SWISSPEARL

For the generations of tomorrow

Sustainability Report 2024

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Letter from the CEO

Since the launch of our sustainability strategy we have intensified our work with sustainability in several areas, especially in safety improvement and waste reduction. Furthermore, this report takes further transition steps towards alignment with the requirements of the Corporate Sustainability Reporting Directive (CSRD).

Business overview

In 2024, the economic situation in Swisspearl's sales markets remained challenging and the positive effects from lower inflation and interest rates are only slightly noticeable thus far. However, Swisspearl has made several improvements to its product portfolio in recent months and years, and these changes began to show results.

Sustainability highlights

We are proud to have made very good progress in terms of our safety performance in 2024. We achieved a significant reduction in the number of injuries. Our lost time injury frequency rate dropped in 2024 to 9.3, which means a 27% reduction from 12.7 in 2023. Moreover, the lost time injury frequency rate reduced by 23%, reaching 208. The results in safety were enabled by dedicated focus, systematic efforts and the teamwork of our personnel. All of this was also further strengthening our safety culture. To support the safety work, we implemented an interactive, company-wide safety reporting software in 2024. We are committed to continuing this work in 2025.

In 2024 we continued to have high focus on waste reduction. As a result of improved material efficiency in production and increased recovery and recycling rate of the material waste, our landfill waste reduced by 25% from 2023. Together with other improvement actions, the waste reduction also supported the reduction of discharged purified water. From 2023 its volume reduced by 11%.

The efficiency improvement contributed to the reduction of CO_2 emissions. However, the implementation of less carbon-intensive materials led to different challenges in production and thereby reduced our progress in Scope 1. Our Scope 1 emissions reduced from 2023 by 3.7%.

In renewable electricity, the solar plant being installed at our Swiss factory progressed as planned during 2024, and we expect it to be finalised during 2025. We continue our efforts in 2025, aiming to find feasible solar plant options in some of our locations.

Reporting

This report is inspired by the CSRD and takes steps towards the Corporate Sustainability Reporting Directive (CSRD). Nevertheless, it is notable that Omnibus, introduced by the European Commission, will potentially bring significant changes and simplifications to the sustainability reporting landscape and therefore also impact Swisspearl. We continue to be committed to transparency, accountability, and sustainable growth. Therefore, we will continue the improvement efforts in our sustainability reporting.

Forward-looking overview

Year 2025 has positive signs in the business environment due to improving economic conditions.
Swisspearl is optimistic that the company can achieve the desired business growth in its strategic areas.

Swisspearl will in 2025 continue the work towards its sustainability statements. We will maintain high focus on waste reduction and safety improvement. Both of these will also support the maintenance of our cost efficiency. Furthermore, we continue our long-term efforts in identifying and testing new, less carbon-intensive raw material solutions as well as plan to increase investigations into circular economy solutions. We will monitor closely the development of the Omnibus and are ready to adjust our reporting accordingly.

Marco Wenger
Group CEO
June 2025

Swisspearl 2024

Company

- Leading fibre cement producer
- Family-owned
- More than 125 years of expertise
- More than 2,100 employees
- Highly engaged international team

Scope 1 CO_2e emissions

17,461 t

3.7% lower than 2023

Material waste recycled and recovered

69.4%

13.4% higher than 2023

Waste to landfill

13,576 t

23.6% lower than 2023

Discharge of purified water from production processes

299,000 m³

11.1% lower than 2023

Lost-time injury frequency rate

9.3

27% lower than 2023

Gender ratio on the Board of Directors

50/50

same as in 2023

Figure 1. Swisspearl´s key figures 2024.

Swisspearl at a glance

Swisspearl is one of the building industry's leading producers and suppliers of fibre cement products and solutions. The Swisspearl Group is headquartered in Niederurnen, Switzerland.

The Swisspearl Group comprises a number of subsidiaries located in Europe, with customers, partners and suppliers across the world. Since one of our first production facilities was founded in 1903, we have grown to employ more than 2,100 employees.

Our fibre cement was first invented by Ludwig Hatschek in Vöcklabruck, Austria in 1894. For over 125 years, we have specialised in innovation and the technology of fibre cement, which is used globally for creating interior and exterior architecture and living spaces. It is our declared goal to become number one in the field of high-quality fibre cement worldwide.

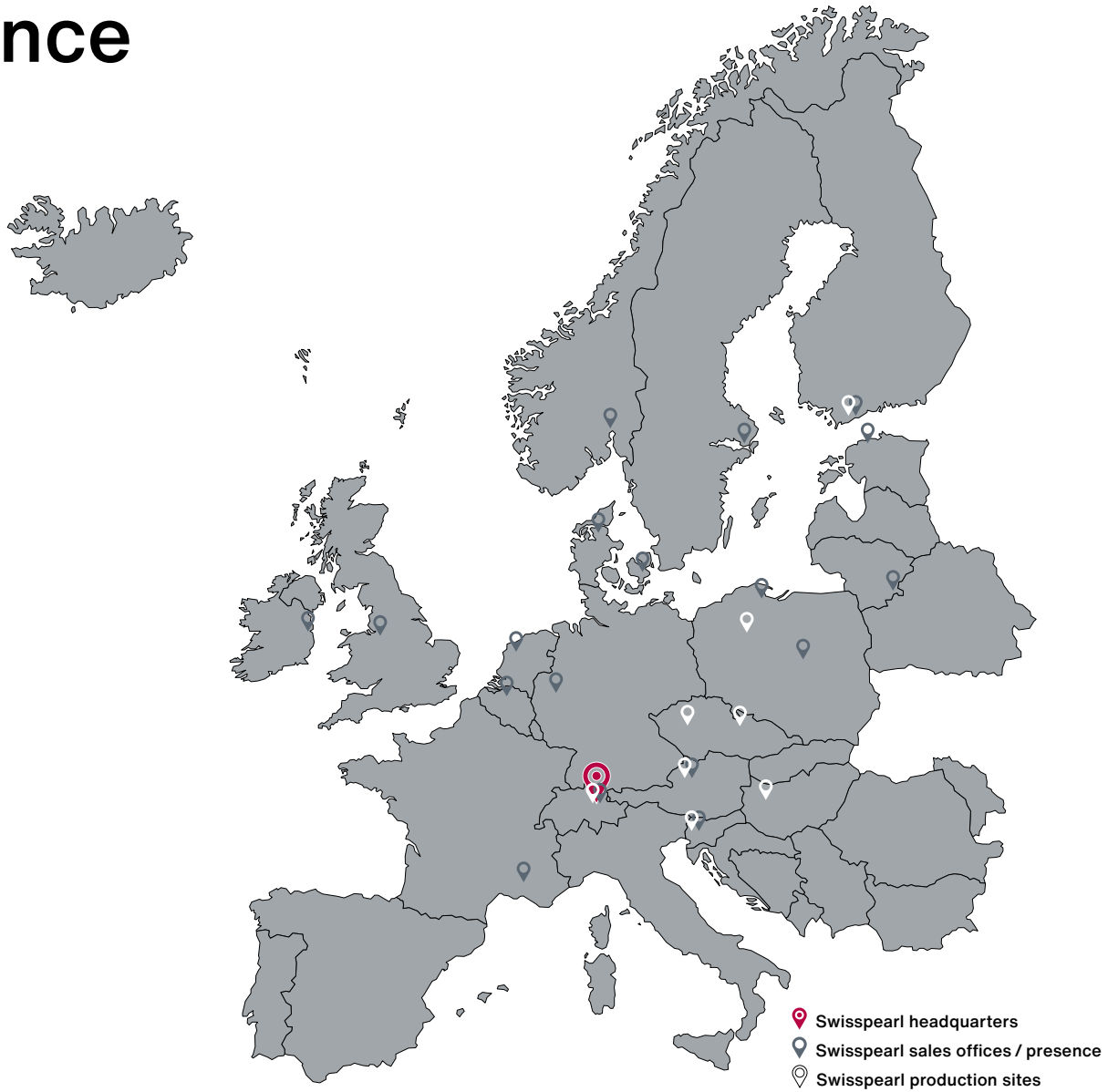


Figure 2. Swisspearl headquarters, sales offices and production sites.

Side story | Swisspearl Powerhouse

Powering the Future: Swisspearl's "Powerhouse" in Niederurnen

Swisspearl has taken a bold step toward sustainable production with the opening of its new Powerhouse in Niederurnen, Switzerland. More than just a production facility where slates are produced, this building produces its own energy, setting new standards for industrial sustainability.

With over 3,000 solar panels covering 6,278 m^2, the Powerhouse generates 1,000 kWp, covering up to 12% of our energy needs and significantly reducing our CO_2 footprint.

This project is a milestone for Swisspearl. It allows us to integrate renewable energy directly into our production while showing that industrial buildings can be both functional and sustainable.

Products and solutions

Swisspearl products and solutions are based on aesthetic, durable and cost-efficient mineral composite developed for exterior and interior applications. They offer several environmental, social and economic benefits throughout their lifecycle.

Swisspearl is a leading producer of high-quality fibre cement products, offering innovative solutions in 5 main areas:

- **Facade panels:** Durable, weather-resistant panels available in various colors and textures for creative and functional building designs. Most often as part of lightweight ventilated outer wall constructions.
- **Building boards:** Durable, weather-resistant panels available in various performance steps and visuals to protect constructions against water, wind, moisture and fire.
- **Roofing solutions:** Fibre cement roofing products that provide excellent protection and aesthetic appeal.
- **Interior applications:** Versatile panels suitable for interior design, especially in demanding environments.
- **Garden solutions:** Products designed for outdoor spaces, combining durability with visual appeal.

Our products are renowned for their aesthetic appeal, durability, cost effectiveness and ability to be part of sustainable building.

Swisspearl's fibre cement panels come in various sizes, colours and textures, providing architects and designers with versatile options for creative and functional building designs.

Our commitment to quality, innovation and sustainability has made us a trusted name in the construction industry throughout decades and generations.

Fibre cement

Fibre cement is an extremely versatile material that can be used in a variety of ways. Our products and solutions offer numerous possibilities for creativity, functional features and performance that can be used in the architecture, design and construction of building envelopes and living spaces. The heart of the success of our products began in 1894 in Vöcklabruck, Austria, where fibre cement was invented by Ludwig Hatschek.

Swisspearl products in building envelope

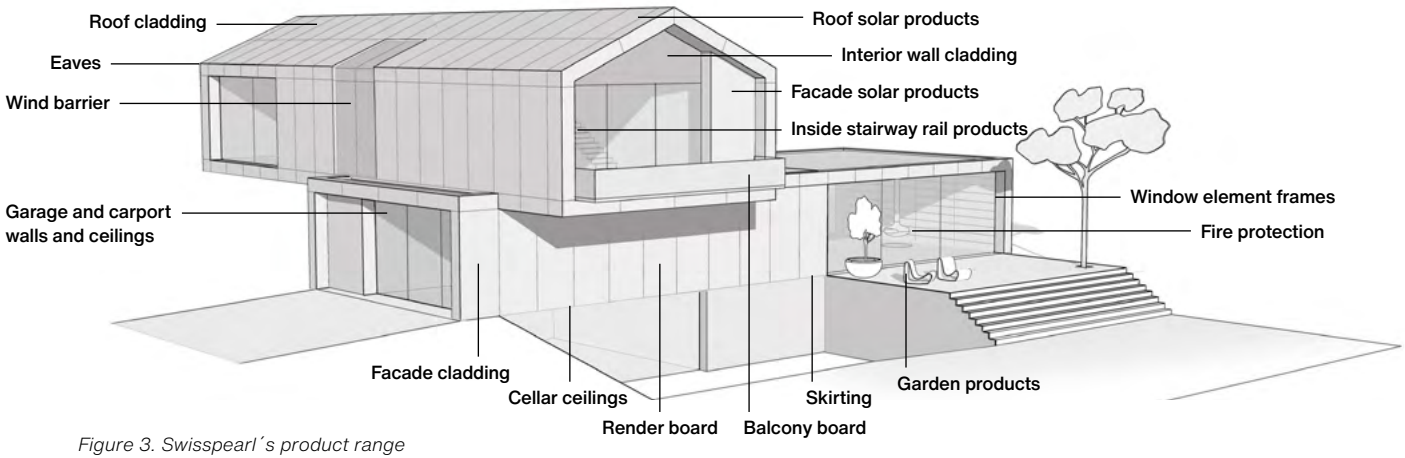


Figure 3. Swisspearl´s product range

High strength, non-combustibility, and long-term performance
As a material, fibre cement is an attractive choice for sustainable buildings. The multiple applications in a building envelope deliver several lifecycle benefits. The intended applications are in lightweight constructions. The key characteristics in our solutions are: high strength, non-combustibility, long-term performance and visual malleability. The maintenance requirements of fibre cement boards during their lifecycle are relatively low, ensuring low cost of ownership. We are dedicated to further expanding the end-of-life recycling opportunities of fibre cement. Concrete recycling solutions are one of the biggest areas of effort in our development activities.

