co-creation workshops, the focus is on exchanging ideas with customers on site. While these workshops are designed to collaboratively identify challenges and develop solutions, discovery workshops are conducted to find areas that offer the greatest potential for increasing productivity. Personal meetings are held with customers to determine their needs. This gives Bossard's customers the opportunity to provide feedback or report problems and concerns. Bossard asks its customers specifically about their pain points so that the right solutions can be developed collaboratively. In addition, Bossard uses Net Promoter Score surveys to measure customer satisfaction. To obtain direct feedback and input on pilot projects, Bossard presents product innovations at conferences or in customer webinars.

For customer relationship management, Bossard uses CRM systems and digital communication platforms. This includes ARIMS, an interactive digital supply chain platform that gives Bossard's customers a comprehensive view of B- and C-parts. One highlight of the reporting year was the transformation of the ARIMS community from a pilot project into a multiregional project. The result is a working platform that facilitates collaborative development between Bossard and its customers. Bossard plans to expand this project to multiple locations.

Product safety

With existing processes and controls, Bossard ensures the safety and compliance of the products sold to the extent within Bossard's responsibility. Mandatory requirements include data publication, hazardous goods labeling and versioning of drawings. By means of digital warnings or warnings affixed directly to the product, Bossard draws customers' attention to possible risks when handling the products and processing equipment. This is how Bossard meets the increasingly complex requirements for product labeling and documentation. As a matter of course, Bossard complies with all relevant guidelines and laws regarding product quality and safety.

Rising customer expectations

To ensure customer loyalty, Bossard needs to provide comprehensive support. Because Bossard offers an ever-expanding portfolio of services, the demands on customer advisors are increasing. Bossard is evaluating how the appropriate roles and organizational forms can meet these rising demands in the future. As large customers absorb a great deal of resources, there is a risk that these resources will not be available for new industries or innovative start-up customers, for example, and that trends may be missed.

FUTURE PROVEN SOLUTIONS

Innovation

At Bossard, innovations are used to optimize internal processes and to offer innovative services and product solutions for customers. Product innovations are an important part. Innovations require constant learning in order to use the latest technologies and methods. Digitalization helps Bossard achieve business goals and meet customer needs.

What innovation means at Bossard

Bossard defines innovation as the introduction of new products and services as well as the continuous improvement of its product range and internal processes. Being innovative means being bold, experimenting and taking risks. This allows Bossard to increase the efficiency of its own processes and constantly offer new, innovative services. For Bossard, it is essential to anticipate the needs of its customers and to develop solutions that offer added value. Increased efficiency in business processes not only benefits customers, but also strengthens Bossard's market position. Bossard intends to generate a certain share of sales over the next ten years with products that it launches itself or that are only available from Bossard.

Innovation and responsibilities

Innovation enables Bossard to stand out from the market. It increases product quality and reduces waste thanks to optimized processes. In addition, a digitalization program will support the development of new products and services and optimize internal operating processes. Smart Factory Logistics, for example, helps reduce carbon emissions, while Smart Factory Assembly has a positive impact on quality standards and provides safe working conditions for employees.

Innovation efforts are continuously monitored and promoted as part of Strategy 200. At Bossard, a dedicated project team is responsible for promoting innovation. Change agents also help put innovations into practice. Bossard employees receive training on implementing innovative and digitalized processes. Because Bossard pursues a bottom-up approach, many positions share responsibilities in the areas of innovation and digitalization. The responsibilities are divided into process and system innovations, service and product innovations, as well as digitalization.

Examples of innovation

Bossard uses Last Mile Management or multimodal models to create product innovations in the composites sector. A fastening technology R&D team has been working on product innovations since 2023.

The composites application team develops solutions for materials and construction methods of the future. This is a very new area where hardly any standards exist. For Bossard, this represents an opportunity to position itself with its solutions, some of which are proprietary, and set new standards.

Major innovations in the reporting year included the roll-out and scaling of Real Time Manufacturing Services (RMS), which make the milling and turning of parts faster and more reliable. In collaboration with Innosuisse, Bossard completed projects such as SmartCamera, which supports manual assembly activities and assists assembly workers with complex, difficult-to-control tasks. SmartCamera enables Bossard to expand its Smart Factory Assembly offering: The research project has evolved into a start-up in which Bossard holds a stake. AI-based Symbiotic Logistic Assistant, RMS Master-3D and SmartKVP were other Innosuisse projects launched in 2023 that focus primarily on the use of artificial intelligence: RMS Master-3D, for example, optimizes Bossard's Real Time Manufacturing Services platform, and SmartKVP is used to research intelligent communication and collaboration in industrial assembly.

Challenges associated with innovation

When introducing innovative processes and products, it is important to gain buy-in from customers and employees, not to overburden them, and to choose the pace of new innovations and their implementation carefully. Bossard has created a video series entitled “Exponential Technologies @ Bossard” to introduce employees to innovations.

One risk associated with innovations is a weak market launch strategy: It is possible that investments made in test materials or patents remain unused or are not marketed to customers in a suitable manner.

“*Smart Factory Logistics help to reduce carbon emissions.*”

Fasteners for electrically operated high-speed boats



Bossard supports innovative projects. One example is the AGH Solar Boat project in Poland, which involves the construction of zero-emission, electrically powered speedboats. Bossard Poland is supplying suitable components and fasteners for this university project. In addition, Bossard actively supports the university teams through collaborative product specification

during the design phase. The collaborative efforts include personal meetings, tests, technical support and knowledge transfer. In the reporting year, the AGH Solar Boat came in sixth in the New Energy Regatta in the Netherlands and won first place in the annual Cooper Naval Architecture Award.

FUTURE PROVEN SOLUTIONS

Sustainable product and service solutions

Bossard's products and services are increasingly aligned with the sustainability requirements of its customers. Cooperation with certified suppliers helps incorporate environmental and social standards along the value chain. Bossard's solutions not only lead to greater efficiency and productivity, but also conserve natural resources. SmartOrdering, for example, reduces transportation routes. MultiMaterial-Welding helps eliminate fastening elements and components, saving costs and energy.

Efficient processes and careful use of natural resources

Bossard offers products and services that meet the sustainability requirements of its customers: They consume fewer resources and minimize product waste wherever possible. Thanks to lean assembly processes, Bossard's product solutions not only boost the efficiency and productivity of its customers, they also help them use natural resources carefully. Cooperation between customers, application engineers, suppliers and other business partners also contributes to more efficient processes.

Bossard's Smart Factory Logistics and Last Mile Management services help consolidate shipments and optimize transportation routes. This makes it possible to reduce the number of deliveries, thereby saving fuel and emissions. Last Mile Management digitalizes and optimizes internal logistics and makes processes paperless. It also assists intralogistic workers when filling assembly workstations. Product demand is triggered directly from the assembly workstation via a smart display or fully automated scales. The material requirements are displayed in an app. This saves trips to check where new material is needed or to collect empty containers.

Assembly Technology Expert services help customers use fasteners correctly and efficiently (e.g. by reducing the number of elements).

Carbon footprint of products

Because of regulations and customer requirements, Bossard is increasingly being asked to determine and disclose the carbon footprint of its products. Bossard is examining to which extent the potential of the total cost of ownership concept can be leveraged in the future to calculate the carbon footprint of its products. In addition to reducing transportation costs, Bossard is also planning to develop fasteners made from new materials.

Recycling is playing an increasingly important role in the composites sector. As a result, the reusability of fasteners and end-of-life processes with suitable disassembly solutions is becoming ever more relevant. Smart Factory Services help with disassembly, prevents the mixing of materials and enables reverse process design.

Optimization of the delivery process

One Group-wide goal is to optimize delivery processes. Thanks to Smart Factory Logistics and machine learning, some progress has been made. Smart Factory Logistics helps customers define the delivery cycle in advance. SmartOrdering is based on an algorithm that analyzes product consumption, order quantities and time of ordering. The optimum order values are calculated based on the actual consumption of the previous year and potential future consumption. Past consumption patterns are used to calculate when a stockout will occur. This saves transportation routes and work steps and avoids express orders. In 2023, 60 percent of Smart Factory Logistics customers were already using SmartOrdering and 41 percent of all their items were processed via SmartOrdering. Bossard intends to reduce express orders by 30 percent. For this reason, the company is planning to roll out SmartOrdering to 80 percent of these customers over the long term.

Activities in 2023

Bossard introduced MultiMaterial-Welding technologies in the market in 2022. This technology makes it possible to reduce fasteners and components, which reduces costs and energy requirements. Assembly requires less material and energy, and waste is reduced. Bossard reduces transports by granting customers licenses to produce fasteners for MultiMaterial-Welding. As an example, floor mat clips where MultiMaterial-Welding is used. One focus was on new solutions for lighter construction types and faster assembly processes, for example for high-strength aluminum screws, composites, titanium components or friction welding.

Reinventing freedom thanks to wheelchairs for off-road use



Bossard Norway supports the company Exoquad with product solutions and services. Exoquad develops wheel-chairs suitable for use on hilly terrain, enabling people with physical disabilities to explore the outdoors and giving them back a degree of mobility. The wheel-chair, which offers maximum functionality, is fully electric and all-wheel drive. Its design with four wheels

ensures stability. Bossard Norway supports the project at its own expense by providing C-parts, consulting and Smart Factory Logistics services. The all-terrain wheelchair is a new invention. It has only been in production for two years, but it has exceeded all expectations.

REDUCED FOOTPRINT

Energy and greenhouse gas emissions management

Energy and greenhouse gas emissions management is a top priority for the Bossard Group. It designs its own processes and operating procedures to be as environmentally friendly as possible and aims to influence the entire value chain in favor of climate protection. Comprehensive carbon footprints help the company define climate protection measures.

Commitment to climate protection along the value chain

The Bossard Group designs its own processes and operations to be as environmentally friendly as possible. The majority of greenhouse gas emissions occur in the upstream supply chain: Approximately 90 percent of Bossard’s emissions are attributable to the “Purchased goods and services” category. Bossard succeeded in reducing operational emissions (Scope 1 and Scope 2) between 2021 and 2022. Bossard intends to take targeted measures to make the entire value chain climate-friendly. Bossard’s Code of Conduct and Supplier Code of Conduct stipulate specific requirements to ensure that Bossard’s employees and business partners act in an environmentally friendly manner. At the Group level, the VP Sustainability is in charge of climate-related issues. In the business units, the general managers or environmental managers are responsible for climate and energy issues.

Carbon footprint, measures and targets

Bossard calculates carbon emissions and identifies the largest emission sources. The results show where emission reductions are possible. A data portal ensures consistent data quality on energy and resource consumption as well as waste and greenhouse gas emissions and helps design and implement environmental protection measures. The data portal is revised annually to keep it up to date and optimize Bossard’s reporting. For data management, the company uses an app that programs business intelligence reports from business unit data and evaluates them for monitoring and comparison purposes. The experience gained by the business units enables Bossard to continuously improve data quality and transparency.

In 2023, Bossard held workshops with all three geographical regions to formulate climate protection ambitions and possible measures. To reduce greenhouse gas emissions, Bossard focuses on promoting energy efficiency (e.g. reducing heating or cooling energy) and the efficient use of electricity. Based on the workshops, measures and climate targets were defined that will enable the company to lower greenhouse gas emissions even further in the future. For example, emission savings can be achieved in transportation and packaging.

In the reporting year, Bossard set itself the following climate targets:

- **Reduction of Scope 1 and 2 greenhouse gas emissions by 50 percent by 2031**
- **Reduction of Scope 1 and 2 greenhouse gas emissions to net zero by 2040**

Bossard performed a comprehensive review regarding its participation in the Science Based Targets initiative. Before the company commits to joining, the Scope 3 emissions in the “Purchased goods and services” category are being evaluated in detail. Based on this analysis, it should be possible to make statements about the feasibility of reducing emissions in the upstream supply chain. In order to lend additional relevance to climate protection efforts, Bossard plans to integrate the achievement of greenhouse gas reduction targets into the remuneration system for general managers.

In the reporting year, Bossard completed the CDP climate questionnaire for the first time, which enabled the company to conduct in-depth analyses of greenhouse gas emissions and key climate-related opportunities and risks ([→ TCFD reporting](#)).

Reducing the company's own emissions

Business units with large facilities emit more greenhouse gases because they require more energy for heating and cooling processes. Business units with more employees tend to have higher emissions due to their larger vehicle fleets, more office space and the associated increase in electricity, heating and cooling requirements.

Because Bossard is a growing company, efficiency improvements must be implemented all the more quickly and effectively in order to reduce overall greenhouse gas emissions. Wherever possible, the company purchases renewable electricity and/or installs photovoltaic systems on its buildings. Bossard is also examining the extent to which the buildings can be connected to alternative cooling and heating systems (e.g. district heating or heat pumps).

Challenges in the upstream and downstream value chain

The biggest challenge for Bossard is reducing Scope 3 emissions. The company relies on the commitment of its business partners and suppliers. For effective climate protection, the entire industry must move towards climate action. Awareness-raising measures for the stakeholders involved in the business processes can make a difference here.

A screening of Scope 3 emissions revealed that approximately 90 percent of Bossard's greenhouse gas emissions can be attributed to the "Purchased goods and services" category. For Bossard as a distribution company, making inroads in this category is challenging because upstream steel production from raw materials such as iron ore and coking coal and the processing of steel into fasteners are energy-intensive processes. Bossard is endeavoring to make its suppliers more accountable and, whenever possible, give purchasing preference to low-emission products.

Bossard's Supplier Code of Conduct defines environmental protection requirements for the upstream supply chain. Suppliers are required to reduce their own greenhouse gas emissions and to focus on recycling and reusing materials. In addition, suppliers are required to provide environmentally relevant certificates.

Audits are performed to check environmental aspects. Discussions are underway regarding the introduction of sustainable product lines to reduce the emissions of purchased products. These products would be made from green steel.

Bossard's products are assembled in a wide variety of parts. This process tends to require little energy. The majority of these products can be recycled because they are made from metal.

Smart Factory Logistics services and consolidated shipments help ensure that Bossard's products reach customers efficiently and without empty runs, thereby reducing emissions from transportation. In the future, Bossard aims to offer more services that are based on the principles of the circular economy. The Assembly Technology Expert services already support the efficient use of materials, which reduces emissions. At the end of the life cycle, disassembling and recycling products becomes increasingly important. Bossard's disassembly efforts will drive the closing of material cycles.

Success stories at individual locations

Bossard Denmark is analyzing the energy consumption of the devices at its location and now knows the processes with the greatest energy requirements, allowing it to create appropriate savings. In addition, the location purchases renewable electricity and generates approximately 90 percent of the required electricity itself. Low-emission district heating is used for heating. Bossard India also generates a large share of electricity by itself. Bossard France completed the renovation of its warehouse in 2022: Environmentally friendly heating and better insulation increased energy efficiency significantly. At its headquarters in Switzerland, Bossard is planning to retrofit the building in 2024 and enlarge the percentage of renewable electricity.

In America, a sustainability officer assumed his duties in the reporting year in order to drive forward regional sustainability efforts and climate protection ambitions in a targeted manner.

Environmental management system

In all larger and some smaller business units, the Group's environmental management system is ISO 14001 certified. The Head of Group Quality is responsible for ISO certifications. Regular internal audits serve to ensure quality. In the future, Bossard plans comprehensive certifications for those locations which together generate 90 percent of sales. In 2023, the business units Bossard North America, Bossard Thailand, Bossard Germany, Bossard India, Bossard Czech Republic and Bossard China were recertified.

Challenges resulting from the Carbon Border Adjustment Mechanism (CBAM)

Beginning in 2023, Bossard will be affected by the European Union's CBAM regulation. In the transition phase between October 2023 and 2026, the company is required to report on the imported emissions attributable to its products. For more information on this climate regulation and the ramifications for Bossard, see the chapter "Responsible supply chain management".

“All large business units are ISO 14001 certified.”

KEY FIGURES: ENERGY AND GREENHOUSE GASES

| Energy in MWh ¹⁾ | 2022 | 2021 ²⁾ |
|--------------------------------|---------------|--------------------|
| Energy consumption | 22,556 | 19,863 |
| thereof renewable | 2,746 | 2,367 |
| Electricity consumption | 9,151 | 9,714 |
| thereof renewable | 2,247 | 2,037 |
| District heating | 499 | 330 |
| Heating fuels | 5,072 | 3,084 |
| Oil | 304 | 22 |
| Gas | 4,745 | 3,062 |
| Liquified petroleum gas (LPG) | 23 | - |
| Wood | - | - |
| Motor fuels | 7,834 | 6,735 |
| Diesel | 6,326 | 5,441 |
| Petrol | 1,508 | 1,294 |

1) The energy consumption figures include all business units with more than five full-time equivalents. Business units with five or less than five full-time equivalents are not included because of their relatively low impact on energy consumption.

2) Acquisitions during the financial year 2021 are not included.

| Greenhouse gas emissions in tCO ₂ e ¹⁾ | 2022 | 2021 ⁴⁾ |
|--|--------------|--------------------|
| Total emissions (Scope 1 and 2) | 5,692 | 5,879 |
| Scope 1 ²⁾ | 3,139 | 2,421 |
| Oil | 79 | 6 |
| Gas | 967 | 621 |
| Diesel | 1,705 | 1,465 |
| Petrol | 383 | 329 |
| LPG | 5 | - |
| Scope 2 ³⁾ | 2,553 | 3,458 |
| Electricity | 2,468 | 3,402 |
| District heating | 85 | 56 |

1) The greenhouse gas inventory was calculated in line with WRI/WBCSD Greenhouse Gas Protocol guidelines.

2) Scope 1: emissions from fuels and flammable substances

3) Scope 2: emissions from the generation of electricity and district heating purchased by the business units. The current versions of the IEA and DEFRA emission factors were used for Scope 2 emissions in 2021. In 2022, consideration was given to the fact that some business units purchase or produce green electricity. For the other business units, the location-based method was used the same way as in 2021. Scope 2 emissions using the location-based method would amount to 3,240 tCO₂e.

4) Acquisitions during the financial year 2021 are not included.

Carbon footprint reduced in China through photovoltaic system



Bossard China installed a rooftop photovoltaic system to generate its own energy. The system is operated by an external provider, and the electricity is supplied to Bossard. More than 650 photovoltaic modules cover an area of approximately 6,400 m² and generate up to 450,000 kWh of electricity per year. In spring and fall, this covers almost the entire electricity demand. In summer and winter, when cooling and heating are used, solar energy supplies 60 percent to 70 percent of the electricity required. In 2023, Bossard China saved approximately 162 tons of CO₂ between April and August.

REDUCED FOOTPRINT

Waste management

Bossard is optimizing the packaging of its products, using recyclable materials and expanding services that promote the circular economy. Bossard's own operations mainly generate municipal waste or waste attributable to packaging materials. Optimized packaging helps reduce material consumption and, in turn, carbon emissions.

Awareness of the circular economy along the value chain

Bossard's focus in waste management is on reducing the amount of packaging, proper waste separation and waste disposal in compliance with the law. The largest volume of waste can be attributed to the manufacture and processing of products (e.g. extraction of raw materials from ores, metal waste, offcuts, packaging materials) in the upstream value chain. These effects can be minimized through responsible procurement.

As a wholesale company, Bossard promotes the circular economy by reducing packaging and prioritizing environmentally friendly, reusable materials. The expansion of

services that promote the circular economy is increasingly meeting customer expectations. Innovative offerings reduce waste on the customer side. High-quality fasteners help reduce screw wear.

Because Bossard has very few production processes of its own, non-hazardous municipal waste makes up the largest share of the company's waste volume, followed by cardboard and wood from packaging. The company also reduces its amount of waste by avoiding unsold goods. Optimized purchasing is key and reduces costs. Bossard successfully reduced hazardous waste between 2021 and 2022.

Waste monitoring supported by environmental management system

At the Group level, Bossard does not yet have systematic guidelines for waste reduction. However, each business unit has its own concept for avoiding and separating waste and promoting recycling. Large business units have an ISO 14001 certified environmental management system to ensure systematic data collection. Waste management is the responsibility of the general managers or the environmental managers in charge.

Measures to reduce waste

Even though waste makes up only a small part of Bossard's Scope 3 emissions, the company is striving to reduce waste. For example, the company prepares factsheets for warehouse managers containing information on the selection of suitable materials. Packaging should increasingly consist of reusable or biodegradable materials. When adding new products to the catalog in the future, a stronger focus will be placed on waste and recyclable materials. Thanks to Smart Factory Logistics, product deliveries to Bossard's customers are calculated in such a way that waste is reduced. Optimized product use enabled by Assembly Technology Expert helps customers reduce the overall number of parts, which has a positive effect on material consumption. In the future, the expansion of disassembly services could increasingly promote the closing of material cycles.

Projects implemented in 2023

Bossard Germany launched a project to modify stretch films and stuffing paper. The use of thinner material is intended to reduce packaging. Stretch film optimization was successful, reducing packaging costs and cutting annual carbon emissions by approximately 2,530 kg. Efforts to make stuffing paper modifications were less successful: The costs were higher, and the quality of the modified paper no longer met the requirements for secure packaging.

In the reporting year, Bossard Germany's packaging machines received new film packaging, 80 percent of which is made from recycled material. This saves approximately 800 kg of new film per year.

For SmartBins – smart logistics systems that reliably monitor stock levels and automatically ensure product replenishment – disassembly instructions were created and rolled out across the Group. This ensures that decommissioned SmartBins can be disposed of properly. The parts can be taken apart and the individual materials can be reused.

As part of a packaging project, a survey was conducted among warehouse managers to determine the most frequently used packaging and the share of recycled base materials. The results of this survey will be used to develop a packaging factsheet designed to promote the selection of environmentally friendly packaging materials.

KEY FIGURES: WASTE

| Waste in t ¹⁾ | 2022 | 2021 ³⁾ |
|---------------------------------------|----------------|--------------------|
| Commercial waste ²⁾ | 1,546.4 | 1,547.8 |
| Incineration or landfill | 523.6 | 489.0 |
| Recycling | 1,022.8 | 1,058.8 |
| Hazardous waste | 1.5 | 2.7 |

- 1) The figures for commercial and hazardous waste include all business units with more than five full-time equivalents. Business units with five or less than five full-time equivalents are not included because of their relatively low impact on waste volume. The business units of Bossard America are excluded from this data collection.
- 2) Estimates were used for some commercial waste from three European business units. Data quality will be improved over the next few years in collaboration with these business units.
- 3) Acquisitions during the financial year 2021 are not included.

“*Bossard Germany's new film packaging is made of 80 percent from recycled material.*”

EMPOWERED PEOPLE

Attractive employer

For the Bossard Group to achieve its strategic goals, it is crucial that Bossard is an attractive employer. As a sought-after employer, Bossard attracts new talents, promotes innovation and increases competitiveness. A favorable image not only helps win new talents, but also strengthens employee retention and motivation. This has a positive effect on business.

Success through satisfied employees

Bossard has a vested interest in keeping employee turnover low so that the experience and expertise of its employees remain within the company. There is a close correlation between employee satisfaction and the company's business success: On the one hand, economic success has a positive impact on employee satisfaction and loyalty; on the other hand, this success is possible only with the help of satisfied, motivated and committed employees.

Employer branding vision

Bossard's employer branding vision aims to make it an employer of choice. Bossard wants to use an even more active, transparent and market-oriented approach to attract potential employees.

The company's employer branding vision focuses on these areas:

- Strengthening brand recognition: The Bossard Group publicizes its positive work culture outside the company. Many business units work with universities to present themselves to new talents and to establish contacts – a win-win situation for Bossard, universities and students.
- Positioning Bossard as a sustainable, inclusive, innovative and safe employer: This is facilitated by a transparent recruitment process based on internal guidelines and professional suitability criteria.
- Market-oriented remuneration: in addition to the fixed salary component, different performance-related compensations systems allow employees to participate in the Group's success.
- Promoting the five guiding principles: "We experiment", "We talk real", "We empower", "We collaborate", and "We deliver value".

Bossard guiding principles – a vibrant corporate culture

The five guiding principles are the branches on Bossard's culture tree. They give employees guidance and provide a sense of security. "We deliver value" is ultimately the goal of all activities; the other four principles are guidelines for a vibrant corporate culture and goal achievement.

At the heart of these principles are transparency, open communication, the courage to think outside the box, and cooperation. This gives employees plenty of room for initiative, creativity and ownership. On the Bossard intranet, there are pages for each guiding principle. In 2023, Bossard introduced a new learning module focused on corporate culture. It is aimed at new employees and is intended to ensure that all employees worldwide receive the same information. This learning module covers the topics of strategy and the strategy process and introduces the Bossard culture tree with its values and guiding principles.



BOSSARD GUIDING PRINCIPLES



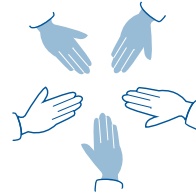
We empower

Bossard is convinced that all employees are willing and able to contribute to the company's success. For this reason, leaders are encouraged to delegate tasks. Trust in our employees and their motivation is strengthened when leaders primarily communicate why we do things and not how.



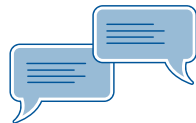
We experiment

All too often, ideas are stifled before they even have a chance to succeed. We want to be open to unconventional ideas, because new things are created when we simply try things out. If we end up rejecting an idea after all, then we will certainly have learned something. And that, at the very least, is just as valuable.



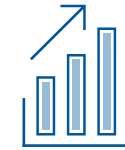
We collaborate

Bossard believes that the equation $1+1 = 3$ may very well be correct. Because together, we achieve more. That is why we want to work together even more closely and intensify the collaboration and exchange of knowledge between all regions, functions, and hierarchies.



We talk real

Sometimes we think that addressing problems is a sign of weakness – yet in that we are completely wrong. To combat this mindset, we want to conduct open conversations, listen to each other, and value feedback. Only with this approach can everyone continue to develop and learn from each other.



We deliver value

Our primary objective is to create added value for our stakeholders. We must not lose sight of that. That is why we always want to keep in mind the purpose of an activity – regardless of whether it is a product innovation or an internal meeting.

Code of Conduct: talking real

The Bossard Code of Conduct focuses on ethical behavior, transparency and openness. “We talk real” is the central principle that applies both internally and externally. The Bossard Code of Conduct is binding for all employees and hierarchical levels. Management is responsible for ensuring that it is observed and practiced throughout the company. All employees receive regular training on the Code of Conduct. Violations are reviewed and sanctioned if necessary. In 2023, there were no severe reported violations against the Code of Conduct. If an employee suspects misconduct, they can contact their supervisors, local management, the executive committee or human resources. Complementing the Code of Conduct, an Integrity Line was rolled out to expand the local reporting options available to employees at the Group level. For more information on the Integrity Line and the Code of Conduct, see the chapter “Integrity”.

Measures to reduce employee turnover

The Bossard Group benefits from the loyalty of its employees. One reason why employees identify with Bossard is that, despite its global orientation, Bossard has remained a family business with a CEO and a management team which are close to its employees. Nevertheless, Bossard has to address the issue of employee turnover, as the

labor market requires all employers to make an effort to retain employees. Bossard wants to minimize turnover in order to avoid negative effects. Apart from the loss of knowledge, these include the loss of time and money associated with filling open positions. Positions remaining vacant for an extended period of time place a burden on existing employees who have to take on additional tasks.

Bossard pursues a variety of measures and initiatives to counter employee turnover:

- Local employees are involved in global and cross-functional projects such as sales and marketing, innovation and in the development of the Code of Conduct. These tasks have a motivating effect, underscore that each individual employee is important for the company’s success, and strengthen employees’ identification with the company.
- The goal of Strategy 200 is to promote the potential of all employees and strengthen their loyalty to the company. Bossard aims to attract committed, enthusiastic talent and to motivate employees to act as ambassadors for the company. To this end, they are included in strategic initiatives, which allows them to actively contribute to the company’s success. Outside the company, they act as ambassadors for Bossard at trade fairs and conferences.
- Contact between employees and their managers is strengthened. Employees are offered opportunities for professional development and are encouraged to get

involved in broader projects. Planning for new hires to fill existing positions is done well in advance.

- In 2023, Bossard launched the Clubhouse platform where employees can share their ideas on improving the company and on strategic initiatives and form project teams.
- The new Employee Talk App, which was developed in-house, was piloted at the Zug location in 2023 to make appraisal interviews even more effective. An online information and seminar campaign for employees and managers accompanied the app launch. Because of its success, the app is now being used at other locations as well, for example in the Netherlands.
- Employees are heavily involved in the topic of sustainability at Bossard. Sustainability should be practiced and spread within the company from the bottom up. Every quarter, employees produce their own newsletter on sustainability to show how everyone at Bossard can help with sustainability through small measures such as proper waste separation.

Bossard noticed only a slight increase in employee turnover and it can therefore be assumed that the employee retention measures are effective.

Employee surveys confirm satisfaction

Local and regional surveys have repeatedly affirmed employee satisfaction. According to the Swiss Employer Award, Bossard is one of the top employers in Switzerland. This award also confirms that Bossard maintains a positive corporate culture. The role of employees was strengthened in the business strategy revised in 2021. The aim is to involve employees in business development even more closely by implementing ideas and concerns as part of various initiatives. In 2023, employee surveys were conducted at the local level, for example in Switzerland, the USA and Asia. Because of the different measurement parameters, it is not possible to compare the survey results from the various international locations.

In the reporting year, Bossard decided to set targets in the area of employee satisfaction. Bossard will address the development of specific implementation measures in the coming years.

Combating the shortage of skilled labor with openness

Bossard has seen strong growth in recent years and will continue to grow. As a result, the general shortage of skilled labor presents a challenge for Bossard, because

additional employees need to be recruited for the growing company. Bossard intends to meet this challenge by practicing even greater openness in its recruiting procedures. The company is determined to consistently apply the principles of inclusion, diversity and equal opportunity. Management workshops and training sessions on unconscious bias are designed to sensitize managers to unconscious prejudices in personnel selection. Job postings also put more emphasis on inclusion.

Challenges and opportunities

Increasing globalization, digitalization and networking present Bossard with new challenges. In this respect, it is essential to attract the right talent with a growth mindset. Digitalization is a challenge for the company because it requires continuous change and constant evaluation to determine which technologies will help Bossard move forward. Without overburdening employees with constant innovations, Bossard must ensure that employees are able to drive digitalization forward and anchor it within the company. Training programs, IT ambassadors in all business units, and close cooperation between IT and technology experts and other functions help accelerate the integration of innovations in the company's day-to-day operations. However, digitalization and networking are not just a challenge for Bossard, but also an opportunity:

Bossard uses artificial intelligence and automation to increase efficiency and expand its service technologies. This results in new business areas where employees can get involved and great potential for internal innovations that all employees can contribute to.

As a global company, Bossard faces the daily challenge of addressing cultural differences and bridging them when working together. In addition, geopolitical conflicts complicate cooperation with certain regions and make procurement more difficult.

“Bossard is one of the top employers in Switzerland according to the Swiss Employer Award.”

KEY FIGURES: EMPLOYEES

| Composition of workforce ¹⁾ | Unit ⁵⁾ | 2023 | | | 2022 | | |
|--|--------------------|-------|--------|-------|-------|--------|-------|
| | | Total | Female | Male | Total | Female | Male |
| Workforce by employment contract | | | | | | | |
| Permanent | HC | 2,878 | 994 | 1,884 | 2,819 | 985 | 1,834 |
| Temporary (agency/lease workers) | HC | 42 | n/a | n/a | 27 | n/a | n/a |
| Workforce by employment type | | | | | | | |
| FTE total | FTE | 2,791 | n/a | n/a | 2,769 | n/a | n/a |
| Employees total ²⁾ | HC | 2,878 | 994 | 1,884 | 2,819 | 985 | 1,834 |
| Full-time | HC | 2,653 | 854 | 1,799 | 2,604 | 863 | 1,741 |
| Part-time ³⁾ | HC | 225 | 140 | 85 | 215 | 122 | 93 |
| Number of apprentices/trainees/interns | HC | 101 | n/a | n/a | 114 | n/a | n/a |
| Workforce by age | | | | | | | |
| < 30 years | HC | 447 | 166 | 281 | 465 | 170 | 295 |
| 30–50 years | HC | 1,718 | 629 | 1,089 | 1,645 | 615 | 1,030 |
| > 50 years | HC | 713 | 199 | 514 | 709 | 200 | 509 |
| Management | | | | | | | |
| Employees in management positions | HC | 369 | 85 | 284 | 373 | 79 | 294 |
| Other | | | | | | | |
| Qualification dialogues/annual appraisals ⁴⁾ | No. | 2,321 | n/a | n/a | 2,115 | n/a | n/a |
| Pulse checks or employee satisfaction surveys done on unit level | No. | 324 | n/a | n/a | 272 | n/a | n/a |

1) The HR figures include all business units with more than five full-time equivalents. Business units with five or fewer full-time equivalents as well as acquisitions in the corresponding reporting year are not included.

2) This value is inclusive of apprentices, trainees and interns and exclusive agency/lease workers.

3) All employees working less than 90 percent or 90 percent.

4) Excluding apprentices and trainees, employees joining and leaving the company during the year and employees with long-term absences. In such cases, individual conversations and reviews take place that are adapted accordingly to the case.

5) HC means headcounts and FTE means full-time equivalents

| Hires & fluctuation in HC ¹⁾ | 2023 | | | | 2022 | | | |
|---|---------|--------------------|----------------|--------------------------------|---------|--------------------|----------------|--------------------------------|
| | Entries | Natural departures | All departures | Fluctuation rate ³⁾ | Entries | Natural departures | All departures | Fluctuation rate ³⁾ |
| Total | 525 | 135 | 468 | 11.6 % | 581 | 134 | 411 | 9.8 % |
| Total by gender | | | | | | | | |
| Male | 328 | 86 | 293 | 11.0 % | 361 | 84 | 260 | 9.6 % |
| Female | 197 | 49 | 175 | 12.7 % | 220 | 50 | 151 | 10.3 % |
| Total by age ²⁾ | | | | | | | | |
| < 30 years | 181 | 42 | 132 | 20.1 % | 197 | 32 | 116 | 19.6 % |
| 30–50 years | 291 | 63 | 255 | 11.2 % | 307 | 59 | 197 | 8.7 % |
| > 50 years | 53 | 30 | 81 | 7.2 % | 74 | 43 | 77 | 5.3 % |
| Total by region | | | | | | | | |
| Europe | 319 | 41 | 236 | 11.9 % | 342 | 57 | 252 | 12.7 % |
| America | 70 | 62 | 87 | 5.8 % | 139 | 74 | 91 | 3.8 % |
| Asia | 136 | 32 | 145 | 13.9 % | 100 | 3 | 68 | 7.9 % |

1) The figures for hires and fluctuation include all business units with more than five full-time equivalents. Business units with five or fewer full-time equivalents as well as acquisitions in the corresponding reporting year are not included.