Safe, healthy, and inspiring living
Safety is a strong functional attribute in fibre cement products. Most of our products have reaction to fire rating Class A1-2 s1-2 d0, which means the products do not catch fire even in the presence of high temperature or a direct flame. Therefore, Class A rating undoubtedly improves a building's fire behaviour, thereby benefitting the building users and owners. Partition walls and evacuation tunnels are excellent examples where our fibre cement provides safety for building users. Furthermore, the non-combustibility of our products hinders the spread of fires in buildings, thereby protecting the users and limiting the damage caused by the fire.

The alkaline nature of fibre cement products leads to very good fungal resistance. This functional characteristic supports the creation of healthy living environments, thereby reducing health risks. The fibre cement composition also contributes to a healthy living environment, since a relatively low percentage of chemical additives is needed for its production. In addition, the chemical emission and odour rates from fibre cement products are very low. These features are especially important in indoor applications. All of our indoor products are classified as M1. Building architecture can inspire thought and emotions, both for the building users as well as others in the vicinity of the building. Each construction builds the cityscape that impacts the comfort and feeling of belonging experienced by people. Fibre cement is a versatile, mouldable material with extensive ranges of colours and surface finishes. It offers endless options for orchestrating architectural stimulus and building delightful living environments. The freedom of design is an inspiring characteristic and source of enjoyment for architects as well.

Solutions for a more sustainable built environment
The construction sector, in a need to decarbonise and reduce its impact on biodiversity, is increasingly turning toward fibre cement and Swisspearl to reach its goals.

Our products are often used in lightweight construction, normally with wood, steel or aluminium structures and mineral or bio-based insulation. When comparing embodied energy, it is lower in lightweight than heavyweight constructions and most other lightweight solutions.
The same goes for impact on biodiversity according to our internal research.

Solutions for energy-efficient buildings
According to the European Union's Green Deal, the vast majority of Europe's building stock does not meet modern energy efficiency standards. Our products form part of structures ideal for energy efficiency renovations to existing buildings with inferior insulation. Fitting the external façade with thermal insulation and fibre cement not only provides a robust solution to drive down heating-related climate emissions and costs, improve comfortable indoor climate and sound insulation, but also to improve the aesthetics of the building.

Swisspearl products have high weather resistance. They are being successfully installed in a wide variety of climates, from extremely high Middle East temperatures to extremely windy, damp and cold northern Nordic coastal areas. It is important to note the extreme temperature conditions of the northern Nordics, where the range can be even less than -40 to over +30°C, all this very well sustained by our fibre cement products.

Cost-effective, easy-to-install, durable and with low maintenance

Our products are a cost-effective solution for the building owners. Our products are easy to install. We can further help the installation with our cutting and drilling services that allow direct and easy installation according to the designs in factory finished quality, without the need to organise any work stages before installation. The value of our factory customisation is further increased on congested construction sites. Customised boards also minimise construction site waste due to only installed volumes being shipped, reducing the transport emissions.

The durability with an expected average lifetime of 50 years when installed and used correctly and low maintenance requirement deliver a low lifecycle cost compared to many other materials. Characteristics like very good weather and impact resistance contribute to durability. However, we have also thought of the possible maintenance-requiring incidents over the lifecycle of a building and developed an anti-graffiti surface for our facade portfolio. This surface makes it easier to clean the facade in the unfortunate case of graffiti.

Documentation for quality and performance

Most Swisspearl products qualify for sustainable building design and construction certifications and are registered and approved in environmental databases. Swisspearl fibre cement products contribute to the various criteria evaluated when certifying buildings under a specific scheme, like DGNB, BREEAM, LEED, Nordic Swan label and Minergie-ECO. Swisspearl can support EPDs on a great variety of our products – and the list keeps expanding month by month. We value the quality and consistency of our products and services and all of our factories operate under the ISO 9001 certificates.

Furthermore, to mitigate safety and environmental risks, we work systematically and meticulously on a full range of safety and environmental topics. In all our factories we have the respective reporting and continuous improvement practices in place. In addition, the majority of our factories are ISO 14001 and 45001 certified.

Strategy, business model and value chain

Our Vision – Shaping the future of building
As an innovative and creative solution provider in our industry, we foster sustainability and deliver a positive impact today and for the generations of tomorrow.

Our Mission – Create leading solutions
Create and deliver leading building products, solutions and services to our customers through excellence, partnership, scalability and a highly engaged international team.

Our values
Drive innovation
Work together
Deliver solutions
Be reliable
Exceed expectations

Upstream		Own operations				Downstream			
Raw materials, Water, Products, Energy	Transportation	Development	Production	Sales	Other operations	Transportation	Construction	Use/maintenance	Decommissioning/ End of life
Inputs: Cement Fillers Fibres Paint Water Finished goods Natural gas Electricity Other energy	**Transport modes:** Truck Train Sea vessel	**Focus:** Raw materials Recipes	**Focus:** Safety Production Efficiencies (material and energy) Technologies	**Focus:** Sales Marketing Customer service Technical support	**Focus:** Supply chain management Sourcing and procurement Innovation Quality HR Finance, Legal and IT	**Transport modes:** Truck Train Sea vessel	**Outputs from Swisspearl:** Products: roofing, facades, interior, sub-construction and garden Material optimisations Installation instructions	**Outputs from Swisspearl:** Maintenance instructions	**Outputs from Swisspearl:** To be developed

We are a family-owned producer of fibre cement products for building applications and gardens. The group is headquartered in Switzerland. Swisspearl is run by a functional organisation structure. Swisspearl's main markets are in Europe. Our customer service and technical support activities for sales are decentralised to each of our 15 sales entities. Furthermore, we have market warehouses in several European countries to support efficient global distribution of our products. On 31.12.2024 Swisspearl Group employed in total 2137 full time employees, all in its European entities.

We operate eight factories located in seven countries – Austria, Czechia, Finland, Hungary, Poland, Switzerland and Slovenia. In these factories we produce our roofing, facade, building & indoor and garden products. To complete the portfolio Swisspearl buys and resells construction products from other producers, e.g. fixing systems. Our key suppliers provide us with the input materials, energy, technologies and logistics services. We manage our suppliers based on quality, sustainability, availability and cost. In sustainability, we conduct due diligence, have a Supplier Code of Conduct and engage to find attributes that support us meeting our sustainability goals. All in all, Swisspearl with its sales entities and factories forms a strong production and sales network.

We offer cost-effective, easy-to-install, and durable fibre cement solutions for safe, healthy, inspiring and sustainable living. In addition, our portfolio includes solar systems for roof and façade applications. Our products and solutions allow numerous possibilities for creativity, functional features and performance that can be used in the architecture, design and construction of building envelopes and living spaces. We manage our outputs based on feedback from continuous engagement with our customers, collection of market and competitor intelligence, performance of in-house testing and analyses and transforming the gathered information into product, service and process development insights.

Sustainability strategy

Sustainability and business strategy

Strategic approach on sustainability
Sustainability is in the core of the Vision and Mission of Swisspearl Group. Whilst addressing the negative sustainability impacts in the value chain, we will further strengthen the positive attributes and impacts of our products and solutions while progressing in global market reach.
Please see page 6 for further details about the product attributes.

Innovation, research and development are fundamental elements in our sustainability work. Furthermore, to maintain and develop competitiveness, we conduct continuous streamlining of operations to ensure safety, reliability and efficiency in delivering our products and services. To support the progression we partner up with relevant stakeholders e.g., industry leaders or suppliers. The overall outcomes of our work reduce value chain emissions, improve resource efficiency and processes as well as circularity of materials and further progress in global market reach.

Sustainability impacts in fibre cement value chain
Cement is the main raw material in fibre cement products. Cement production is a high consumer of energy and responsible for approximately 7-8% of global CO_2 emissions. Mineral mining and processing operations as well as cellulose production require significant amounts of water in their processes. Fibre cement production also involves use of water, although recycled multiple times in the processes to maximise the efficient use. From a resource use and circularity perspective, several of the raw materials used in the products are virgin and non-renewable. Furthermore, fibre cement products are not yet today strongly connected to circular economy flows, especially from the end-of-life stage. Socially health and safety represent the main impact due to high lost time injury frequency rate.

To address the negative sustainability impacts in the value chain, we have categorised our sustainability focus in two;
- Material sustainability topics and
- Organisational enablers.

The two categories we express by sustainability statements. These statements guide our work ahead and ensure our organisational capability enables us to reach our goals.

The focus of the statements
The two biggest challenges for the fibre cement value chain relate to reduction of carbon emissions and introduction of commercial circularity solutions. To overcome these two challenges, we focus especially on production efficiency improvements, raw materials, process technologies and renewable energy systems.

Sustainable transition will require significant raw material recipe, process and product reformulations, research and break-through innovation. The key focus for partnering with suppliers is in carbon emission reductions and strengthening of circularity solutions.

Safety work includes maintaining and improving procedures and practices currently in place, training and building mindset and behaviour as well as introducing further safety best practices. In addition, for the safety of installers and others handling our products, we provide instructions and guidelines.

The illustration on the next page connects our business strategy and the relevant sustainability matters to our sustainability statements.

Our Vision.

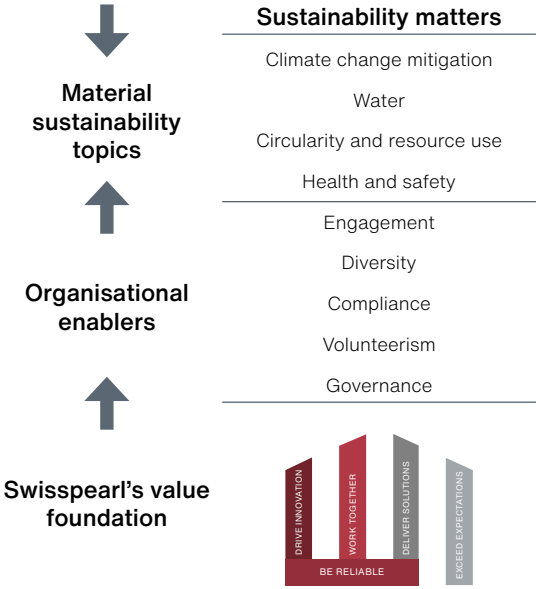
Shaping the future of building

As an innovative and creative solution provider in our industry we foster sustainability and deliver positive impact today and for the generations of tomorrow.

Our Mission.

Create leading solutions

Create and deliver leading building products, solutions and services to our customers through excellence, partnership, scalability and a highly engaged international team.



Our sustainability statements

We aim for Scope 1&2 carbon neutrality by 2040
We aim for Scope 3 carbon neutrality by 2040
We aim to have zero landfill waste from factories by 2030
We aim to minimise wastewater from factories by 2030
We aim not to use drinking water (municipal) in production processes by 2030
We explore ways to create value from fibre cement waste and end-of-life products
We ensure the safety of all Swisspearl employees
We have an attractive workplace
We embrace diversity and actively remove barriers
We follow the laws, regulations and guidelines
We carry out voluntary work for local communities
We will further embed Swisspearl Group values, codes, policies and safety rules into the organisation
We govern climate action through Science Based Targets

Figure 4. The Swisspearl business strategy and sustainability topics relations to the sustainability statements

Organisational enablers

By integrating sustainability into every facet of our operations, we are able to enhance efficiency, foster innovation, and build resilience. This chapter delves into the organisational enablers that support our journey towards a sustainable future.

Engagement

Employee engagement is vital for fostering a culture of sustainability. When employees are actively involved and committed to sustainability initiatives, they are more likely to adopt and promote environmentally and socially friendly practices. Engaged employees can also provide valuable feedback and innovative ideas to improve sustainability efforts. Additionally, stakeholder engagement ensures that the company aligns its sustainability goals with the expectations and needs of its stakeholders, enhancing transparency and trust.

It is important to Swisspearl that our employees and external stakeholders experience Swisspearl as an attractive workplace. It is our goal to create an attractive culture by further engaging with employees in open dialogue, and by taking necessary actions for improvement based on their feedback.

Diversity

Diversity brings a range of perspectives and ideas, which can lead to more innovative solutions. A diverse workforce can better understand and address the needs of different communities, leading to more inclusive and effective sustainability strategies. Moreover, diversity can support driving a stronger commitment to sustainability. Our values and code of conduct are the foundation for an open and accepting workplace.

The cultural origins in Swisspearl are in the 16 European countries where we have legal entities, please see figure 5. The production sites generate the largest proportion of employees and cross-section of European cultures from Switzerland to Finland. Our sales entities extend the cultural coverage to Western Europe.

Figure 5. Share of employees in legal entities.

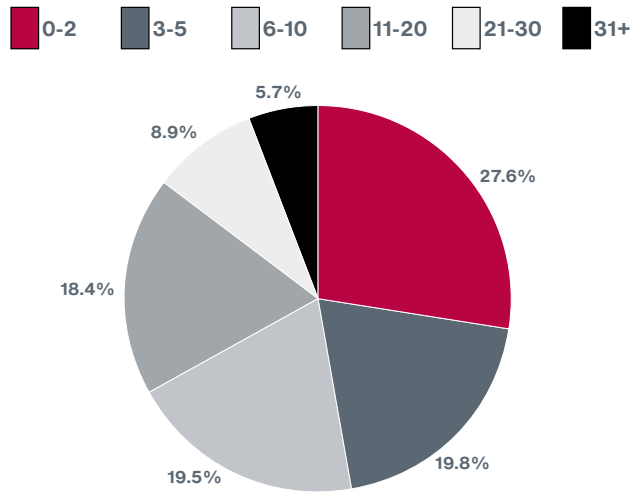


Figure 6. Share of employee groups according to years of employment.

A balanced seniority distribution (Fig. 6) offers several benefits. More senior employees transfer their knowledge and experience to more junior employees, fostering a culture of learning and development. Senior employees also have a better insight into the company's culture, processes, and clients, which can help in maintaining continuity. On the other hand, more junior employees bring new ideas and fresh viewpoints into the discussions, challenging the existing, and thereby driving innovation.

As a production company, Swisspearl recognises the significance of fostering gender diversity. We experience that diverse teams generate more creative ideas and support well-rounded solutions. Inclusion boosts employee satisfaction and productivity. Inclusive workplaces attract and retain talent.

However, the production industry continues to face challenges attracting women, as highlighted by the EIT Manufacturing and Eurostat.

The following table presents the gender diversity of Swisspearl in different employee groups at the end of 2024. The gender diversity of Swisspearl is aligned with the earlier indications of women in production.

Table 1. Gender diversity of Swisspearl.

	Female	Male
Blue collar	10%	90%
White collar	32%	68%
All employees	20%	80%
Other management	28%	72%
Board of Directors	50%	50%

We recognise that ensuring diversity at senior levels of the organisation can help to overcome challenges of attracting women. A diverse Board of Directors demonstrates Swisspearl's commitment to promoting an equal opportunities workplace to external stakeholders and potential candidates. It promotes the company as an equal opportunities workplace to women candidates.

It is worth noting that as a family-owned company we also fulfil the targets of the so-called "Women on Boards" Directive that is set for large, listed companies within the EU.

Furthermore, we communicate about our commitment to diversity in our sustainability statement, the Code of Conduct and Human Rights Policy.

Legal compliance
Swisspearl´s compliance with laws and regulations is the foundation for our sustainability strategy. Adherence to legal requirements leads to controlling the environmental impact and ensures the safety of employees and communities. Compliance also helps avoid legal penalties and reputational damage, which can undermine sustainability efforts. Furthermore, staying ahead of regulatory changes can position a company as a leader in sustainability.

Our values, Code of Conduct and policies guide us in ensuring a company where laws, regulations and guidelines are followed.

Volunteerism
Volunteer programmes help to address local environmental issues, promote health and safety awareness, and build stronger community relations. These activities not only contribute to Swisspearl sustainability goals, but also boost employee morale and engagement, creating a positive feedback loop for attitudes towards sustainability.

Contributing voluntary work to communities means for us giving time, effort and talent each year to projects and activities that aim to provide environmental and social benefits for the community. The community involvement is driven by our local entities.

Governance
Good governance drives companies towards financial and operational stability, which are essential for sustaining long-term environmental and health and safety initiatives. Effective governance structures can provide oversight and accountability, ensuring that sustainability initiatives are implemented and monitored effectively. Governance also involves setting clear sustainability targets, measuring progress, and reporting transparently to stakeholders, and thereby build trust and credibility.

In governance we focus on further strengthening the common Swisspearl way to manage, behave and operate. Our values, codes, policies and safety rules form a fundamental part of Swisspearl's governance and social responsibility system. We are committed to finding practices that support embedding these fundamental elements into the organisation to an even greater extent. In addition, we govern our climate action, we are aiming to sign up to the Science Based Targets initiative (SBTi).

Governance structure

The Board of Directors

Paul Schuler
Born: 1955
Nationality: Swiss

Chairman of the Board
On the board since 2021

Other positions
Member of the Board of Directors, Sika AG

Competences
Broad management, strategic and commercial experience in the global construction industry and in building a global player in such industry as the CEO and in other positions at Sika AG.

Education
MBA, Graduate School of Business Administration

Giulia Alpstaeg
Born: 1992
Nationality: Swiss

Member of the Board
On the board since 2019

Other positions
Chairwoman of Zürcher Ziegeleien AG and Wagner Systems AG
Board Member: Swisspor Holding AG and all subsidiaries

Competences
Strategic communication and stakeholder management, corporate communications and branding, analytical thinking and solution orientation, cross-functional and intercultural collaboration, digital media and content strategy

Education
BSc in Business Communication and
currently pursuing an MBA in Business Management

Dr. Maja Baumann
Born: 1977
Nationality: Swiss

Member of the Board
On the board since 2017

Other positions
Chairwoman of the Board of Directors of SwissLegal Zurich AG and SwissLegal Schwyz AG
Member of the Board of Directors of Vontobel Holding AG and Bank Vontobel AG
Chairwoman of the Board of Directors of Advontes AG
Member of the Board of Directors of Vontrust AG
Member of the Board of Directors of GRAPHA-Holding AG
Member of the Foundation Board of the Vontobel Foundation
Chairwoman of the Zoo Foundation Zurich

Competences
Legal and Compliance
Corporate and M&A
Sustainability Regulation
Strategy Development

Education
Dr. iur., lawyer
LL.M. in Corporate Law
Certified Specialist SBA in Real Estate and Construction Law
CAS in Banking, Capital Markets and Insurance Law

Fabian Huber
Born: 1982
Nationality: Swiss

Member of the Board
On the board since 2021

Other positions
Global Head of Corporate Controlling Geberit Group

Competences
Broad business and financial leadership experience from various management positions with large listed and non-listed international companies, leading to strong international experience in finance, accounting, supply chain and digitalization/software. Project implementation lead experience for EU taxonomy.

Education
MSc in Accounting and Finance
BSc in General Management

The Group Executive Management

Marco Wenger
Born: 1982
Nationality: Swiss

Chief Executive Officer
Managing Director Switzerland, Nordics
In Swisspearl since 2021

Areas of responsibility
Full profit and loss responsibility for Swisspearl Group, Nordic markets and Switzerland, Sustainability leadership

Competences
In-depth experience in leadership, business management and driving sales. Strong know-how from retail sector. Extensive knowledge in production management, circular economy, health and safety management, employee retention and supplier relationship management.

Education
EMBA in Business Management
BSc in Construction, Wood and Architecture

Cormac Murphy
Born: 1962
Nationality: Irish

Managing Director UK, Ireland
In Swisspearl since 2016

Areas of responsibility
Full profit and loss responsibility for the UK and Ireland

Competences
In-depth experience in leadership and business management with various major companies, including restructuring, driving growth and value. Strong insights into the construction industry, including the commercial area, product and quality innovation, combined with strategic business development.

Education
BSc Hons in Social Science

Hans-Jörg Kasper
Born: 1970
Nationality: Austrian

Managing Director Austria, Germany, Northeastern Europe
Global Head of Marketing
In Swisspearl since 1994

Areas of responsibility
Full profit and loss responsibility for Austria, Germany and Northeastern Europe, Global leadership and management in Marketing

Competences
In-depth business and leadership experience especially in design and implementation of sales and marketing strategies, building international brands and corporate management.

Education
EMBA in General Management

Julien Ferrer
Born: 1983
Nationality: French

Managing Director Western Europe, International
In Swisspearl since 2018

Areas of responsibility
Full profit and loss responsibility for Belgium, Netherlands, France and outside Europe sales

Competences
In-depth experience in leadership and business management from various sectors. Strong know-how in market segmentation, go-to-market strategies and establishing partnerships in achieving sustainable penetration and growth.

Education
MBA in Business Management

The Group Executive Management

Janez Flere
Born: 1976
Nationality: Slovenian

Managing Director Slovenia, Southeastern Europe
In Swisspearl since 2020, until March 2025

Areas of responsibility
Full profit and loss responsibility for Slovenia and Southeastern Europe

Competences
Broad experience in leadership, sales and new business development in building materials. Technical expertise in production materials, product life cycles, regulations, and integrating sustainability initiatives.

Education
BSc in Economics

Aleksander Horvat
Born: 1971
Nationality: Swiss

Chief Financial Officer
In Swisspearl since 2022

Areas of responsibility
Global leadership and management in Finance, Controlling, Legal and ICT

Competences
In-depth experience in finance, controlling, tax, ICT and legal management including various M&A. Strong know-how in leading strategic initiatives, restructuring, integrating and financing corporate divisions or units. Highly skilled in leadership and project management. Extensive knowledge in enhancing financial performance, optimising processes, and fostering continuous improvement culture.

Education
MSc in Accounting & Finance
Business economist FH

Christiane Wäger
Born: 1980
Nationality: Swiss & German

Global Head of Human Resources
In Swisspearl since 2020

Areas of responsibility
Global leadership and management in Human Resources

Competences
In-depth experience in human resources management positions in international companies in the retail and construction industry, as well as from management consulting focusing on HR strategies, HR digitalization and people development.

Education
MSc in Business Economics

Martin Albert
Born: 1970
Nationality: Swiss

Global Head of Manufacturing
In Swisspearl since 2022

Areas of responsibility
Global leadership and management in Manufacturing

Competences
In-depth leadership experience in multicultural, international industries in Southeast Asia, Europe, and Arabia, ranging from large to small enterprises. Technical affinity for product and process innovation, management systems, lean methodologies, digitalization and continuous improvement. Extensive know-how in strategic and structured integration of total cost of ownership.

Education
MAS in Quality Leadership
Business economist FH

The Group Executive Management

Joachim Ebenhoch
Born: 1970
Nationality: German

Global Head of Innovation
In Swisspearl since 2017

Areas of responsibility
Global leadership and management in Research & Development, Product Management, Product Compliance and Project Management Office Innovation & Sustainability

Competences
In-depth business and leadership experience from different positions in the construction industry, leading to strong international experience in areas of product management and research & development. High proficiency in serving in industrial advocacy organisations; Member of EFFCM (European Federation of Fibre cement Manufacturers) and fibrecem Swiss Fibre cement Federation.

Education
BSc in International Marketing
MBA in General Business Management

Karl Havemose-Poulsen
Born: 1962
Nationality: Danish

Global Head of Procurement and SCM
In Swisspearl since 2017

Areas of responsibility
Global leadership and management in Procurement (Direct, Indirect & Capex),
Supply Chain Management, Sales & Operations Planning, Shared Service Center

Competences
Extensive international experience in multiple industries including mergers, acquisitions and terminations within Pharma, Medical Device, Petro Chemical, Biological and Construction.
In-depth know-how in supply chain, manufacturing operations and HSSEQ management.

Education
BSc in Production Engineering
BSc in Marine Engineering and Graduate Certificate in Business Administration

The governance elements

The Swisspearl governance framework is based on management accountability, codes and policies, corporate values and managerial ethics as well as employee business conduct. Swisspearl's governance framework with all its elements supports ethical, responsible and compliant business practices.

Management bodies

The Board of Directors serves as the supervising approval body that ensures the vision and mission, strategic plans and policies proposed by the Group Executive Management. The Board aligns them with the company's long-term goals, legal requirements and shareholder expectations. The Board reviews and approves the strategic direction and major policies proposed by the Group Executive Management. They ensure compliance with legal requirements and oversee risk management and the Double Materiality Assessment (DMA) outcomes, approve financial plans and ensure the integrity of financial and non-financial reporting. The Board is provided with periodic sustainability reporting as needed by the Director, Group Sustainability.