2) In 2022 two European business units were not included in entries by age and fluctuation by age, as these data were not collected in these units.

3) For the calculation of the fluctuation rate 2023, the number of employees as of December 31, 2023 was taken.

EMPOWERED PEOPLE

Employee development

Promoting the development of employees is central to Bossard. Training and development programs ensure that employees can realize and utilize their potential. This promotes employee satisfaction, reduces turnover and gives employees a greater sense of belonging in keeping with Bossard’s corporate culture. Active employee development contributes to the Group’s positive employer image and attracts new talents. By helping employees keep their expertise and management skills up to date, Bossard remains innovative and is well prepared for market changes and new work-related demands.

Opportunities and competitive advantages through training

The Bossard Group offers its employees a wide variety of opportunities to develop and hone their skills through training and professional development offerings and, if suited, take further career advancement steps. Bossard’s approach to professional development centers on the values of creativity, empowerment, and collaboration.

Bossard’s extensive development program boosts employee satisfaction and reduces turnover, making it an important measure to address the shortage of skilled labor. As the company continues to grow, Bossard wants to make it easier for employees to move into management and specialist positions by offering them suitable training.

At the same time, continuous employee training and up-to-date expertise give Bossard a competitive edge and improve productivity. Bossard values the opinions and ideas of its employees and applies them to find practical solutions to problems and new development approaches. Employee development ensures growth and creates added value for the company. Bossard offers a wide range of opportunities, including projects, coaching and job enrichment. In addition to professional and specialist knowledge, Bossard promotes social and management skills such as conflict management and communication. One focus is the Learning Management System (LMS). This learning structure for all corporate functions is the foundation for knowledge sharing.

Internal and external education

Bossard’s continuing education program includes global and locally adapted offerings, virtual courses and training sessions as well as in-person events and conferences with learning segments, workshops or group work. For example, the Sales and Marketing forum offers introductory presentations and short training sessions on topics such as sustainability. Global conferences such as the Smart Factory Logistics conference or the People & Organization offsite event also offer learning content. Internal global training via the LMS focuses on content that is relevant for all locations and employees. This includes IT security, equality and inclusion, storytelling at customer meetings, as well as organizing and moderating

meetings and workshops. In addition to the global programs, local offerings address the individual training needs of the business units.

Employees can access intranet pages with resources on topics such as team organization, moderation, change management, and developing and continuing internal communities.

Bossard also supports external education. Employees interested in completing part-time degree programs, training courses or seminars on topics which also benefit the company, receive financial support and time allowances.

“We talk real” as a global offering

The global “We talk real” program focuses on developing skills in four modules: psychological safety, dialog traps, active listening, and giving feedback. In 2023, the focus of the “We talk real” program was on dialog management and improving the quality of internal and external discussions. To this end, Bossard developed a signature program in-house and successfully applied it in a pilot project. The program is now being rolled out. Bossard uses the train-the-trainer concept to get local employees on board and adapt the program to different cultural circumstances. At the same time, the train-the-trainer concept helps strengthen moderation skills in the regions. In 2023, the rollout of the “We talk real” program focused on India, Poland, Germany, the USA and the Netherlands.

Management development

Management development at Bossard is highly individualized. For example, one-on-one coaching is used for the newly formed management team at Bossard Aerospace. In the reporting year, major change projects within the company, such as the ERP implementation project and the sales transformation project, were accompanied and supported by training courses on change management and change leadership for managers and management teams. Going forward, the Bossard Group intends to make feedback more central to management development at the highest management level.

Ongoing enhancement of employee development programs

Employee development programs must continue to evolve. Based on new technologies and employee expectations, Bossard is constantly adapting its development programs to keep up with latest trends. This is the only way to ensure that employees acquire content that is relevant for the future and helps them advance personally.

In 2023, Bossard created an intranet-based Learning Hub as a central repository for all learning content from the specialist departments in order to increase transparency. The company has also started to establish the technical basis for the introduction of a human resources information system. This global software is intended to promote comparability and synergies. In 2024, Bossard will align and update the talent development processes so they will be supported and simplified by the software.

In 2023, Bossard increasingly focused on offering cross-functional and interdisciplinary learning and training opportunities. This is intended not only to facilitate the onboarding of new employees, but also to create a T-shaped knowledge profile for employees. This means that employees have both strong expert knowledge and broad, cross-functional general knowledge. To achieve this goal, Bossard is developing learning governance in the LMS and testing learning modules with the individual functions. Bossard uses an iterative approach. For example, sales employees are also trained in service and product areas to which they are typically less exposed in order to improve the networking of knowledge. Engineering experts, for example, also receive training in sales strategies or moderation.

Bossard talent ecosystem

Bossard is developing a talent ecosystem to attract qualified employees and promote professional development within the Group. The ecosystem helps employees proactively shape their career, however individualized. This program also includes succession planning, with internal candidates given consideration. Managers receive on-the-job coaching. In 2023, several regional human resources workshops were held to take up suggestions from the units regarding the talent ecosystem and to create concepts for future development. Courses on the Bossard Group's five guiding principles were revised. These principles are "We experiment", "We talk real", "We empower", "We collaborate", and "We deliver value". The company offers e-learning courses and workshops on these five principles. All employees worldwide have access to these offerings. They help standardize the corporate culture while taking local conditions into account.

Persons in charge of employee development

At the global level, the People & Organization Group department is in charge of the ongoing development of managers. It works across functions to ensure employee development within large projects. The individual business units are responsible for employee development below the management level. In the individual units, either the human resources department or the general manager is in charge of employee development.

Challenges and tasks

The Bossard Group wants to make learning and continuing education a normal part of day-to-day operations. Various models are being evaluated – in Asia, for example, there are special learning days for employees. Although learning on the job is very important, Bossard endeavors to limit the amount of time required, for example, by linking learning content with projects and encouraging employees

to directly apply what they have learned. In addition, Bossard wants to personalize learning opportunities to a greater extent and tailor them to employees' individual knowledge levels. In this context, stronger communication with employees is necessary to make sure that they do not feel overwhelmed by the wealth of training opportunities and are able to find the courses that are right for them. Bossard plans to design talent management in such a way that it promotes the global corporate culture while reflecting the cultural circumstances of each location.

Bossard is working to offer employees in smaller units as many learning opportunities as their colleagues in larger units. Employees in non-English-speaking countries will be offered more opportunities to learn English so they become more familiar with the Group's corporate language.

“The Bossard eco-system helps employees shape their career individually.”

EMPOWERED PEOPLE

Diversity, equality and inclusion

Bossard actively opposes discrimination, promotes diversity and inclusion and is committed to equal opportunities for all employees, regardless of origin, gender, age, religion, sexual orientation and physical ability. Mutual respect is essential in an international company with a multicultural workforce. As an open, diverse company, Bossard has a positive influence on social stability, not only within the company, but also in society as a whole.

Securing the future with respect and tolerance

Promoting diversity, equality and inclusion are core values of the Bossard Group. They play a key role in the company's success. Continued growth depends on the potential and innovative ideas of all employees. Out of conviction and to secure the future of the Group, Bossard strives to create an environment in which all employees are accepted and heard and can make their own contribution to the company's success. The Bossard Group's Code of Conduct leaves no room for discrimination. In 2023, there was one reported case of discrimination and respective actions have been taken. Employees can report violations to their supervisor or via the Integrity Line. Group managers attend training sessions on diversity, equality and inclusion.

Fair pay for all

Bossard subscribes to the premise that work of equal value should be remunerated with equal pay. To ensure compliance with this guideline, an equal pay analysis was carried out at the Zug location in 2021. An external review of this analysis by an independent auditor confirmed compliance with the applicable rules under the Gender Equality Act. Bossard Germany conducted an equal pay analysis in 2023, which revealed no deviations from the principle of equality. Currently, there are no Group-wide guidelines to ensure equal pay. Remuneration practices may vary from region to region. In the EU, there are new directives to be followed in the future.

Challenges relating to diversity, equal opportunity and inclusion

However important the principle of equality is within the company, the ideal situation has not yet been achieved. An ongoing challenge is the fact that the Bossard Group has fewer female employees than male employees – a circumstance that is primarily due to the nature of the industry. The company continues to work on helping women advance in the company, especially in management positions. In addition, there is room to make working hours more flexible. More flexible solutions should benefit employees and trainees alike. Less than ten percent of employees currently work part-time. One ongoing task is to create a more diverse workforce.

Strategy for diversity, equality and inclusion

With its strategy for diversity, equality and inclusion launched in 2022, the Bossard Group is setting the course for true diversity in the company with all the opportunities that this entails. Employees all over the world can contribute to this strategy.

The strategy focuses on the following:

- The internal parameters such as guidelines, Code of Conduct and working models will be reviewed and adapted where necessary.
- The recruitment process will be more open, and job postings will be written in a gender-neutral way.
- Managers will act as role models and apply clear guidelines to make equality a reality.
- Mentoring and sponsorship programs will be set up for minorities so that they have the same development opportunities as everyone else.

The strategy is an ongoing project. In 2023, an analysis was performed, and workshops were held with top management regarding unconscious bias: Diversity, equality and inclusion are essential for Bossard's corporate culture because they shape the way employees interact with each other and because diverse teams develop holistic solutions. The principle of equality is crucial for Bossard's appearance in order to attract new talent without prejudice and to be an attractive employer.

In the summer of 2023, self-organized teams from various units in Europe and the USA spent four to six weeks working on diversity, equality and inclusion and shared their findings with management and human resources. The teams in Asia will do the same shortly. Surveys, follow-up tasks and workshops are driving the project forward.

In the reporting year, Bossard also set itself the goal of increasing the number of women in management positions by striving for the same gender ratio on the management team as in the entire Bossard Group by 2031.

Challenges implementing the equality strategy

One challenging task is to transfer the action plans of the various strategy teams from the regional level to the Group level and to identify which actions are relevant for the entire Group and should be implemented. Another challenge is to think in new ways: The consistent

application of diversity criteria does not mean that qualifications and skills count less than before when it comes to recruitment or succession planning. Rather, it is possible that a broader focus will attract more candidates. This gives Bossard the opportunity to find the ideal person for every position.

Jobs for people with disabilities



Some business units offer people with disabilities the opportunity to return to the labor market. People who have difficulties in the labor market due to physical or mental disabilities are given the opportunity to perform basic tasks at Bossard. This gives them new opportunities. These working relationships represent a win-win situation. Bossard retains employees, and those affected are given a new perspective and the ability to get back to work.

EMPOWERED PEOPLE

Occupational health and safety

The physical and mental well-being of employees is a top priority for the Bossard Group. Bossard performs regular workplace safety reviews and complies with all legal requirements. In addition, Bossard offers its employees global and individual health promotion opportunities at its various locations. This is how Bossard demonstrates responsibility for its employees. The company aims to ensure that employees feel comfortable, fit, and motivated, are able to perform their tasks safely, and that there are as few absences as possible.

Measures to promote health and well-being

The initiatives to promote safety, health and well-being are geared toward the needs of employees, the working conditions at the respective locations and the risks to well-being and safety associated with the activities. This takes into account working practices and cultural and regional considerations as well as the wishes of employees, which they can express in local satisfaction surveys.

Occupational health has many facets: initiatives at the locations

In the area of health and well-being, Bossard has implemented several initiatives and measures to date. For this reason, smaller projects were implemented in 2023. At the Zug location, a "Pulse Check" was held to assess the well-being of employees. The results were shared with the human resources (HR) department and discussed in the teams, and actions were defined. Another health campaign in Zug was the "Bike to Work" initiative, which motivates employees to ride their bicycle to work. "Bike to Work" is held every year at the locations in France and Denmark as well. Employees from the Zug location took part in the "B2Run Zug." Preparing for the 6-kilometer run and the event itself, which was followed by a social get-together, not only strengthened the health of the participants, but also fostered team spirit among coworkers. In addition, employees in Zug have access to a fitness room. Organic fruit from a local farm is available at Bossard Switzerland to promote healthy eating.

At Bossard Germany, employees have the opportunity to benefit from a corporate fitness program or to borrow bicycles. Additionally, Bossard Germany supports participation in running events and provides occupational health care through an occupational physician.

In China, employees have access to annual medical check-ups, and they can also use facilities for physical activities during work breaks.

In Denmark, Bossard offers employees access to health insurance. The management team places importance on periodically assessing the well-being of employees through direct communication. The workplace assessment conducted in Denmark during the reporting year showed that employees highly appreciate the sports facilities and ergonomic workspaces offered by Bossard. In France, depending on their work area, employees are encouraged to visit an occupational physician regularly for preventive purposes.

Global activities and programs

The global launch of the "We talk real" program was successful. Among the central themes of this program are psychological aspects and promoting a feedback culture. The program includes four modules to develop the skills of all employees: psychological safety, dialog traps, active listening, and giving feedback. "We talk real" is intended to further improve the working culture and strengthen relationships within the teams through maximum transparency.

At the global level, the People & Organization department launched individual courses centered on occupational health and safety. In addition, a course on resilience was held at all locations in 2023.

The employee magazine “Drehmoment” and the digital “SharePoint News” regularly address topics such as resilience, physical activity and boundaries in order to raise employee awareness. Employees have the option of consulting an external social counseling firm in the event of psychological stress and can report grievances within the company via the Integrity Line. Bossard emphasizes open and regular communication to ensure the well-being of its employees. In the event of long-term absences, case management is called in to provide support and facilitate reintegration.

Working from home and personal contact

In 2021, Bossard introduced working from home and flexible working models. While these flexible solutions have many benefits, they make it more difficult to identify employees who have physical or mental health problems and need support. Bossard plans to provide all employees with better information on these topics. Virtual coffee breaks and regular stand-up meetings have proven useful

in maintaining contacts and identifying problems at an early stage. Ergonomic workspaces are standard at all locations.

Responsibilities for occupational health and safety

Due to Bossard’s decentralized corporate structure, different working practices and focus areas at the locations as well as cultural differences, the business units are in charge of occupational health and safety committees, working groups and training offerings. Global points of contact for these issues are the People & Organization department, the local HR departments as well as the local safety officers. Since the leadership team bears responsibility for the well-being and safety of employees, Bossard Switzerland, for example, includes resilience topics as part of leadership training.

Identification and assessment of safety hazards

The most significant safety hazards for employees arise in the warehouse. Health issues may occur due to one-sided strains during manual handling of goods. In terms of workplace safety, the greatest risk in the warehouse, for example, occurs when working with forklifts, pallet jacks, or when lifting heavy loads. Bossard identifies hazards in the logistics processes (delivery, goods receipt, repacking,

storage, picking, and delivery) and categorizes them by severity. Each work step is classified and evaluated based on ten possible primary hazards (e.g., mechanical hazards, fires) and various subcategories (e.g., falls, explosives).

Promotion of employee safety

The Bossard Group creates the best possible conditions for the safety of its employees and emphasizes a sense of responsibility and circumspection. In addition to its headquarter, the locations in India and China are also certified in accordance with the ISO 45001 standard for occupational health and safety management. Investigations into hidden hazards and standardized control reports serve systematic risk identification, measure monitoring, and support continuous improvement in workplace safety. The QLogbook describes the legal and normative requirements that have been identified. Compliance records are audited annually by the Swiss Association for Quality and Management Systems (SQS).

The contact persons for occupational health and safety stay informed with the latest knowledge through continuous training. Regular evacuation training prepares for emergency situations. In the technology and logistics center, routes are clearly marked, safety instructions are signposted, and employees are given high-visibility vests and safety shoes. Inhouse company paramedics are on site to provide first aid if necessary. Company paramedics receive annual training by external experts. Safety training courses are held on a regular basis for employees at the technology center and in the warehouse. The contact persons for occupational health and safety receive ongoing training as well.

As part of internal audits, those responsible for quality and workplace safety assess the effectiveness and proper implementation of safety measures. At the Swiss location, several inspections of the company premises take place each year in order to minimize hazards.

They are conducted by the company's own QUAG team as well as external experts, for example from the fire police and the Swiss Safety Center. The Swiss Safety Center assesses hazards and evaluates figures related to occupational health. It issues reports and checks whether potential hazards are eliminated in accordance with regulations. During management events, work-related illness and accident statistics are discussed, and necessary actions are initiated in case of identifiable patterns.

KEY FIGURES: OCCUPATIONAL HEALTH AND SAFETY

| Occupational health and safety ¹⁾ | Unit | 2023 | 2022 |
|--|-------|-----------|-----------|
| Total effective hours worked | Hours | 4,867,478 | 4,511,382 |
| Total absences ²⁾ | Hours | 121,213 | 157,237 |
| Absence rate ³⁾ | % | 2.2 | 2.8 |
| Absences due to illness | Hours | 116,979 | 152,648 |
| Absences due to accidents at work | Hours | 4,234 | 4,589 |
| Number of fatalities at work | No. | 0 | 0 |

- 1) The occupational health and safety figures include all business units with more than five full-time equivalents. Business units with five or fewer full-time equivalents as well as acquisitions in the corresponding reporting year are not included.
- 2) Excl. vacation and other absences not related to illness or accidents.
- 3) For the calculation of the absenteeism rate, the approach suggested by GRI of 2,000 hours per one FTE was used.

Transferring knowledge on safety in fastening technology to E-Team Squadra Corse in Italy



In order to promote emerging talent, Bossard Italy has been supporting the University of Pisa's E-Team Squadra Corse for several years by supplying suitable C-parts for their electric vehicles. The objective of this collaboration is to cultivate relationships and share business experience. To boost technical expertise, Bossard Italy performed a simulation demonstrating C-part assembly on the university team's electric race car and battery installation and helped them select the appropriate components. An employee from the Assembly Technology Expert division taught a class at the University of Pisa on the subject of safety in fastening technology – an activity that may help recruit future hires.

FAIR PARTNERSHIP

Integrity

Bossard lays the foundation for long-term business success by operating with integrity and adhering to its core values. Integrity and responsible conduct are enshrined in Bossard’s Code of Conduct and Supplier Code of Conduct. The new Group Anti-Bribery Policy implemented in 2023 helps prevent corruption and bribery. The new Integrity Line allows employees to report compliance violations via an electronic tool.

Integrity – a fundamental value

At Bossard, integrity, respect and fairness underpin all business activities. Maintaining Bossard’s values and respectful interpersonal relationships are essential for the well-being of employees and their performance. Bossard values integrity when working with business partners, conducts business according to objective economic, social and environmental criteria, and complies with local and global laws and guidelines. This prevents anti-competitive behavior and corruption and strengthens the stakeholders’ trust in Bossard. Bossard believes that long-term growth can only be achieved through integrity. Every single employee and every business unit bears responsibility for acting with integrity and adhering to Bossard’s global values. The Group legal department is responsible for implementing new guidelines and processes relating to integrity.

Code of Conduct ensures integrity

In 2022, Bossard introduced a new Code of Conduct that was created by employees for employees. It is illustrated with practical examples so it is easy to understand. The Code of Conduct sets out the expectations the company has of its employees when it comes to implementing a corporate culture based on integrity, while at the same time anchoring ethical business practices within the company. Among other things, the Code of Conduct covers the following topics relating to integrity: respect for human rights, protection of intellectual property, privacy, fighting corruption, promoting fair competition, transparent reporting, and ways to express concerns. Bossard offers regular online training in 13 languages to ensure that employees understand and live by the Code. Following the launch of the Code of Conduct in 2022, Bossard ran a campaign to inform employees on a monthly basis about the content of the Code.

Anti-Bribery Policy to prevent corruption

To protect Bossard’s reputation and build stable business relationships, Bossard prohibits money laundering, corruption and bribery. The company’s legal department supports employees if they have questions relating to the prevention of corruption. In addition to reporting incidents of corruption via the Integrity Line, employees can also contact local trusted leaders. In 2023, Bossard

introduced a global Anti-Bribery Policy. It serves as a framework for dealing with the risks of bribery and corruption and contains instructions on how to handle gifts. In addition to the global Anti-Bribery Policy, stricter local requirements may be introduced by individual business units, departments or countries. Violations of the Anti-Bribery Policy must be reported. As part of the refresher training on the Code of Conduct, employees were acquainted with the content of the Anti-Bribery Policy.

Fair competition in the supply chain

Bossard’s Supplier Code of Conduct sets out principles for avoiding corruption in the supply chain. The requirements were revised in 2023 and are explained in the chapter “Responsible supplychain management”. Suppliers are called upon to prevent any form of corruption or bribery. It is prohibited to offer or accept payments, gifts or remuneration with the aim of gaining an unfair or improper business advantage and/or influencing the behavior of the recipient. Bossard prohibits price fixing, bid rigging, customer/market collusion, exchange of price information, or engaging in other unfair practices.

Corruption risks

Bossard uses internal control systems and financial audits in the business units to determine whether there are any corruption risks. There was no report of material unlawful behaviour. In the reporting year, there were no legal proceedings arising from the formation of cartels or monopolies.

Handling conflicts of interest

Conflicts of interest occur when conflicts arise between the personal interests of an employee and the interests of Bossard. Bossard expects employees to recognize when an actual or potential conflict of interest exists and to avoid such situations. If conflicts of interest do arise, employees are obligated to report them immediately. If members of the board of directors or executive committee are faced with conflicts of interest, the affected decision-makers must recuse themselves.

Human rights

Bossard supports and respects the United Nations Guiding Principles on Business and Human Rights and complies with globally recognized human rights principles such as the international labor standards of the ILO. The same standards are expected from business partners ([-> Responsible supply chain management](#)). Bossard's Code of Conduct prohibits harassment or mistreatment.

Employees may not participate in or benefit from forced or child labor. Bossard recognizes the freedom of association. If contractual partners violate human rights, their contractual relationships with Bossard may be terminated. For more information on safeguarding human rights and the ban on child labor, see the chapter "Responsible supply chain management."

Implementation of the Integrity Line

Under the guiding principle of "See something, say something" set out in the Code of Conduct, Bossard's employees are encouraged to report actions that violate the integrity of the company. To uphold Bossard's values and due to the new EU Whistleblower Directive, the company introduced the Integrity Line in 2023, a new whistleblowing hotline that complements the existing reporting options. This enables employees worldwide to report breaches of integrity using an online tool. Employees were informed of this new option as part of the online training on the Code of Conduct, which was held in 13 languages. Reports received are submitted to the Group legal department. They are investigated according to a standardized process by the Group legal department and – if necessary – by other internal or external resources. Currently, the Integrity Line is only available to employees, but there are plans to extend it to external stakeholder groups. In addition to the Integrity Line, employees can also submit reports via local reporting lines.

In the reporting year, a few reports were received via the Integrity Line. After analyzing the facts and speaking with the individuals involved, the cases were resolved and closed with the mutual agreement of all parties concerned. Except for the adjustment of a process to enhance transparency, no further actions were required.

Future ambitions

Going forward, Bossard intends to anchor integrity even more firmly within the company and to reach employees through corporate values training. The individual departments or locations are free to issue frameworks that go beyond the requirements of the Group. Efforts will be made to publicize the new Integrity Line throughout the company. In addition, the new global Anti-Bribery Policy will be fully implemented, and the departments will be supported as the policy is implemented and integrated into day-to-day operations. The goal is for all employees and business partners to contribute to the integrity of the company.

FAIR PARTNERSHIP

Responsible supply chain management

Bossard's more than 5,100 suppliers are of central strategic importance for the provision of unique customer solutions and services. The Group takes environmental and social criteria into account when selecting and working with suppliers. Bossard's Supplier Relationship Management (SRM) tool helps manage a wide range of information and ensure high quality. The Supplier Code of Conduct, revised in 2023, stipulates requirements regarding sustainability and legal compliance.

Supply chain management as the basis for business success

Bossard's qualified and certified suppliers are a cornerstone of Bossard's business success and customer satisfaction, enabling Bossard to make on-time deliveries of more than 1 million high-quality products to customers worldwide and to help them implement innovative processes. Bossard's supplier network covers Europe, America and Asia. A key factor is building and maintaining long-term relationships based on trust. Bossard's suppliers manufacture fasteners. Specialized industrial companies produce the standard products available in the catalog in accordance with ISO standards or manufacture special parts. Bossard's purchasing is based on professional and fair long-term relationships. The raw materials needed to manufacture fasteners are purchased by the suppliers themselves.

Sustainability in procurement

Bossard takes ESG criteria and regulatory requirements into consideration when selecting new suppliers and when working with existing suppliers. To an increasing extent, this is what customers expect. By specifying sustainability standards and requirements for suppliers, Bossard is able to exert a positive influence on the entire value chain and reduce risks.

Careful screening of suppliers

Bossard systematically screens potential new suppliers. They undergo a multi-stage qualification process and must fulfill strict quality criteria to become a Bossard partner. As part of this qualification process, suppliers must provide access to relevant certificates, submit information on sustainability and quality management, and ensure flawless product deliveries. The selection process also includes audits in the plants to examine the production environment and the manufacturing processes and to determine the professional skills of the respective employees. If a partnership is established, suppliers undergo a self-assessment and must comply with the requirements of Bossard's Supplier Code of Conduct as well as applicable laws. In addition to guaranteeing environmental protection standards, suppliers need to comply with human rights and avoid child labor.

Supplier Relationship Management system

In 2022, Bossard rolled out the new SRM system across the Group. This tool enables the company to systematically assess suppliers and assist them with ongoing development. Suppliers also have access to the SRM, for example to conduct self-assessments. In addition to a wide range of technical information on purchased goods, the tool allows Bossard to ensure systematic processes, incorporate sustainability aspects and at the same time improve quality and risk management in the supply chain.

Supplier Code of Conduct

Bossard's Supplier Code of Conduct covers a broad spectrum of sustainability. It was revised in 2023 to comply with new legal regulations. The new Code was approved by the board of directors in August 2023. It is publicly available on Bossard's website, and suppliers are required to explicitly acknowledge the Code as part of the selection process and adhere to its principles. In this way, Bossard ensures that its values are honored not only in its own company, but also in the supply chain. In 2023, 54 percent of the suppliers signed the Code, accounting for 80 percent of Bossard's purchasing volume. Bossard's goal is to constantly increase this percentage.

The Code is based on international laws and standards. These include the United Nations Universal Declaration of Human Rights, the United Nations Convention on the Rights of the Child, the international labor standards of the ILO, the principles of the United Nations Global Compact, the Dodd-Frank Wall Street Reform and Consumer Protection Act on dealing with conflict minerals, the REACH regulation, and international industry best practices.

As a result, the Code sets high ethical standards. With the Code, Bossard desires and demands that suppliers comply with all applicable laws and international standards on human rights, labor rights and environmental protection. The Code of Conduct also includes guidelines on avoiding corruption, bribery and money laundering and requires business activities to be conducted in accordance with the principles of fair competition.

Suppliers commit to strive for continuous improvement in all aspects set out in the Code and to ensure that their subcontractors also deliver ethically sound products and services. Bossard conducts audits to verify compliance with the requirements of the Code of Conduct. Suppliers not meeting the requirements are requested to submit an action plan for compliance.

Compliance with human and labor rights

Bossard supports the tenets of the United Nations Guiding Principles on Business and Human Rights and other internationally recognized human rights principles and requires suppliers to comply with similar standards. This also includes instructions on respecting children's rights. Children have the right to development and education. Suppliers are required to prevent child labor, and implement the standards of the International Labor Organization (ILO). Forced and compulsory labor are explicitly prohibited. Among other things, suppliers are also required to promote equal opportunities for their employees, comply with relevant legislation regarding working hours, and pay fair wages.

An initial element of risk management with regard to human rights violations and child labor is implemented in the supplier portal where suppliers must disclose information on these subjects as part of their self-assessment. Bossard regularly checks compliance with human rights by means of audits and screening processes. In 2023, 60 suppliers were audited for compliance with human and labor rights. Bossard identified no deficiencies in any of the 60 suppliers audited or had to terminate further cooperation. The suppliers were selected based on the criteria of sales, product range and market position, and all audits were conducted by professional auditors on site at the suppliers' premises.

Even before 2023, Bossard broke off cooperation with suppliers when cases of child labor became known. In 2023, the company adapted its audit form to integrate aspects of child labor. In 2023, Bossard classified its suppliers into different categories based on their country of origin using the UNICEF Child Labor Index to systematically assess the risk of child labor and found that 53 percent of the purchasing volume of suppliers comes from countries in the "Enhanced" risk category, which means there is an increased risk of child labor. For additional clarification, Bossard examined the documentation of previous audits for evidence of child labor. It was determined that there were no specific cases raising suspicion, which is why Bossard concludes that for 2023 it will be exempt from reporting on human and labor rights in accordance with Art. 964j of the Swiss Code of Obligations (CO).

Conflict minerals and metals

Bossard's suppliers are committed to keeping the supply chain free of conflict minerals. Such minerals from conflict and high-risk areas are associated with risk of armed conflict, post-conflict situations, or lack of governance and security. Bossard's suppliers must comply with the relevant OECD guidelines regarding the origin of these minerals.

In 2023, Bossard performed an inventory of imported products. The relevant minerals and metals were analyzed and the tin content of all major products was calculated. In addition to tin, gold is used in the coatings of fasteners. The calculations for tin resulted in values that are significantly below the mandatory reporting threshold. The gold content in coatings is even lower, which is why Bossard concludes that for 2023 it will be exempt from reporting on conflict minerals and metals in accordance with Art. 964j of the Swiss Code of Obligations (CO).

Environmental protection in the supply chain

Potential new suppliers are evaluated in terms of their environmental protection efforts. Bossard's Supplier Code of Conduct contains requirements on emissions, water, waste, chemicals and hazardous substances. Suppliers are required to reduce emissions by recycling and reusing materials and products and by using environmentally friendly technologies. Suppliers also commit to handling waste responsibly. With regard to the handling, storage, disposal and transportation of chemicals, Bossard's suppliers are required to comply with international laws and keep the use of chemicals and hazardous substances to a minimum.

In 2023, Bossard audited 57 suppliers with regard to environmental criteria. It was determined that all of the 57 audited suppliers comply with the requirements of the Supplier Code of Conduct. With none of the audited suppliers the cooperation was terminated due to non-compliance. The suppliers were selected according to the criteria of turnover, product range and market position, and all audits were conducted by professional auditors on site at the suppliers' premises.

Expansion-related challenges

Integrating new locations or companies of different sizes and countries of origin poses a challenge for Bossard's supply chain management in terms of sustainability. In each case, the supplier management of the new company must be aligned with that of Bossard. Small companies in particular often lack systematic data and transparency. Bossard recognizes the challenges that can arise for SMEs because transparency requirements may vary from country to country. A gradual alignment with Bossard's mechanisms and standards is key.

Russia sanctions

In the reporting year, Bossard was faced with the Russia sanctions. Because products imported into the EU may not contain any materials from Russia, Bossard is obligated to provide detailed information on the origin of these products to meet the EU's transparency requirements.

Sustainability regulations and Carbon Border Adjustment Mechanism (CBAM)

In the EU, sustainability regulations and requirements are becoming increasingly stricter. As an EU importer, Bossard must fulfill these requirements along the value chain and pass them on to its suppliers.

In August 2023, the European Commission resolved to implement the requirements of the CBAM, beginning with a transition phase that started at the end of October 2023. The CBAM is a border adjustment system within the European Union's climate strategy, which aims to prevent the shifting of emissions to non-EU countries. The goal is to even out the imbalance between European and non-European manufacturers by having importers calculate carbon emissions and report them to the EU. For this reason, Bossard began to record the carbon emissions of imported products in 2023.

FAIR PARTNERSHIP

Community engagement

Bossard is committed to creating demonstrable value for local communities through community engagement. In addition to promoting the social and economic development of the regions in which Bossard operates, these activities contribute to employee satisfaction and motivation. Bossard selects organizations for collaboration whose values are compatible with Bossard's. In order to do justice to the decentralized structure of the company and respond to local challenges, the business units select suitable activities or initiatives on their own. Bossard is currently looking into whether group-wide volunteering days should be held in the future.

Community engagement as part of the corporate culture

Community engagement is an integral part of Bossard's corporate culture. In addition to the positive impact generated by its product solutions and services, Bossard strives to promote the well-being and social and economic development of the local communities in which it operates through community engagement. This includes sponsoring, donations and volunteer work. Bossard works with civil organizations that share Bossard's values. This is how Bossard anchors its values along the entire value chain.

Determining the impact

For Bossard, it is important that added value is created through community engagement and that the positive impact for the environment and society is recognizable. In order to determine the impact of Bossard's community engagement efforts, information is collected annually on the activities performed and the donations made.

Going forward, Bossard plans to draw up guidelines with specific recommendations for action to be used as a framework for orientation. To account for Bossard's decentralized structure as well as local challenges, the business units have autonomy in selecting the projects to be implemented.

Donations with added value

Bossard makes donations to officially recognized organizations that fit Bossard's values and are politically neutral. The organizations are carefully selected, and the company makes every effort to ensure that the donated funds reach the target group. In addition, Bossard started in 2021 to make a donation to charitable organizations instead of providing giveaways for shareholders at the annual general meeting of shareholders. The shareholders can vote on which organization the donation should go to. Following the devastating earthquakes in Turkey and Syria, Bossard decided at the 2023 annual general meeting of shareholders to support the Swiss Red Cross with a donation instead of inviting shareholders to vote.

Volunteering and possible creation of volunteering days

Bossard gives employees the opportunity to perform volunteer work in the spirit of community engagement. In 2023, approximately 1,100 reported hours of volunteering work was performed.

Bossard is looking into creating volunteering days at the Group level. In 2023, the company began developing a specific concept for combining volunteering with team events so that team building goes hand in hand with making social and/or economic contributions to society.



BLUE HEARTS EMBASSY
POLISH-UKRAINIAN COMMUNITY HUB

Blue Hearts Embassy remains close to the heart

Bossard Poland continued to support the Blue Hearts Embassy in 2023. The Blue Hearts Embassy was founded in Kraków and offers Ukrainians of all ages the opportunity to improve their language skills, take part in workshops and receive psychological help. In addition, Ukrainians are offered support when they enter the Polish labor market. Other projects promote the development of children and offer adolescents the opportunity to take part in leisure activities. Because Bossard shares the values of the Blue Hearts Embassy and would like to continue supporting the project in the future, corresponding funds have already been earmarked for 2024.



Support for earthquake victims in Turkey and Syria

Bossard donated to the Swiss Red Cross in 2023 to support the people affected by the earthquakes in Turkey and Syria. Because of the topicality and urgency of the situation, Bossard has doubled the amount donated in previous years. The Swiss Red Cross provided first aid on the ground, made emergency shelters available that were essential for survival, and delivered relief supplies to the affected regions. A Bossard warehouse logistics employee launched his own aid project to support earthquake victims. At the Zug location, he collected clothes that were transported to Turkey by a charitable volunteer organization.

Statement of the board of directors

The board of directors of Bossard Holding AG approved the report on non-financial matters for the year of 2023 in accordance with article 964b of the Swiss Code of Obligation (CO) at its meeting on January 26, 2024.