The Group Executive Management plays a pivotal role in shaping the company's vision and ensuring its implementation. They are responsible for defining the strategic direction and policies of Swisspearl. They validate the DMA followed by CEO sign-off. With regard to the approved strategic direction, the Executive Management develops comprehensive plans for the company's growth and success. They oversee periodically the progression towards the sustainability goals and engage in discussions and workshops regarding strategic and tactical sustainability topics. They are supported by the Group Sustainability department.

The Executive Management ensures that the company's operations align with the defined strategies and objectives. They oversee the performance of the Group Senior Management and secure alignment with the company's goals. The Group Executive Management engages with they key stakeholders to communicate the company's strategic direction and gather feedback.

The Group Senior Management, reporting to Group Executive Management, is responsible for the day-to-day management of subsidiaries and group-wide departments. They act as the implementation body for Group Executive Management. Their key responsibilities include effective implementation of the strategic initiatives and plans and group policies within their respective areas. Furthermore, they oversee the operations and effectiveness of subsidiaries and group-wide departments to ensure they align with the company's overall objectives. In addition, they conduct regular reporting on the performance and progress of their areas to Group Executive Management. Senior Management plays a crucial role in the tactical implementation of sustainability. In collaboration with the Group Sustainability Department, they engage in activities related especially to implementation aspects of sustainability strategy, improvement of transparency and tools, identification of material impacts, collection of sustainability intelligence and preparation of progress reporting. The Senior Management also provides feedback and inputs to the Executive Management in the strategic and operative aspects of steering the company forward.

Codes of conduct and policies

Our values in connection with our Code of Conduct set the social, ecological and ethical attitude and establish the Swisspearl identity. They set the principles of business conduct and apply to all employees and representatives of Swisspearl.

Our policies contain governing principles and procedures to effectively manage an issue for Swisspearl as a whole or parts of it. In addition to the Swisspearl Code of Conduct, our key codes and policies include:

- Supplier Code of Conduct
- Human Rights Policy
- UK Modern Slavery Statement
- Whistleblower Policy

In 2024 we conducted the double materiality assessment, please see chapter Sustainability. Next we plan to assess how our current policies respond to the material sustainability impacts, risks and opportunities. In case of identified gaps, we will define corrective actions.

Risk management

We conduct supply chain sustainability due diligence through a process that is aligned with the OECD guidance. In 2024 we started the use of a new IT solution that enables us to source and evaluate supplier sustainability data, engage and assess the supply chain sustainability risks. The system will significantly increase our capability to conduct supply chain sustainability due diligence.

Whistleblowing

At Swisspearl, we are committed to high ethical standards of business conduct and to do business in a responsible way and with integrity. The scope of our Whistleblower Policy is wider than that required by the EU Whistleblowing Directive. We have included our employees as well as external parties with a working relationship with Swisspearl. Furthermore, we have included those legal entities with fewer than 50 employees as well as allowing anonymous reporting, unless national legislation prevents it. The whistleblowing system and the Whistleblowing Policy can be found on our global website.

Aspects of social responsibility

Human and labour rights, including child labour
Our Code of Conduct and Human Rights Policy govern our commitments in relation to human and labour rights. We recognise our responsibility with respect to international human and labour rights. We strive to promote a working environment characterised by respect, fairness, equality, and where fundamental employee rights are protected. Swisspearl does not accept child and forced labour. Furthermore, we strive to work with suppliers and other business partners that match our values and standards. To further advocate them, the Swisspearl Supplier Code of Conduct sets the social, ecological and ethical standards for all our suppliers.

Table 2 shows specific human rights topics addressed by Swisspearl policies.

Table 2. Swisspearl's policies addressing human rights topics.

Policies addressing human rights topics	Human trafficing	Forced or compulsary labour	Child labour	Elimination of discrimination
Swisspearl Group Code of Conduct				×
Swisspearl Group Human Rights Policy	×	×	×	
Swisspearl Group Supplier Code of Conduct	×	×	×	×

In 2024, Swisspearl was not involved or suspected in any legal proceedings associated with human rights violations. Therefore, Swisspearl did not incur any monetary losses as a result of such processes either.

Conflict minerals and metals
We do not import or use as part of raw materials any conflict minerals and metals. Furthermore, we conduct a supply chain risk assessment for conflict minerals and metals.
For raw materials with identified risks of conflict minerals and metals, we conduct due diligence.

Bribery and corruption
We do not have operations in areas with elevated corruption or bribery risk. However, we must be diligent in our operations and relationships with customers, suppliers and other business partners to avoid these risks. Our Code of Conduct takes a clear stance against bribery of any kind. Furthermore, the Swisspearl Supplier Code of Conduct serves as an integral code for relationships with suppliers and business partners. In addition, all employees are encouraged to report requests for bribes or facilitation payments immediately, either to their manager, directly to Swisspearl's Legal department or via our whistleblowing system.

Pricing integrity and transparency
Our values guide all our employees to treat everyone with integrity. Furthermore, the Swisspearl Code of Conduct takes a clear stance against unfair competition. All Swisspearl's business partners are expected to adhere to existing laws that regulate competition, particularly anti-trust and competition laws.

In 2024, Swisspearl was not involved or suspected in any legal proceedings associated with anti-competitive behaviour, including, but not limited to, cartel, price-fixing and anti-trust practices. Therefore, Swisspearl did not incur any monetary losses as a result of such processes either.

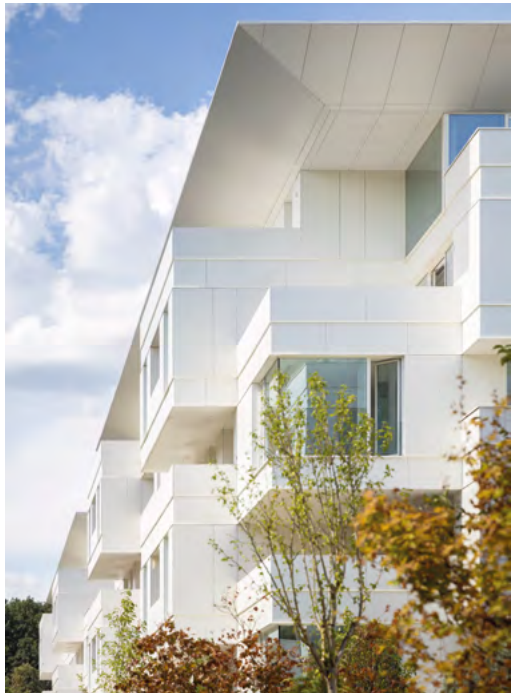
Data ethics
Swisspearl does not currently have a data ethics policy.
First and foremost, the data we possess are for our own use. Secondly, due to the relatively small global size of the business and relatively narrow segment, it generates less commercial value to external parties compared to the data of clearly larger businesses in global size. This significantly reduces the risk of our employees encountering interventions that might lead to data misuse.

As a company, we do not sell the data we hold. Nevertheless, if required by legislation, court or authority decisions, we provide the defined data to the nominated party. In any event, no such requirement arose in 2024.

If we use data from third parties, we expect such third parties to follow the laws and observe ethical considerations in relation to possessing, providing and handling such data.

Stejarii Collection | Bucharest, Romania

Artline SRL Architects, Bucharest, Romania



This six-storey residential scheme by Artline SRL Architects is located in a deep forest on the outskirts of Bucharest.
The building is like a continuous white ribbon that winds its way through the trees. With its inner courtyards, all apartments enjoy views out onto the forest. The relationship with the exterior landscape is created by means of two types of terrace balconies, some of which are covered and integrated into the volume, while others are generated by the alternating cantilever projections across the different levels.

Material sustainability topics

General information

Sustainability is embedded in our Vision and Mission. Our sustainability targets guide our sustainability decisions and activities in both the long-term and in day-to-day operations.

Basis of the sustainability statement
Inspired by the ESRS 2, this chapter aims to provide an understanding of how we have prepared this sustainability chapter. This chapter is followed by chapters concerning environmental, social and governance information, which respond to the requirements aligned with the outcome of the Double Materiality Assessment (DMA). After these, we present the summary of ESG metrics and related accounting principles.

The intention of this statement is to act as a transition report from 2023 towards the 2025 report where we aim to fulfil the European Sustainability Reporting Standards (ESRS) requirements concerning Swisspearl. Therefore, this statement is not a full presentation of our response to the ESRS requirements. Moreover, this report, including this chapter, has not been externally audited.

Consolidation, data points and time horizons applied
This sustainability statement has been prepared on a consolidated basis, aligning with the scope of the financial information presented in this report. It covers our global operations, and both upstream and downstream aspects of our value chain, encompassing suppliers, production processes, distribution, product use, and end-of-life considerations. No information corresponding to intellectual property, know-how or the results of information has been omitted from the sustainability statement, nor has Swisspearl exempted from disclosure information pertaining to impending developments or matters in the course of negotiation. The consolidation period of this report is from January 1, 2024, to December 31, 2024.

All material impacts, risks and opportunities disclosed in the topical standards have been subject to a double materiality assessment (DMA). For a detailed description of the scope, methodology and assumptions of our DMA process, see the chapter discussing the DMA.

The Sustainability statement follows the categorisation of short-, medium- and long-term time horizons as defined in ESRS 1, section 6.4; Short-term (within 1 year) | Medium term (1-5 years) | Long term (> 5 years).

Other generally accepted sustainability reporting standards
In addition to the disclosures prescribed by ESRS, we have included metrics based on the SASB Construction Materials standard. We indicate these metrics in the ESG metrics section with the appropriate code and explain their application in the ESG accounting principles.

Risk management and internal controls over sustainability reporting

Our Group Sustainability department is responsible for developing comprehensive group reports on sustainability issues and ESG metrics. They organise and lead essential activities, including the consolidated DMA, sustainability-related risks, and managing data collection and conversion processes for sustainability reporting. The Group approach to reporting also enables our Group Sustainability department to function as an information hub, identifying and rectifying inconsistencies or errors in sustainability data.

The gathering of relevant data and information for the annual report is a continuous effort. The primary general challenges in creating unified sustainability disclosures across multiple units include insufficient standardisation and instructions, incomplete data, errors in manual data entries, lack of control procedures for data quality and data freezing, as well as contextual inaccuracies from using generic data sources.

Regarding the annual sustainability report, we have a multi-stage review process implemented for our management to ensure the coherence of the reported information.

Minimisation of reporting errors is a continuous effort. In 2024 we have worked with improvements concerning the following areas already established in Swisspearl:

- Internal reporting instructions
- Share of supplier-specific emissions
- Data quality control and approval procedures
- Data structures
- Completeness of the CO_2 inventory
- Interpretation of regulations

In 2024 we improved minimisation of reporting errors by implementing a quarterly quality control and approval procedure for the sustainability data. During 2025 we will implement a specialised sustainability data collection and reporting software tool to manage and structure data for reporting purposes and monitoring adherence to reporting standards. In connection with the implementation, we will also conduct a CO_2 account review with the help of an external consulting company to further improve the accuracy as well as build readiness for the SBTi commitment.

The Director of our Group Sustainability department has status meetings with the Group Head of Corporate Development at least every two weeks regarding the progression of sustainability and its reporting. From these meetings, topics identified as material risks to the success of the reporting, especially concerning quality, schedule and cost, will be escalated to the Group CEO, who updates the board when necessary.

Stakeholders

Stakeholder assessment

Swisspearl Group conducted a stakeholder assessment in Q4 2023 to systematically evaluate stakeholder interests and influence on the company's strategy and business model. From the assessment, key stakeholders were identified based on three components; their high level of interest in Swisspearl Group's sustainability strategy, ability to influence business decisions, and motivation to engage through sustainability reporting. Furthermore, environment, social and governance were included in each of the components to further inform the sustainability interest areas of the stakeholders.

As an outcome of the assessment, the following key stakeholders were identified for Swisspearl:

- Suppliers
- Employees
- Customers
- Banks
- Shareholders/investors
- Authorities

The engagement with key stakeholders is presented in the next chapter.

Stakeholder engagement

We engage with our stakeholders to shape the understanding of their needs, requirements and thoughts in material sustainability topics.
In alignment with our Mission, we collaborate with our stakeholders to support the creation of leading solutions.

	Upstream	Own operations	Downstream			Authorities
	Suppliers	Own employees	Customers	Banks	Shareholders	
Engagement purpose	▪ To inform and align on our sustainability approach & goals ▪ To collaborate, improve and innovate	▪ To inform and align on our sustainability approach & goals ▪ To manage sustainability actions and projects	▪ To understand expectations ▪ To inform on our sustainability approach & targets ▪ To collaborate in building projects	▪ To understand the ESG expectations in financing ▪ To provide sustainability information and data	▪ To align sustainability interests ▪ To secure support for sustainability initiatives	▪ Regulatory compliance ▪ To influence the policies and regulations
Engagement methods	▪ Dialogue & contracts ▪ Supplier code of conduct ▪ Due diligence ▪ Projects ▪ Sustainability reports ▪ Whistleblowing system	▪ Code of conduct ▪ Meetings ▪ Engagement surveys ▪ Sustainability reports ▪ Projects ▪ Whistleblowing system	▪ Dialogue & contracts ▪ Projects ▪ Sustainability reports ▪ Whistleblowing system	▪ Dialogue & contracts ▪ Responding to data requests ▪ Sustainability reports ▪ Whistleblowing system	▪ Meetings	▪ Internet ▪ Meetings ▪ Participation in European Federation of Fibre cement Manufacturers
Engagement outcomes	▪ Managed supplier expectations ▪ Adherence to our code of conduct ▪ Risk management ▪ Achievement of sustainability goals	▪ Improved alignment and engagement ▪ Updates of internal policies ▪ Achievement of sustainability goals	▪ Achievement of sustainability expectations ▪ Enhanced customer satisfaction ▪ Increased loyalty and market share	▪ Access to capital ▪ Cost savings ▪ Risk management ▪ Regulatory compliance	▪ Up-to-date shareholders ▪ Integration of shareholder expectations into strategy ▪ Access to capital	▪ Regulatory compliance ▪ Policy influence ▪ Risk management
Main functions involved	▪ Sourcing and procurement ▪ Group Sustainability ▪ Legal	▪ All functions, in consultation and supported by Human Resources	▪ Sales ▪ Product Management ▪ Marketing ▪ Group Sustainability	▪ Finance ▪ Legal ▪ Group Sustainability	▪ Board of Directors ▪ CEO Office	▪ Production ▪ Product Compliance ▪ Group Sustainability

Double materiality assessment

Basis of the assessment

Swisspearl Group has conducted a review and update of its DMA covering all the Group's activities. The DMA review and update was done with support from an external consultant in the period October-December 2024. The starting point for the DMA review was Swisspearl's initial DMA from 2023 (see Swisspearl Sustainability Report 2023 p. 42). The entire DMA process is presented in Table 3 DMA process overview.

Integration of the views of external stakeholders into the assessment of material topics was organised by selecting internal stakeholders who could represent external key stakeholders in alignment with the main functions involved in the stakeholder engagement.

Application of sustainability matters and materiality decision making

All identified impacts, risks and opportunities (IROs) are classified under sustainability matters as outlined in the ESRS 1. IROs have been identified on a sub-topic level and sub-sub-topic level where applicable. The materiality decision is made for each sustainability matter based on the score of the underlying IROs.

Interaction with strategy and business model

We have embedded sustainability into our core business strategy, including setting ambitious targets. Chapters Strategy, business model and value chain and Sustainabiliy and business strategy describe the business-relevant material sustainability topics and how the strategy and busines model address the identified material impacts, risks and opportunities.

As explained in the Stakeholder engagement chapter, Swisspearl actively engages with key stakeholders. The outcomes of the engagement align our sustainability efforts broadly with those in our value chain.

Descriptions of Swisspearl's material IROs are presented in the Environmental, Social and Governance information chapters.

Material topics on ESRS sub- and sub-sub-topic level

The below materiality matrix presents the results of the DMA. Material sustainability matters have been mapped to the relevant topical standards and disclosure requirements and determine what information is material for Swisspearl to report.

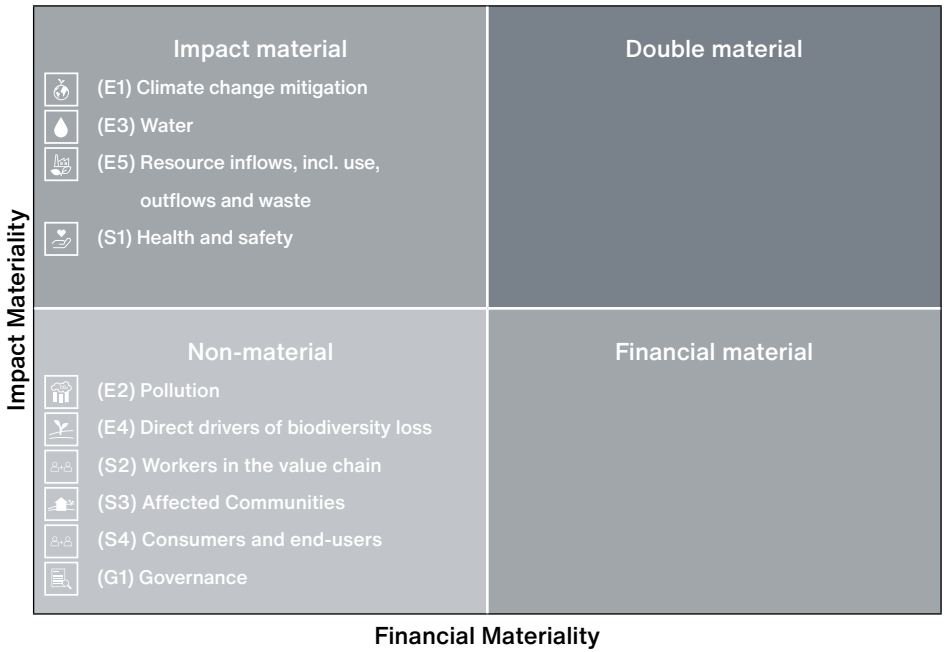


Figure 7. Swisspearl's material sustainability topics.

Table 3. DMA process overview.

Step	1. Identification	2. Screening	3. Impact materiality scoring	4. Finance scoring	5. Exec. mgmt validation	6. CEO sign-off
Timing	**Nov.-Dec. 2023**	**Nov. 2024**	**Nov. 2024**	**Dec. 2024**	**Dec. 2024**	**Jan. 2025**
Participants providing the views of the key stakeholders, ref. stakeholder engagement logic	20 Swisspearl internal employees from AT, CH, CZ, DK, FI, HU and production, health and safety, HR, sourcing, supply chain management, research and development, finance, sales and sustainability.	Swisspearl Group Sustainability team: Director, Business Development Manager, ESG Controller and external sustainability consultants.	Swisspearl Group Sustainability team and external sustainability consultants.	Swisspearl group sustainability Director, Head of Corporate Finance and external sustainability consultants.	Global Heads of Manufacturing, Innovation, HR, Procurement and SCM, CFO, Managing Directors of Western Europe, Ireland and UK, Austria, Slovenia.	Group CEO, Head of Corporate Development, Director, Group Sustainability and two external sustainability consultants.
Inputs into the step	From the table of Sustainability matters covered in topical ESRS in ESRS1 AR 16 the lowest level (sub- or sub-sub level) topics.	- 43 identified material topics - Time horizons based on the definition in ESRS-1 General Requirements (77) - Strategy, business model and value chain understanding from the review of internal and external documents.	- Output from screening - Impact materiality criteria (scale, scope, irremediability and likelihood) validated by Swisspearl stakeholders.	- Output from screening - Financial materiality criteria (magnitude of financial effect, and likelihood) defined and validated by Swisspearl stakeholders.	Summary presentation of the methodology, criteria and gross list of 12 impact material, financial material and double material sustainability topics for Swisspearl.	Output presentation from the previous step emailed in one week before the sign-off session.
Content of the step	Yes / No identification of impacts, risks and opportunities.	Validation of 43 topics with an outcome of 37 topics. For 37 topics further categorisation and grouping as well as defining with impact descriptions, company mitigations as well as nature of impact information: - Affected Stakeholder(s) - Value Chain Direction and Position - Positive / Negative - Actual / Potential - Period in which impact occurred - Nature of impact occurrence - Involvement with impact - Time-Horizon - Human Rights aspects	Assessment of impact materiality: Scale, scope, irremediability, likelihood Gross basis assesment of - actual impacts (no distinction between inherent and residual); - potential impacts Likelihood assessed by taking into account eligible mitigations (implemented ones as part of ongoing operations) and the organisational context (industry and regulatory standards).	Assessment of financial materiality: Magnitude of the financial effect of the risk/ opportunity, likelihood, and the nature of the financial effect. Gross basis assesment of financial effect. Likelihood assessed by taking into account eligible mitigations (implemented ones as part of ongoing operations) and the organisational context (industry and regulatory standards).	Based on email request review and commentary regarding the summary presentation content.	- Review of all IROs with special focus on the sustainability matters where the most severe IROs were close to the materiality thresholds and those that surprised the participants by the placement of the matters based on their intuition and understanding of the business. - Alignment on final decisions as to the materiality of each sustainability matter. - Updates to IROs according to the reasoning and conclusions.
Outputs from the step	Screened list of 43 material topics for Swisspearl.	17 relevant IROs with added descriptions and details of the nature of impacts.	Gross list of impact material sustainability topics for Swisspearl.	Gross list of total 12 impact material, financial material and double material sustainability topics for Swisspearl.	Swisspearl's mgmt. team agreement to the identified IROs and additional commentary on some of them and those integrated in the summary presentation.	- Final impact, finance and double material sustainability matters. - Management presentation and process description with incorporated inputs from management validations.

DMA assessment methodology

Scoring methodology

Impacts:

- Impact materiality: Scale, scope, irremediability, likelihood (based on if an impact is positive/negative and actual/potential).
- Impacts were assessed in terms of severity and likelihood.
- Likelihood was deemed to be 100% for actual impacts, whereas potential impacts could be assessed as either: Rare (<10%), Low (10-33%), Possible (33-66%), Likely (66-90%), Almost certain (>90%).
- Scale, scope and irremediability were each assessed on a scale from 1 to 5.
- Severity was calculated as the average score of scale, scope and irremediability scores (irremediability was not factored in for positive impacts)
- For an impact that has a likelihood of 1 - Rare (<10%) the severity needs to be at least 3.8 for it to be deemed material.
- For an impact that is actual, the severity needs to be at least 2.0 for it to be deemed material.

Risks and opportunities:

- Financial materiality: Magnitude of the financial effect of the risk/opportunity, likelihood, and the nature of the financial effect.
- Risks and opportunities were assessed based on criteria developed in collaboration with Swisspearl's Head of Corporate Finance. The risks and opportunities were scored by both estimated financial effect and likelihood.
- Ranges for financial effect in EBIT (mCHF) were the following: Minor (<10%), Moderate (10-20%), High (20-30%), Very high (30-40%), Major (>40%).
- Ranges for likelihood were the same as outlined above for impact materiality likelihood.
- For a risk/opportunity that has a likelihood of 1. Rare (<10%), the size of the financial effect needs to be at least 4.0 (=very high 30-40% of EBIT) for it to be deemed material.
- For a risk/opportunity that has a likelihood of 5. Almost certain (>90%), the size of the financial effect needs to be at least 2. Moderate (10-20% of EBIT) for it to be deemed material.

Assessment methodology

After identifying and assessing all the IROs for each sustainability matter, two matrixes were generated for each sustainability matter: an Impact Materiality Matrix and a Financial Materiality Matrix.

On the Impact Materiality Matrix, all impacts relating to the specific sustainability matter were plotted on a grid of Severity vs. Likelihood, Figure 8. A threshold line was established which gave precedence to severity over likelihood (i.e. all impacts with severity scores > 4 were considered material irrespective of likelihood, while also considering less severe impacts that were more likely, cf. description above).

Similarly on the Financial Materiality Matrix, all risks and opportunities related to that sustainability matter were plotted on a grid of Financial Effect vs. Likelihood, Figure 9.
An approximate materiality threshold line had been established which captured all the highest tiers of financial effects and less effecting risks that were more likely (cf. description above).

A sustainability matter is deemed material if at least one IRO is above the materiality threshold. Should an impact be above the threshold, the sustainability matter is impact material; should a risk or opportunity be above the threshold, the sustainability matter is financially material; should both an impact and a risk or opportunity be above the threshold, the sustainability matter is double material. A sustainability matter is deemed non-material if all identified IROs are below the threshold. Special attention was given to IROs that were categorised as potentially material.

See visuals of the Impact and Financial Materiality Matrix below:

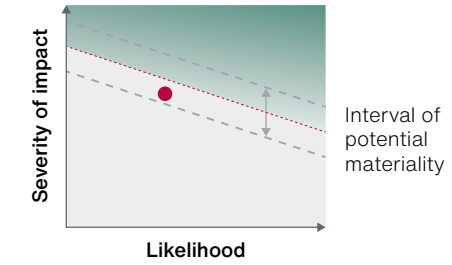


Figure 8. Impact materiality matrix.