Thomas Schmuckli

Chair of the board of directors

Patricia Heidtman

Vice-Chair of the board of directors

CO REFERENCE TABLE

Non-financial matters according to article 964b of the Swiss Code of Obligations (CO)

Business model
 Environmental matters

 Social issues

 Employee-related issues

 Respect for human rights

 Combating corruption

Chapters in this report

Business model
 Waste management
 Energy and greenhouse gas emissions management
 Sustainable product and service solutions
 Community engagement
 Customer loyalty
 Occupational health and safety
 Employee development
 Attractive employer
 Diversity, equity, inclusion
 Responsible supply chain management
 Integrity
 Integrity

GRI Content Index



Bossard has reported in accordance with the GRI Standards for the period of January 1, 2023 to December 31, 2023. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for

reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. This service was carried out on the English version of the report.

Bossard publishes annually a sustainability report as part of its annual report. The present report of Bossard Holding AG in Zug, Switzerland, is published on February 28, 2024. Point of contact is Tabea Bürgler, tabea.buergler@bossard.com

| GRI 1 | | GRI 1: Foundation 2021 | | | |
|---|--|--------------------------------|---------------------------------|--------|-------------|
| Applicable GRI Sector Standard | | None | | | |
| GRI Standard | Disclosure | Location ¹⁾ | Omission Requirement(s) omitted | Reason | Explanation |
| General Disclosures | | | | | |
| The organization and its reporting practices | | | | | |
| GRI 2: General Disclosures 2021 | 2-1 Organizational Details | p. 76 | | | |
| | 2-2 Entities included in the organization's sustainability reporting | p. 152–153 | | | |
| | 2-3 Reporting period, frequency and contact point | p. 69 | | | |
| | 2-4 Restatements of information | No restatements of information | | | |
| | 2-5 External assurance | No external assurance | | | |
| Activities and workers | | | | | |
| GRI 2: General Disclosures 2021 | 2-6 Activities, value chain and other business relationships | p. 23–24 | | | |
| | 2-7 Employees | p. 50 | | | |
| | 2-8 Workers who are not employees | p. 50 | | | |

1) Location refers to the Bossard Group's Annual Report 2023.

| GRI Standard | Disclosure | Location ¹⁾ | Omission Requirement(s) omitted | Reason | Explanation |
|---|--|------------------------|----------------------------------|------------------------------------|--|
| Governance | | | | | |
| GRI 2: General Disclosures 2021 | 2-9 Governance structure and composition | p. 80–93 | | | |
| | 2-10 Nomination and selection of the highest governance body | p. 81 | | | |
| | 2-11 Chair of the highest governance body | p. 85 | | | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | p. 30 | | | |
| | 2-13 Delegation of responsibility for managing impacts | p. 30 | | | |
| | 2-14 Role of the highest governance body in sustainability reporting | p. 68 | | | |
| | 2-15 Conflicts of interest | p. 62, 81 | | | |
| | 2-16 Communication of critical concerns | p. 30, 62 | | | |
| | 2-17 Collective knowledge of the highest governance body | p. 83 | | | |
| | 2-18 Evaluation of the performance of the highest governance body | p. 107–114 | | | |
| | 2-19 Remuneration policies | p. 107–114 | | | |
| | 2-20 Process to determine remuneration | p. 107–114 | | | |
| | 2-21 Annual total compensation ration | | Annual total compensation ratio | Confidentiality constraints | Data not to be publicly disclosed for confidentiality reasons |
| Strategy, policies and practices | | | | | |
| GRI 2: General Disclosures 2021 | 2-22 Statement on sustainable development strategy | p. 6–9 | | | |
| | 2-23 Policy commitments | p. 61, 63, 64 | | | |
| | 2-24 Embedding policy commitments | p. 61, 63, 64 | | | |
| | 2-25 Processes to remediate negative impacts | p. 30, 62 | | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | p. 30, 62 | | | |
| | 2-27 Compliance with laws and regulations | p. 61, 62 | | | |
| | 2-28 Membership associations | p. 28 | | | |
| | Stakeholder engagement | | | | |
| GRI 2: General Disclosures 2021 | 2-29 Approach to stakeholder engagement | p. 28 | | | |
| | 2-30 Collective bargaining agreements | | Collective bargaining agreements | Information unavailable/incomplete | Data is not collected for the whole group. System to be expanded |

1) Location refers to the Bossard Group's Annual Report 2023.

GRI CONTENT INDEX

Material Topics

| GRI Standard | Disclosure | Location ¹⁾ | Omission Requirement(s) omitted | Reason | Explanation |
|---|---|------------------------|---------------------------------|--------|-------------|
| Materiality assessment and list of material topics | | | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | p. 25 | | | |
| | 3-2 List of material topics | p. 26 | | | |
| Sustainable and Profitable Growth | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 34 | | | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | p. 132, 133 | | | |
| Customer Loyalty | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 35 | | | |
| Innovation | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 36, 37 | | | |
| Sustainable Product and Service Solutions | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 38 | | | |
| Energy and Greenhouse Gas Emissions Management | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 40-42 | | | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | p. 43 | | | |
| | 302-4 Reduction of energy consumption | p. 38 | | | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | p. 43 | | | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | p. 43 | | | |
| Waste Management | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 44 | | | |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | p. 44 | | | |
| | 306-2 Management of significant waste-related impacts | p. 44 | | | |
| | 306-3 Waste generated | p. 45 | | | |
| Employee Development | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 52-54 | | | |
| GRI 404: Training and Education 2016 | 404-2 Programs for upgrading employee skills and transition assistance programs | p. 52-53 | | | |

1) Location refers to the Bossard Group's Annual Report 2023.

| GRI Standard | Disclosure | Location ¹⁾ | Omission Requirement(s) omitted | Reason | Explanation |
|---|--|------------------------|---------------------------------|--------|-------------|
| Attractive Employer | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 46–49 | | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | p. 50–51 | | | |
| Diversity, Equity, and Inclusion | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 55–56 | | | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | p. 31, 50 | | | |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | p. 55 | | | |
| Wellbeing and Safety | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 57–59 | | | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | p. 57–59 | | | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | p. 58 | | | |
| | 403-3 Occupational health services | p. 57–59 | | | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | p. 57–59 | | | |
| | 403-5 Worker training on occupational health and safety | p. 58–59 | | | |
| | 403-6 Promotion of worker health | p. 57–58 | | | |
| | 403-9 Work-related injuries | p. 59 | | | |
| | 403-10 Work-related ill health | p. 59 | | | |
| Responsible Supply Chain Management | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 63–65 | | | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | p. 63–65 | | | |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | p. 64 | | | |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | p. 64 | | | |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | p. 63–65 | | | |

1) Location refers to the Bossard Group's Annual Report 2023.

| GRI Standard | Disclosure | Location ¹⁾ | Omission Requirement(s) omitted | Reason | Explanation |
|---|---|------------------------|---------------------------------|--------|-------------|
| Integrity | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 61–62 | | | |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | p. 62 | | | |
| GRI 205: Anti-corruption 2016 | 205-2 Communication and training about anti-corruption policies and procedures | p. 62 | | | |
| | 205-3 Confirmed incidents of corruption and actions taken | p. 62 | | | |
| Community Engagement | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 66 | | | |

1) Location refers to the Bossard Group's Annual Report 2023.



Corporate Governance

This corporate governance report describes the organizational structure of the Bossard Group. The report contains information on the allocation of duties within the board of directors and its committees as well as further information on the individual members.



AT A GLANCE

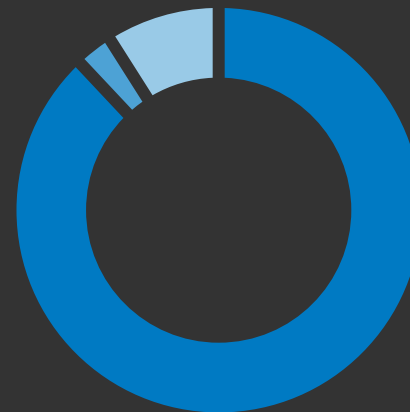
Corporate Governance

Market capitalization

as of reporting date, in CHF

1,702 million

Shares by country



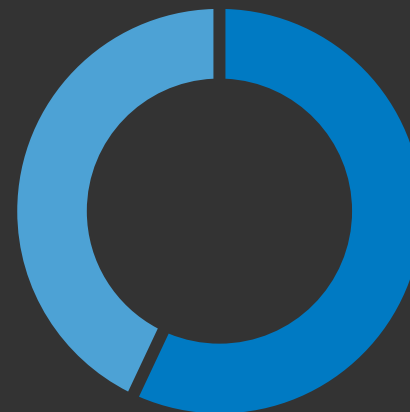
- Switzerland (88 %)
- Great Britain (3 %)
- Other countries (9 %)

Independence board of directors

independent/non-executive

100 %

Gender board of directors



- Men (57 %)
- Women (43 %)

CORPORATE GOVERNANCE

About corporate management

The Bossard Group’s organizational structure is based on international standards for corporate management. The Group’s corporate bodies and management follow the Directive on Information relating to Corporate Governance of SIX Swiss Exchange as well as the “Swiss Code of Best Practice for Corporate Governance” of economiesuisse.

The organizational structure of the Bossard Group is based on clear delimitation of tasks, competencies and responsibilities between the board of directors and the executive committee. The functions of the chair of the board of directors and the chief executive officer (CEO) are held by two different persons, so that the separation of powers is guaranteed. This report is prepared according to the Directive on Information relating to Corporate Governance (DCG) of SIX Swiss Exchange. Unless otherwise indicated, all information applies as of December 31, 2023. The principles and rules on corporate governance are set out in the rules and regulations of Bossard Holding AG, namely in the articles of association of Bossard Holding AG (articles of association), in the organizational and business regulations of Bossard Holding AG (OBR), in the regulations of the board’s committees, in the Code of Conduct and in the resolutions of the board of directors. The rules are regularly reviewed by the board of directors and adapted to current requirements (articles of association most recently in 2022, OBR most recently in 2021 and regulations of the board’s committees most

recently in 2015. The OBR and the regulations of the board’s committees are under review and will be updated in 2024).

At the annual general meeting of shareholders 2024, the board of directors will propose a general revision of the articles of association based on the revision of the company law that entered into force in 2023.

Group structure and shareholders

Group structure

Bossard Holding AG, the parent company of the Bossard Group, is a limited company under Swiss law with its registered office in Zug. Bossard Holding AG is the only listed company belonging to the group of consolidated companies. It holds a direct or indirect interest in the companies listed in note 28 of the financial report. Bossard Holding AG (Swiss securities no. 23862714, ISIN CH0238627142/BOSN) is listed on the SIX Swiss Exchange. Its stock market capitalization as of December 31, 2023 was CHF 1,702.0 million (2022: CHF 1,537.7 million). The Group’s structure aims to provide the best possible support for its business activities within an efficient legal, financial and strategic framework. This means that the structure should be as simple as possible and also transparent to anyone outside the Group. The Bossard Group operates in industrial fastening technology and generates its entire

revenue in this market segment. Further information regarding the Group structure is set out in the notes to the financial report, namely on pages 136 and 144.

Significant shareholders

The disclosure notifications in relation to shareholdings in Bossard Holding AG are published on the electronic publication platform of SIX Swiss Exchange and can be accessed via the search function of the disclosure office via the following link:

www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

The following shareholders held more than 3 percent of the total voting rights in Bossard Holding AG as of December 31, 2023:

The Kolin Group – a shareholder group as per article 120seq. of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA) – consisting of Kolin Holding AG, Zug, and Bossard Unternehmensstiftung, Zug, owns 56.3 percent (2022: 56.3 percent) of total voting rights and 27.8 percent (2022: 27.8 percent) of capital entitled to dividend (with notifications on February 10, 2023, March 23, 2023, March 24, 2023 and September 5, 2023 due to change in the information subject to the obligation to notify).

Kolin Holding AG is wholly controlled by the Bossard families. The individual members (shareholders) of the Bossard families are published on the electronic publication platform of SIX Swiss Exchange.

This shareholder group does not include shares without pooled voting rights, which are held by individual members of the Bossard families outside this shareholder group.

Bossard Holding AG is not aware of any other shareholders or groups of shareholders that held 3 percent or more of the total voting rights of Bossard Holding AG as of December 31, 2023.

Cross-shareholdings

There are no cross-shareholdings with other companies.

Changes in the articles of association

The board of directors proposes in connection with the revision of the company law (amendment to the Code of Obligation), which came into force as of January 1, 2023, a general revision of the articles of association to the annual general meeting of shareholders on April 8, 2024. The detailed information regarding the changes are outlined in the invitation to the annual general meeting of shareholders.

The invitation can be accessed via the following link:

www.bossard.com/en/about-us/investor-relations/annual-shareholders-meeting/

Capital structure

Share capital

As of December 31, 2023 the ordinary share capital of Bossard Holding AG totaled CHF 40,000,000, of which CHF 33,250,000 share capital relates to registered A shares and CHF 6,750,000 to registered B shares.

Authorized and conditional capital

Bossard Holding AG holds 291,867 registered A shares (2022: 291,867) in reserve. These reserve shares can be used for management participation plans, acquisitions or other purposes in the interest of the company and carry no voting rights and are not entitled to dividends. Other than this, Bossard Holding AG does not hold any authorized or conditional capital.

Changes in capital in the last three years

There were no changes in capital in the last three years.

Shares

The share capital of Bossard Holding AG is CHF 40,000,000. It is divided into 6,650,000 registered A shares with a nominal value of CHF 5 per share and 6,750,000 registered B shares with a nominal value of CHF 1 per share (voting right shares). The share capital is fully paid in.

With the exception of the own registered A shares held by Bossard Holding AG, (i) each registered share entered in the share register with voting rights is entitled to one vote (see also limitations on transferability and nominee registrations) and (ii) each registered share is entitled to a dividend. The measurement of voting rights by the number of registered voting right shares is not applicable for individual decisions specified in article 16 of the articles of association. Only registered A shares are listed on the SIX Swiss Exchange under the Swiss Reporting Standard (formerly Domestic Standard). Registered B shares are wholly owned by Kolin Holding AG. As of December 31, 2023, Bossard Holding AG held 298,577 own registered A shares (including the 291,867 reserve shares mentioned under authorized and conditional capital) that represent 2.228 percent of the total shares of Bossard Holding AG. 6,710 (0.050 percent) of these shares are held by Bossard Holding AG as sales positions related to grants made under its management participation plan. For further details, please refer to the compensation report and notes 11 and 15 of the financial report.

Number of registered A shares at December 31, 2023:

| Number of registered A shares | Number of registered shareholders | Shares in % |
|---|-----------------------------------|--------------|
| 1-100 | 4,607 | 3.3 |
| 101-1,000 | 2,993 | 13.9 |
| 1,001-10,000 | 344 | 14.4 |
| 10,001-100,000 | 45 | 15.3 |
| > 100,000 | 8 | 24.8 |
| Total registered shareholders/shares | 7,997 | 71.7 |
| Non-registered shares | | 28.3 |
| Total | | 100.0 |

Number of holders of registered A shares at December 31, 2023:

| | Shareholders in % | Shares in % |
|---------------------|-------------------|--------------|
| Individual entities | 93.3 | 33.7 |
| Legal entities | 6.7 | 66.3 |
| Total | 100.0 | 100.0 |

Registered A shares by country at December 31, 2023:

| | Shareholders in % | Shares in % |
|-----------------|-------------------|--------------|
| Switzerland | 95.5 | 87.9 |
| Great Britain | 0.2 | 2.8 |
| USA | 0.3 | 2.2 |
| Germany | 2.3 | 1.6 |
| Belgium | 0.1 | 1.0 |
| Other countries | 1.6 | 4.5 |
| Total | 100.0 | 100.0 |

Participation and profit-sharing certificates

Bossard Holding AG has not issued any participation or profit-sharing certificates.

Limitations on transferability and nominee registrations

Limitations on share transferability

According to article 7 of the articles of association, the transfer of registered B shares is always subject to the approval of the board of directors, irrespective of the form in which these shares were issued. The board of directors may reject such a request for good reason – primarily to protect the purpose of the company and to maintain its economic independence (article 9 of the articles of association).

In particular, this includes the transfer of registered B shares to a competitor and a fiduciary transfer if the acquirer does not inform the board of directors in writing at its first request that she or he is acquiring the shares concerned in her or his own name and for her or his own account. Furthermore, the board of directors may refuse its approval if it offers to the seller or acquirer of the registered B shares that it will acquire these shares for the account of the company, other shareholders or third parties for at least their actual value at the time the request was made (article 8 of the articles of association). If there is good reason to do so, the board of directors may grant exceptions to these rules (no exceptions have been granted in the reporting year 2023). However, transfer requests containing incorrect information must always be rejected; a new, corrected request may subsequently be submitted (article 9 of the articles of association). For the incorporation or tightening of transferability restrictions, at least two-thirds of the votes represented and an absolute majority of the represented nominal share value are required for a decision. These provisions also apply for registered B shares, which are acquired (subscribed) by the exercise of subscription, option or conversion rights, and for the establishment of usufruct of registered B shares.

Nominee registrations

According to article 6 of the articles of association, the acquirer of a registered A share is entered in the share register with voting rights provided that she or he confirms that this share is held in her or his own name and for her or his own account.

Up to a registration limit of 0.5 percent of the total number of registered A shares entered in the commercial register, anyone who does not expressly state that she/he is acting on her or his own account shall be acknowledged as being a nominee with voting rights. Beyond this registration limit, anyone who makes known to Bossard Holding AG the name, address and/or registered office of the person for whose account she/he holds more than 0.5 percent of the total number of registered A shares entered in the commercial register, shall be acknowledged as being a nominee with voting rights. Otherwise the acquirers of registered A shares shall be acknowledged or registered as shareholders without voting rights. The board of directors makes the necessary arrangements for the acknowledgment and registration of acquirers of registered A shares, and particularly also of nominees.

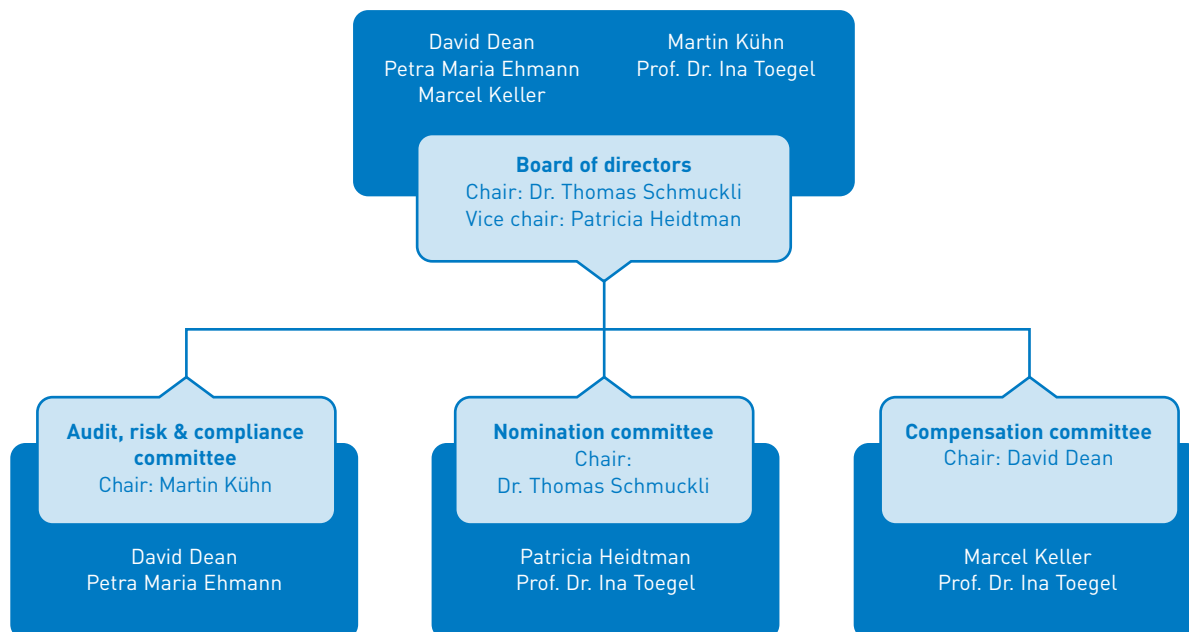
These provisions also apply to registered A shares that have been acquired by exercising subscription, option or conversion rights as well as to the creation of rights of usufruct to registered A shares.

Outstanding bonds and options

Bossard Holding AG currently has no bonds or convertible bonds outstanding. Information on conditional rights to receive registered A shares of Bossard Holding AG (outstanding options respectively restricted stock units/RSUs) according to the management participation plan that is offered to selected members of the management of the Bossard Group is disclosed in section 6 of the compensation report and in note 15 of the financial report. Further detailed information can be accessed on the electronic publication platform of the SIX Swiss Exchange via the following link:

<https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>

Board of directors



Members of the board of directors

As of December 31, 2023, the board of directors of Bossard Holding AG consisted of seven non-executive members. David Dean was CEO of the Bossard Group from 2005 to 2019. None of the other members of the board of directors belonged to the executive committee in the past.

The board of directors had the following members as of December 31, 2023:

| Name | Function | Appointed |
|----------------------|------------------------------|-----------|
| Dr. Thomas Schmuckli | Chair | 2007 |
| Patricia Heidtman | Vice chair | 2021 |
| David Dean | Repr. of registered A shares | 2019 |
| Petra Maria Ehmann | Member | 2021 |
| Marcel Keller | Member | 2021 |
| Martin Kühn | Member | 2018 |
| Prof. Dr. Ina Toegel | Member | 2023 |

At the annual general meeting of shareholders on April 17, 2023, Dr. René Cotting and Prof. Dr. Stefan Michel resigned from their positions as member of the board of directors (personal information on Dr. René Cotting and Prof. Dr. Stefan Michel can be found in the annual report 2022 on the pages 73 and 76 via the following link: www.bossard.com/en/about-us/investor-relations/financial-reports/). Prof. Dr. Ina Toegel was newly elected to the board of directors.

Other activities and vested interests

Dr. Thomas Schmuckli is a member of the Bossard family, which has 100 percent control over Kolin Holding AG. The members of the board of directors do not perform any activities outside of the Bossard Group other than the mandates listed on pages 85 to 89 and therefore do not have any significant business relationships with Bossard Holding AG or one of the subsidiaries. Furthermore, they do not have any other significant external interests.

Allowed number of mandates

According to article 44 of the articles of association, a member of the board of directors may, including his function for the company, at the same time take on a maximum of ten mandates, whereby chairmanships count as two mandates. A maximum of four mandates may be in listed companies. If the mandates assumed relate to legal entities that belong to the same group or are similarly related in terms of management, these mandates are considered a single mandate. There are no restrictions on the number of mandates (i) for mandates assumed in legal entities that are directly or indirectly controlled by Bossard Holding AG or that directly or indirectly control Bossard Holding AG, or (ii) if, in exercising the function for the Bossard Group, a mandate in another, related legal entity is exercised. The actual number of additional mandates are listed on pages 85 to 89.

Elections and terms of office

According to the articles of association, the board of directors consists of five to nine members. The chair of the board of directors and the other members of the board of directors are elected by the annual general meeting of shareholders for a period of one year (until the next ordinary annual general meeting of shareholders). Members are elected on an individual basis. The annual general meeting of shareholders also elects the chair of the board of directors. There are no statutory limits to the term of office; members may be re-elected. According to the OBR, however, a member of the board of directors shall offer to step down at the annual general meeting of shareholders following her/his 70th birthday. Each category of shareholders, namely the holders of registered A shares as a group are entitled to one seat on the board of directors. In 2023, David Dean was re-elected as the representative of the holders of registered A shares; holders of registered B shares with voting rights did not take part in this election. As a rule, the majority of the board members should be external members with no executive functions in the company. None of the members of the board of directors exercised any executive functions in the Bossard Group in the reporting year 2023.

The following table shows the year in which each member was first elected to the board of directors as well as their function as of December 31, 2023:

| Name | Function | First elected |
|----------------------|--|---------------|
| Dr. Thomas Schmuckli | Chair ¹⁾ | 2000 |
| Martin Kühn | Member ²⁾ | 2018 |
| David Dean | Repr. of registered A shares ³⁾ | 2019 |
| Patricia Heidtman | Vice chair ⁴⁾ | 2019 |
| Petra Maria Ehmann | Member ⁵⁾ | 2021 |
| Marcel Keller | Member ⁶⁾ | 2021 |
| Prof. Dr. Ina Toegel | Member ⁷⁾ | 2023 |

1) Chair of the nomination committee (NC)

2) Chair of the audit, risk & compliance committee (ARCC)

3) Chair of the compensation committee (CC), member of the ARCC

4) Member of the NC

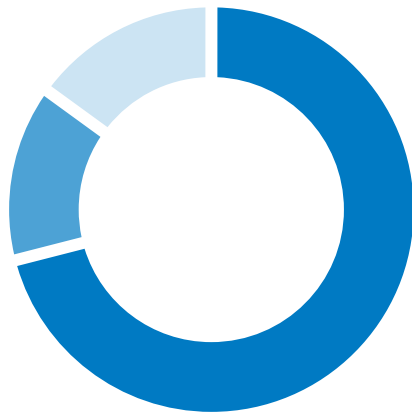
5) Member of the ARCC

6) Member of the CC

7) Member of the CC, member of the NC

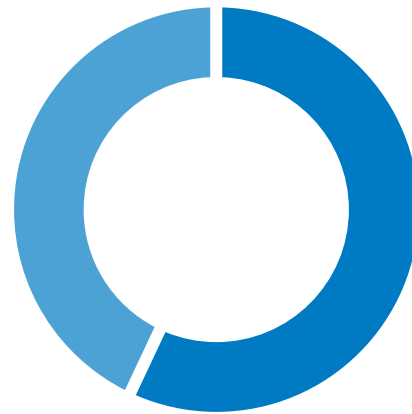
Until April 17, 2023, Prof. Dr. Stefan Michel (first elected 2011) was member of the compensation committee (CC) and the nomination committee (NC). As well Dr. René Cotting (first elected 2015) was chair of the audit, risk & compliance committee (ARCC).

Term



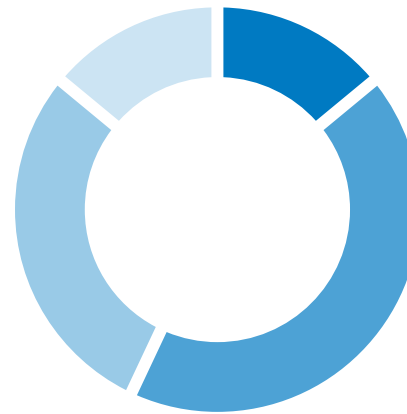
- < 5 years (71.4%)
- 5 to 8 years (14.3%)
- 9 to 12 years (0%)
- > 12 years (14.3%)

Gender



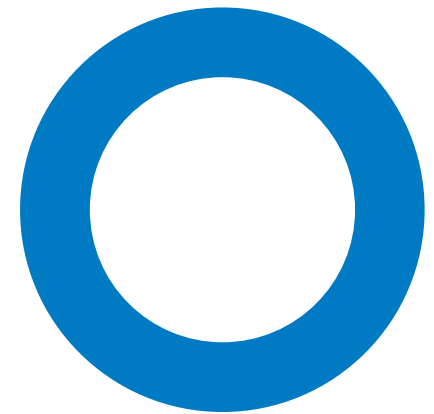
- Men (57%)
- Women (43%)

Age



- 30 to 40 years (14.3%)
- 41 to 50 years (42.8%)
- 51 to 60 years (28.6%)
- 61 to 70 years (14.3%)

Independence



- Independent/non-executive (100%)

Diversity and independence

The board of directors ensures that its composition fulfills criteria of diversity and independence as well as that the required skills are available for a critical exchange of ideas.

Competence matrix

| | Executive experience | Finance, audit, risk management | Compliance, regulatory, legal | Capital markets, M&A | Core industry experience | Transferable expertise in related industries | International business experience | Digitalization, technology | Strategy, business transformation | HR, compensation | Board governance | Sustainability |
|----------------------|----------------------|---------------------------------|-------------------------------|----------------------|--------------------------|--|-----------------------------------|----------------------------|-----------------------------------|------------------|------------------|----------------|
| Dr. Thomas Schmuckli | x | x | x | x | x | x | x | | x | x | x | x |
| Patricia Heidtman | x | | | | x | x | x | x | x | x | x | x |
| David Dean | x | x | | x | x | x | x | | x | x | x | |
| Petra Maria Ehmann | x | | | | | x | x | x | x | | x | x |
| Marcel Keller | x | | | | | x | x | x | x | | x | |
| Martin Kühn | x | x | x | x | | x | x | | x | | x | |
| Prof. Dr. Ina Toegel | | | | | | x | x | x | x | x | x | |

Internal organization

Allocation of duties within the board of directors

The board of directors of the Bossard Group is ultimately responsible for the Group's business policy and management. It is the company's highest management body and is entitled to make decisions on all matters which, by law, through the articles of association and/or under the regulations of Bossard Holding AG, are not the responsibility of the annual general meeting of shareholders, or which it has not transferred to other bodies through regulation or decision.

The board of directors has the following non-transferable and inalienable main tasks (article 23 of the articles of association):

- ultimate direction of the company, namely establishing the goals and policy, defining the resources available for same and the priorities, and issuing the instructions required for implementation
- determining the organizational structure
- defining finance and accounting as well as financial planning and control
- appointing and dismissing the CEO and other members of the executive committee and adopting provisions governing authorized signatories
- maintaining ultimate supervision of the CEO and other members of the executive committee

- exercising rights of participation from and to shareholdings/investments
- drawing up the annual report, the compensation report and the report regarding non-financial matters (to be reflected in the revision of the articles of association at the annual general meeting of shareholders in 2024), preparing the annual general meeting of shareholders and implementing its resolutions
- notifying the judge in the event of excessive indebtedness
- adopting resolutions on subsequent payment of capital with respect to not fully paid-up shares
- adopting resolutions regarding the approval of capital increases and the resulting amendments to the articles of association

Committees

To assist it in its duties, the board of directors has established three permanent committees:

- the audit, risk & compliance committee (ARCC)
- the nomination committee (NC)
- the compensation committee (CC)

These committees prepare specific topics for discussion by the board of directors. The overall integral responsibility of the board of directors is not affected by the activities of these committees or by any delegation of tasks to them.

Ad hoc committees can be formed to deal with specific or time-limited projects or issues. Unless otherwise stipu-

lated by the articles of association, the board of directors defines the composition, duties, competencies and compensation for these committees in the relevant regulations, which are periodically reviewed by the respective committee and are amended in accordance with any proposed amendments submitted to the board of directors by the latter. With exception to the CC, the board of directors may dismiss any of the committees it has appointed at any time.

Certain duties and competencies are assigned to the chair of the board of directors alone.

The board of directors has additionally delegated operational management and overall leadership of the Bossard Group as well as the related duties and competencies to the CEO. In turn, the CEO is authorized to arrange further delegation.

Detailed information on the division of duties within the board of directors can be found in the OBR, which is available via the following link:

www.bossard.com/en/about-us/investor-relations/corporate-governance/organization-regulations/

Continued on page 90

Board of directors



Dr. Thomas Schmuckli (1963)

Swiss citizen

- Chair of the board of directors since 2007
- Chair of the nomination committee since 2007
- Member of the board of directors since 2000
- Secretary to the board of directors from 1997 to 2000

Professional background

Dr. Thomas Schmuckli currently works as a professional board member. Between 1993 and 2013, he held various management positions in the General Counsel division of Credit Suisse Group, primarily for M&A, Corporate & Institutional Clients and Asset Management, in Zurich. From 2000 to 2005, he was Head of Process and Product Management at Zuger Kantonalbank.

Educational background

- Degree in law (MLaw and PhD), University of Fribourg, Fribourg, Switzerland
- Accredited lawyer and notary, Zug, Switzerland
- Management studies, University of Zurich, Zurich, Switzerland
- Further studies in the fields of strategy, leadership, board of directors and leading a family office, IMD, Lausanne, Switzerland
- Further studies in the fields of strategy and strategy development, HSG, St. Gallen, Switzerland
- Further studies in the field of finance, University of Zurich, Zurich, Switzerland

Other activities and vested interests

- Member of the board of directors, Hans Oetiker Holding AG, Horgen, Switzerland
- Chair of the board of directors, Helvetia Holding AG and two subsidiaries, Basel/St. Gallen, Switzerland



Patricia Heidtman (1973)

Dual Swiss-US citizen

- Vice chair of the board of directors since 2021
- Member of the nomination committee since 2019
- Member of the board of directors since 2019

Professional background

Patricia Heidtman is working for SIKA since her studies and is a member of the SIKA group management since 2021 as the Chief Innovation and Sustainability Officer. From 2017 to 2021, she led the research & development team for thermoplastic systems in Sarnen, Switzerland. Prior to this, Patricia Heidtman spent around 14 years in the USA, most recently as Head of Innovation Management for products, processes and developments for the automotive industry.

Educational background

- Master of Science, ETH Zurich, Zurich, Switzerland
- Executive education, London Business School, Lucerne, Switzerland
- Executive education, IMD, Lausanne, Switzerland



David Dean (1959)

Swiss citizen

- Representative for holders of registered A shares since 2020
- Chair of the compensation committee since 2019
- Member of the audit, risk & compliance committee since 2023
- Member of the board of directors since 2019

Professional background

David Dean currently works as a professional board member. He was CEO of the Bossard Group from 2005 to 2019. From 1998 to 2004, he served as CFO of Bossard Group and has been with Bossard since 1992. Between 1990 and 1992, he was Corporate Controller and a member of the executive committee of an international logistics group. From 1980 to 1990, he worked for PricewaterhouseCoopers AG in various management functions in auditing and business consulting. In the course of his professional activities, David Dean gained experience in emerging markets, in particular in India, China, Malaysia, Thailand, Taiwan and South Korea.

Educational background

- Swiss certified management accountant/controller, AKAD Business, Zurich, Switzerland
- Swiss certified public accountant, Expertsuisse, Zurich, Switzerland
- Executive education, Harvard Business School, Boston, USA
- Executive education, IMD, Lausanne, Switzerland

Other activities and vested interests

- Member of the board of directors, Komax Holding AG, Dierikon, Switzerland
- Member of the board of directors, Burckhardt Compression Holding AG, Winterthur, Switzerland
- Member of the board of directors, Metall Zug AG, Zug, Switzerland
- Member of the board of directors, Brugg Group AG, Brugg, Switzerland



Petra Maria Ehmann (1985)

German citizen

- Member of the audit, risk & compliance committee since 2021
- Member of the board of directors since 2021

Professional background

Petra Maria Ehmann has been a member of the extended Group Executive Board at Ringier since 2022, serving as the Chief Innovation and AI Officer responsible for driving the development and enhancement of business fields. Prior to that, she spent nearly 9 years at Google, most recently as the global lead for product partnerships in the field of Augmented Reality technology. Before that role, she played a key role in advancing the business development of new advertising products in EMEA and previously worked on Google Maps and Google Finance in EMEA and APAC. Petra Maria Ehmann served as the Head of Business Intelligence at the internet startup Kekanto in Sao Paulo, Brazil, from 2012 onwards. Prior to that, she worked as a Senior Business Analyst at A.T. Kearney. She gained her initial work experience from 2008 to 2009 at Bosch in steel supply in Toluca, Mexico, and at Hilti in Lean Warehouse Logistics in Shanghai, China.