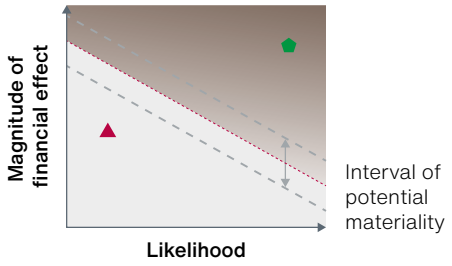


Figure 9. Financial materiality matrix.

Side story | Sustainable Safety

Rethinking Workwear at Swisspearl Lohja

At Swisspearl's Lohja factory, sustainability is stitched into every detail—including our workwear. Through a partnership with Lindström Group, we use a solution that protects our employees while minimising environmental impact.

Unlike standard uniforms, our workwear is specially designed to protect against hazards at the factory. Lindström's rental model ensures garments are maintained, repaired, and reused instead of being replaced. This extends their lifecycle, reducing textile waste.

"Our workwear must withstand tough conditions while keeping our employees safe. With Lindström, we've found a partner that not only delivers on protection but also supports our sustainability goals," says Matias Raita, EHS Manager at Swisspearl Lohja.

Sustainability is also embedded in Lindström's washing process, which optimises water and energy use. Once workwear reaches the end of its lifespan, the fibres are recycled instead of being discarded. Additionally, production takes place within Europe, lowering emissions and ensuring responsible sourcing.

This partnership is more than just about clothing—it's about making a difference.

Environmental information

E1 - Climate change

Impacts, risks and opportunities

Figure 10 describes the material topics for Swisspearl under climate change. Climate change-related direct drivers of biodiversity from chapter E4 – Biodiversity are also included in this chapter.

The construction sector significantly contributes to global greenhouse gas emmissions. This includes emissions from the production and use of materials such as cement, steel, and aluminium. Governments are implementing stricter regulations to reduce emissions and promote sustainable practices, requiring the construction industry to adapt its methods and materials.

The climate change drivers in the construction sector sets respective expectations for Swisspearl to contribute to the reduction of the embodied and life-cycle emissions of its construction products. To overcome this, Swisspearl has set long-term climate targets and is working to reduce greenhouse emissions especially in its operations and raw materials used in its products.

Policies

Swisspearl has Code of Conduct (CoC) in place to manage its material impacts, risks and opportunities related to climate change mitigation and energy. The CoC includes a dedicated chapter for environment and climate. In this chapter it is stated that we are dedicated to carrying out our business in an environmentally sustainable manner and mitigating our climate impact. We continuously work on reducing and preventing the adverse environmental and climate impacts in our own operations and the value chain." Additionally, the CoC includes action-oriented expectations of employees to uphold high standards of environmental and business conduct, including:

- Seek to minimise the environmental and climate impact of our operations, especially by focusing on reducing our consumption of natural resources, including water, raw materials and fossil fuels.
- Integrate environmental and climate considerations into procurement processes.
- Set KPIs and targets, track performance, report findings and apply learnings to facilitate continuous improvement.

	Materiality				Location in value chain			
Material impacts, risks and opportunities	Negative impact	Positive impact	Financial risk	Financial opportunity	Upstream	Own operations	Downstream	Strategic connection
E1 – Climate Change								
Climate change mitigation Fossil fuel-based GHG emissions from production and logistics processes	✓				●	●		▪ We aim for Scope 1, 2 and 3 carbon neutrality by 2040

Figure 10. Climate change-related impacts, risks and opportunities.

Moreover, our Supplier CoC (SCoC) sets expectations for business partners to comply with all applicable laws, regulations, licenses and permits. We give a set of guidelines to minimise adverse impacts on the environment, human health and livelihoods of their products or services throughout their life cycle.

Targets

- We aim for Scope 1, 2 and 3 carbon neutrality by 2040.

Actions

To achieve carbon neutrality requires significant research and development and partnering from us in order to re-engineer several aspects of the way in which we produce our products today. Furthermore, our suppliers need to address their emission sources in order to have a positive impact in the value chain. Our current key focus area for Scope 1 is waste reduction. Additionally, we are in transition from fossil fuel leasing cars towards hybrid and electric cars. Furthermore, we are implementing process optimisations and investigating technological opportunities that could deliver further efficiency into production processes. In Scope 2, the installation of solar power expansion in our Swiss factory will be finalised during 2025. Moreover, we are investigating new solar power opportunities in other selected countries. Our Scope 3 efforts focus on researching and testing less carbon-intensive raw materials.

Results

Scope 1

Scope 1 emissions reduced from 2023 by 3.7% to 17,461 tons. This reduction was driven by waste reduction improvements leading to reduction of energy intensity by 1.8%.
However, the implementation of certain less carbon-intensive materials led to challenges in production, thereby reducing our progress in Scope 1.

Scope 2

10.6% reduction in Scope 2 location-based emissions from 2023 is a result of two drivers; improved production efficiency and changes in emission factors of grid electricity. The 14.9% reduction in market-based Scope 2 emissions is additionally influenced by the increased share of renewable energy from 2.3 to 5.7%.

Scope 3

Scope 3 emissions reduced by 1.9% in total from 2023. This was a result of improved production efficiency and reduction in CO_2 content in some of the raw materials. Furthermore, total emissions reduced in buy for resale materials. On the other hand, the downstream transport emissions increased. Partially this was due to increased volumes, but also due to increased emissions reported by some of the transport companies. The increased reported emissions we expect coming from the work the companies are carrying out to improve their CO_2 accounts year by year. However, due to the developmental stage of CO_2 accounting, base years and recalculation procedures are not yet systematically set up across all companies, thereby leading to year-on-year emission variation.

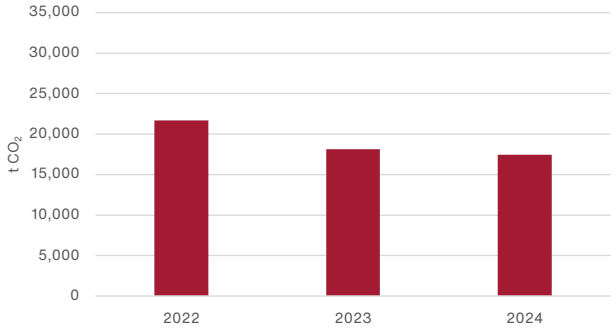


Figure 11. Scope 1 CO_2 emissions.

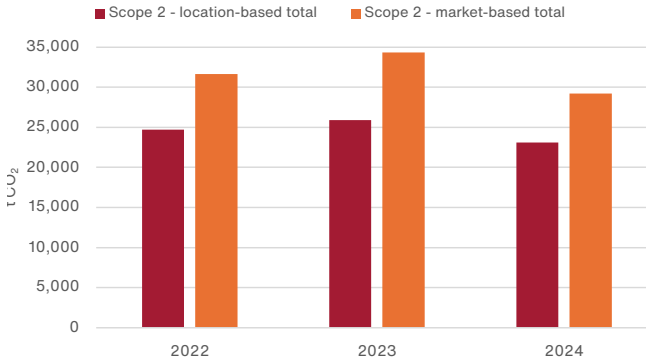


Figure 12. Scope 2 CO_2 emissions.

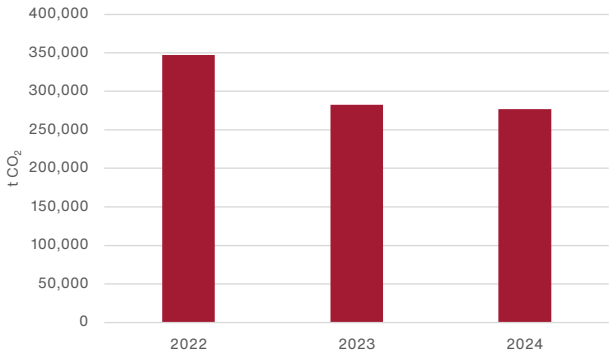


Figure 13. Scope 3 CO_2 emissions.

E3 – Water and Marine resources

Impacts, risks and opportunities

Figure 14 describes the material topics for Swisspearl under water and marine resources.

In 2022, 2.2 billion people globally were lacking safely managed drinking water. The industrial sector accounts for about 20% of global water withdrawals, which includes water used in production processes, cooling, and other industrial activities. In addition, fossil fuels that are used in the value chain are water-intensive. Moreover, Swisspearl's raw material base includes materials that have from moderate to high water intensity; mined minerals and fibres. In fibre cement production the raw materials are mixed with water in slurry preparation.

The increasing focus on water sets expectations for the fibre cement value chain. Swisspearl has set long-term targets for water discharges and use of drinking water in own production processes. Nevertheless, it is notable that switching from heat generated from fossil fuels to heat pumps run by electricity will lead to an increase in water withdrawals. Therefore, Swisspearl's priority is to find ways to reduce the water discharges and thereby positively contribute on water withdrawals. Furthermore, the efforts to reduce waste in own operations, embodied CO_2 in raw materials and finding ways to connect to circular economy flows will positively impact the water intensity own operations and value chain.

Policies

As stated in E1-Climate change, our CoC sets expectations to minimise the environmental and climate impacts of our operations and SCoC for our value chain. Swisspearl's policies do not address water management in detail due to the fact that it is based on regulatory requirements and compliance described in the conditions of the environmental permits granted to our factories.

Targets

- We aim to minimise wastewater from factories by 2030
- We aim not to use drinking water (municipal) in production processes by 2030

	Materiality				Location in value chain			
Material impacts, risks and opportunities	Negative impact	Positive impact	Financial risk	Financial opportunity	Upstream	Own operations	Downstream	Strategic connection
E3 – Water & Marine Resources								
Water Water withdrawals and discharges	✓				●	●		▪ We aim to minimise wastewater from factories by 2030 ▪ We aim not to use drinking water (municipal) in production processes by 2030

Figure 14. Water and marine related impacts, risks and opportunities.

Actions

None of our production entities are located in regions with high or extremely high baseline water stress. Moreover, water used in production processes is circulated several times before it is properly cleaned in effluent treatment plants prior to its discharge back to nature. Currently we focus on waste reduction in our production. It will lead to more efficient use of water. Nevertheless, supported by technological solutions, we will find ways to close the water cycle further to minimise the water released from our production processes to the purification. It is notable that one of our factories is operating a totally closed water circuit with no discharges from production processes.

Some of our production processes require very clean water. By re-engineering the processes and through technological development, we aim to eliminate the use of drinking water in production processes. Nevertheless, due to focus on safety and waste reduction, the activities regarding drinking water usage in production processes have not yet been activated.

Results

In 2024 the water withdrawals increased by 3% to 1,513,000 m³ while water discharges reduced by 11% to 299,000 m³. The water withdrawal increase was mainly driven by increased use of heat pumps and cooling water volume. Water discharge reduction was supported by product mix effects, waste reduction and maintenance activities for water systems. All in all, compared to the baseline year 2022, in 2024 the water discharges were 23.5% lower, equalling 101 000 m³.

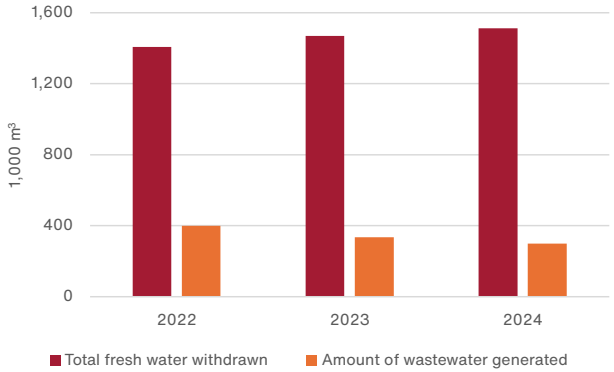


Figure 15. Water withdrawals and discharges.

E5 - Circularity and resource use

Impacts, risks and opportunities

Figure 16 describes the material topics for Swisspearl under circularity and resource use.

Virgin and non-renewable raw materials are the main content in fibre cement. In addition, oil-based materials are used, although in rather small volumes. In alignment with earlier chapters, sustainable transition will mean for the value chain to increase circularity and connect its material flows to circular economy. These developments will positively contribute to mitigating climate change and water use. For Swisspearl the main driver for efforts in this area is climate change mitigation.
We focus on finding circular materials for our products and ways to recycle and re-use fibre cement.

Policies

Our CoC takes a stand on environmental and climate conduct. More specifically, in connection with the circularity and resource use the CoC states the following expectations for our employees:

- Ensure that waste is handled responsibly and make efforts to increase its circularity;
- Strive to develop life cycle efficiency and circularity solutions for our product offerings.
- Set KPIs and targets, track performance, report findings and apply learnings to facilitate continuous improvement

Targets

- We aim for Scope 3 carbon neutrality by 2040
- We aim to have zero landfill waste from factories by 2030.

	Materiality				Location in value chain			
Material impacts, risks and opportunities	Negative impact	Positive impact	Financial risk	Financial opportunity	Upstream	Own operations	Downstream	Strategic connection
E5 – Circularity & Resource Use								
Resource inflows and use Virgin and non-renewable raw materials	✓					●		▪ We aim for Scope 3 carbon neutrality by 2040
Resource outflows related to products and services Low circularity of fibre cement	✓					●		▪ We explore ways to create value from fibre cement waste and end-of-life products
Waste Waste to landfill	✓					●		▪ We aim to have zero landfill waste from factories by 2030

Figure 16. Circularity and resource use impacts, risks and opportunities.

Actions

Our agenda to reduce the embodied CO_2 in raw materials includes researching and testing new raw materials from circular economy flows. This contributes to a reduction of virgin and non-renewable raw materials in the recipes.

Today, a notable share of the waste from our factories is still disposed of at local landfills. To reduce it, we will systematically continue our efforts to improve process efficiency, reduce waste, and also find solutions for increasing recycling opportunities in our processes for waste.

Waste is generated at various stages of the product lifecycle for fibre cement products. Our focus is on creating value from fibre cement waste and end-of-life products by studying the fibre cement waste generated and exploring new ways to re-circulate and re-use it. We actively engage with partners to seek these opportunities. The main focus is on developing solutions to extract and process the waste to alternative products or convert it into raw materials used in the production of fibre cement or other subsidiary products.

Results

In 2024 we achieved a 24% reduction in landfill waste from 2023. Since 2022 our landfill tons have reduced by 41%. The landfill reduction is a result of our two key initiatives, reduction of waste from production and efforts to find alternative, other utilisation for the waste than landfill. As a result of this, the internal and external waste recovery and recycling rate continued its increase in 2024, reaching 69.4%.

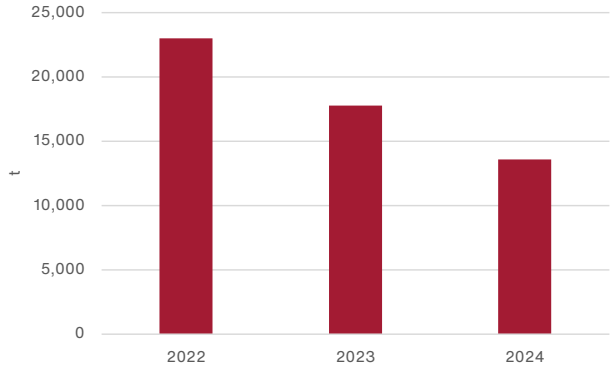


Figure 17. Tons of waste to landfill.

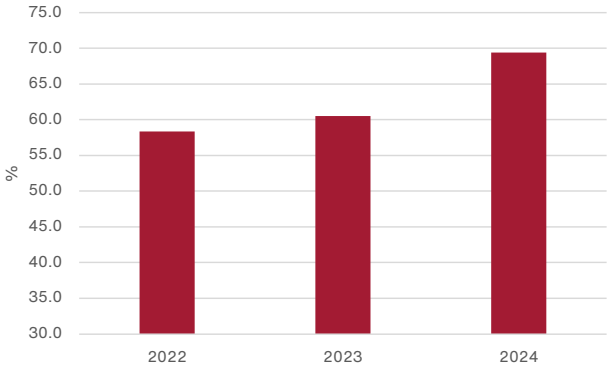


Figure 18. Percentage of material waste recycled and recovered.

Social information

S1 – Own workforce

Impacts, risks and opportunities

Figure 19 describes the material topics for Swisspearl under own workforce.

Industrial production environments entail health and safety risks. Among other hazards, our production processes include heavy and sizeable machinery, noise, heat and harmful substances. The hazards related to industrial production cause risk of injuries that can lead to possible short, middle and long-term health issues and impact the general well-being of employees.

To mitigate safety risks, we work systematically and meticulously on a full range of safety topics. We have centrally coordinated and locally placed safety organisation. In all our factories we have safety reporting and continuous improvement practices in place. In addition, the majority of our factories are ISO 45001 certified.

Policies

Swisspearl Human Rights Policy states: "At Swisspearl, we believe that our people are our most valuable asset. We are therefore committed to providing decent working conditions by striving for a safe and secure workplace where no one is exposed to any unnecessary risks. We always strive towards zero harm to our personnel and other business partners, and we engage our people to reduce the risk of workplace accidents and stress-induced illness." In addition, the Policy sets the following expectations on our employees and managers:

- Observe, ensure and promote a safe working environment, both physical and mental, supporting our health and wellbeing.
- Provide the necessary resources for instructing, training, and supervising our employees to appropriately manage the health and safety aspects of our operations.

Targets

- We ensure the safety of all Swisspearl employees

	Materiality				Location in value chain			
Material impacts, risks and opportunities	Negative impact	Positive impact	Financial risk	Financial opportunity	Upstream	Own operations	Downstream	Strategic connection
S1 – Own Workforce								
Health and safety Health issues related to lost time injury frequency rate	✓					●		▪ We ensure the safety of all Swisspearl employees

Figure 19. Own workforce related impacts, risks and opportunities.

Actions

Our health and safety approach includes our employees at production facilities, at sales and corporate offices in all our locations. We improve the safety procedures and practices currently in place, develop new ones based on learnings and feedback, focus on training and building mindset and behaviour. Our safety teams also work to identify best pracices. Furthermore, in 2023/2024 we updated the working clothes of our factory employees.

Results

To get a comprehensive view of workplace safety performance we follow all injury frequency rate (AIFR) and lost time injury severity rate (LTISR) in addition to lost-time injury frequency rate (LTIFR). The rationale of our approach is that AIFR provides a broader picture of overall workplace safety by accounting for medical treatment injuries as well. LTIFR helps to assess the frequency of incidents that result in employees missing work whereas LTISR provides insight into the severity of injuries and their impact on workforce productivity.

In 2024 we continued our safety efforts. From 2023 we reduced the AIFR by 35%, reaching 12.9. LTIFR reduced by 27%, reaching 9.3 and LTISR by 23%, reaching 208.

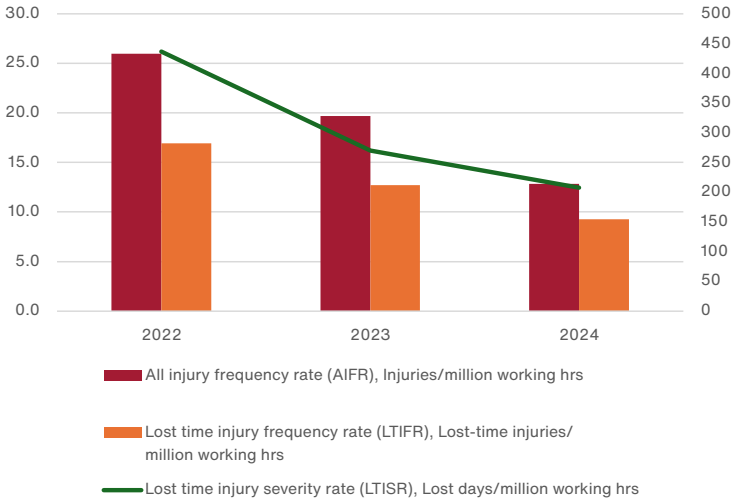


Figure 20. Safety performance.

ESG metrics

We are committed to continuous efforts in building the transparency foundation to support the progress towards our sustainability goals. In this section we provide the basis for our sustainability metrics.

Disclosure in general
Swisspearl is in transition towards CSRD compliance. Nevertheless, it is important to ensure reporting continuity. Therefore, our ESG metrics section includes metrics reported in accordance with the ESRS, as well as SASB and sustainability indicators we have included in our reporting earlier. We present our Environmental, Social and Governance metrics for 2022, 2023 and 2024.

We show the connection of our metrics to ESRS and SASB in the ESG metrics section with relevant codes. Further information on applying the metrics can be found in the Accounting principles section. In addition, the disclosure highlights those metrics that are connected to our contribution to the relevant UN Sustainable Development Goals. This is shown on the right-hand side of the disclosure with the respective SDG number.

With regard to the risk management and internal controls over sustainability reporting, which also include our ESG metrics, please check the respective chapter in section General information.

Greenhouse gas reporting
We have followed the GHG Corporate Accounting and Reporting Standard from the GHG Protiocol. We have included an overview of the main emission categories for our factory operations in Scope 1, 2 and 3, please see figure below.

It is worth noting that we have focused on the main emission drivers with available data. We estimate that the work carried out during 2024 covers at least 80% of our value chain's emissions to a degree of accuracy of more than 85%. In the coming periods, our aim is to build our CO_2 inventory further in order to allow us to commit to Science Based Targets according to our sustainability statements.

Data improvements from last year
In 2024 we continued improving our environmental, social and governance data. The main improvement was implementation of quarterly quality control and data approval procedure. In addition, we released in June a revised version of our internal data reporting manual, including improved accuracy of definitions and guidance for reporting. Additionally, we have now included the majority of other entities than factories into our reporting from 2022 onwards. The impact of these additions was approximately 1% from the total CO_2 emissions. In addition, we corrected some energy emission factors in our Scope 2 reporting. The impact of the corrections was approximately 1% in Scope 2 location-based emissions and approximately 5% in market-based emissions. In 2024 we were also able to further increase the number of raw materials with supplier-specific emission factors. As a result of the changes, we conducted recalculation of Scope 1, 2 and 3 for 2022 and 2023.

As part of the quality control, we identified an error in the recording of water discharge in 2024. We have implemented the correction in this report, including respective corrections also for 2022 and 2023 figures. Moreover, we have conducted a waste review and identified inconsistencies in data recordings, which we have corrected.

In cases where we have implemented corrections and conducted recalculation for earlier years, we will not correct and re-release our earlier sustainability reports from the respective years. They will remain unchanged. Nevertheless, we will use the revised metrics from this report onwards.

Plans for data improvements
With regard to the CO_2 emission factors, we see an opportunity for improvement during 2025 from the implementation of a specialised sustainability data collection and reporting software tool. It opens up more extensive access to emission factors than what we have had before. With regard to the software tool, we will also conduct a CO_2 account review with the help of an external consulting company to further improve the accuracy of our CO_2 inventory.

Figure 21. Main emission categories in Swisspearl's Scope 1, 2 and 3 greenhouse gas inventory.

ESG metrics

Category	Topic	Indicator	Unit	2024	2023	2022	Note	ESRS DR Parag.	SASB code	SDG
General										
	Scale of business						1			
		Total number of employees	FTE	2,137	2,226	2,449		S1 S1-6 50 b + S1		
	Geographical presence of own operations									8
		% of employees in European entities	% of all employees	100	100	100		2 40 a (iii)		
		% of production sites in Europe	% of tons produced	100	100	100		2 40 a (iii)		
Climate change										
	Greenhouse gas emissions						2		EM-CM-110a.1	13
		Scope 1	t CO_2-e	17,461	18,124	21,654		E1 E1-6 48 a		
		Scope 2 – Location-based + heat and steam	t CO_2-e	23,129	25,881	24,706		E1 E1-6 49 a, 52 a		
		Scope 2 – Market-based + heat and steam	t CO_2-e	29,232	34,350	31,629		E1 E1-6 49 b, 52 b		
		Scope 3	t CO_2-e	277,159	282,521	347,267		E1 E1-6 51		
Energy management										
	Energy consumption						3		EM-CM-130a.1	
		Total energy consumed related to own operations	GJ	623,746	639,238	753,348		E1 E1-5 37		
		Percentage grid electricity	%	39.8	39.5	40.0		Entity-specific		
		Percentage oil	%	0.0	0.29	0.03		Entity-specific		
		Percentage natural gas, CNG and LPG	%	51.6	51.7	52.5		Entity-specific		
		Percentage diesel	%	0.31	0.40	0.63		Entity-specific		
		Percentage petrol	%	0.04	0.0	0.35		Entity-specific		
		Percentage district heating	%	5.9	5.8	5.2		Entity-specific		
		Percentage alternative fuels	%	0.0	0.0	0.0		Entity-specific		
		Percentage renewable	%	5.7	2.3	1.3		Entity-specific		
Water management										
	Fresh water withdrawn						4		EM-CM-140a.1	6
		Total fresh water withdrawn	1000m³	1,513	1,469	1,408		E3 E3-4		
		Percentage recycled from water withdrawn	%	83.0	84.4	84.1		E3 E3-4 28 c		
		Percentage of water withdrawn in regions with high or extremely high baseline water stress	%	0	0	0		E3 E3-1 13		
	Wastewater generation									6
		Amount of wastewater generated	1000m³	299	336	400		E3 E3-4		