Educational background

- Bachelor of Science in mechanical engineering, ETH Zurich, Zurich, Switzerland
- Master of Science in management science and engineering, Stanford University, Palo Alto, USA

Other activities and vested interests

- Member of the board of trustees, Swiss Science Center Technorama, Winterthur, Switzerland



Marcel Keller (1968)

Swiss citizen

- Member of the compensation committee since 2021
- Member of the board of directors since 2021

Professional background

Marcel Keller has been managing director of the SCION Association in Lucerne since the beginning of 2023. Previously, he was a member of the executive board of Vorwerk International for four years and responsible for digital transformation and Group IT as well as for the markets in North America and Asia with a focus on China. From 2001 to 2018, he held various management positions at Hewlett Packard, most recently as COO & Vice President at Hewlett Packard Enterprise Technology Services in Palo Alto, USA. From 1993 to 2000, he held various positions at Dell Technologies and Apple national and international.

Educational background

- Business degree, KV Business School Zurich, Zurich, Switzerland

Other activities and vested interests

- Managing director, SCION Association, Lucerne, Switzerland



Martin Kühn (1976)

Swiss citizen

- Chair of the audit, risk & compliance committee since 2023
- Member of the board of directors since 2018

Professional background

Since 2010, Martin Kühn is working for the KIBAG Group in Zurich, since 2014 as CFO and member of the executive committee. He is responsible for finance, ICT, human resources, real estate, KIBAG Marina and the technical services of the construction and building materials company. From 2002 to 2010, he had been employed at PricewaterhouseCoopers AG national and international as an auditor and M&A consultant for industrial clients. Prior to that, he worked two years for UBS.

Educational background

- Business economist FH, University of Applied Sciences St. Gallen, St. Gallen, Switzerland
- Swiss certified public accountant, Academy of Public Accountants, Zurich, Switzerland

Other activities and vested interests

- Member of the board of directors, Kannewischer Ingenieurbüro AG, Cham, Switzerland
- Chair of the board of directors, Windlin AG, Zurich, Switzerland
- Member of the foundation board, pension fund KIBAG Group, Zurich, Switzerland
- Member of the foundation board, employee foundation KIBAG Group, Zurich, Switzerland
- Member of the audit commission, Bürgergemeinde Zug, Zug, Switzerland



Prof. Dr. Ina Toegel (1981)

German citizen

- Member of the compensation committee since 2023
- Member of the nomination committee since 2023
- Member of the board of directors since 2023

Professional background

Prof. Dr. Ina Toegel is a Professor of Leadership and Organizational Change at IMD in Lausanne. In particular, she researches at the interface between leadership and strategy, between people and new technologies, and works on the question of how teams successfully bring about cultural and strategic change. She worked for the World Bank, and since 2016, has been directing programs for senior executives at IMD.

Educational background

- Bachelor of Science in Economics, Columbia University, New York, USA
- Master of Science in Management, Oxford University, Oxford, UK
- PhD in Strategic Management, INSEAD, Fontainebleau, France

[Continued from page 84](#)

Working methods of the board of directors

The board of directors normally meets six to eight times per year, but is available to discuss matters at short notice should this be required. A member of the board of directors may request that additional meetings are convened by providing written justification to the chair of the board of directors. The duration of board and committee meetings depends on the respective agenda. In 2023, a total of five full-day and three half-day board meetings were held (three of those meetings were held virtually), as well as a three-and-a-half-day retreat. The board of directors holds a retreat once a year, which lasts several days and is used for analyzing the strategic risk/opportunities mix and for fundamentally reviewing the strategy. In 2023, the retreat took place in Valbella, Switzerland. Thereby, the board of directors together with the executive committee, has thoroughly examined and further developed the collaboration between the two bodies.

| Board of directors | Function | Participation 2023 | Participation 2023 in % |
|---------------------------------------|---------------------------|--------------------|-------------------------|
| Dr. Thomas Schmuckli | Chair | 9/9 | 100 |
| Patricia Heidtman | Vice chair | 9/9 | 100 |
| David Dean | Repr. registered A shares | 9/9 | 100 |
| Petra Maria Ehmann | Member | 9/9 | 100 |
| Marcel Keller | Member | 9/9 | 100 |
| Martin Kühn | Member | 8/9 | 89 |
| Prof. Dr. Ina Toegel ¹⁾ | Member | 6/6 | 100 |
| Dr. René Cotting ²⁾ | Member | 3/3 | 100 |
| Prof. Dr. Stefan Michel ²⁾ | Member | 3/3 | 100 |

1) Member since April 2023

2) Resignation in April 2023

The chair invites the members to the meetings in writing, enclosing the agenda and any relevant documents. The invitations are sent out at least seven days before the meeting. Each member of the board of directors may request the chair to add further items to the agenda. The meeting is presided by the chair of the board or, in his absence, by the vice chair. The board of directors is quorate if the majority of its members is present. The board of directors makes decisions based on an absolute majority of the votes cast. Each member of the board of directors has one vote. If a vote is tied, the chair has the casting vote. Minutes must be taken detailing the negotiations and decisions of the board of directors; these minutes must be

approved by the board of directors. In particularly urgent cases the chair may require the board to reach a decision by conference call. Such decisions must be included in the minutes of the next board meeting. To ensure that the board of directors receives sufficient information to reach decisions, it invites the CEO, the CFO and – if necessary – other members of the executive committee, employees or third parties to attend meetings.

The chair, the CEO, the CFO and other representatives of the executive committee meet regularly to discuss fundamental corporate matters. These include the Group's strategy, medium-term financial, operational and succession planning, organizational issues and market consolidation. If there is a conflict of interests, the board or executive committee members concerned abstain from voting.

The board of directors regularly discusses the relevance of the items on the agenda, the form and content of the discussions, and the quality of the documentation and information provided. The board of directors has conducted its latest comprehensive self-evaluation at its meeting in March 2023 and at the board retreat 2023.

Composition/working methods of the board's committees

The functions of the three permanent board committees are primarily analytical, advisory and supervisory. They also have decision-making authority in certain individual cases.

Audit, risk & compliance committee (ARCC)

The ARCC consists of at least three members elected by the board of directors from among its members, for a period of office lasting from one ordinary annual general meeting of shareholders until completion of the next ordinary annual general meeting of shareholders. As of December 31, 2023, the members of the ARCC were Martin Kühn (chair), David Dean and Petra Maria Ehmann. The ARCC meets at least three times per year: in summer – to define the scope and key points of the annual audit with the audit company, in late fall – to discuss the findings from the main audit and the existence and effectiveness of the internal control system (ICS), and in February – to discuss the result of the audit of annual accounts. These meetings are attended by the chair of the board of directors (unless she or he is already a member of the ARCC), the CFO, the Head of Group Controlling and at least one representative of the external auditors. The CEO, other members of the executive committee and other persons (internal or external) may be invited to attend the meetings, depending on the agenda. The minutes of these meetings are circulated to all members of the board of directors, the CFO and the CEO, as well as to those who

attended the meeting. In addition, the ARCC regularly reports on its activities to the board of directors at meetings of the latter. In 2023, the ARCC held four meetings (one of those meetings was held virtually). On average, the meetings lasted half a day.

| Audit, risk & compliance committee | Function | Participation 2023 | Participation 2023 in % |
|------------------------------------|--------------------------------------|--------------------|-------------------------|
| Martin Kühn | Chair | 4/4 | 100 |
| David Dean ¹⁾ | Member | 3/3 | 100 |
| Petra Maria Ehmann | Member | 4/4 | 100 |
| Dr. René Cotting ²⁾ | Chair | 1/1 | 100 |
| Dr. Thomas Schmuckli | Guest/no voting rights ²⁾ | 3/4 | 75 |

1) Member since April 2023

2) Member until April 2023

The ARCC ensures that the board of directors is informed of all matters that could significantly impact the financial situation of the Bossard Group and the business environment. The primary duty of the ARCC is to support the board of directors in its ultimate supervisory role and in its financial management activities. In particular, with the assistance of the external auditor it reviews the structures and processes in the area of finance and accounting, thus ensuring that financial reporting and audit activities are transparent and comply with the related legislation. The ARCC also evaluates the effectiveness of the ICS and the internal audit, risk management and compliance with tax-related and other statutory and regulatory provisions as well as corporate ethics. Furthermore, the ARCC works

closely together with the external auditor and evaluates the performance, independence and remuneration of the external auditor. The board of directors has drawn up in the rules and regulations of the audit, risk & compliance committee the detailed regulations on the areas of activity and competencies of the ARCC.

Compliance

The board of directors is kept continuously informed of all major matters affecting the compliance principles. The statutory auditors additionally inform the board of directors on reports it has received on matters of a legal nature. An evaluation of such reports received in 2023 did not reveal anything new but confirmed what the board of directors already knew. Ultimate supervision of compliance matters rests with the board of directors.

Restricted periods for trading shares

The board of directors implements processes to prevent insider trading. For the board of directors, the executive committee, the extended executive committee, the finance department of the Bossard Group, the senior management, which may come into possession of price-relevant information, as well as the Kolin Group, defined blocking periods apply regarding the trading with registered A shares of Bossard Holding AG. The trading window is closed for at least 14 trading days prior to the publication of the quarterly and half-yearly results for the aforementioned group of persons of Bossard Group.

A longer blocking period applies from mid-December until the publication of the annual report (end of February). No exceptions were granted in the reporting year.

Nomination committee (NC)

The NC consists of at least three members elected by the board of directors from among its members, for a period of office lasting from one ordinary annual general meeting of shareholders until completion of the next ordinary annual general meeting of shareholders. As of December 31, 2023, the members of the NC were Dr. Thomas Schmuckli (chair), Patricia Heidtman and Prof. Dr. Ina Toegel. The NC meets as required, but at least twice a year. Normally also the CEO and the chair of the board of directors (unless she or he is already a member of the NC) attend the meeting. Other members of the executive committee and other persons (internal or external) may be invited to attend the meetings, depending on the agenda.

The minutes of these meetings are circulated to all members of the board of directors and the CEO, as well as to those who attended the meeting. The NC also regularly reports to the board of directors at the latter's meetings on its activities and, at least once a year, in detail on the progress of the nomination process. In 2023, the NC met for two meetings; each of these meetings lasted on average three hours.

| Nomination committee | Function | Participation 2023 | Participation 2023 in % |
|---------------------------------------|----------|--------------------|-------------------------|
| Dr. Thomas Schmuckli | Chair | 2/2 | 100 |
| Patricia Heidtman | Member | 2/2 | 100 |
| Prof. Dr. Ina Toegel ¹⁾ | Member | 1/1 | 100 |
| Petra Maria Ehmann ²⁾ | Member | 1/1 | 100 |
| Prof. Dr. Stefan Michel ²⁾ | Member | 1/1 | 100 |

1) Member since April 2023

2) Member until April 2023

The NC prepares all relevant business with regard to the nomination of members at strategic and operational management levels of the Bossard Group for the meetings of the board of directors and has the following main tasks:

- periodically reviewing the composition of the board of directors
- developing criteria and requirement profiles for election/re-election to the board of directors, the CEO and, in collaboration with the CEO, the other members of the executive committee
- supporting the board of directors in implementing selection processes for the nomination of candidates for the board of directors and, in collaboration with the CEO, the executive committee
- providing possible training to the board of directors in relation to its duties

- ensuring succession planning for members of the board of directors, the executive committee and, in collaboration with the CEO, the deputies on the executive committee
- developing annual objectives to be submitted to the board of directors for the CEO (in collaboration with the chair of the board of directors), defining the annual objectives of the other members of the executive committee and assessing the performance of the CEO and the other members of the executive committee (with the assistance of the chair of the board of directors and the CEO). If necessary, the NC requests the board of directors to implement measures for improvement.
- submitting applications concerning the election and dismissal of members of the board of directors of the more important group companies

The board of directors has drawn up the detailed regulations on the areas of activity and competencies of the NC in the nomination committee regulations.

Compensation committee (CC)

The CC consists of at least three members of the board of directors individually elected as members of the CC by the annual general meeting of shareholders for a period of office until completion of the next ordinary annual general meeting of shareholders. Subject to election by the annual general meeting of shareholders, the representative of the A shareholder group on the board of directors is entitled to a seat on the CC. David Dean (re-election), Marcel Keller (re-election) and Prof. Dr. Ina Toegel (new election) were elected to the CC at the annual general meeting of shareholders on April 17, 2023. The board of directors appointed David Dean as the chair of the CC. The CC meets as required, but at least twice a year. The members of the executive committee and other persons (internal or external) may be invited to attend the meetings, depending on the agenda. Normally, the CEO attends the meetings of the CC. The minutes of these meetings are circulated to all members of the board of directors and the CEO, as well as to those who attended the meeting. The CC also regularly reports to the board of directors at the latter's meetings on its activities and, at least once a year, in detail on the progress of the compensation process. In 2023, the CC held three meetings (one of these meetings was held virtually), each lasted on average half a day.

| Compensation committee | Function | Participation 2023 | Participation 2023 in % |
|---------------------------------------|------------------------|--------------------|-------------------------|
| David Dean | Chair | 3/3 | 100 |
| Marcel Keller | Member | 3/3 | 100 |
| Prof. Dr. Ina Toegel ¹⁾ | Member | 2/2 | 100 |
| Patricia Heidtman ²⁾ | Member | 1/1 | 100 |
| Prof. Dr. Stefan Michel ²⁾ | Member | 1/1 | 100 |
| Dr. Thomas Schmuckli | Guest/no voting rights | 3/3 | 100 |

1) Member since April 2023

2) Member until April 2023

The CC prepares all relevant business with regard to the compensation of members at strategic and operational management levels of the Bossard Group for the meetings of the board of directors and has the following main tasks:

- developing the general remuneration principles and the remuneration system for the board of directors, the CEO and the other members of the executive committee for the board of directors to make a decision on
- developing the guidelines governing the structure of the occupational pension scheme for the CEO and the other members of the executive committee for the board of directors to make a decision on
- periodically reviewing the compensation system and proposing any necessary changes to the board of directors
- preparing the annual compensation report to be submitted to the board of directors for the annual general meeting of shareholders and, where applicable, preparing other reports as requested

- submitting proposals concerning the compensation of the individual members of the board of directors, the CEO and the other members of the executive committee
- checking and approving employment contracts as well as other agreements with members of the executive committee
- if the CC considers necessary, the assignment, the supervision and the critical evaluation of the results of advisers or the comparison with third party companies regarding the compensation practices

The board of directors has drawn up in the compensation committee regulations detailed regulations on the areas of activity and competencies of the CC.

Division of responsibility

The division of responsibility between the board of directors and the executive committee is defined in the OBR in accordance with article 23, paragraph 2 and article 25 of the articles of association. These describe the non-transferable and inalienable duties which are vested in the board of directors by law, and also govern the duties and powers of the executive committee. The OBR define the duties and competencies of the board of directors, the chair of the board of directors and the CEO. The CEO is entitled to delegate tasks.

Furthermore, the OBR lay down the procedures to be followed in the event of a conflict of interests: A member of the board of directors and/or executive committee must abstain from voting if matters are discussed concerning that member's personal interests or the interests of an individual or legal entity associated with the member.

Regulations on the division of responsibility are set out in the OBR. These are available via the following link:

www.bossard.com/en/about-us/investor-relations/corporate-governance/organization-regulations/

Information and control instruments with regard to the executive committee

The board of directors ensures that the executive committee establishes and maintains an internal control system (ICS), which is adapted to the dimensions of the Bossard Group and the risks involved in its business activities. The external auditors review the existence of the ICS as part of its annual audit and submit an annual report to the board of directors. The internal audit is functionally integrated in Group Controlling and directly reports to the chair of the ARCC with regard to its activities.

Each member of the board of directors may request information concerning all matters relating to Bossard Holding AG. The board of directors receives monthly updates on the Group's financial development. It receives a written monthly report consisting of the income statement, various balance sheet items and the main key figures. The information is based on the internal management information system and includes the current and budget data as well as regular projections based on current trends and expectations.

This written report is supplemented at each board meeting by verbal reports from the executive committee. In special cases the CEO informs the board of directors about the specific issue promptly in writing and/or verbally. The chair of the board of directors also maintains regular contact with the CEO and the CFO and is informed by them about all business transactions and matters of fundamental importance.

Outside the meetings of the board of directors, each member can request information from persons responsible for management concerning the course of business and, with authorization from the chair, individual transactions.

[Continued on page 99](#)

Executive committee



Dr. Daniel Bossard (1970)

Swiss citizen

- Group CEO since 2019

Professional background

From 2009 to 2018, Dr. Daniel Bossard was CEO Northern and Eastern Europe. From 2006 to 2008, he served as sales & marketing manager of Bossard Group and was responsible for the reorientation of Bossard's sales strategy as well as the development of international customer relations. From 2003 until 2006, he was CEO of Bossard Denmark. Dr. Daniel Bossard joined Bossard in 2000 as an e-business manager, after having worked as a consultant for Accenture (formerly Andersen Consulting).

Educational background

- Business administration degree and doctorate in technology management, University of St. Gallen, St. Gallen, Switzerland

Other activities and vested interests

- Member of the board of directors, Schweiter Technologies AG, Steinhausen, Switzerland
- Member of the board of directors, BURU Holding AG, Cham, Switzerland
- Member of the board of directors, Ecoparts AG, Hinwil, Switzerland



Stephan Zehnder (1965)

Swiss citizen

- Group CFO since 2005

Professional background

Stephan Zehnder took over the function as group controller of Bossard Group in 1998, remaining in this position until the end of 2004. From 1996 to 1997, he was a controller in Bossard's corporate finance team. Prior to this, he held finance and controlling positions in various international companies.

Educational background

- MBA in Finance, Graduate School of Business Administration and University of Wales, Zurich, Switzerland



Dr. Frank Hilgers (1966)

German citizen

- CEO Northern and Eastern Europe since 2019
- Group CCO since 2015

Professional background

Dr. Frank Hilgers has been CEO Northern and Eastern Europe since May 2019. Since 2015, he has been responsible for the group-wide management of branded products and high quality fastening solutions (Chief Category Officer, CCO). He has also headed the business units of KVT-Fastening from 2012 until their complete integration. From 2009 to 2012, he was a member of the KVT-Koenig management team responsible for sales, product management and the fastening systems division. During his employment at Continental between 2007 and 2009, he was in charge of all national organizations of the spare parts business and key account management in the Commercial & Special Vehicle area. From 2004 to 2007, Dr. Frank Hilgers headed Group Strategy and Corporate Development at Siemens VDO Automotive and was instrumental in the turnaround and sale of this Siemens segment. As senior manager for strategy, Dr. Frank Hilgers headed major international projects at Accenture (formerly Andersen Consulting) from 1997 until 2004, and was responsible for automotive suppliers and the shareholder value initiative in the German speaking countries.

Educational background

- Degree in chemistry and doctorate, University of Stuttgart, Stuttgart, Germany
- Executive MBA (Accenture Program), Kellogg School of Management Northwestern University, Evanston, USA

Other activities and vested interests

- Member of the advisory board, enersis suisse AG, Bern, Switzerland



David Jones (1970)

Citizen of the USA

- CEO America since 2021

Professional background

From 2013 until 2020, David Jones was responsible for the global automotive business as part of the Sika Group. Prior to that, from 2010 to 2013, he managed the industry- and automotive business in North America for Sika Corporation. From 2004 to 2010, David Jones served as a Key Account Manager and later as the Vice President of Engineering for Sika Corporation. While living in Switzerland, from 2000 to 2004, he was the Director of Engineering and Global Account Manager, supporting the integration of newly acquired automotive based business for Sika AG. Between 1995 and 2000, David Jones held positions as Project Manager & Key Account Manager for Sika Corporation and was a Release Engineer for General Motors in 1994.

Educational background

- Bachelor degree in Mechanical Engineering, Lawrence Technological University, Southfield, USA
- MBA, Ross School of Business, University of Michigan, Ann Arbor, USA
- Executive education, IMD, Lausanne, Switzerland



Robert Ang (1963)

Citizen of Singapore

- CEO Asia since 2009

Professional background

From 2005 until 2009, Robert Ang was responsible for Bossard Greater China (China, Taiwan) and prior to that, the Southeast Asia region. From 1997 until 1999, he was CEO of Bossard Singapore. Robert Ang managed his own company from 1994 until it was acquired by Bossard in 1997. Prior to this, he was product manager for Conner Peripherals and Optics Storage Pte Ltd. in Singapore for four years. Between 1986 and 1989, he worked as a buyer at Printronix AG.

Educational background

- Diploma in business administration, Thames Business School, Singapore, Singapore
- Diploma in mechanical engineering, Singapore Polytechnic, Singapore, Singapore
- MBA, Lee Kong Chian School of Business, Singapore, Singapore



Rolf Ritter (1969)

Dual Swiss-US citizen

- CEO Central Europe since 2023

Professional background

Rolf Ritter has been CEO Central Europe since January 2023. Prior to that, he was VP of M&A and Business Development (Chief Strategy Officer). In 2014, he founded his own consulting company in Miami, USA, and started investing in tech start-ups and providing strategic M&A advice to various companies. In addition, Rolf Ritter taught an EMBA in Information Technology at Florida International University. From 2009 to 2014, he was CEO of BDT Media Automation GmbH, Rottweil, Germany, a global technology leader in data archiving with production facilities in Germany, Mexico, China and Singapore. Rolf Ritter joined Bossard in 2004 as General Manager at Bossard France after having worked as project manager and consultant for Volkswagen, Accenture and SIG in Mexico, Brazil, Germany and Switzerland.

Educational background

- Business administration degree, HSG, St. Gallen, Switzerland



Susan Salzbrenner (1982)

German citizen

- VP of People & Organization since 2023

Professional background

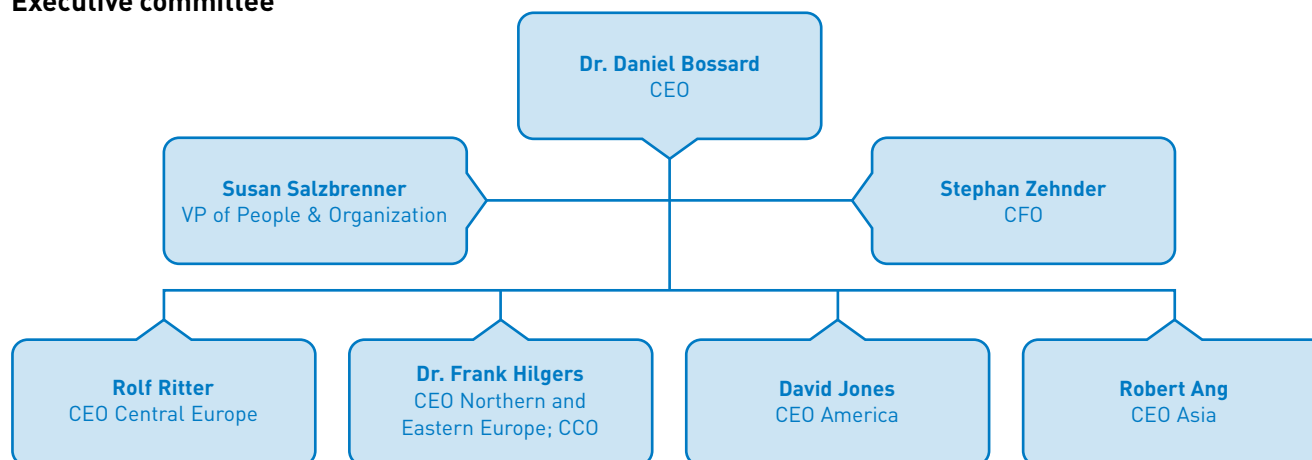
Susan Salzbrenner has been VP People & Organization since January 2023 and Functional Manager People and Organizational Development at Bossard since June 2021. From 2017 to 2021, she was a partner at the Scandinavian consulting firm Implement Consulting Group, focusing on cultural transformation, leadership and organizational development, and new forms of business. Susan Salzbrenner was able to build on existing, multi-year consulting mandates for major corporations such as Philips. From 2012 to 2017, she gained sales as well as entrepreneurial experience in setting up and expanding her own consulting company “Fit across Cultures”. From 2009 to 2011, the trained organizational psychologist worked in human resources at the multinational logistics group A.P. Moeller Maersk.

Educational background

- Master of science in work and organizational psychology, Friedrich-Schiller University, Jena, Germany
- Master degree in social psychology, University of Queensland, Brisbane, Australia
- Post-graduate degree in intercultural business communication, Friedrich-Schiller University, Jena, Germany

Continued from page 94

Executive committee



Members of the executive committee

The board of directors has delegated the management of the Group to the CEO. He is responsible for the Group's operational management. The CEO has delegated individual tasks to the members of the executive committee. Supervision and control of the executive committee is the responsibility of the CEO. The executive committee handles matters relevant to the management of the Bossard Group and is the forum for systematic exchange of information. After consultation with the executive committee, the CEO develops the strategic initiatives of the Group to achieve the corporate objectives.

The executive committee had the following members as of December 31, 2023:

| Name | Function | Joined Group | Appointed |
|--------------------|--------------------------------------|--------------|-----------|
| Dr. Daniel Bossard | CEO | 2000 | 2019 |
| Stephan Zehnder | CFO | 1996 | 2005 |
| Rolf Ritter | CEO Central Europe | 2020 | 2023 |
| Dr. Frank Hilgers | CEO Northern and Eastern Europe, CCO | 2012 | 2019/2015 |
| David Jones | CEO America | 2021 | 2021 |
| Robert Ang | CEO Asia | 1997 | 2009 |
| Susan Salzbrenner | VP of People & Organization | 2021 | 2023 |

Other activities and vested interests

The executive committee members do not perform any other activities outside the Bossard Group apart from the mandates listed on pages 95 to 98. Furthermore, they do not have any other significant vested interests. Dr. Daniel Bossard is member of the Bossard families, which have 100 percent control over Kolin Holding AG. Individual members of the executive committee carry out executive functions at Bossard Holding AG subsidiaries.

Allowed number of mandates

According to article 44 of the articles of association, a member of the executive committee may at the same time, alongside the function for the company, take on a maximum of five material mandates, with a maximum of one chairmanship, which counts as two mandates. A maximum of two out of these five mandates may be in listed companies. If the mandates assumed relate to legal entities that belong to the same group or are similarly related in terms of management, these mandates are considered a single mandate. There are no restrictions on the number of mandates (i) for mandates assumed in legal entities that are directly or indirectly controlled by Bossard Holding AG or that directly or indirectly control Bossard Holding AG, or (ii) if, in exercising the function for the Bossard Group, a mandate in another, related legal entity is exercised. The actual number of additional mandates are listed on pages 95 to 98.

Management contracts

There are no management contracts between the Group and companies or persons to whom management tasks have been delegated.

Compensation, participations and loans

This information is provided in the compensation report.

Shareholders' participation rights

Shareholders' participation rights are defined solely according to the Swiss Code of Obligations (CO) and the articles of association. The articles of association are available on the Bossard website via the following link: www.bossard.com/en/about-us/investor-relations/corporate-governance/articles-of-association/

Voting right restrictions and representation (articles 16 to 18 of articles of association)

Registered B shares are voting right shares. At the annual general meeting of shareholders each share registered with voting rights is entitled to one vote. The voting rights for registered A shares may be exercised by anyone entered in the share register as the owner or beneficiary. A shareholder entitled to vote can have her- or himself represented at the annual general meeting of shareholders by the independent proxy or by any other person with a written power of attorney. Legal representatives do not require a written power of attorney. In the invitation to the annual general meeting of shareholders, the board of directors shall make known the date by which the shareholders may issue their powers of attorney and instructions to the independent proxy, including by electronic means. Shareholders can issue a special instruction to the independent proxy for each motion announced on the agenda sent out in the invitation.

Shareholders may issue general instructions to the independent proxy for other motions on agenda items proposed at the annual general meeting of shareholders as well as for motions for convening extraordinary general meetings without any agenda and the performance of a special audit. The independent proxy is obliged to exercise as instructed the voting rights that have been transferred to her/him by the shareholders. If she/he has not received any instructions, she/he shall abstain from voting.

The independent proxy keeps any instructions by the shareholders confidential until the annual general meeting of shareholders. Not earlier than three business days before the annual general meeting of shareholders, the independent proxy provides the board of directors with a general information of the received instructions.

The measurement of voting rights by the number of shares with voting rights is not applicable for:

- electing the external auditor
- appointing experts to review the management of the business or individual parts thereof
- making decisions on the initiation of a special audit
- making decisions on the filing of a liability claim

Statutory quorum (article 19 of articles of association)

The annual general meeting of shareholders makes its decisions and holds its elections with an absolute majority of the valid votes cast, provided there are no legal provisions or provisions in the articles of association to the contrary. In a second ballot, the relative majority decides the outcome.

At least two-thirds of the votes represented and an absolute majority of the represented nominal share value are required for decisions on:

- a change to the corporate purpose
- an increase in the voting power of existing voting shares and the issue of new shares with more extensive voting privileges than those of existing voting shares
- the introduction of more stringent transferability restrictions
- an approved or conditional capital increase
- a capital increase from equity, subscribed in kind or for granting special privileges
- the restriction or withdrawal of subscription rights
- the relocation of the company domicile
- the dissolution of the company

Decisions and elections are generally settled by open ballot. A secret ballot or election is held if required by the chair or if one or more shareholders who together hold at least 10 percent of the represented voting shares request it.

Convocation of the annual general meeting of shareholders (articles 12 and 13 of articles of association)

The ordinary annual general meeting of shareholders is held each year at the latest four months after the end of the financial year. It is convened by the board of directors by announcing the venue, date and time of the meeting and the invitation is published at least 20 calendar days before the meeting, along with the agenda, motions and the required form proving share ownership.

With the publication in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt/SOGC) of the request for items to be placed on the agenda as of February 14, 2024, the board of directors invites shareholders to submit any requests for items to be included on the agenda, together with the proposals formulated, by March 6, 2024.

One or more shareholders who together represent at least 10 percent of the share capital, can request the board of directors to convene a general meeting of shareholders.

Inclusion of items on the agenda

Shareholders themselves or collectively representing shares with a nominal value of at least 0.75 percent of the share capital are entitled to have an item placed on the agenda. By publication in the Swiss Official Gazette of Commerce at least 20 calendar days before the publication of the invitation for the ordinary annual general meeting of shareholders, the board of directors requests the shareholders, that are fulfilling the mentioned requirements, to submit any items to be placed on the agenda with the respective motions within the time stated.

Entry in the share register (article 5 of articles of association)

The company keeps a share register in which owners and beneficiaries are inscribed with their names and addresses. The company must be notified of any change of address. Until this notification is received, all information for registered shareholders must be sent to the legally valid address entered in the share register.

In the invitation to the annual general meeting of shareholders, the board of directors announces the date by which an entry in the share register must be made in order to attend the meeting and vote.

Entry in the share register is subject to advance proof that ownership of the registered A shares was acquired or that usufruct has been granted (the conditions for transfer of ownership and the registration requirements for registered B shares are governed by articles 7 to 9 of the articles of association).

Shareholders are entered with voting rights if they expressly declare that the shares in question are held in their own name and for their own account. The company only recognizes a person as a shareholder or beneficiary if this person is registered as such in the share register.

The voting right and the associated rights may only be exercised by the person registered in the share register as having voting rights.

The board of directors can delete entries made on the basis of false information by the acquirer. It will implement this measure within one year, backdated to the date of the entry, after receiving definite information about the error and hearing the person concerned. The person concerned must be notified of the deletion immediately.

Changes of control and defense measures

Duty to make an offer

According to FMIA, anyone, who directly or indirectly or acting in concert with third parties, acquires shares and thereby exceeds the threshold of 33 1/3 percent of the voting rights of Bossard Holding AG must make a take-over offer for all outstanding shares. Bossard Holding AG has waived its opportunity to modify (opting-up) or dispense (opting-out) with this regulation.

Clauses on changes of control

The employment agreement for members of the executive committee does not contain any clauses on changes of control. The Group does not provide golden parachutes for its senior management.

The period of notice for members of the executive committee is between six and twelve months, during which time they are entitled to receive salary and bonus payments. If the company changes control or goes into liquidation, all share options (RSUs) held under the management participation plan become due immediately.

Auditors

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

PricewaterhouseCoopers AG, Zurich, has been the statutory auditor of Bossard Holding AG since 1986 and audits the annual financial statements and the consolidated financial statements. In 2021, Bossard Holding AG tendered the audit mandate. During the objective review, great importance was set to both, the criteria for ensuring independent, competent, and critical auditing activities as well as open communication with the ARCC. After this review and in-depth analysis by the ARCC, it was decided to maintain PricewaterhouseCoopers AG as the statutory auditor and propose PricewaterhouseCoopers AG for election as auditor to the shareholders at the annual general meeting of shareholders. The statutory auditors are elected by the annual general meeting of shareholders for a term of one year.

The auditor in charge changes at least every seven years. The last change took place in 2021. Thomas Wallmer, a Swiss certified public accountant, has held the position of auditor in charge since then and is therefore responsible for the audit mandate.

Fees for the statutory auditor

In the financial year 2023, PricewaterhouseCoopers AG received fees of CHF 790,718 (2022: CHF 680,712) for auditing services, CHF 24,671 (2022: CHF 22,649) for tax consulting and CHF 95,211 (2022: CHF 142,126) for other consulting services.

Information and control instruments towards the statutory auditor

The ARCC meets at least three times per year to discuss plans for the annual and Group audit, the results of the interim audit and the year-end financial statement, as well as other business matters. The management letters from the statutory auditor form the basis for discussion of the interim audit and the year-end financial statements. The ARCC assists the board of directors with its supervision of the statutory auditors. The ARCC's main responsibility is to propose the statutory auditors, to review their qualifications, independence and performance annually, to approve the auditing fee and to review the accounting principles as well as the annual financial statements. The committee annually reviews the scope of the audit, the audit plans and the related procedures, and discusses the results of the audit with the auditors.

Information policy

With its disclosure policy, the Bossard Group creates transparency for investors and financial markets and ensures a fair market price for Bossard shares.

The Bossard management is convinced that the financial markets will honor a clear, consistent and informative disclosure policy in the long term with a fair valuation of the company's shares. Bossard therefore applies the following principles in its financial reporting and related disclosure:

- Transparency: the disclosure principle is intended to ensure a better understanding of the economic drivers influencing the Group and the detailed operating results.
- Consistency: disclosure within each reporting period and between the individual periods is consistent and comparable.
- Clarity: information is presented as clearly as possible so that Bossard's stakeholders can form an accurate picture of how the business is developing.
- Relevance: to avoid a flood of information, Bossard focuses on information that is relevant for Bossard stakeholders or is mandatory for supervisory purposes or reasons according to the articles of association.

The Group publishes relevant information on its business operations using a number of channels, including the annual report, interim reports and press releases. The company also keeps its stakeholders informed by means of press conferences and meetings with analysts and via the annual general meeting of shareholders. In the reporting year, the Group also held a Capital Markets Day, which will take place every two to three years. The consolidated financial statements are drawn up in accordance with Swiss GAAP FER.

List of key dates in 2024:

| | |
|---|-------------------|
| Meeting for financial analysts & media conference | February 28, 2024 |
| Publication Annual Report 2023 | April 8, 2024 |
| Annual general meeting | April 8, 2024 |
| Publication of sales results 1st quarter 2024 | July 18, 2024 |
| Publication of Semi-Annual Report 2024 | October 14, 2024 |
| Publication of sales results 3rd quarter 2024 | January 15, 2025 |
| Publication of sales results 2024 | |

Bossard maintains contact with representatives of the capital market via media conferences, meetings with analysts and roadshows. Bossard also regularly holds individual and group meetings with institutional investors and analysts. All publications on business results and press releases are available in English and in German under the Bossard website www.bossard.com (www.bossard.com/en/about-us/news-and-press-releases/).

Further, shareholders can subscribe on the Bossard website (www.bossard.com/en/about-us/investor-relations/subscription-press-releases/) to Bossard announcements, press releases and ad hoc publications. All Bossard publications can be ordered by e-mailing investor@bossard.com or from Bossard Holding AG, Investor Relations, Steinhauserstrasse 70, 6300 Zug, Switzerland.



Compensation Report

The compensation report describes the compensation principles and programs as well as the governance framework related to the compensation of the board of directors and the executive committee of Bossard Holding AG. The report also provides details on the compensation awarded to those two bodies in the financial year 2023.

The compensation report has been prepared in compliance with the provisions of the Swiss Code of Obligations (CO), the Directive on Information relating to Corporate Governance (DCG) of SIX Swiss Exchange and the principles of the “Swiss Code of Best Practice for Corporate Governance” of *economiesuisse*.

Information regarding the transparency on non-financial matters can be found in the sustainability report starting on page 21. In addition, the Bossard Group reports on the gender guidelines in the corporate governance report on page 82.

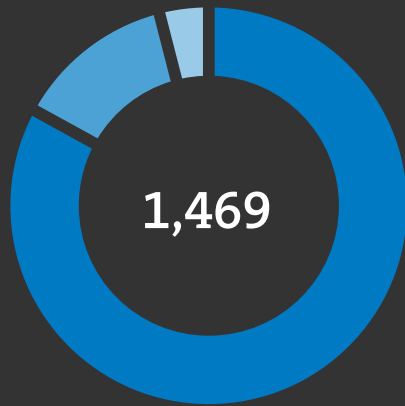
105

AT A GLANCE

Compensation

Compensation of board of directors 2023

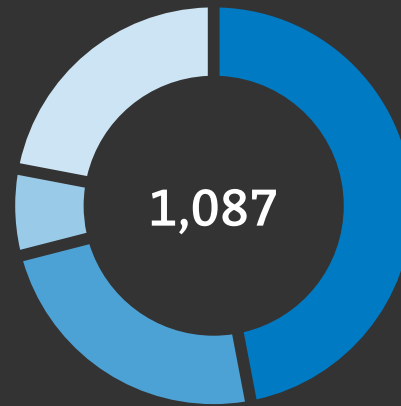
in CHF 1,000



- Fixed compensation
- Social costs
- Expense allowance

Compensation of CEO 2023

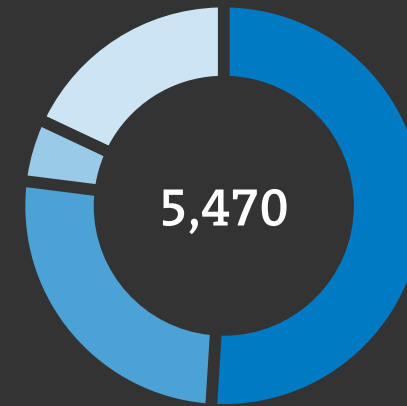
in CHF 1,000



- Fixed compensation
- Variable compensation - short-term incentive (STI)
- Variable compensation - long-term incentive (LTI)
- Social costs and other benefits

Compensation of executive committee 2023

in CHF 1,000



- Fixed compensation
- Variable compensation - short-term incentive (STI)
- Variable compensation - long-term incentive (LTI)
- Social costs and other benefits

COMPENSATION REPORT

Compensation of the board of directors and the executive committee

The compensation report contains information on the compensation policy, the compensation program and the procedure for determining the compensation of the board of directors and the executive committee of the Bossard Group. The report also contains information on the compensation for these two bodies in the financial year 2023.

Changes to the compensation scheme

Based on an in-depth review of the compensation system of the executive committee by the compensation committee, the board of directors decided on the following adjustments for a new long-term oriented incentive (LTI):

In order to align the interests of the Group's executive committee with long-term shareholder interests, the Bossard Group has a long-term incentive system dependent on the financial success of the company. The previous plan (including the reporting year 2023) was based on qualitative goals for strategy implementation, innovation, and ESG. Starting in 2024, the LTI will be redesigned. This plan now includes Performance Share Units (PSUs) with a three-year vesting period, whose allocation is contingent upon achieving quantitative performance goals over three years and continued employment. The performance goals

are broadly supported by three performance indicators: these are revenue growth, EBIT margin, and ESG. Performance goals and stock price development are essential for calculating the payout factor of the allocated Performance Share Units (PSUs) and take into account the nature and volatility of the Bossard Group's business in each reporting period. This ensures the clear implementation of a pay-for-performance philosophy throughout.

Calculation of PSU allocation: The number of allocated PSUs is calculated by dividing a fixed CHF amount by the average closing price during the last 60 days before the start of the vesting period. The actual payout at the end of the vesting period is made in registered A shares of Bossard Holding AG and depends on the performance factor, based on meeting the Board's targets for revenue growth, EBIT margin, and ESG. These values are weighted at 40 percent, 40 percent, and 20 percent, respectively. With regard to ESG goals, there are two defined ESG goals to achieve. The first goal is to reduce the total emissions in Scope 1 and 2 by a defined amount annually, based on the defined reduction path. The second goal is to ensure that the procurement volume is covered by the applicability of the supplier code of conduct and that a defined higher percentage is achieved every year. The total performance factor is calculated as the sum of the performance factors for the three individual years. The

payout factor can range from 0 percent to 200 percent. The actual value of the allocation at the end of the vesting period is thus dependent on the payout factor and the stock price performance during the vesting period.

The definitive stock allocation is subject to the following vesting rules:

- Performance factor below the threshold:
0 percent of the PSUs will be converted into shares.
- Performance factor meets target:
100 percent of the PSUs will be converted into shares.
- Performance factor at maximum level:
200 percent of the PSUs will be converted into shares (cap).

The annual remuneration is subject to clawback and malus provision.

Revision of the articles of association

Necessary amendments in connection with the revision of the company law, which came into force in 2023, will also be made with the revision of the articles of association that are on the agenda for the annual general meeting of shareholders 2024. Provided that the annual general meeting of shareholders approves the revision of the articles of association, these amendments will come into effect immediately.

Compensation of the board of directors

The compensation of the board of directors for the period between the annual general meeting of shareholders 2022 and 2023 is below the approved maximum compensation amount:

| Time period of compensation | Approved compensation | Effective compensation |
|-----------------------------|-----------------------|------------------------|
| 2022–2023 | CHF 1,800,000 | CHF 1,573,969 |
| 2023–2024 | CHF 1,800,000 | n/a ¹⁾ |

1) The compensation period has not yet ended. The final amount will be disclosed in the compensation report for financial year 2024.

Compensation of the executive committee

The compensation granted to the executive committee for 2023 is below the maximum compensation approved by the annual general meeting of shareholders 2023:

| Time period of compensation | Approved compensation | Effective compensation |
|-----------------------------|-----------------------|------------------------|
| 2023 | CHF 7,000,000 | CHF 5,470,360 |

1. Compensation philosophy and principles

Board of directors

To reinforce the independence in exercising their supervisory duties, members of the board of directors receive fixed compensation only. The board of directors is not eligible for any performance-based compensation and is not insured in the company pension plans. The compensation is paid in cash and CHF 30,000 of the total compensation is paid in the form of registered A shares of Bossard Holding AG. The shares are subject to a restriction period of three years during which they cannot be

sold, transferred, or pledged. The compensation is linked with the share price development of the company and strengthens the alignment with the shareholders' interests.

Executive committee

The compensation philosophy of Bossard Holding AG reflects the commitment to recruit, retain, motivate and develop well-qualified employees and executives at all levels in the organization. Compensation programs are designed to motivate executives to achieve the business objectives and to create long-term and sustainable value for the company. They are based on the following principles:

| | |
|--------------------------------------|--|
| Pay-for-performance | A portion of compensation is directly linked to the sustainable success of the company and to individual contributions. |
| Alignment to shareholders' interests | The compensation system strengthens the link between management and shareholders' interests through the remuneration of part of the compensation in the form of shares or share-based compensation. |
| Balanced system | There is a healthy balance between fixed and variable performance-based compensation (no excessive leverage of variable compensation, capped at 100 percent of fixed compensation) for the executive committee. The board of directors receives a purely fixed compensation in order to ensure its independence. |
| Market competitiveness | Compensation levels are market competitive in order to attract and retain individuals with the required skill sets and leadership capabilities. |
| Simplicity and transparency | Compensation programs are straightforward and transparent. |

2. Compensation governance

2.1. Articles of association

The articles of association of Bossard Holding AG contain a summary of the compensation principles in articles 36–38. Details available at:

www.bossard.com/en/about-us/investor-relations/corporate-governance/articles-of-association/

2.2. Compensation committee

In accordance with the articles of association, the organizational and business regulations of Bossard Holding AG and the compensation committee regulations, the compensation committee is composed of at least three members of the board of directors that are elected individually by the annual general meeting of shareholders for a period of one year. Subject to the approval of the annual general meeting of shareholders, the representative of registered A shares is entitled to be a member of the compensation committee. The 2023 annual general meeting of shareholders re-elected David Dean (chair) and Marcel Keller and newly elected Prof. Dr. Ina Toegel as members of the compensation committee. All three members are independent according to the regulations.

It is the responsibility of the compensation committee to:

- develop and regularly review the compensation policy and principles applicable to the board of directors and the executive committee, including the design of compensation programs and retirement benefits

- plans; and, if necessary, propose any changes to the board of directors;
- propose to the board of directors the maximum aggregate amounts of compensation of the board of directors and of the executive committee to be submitted to the shareholders' vote at the annual general meeting of shareholders;
- propose to the board of directors the individual compensation for the members of the board of directors, the CEO and the other members of the executive committee, within the limits approved by the annual general meeting of shareholders;
- review and approve the employment contracts of the executive committee members;

- develop and regularly review the guidelines governing the structure of the occupational pension scheme for the executive committee;
- prepare the compensation report;
- if the compensation committee considers necessary: the assignment, the supervision and the critical evaluation of the results of advisers or the comparison with third party companies regarding the compensation practices.

The levels of authority between the CEO, the compensation committee (CC), the board of directors (BoD) and the annual general meeting of shareholders (AGM) are summarized in the following table:

| | CEO | CC | BoD | AGM |
|--|----------|----------|----------|-------------------------|
| Compensation policy and principles (incl. guidelines for the pension scheme) | | Proposal | Approval | |
| Maximum aggregate compensation amounts of the board of directors | | Proposal | Review | Approval (binding vote) |
| Maximum aggregate compensation amounts of the executive committee | | Proposal | Review | Approval (binding vote) |
| Individual compensation of members of the board of directors | | Proposal | Approval | |
| Compensation of the CEO | | Proposal | Approval | |
| Individual compensation of members of the executive committee | Proposal | Review | Approval | |
| Compensation report | | Proposal | Approval | Consultative vote |

The compensation committee meets as often as business requires but at least twice a year. In 2023, it held three meetings, each lasted half a day. All members were present at these meetings.

As a general rule, the CEO participates in the meetings of the compensation committee in an advisory capacity. Other members of the board of directors may attend the committee meetings (without voting rights) and other executives may be invited in an advisory capacity as well. However, the other members of the board of directors and the executives abstain from a topic when their own performance and/or compensation is being discussed. After each meeting, the chair of the compensation committee reports to the board of directors the topics discussed and its recommendations. The minutes of the compensation committee meetings are available to the entire board of directors.

The compensation committee may appoint external consultants to provide support in fulfilling its duties. In 2023, no external consultants were mandated.

The compensation committee regularly compares compensation levels with benchmarks, reviews Bossard Group's compensation policies and conducts a self-assessment. The compensation committee mandated the last time in 2022 Agnès Blust Consulting AG (now part of PricewaterhouseCoopers AG, which serves as the external

auditor. In order to ensure independence between the audit of the financial statements and other mandates of PricewaterhouseCoopers AG, clear rules have been defined that have been consistently applied to this mandate.) Agnès Blust Consulting AG conducted a benchmarking study on compensation levels for the executive committee. The Bossard Group did not engage Agnès Blust Consulting AG for any other consulting mandate regarding compensation systems.

2.3. Method of determination of compensation

Benchmarking: in order to assess the market competitiveness of compensation and to determine appropriate compensation levels for the members of the board of directors and of the executive committee, the compensation committee periodically (i.e. every three to four years) reviews the compensation reports published by other international industrial companies that are listed in Switzerland and comparable to the Group in terms of size (market capitalization, employees, revenue), geographic scope and business complexity. The benchmarking study conducted in 2022 on compensation for the executive committee was based on a comparable group of 21 Swiss industrial companies listed on the SIX Swiss Exchange in terms of market capitalization, employees and revenue. These included: Arbonia, Autoneum, BELIMO, BOBST, Bucher Industries, Burckhardt Compression, Comet, Daetwyler, Huber+Suhner, INFICON, INTERROLL, Kardex, Komax, Landis+Gyr, LEM, Phoenix Mecano, Schweiter Technologies, V-Zug, VAT, Vetropack and Zehnder.

For the compensation of the board of directors, a benchmarking analysis was last carried out in 2019, based on a comparison group of 20 Swiss industrial companies listed on the SIX Swiss Exchange, which are comparable in terms of market capitalization, employees and revenue. These included: Autoneum, BELIMO, BOBST, Burckhardt Compression, Comet, Huber+Suhner, INFICON, INTERROLL, Kardex, Komax, Landis+Gyr, LEM, Metall Zug, Phoenix Mecano, Rieter, Schweiter Technologies, Siegfried, Valora, Ypsomed and Zur Rose.

Performance management: the actual compensation effectively paid out in a given year to the executive committee members depends on their individual performance. Depending on the level of responsibility, the evaluation of individual performance takes into account the results of the entire Group and/or of a business area. The performance evaluation is based on quantitative and qualitative criteria. The quantitative elements are derived both from the current business results and from the long-term value drivers, which are decisive for the Group's future results and profitability. The assessment is closely linked to the value-oriented and sustainability-focused management approach implemented by the Bossard Group. Qualitative criteria are derived from the company's strategic targets. Therefore, compensation reflects both the sustainable success of the company and the respective individual contribution.

3. Compensation structure – board of directors

In terms of independence of the members of the board of directors, each member of the board of directors receives a fixed compensation, supplemented by a compensation for his or her work on a committee of the board of directors.

The remuneration is intended to compensate appropriately for the time spent on the board of directors and its committees as a result of the mandate. In addition, each member of the board of directors receives a lump-sum expense allowance.

For the term of office starting at the annual general meeting of shareholders in 2023, CHF 30,000 of the total compensation is paid in the form of registered A shares of Bossard Holding AG. The shares are subject to a restriction period of three years during which they cannot be sold, transferred or pledged. The restriction period also applies in case of termination of mandate, except in case of termination following death where the restriction immediately lapses. The shares are priced at their market value, determined at the end of February of each year based on the average share price of the previous ten trading days – deducting the reduction of around 16 percent permitted under Swiss tax law for the three-year blocking period.

The shares required for the share plan are provided by treasury shares of Bossard Holding AG or by share purchases on the market.

in CHF per year

| | |
|---|---------|
| Fixed compensation for the chair of the board of directors | 340,000 |
| Fixed compensation for each member of the board of directors | 120,000 |
| Fixed compensation for the chair of a committee of the board of directors | 20,000 |
| Fixed compensation for each member of a committee of the board of directors | 10,000 |
| Expense allowance | 8,000 |

The social security contributions on these amounts are paid by the company.

4. Compensation structure – executive committee

According to the compensation principles defined in section 1, the compensation of the executive committee includes the following elements:

- fixed compensation
- variable compensation – short-term oriented incentive (short-term incentive – STI)
- variable compensation – long-term oriented incentive (long-term incentive – LTI)
- occupational benefits

Structure of compensation of the executive committee:

| Element | Purpose | Drivers | Performance measures | Vehicle |
|---|--|---------------------------------|---|--|
| Fixed compensation | Attract & retain | Position, skills and experience | | Monthly cash payments |
| STI / Variable compensation – short-term oriented incentive | Pay-for-performance | Annual performance | EBIT Group respectively EBIT as well as gross profit of own business area | Annual bonus in cash |
| LTI / Variable compensation – long-term oriented incentive | Align to shareholders’ interests, retain | Achieved strategic goals | Individual, qualitative performance | Entitlements (namely, restricted stock units; RSUs) with five-year staged vesting period |
| Occupational benefits | Protect against risks, attract & retain | Market practice and position | | Retirement plan, insurance, perquisites |

4.1. Fixed compensation

The annual fixed compensation is paid in cash on a monthly basis. It reflects the scope and responsibilities of the role, the skills required to perform the role and the profile of the jobholder in terms of experience and capabilities.

4.2. Variable compensation – short-term oriented incentive (STI)

The short-term oriented variable compensation rewards the achievement of annual financial goals.

The fixed compensation and the expected short-term oriented variable compensation (assuming 100 percent achievement of all financial goals) form the so-called total cash compensation. The target value of the total cash compensation of the CEO and the other executive committee members is reviewed annually based on the scope of the role, competitive market practice, individual profile and performance, as well as the company’s affordability.

The short-term variable compensation is based on the financial performance of the Group as a whole and/or its businesses as follows:

| Component | | CEO | CF0/VP of People & Organization | Other members of the executive committee |
|-----------------------|-------------------|---|---|--|
| Financial performance | Group | Group gross profit (1/3), Group EBIT (2/3) | Group gross profit (1/3), Group EBIT (2/3) | Group EBIT (1/3) |
| | Own business area | | | The ratio within these 2/3 is area gross profit (1/3), area EBIT (2/3) |

The short-term oriented incentive (STI) is focused on two financial goals. These objectives include gross profit (indicating profitable growth and guiding pricing) and EBIT (highlighting operational excellence and overall profitability). Each financial objective comes with an expected performance level, determined either by the data from preceding years or the annual financial plan. These targets have been chosen because they are considered the primary value drivers for the Bossard business model. They play a crucial role in rewarding profitable business expansion and gaining a lucrative market share (top-line contribution). Additionally, they contribute to sustainably increasing profitability through robust operating leverage

(bottom-line contribution), making them key drivers for generating lasting capital returns. The board of directors firmly believes that these targets promote Bossard’s performance in a balanced and sustainable manner, aligning well with the interests of the shareholders.

Due to the commercial sensitivity of financial objectives, the board of directors abstains from any further disclosure in the compensation report, in particular also for any separate disclosure for each member of the executive committee. The actual payout level of the short-term oriented variable compensation in the reporting year is explained and commented in section 5.

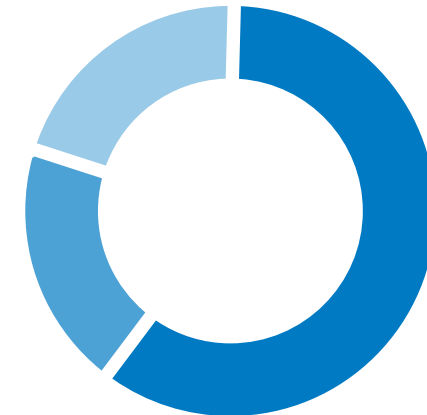
The CEO and other members of the executive committee may draw up to 20 percent of their total cash compensation in the form of registered A shares of Bossard Holding AG. The shares are subject to a restriction period of three years during which they cannot be sold, transferred or pledged. The restriction period also applies in cases of termination of employment and retirement. In case of termination following death the restriction lapses immediately. The shares are priced at their market value, determined at the end of February of each year, based on the average share price over the previous ten trading days after deduction of the reduction of around 16 percent permitted under Swiss tax law for the three-year blocking period. The individual choice to draw shares by the CEO as well as the other members of the executive committee is made the day after the annual general meeting of shareholders. The shares required for the share plan are provided by treasury shares of Bossard Holding AG or by share purchases on the market.

4.3. Variable compensation – long-term oriented incentive (LTI)

The objectives of the long-term oriented variable compensation for the executive committee are to strengthen the link between management and shareholders' interests, to foster the executive committee's long-term motivation and identification with the Bossard Group, to let participants directly participate in the long-term shareholder value created through share price appreciation.

The condition for granting the entitlement (namely restricted stock units; RSUs) is linked to the implementation of the long-term Bossard Group's strategic initiatives approved by the board of directors. These objectives are qualitative in nature and relate primarily to innovation, market cultivation, cultural transformation and further sustainability criteria (ESG). Due to the fact that the RSUs are not exchanged for shares until the third to fifth year after the grant, this is intended to encourage long-term thinking and action as well as to align the compensation with the interests of long-term shareholders. The LTI is based on three main non-financial targets; namely social, environmental and strategic initiatives. These targets are weighted at 20 percent, 20 percent and 60 percent, respectively. On an annual basis, these targets are defined in more detail for each member of the executive committee for the respective LTI-plan.

Non-financial targets



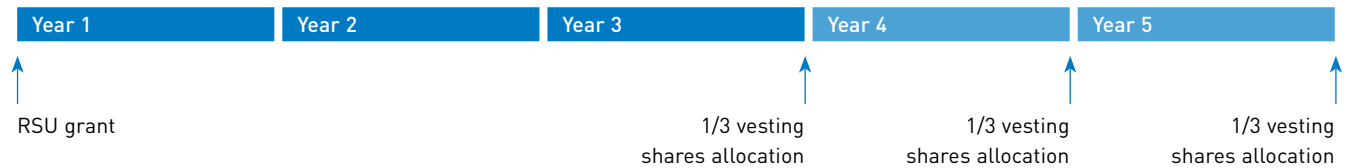
- Strategic initiatives (60%)
- Social (20%)
- Environment (20%)

For the CEO a maximum amount of CHF 100,000 and for the other members of the executive committee a maximum amount of CHF 50,000 is foreseen. The conversion is carried out at market value and is based on the average share price of the last ten trading days in December. The grant is based on the achievement of objectives in the financial year. Therefore, the vesting period starts at the beginning of the following financial year.

Each RSU is a right to receive one registered A share of Bossard Holding AG after the vesting period. The RSUs vest according to the following vesting schedule: one third of the RSUs vest three years after the grant date, one third vest four years after the grant date and the last third vest five years after the grant date. At the respective vesting date, the vested RSUs are converted into registered A shares of Bossard Holding AG. In cases of retirement, disability and death, the RSUs vest immediately. If the employment with the Bossard Group terminates for any other

reason than retirement, disability or death, the unexecuted RSUs shall not be vested immediately. Such RSUs remain subject to the respective vesting period. The shares are not subject to any further restrictions other than the general rules governing management transactions. In circumstances where the allocation of shares may be unlawful or impractical, the award may be settled in cash instead of registered A shares of Bossard Holding AG.

Vesting period:



4.4. Occupational benefits

The members of the executive committee participate in the benefit plans available in the country of their employment contract. Benefits consist mainly of retirement, insurance and healthcare plans that are designed to provide a reasonable level of protection for the employees and their dependents with respect to retirement, risk of disability, death and health. The members of the executive committee with a Swiss employment contract participate in the pension plan of Bossard (Bossard Personalstiftung, Zug) offered to all employees in Switzerland, in which a base compensation up to an amount of CHF 294,000 per annum is insured, as well as a supplementary plan in which earnings in excess of this limit are insured up to the maximum amount permitted by law. Bossard's pension benefits exceed the legal requirements of the Swiss federal law on occupational retirement, survivors' and disability pension plans (BVG) and are in line with what other international industrial companies offer. Members of the executive committee under foreign employment contracts are insured commensurately with local market conditions

and with their position. Each plan varies in line with the local competitive and legal environment and is, as a minimum, in accordance with the legal requirements of the respective country.

In addition, members of the executive committee are also eligible to standard perquisites, such as a company car or a car allowance, seniority awards, child allowance and other benefits in kind, according to competitive market practice in their country of contract. The monetary value of these other elements of compensation is evaluated at fair value and is disclosed in the compensation tables.

4.5. Employment contracts

The members of the executive committee are employed under employment contracts of unlimited duration with a notice period of six months, respectively twelve months for the CEO. Members of the executive committee are not contractually entitled to termination payments or any change of control provisions.

5. Compensation of the board of directors and the executive committee

5.1. Compensation paid to members of the board of directors for the financial years 2023 and 2022

In 2023, the members of the board of directors received a compensation in the amount shown in the following table.

Compared to the prior year, the total compensation is lower due to the fact that the board of directors was constituted with seven members as of April 2023 compared to eight members before.

Compensation paid to members of the board of directors for the financial year 2023

| in CHF, gross | | Fixed | Expense allowance | Social costs | Total compensation | Thereof in shares ¹¹⁾ |
|--|--|------------------|-------------------|----------------|--------------------|----------------------------------|
| Dr. Thomas Schmuckli | Chair, Chair NC ¹⁾ , ARCC ²⁾ | 356,667 | 8,000 | 54,320 | 418,987 | 29,976 |
| Patricia Heidtman | Vice Chair, NC, CC ^{3) 4)} | 133,333 | 8,000 | 20,374 | 161,707 | 29,976 |
| David Dean | Repr. of registered A shares, Chair CC, ARCC ⁵⁾ | 146,667 | 8,000 | 22,411 | 177,078 | 29,976 |
| Petra Maria Ehmann | NC ⁶⁾ , ARCC | 133,334 | 8,000 | 20,368 | 161,702 | 29,976 |
| Marcel Keller | CC | 130,000 | 8,000 | 19,860 | 157,860 | 29,976 |
| Martin Kühn | Chair ARCC ⁷⁾ | 136,667 | 8,000 | 20,883 | 165,550 | 29,976 |
| Prof. Dr. Ina Toegel ⁸⁾ | NC, CC | 93,333 | 5,333 | 14,261 | 112,927 | - |
| Dr. René Cotting ¹⁰⁾ | Chair ARCC ⁹⁾ | 46,666 | 2,667 | 7,131 | 56,464 | 29,976 |
| Prof. Dr. Stefan Michel ¹⁰⁾ | NC, CC | 46,666 | 2,667 | 7,131 | 56,464 | 29,976 |
| 2023 | | 1,223,333 | 58,667 | 186,739 | 1,468,739 | 239,808 |

1) Nomination committee [NC]

2) Member of the Audit, risk & compliance committee [ARCC] until April 2023

3) Compensation committee [CC]

4) Member of the CC until April 2023

5) Member of the ARCC since April 2023

6) Member of the NC until April 2023

7) Chair of the ARCC since April 2023, before member of the ARCC

8) Election to the board of directors in April 2023

9) Chair of the ARCC until April 2023

10) Resignation from the board of directors in April 2023

11) Each member of the board of directors receives CHF 30,000 worth of the total compensation in the form of registered A shares of Bossard Holding AG. The allocation price corresponds to the market value, in each case after deduction of the tax-permissible reduction of around 16 percent for the three-year blocking period. For the shares subscribed in 2023, the allotment price was CHF 211.10. The draw of the shares took place one day after the annual general meeting of shareholders 2023

Compensation paid to members of the board of directors for the financial year 2022

| in CHF, gross | | Fixed | Expense allowance | Social costs | Total compensation | Thereof in shares ⁴⁾ |
|-------------------------|--|------------------|-------------------|----------------|--------------------|---------------------------------|
| Dr. Thomas Schmuckli | Chair, Chair NC ¹⁾ , ARCC ²⁾ | 350,000 | 8,000 | 53,614 | 411,614 | 30,078 |
| Patricia Heidtman | Vice Chair, NC, CC ³⁾ | 140,000 | 8,000 | 21,445 | 169,445 | 30,078 |
| Dr. René Cotting | Chair ARCC | 140,000 | 8,000 | 21,445 | 169,445 | 30,078 |
| David Dean | Repr. of registered A shares, Chair CC | 140,000 | 8,000 | 21,445 | 169,445 | 30,078 |
| Petra Maria Ehmann | NC, ARCC | 140,000 | 8,000 | 21,459 | 169,459 | 30,078 |
| Marcel Keller | CC | 130,000 | 8,000 | 19,927 | 157,927 | 30,078 |
| Martin Kühn | ARCC | 130,000 | 8,000 | 19,916 | 157,916 | 30,078 |
| Prof. Dr. Stefan Michel | NC, CC | 140,000 | 8,000 | 21,448 | 169,448 | 30,078 |
| 2022 | | 1,310,000 | 64,000 | 200,699 | 1,574,699 | 240,624 |

1) Nomination committee (NC)

2) Audit, risk & compliance committee (ARCC)

3) Compensation committee (CC)

4) Each member of the board of directors receives CHF 30,000 worth of the total compensation in the form of registered A shares of Bossard Holding AG. The allocation price corresponds to the market value, in each case after deduction of the tax-permissible reduction of around 16 percent for the three-year blocking period. For the shares subscribed in 2022, the allotment price was CHF 222.80. The draw of the shares took place one day after the annual general meeting of shareholders 2022.

In 2023, the annual general meeting of shareholders approved a maximum compensation amount for the board of directors of CHF 1,800,000 for the period from the annual general meeting of shareholders 2023 until the next annual general meeting of shareholders 2024. As this compensation period has not yet ended, the final amount will be disclosed in the compensation report for financial year 2024.

In 2022, the annual general meeting of shareholders approved a maximum compensation amount for the board of directors of CHF 1,800,000 for the period from the annual general meeting of shareholders 2022 until the next annual general meeting of shareholders 2023. The compensation of the board of directors for this term of office amounted to CHF 1,573,969 and remains therefore within the approved compensation payable to the board of directors.

Payments to former members of the board of directors

In 2023, Prof. Dr. Stefan Michel has been mandated by the company for a workshop with the board of directors and certain members of the top management of the company on the topic of artificial intelligence. Prof. Dr. Stefan Michel received a fee in the amount of CHF 6,500.

In 2022, no compensation was paid to former members of the board of directors.

Payments to related parties of members of the board of directors

In 2023, as well as in 2022, no compensation was paid to related parties of present or former members of the board of directors.

Loans and credits to present or former members of the board of directors or to related parties

As of December 31, 2023 as well as of December 31, 2022 no such loans or credits existed to present or former members of the board of directors, or to related parties of present or former members of the board of directors.

External mandates of the board of directors

In the financial year, the members of the board of directors held the following functions in other companies with an economic purpose:

| Name of member | Name of company | Function performed |
|----------------------|--|---|
| Dr. Thomas Schmuckli | Hans Oetiker Holding AG, Horgen | Member of the board of directors |
| | Helvetia Holding AG, St. Gallen | Chair of the board of directors |
| | Helvetia Schweiz. Versicherungsgesellschaft AG, St. Gallen | Chair of the board of directors |
| | Helvetia Schweiz. Lebensversicherungs AG, Basel | Chair of the board of directors |
| | Stiftung Infinite Elements, Altdorf | Member of the foundation board |
| Patricia Heidtman | SIKA AG, Baar | Chief Innovation and Sustainability Officer |
| David Dean | Komax Holding AG, Dierikon | Member of the board of directors |
| | Burckhardt Compression Holding AG, Winterthur | Member of the board of directors |
| | Compressor Tech Holding AG, Zug | Member of the board of directors |
| | Burckhardt Compression AG, Winterthur | Member of the board of directors |
| | Metall Zug AG, Zug | Member of the board of directors |
| | Haag-Streit Holding AG, Koeniz (until end of April 2024) | Chair of the board of directors |
| | Brugg Group AG, Brugg | Member of the board of directors |
| | Brugg eConnect AG, Brugg | Member of the board of directors |
| | Brugg Ropes AG, Romanshorn | Member of the board of directors |
| | Geobrug AG, Romanshorn | Member of the board of directors |
| | Fatzer AG, Romanshorn | Member of the board of directors |
| | Brugg Lifting AG, Birr | Member of the board of directors |
| | Brugg Rohrsystem AG, Kleindoettingen | Member of the board of directors |
| | Brugg Immobilien AG, Brugg | Member of the board of directors |
| Rittmeyer AG, Baar | Member of the board of directors | |
| Petra Maria Ehmann | Ringier AG, Zofingen | Group Chief Innovation and AI Officer |
| | Swiss Science Center Technorama, Winterthur | Member of the board of trustees |
| | DKV Mobility GmbH, Ratingen | Member of the board of directors |
| Marcel Keller | SCION Association, Lucerne | Managing director |
| Martin Kühn | KIBAG Holding AG, Baech | Chief Financial Officer |
| | Kannewischer Ingenieurbüro AG, Cham | Member of the board of directors |
| | Kannewischer Bern AG, Bern | Member of the board of directors |
| | Kannewischer Ostschweiz AG, Wattwil | Member of the board of directors |
| | Pensionskasse der KIBAG, Baech | Member of the foundation board |
| | KIBAG Personalstiftung, Zurich | Member of the foundation board |
| | Windlin AG, Zurich | Chair of the board of directors |
| | Bürgergemeinde Zug, Zug | Member of the audit commission |
| | Donatorenverein FDP Kanton Zug, Zug | Chair |
| Prof. Dr. Ina Toegel | IMD, Lausanne | Professor |

5.2. Compensation paid to members of the executive committee for the financial years 2023 and 2022

In 2023, the members of the executive committee received the compensation according to the table below:

Compensation paid to members of the executive committee

| in CHF | Executive committee total | | Dr. Daniel Bossard, CEO | |
|--|---------------------------|--------------------------|-------------------------|------------------|
| | 2023 | 2022 ⁵⁾ | 2023 | 2022 |
| Fixed compensation | 2,769,042 | 2,680,119 | 510,479 | 485,476 |
| Variable compensation – short-term incentive (STI) ¹⁾ | 1,402,552 | 1,712,262 | 257,362 | 307,184 |
| Variable compensation – long-term incentive (LTI) ²⁾ | 329,000 | 333,600 | 80,000 | 90,000 |
| Other benefits ³⁾ | 103,830 | 83,400 | 18,000 | 16,800 |
| Social and pension costs | 865,936 | 956,844 | 221,597 | 214,570 |
| Total | 5,470,360 | 5,766,225 | 1,087,438 | 1,114,030 |
| Thereof in shares ⁴⁾ | 84,440 | 178,240 | - | 111,400 |
| Number of members of the executive committee | 7 | 6.5 ⁶⁾ | | |

1) The disclosed short-term component of the variable compensation is accrued for the reporting year. This may differ from the actual payment made in the following year. Any deviations between accruals and actual payments are recognized in the following reporting year for which the compensation was paid. The compensation disclosed for 2022 is the actual total payment made.