Category	Topic	Indicator	Unit	2024	2023	2022	Note	ESRS DR Parag.	SASB code	SDG
Resource use and circular economy										
	Material waste						5		EM-CM-150a.1	12
		Amount of material waste generated	t	47,993	48,535	55,015		E5 E5-5 37 a		
		Amount of waste to landfill	t	13,576	17,770	22,997		Entity-specific		
		Percentage of material waste recycled and recovered	%	69.4	60.5	58.4		Entity-specific		
Workforce health and safety										
	Injuries						6		EM-CM-320a.1	8
		All injury frequency rate (AIFR)	Injuries/million working hrs	12.9	19.7	26.0				
		Number of all work-related injuries for own work-force	Pcs	47	79	109		S1-14 88 c		
		Lost time injury frequency rate (LTIFR)	Lost time injuries/million working hrs	9.3	12.7	16.9		S1-14 88 d		
		Number of all work-related, lost-time injuries for own work-force	Pcs	34	51	71		S1-14 88 d		
		Lost time injury severity rate (LTISR)	Lost days/million working hrs	208	270	436		Entity-specific		
		Number of days lost to work-related injuries and fatalities for own workforce from work-related accidents, ill health and fatalities from ill health related to employees	Pcs	758	1749	1831		S1-14 88 d		
	Safety training						6			8
		Safety training hours per own full-time employee	Training hrs/employee	4.4	4.1	3.6		Entity-specific		
Governance										
	The Board of Directors and other management									
		Board's gender diversity ratio	%	50	50	50		2 GOV-1 21 d		
		Share of women in management positions	%	28.0	27.8	28.8		2 GOV-1 21 d		
	Pricing integrity and transparency						8		EM-CM-520a.1	
		Total monetary losses as a result of legal proceedings associated with cartel, price-fixing and anti-trust practices	CHF	0	0	0		Entity-specific		

ESG accounting principles

Note	Category	Topic & Comment
1	General	
		Scale of business 1. Total number of full-time employees on 31.12.2024 from HR reporting.
2	Greenhouse gas emissions	
		General 1. Reference SASB EM-CM-110a.1 with deviations; percentage covered under emissions-limiting regulations not included in the reporting. 2. Base year is 2022 in accordance with the GHG Protocol with deviations. 3. Activity data based on purchase invoices. 4. Swisspearl reports Scope 1 and 2 emissions from factory locations it owns and controls. 5. In any of the Scope 1 and 3 calculations, the possible "biogenic" part of the energy sources has not been accounted for outside of the scopes.
		Scope 1 6. Scope 1 includes most of Swisspearl's operating entities and their emissions from energy consumption, including mobile combustion. In energy emission reporting, energy consumption is supplier-specific, based on invoices and emission factors from DEFRA. For company cars, most of the emission factors are supplier specific, the rest from DEFRA 2023 and annual kilometers either actual or based on kilometres in leasing contract.
		Scope 2 7. Scope 2 includes most of Swisspearl's operating entities in both location- and market-based emissions by using the Association of Issuing Bodies' (AIB) production and residual mix emission factors. 2024 has been calculated based on AIB 2023 emission factors, as the 2024 factors have not been released at the time of accounting. For Austria and Switzerland, where all grid electricity has Guarantees of Origin (GO), market-based emissions have been accounted by using production mix emission factors if Swisspearl has not acquired GOs.

Note	Category	Topic & Comment

Scope 3

8. For raw materials, Swisspearl has prioritised supplier-specific cradle-to-gate emission factors. However, several raw material suppliers are not able to disclose them since they have not conducted the required life cycle analysis. For such cases, Swisspearl has focused on the main raw materials and used estimates for them based on other suppliers of the same raw materials or information from trusted sources.

   Swisspearl has used raw material and packaging purchase data from the data warehouse connected to the ERP systems and estimates that 99% of the material tonnage are included in the Scope 3 emission calculation. For pallets, supplier-specific emission factors have been used. Regarding the rest of the packaging material emission factors, please see point 11.

   Buy for resale products consist of construction products and accessories from various materials. In total Swisspearl has counted emissions for 88% of the volumes in 2022, 77% in 2023 and 77% in 2024. Out of these volumes, 32% have supplier-specific emission factors, 6% DEFRA emission factors for materials and the rest approximately 62% application of supplier emission factors for similar products.

9. For upstream transports, Swisspearl has included raw materials and used DEFRA 2024 emission factors for each transport mode and well-to-tank emission factors for respective fuel extraction. Swisspearl estimates that upstream transports include 100% of material volumes in the data warehouse.

10. For downstream transports, Swisspearl has multiple approaches based on data availability. Partly the transport emissions are calculated based on a combination of transporter-specific emissions and transport company spend. On the other part they are calculated by combining country-based sales volume data or transport company spend data to the transport company-specific emission data or DEFRA emission factors. Swisspearl estimates that transport company-specific emissions cover 69% from all transport spend. The rest is estimated based on the supplier-specific emission reports, from which we calculated emission factors for the remaining spend or volumes. In these calculations, we assumed that all estimated activities were done by trucks/road, and represented the average mix of those companies who reported their emissions. Furthermore, all transport emissions are either based on supplier-reported well to wheel (WTW) emissions or estimated WTW based on supplier reports.

11. The rest of the categories included in Swisspearl Scope 3 are based on DEFRA 2024 emission factors. The included categories are plastic film for packaging, paper and board for packaging, water supply through mains supply network, water returned through sewage system mains drains, cement recycling back to cement (closed loop) and cement disposal to landfill.

12. The following categories from Swisspearl have not been included in Scope 3: business travel, employee commuting, as well as for sold volumes end-of-life emissions. However, Swisspearl estimates these emissions to be less than 3% from Scope 3.

Note	Category	Topic & Comment
3	Energy management	

Energy consumption

1. Reference SASB EM-CM-130a.1
2. Includes energy consumption in most of Swisspearl's operating entities.
3. Volumes according to purchase invoices based on supplier-specific energy contents and electricity generated on- and offsite by hydro- and solar power.
4. Swisspearl has included in renewable energy the own produced and Power Purchase Agreement-based solar and own produced hydro-electricity as well as renewable part of purchased grid electricity in locations where GOs have been acquired.

Note	Category	Topic & Comment
4	Water management	

Fresh water withdrawal

1. Reference SASB EM-CM-140a.1 with deviations; total water consumed not reported since not found material in DMA and other entities than factories excluded from percentage of water withdrawn in regions with high or extremely high baseline water stress.
2. Total freshwater withdrawn taken from internal operational reporting and based on freshwater intake measurement gauges in the factory locations. Water includes water used in production processes, heat pumps and heat exchangers as well as for sanitary uses.
3. Percentage recycled from water withdrawn = $\left(\frac{\text{(cleaned wastewater from own purification + wastewater to off - site purification + water used for heating pumps)}}{\text{Total freshwater withdrawn}}\right) \times 100\ \%$

Wastewater generation

4. Percentage of water withdrawn in regions with high or extremely high baseline water stress is based on data from Swisspearl factory locations in the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct.

Note	Category	Topic & Comment
5	Waste management	

Waste generation

1. Reference SASB EM-CM-150a.1 with deviations.
2. Amount of material waste generated is waste for 3rd party waste treatment. The figures are based on invoicing of factory locations. Internal reporting of waste is conducted quarterly.
3. % waste recycled = $\left(\frac{\text{(internal recirculation + reported external recirculation and recovery)}}{\text{all material waste}}\right) \times 100\ \%$
4. Third-party recirculation and recovery have not been audited.

Wastewater generation

5. Wastewater includes cleaned wastewater from factory wastewater purification and wastewater to off-site purification.

Note	Category	Topic & Comment
6	Workforce health and safety	
		Injuries 1. Reference SASB EM-CM-320a.1 with deviations; Swisspearl uses 1,000,000 working hours, instead of 200,000 working hours, near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees and number of reported cases of silicosis are not included in reporting. However, All injury frequency rate defined according to The Occupational Safety and Health Administration (OSHA) and aligns with the standard to replace Total recordable incident rate (TRIR). 2. All injury frequency rate (AIFR) includes medical and lost-time injuries (MTI+LTI) for all Swisspearl employees, rolling 12 months. 3. Lost-time injury frequency rate (LTIFR) and Lost-time injury severity rate (LTISR) are for all Swisspearl employees, rolling 12 months, starting from first full 1 day's absence and counting days until the end of full working days of absence. **Training** 4. Safety training hours is based on all Swisspearl employees, calculated as full-time employees and reported as total for 2023.
7	Diversity	
		Gender diversity 1. The other management levels include members of our Group Executive Management, Senior Management and other members in group management incentive scheme.
8	Business integrity	
		Pricing integrity and transparency 1. Total monetary losses as a result of legal proceedings associated with cartel, price-fixing and anti-trust practices based on information from Swisspearl's Legal department.

Swisspearl and UN Sustainable Development Goals

At Swisspearl, we recognise the responsibility that comes with being part of the global production industry. Supporting the United Nations Sustainable Development Goals (SDGs) is not just an initiative — it is a commitment to ethical practices, environmental stewardship, and social responsibility.

We acknowledge that our actions have a direct impact on communities, ecosystems, and future generations, and we strive to ensure that sustainability is embedded in every aspect of our operations. By continuously assessing our footprint, refining our processes, and fostering collaboration, we aim to contribute to meaningful change. Our dedication to responsible business practices is driven by the belief that a sustainable future can only be achieved through shared responsibility and long-term commitment.

At Swisspearl, we recognise the importance and relevance of all United Nations Sustainable Development Goals in shaping a more sustainable and equitable future. Each goal provides a valuable framework for addressing global challenges, and we acknowledge their significance across social, environmental, and economic dimensions.

However, for this reporting, we have prioritised the topics identified through our Double Materiality Assessment, ensuring that our focus aligns with both stakeholder expectations and our most significant sustainability impacts. This approach allows us to concentrate on areas where we can drive the greatest positive change while maintaining accountability in the issues that matter most to our stakeholders and business operations.

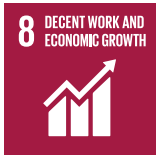
Swisspearl focus	UN SDG goal	SDG objectives	SDG indicator	Swisspearl support
Climate change mitigation		Take urgent action to combat climate change and its impacts	**13.2.2** Total greenhouse gas emissions per year	Technological upgrades of factory processes to reduce total CO_2 emissions Innovation, raw material and recipe development and supplier collaboration to reduce CO_2 emissions
Water		Ensure availability and sustainable management of water and sanitation for all	**6.3.1** Proportion of domestic and industrial wastewater flows safely treated	Effectiveness of controls and procedures for wastewater treatment processes
			6.4.2 Level of water stress: freshwater withdrawal as a proportion of available freshwater resources	Efforts and systems supporting improvements in efficiency of use of water Monitoring and reporting of high baseline water stress levels at factory locations
Circularity and Resource use		Ensure sustainable consumption and production patterns	**12.2.1** Material footprint, material footprint per capita, and material footprint per GDP	Efforts and systems supporting efficient use of natural resources circularity
			12.4.2 (a) Hazardous waste generated per capita; and (b) proportion of hazardous waste treated, by type of treatment	Effectiveness of chemical and chemical waste management
			12.5.1 National recycling rate, tons of material recycled	Continuous waste reduction and increase of recycling and reuse rates
			12.6.1 Number of companies publishing sustainability reports	Publication of sustainability report
Health and safety		Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	**8.8.1** Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status	Efforts and systems supporting continuous safety improvement

Figure 22. Swisspearl main focus points related to UN SDG goals and objectives.

Frigg Apartments | Skellefteå, Sweden

Nordmark & Nordmark Arkitekter, Luleå, Sweden

Frigg apartment development in Skellefteå, north-east Sweden, is centrally located in the town and features both residental units and commercial spaces arranged around a lush green courtyard that provides plenty of space for relaxation and social activities.
Constructed entirely in wood, the buildings feature facades clad in vertical, ochre-coloured Swisspearl panels. The warm yellow and light gray facades are inspired by the many plaster and brick buildings in the area. Vertical aluminium fins integrated into the facade design create a dynamic interplay of textures and shadows on the exterior, while staggered joints ensure the facade appears as a unified surface. The matte finish of the facade panels, with subtle colour variations, adds a soft, tactile quality to the buildings.

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Swisspearl_SustainabilityReport2024_EN_2025_01