2) The long-term variable compensation, namely the allocation of the RSU, for the financial year 2023 will take place in the second quarter of 2024 (according to section 4.3). The amount disclosed here represents the compensation envisaged as of the reporting date. Any discrepancies between the amount reported and the actual allocation will be reported in the following year for the corresponding financial year. The compensation reported for 2022 represents the actual allocations made. The fair value for the RSU allocation for the financial year 2023 amounts to CHF 217.15 (2022: CHF 199.80).

3) Private share in company vehicle, child allowances, anniversary bonus

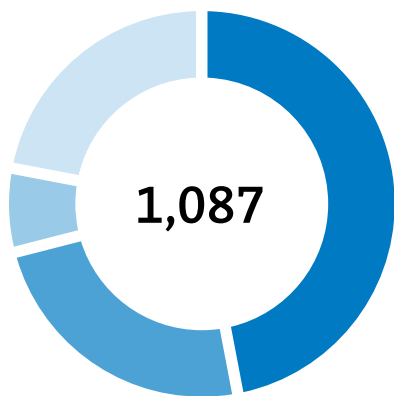
4) Members of the executive committee may draw up to 20 percent of their total compensation in registered A shares of Bossard Holding AG of the prior year (according to article 38 of the articles of association). The purchase price corresponds to the market value, in each case after deduction of the permissible tax reduction of around 16 percent for the three-year blocking period. The draw always takes place one day after the annual general meeting of shareholders. The purchase price for the shares purchased in 2023 was CHF 211.10 (2022: CHF 222.80).

5) This total compensation includes the compensation for the former CEO Central Europe until the end of June 2022.

6) Seven members until end of June 2022 and six members as of beginning of July 2022

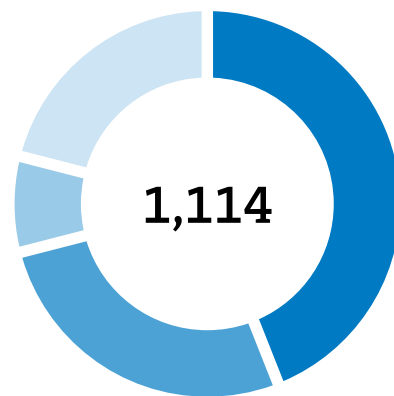
Compensation of CEO for 2023

in CHF 1,000



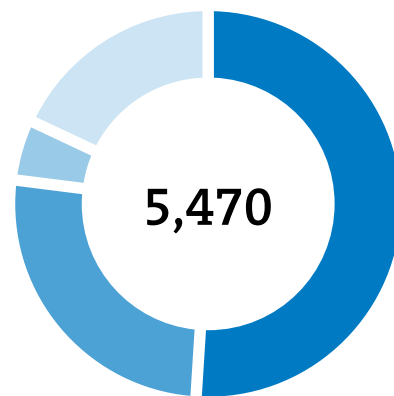
Compensation of CEO for 2022

in CHF 1,000



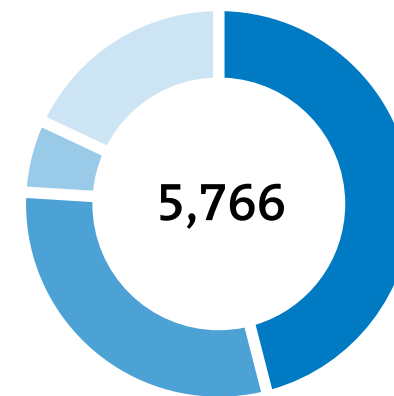
Compensation of executive committee for 2023

in CHF 1,000



Compensation of executive committee for 2022

in CHF 1,000



■ Fixed compensation
 ■ Variable compensation – short-term incentive (STI)
 ■ Variable compensation – long-term incentive (LTI)
 ■ Social costs and other benefits

The lower remuneration compared to the prior year is attributed to the reduced variable compensation. Specifically, the short-term incentive of the variable compensation reflects the lower profitability in 2023.

In 2023, the variable compensation, short-term incentive, amounted to 50 percent of the fixed compensation for the CEO Dr. Daniel Bossard (2022: 63 percent) and between 29 percent and 60 percent for the other executive committee members (2022: between 54 percent and 69 percent).

In order to maintain an appropriate level of compensation and not provide any incentives to take excessive risks or to focus on short-term decisions at the expense of the Group's sustainable success, the variable remuneration (short-term and long-term oriented components) is limited to 100 percent of the annual fixed compensation.

In 2022, the annual general meeting of shareholders approved a maximum compensation amount for the executive committee of CHF 7,000,000 for the period from

January 1, 2023 to December 31, 2023. The total compensation 2023 of the executive committee of CHF 5,459,119 is within the approved total compensation.

In 2023, the annual general meeting of shareholders approved a maximum compensation amount for the executive committee of CHF 7,000,000 for the period from January 1, 2024 to December 31, 2024.

Compensation paid to former members of the executive committee

In 2023, no compensation was paid to former members of the executive committee.

In 2022, Beat Grob, former CEO Bossard Central Europe, received a compensation according to the table on page 120.

Compensation paid to related parties of members of the executive committee

In 2023, as well as in 2022, no compensation was paid to related parties of present or former members of the executive committee.

Loans and credits to present or former members of the executive committee or to related parties

As of December 31, 2023, as well as of December 31, 2022, no such loans or credits existed to present or former members of the executive committee, or to related parties of present or former members of the executive committee.

External mandates of the executive committee

In the financial year, the members of the executive committee held the following functions in other companies with an economic purpose:

| Name of member | Name of company | Function performed |
|--------------------|--|----------------------------------|
| Dr. Daniel Bossard | Schweiter Technologies AG, Steinhausen | Member of the board of directors |
| | BURU Holding AG, Cham | Member of the board of directors |
| | Swiss American Chamber of Commerce, Zurich | Member of the chapter board |
| | Ecoparts AG, Hinwil | Member of the board of directors |
| Stephan Zehnder | - | - |
| Rolf Ritter | - | - |
| Dr. Frank Hilgers | enersis suisse AG, Bern | Member of the advisory board |
| | INYO Mobility GmbH, Grafing | Member of the advisory board |
| | MultiMaterial-Welding AG, Biel/Bienne | Member of the board of directors |
| David Jones | - | - |
| Robert Ang | - | - |
| Susan Salzbrenner | - | - |

6. Participations of members of the board of directors and the executive committee at December 31, 2023 and 2022

At December 31, the individual members of the board of directors and the executive committee (including persons closely associated with them) held the following numbers of registered A shares of Bossard Holding AG:

| Board of directors | 2023 | Thereof blocked ⁷⁾ | 2022 | Thereof blocked ⁷⁾ |
|---|---------------|-------------------------------|---------------|-------------------------------|
| Dr. Thomas Schmuckli Chair, Chair NC, ARCC ¹⁾ | 8,352 | 427 | 8,658 | 685 |
| Patricia Heidtman Vice Chair, NC, CC ²⁾ | 927 | 427 | 785 | 685 |
| David Dean Repr. of registered A shares, Chair CC, ARCC ³⁾ | 1,427 | 427 | 1,285 | 541 |
| Petra Maria Ehmann NC ⁴⁾ , ARCC | 277 | 277 | 135 | 135 |
| Marcel Keller CC | 277 | 277 | 135 | 135 |
| Martin Kühn Chair ARCC ⁵⁾ | 1,589 | 427 | 1,447 | 797 |
| Prof. Dr. Ina Toegel ⁶⁾ CC, NC | - | - | - | - |
| Total | 12,849 | 2,262 | 12,445 | 2,978 |

1) Member of the ARCC until April 2023

2) Member of the CC until April 2023

3) Member of the ARCC since April 2023

4) Member of the NC until April 2023

5) Chair of the ARCC since April 2023, before member of the ARCC

6) Election to the board of directors in April 2023

7) These shares are subject to a blocking period of three years starting from the grant date.

| Executive committee | | 2023 | Thereof blocked ⁵⁾ | 2022 | Thereof blocked ⁵⁾ |
|-------------------------------------|--------------------------------------|---------------|-------------------------------|---------------|-------------------------------|
| Dr. Daniel Bossard ^{1) 2)} | CEO | 7,630 | 500 | 7,205 | 500 |
| Stephan Zehnder | CFO | 10,575 | - | 11,710 | - |
| Rolf Ritter ³⁾ | CEO Central Europe | 241 | - | 210 | - |
| Dr. Frank Hilgers | CEO Northern and Eastern Europe, CCO | 2,827 | - | 2,562 | 300 |
| David Jones | CEO America | 700 | 700 | 300 | 300 |
| Robert Ang | CEO Asia | 12,819 | - | 13,054 | - |
| Susan Salzbrenner ⁴⁾ | VP of People & Organization | - | - | - | - |
| Total | | 34,792 | 1,200 | 35,041 | 1,100 |

1) Additionally, shareholder of Kolin Holding AG, which holds 56.3 percent of the votes of Bossard Holding AG.

2) Also acting as CEO Central Europe ad interim in 2022

3) Appointment as CEO Central Europe in January 2023, former CSO in 2022

4) Appointment as VP of People & Organization in January 2023

5) These shares are subject to a blocking period of three years starting from the grant date.

At December 31, the individual members of the executive committee held the following numbers of awarded restricted stock units (RSUs):

| Executive committee | | 2023 ⁴⁾ | 2022 |
|----------------------------------|--------------------------------------|--------------------|--------------|
| Dr. Daniel Bossard ¹⁾ | CEO | 1,210 | 1,185 |
| Stephan Zehnder | CFO | 637 | 662 |
| Rolf Ritter ²⁾ | CEO Central Europe | 296 | 189 |
| Dr. Frank Hilgers | CEO Northern and Eastern Europe, CCO | 647 | 662 |
| David Jones | CEO America | 385 | 145 |
| Robert Ang | CEO Asia | 622 | 662 |
| Susan Salzbrenner ³⁾ | VP of People & Organization | 96 | 96 |
| Total | | 3,893 | 3,601 |

1) Also acting as CEO Central Europe ad interim in 2022

2) Appointment as CEO Central Europe in January 2023, former CSO in 2022

3) Appointment as VP of People & Organization in January 2023

4) RSUs which will be granted in the second quarter of 2024 for the financial year 2023 are not included in the balance.

Guideline of shareholding

The board of directors adopted guidelines on shareholdings. These came into effect on January 1, 2020:

- The chair of the board of directors shall hold 150 percent of the equivalent value of the base fee in registered A shares of Bossard Holding AG.
- The members of the board of directors shall hold 100 percent of the equivalent value of the base fees in registered A shares of Bossard Holding AG.
- The CEO shall hold 150 percent of the equivalent value of the fixed compensation in registered A shares of Bossard Holding AG.
- The members of the executive committee shall hold 100 percent of the equivalent value of the fixed compensation in registered A shares of Bossard Holding AG.
- Newly elected members shall build up the required shareholding within four years upon their election. Should the share price fall or rise significantly, the board of directors may, at its own discretion, adjust this period accordingly.

For the determination of the minimum shareholdings, all shares are considered, regardless of whether they are restricted or not. The compensation committee annually assesses the alignment of the shareholdings with the guideline of shareholding.

According to the review of the compensation committee (last review in 2023), all members of the board of directors and the executive committee comply with the guideline of shareholding; this also includes the transition period of the newly elected or appointed members.



Report of the statutory auditor to the General Meeting of Bossard Holding AG Zug

Report on the audit of the compensation report

Opinion

We have audited the compensation report of Bossard Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the note 5 and 6 on pages 117 to 124 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the compensation report (pages 117 to 124) complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the note 5 and 6 in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the compensation report

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

Auditor's responsibilities for the audit of the compensation report

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

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

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

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

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

PricewaterhouseCoopers AG

Thomas Wallmer

Licensed audit expert
Auditor in charge

Simon Hux

Licensed audit expert

Zurich, February 23, 2024

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.



Financial Report

129 **Financial review 2023**

Consolidated Financial Statements

- 132 Consolidated balance sheet
- 133 Consolidated income statement
- 134 Consolidated statement of changes in equity
- 135 Consolidated cash flow statement
- 136 Notes to the consolidated financial statements
- 160 Report of the statutory auditor on the consolidated financial statements

Bossard Holding AG

- 164 Balance sheet
- 165 Income statement
- 166 Notes to the financial statements
- 169 Appropriation of available earnings
- 170 Report of the statutory auditor on the financial Statements

173 **Investor information**

127

AT A GLANCE

Most important figures

Net sales

in CHF

1,069 million

EBIT

in CHF

113 million

EBIT margin

10.6 %

Net income

in CHF

77 million

FINANCIAL REVIEW 2023

Robust balance sheet and solid profitability in a challenging environment

In an economically challenging market environment marked by a strong Swiss franc, the Bossard Group achieved sales of CHF 1,069.0 million in the financial year 2023 (prior year: CHF 1,153.8 million). This represents a decrease of 7.4 percent (in local currency: -2.6 percent). EBIT amounted to CHF 113.1 million (prior year: CHF 141.5 million), a decrease of 20.1 percent. The EBIT margin was 10.6 percent (prior year: 12.3 percent). Net income declined by 27.2 percent to CHF 76.8 million (prior year: CHF 105.6 million).

The positive business momentum that continued into the first quarter of 2023 normalized over the course of the year. Normalization of incoming orders in the course of customer inventory reductions seamlessly transitioned to weaker customer demand. Economic indicators deteriorated as the year progressed. Thanks to stable demand in parts of our growth industries and the gratifying performance of Smart Factory services, Bossard was still able to strengthen its market position in all three market regions.

Weakening market in Europe

In Europe, Bossard posted a drop in sales of 6.1 percent to CHF 586.4 million (in local currency: -3.5 percent). This result was a consequence of the economic slowdown and normalization of demand as well as the stronger Swiss franc. Despite tough economic conditions, the railway and electromobility sectors showed encouraging signs. In an environment marked by inflation and a shortage of skilled labor, Bossard's Smart Factory services drew even more attention from customers.

Normalization of demand dynamics in America

After a phase of double-digit growth rates, demand in America also began to normalize over the course of the year. The strong Swiss franc had an additional negative impact on sales development. While sales increased by 3.6 percent in local currency, sales in Swiss francs declined by 2.6 percent to CHF 301.5 million. The successful expansion of the customer base over the last years was particularly evident in the positive development of the focus industry of electromobility. Bossard Ontario Inc. in Canada, which is consolidated since December 1, 2022, contributed to the sales performance.

Restrained demand development in Asia

Sales in Asia declined by 17.8 percent to CHF 181.1 million (in local currency: -9.0 percent). In this market region the appreciation of the Swiss franc was significant. Apart from the gratifying development in India, the overall demand momentum in Asia was restrained. Particularly in China, only slight growth momentum was felt after COVID-19 restrictions were lifted. In India, Bossard benefited from nearshoring trends, a dynamic start-up landscape, and infrastructure projects in the focus industry of railway.

Solid profitability in spite of challenging market environment

In addition to geopolitical tensions, the market environment in 2023 was marked by weakening global demand, which led to shorter delivery times and a widespread normalization on the procurement market. In spite of the difficult market environment, the gross profit margin of 31.7 percent was above last year's 31.2 percent.

Compared to the prior year, sales and administration expenses increased by 3.4 percent to CHF 226.1 million. In relation to sales, the share of costs increased from 19.0 percent in the prior year to 21.1 percent. The rise in costs is partly due to the inflationary market environment, which primarily manifested in rising labor costs. The increase in costs also resulted from our targeted investments in the organization and the digitalization initiatives in the course of our Strategy 200. The number of full-time equivalents at year end increased slightly from last year's 2,823 to 2,835.

The slowdown in demand as well as the higher cost basis negatively impacted the results. EBIT decreased by CHF 28.4 million to CHF 113.1 million. The EBIT margin declined from last year's 12.3 percent to 10.6 percent, which nonetheless reflects solid profitability in a challenging market environment.

The financial result amounted to CHF -12.7 million compared to last year's CHF -5.0 million. The increase results from rising interest rates. In addition, foreign currency losses were higher than last year. Tax expenses declined from CHF 30.0 million to CHF 22.8 million as a result of the decrease in profit. The tax rate was 22.9 percent compared to the prior year's 22.2 percent. The slight increase in the tax rate is mainly due to the regional profit mix.

Net income declined by 27.2 percent to CHF 76.8 million (prior year: CHF 105.6 million). At the annual general meeting of shareholders, the board of directors will propose a dividend of CHF 4.00 per registered A share (prior year: CHF 5.50), in line with our dividend policy of a 40 percent payout of net income.

Robust balance sheet and strong cash flow

The normalization in the supply chains over the course of the year as well as the slowdown in demand had a positive effect on capital commitment and hence total assets. Compared to prior year, total assets decreased by 11.3 percent to CHF 807.2 million.

The decrease is driven by lower customer receivables due to the drop in sales as well as the normalization of the supply chains. The latter increased the availability of products, which resulted in lower inventory levels. Both the decline in receivables as well as the drop in inventory were disproportionate to the decline in sales, which is partly due to the strong Swiss franc.

Thanks to continued solid profitability and lower capital commitment, the equity ratio increased from 41.7 percent in the prior year to 46.2 percent. As a result of the strong free cash flow, net debt declined from last year's CHF 319.0 million to CHF 241.0 million. The gearing – the ratio

of net debt to equity – declined from 0.8 in the prior year to 0.6. The debt factor – net debt in relation to EBITDA – was 1.7 after 1.9 in the prior year, underscoring the Group's continued solid financial position.

While cash flow from operating activities before the change in net working capital dropped by CHF 33.5 million to CHF 104.2 million, cash flow from operating activities increased from CHF 6.0 million in the prior year to CHF 157.7 million as a result of the above-average decrease in operating net working capital. Cash flow from investment activities declined by CHF 31.8 million to CHF 36.3 million owing to the lower outflow of funds for business acquisitions. In addition, the outflow of funds for investments in tangible and intangible assets totaled CHF 38.4 million, slightly lower than last year. Thanks to consistently solid profitability and the significant decrease in operating net working capital, Bossard recorded an above-average free cash flow of CHF 121.4 million in the financial year 2023 (prior year: CHF -62.1 million).

Outlook

The uncertainties about the economic development and hence customer demand, inflation, central bank policies, and geopolitical tensions will persist in 2024. For this reason, it is difficult to forecast how the financial year will unfold. However, even this market environment holds opportunities for growth. The stronger trend toward near-shoring and the digitalization of processes to increase efficiency and productivity should further strengthen demand for Bossard's Smart Factory services in the current environment marked by cost and wage inflation.



Stephan Zehnder
CFO

Zug, February 28, 2024

BOSSARD GROUP

Consolidated balance sheet

| in CHF 1,000 | Notes | 31.12.2023 | 31.12.2022 |
|-------------------------------|-------|----------------|----------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 1 | 52,244 | 35,792 |
| Accounts receivable, trade | 2 | 159,981 | 193,039 |
| Other receivables | | 4,232 | 6,529 |
| Prepaid expenses | | 12,719 | 13,126 |
| Inventories | 3 | 358,484 | 442,275 |
| | | 587,660 | 690,761 |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 141,225 | 143,096 |
| Intangible assets | 5 | 51,958 | 47,800 |
| Financial assets | 6 | 8,081 | 8,311 |
| Deferred tax assets | 7 | 18,313 | 20,121 |
| | | 219,577 | 219,328 |
| Total assets | | 807,237 | 910,089 |

| in CHF 1,000 | Notes | 31.12.2023 | 31.12.2022 |
|---|-------|----------------|----------------|
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Accounts payable, trade | | 54,477 | 80,350 |
| Other liabilities | | 15,768 | 13,431 |
| Accrued expenses | | 39,678 | 48,374 |
| Tax liabilities | | 6,314 | 8,194 |
| Provisions | 8 | 2,125 | 1,794 |
| Short-term debts | 9 | 90,492 | 128,677 |
| | | 208,854 | 280,820 |
| Non-current liabilities | | | |
| Long-term debts | 10 | 202,793 | 226,104 |
| Provisions | 8 | 9,776 | 10,882 |
| Deferred tax liabilities | 7 | 13,128 | 12,660 |
| | | 225,697 | 249,646 |
| Total liabilities | | 434,551 | 530,466 |
| Shareholders' equity | | | |
| Share capital | 11 | 40,000 | 40,000 |
| Treasury shares | 11 | -2,911 | -3,844 |
| Capital reserves | | 74,459 | 74,393 |
| Retained earnings | | 253,964 | 263,135 |
| | | 365,512 | 373,684 |
| Non-controlling interest | | 7,174 | 5,939 |
| Total shareholders' equity | | 372,686 | 379,623 |
| Total liabilities and shareholders' equity | | 807,237 | 910,089 |

The notes on pages 136 to 159 are an integral part of the consolidated financial statements.

BOSSARD GROUP

Consolidated income statement

| in CHF 1,000 | Notes | 2023 | 2022 |
|---|--------------|----------------|----------------|
| Net sales | 12/13 | 1,068,976 | 1,153,841 |
| Cost of goods sold | | -729,808 | -793,710 |
| Gross profit | | 339,168 | 360,131 |
| Selling expenses | | -144,588 | -137,218 |
| Administrative expenses | | -81,494 | -81,446 |
| EBIT | | 113,086 | 141,467 |
| Share of result from associated companies | | -702 | -813 |
| Financial result | 16 | -12,740 | -5,024 |
| Income before taxes | | 99,644 | 135,630 |
| Income taxes | 7 | -22,815 | -30,047 |
| Net income | | 76,829 | 105,583 |
| Attributable to: | | | |
| Shareholders of Bossard Holding AG | | 74,214 | 102,980 |
| Non-controlling interest | | 2,615 | 2,603 |
| in CHF | Notes | 2023 | 2022 |
| Earnings per registered A share ¹⁾ | 17 | 9.64 | 13.38 |
| Earnings per registered B share ¹⁾ | 17 | 1.93 | 2.68 |

1) Earnings per share is based on the net income of the shareholders of Bossard Holding AG and the annual average number of outstanding shares entitled to dividend. There is no dilution effect.

The notes on pages 136 to 159 are an integral part of the consolidated financial statements.

BOSSARD GROUP

Consolidated statement of changes in equity

| in CHF 1,000 | Share capital | Treasury shares | Capital reserves | Retained earnings | | | Shareholders Bossard | Non-controlling interest | Shareholders' equity |
|--|---------------|-----------------|------------------|-------------------|-----------------|-------------------------|----------------------|--------------------------|----------------------|
| | | | | Retained earnings | Goodwill offset | Translation differences | | | |
| Balance at January 1, 2022 | 40,000 | -4,242 | 75,165 | 728,111 | -385,313 | -108,466 | 345,255 | 4,293 | 349,548 |
| Dividend | | | | -39,264 | | | -39,264 | -449 | -39,713 |
| Net income for the period | | | | 102,980 | | | 102,980 | 2,603 | 105,583 |
| Management participation plan | | | 1,216 | | | | 1,216 | | 1,216 |
| Change in treasury shares | | 398 | -1,988 | | | | -1,590 | | -1,590 |
| Offset goodwill from acquisitions | | | | | -19,761 | | -19,761 | | -19,761 |
| Translation differences | | | | | | -15,152 | -15,152 | -508 | -15,660 |
| Balance at December 31, 2022 | 40,000 | -3,844 | 74,393 | 791,827 | -405,074 | -123,618 | 373,684 | 5,939 | 379,623 |
| Balance at January 1, 2023 | 40,000 | -3,844 | 74,393 | 791,827 | -405,074 | -123,618 | 373,684 | 5,939 | 379,623 |
| Dividend | | | | -42,326 | | | -42,326 | -477 | -42,803 |
| Net income for the period | | | | 74,214 | | | 74,214 | 2,615 | 76,829 |
| Management participation plan | | | 1,299 | | | | 1,299 | | 1,299 |
| Change in treasury shares | | 933 | -1,233 | | | | -300 | | -300 |
| Non-controlling interest from acquisitions | | | | | -1,043 | | -1,043 | -251 | -1,294 |
| Changes in the scope of consolidation | | | | 28 | | | 28 | -28 | 0 |
| Translation differences | | | | | | -40,044 | -40,044 | -624 | -40,668 |
| Balance at December 31, 2023 | 40,000 | -2,911 | 74,459 | 823,743 | -406,117 | -163,662 | 365,512 | 7,174 | 372,686 |

For details regarding share capital, please refer to note 11 on page 143 and regarding the goodwill offset from acquisitions to note 20 on page 147.

The notes on pages 136 to 159 are an integral part of the consolidated financial statements

BOSSARD GROUP

Consolidated cash flow statement

| in CHF 1,000 | Notes | 2023 | 2022 |
|---|-------|----------------|--------------|
| Net income | | 76,829 | 105,583 |
| Share of result from associated companies | | 702 | 813 |
| Income taxes | 7 | 22,815 | 30,047 |
| Financial result | 16 | 12,740 | 5,024 |
| Depreciation and amortization | 4/5 | 24,995 | 23,718 |
| (Decrease)/increase provisions | 8 | -333 | 4,796 |
| Loss/(gain) from disposals of property, plant and equipment | 4 | 128 | -530 |
| Loss from disposals of intangible assets | 5 | 11 | 634 |
| Interest received | | 1,268 | 507 |
| Interest paid | | -9,480 | -4,582 |
| Taxes paid | | -24,656 | -27,738 |
| Increase management participation plan (part of equity) | | 1,299 | 1,216 |
| Other non-cash income | | -2,116 | -1,827 |
| Cash flow from operating activities before changes in net working capital | | 104,202 | 137,661 |
| Decrease/(increase) accounts receivable, trade | | 19,754 | -21,679 |
| Decrease/(increase) other current assets | | 578 | -1,994 |
| Decrease/(increase) inventories | | 58,006 | -108,165 |
| (Decrease)/increase accounts payable, trade | | -21,219 | 2,637 |
| Decrease other non-interest bearing liabilities | | -3,634 | -2,456 |
| Cash flow from operating activities | | 157,687 | 6,004 |

| in CHF 1,000 | Notes | 2023 | 2022 |
|--|-------|-----------------|----------------|
| Investments in property, plant and equipment | 4 | -26,515 | -25,788 |
| Proceeds from sales of property, plant and equipment | 4 | 2,714 | 2,170 |
| Investments in intangible assets | 5 | -11,846 | -15,442 |
| Net cash flow from purchases of companies | 18 | -1,294 | -27,423 |
| Net cash flow from purchase price adjustments | 18 | 1,347 | - |
| Investments in financial assets | 6 | -886 | -1,720 |
| Divestments of financial assets | 6 | 190 | 122 |
| Cash flow from investing activities | | -36,290 | -68,081 |
| (Repayment)/proceeds of short-term debts | 9 | -36,874 | 42,704 |
| (Repayment)/proceeds of long-term debts | 10 | -22,882 | 61,777 |
| Purchase/sale of treasury shares | | 933 | 398 |
| Dividends paid to shareholders | | -42,326 | -39,264 |
| Dividends paid to non-controlling interest | | -477 | -449 |
| Cash flow from financing activities | | -101,626 | 65,166 |
| Translation differences | | -3,319 | -1,405 |
| Change in cash and cash equivalents | | 16,452 | 1,684 |
| Cash and cash equivalents at January 1 | | 35,792 | 34,108 |
| Cash and cash equivalents at December 31 | 1 | 52,244 | 35,792 |

The notes on pages 136 to 159 are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Scope of operations

Bossard Holding AG, Zug, Switzerland, a limited company subject to Swiss law, is the parent company of all entities within the Bossard Group (hereinafter Bossard or Group). Bossard is a leading distributor of fasteners of every kind and a provider of related engineering and logistics services. The Group operates in three geographic regions, Europe, America and Asia, and is one of the market leaders in its sector of industry.

Accounting principles of the consolidated financial statements

The consolidated financial statements of the Group are based on the financial statements of the individual Group companies at December 31, 2023, prepared in accordance with uniform accounting policies. The consolidated financial statements have been prepared under the historical cost convention except for the revaluation of certain financial assets and liabilities at market value, in accordance with full Swiss GAAP FER. They are consistent with Swiss law and the listing rules of the SIX Swiss Exchange.

The consolidated financial statements were approved by the board of directors on February 23, 2024 and will be recommended for approval at the annual general meeting of shareholders.

The main principles of consolidation and valuation are detailed at the end of the notes to the consolidated financial statements.

1. Cash and cash equivalents

| in CHF 1,000 | 2023 | Interest rates in % | 2022 | Interest rates in % |
|---------------------------|---------------|---------------------|---------------|---------------------|
| Cash on hand and at banks | 48,170 | 0.0–7.5 | 35,554 | 0.0–10.5 |
| Short-term bank deposits | 4,074 | 4.6–7.1 | 238 | 5.0 |
| Total | 52,244 | | 35,792 | |

For details of movements in cash and cash equivalents please refer to the consolidated cash flow statement (page 135).

2. Accounts receivable, trade

| in CHF 1,000 | 2023 | 2022 |
|----------------------------------|----------------|----------------|
| Accounts receivable, trade gross | 162,285 | 194,997 |
| According to due date | | |
| not due | 150,001 | 178,623 |
| 30 days overdue | 5,816 | 8,298 |
| 60 days overdue | 1,631 | 3,088 |
| 90 days overdue | 4,837 | 4,988 |
| Notes receivable | 3,348 | 4,005 |
| Allowance for bad debts | -5,652 | -5,963 |
| Total | 159,981 | 193,039 |

3. Inventories

| in CHF 1,000 | 2023 | 2022 |
|---|----------------|----------------|
| Goods for trading/components | 409,231 | 490,464 |
| Value adjustments | -50,747 | -48,189 |
| Total | 358,484 | 442,275 |
| Value adjustments in % of inventory value | 12.4 | 9.8 |

4. Property, plant and equipment

| in CHF 1,000 | Construction in progress | Land and buildings | Machinery and equipment | Others | Total |
|---------------------------------------|--------------------------|--------------------|-------------------------|--------------|----------------|
| Cost | | | | | |
| Balance at Jan. 1, 2023 | 7,752 | 155,948 | 133,847 | 9,947 | 307,494 |
| Additions | 6,759 | 2,152 | 15,706 | 1,898 | 26,515 |
| Changes in the scope of consolidation | - | - | - | - | - |
| Disposals | - | -2,704 | -3,286 | -1,538 | -7,528 |
| Reclass | -12,026 | 9,875 | 2,151 | - | - |
| Translation differences | -379 | -6,907 | -6,113 | -440 | -13,839 |
| Balance at Dec. 31, 2023 | 2,106 | 158,364 | 142,305 | 9,867 | 312,642 |
| Accumulated depreciation | | | | | |
| Balance at Jan. 1, 2023 | 0 | 65,356 | 93,640 | 5,402 | 164,398 |
| Depreciation | - | 4,120 | 11,712 | 1,601 | 17,433 |
| Disposals | - | -949 | -2,268 | -1,469 | -4,686 |
| Translation differences | - | -1,644 | -3,851 | -233 | -5,728 |
| Balance at Dec. 31, 2023 | 0 | 66,883 | 99,233 | 5,301 | 171,417 |
| Net book value | 2,106 | 91,481 | 43,072 | 4,566 | 141,225 |

| in CHF 1,000 | Construction in progress | Land and buildings | Machinery and equipment | Others | Total |
|---------------------------------------|--------------------------|--------------------|-------------------------|--------------|----------------|
| Cost | | | | | |
| Balance at Jan. 1, 2022 | 6,117 | 154,659 | 128,797 | 9,273 | 298,846 |
| Additions | 6,232 | 1,521 | 14,593 | 3,442 | 25,788 |
| Changes in the scope of consolidation | - | 1 | 190 | 18 | 209 |
| Disposals | -10 | -310 | -7,092 | -2,488 | -9,900 |
| Reclass | -3,940 | 3,655 | 285 | - | - |
| Translation differences | -647 | -3,578 | -2,926 | -298 | -7,449 |
| Balance at Dec. 31, 2022 | 7,752 | 155,948 | 133,847 | 9,947 | 307,494 |
| Accumulated depreciation | | | | | |
| Balance at Jan. 1, 2022 | 0 | 61,529 | 89,650 | 6,538 | 157,717 |
| Depreciation | - | 4,629 | 11,203 | 1,362 | 17,194 |
| Disposals | - | -213 | -5,710 | -2,337 | -8,260 |
| Translation differences | - | -589 | -1,503 | -161 | -2,253 |
| Balance at Dec. 31, 2022 | 0 | 65,356 | 93,640 | 5,402 | 164,398 |
| Net book value | 7,752 | 90,592 | 40,207 | 4,545 | 143,096 |

5. Intangible assets

| in CHF 1,000 | Software in development | Software | Others | Total |
|---------------------------------------|-------------------------|---------------|------------|---------------|
| Cost | | | | |
| Balance at Jan. 1, 2023 | 6,205 | 79,789 | 220 | 86,214 |
| Additions | 10,755 | 1,091 | - | 11,846 |
| Changes in the scope of consolidation | - | - | - | - |
| Disposals | - | -267 | - | -267 |
| Reclass | -6,168 | 6,168 | - | - |
| Translation differences | -19 | -489 | - | -508 |
| Balance at Dec. 31, 2023 | 10,773 | 86,292 | 220 | 97,285 |
| Accumulated amortization | | | | |
| Balance at Jan. 1, 2023 | 0 | 38,307 | 107 | 38,414 |
| Amortization | - | 7,518 | 44 | 7,562 |
| Disposals | - | -256 | - | -256 |
| Translation differences | - | -392 | -1 | -393 |
| Balance at Dec. 31, 2023 | 0 | 45,177 | 150 | 45,327 |
| Net book value | 10,773 | 41,115 | 70 | 51,958 |

| in CHF 1,000 | Software in development | Software | Others | Total |
|---------------------------------------|-------------------------|---------------|------------|---------------|
| Cost | | | | |
| Balance at Jan. 1, 2022 | 10,271 | 61,919 | 220 | 72,410 |
| Additions | 14,010 | 1,432 | - | 15,442 |
| Changes in the scope of consolidation | - | - | - | - |
| Disposals | -632 | -628 | - | -1,260 |
| Reclass | -17,440 | 17,440 | - | - |
| Translation differences | -4 | -374 | - | -378 |
| Balance at Dec. 31, 2022 | 6,205 | 79,789 | 220 | 86,214 |
| Accumulated amortization | | | | |
| Balance at Jan. 1, 2022 | 0 | 32,734 | 63 | 32,797 |
| Amortization | - | 6,480 | 44 | 6,524 |
| Disposals | - | -626 | - | -626 |
| Translation differences | - | -281 | - | -281 |
| Balance at Dec. 31, 2022 | 0 | 38,307 | 107 | 38,414 |
| Net book value | 6,205 | 41,482 | 113 | 47,800 |

In 2023, no self-generated intangible assets were capitalized (2022: CHF 1.0 million).

6. Financial assets

| in CHF 1,000 | 2023 | Interest rates in % | 2022 | Interest rates in % |
|-------------------------------------|--------------|---------------------|--------------|---------------------|
| Loans and deposits to third parties | 6,809 | 0.0–7.0 | 6,346 | 0.0–3.8 |
| Investments in associated companies | 160 | | 850 | |
| Other financial assets | 1,112 | | 1,115 | |
| Total | 8,081 | | 8,311 | |

7. Income taxes

The tax expenses are made up as follows:

| in CHF 1,000 | 2023 | 2022 |
|----------------|---------------|---------------|
| Current taxes | 21,717 | 27,718 |
| Deferred taxes | 1,098 | 2,329 |
| Total | 22,815 | 30,047 |

The effective tax rate on the Group's profit differs from the average basic tax rate of the various countries in which Bossard operates as follows:

| in CHF 1,000 | 2023 | 2022 |
|---|---------------|---------------|
| Income before taxes | 99,644 | 135,630 |
| Weighted average tax rate in % | 21.4 | 20.4 |
| Tax expense at weighted average tax rate | 21,305 | 27,628 |
| Non tax deductible expenses | 493 | 909 |
| Non-taxable income | -280 | -76 |
| Income/expenses taxed at special rate | 30 | -36 |
| Unrecognized current year tax losses | 364 | 449 |
| Utilization unrecognized prior year tax losses | -540 | -1,560 |
| Change in applicable tax rate | 63 | 24 |
| Others | 1,380 | 2,709 |
| Tax expense at effective tax rate | 22,815 | 30,047 |
| Effective tax rate in % | 22.9 | 22.2 |

The Group's average tax rate is the weighted average based on the various individual results and the local tax rates.

The deferred taxes consist of the following:

| in CHF 1,000 | Assets 2023 | Liabilities 2023 | Assets 2022 | Liabilities 2022 |
|-------------------------------|---------------|------------------|---------------|------------------|
| Accounts receivable | 701 | 293 | 676 | 316 |
| Inventories | 8,427 | 3,077 | 8,583 | 3,925 |
| Property, plant and equipment | 345 | 2,373 | 348 | 2,457 |
| Intangible assets | 4,952 | 3,217 | 6,480 | 2,035 |
| Liabilities | 3,888 | 4,168 | 4,034 | 3,927 |
| Total deferred taxes | 18,313 | 13,128 | 20,121 | 12,660 |
| Net | 5,185 | | 7,461 | |

The gross values of unused tax losses carried forward which have not been capitalized expire as follows:

| Expiry of unused tax losses carried forward in CHF 1,000 | Within 5 years | After 5 years | Total |
|--|----------------|---------------|---------------|
| 2023 | 998 | 11,196 | 12,194 |
| 2022 | 780 | 13,367 | 14,147 |

This results in not capitalized deferred tax assets for unused tax losses carried forward of CHF 2.6 million (2022: CHF 3.0 million).

The Group falls within the scope of the OECD global minimum tax framework (Pillar Two) which was implemented in local legislation in numerous countries of operation as of January 1, 2024. Under this legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15 percent minimum tax rate.

Since the legislation was not effective in financial year 2023, the Group has not recognized any corresponding tax expense. Furthermore, these financial statements have been prepared without recognition of any deferred tax assets and liabilities related to the OECD Pillar Two income taxes.

The Group is continuously assessing its exposure to the global minimum taxation legislation and monitors developments closely. Based on the current assessment, there are a limited number of jurisdictions where the GloBE effective tax rate is close to 15 percent and the transitional safe harbor relief does not apply. Therefore, the Group does not anticipate a material exposure related to the OECD Pillar Two top-up taxes in those jurisdictions for the financial year 2024.

8. Provisions

| in CHF 1,000 | Pension and other termination benefits | Management participation plan | Others | Total |
|---------------------------------|--|-------------------------------|--------------|---------------|
| Balance at Jan. 1, 2023 | 5,118 | 448 | 7,110 | 12,676 |
| Additions | 587 | 378 | 1,261 | 2,226 |
| Usage | -411 | -269 | -1,219 | -1,899 |
| Reversals | -339 | -13 | -308 | -660 |
| Translation differences | -292 | -53 | -97 | -442 |
| Balance at Dec. 31, 2023 | 4,663 | 491 | 6,747 | 11,901 |
| Thereof short-term | 321 | 0 | 1,804 | 2,125 |

Pension and other termination benefits include liabilities for pension and granted legal benefits based on affiliation to the Group.

The provision management participation plan pertains to a long-term orientated program which is offered by the Group to specified middle and top management personnel. The manager annually receives a defined sum which is converted into restricted stock units of Bossard Holding AG registered A shares. This additional compensation is locked up for three to five years.

Other provisions include CHF 5.1 million (2022: CHF 6.0 million) for assumed obligations for rental and renovations related to the acquisition of KVT-Fastening. Of this amount, CHF 4.2 million (2022: CHF 4.9 million) is for an open rental obligation, which is due to the abandonment of the site and was discounted at a rate of 2.1 percent (2022: 2.1 percent).

| in CHF 1,000 | Pension and other termination benefits | Management participation plan | Others | Total |
|---------------------------------|--|-------------------------------|--------------|---------------|
| Balance at Jan. 1, 2022 | 5,016 | 782 | 2,379 | 8,177 |
| Additions | 604 | 325 | 5,524 | 6,453 |
| Usage | -249 | -266 | -413 | -928 |
| Reversals | -19 | -365 | -344 | -728 |
| Translation differences | -234 | -28 | -36 | -298 |
| Balance at Dec. 31, 2022 | 5,118 | 448 | 7,110 | 12,676 |
| Thereof short-term | 248 | 0 | 1,546 | 1,794 |

9. Short-term debts

| in CHF 1,000 | 2023 | Interest rates in % | 2022 | Interest rates in % |
|----------------------------|---------------|---------------------|----------------|---------------------|
| Bank overdrafts | 672 | 0.0–5.0 | 823 | 0.0–4.7 |
| Bank loans | 65,680 | 0.9–4.8 | 98,263 | 0.9–6.7 |
| Personnel savings accounts | 21,770 | 0.8 | 24,191 | 0.8 |
| Others ¹⁾ | 2,370 | 2.5 | 5,400 | 0.6–0.8 |
| Total | 90,492 | | 128,677 | |

1) For details, please refer to note 23

The personnel savings accounts correspond to savings of employees. The effective weighted average interest rate on all borrowings was 2.6 percent (2022: 1.1 percent).

10. Long-term debts

| in CHF 1,000 | 2023 | Interest rates in % | 2022 | Interest rates in % |
|----------------------|----------------|---------------------|----------------|---------------------|
| Bank loans | 168,581 | 0.9–2.9 | 196,266 | 0.9–2.1 |
| Others ¹⁾ | 34,212 | 2.1–12.0 | 29,838 | 0.5–12.0 |
| Total | 202,793 | | 226,104 | |

1) For details, please refer to note 23

11. Share capital

| Details of share capital 2023/2022 | Par value in CHF | Number of shares | Total in CHF 1,000 |
|------------------------------------|------------------|------------------|--------------------|
| Registered A shares | 5 | 6,650,000 | 33,250 |
| Registered B shares | 1 | 6,750,000 | 6,750 |
| Total | | | 40,000 |

298,577 registered A shares of CHF 5 par value are held by Bossard Holding AG and have neither voting rights nor dividend entitlement.

The consolidated reserves include non-distributable legal reserves of CHF 16 million (2022: CHF 16 million).

Treasury shares

The treasury shares can be used especially for management participation plans, acquisitions or other purposes in the interest of the Group.

| | 2023 | | 2022 | |
|---------------------------|----------------|------------------|----------------|------------------|
| | Number | in CHF | Number | in CHF |
| Balance at Jan. 1 | 303,559 | 3,843,877 | 300,904 | 4,241,836 |
| Additions | 36,216 | 8,218,877 | 114,577 | 24,768,347 |
| Disposals | -41,198 | -9,152,200 | -111,922 | -25,166,306 |
| Balance at Dec. 31 | 298,577 | 2,910,554 | 303,559 | 3,843,877 |

| Average transaction price in CHF | 2023 | 2022 |
|--|--------|--------|
| Additions | 226.94 | 216.17 |
| Disposals management participation plans | 205.23 | 215.62 |
| Other disposals | 227.01 | 217.82 |

The disposals contain 6,777 shares (2022: 6,796) for the restricted stock unit plan (RSU).

6,710 registered A shares (2022: 11,692) are reserved for the management participation plan (RSU).

Dividend

At the upcoming annual general meeting of shareholders on April 8, 2024, the board of directors of Bossard Holding AG will propose a dividend for the financial year 2023 of CHF 4.00 (2022: CHF 5.50) per registered A share and CHF 0.80 (2022: CHF 1.10) per registered B share.

12. Segment information

The Group and all its regional companies are operating internationally in the field of industrial fastening technology. There are no separate segments as per Swiss GAAP FER 31. All the regional companies are managed based on a uniform business strategy. The core of Bossard's strategy is a uniform business model with the same customer and product focus in the world's major industrial regions. Bossard supplies industrial companies at their worldwide production sites with fastening technology products and related services based on uniform quality standards using uniform operational systems and processes. The board of directors and executive committee manage the Group on the basis of the financial statements of the individual regional companies and the Group's consolidated financial statement. Based on the number of regional companies, the CEO delegates the monitoring of the goals and their implementation in daily operations to the members of the executive committee, which are responsible for a different number of companies in the various regions.

13. Sales by regions

| in CHF million | Europe | | America | | Asia | | Group | |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Sales | 588.3 | 627.4 | 302.0 | 310.1 | 181.3 | 220.6 | 1,071.6 | 1,158.1 |
| Sales deductions | -1.9 | -3.2 | -0.5 | -0.7 | -0.2 | -0.4 | -2.6 | -4.3 |
| Net sales | 586.4 | 624.2 | 301.5 | 309.4 | 181.1 | 220.2 | 1,069.0 | 1,153.8 |

14. Personnel expenses

| in CHF 1,000 | 2023 | 2022 |
|------------------------------------|----------------|----------------|
| Salaries and variable compensation | 168,456 | 170,642 |
| Social security expenses | 26,364 | 25,228 |
| Pension expenses | 12,790 | 11,953 |
| Other personnel expenses | 7,392 | 8,652 |
| Total | 215,002 | 216,475 |

The expense for share-based compensation recognized in the result for the period is CHF 1.7 million (2022: CHF 1.2 million).

15. Awarded restricted stock units

| Number of RSUs | 2023 | 2022 |
|---|---------------|---------------|
| Balance at Jan. 1: Number of RSUs outstanding | 28,216 | 27,934 |
| Deliveries | -8,325 | -8,239 |
| Allocations | 8,606 | 9,254 |
| Other changes | -1,060 | -733 |
| Balance at Dec. 31: Number of RSUs outstanding | 27,437 | 28,216 |

16. Financial result

| in CHF 1,000 | 2023 | 2022 |
|--|----------------|---------------|
| Income from interests and securities | 1,135 | 360 |
| Income from non-consolidated investments | 179 | 179 |
| Interest expenses | -10,373 | -4,991 |
| Exchange differences | -3,681 | -572 |
| Total | -12,740 | -5,024 |

17. Earnings per share

| | 2023 | 2022 |
|---|-----------|-----------|
| Net income in CHF 1,000 | 74,214 | 102,980 |
| Average number of shares entitled to dividend ¹⁾ | 7,696,833 | 7,695,992 |
| Earnings per registered A share in CHF | 9.64 | 13.38 |
| Earnings per registered B share in CHF | 1.93 | 2.68 |

1) Registered B shares adjusted to the nominal value of the registered A shares

Earnings per share are calculated by dividing the net income attributable to Shareholders of Bossard Holding AG by the weighted average number of shares entitled to dividend during the year. There is no dilution effect as there are no options or convertible bonds outstanding.

18. Acquisitions and disposals of subsidiaries and businesses

Acquisitions 2023

In November 2023, the investment in Arnold Industries Cork DAC, Ireland, was increased from 95.0 percent to 100.0 percent. This acquisition resulted in a cash outflow of CHF 1.3 million and goodwill of CHF 1.0 million.

Disposals 2023

No subsidiaries or associated companies were disposed of.

Other changes in the scope of consolidation 2023

In 2023, the scope of consolidation changed as follows:

- Bossard Services Pte. Ltd, Singapore (incorporation)
- Bossard Industrial Fasteners Int. Trading (Shanghai) Co. Ltd, China (liquidation)
- Sentinus AG, Switzerland (incorporation)

Acquisitions 2022

The following table shows the acquired assets and liabilities at their market value at the acquisition date and the resulting goodwill.

| in CHF 1,000 | Market value at acquisition date |
|---|-------------------------------------|
| Cash and cash equivalents | 237 |
| Accounts receivable, trade | 3,873 |
| Inventories | 6,357 |
| Other current assets | 216 |
| Non-current assets | 213 |
| Accounts payable, trade | -2,974 |
| Other current liabilities | -1,370 |
| Non-current liabilities | - |
| Net assets acquired | 6,552 |
| Goodwill | 19,761 |
| Total | 26,313 |
| Less acquired cash and cash equivalents | -237 |
| Plus purchase price adjustment not yet received | 1,347 |
| Cash flow from acquisitions | 27,423 |

In 2022, the following company was acquired:

- PENN Engineered Fasteners Corporation, Canada (November 2022), now Bossard Ontario Inc.

Disposals 2022

No subsidiaries or associated companies were disposed of.

Other changes in the scope of consolidation 2022

In 2022, the scope of consolidation changed as follows:

- Bossard Deutschland GmbH, Germany (merger with KVT-Fastening GmbH, Germany)
- Boysen Verwaltungs GmbH, Germany (merger with Bossard-KVT Beteiligungs GmbH, Germany)
- Normscrews Beheer B.V., Netherlands (merger with Jevaka B.V., Netherlands)

19. Derivative financial instruments

As of December 31, 2023, there were no open foreign exchange contracts or other derivative financial instruments (2022: none).

20. Goodwill

The theoretical capitalization and amortization of goodwill would affect the consolidated financial statements as follows:

Theoretical movements in goodwill and effect on balance sheet

| in CHF 1,000 | 2023 | 2022 |
|--|----------------|----------------|
| Equity incl. non-controlling interest | 372,686 | 379,623 |
| Equity ratio in % | 46.2 | 41.7 |
| Cost | | |
| Balance at Jan. 1 | 405,074 | 385,313 |
| Additions | 1,043 | 19,761 |
| Disposals | - | - |
| Balance at Dec. 31 | 406,117 | 405,074 |
| Accumulated amortization | | |
| Balance at Jan. 1 | 336,982 | 315,778 |
| Amortization | 24,276 | 21,204 |
| Disposals | - | - |
| Balance at Dec. 31 | 361,258 | 336,982 |
| Theoretical net book value goodwill at Dec. 31 | 44,859 | 68,092 |
| Theoretical equity incl. non-controlling interest and net book value goodwill | 417,545 | 447,715 |
| Theoretical equity ratio in % | 49.0 | 45.8 |

Effect on income statement

| in CHF 1,000 | 2023 | 2022 |
|---|---------------|----------------|
| EBIT without theoretical goodwill amortization | 113,086 | 141,467 |
| Theoretical goodwill amortization | -24,276 | -21,204 |
| EBIT incl. theoretical goodwill amortization | 88,810 | 120,263 |

Goodwill from acquisitions is converted into Swiss francs using the closing rate and offset against equity at the acquisition date. As a result, no exchange differences arise in the movement schedule. The theoretical, straight-line amortization period usually is five years.

21. Pension benefit obligations

The Group has various pension plans to which most of its employees contribute. With the exception of companies in Switzerland, the pension institution is responsible for providing coverage for retirement, survivors' and disability benefits. The pension plan institution for the Swiss companies is an independent pension plan in accordance with the Swiss federal law on occupational retirement, survivors' and disability pension plans (BVG). The pension plan institution uses the fundamentals BVG 2020/generation table. The actuarial interest rate is 1.50 percent (2022: 1.50 percent). In accordance with Swiss GAAP FER 26, the last available financial statements of the pension plan institution, which have a balance sheet date not older than 12 months, serve as a basis for calculation.

Economic benefit/economic obligation and pension plan expenses:

| in CHF 1,000 | Surplus/Deficit according to pension plans | Economic share of the Group | | Change or capitalized in financial year | Contributions accrued | Pension plan expenses in personnel expenses | |
|--|--|-----------------------------|------------|---|-----------------------|---|---------------|
| | 31.12.2023 | 31.12.2023 | 31.12.2022 | 2023 | 2023 | 2023 | 2022 |
| Patronage funds/pension institutions | 2,372 | - | - | - | 318 | 318 | 309 |
| Pension institutions without surplus/deficit | - | - | - | - | 6,447 | 6,447 | 5,856 |
| Pension institutions with surplus | - | - | - | - | - | - | - |
| Pension institutions with deficit | - | - | - | - | - | - | - |
| Pension institutions abroad | - | - | - | - | 6,025 | 6,025 | 5,788 |
| Total | 2,372 | - | - | - | 12,790 | 12,790 | 11,953 |

The surplus in the patronage fund corresponds to the non-committed funds. The patronage fund may, at its own discretion, make contributions to the pension plan institution.

Financing is through employer and employee contributions. The contributions are calculated as a percentage of the insured compensation.

There were no employer contribution reserves as of December 31, 2023 (2022: none).

22. Participations by the board of directors and the executive committee

At December 31, the individual members of the board of directors and of the executive committee (including persons closely associated with them) held the following registered A shares of Bossard Holding AG:

| | 2023 | 2022 |
|--|---------------|---------------|
| Board of directors | | |
| Dr. Thomas Schmuckli Chair, Chair NC ¹⁾ , ARCC ²⁾ | 8,352 | 8,658 |
| Patricia Heidtman Vice Chair, NC, CC ³⁾ | 927 | 785 |
| David Dean Representative of registered A shares, Chair CC, ARCC ⁴⁾ | 1,427 | 1,285 |
| Petra Maria Ehmann NC ⁵⁾ , ARCC | 277 | 135 |
| Marcel Keller CC | 277 | 135 |
| Martin Kühn Chair ARCC ⁶⁾ | 1,589 | 1,447 |
| Prof. Dr. Ina Toegel ⁷⁾ CC, NC | - | - |
| Total | 12,849 | 12,445 |

1) Nomination committee

2) Member of the audit, risk & compliance committee (ARCC) until April 2023

3) Member of the compensation committee (CC) until April 2023

4) Member of the ARCC since April 2023

5) Member of the NC until April 2023

6) Chair of the ARCC since April 2023, before member of the ARCC

7) Election to the board of directors in April 2023

| | 2023 | 2022 |
|---|---------------|---------------|
| Executive committee | | |
| Dr. Daniel Bossard ¹⁾ CEO | 7,630 | 7,205 |
| Stephan Zehnder CFO | 10,575 | 11,710 |
| Rolf Ritter ²⁾ CEO Central Europe | 241 | 210 |
| Dr. Frank Hilgers CEO Northern and Eastern Europe, CCO | 2,827 | 2,562 |
| David Jones CEO America | 700 | 300 |
| Robert Ang CEO Asia | 12,819 | 13,054 |
| Susan Salzbrenner ³⁾ VP of People & Organization | - | - |
| Total | 34,792 | 35,041 |

1) Also acting as CEO Central Europe ad interim in 2022

2) Appointment as CEO Central Europe in January 2023, former CSO in 2022

3) Appointment as VP of People & Organization in January 2023

At December 31, the individual members of the executive committee held the following numbers of awarded restricted stock units (RSUs):

| | 2023 ⁴⁾ | 2022 |
|---|--------------------|--------------|
| Dr. Daniel Bossard ¹⁾ CEO | 1,210 | 1,185 |
| Stephan Zehnder CFO | 637 | 662 |
| Rolf Ritter ²⁾ CEO Central Europe | 296 | 189 |
| Dr. Frank Hilgers CEO Northern and Eastern Europe, CCO | 647 | 662 |
| David Jones CEO America | 385 | 145 |
| Robert Ang CEO Asia | 622 | 662 |
| Susan Salzbrenner ³⁾ VP of People & Organization | 96 | 96 |
| Total | 3,893 | 3,601 |

1) Also acting as CEO Central Europe ad interim in 2022

2) Appointment as CEO Central Europe in January 2023, former CSO in 2022

3) Appointment as VP of People & Organization in January 2023

4) RSUs which will be granted in the second quarter of 2024 for the financial year 2023 are not included in the balance.

23. Related party transactions

Kolin Holding AG, Zug, Switzerland, and Bossard Unternehmensstiftung, Zug, Switzerland, form a group of shareholders as defined in article 120seq. of Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA). They hold 56.3 percent (2022: 56.3 percent) of total voting rights or 27.8 percent (2022: 27.8 percent) of the capital entitled to dividend. Kolin Holding AG is wholly owned by the Bossard families.

The following related party transactions were undertaken:

| Balance sheet positions as per year-end in CHF 1,000 | 2023 | Interest rates in % | 2022 | Interest rates in % |
|--|--------|---------------------|--------|---------------------|
| Deposits in the personnel savings accounts | 7,913 | 0.8 | 8,720 | 0.8 |
| Short-term loans from related parties | 2,370 | 0.6–2.1 | 5,400 | 0.6–0.8 |
| Long-term loans from related parties | 33,000 | 0.5–2.1 | 28,500 | 0.5 |

In 2023, transactions took place during the year with Bossard Unternehmensstiftung, Zug, Bossard Personalstiftung, Zug, and Bossard Finanzierungsstiftung, Zug, with an interest expense of CHF 611,761.

In 2022, transactions took place during the year with Bossard Unternehmensstiftung, Zug, Bossard Personalstiftung, Zug, and Bossard Finanzierungsstiftung, Zug, with an interest expense of CHF 164,588.

24. Lease and rental obligations

At December 31, future operating lease payments not recorded in the balance sheet amounted to:

| Operating lease commitments in CHF 1,000 | Due within 1 year | Due within 2 years | Due within 3 years | Due within 4 years | Due after 4 years | Total |
|--|-------------------|--------------------|--------------------|--------------------|-------------------|-------|
| 2023 | 1,473 | 873 | 578 | 293 | 44 | 3,261 |
| 2022 | 1,259 | 655 | 284 | 79 | 7 | 2,284 |

At December 31, future rental liabilities for office and warehouse premises amounted to:

| Long-term rental liabilities in CHF 1,000 | Due within 1 year | Due within 2 years | Due within 3 years | Due within 4 years | Due after 4 years | Total |
|---|-------------------|--------------------|--------------------|--------------------|-------------------|--------|
| 2023 | 8,782 | 6,624 | 5,659 | 3,456 | 12,976 | 37,497 |
| 2022 | 8,547 | 5,826 | 4,088 | 3,798 | 6,882 | 29,141 |

25. Assets pledged or otherwise restricted

| in CHF 1,000 | 2023 | 2022 |
|-------------------------------|--------------|--------------|
| Property, plant and equipment | 2,099 | 3,147 |
| Total | 2,099 | 3,147 |

The pledged or restricted assets are used as collateral for outstanding bank and mortgage loans, which are not encumbered with any special conditions. After the repayment of the credits, the assets are again freely available.

26. Contingent liabilities

As of December 31, 2023 there were no contingent liabilities (2022: none).

27. Events occurring after balance sheet date

Between December 31, 2023 and the approval of the consolidated financial statements by the board of directors, no major events occurred which would require additional disclosures or changes in the consolidated financial statements 2023.

28. List of group companies

| Companies and branches | | Registered office | Currency | Capital in 1,000 | Shareholding |
|--------------------------------------|----------------------------------|-------------------|----------|------------------|--------------|
| Holding and finance companies | | | | | |
| Switzerland | Bossard Holding AG | Zug | CHF | 40,000 | 100 |
| | Bossard Finance AG | Zug | CHF | 100 | 100 |
| Germany | Bossard Beteiligungs GmbH | Illerrieden | EUR | 25 | 100 |
| UK | bigHead Fasteners Ltd | Verwood | GBP | 1,847 | 42 |
| USA | Bossard U.S. Holdings, Inc. | Phoenix, AZ | USD | 40,000 | 100 |
| Europe | | | | | |
| Switzerland | Bossard Aerospace Switzerland AG | Zug | CHF | 50 | 100 |
| | Bossard AG | Zug | CHF | 12,000 | 100 |
| | 3d-prototyp GmbH in Liquidation | Dietikon | CHF | 20 | 100 |
| Austria | Bossard Austria Ges.m.b.H. | Schwechat | EUR | 1,017 | 100 |
| | KVT-Fastening GmbH | Linz | EUR | 509 | 100 |
| Czech Rep. | Bossard CZ s.r.o. | Brno | CZK | 1,000 | 100 |
| | KVT-Fastening s.r.o. | Brno | CZK | 200 | 100 |
| Denmark | Bossard Denmark A/S | Hvidovre | DKK | 9,000 | 100 |
| France | Bossard France SAS | Souffelweyersheim | EUR | 17,600 | 100 |
| Germany | Bossard Aerospace Germany GmbH | Feldkirchen | EUR | 1,050 | 100 |
| | Bossard Deutschland GmbH | Illerrieden | EUR | 100 | 100 |
| | Bossard Deutschland GmbH | Velbert | EUR | 110 | 100 |
| Hungary | KVT-Fastening Kft. | Budapest | HUF | 3,000 | 100 |
| Ireland | Arnold Industries Cork DAC | Cork | EUR | 0.2 | 100 |
| Italy | Bossard Italia S.r.l. | Legnano | EUR | 100 | 100 |
| Netherlands | Bossard Nederland B.V. | Almere | EUR | 45 | 100 |
| Norway | Bossard Norway AS | Oslo | NOK | 200 | 100 |
| Poland | Bossard Poland Sp. z o.o. | Radom | PLN | 1,300 | 100 |
| | KVT-Fastening Sp. z o.o. | Radom | PLN | 100 | 100 |
| Romania | KVT-Fastening S.R.L. | Bucharest | RON | 0.2 | 100 |
| Serbia | KVT-Fastening d.o.o. Beograd | Belgrade | RSD | 1,000 | 100 |
| Slovakia | KVT-Fastening spol. s.r.o. | Bratislava | EUR | 5 | 100 |

Continued on page 153

| Companies and branches | | Registered office | Currency | Capital in 1,000 | Shareholding |
|-----------------------------|---|-----------------------|----------|------------------|--------------|
| Slovenia | KVT-Tehnika pritrjevanja, d.o.o. | Ljubljana | EUR | 8.3 | 100 |
| South Africa | Bossard South Africa (Pty) Ltd | Kempton Park | ZAR | - | 75 |
| Spain | Bossard Spain SA | Sant Cugat del Vallès | EUR | 745 | 100 |
| Sweden | Bossard Sweden AB | Malmö | SEK | 400 | 100 |
| UK | bigHead Bonding Fasteners Ltd | Verwood | GBP | 1.8 | 42 |
| America | | | | | |
| Canada | Bossard Canada, Inc. | Montreal | CAD | - | 100 |
| | Bossard Ontario Inc. | Toronto | CAD | - | 100 |
| Mexico | Bossard de México, S.A. de C.V. | Monterrey | USD | 755 | 100 |
| | Aero-Space Southwest Mexico, S. de R.L. de C.V. | Guadalajara | MXN | 10 | 100 |
| USA | Bossard Aerospace, Inc. | Phoenix, AZ | USD | 4.9 | 100 |
| | Bossard Aerospace U.S., Inc. | Irving, TX | USD | 25 | 100 |
| | Bossard, Inc. | Cedar Falls, IA | USD | 2,255 | 100 |
| | Bossard, LLC | Stoughton, MA | USD | - | 100 |
| Asia/Oceania | | | | | |
| Australia | Bossard Australia Pty. Ltd | Melbourne | AUD | 500 | 100 |
| China | Bossard Fastening Solutions (Shanghai) Co. Ltd | Shanghai | RMB | 76,829 | 100 |
| | Bossard Fastening Solutions (Tianjin) Co. Ltd | Tianjin | RMB | 68,102 | 100 |
| India | LPS Bossard Pvt. Ltd | Rohtak | INR | 48,000 | 51 |
| Malaysia | Bossard (M) Sdn. Bhd. | Penang | MYR | 8,500 | 100 |
| Singapore | Bossard Pte. Ltd | Singapore | SGD | 15,600 | 100 |
| | Bossard Services Pte. Ltd | Singapore | SGD | 300 | 100 |
| South Korea | Bossard (Korea) Ltd | Cheonan | KRW | 3,500,000 | 100 |
| Taiwan | Bossard Ltd Taiwan Branch | Taichung | TWD | - | 100 |
| Thailand | Bossard (Thailand) Ltd | Bangkok | THB | 45,000 | 100 |
| Associated companies | | | | | |
| Switzerland | Ecoparts AG | Hinwil | CHF | 270 | 30 |
| | MultiMaterial-Welding AG | Biel/Bienne | CHF | 187 | 41 |
| | Sentinus AG | Cham | CHF | 100 | 20 |
| Austria | PDi Digital GmbH | Fernitz-Mellach | EUR | 35 | 30 |

As per December 31, 2023

29. Principles of consolidation

The consolidated financial statements include the financial statements of Bossard Holding AG as well as the domestic and foreign Group companies over which Bossard Holding AG exercises control. Group companies acquired during the year are included in the consolidated financial statements from the date on which control is obtained by Bossard. Group companies are deconsolidated on the date Bossard ceases to have control. The uniform closing date for all Group companies included in the consolidated financial statements is December 31.

Capital consolidation is based on the purchase method. Intercompany receivables and liabilities as well as transactions and intercompany profits not yet realized through sales to third parties are eliminated.

Investments in subsidiaries

Subsidiaries are fully consolidated. These are companies over which Bossard Holding AG directly or indirectly exercises control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when Bossard Holding AG directly or indirectly holds more than half of the voting rights of a company or is able to exercise control in another way. This does not apply if in exceptional circumstances it can be clearly demonstrated that such ownership does not constitute control. Under the full consolidation method, 100 percent of assets, liabilities, income and expenses are included. The interests of minority shareholders in equity and net income or loss are shown separately in the balance sheet and income statement.

In accordance with Swiss GAAP FER 30 "Consolidated financial statements", goodwill from acquisitions is converted into Swiss francs using the closing rate and is offset against equity at the date of acquisition. Goodwill represents the excess of the consideration transferred over the proportionate share of the revalued net assets of an acquired company at the date of acquisition.

Transactions with non-controlling interest which do not result in a change of the consolidation method are recognized directly in equity. The difference between the consideration transferred and the corresponding non-controlling interest is recognized as goodwill and is offset against the retained earnings in equity.

Associated companies

Associated companies are those in which Bossard Holding AG directly or indirectly holds an interest between 20 percent and 50 percent and exercises significant influence. Associated companies are accounted for using the equity method. Under the equity method, investments in associated companies are recognized at the proportionate share of equity at the date of acquisition. The difference to the consideration transferred is recognized as goodwill and is offset against the retained earnings in equity at the date of acquisition. Subsequently, the book value is adjusted to reflect the company's proportionate equity.

Non-controlling interest

Non-controlling interest of less than 20 percent and without any other form of control or significant influence is recognized at acquisition cost less any economically necessary impairment.

Foreign currency translation

The consolidated financial statements are presented in Swiss francs (CHF). The financial statements of the Group companies are prepared in their respective local currency. Transactions in foreign currencies are translated at the exchange rate on the day of the transaction. Exchange differences resulting from adjustments of foreign exchange balances at the balance sheet date are recognized as exchange gains or losses in the income statements of the Group companies and are included in the consolidated net income.

For the consolidated financial statements, the financial statements of the Group companies that report in a foreign currency are translated into Swiss francs as follows: balance sheet items at year-end exchange rates, equity at historical rates, and items of the income statement at the average exchange rate for the year. Any translation differences and exchange differences arising from intercompany loans with equity character are recognized in the Group's consolidated equity.

The following principal exchange rates were applied:

| | 31.12.2023 Year-end exchange rate | 01.01.2023– 31.12.2023 Average exchange rate | 31.12.2022 Year-end exchange rate | 01.01.2022– 31.12.2022 Average exchange rate |
|---------|---|--|---|--|
| 1 EUR | 0.93 | 0.97 | 0.99 | 1.01 |
| 1 USD | 0.84 | 0.90 | 0.93 | 0.95 |
| 100 DKK | 12.47 | 13.04 | 13.28 | 13.51 |
| 100 RMB | 11.87 | 12.72 | 13.32 | 14.20 |
| 100 INR | 1.01 | 1.09 | 1.12 | 1.22 |

30. Accounting and valuation principles

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, time deposits, and other short-term highly liquid investments with original maturities of up to three months. Cash and cash equivalents are recognized at nominal value.

Accounts receivable, trade

Accounts receivable are stated at the invoiced amount less allowances. The allowance for doubtful accounts is based on the maturity structure and identifiable credit risks.

Inventories

Goods for trading are recognized at average acquisition cost. Should the net realizable value be lower, a corresponding value adjustment is made. Acquisition cost include the product purchase price and delivery cost (freight, customs duties, etc.). Cash discounts are treated as reductions of the acquisition cost. Inventories that lack marketability or have low turnover, are written down to the estimated market value less cost to sell.

Property, plant and equipment

Land is stated at cost and generally not depreciated. Buildings, machinery and equipment, office machines and furniture as well as vehicles are stated at cost less economically necessary depreciation and impairment. Assets are depreciated on a straight-line basis over their estimated useful lives:

| | |
|-------------------------------|-------------|
| Buildings | 30–40 years |
| Machinery and equipment | 5–20 years |
| Office machines and furniture | 3–10 years |
| Vehicles | 4–10 years |

Leasehold improvements are depreciated over the shorter of useful life or lease term. Repair and maintenance costs which do not increase the value or useful life of an asset are charged directly as an expense. Expenditures which increase the useful life of an asset are capitalized. Fixed assets no longer in use or sold are removed from the assets at acquisition cost minus the related accumulated depreciation. Any gains or losses arising from the disposal of fixed assets are recognized in the income statement.

Leasing

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases, and payments are recognized as an expense on a straight-line basis over the lease term.

Intangible assets – software

Costs arising from the development of software (purchased or self-generated) are capitalized, provided such costs are clearly associated with an identifiable and business-related computer program, can be reliably determined, and lead to measurable benefits over several years. Software is amortized on a straight-line basis over its estimated useful life, up to a maximum of 15 years.

Intangible assets – others

This item includes rights. Rights are amortized on a straight-line basis over their estimated useful life, up to a maximum of ten years.

Financial assets

Financial assets comprise both non-consolidated investments and long-term loans. They are recognized at acquisition cost less economically necessary value adjustments. Fair value changes are recognized in the income statement in the period in which they arise.

Impairment

The recoverability of non-current assets is determined at the balance sheet date. Impairment losses are recognized in the income statement.

Derivative financial instruments

Financial instruments are recognized in the balance sheet at fair value. Assets from derivatives are recognized under financial assets and liabilities from derivatives are recognized under current liabilities. Derivative financial instruments held for hedging purposes are valued at the same valuation principles as the underlying hedged item.

Liabilities

Liabilities are recognized at nominal value.

Provisions

A provision is recognized if the Group has a probable obligation that is based on a past event and its amount and/or its due date is uncertain but can be estimated.

Contingent liabilities

Contingent liabilities are valued at the balance sheet date. A provision is made if an outflow of funds without a simultaneously usable inflow of funds is both probable and estimable.

Financial debts

Financial debts are recognized at nominal value. They are classified as current liabilities unless the Group can defer the settlement of the liability for at least twelve months after the balance sheet date.

Treasury shares

Treasury shares are recognized at acquisition cost and presented as a deduction from equity. Any gains and losses arising from transactions with treasury shares are recognized in the capital reserves.

Share-based compensation

There is a share purchase plan for the board of directors and the executive committee, and they are required, or may elect, to draw part of their total compensation in shares. The shares are made available at market price. The market value is always determined in February and is based on the average closing price over the last ten trading days in February.

There is a restricted stock unit plan (RSU) in place for the members of the management. The eligible participants annually receive a defined sum which is converted into RSUs on Bossard Holding AG registered A shares. The conversion is performed at market value and is based on the average closing price over the last ten trading days in November. The stock options (RSUs) are subject to a vesting period of three to five years. After three years, yearly one-third of the allocated RSUs is passed on to the manager provided as long as she or he is employed at the time of the vesting. After the last contractual working day, all remaining stock options (RSUs) forfeit immediately. If the employment terminates due to retirement, disability or death, the RSUs vest immediately.

There is an equivalent restricted stock unit plan (RSU) in place for the members of the executive committee. However, the condition for grant is linked to the implementation of the Group's strategic initiatives of the prior financial year. Therefore, the vesting period starts after the termination of the financial year. The conversion is carried out at market value and is based on the average share price over the last ten trading days in December. The RSUs of the members of the executive committee do not forfeit upon termination of the employment and remain subject to the respective vesting period.

The share-based compensation is valued at present value when granted and is recognized over the vesting period as personnel costs and as equity (instruments with equity compensation) or liability (instruments with cash compensation). If no cash settlement is planned, no subsequent valuation is made unless the terms of exercise and purchase are amended. The subsequent valuation is based on the closing price for the share on the last trading day of the financial year. No dilution effect results because no additional shares have been issued.

Pension benefit obligations

A number of pension plans in accordance with the legal requirements in the individual countries exist within the Group. Their assets are generally held in autonomous pension institutions or in statutory occupational pension plans. The pension plans are funded by employee and employer contributions. Pension plans are accounted for in accordance with Swiss GAAP FER 16.

Any real economic impacts of pension plans on the Group are calculated at the balance sheet date. An economic benefit from a surplus is recognized as an asset provided this is admissible and the surplus can be used to decrease the Group's future contributions to its pension plans. An economic obligation is recognized if the criteria for recognizing a provision are met. Contributions by Group companies to pension plans are recognized in the income statement in the year in which they occur.

Net sales and revenue recognition

Revenue is recognized at fair value and represents the amount receivable for goods sold and services provided, net of sales-related taxes and revenue deductions. Revenue deductions include all positions that are directly related to the corresponding sales, such as discounts and losses on receivables. Revenue is recognized when the goods and services have been supplied or provided.

Income taxes

All tax liabilities are accrued irrespective of when such taxes are due. Deferred income taxes are recognized according to the “liability method” for temporary differences arising between the tax base of assets and liabilities and their carrying values determined in accordance with Swiss GAAP FER.

Deferred tax assets on temporary differences are only capitalized if it is probable that they can be realized in the future through sufficient taxable profits. Deferred taxes are calculated using the expected applicable local tax rates. Bossard does not recognize deferred tax assets on tax losses carried forward. The value of such tax assets is recognized only when realized.

No deferred taxes are recognized for taxes on future distributions of profits of subsidiaries, provided that no distribution is intended in the foreseeable future and Bossard is able to control its timing.

Related parties

A party is related to the Group if it directly or indirectly controls, is controlled by, or is under common control with Bossard, has an interest in Bossard that gives it significant influence over the Group, has joint control over the Group (board of directors and executive committee) or is an associate or a joint venture of the Group. In addition, personnel in key management positions of Bossard as well as pension plans are also considered related parties.

Accounting estimates and assumptions

Preparing the financial statements in accordance with Swiss GAAP FER requires the board of directors and the executive committee to make estimates and assumptions which can have an impact on the recognized assets, liabilities, contingent liabilities and contingent assets at the time of preparation as well as income and expenses for the reporting period. These estimates are based on the board of directors’ and the executive committee’s best knowledge and belief of current and future activities of the Group. The actual results may deviate from these estimates.

31. Financial risk management

The goal of the risk management is to identify and evaluate financial risks with a potential negative impact on the Group and to mitigate and minimize them accordingly. The board of directors bears ultimate responsibility for the risk management and delegates its implementation to the Group finance department. The results are summarized in a report to the board of directors and the executive committee.

Due to its international operations, Bossard is exposed to various financial risks arising from its business activities, but also from financing activities. The Group’s main financial risks include foreign exchange and credit risks with regard to the solvency of the Group’s counterparties. Any hedging activities must be linked to the Group’s operations. The Group has comprehensive insurance coverage to protect itself against other risks.

Foreign currency risk

Given its international operations, the Group is exposed to exchange rate fluctuations which have an impact on the Group’s consolidated financial statements presented in Swiss francs. The Group continuously monitors its currency risks and, if necessary, hedges against them. The Group’s currency risks are mainly limited to the Euro and the US dollar. Transactions in the individual Group companies are predominantly conducted in their local currencies, which is why the currency risk from current operating activities is considered to be low. In some Group companies, however, foreign currency risks exist for payments to suppliers outside their local currency. Where necessary, parts of these foreign currency risks are hedged through foreign exchange contracts. The net assets of foreign subsidiaries are exposed to exchange rate risks. Such risks are partly hedged by financing activities in the respective foreign currency and, where necessary, through foreign exchange contracts with a maturity of a maximum of twelve months.

Interest rate risk

The risk of changes in interest rates is monitored and managed centrally by the Group's corporate treasury department. In certain market situations, the Group may make use of instruments to hedge interest rate fluctuations, or it can convert part of the loans with variable interest rates to fixed interest rates.

Credit risk

Credit risks arise if, in a transaction, the counterparty is either not willing or not able to meet its payment obligations. The credit loss risk for accounts receivable is minimized through credit limits, credit worthiness checks and by an efficient system for managing receivables. Given the Group's monthly internal reporting system, continuous monitoring of overdue payments is ensured. Additionally, the risk concentration is limited due to the fact that the Group's customer base consists of numerous customers with a wide geographical and industrial distribution.

Liquidity risk

One aspect of judicious risk management is ensuring an appropriate amount of cash and cash equivalents and committed credit facilities as well as the possibility of refinancing. To ensure that the Group is solvent and financially flexible at all times, it maintains a liquidity reserve in the form of cash and cash equivalents as well as credit facilities. Optimal liquidity control is achieved through cash pooling.

Capital risk

To minimize its capital risk, the Group ensures that the continuation of its operating activities is guaranteed and that an appropriate return can be generated for its shareholders. To achieve this, the Group may adjust dividend payments, pay back capital to shareholders, issue new shares or sell assets.

The Group monitors its capital structure based on its equity ratio with a target value of at least 40 percent.



Report of the statutory auditor

to the General Meeting of Bossard Holding AG Zug

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Bossard Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 132 to 159) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law

Basis for opinion

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

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

Our audit approach

Overview

Overall Group materiality: CHF 5,000,000

We concluded full scope audit work at eleven reporting units in six countries. Our audit scope addressed over 67 % of Group's revenue.

In addition, specified procedures were performed on a further three reporting units in two countries representing a further 4 % of the Group's revenue.

As key audit matter the following area of focus has been identified:

Valuation of inventories



Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

| | |
|--|---|
| Overall Group materiality | CHF 5,000,000 |
| Benchmark applied | Profit before tax |
| Rationale for the materiality benchmark applied | We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark. |

We agreed with the Audit, Risk and Compliance Committee that we would report to them misstatements above CHF 500,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The audit strategy for the audit of the consolidated financial statements was determined considering the work performed by the Group auditor and the component auditors in the PwC network. All significant subsidiaries of the Group were audited by PwC. Where audits were performed by component auditors, we ensured that, as Group auditor, we were sufficiently involved in the audit in order to assess whether sufficient appropriate audit evidence was obtained from the work of the component auditors to provide a basis for our opinion. The involvement of the Group auditor included video call conferences with the component auditors, an investigation of the risk analysis and participating in the audit discussions of group companies subject to full scope audits, at which the local management, the local auditor and Group representatives took part.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Valuation of inventories

Key audit matter

Inventories amount to CHF 358.5 million (after deduction of a value adjustment of CHF 50.7 million) as of December 31, 2023 and are thus the largest asset category, representing around 44 % of total assets.

Inventories are stated at the lower of acquisition cost and net realisable value (lower of cost or market principle).

We consider the valuation of inventories as a key audit matter due to the amount they represent on the balance sheet and the significant scope for judgement involved in determining the write-downs required on obsolescent or slow-moving products.

Please refer to page 137 (3 Inventories) and page 155 (30 Accounting and valuation principles) in the annual report.

How our audit addressed the key audit matter

We performed the following audit procedures to assess the appropriateness of the valuation of the inventories:

- We gathered an understanding of the process of the valuation of inventories.
- We checked on a sample basis the acquisition costs used for valuation purposes against the latest purchase prices. Additionally, by reference to sales prices achieved in the year, we checked on a sample basis compliance with the lower of cost or market principle.
- We ensure that the method for determining write-downs of inventories was applied consistently.
- For obsolescent or slow-moving inventories, we discussed with Management the assumptions applied in calculating the required write-downs and assessed these assumptions. In doing so, we paid particular attention to changes in write-downs for each category of product or of write-downs compared with the prior year. We also considered the experience of significant unforeseen product write-downs or write-offs in previous years.
- We tested on a sample basis the computational accuracy and completeness of the calculation of the write-downs.
- We discussed with Management and the Audit, Risk & Compliance Committee the results of our work and any movements in the write-downs.

On the basis of the audit procedures performed, we consider Management's valuation of inventories to be reasonable.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the note 5 and 6 in the compensation report and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the consolidated financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

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

PricewaterhouseCoopers AG

Thomas Wallmer

Licensed audit expert
Auditor in charge

Simon Hux

Licensed audit expert

Zurich, February 23, 2024

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

BOSSARD HOLDING AG

Balance sheet

| in CHF | Notes | 31.12.2023 | 31.12.2022 |
|---------------------------|-------|--------------------|--------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 14,793 | 1,367,289 |
| Other receivables | 1 | 917,419 | 941,899 |
| Prepaid expenses | | 43,423 | 54,548 |
| | | 975,635 | 2,363,736 |
| Non-current assets | | | |
| Financial assets | 2 | 39,620,491 | 30,866,800 |
| Investments | 3 | 118,023,215 | 118,023,215 |
| | | 157,643,706 | 148,890,015 |
| Total assets | | 158,619,341 | 151,253,751 |

| in CHF | Notes | 31.12.2023 | 31.12.2022 |
|---|-------|--------------------|--------------------|
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Other current liabilities to third parties | | 51,072 | 130,930 |
| Accrued expenses | | 299,026 | 284,761 |
| | | 350,098 | 415,691 |
| Total liabilities | | 350,098 | 415,691 |
| Shareholders' equity | | | |
| Share capital | | 40,000,000 | 40,000,000 |
| Legal reserve | | | |
| Reserves from capital contributions | | 15,701,654 | 15,701,654 |
| Other legal reserves | | 2,049,686 | 2,049,686 |
| Statutory retained earnings | | | |
| General statutory retained earnings | | 16,000,000 | 16,000,000 |
| Other reserves | | 34,111,700 | 34,111,700 |
| Retained earnings | | | |
| Profit brought forward | | 4,492,943 | 14,442,755 |
| Profit for the current year | | 48,823,814 | 32,376,142 |
| Treasury shares | 4 | -2,910,554 | -3,843,877 |
| Total shareholders' equity | | 158,269,243 | 150,838,060 |
| Total liabilities and shareholders' equity | | 158,619,341 | 151,253,751 |

BOSSARD HOLDING AG

Income statement

| in CHF | Notes | 2023 | 2022 |
|----------------------------|-------|-------------------|-------------------|
| Income | | | |
| Dividend income | | 50,000,000 | 35,000,000 |
| Other operating income | | 300,000 | 300,000 |
| Expenses | | | |
| Personnel expenses | 8 | -1,491,885 | -1,634,223 |
| Other operating expenses | | -909,919 | -718,694 |
| Other financial income | | 1,033,211 | 268,101 |
| Financial expenses | | -74,076 | -839,042 |
| Income before taxes | | 48,857,331 | 32,376,142 |
| Taxes | | -33,517 | - |
| Net income | | 48,823,814 | 32,376,142 |

BOSSARD HOLDING AG

Notes to the financial statements

Accounting principles applied in the preparation of the financial statements

General

The financial statements of Bossard Holding AG, Zug, were prepared in accordance with the Swiss Code of Obligations and under the financial reporting law (Title 32 of the Swiss Code of Obligations).

Bossard Holding AG reports its consolidated financial statements on the basis of a recognized standard (Swiss GAAP FER) and has therefore, in accordance with the legal provisions, decided to not to provide a separate management report, a separate cash flow statement or a note on the audit fees in this financial report. The content of the management report is reflected in the sections “At a glance”, “Report to the shareholders”, “Company”, “Corporate Governance”, and “Financial Report” of the annual report.

Financial assets

Financial assets include non-current loans. Loans in foreign currency are translated into Swiss francs at year-end rate. Unrealized translation losses are recognized in the income statement, whereas unrealized translation gains remain unrecognized (principle of imparity).

Investments

Investments are measured at cost. Investments are valued individually if they are material and are not usually grouped together for valuation purposes due to their similarity.

Treasury shares

Treasury shares are measured at cost and are disclosed as a negative item in the shareholders’ equity. Gains and losses arising from disposal of treasury shares are recognized in the income statement as financial income or financial expenses.

Foreign currencies

Monetary and non-monetary items in foreign currency are translated into Swiss francs at the following exchange rates:

| | 31.12.2023 Year-end exchange rate | 31.12.2022 Year-end exchange rate |
|-----|---|---|
| EUR | 0.93 | 0.99 |

Information and explanations relating to items in the balance sheet and in the income statement

1. Other receivables

| in CHF | 2023 | 2022 |
|-------------------|----------------|----------------|
| From subsidiaries | 917,419 | 941,899 |
| Total | 917,419 | 941,899 |

2. Financial assets

| in CHF | 2023 | 2022 |
|-------------------|-------------------|-------------------|
| From subsidiaries | 39,620,491 | 30,866,800 |
| Total | 39,620,491 | 30,866,800 |

3. Investments

| Name, legal form, registered office | 2023 | | 2022 | |
|--|---------|-------|---------|-------|
| | Capital | Votes | Capital | Votes |
| Direct investment | | | | |
| Bossard Finance AG, Zug | 100 % | 100 % | 100 % | 100 % |
| Indirect investments | | | | |
| Bossard Beteiligungs GmbH, Illerrieden | 100 % | 100 % | 100 % | 100 % |
| bigHead Fasteners Ltd, Verwood | 42 % | 42 % | 42 % | 42 % |
| Bossard U.S. Holdings, Inc., Phoenix | 100 % | 100 % | 100 % | 100 % |
| Bossard Aerospace Switzerland AG, Zug | 100 % | 100 % | 100 % | 100 % |
| Bossard AG, Zug | 100 % | 100 % | 100 % | 100 % |
| 3d-prototyp GmbH in Liquidation, Dietikon | 100 % | 100 % | 100 % | 100 % |
| KKV AG, Zug | 35 % | 35 % | 35 % | 35 % |
| Bossard Austria Ges.m.b.H., Schwechat | 100 % | 100 % | 100 % | 100 % |
| KVT-Fastening GmbH, Linz | 100 % | 100 % | 100 % | 100 % |
| Bossard CZ s.r.o., Brno | 100 % | 100 % | 100 % | 100 % |
| KVT-Fastening s.r.o., Brno | 100 % | 100 % | 100 % | 100 % |
| Bossard Denmark A/S, Hvidovre | 100 % | 100 % | 100 % | 100 % |
| Bossard France SAS, Souffelweyersheim | 100 % | 100 % | 100 % | 100 % |
| Bossard Aerospace Germany GmbH, Feldkirchen | 100 % | 100 % | 100 % | 100 % |
| Bossard Deutschland GmbH, Illerrieden | 100 % | 100 % | 100 % | 100 % |
| Bossard Deutschland GmbH, Velbert | 100 % | 100 % | 100 % | 100 % |
| KVT-Fastening Kft., Budapest | 100 % | 100 % | 100 % | 100 % |
| Arnold Industries Cork DAC, Cork | 100 % | 100 % | 95 % | 95 % |
| Bossard Italia S.r.l., Legnano | 100 % | 100 % | 100 % | 100 % |
| Bossard Nederland B.V., Almere | 100 % | 100 % | 100 % | 100 % |
| Bossard Norway AS, Oslo | 100 % | 100 % | 100 % | 100 % |
| Bossard Poland Sp. z o.o., Radom | 100 % | 100 % | 100 % | 100 % |
| KVT-Fastening Sp. z o.o., Radom | 100 % | 100 % | 100 % | 100 % |
| KVT-Fastening S.R.L., Bucharest | 100 % | 100 % | 100 % | 100 % |
| KVT-Fastening d.o.o. Beograd, Belgrade | 100 % | 100 % | 100 % | 100 % |
| KVT-Fastening spol. s.r.o., Bratislava | 100 % | 100 % | 100 % | 100 % |
| KVT-Tehnika pritrjevanja, d.o.o., Ljubljana | 100 % | 100 % | 100 % | 100 % |
| Bossard South Africa (Pty) Ltd, Kempton Park | 75 % | 75 % | 100 % | 100 % |

| Name, legal form, registered office | 2023 | | 2022 | |
|--|---------|-------|---------|-------|
| | Capital | Votes | Capital | Votes |
| Bossard Spain SA, Sant Cugat del Vallès | 100 % | 100 % | 100 % | 100 % |
| Bossard Sweden AB, Malmö | 100 % | 100 % | 100 % | 100 % |
| bigHead Bonding Fasteners Ltd, Verwood | 42 % | 42 % | 42 % | 42 % |
| Bossard Canada, Inc., Montreal | 100 % | 100 % | 100 % | 100 % |
| Bossard Ontario Inc., Toronto | 100 % | 100 % | 100 % | 100 % |
| Bossard de México, S.A. de C.V., Monterrey | 100 % | 100 % | 100 % | 100 % |
| Aero-Space Southwest Mexico, S. de R.L. de C.V., Guadalajara | 100 % | 100 % | 100 % | 100 % |
| Bossard Aerospace, Inc., Phoenix | 100 % | 100 % | 100 % | 100 % |
| Bossard Aerospace U.S., Inc., Irving | 100 % | 100 % | 100 % | 100 % |
| Bossard, Inc., Cedar Falls | 100 % | 100 % | 100 % | 100 % |
| Bossard, LLC, Stoughton | 100 % | 100 % | 100 % | 100 % |
| Bossard Australia Pty. Ltd, Melbourne | 100 % | 100 % | 100 % | 100 % |
| Bossard Industrial Fasteners Int. Trading (Shanghai) Co. Ltd, Shanghai (liquidation) | - | - | 100 % | 100 % |
| Bossard Fastening Solutions (Shanghai) Co. Ltd, Shanghai | 100 % | 100 % | 100 % | 100 % |
| Bossard Fastening Solutions (Tianjin) Co. Ltd, Tianjin | 100 % | 100 % | 100 % | 100 % |
| LPS Bossard Pvt. Ltd, Rohtak | 51 % | 51 % | 51 % | 51 % |
| LPS Bossard Information System Pvt., Rohtak | 51 % | 51 % | 51 % | 51 % |
| Bossard (M) Sdn. Bhd., Penang | 100 % | 100 % | 100 % | 100 % |
| Bossard Pte. Ltd, Singapore | 100 % | 100 % | 100 % | 100 % |
| Bossard Services Pte. Ltd, Singapore (incorporation) | 100 % | 100 % | - | - |
| Bossard (Korea) Ltd, Cheonan | 100 % | 100 % | 100 % | 100 % |
| Bossard (Thailand) Ltd, Bangkok | 100 % | 100 % | 100 % | 100 % |
| Ecoparts AG, Hinwil | 30 % | 30 % | 30 % | 30 % |
| MultiMaterial-Welding AG, Biel/Bienne | 41 % | 41 % | 41 % | 41 % |
| Sentinus AG, Cham (incorporation) | 20 % | 20 % | - | - |
| PDi Digital GmbH, Fernitz-Mellach | 30 % | 30 % | 30 % | 30 % |

4. Treasury shares, incl. shares held by subsidiaries

| in CHF | 2023 | | 2022 | |
|-------------------------------|----------------|------------------|----------------|------------------|
| | Number | Value | Number | Value |
| Balance at January 1 | 303,559 | 3,843,877 | 300,904 | 4,241,836 |
| Additions | 36,216 | 8,218,877 | 114,577 | 24,768,347 |
| Disposals | -41,198 | -9,152,200 | -111,922 | -25,166,306 |
| Balance at December 31 | 298,577 | 2,910,554 | 303,559 | 3,843,877 |

Group companies do not hold any registered A shares. In 2023, 8,313 registered A shares were used for the share option programs (2022: 8,676 registered A shares).

5. Collateral to third parties

| in CHF | 2023 | 2022 |
|--------------|-------------|-------------|
| Guarantees | 526,853,930 | 530,665,694 |
| Thereof used | 238,920,340 | 294,106,568 |

The Bossard Group concentrates its main credit facilities in Bossard Holding AG. The joint use by the subsidiaries is secured through guarantee obligations.

6. Shares and options on shares held by management and related parties

The disclosure of shareholdings of the board of directors and the executive committee as per Swiss Code of Obligation article 959c, section 2, paragraph 11 and article 734d can be found in the notes to the consolidated financial statements (note 22 page 149).

7. Significant shareholders

Kolin Holding AG, Zug, and Bossard Unternehmensstiftung, Zug, form a shareholder group in accordance with article 120seq. of Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA). They hold 56.3 percent (2022: 56.3 percent) of the voting rights. Kolin Holding AG is wholly owned by the Bossard families.

[Other information required by law](#)

8. Full-time equivalents/personnel expenses

Bossard Holding AG has no employees. Personnel expenses include the compensation of the board of directors.

BOSSARD HOLDING AG

Appropriation of available earnings

Statement of changes in retained earnings

| in CHF | 2023 | 2022 |
|--|-------------------|-------------------|
| Retained earnings at the beginning of the year | 46,818,897 | 53,706,900 |
| Net income | 48,823,814 | 32,376,142 |
| Appropriation of available profit determined by the annual general meeting of shareholders | | |
| Dividends for 2022 and 2021 respectively | -42,325,954 | -39,264,145 |
| Retained earnings at the end of the year | 53,316,757 | 46,818,897 |

Statement of changes in capital contribution reserve

| in CHF | 2023 | 2022 |
|--|-------------------|-------------------|
| Capital contribution reserve at the beginning of the year | 15,701,654 | 15,701,654 |
| Deposits on the use of treasury shares | - | - |
| Capital contribution reserve at the end of the year ¹⁾ | 15,701,654 | 15,701,654 |

1) Subject to adjustments by the Federal Tax Administration

The board of directors proposes to the annual general meeting of shareholders the following appropriation of available retained earnings

| in CHF | 2023 |
|---|-------------------|
| Available retained earnings before distribution | 53,316,757 |
| Dividend of 80 percent on the share capital eligible for dividends of max. CHF 38,507,115 ¹⁾ | -30,805,692 |
| To be carried forward | 22,511,065 |

1) The figure is based on the issued share capital as of December 31, 2023 eligible for dividends. It may change due to movements on treasury shares after the balance sheet date.



Report of the statutory auditor to the General Meeting of Bossard Holding AG Zug

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bossard Holding AG (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 164 to 169) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Our audit approach

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

| | |
|--|--|
| Overall materiality | CHF 1,580,000 |
| Benchmark applied | Shareholders' equity |
| Rationale for the materiality benchmark applied | We chose shareholders' equity as the benchmark because it is a relevant and generally accepted benchmark for materiality considerations relating to a holding company. |

We agreed with the Audit, Risk & Compliance Committee that we would report to them misstatements above CHF 158,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the note 5 and 6 in the compensation report and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Thomas Wallmer

Licensed audit expert
Auditor in charge



Simon Hux

Licensed audit expert

Zurich, February 23, 2024

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

INVESTOR INFORMATION

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|--------------------|-----------|-----------|-----------|-----------|
| Share capital | | | | | |
| Registered A shares at CHF 5 par | | | | | |
| Capital stock in CHF 1,000 | 33,250 | 33,250 | 33,250 | 33,250 | 33,250 |
| Number of shares issued | 6,650,000 | 6,650,000 | 6,650,000 | 6,650,000 | 6,650,000 |
| Number of shares entitled to dividend | 6,351,423 | 6,346,441 | 6,349,096 | 6,341,309 | 6,345,360 |
| Registered B shares at CHF 1 par | | | | | |
| Capital stock in CHF 1,000 | 6,750 | 6,750 | 6,750 | 6,750 | 6,750 |
| Number of shares issued | 6,750,000 | 6,750,000 | 6,750,000 | 6,750,000 | 6,750,000 |
| Number of shares entitled to dividend | 6,750,000 | 6,750,000 | 6,750,000 | 6,750,000 | 6,750,000 |
| Registered A shares equivalents, entitled to dividend at Dec. 31 | 7,701,423 | 7,696,441 | 7,699,096 | 7,691,309 | 7,695,360 |
| Market price | | | | | |
| Ticker symbol (BOSN) | | | | | |
| Volume traded (daily average) | 9,182 | 15,065 | 13,466 | 20,805 | 19,036 |
| Closing price at Dec. 31 in CHF | 221.0 | 199.8 | 328.5 | 178.4 | 174.7 |
| Registered A share high in CHF | 264.5 | 331.5 | 362.0 | 179.4 | 180.8 |
| Registered A share low in CHF | 173.0 | 157.8 | 172.6 | 90.0 | 123.9 |
| Dividend per share | | | | | |
| Registered A share in CHF | 4.00 ¹⁾ | 5.50 | 5.10 | 4.40 | 2.00 |
| Registered B share in CHF | 0.80 ¹⁾ | 1.10 | 1.02 | 0.88 | 0.40 |
| in % of share capital | 80.0 | 110.0 | 102.0 | 88.0 | 40.0 |
| Dividend yield in % (Basis: price at Dec. 31) | 1.8 | 2.8 | 1.6 | 2.5 | 1.1 |
| Earnings per share ^{2) 5)} | | | | | |
| Registered A share in CHF | 9.64 | 13.38 | 12.53 | 8.73 | 9.73 |
| Registered B share in CHF | 1.93 | 2.68 | 2.51 | 1.75 | 1.95 |

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|---------|---------|---------|---------|---------|
| Cash flow per share ^{2) 4)} | | | | | |
| Registered A share in CHF | 13.23 | 16.80 | 15.68 | 11.36 | 12.30 |
| Registered B share in CHF | 2.65 | 3.36 | 3.14 | 2.27 | 2.46 |
| Price/Earnings ratio (Basis: price at Dec. 31) | 22.9 | 14.9 | 26.2 | 20.4 | 18.0 |
| Net worth per share ³⁾ | | | | | |
| Registered A share in CHF | 48.4 | 49.3 | 45.4 | 41.9 | 39.6 |
| Registered B share in CHF | 9.7 | 9.9 | 9.1 | 8.4 | 7.9 |
| Market capitalization (Basis: price at Dec. 31) | | | | | |
| in CHF million ³⁾ | 1,702.0 | 1,537.7 | 2,529.2 | 1,372.1 | 1,344.4 |
| in % of shareholders' equity | 456.7 | 405.1 | 723.6 | 425.7 | 441.5 |

1) Proposal to annual general meeting of shareholders

2) Basis: Average number of outstanding shares entitled to dividend

3) Basis: Number of outstanding shares entitled to dividend at year-end

4) Net income + depreciation and amortization

5) Share attributable to shareholders of Bossard Holding AG

| in CHF million | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|--------------|--------------|--------------|--------------|--------------|
| Economic value added analysis | | | | | |
| Net sales | 1,069.0 | 1,153.8 | 995.1 | 812.8 | 876.2 |
| Earnings before interest and taxes (EBIT) | 113.1 | 141.5 | 123.3 | 86.4 | 95.7 |
| Effective tax rate in % | 22.9 | 22.2 | 19.2 | 17.6 | 18.3 |
| Net operating profit after tax (NOPAT) | 87.2 | 110.1 | 99.6 | 71.2 | 78.2 |
| Equity | 372.7 | 379.6 | 349.5 | 322.3 | 304.5 |
| Gross financial debt | 293.3 | 354.8 | 251.3 | 196.4 | 220.4 |
| Less cash and cash equivalents | 52.2 | 35.8 | 34.1 | 40.7 | 32.7 |
| Capital employed (year-end) | 613.8 | 698.6 | 566.7 | 478.0 | 492.2 |
| Average annual capital employed (A) | 656.2 | 632.7 | 522.4 | 485.1 | 466.1 |
| Return on average capital employed in % (ROCE) | 13.3 | 17.4 | 19.1 | 14.7 | 16.8 |

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|-------------|-------------|-------------|-------------|-------------|
| Cost of financial debt in % | | | | | |
| Average cost of financial debt | 2.6 | 1.1 | 1.1 | 1.1 | 1.2 |
| Less effective tax | 22.9 | 22.2 | 19.2 | 17.6 | 18.3 |
| Cost of financial debt after tax | 2.0 | 0.9 | 0.9 | 0.9 | 1.0 |
| Cost of equity in % | | | | | |
| Risk free rate (Basis: yearly average of yield Swiss government bond) | 1.0 | 0.8 | -0.2 | -0.5 | -0.5 |
| Risk premium | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| Cost of equity | 6.5 | 6.3 | 5.3 | 5.0 | 5.0 |
| Equity ratio | 46.2 | 41.7 | 45.2 | 50.3 | 46.7 |
| Weighted average cost of capital in % (WACC) | 4.1 | 3.2 | 2.9 | 3.0 | 2.9 |
| Economic profit in % (ROCE - WACC) (B) | 9.2 | 14.2 | 16.2 | 11.7 | 13.9 |
| Economic profit in CHF million (A) * (B) | 60.4 | 89.8 | 84.6 | 57.0 | 65.0 |

The articles of association do not include any provisions for opting-out or opting-up.

| in CHF million | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|----------------|----------------|----------------|----------------|----------------|
| Economic book value (EBV) | | | | | |
| Market value added (economic profit/WACC) | 1,480.4 | 2,781.9 | 2,933.8 | 1,928.9 | 2,271.8 |
| Capital employed | 613.8 | 698.6 | 566.7 | 478.0 | 492.2 |
| Implied enterprise value (EVA®) | 2,094.2 | 3,480.5 | 3,500.5 | 2,406.9 | 2,764.0 |
| Less gross financial debt | 293.3 | 354.8 | 251.3 | 196.4 | 220.4 |
| Plus cash and cash equivalents | 52.2 | 35.8 | 34.1 | 40.7 | 32.7 |
| Economic book value at Dec. 31 | 1,853.1 | 3,161.5 | 3,283.3 | 2,251.2 | 2,576.3 |
| Market valuation and key ratios | | | | | |
| Share price at Dec. 31 in CHF | 221.0 | 199.8 | 328.5 | 178.4 | 174.7 |
| Market capitalization | 1,702.0 | 1,537.7 | 2,529.2 | 1,372.1 | 1,344.4 |
| Net financial debt | 241.1 | 319.0 | 217.2 | 155.7 | 187.7 |
| Enterprise value (EV) | 1,943.1 | 1,856.7 | 2,746.4 | 1,527.8 | 1,532.1 |
| EV in % of net sales | 181.8 | 160.9 | 276.0 | 188.0 | 174.9 |
| EV/EBITDA | 14.1 | 11.2 | 18.9 | 14.4 | 13.5 |
| EV/EBIT | 17.2 | 13.1 | 22.4 | 17.7 | 16.0 |
| EV/NOPAT | 22.3 | 16.9 | 27.6 | 21.5 | 19.6 |
| Price/book value per share | 4.6 | 4.1 | 7.2 | 4.3 | 4.4 |
| Return on equity in % | 20.4 | 29.0 | 29.2 | 21.6 | 24.7 |

EBIT Earnings Before Interest and Taxes
 NOPAT Net Operating Profit After Taxes
 ROCE Return On Capital Employed
 WACC Weighted Average Cost of Capital
 EV Enterprise Value
 EVA Economic Value Added
 EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization

Share price development 2019–2023

Valor: 23862714, ISIN CH0238627142/BOSN



IMPRINT & AGENDA

Meeting for financial analysts & media conference
February 28, 2024

Publication of Annual Report 2023
February 28, 2024

Annual general meeting of shareholders
April 8, 2024

Publication of sales results, 1st quarter 2024
April 8, 2024

Publication of Semi-Annual Report 2024
July 18, 2024

Publication of sales results, 3rd quarter 2024
October 14, 2024

Publication of sales results 2024
January 15, 2025

Imprint

Publisher: Bossard Holding AG, Zug

Concept and design: Keim Identity GmbH, Zurich

Sustainability reporting: Sustainserv GmbH, Zurich

© Bossard Holding AG

This Annual Report 2023 is also available in German.

The German Annual Report 2023 is binding.

Dieser Geschäftsbericht 2023 ist auch in deutscher Sprache erhältlich.

Der deutsche Geschäftsbericht 2023 ist massgebend.



Proven.