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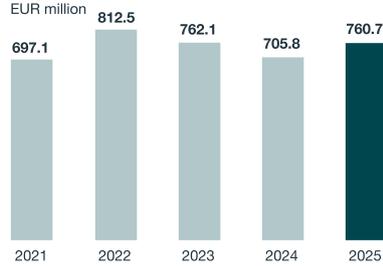
**Integrated
Annual Report**

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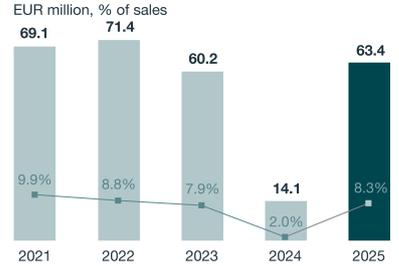
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Key figures

Sales

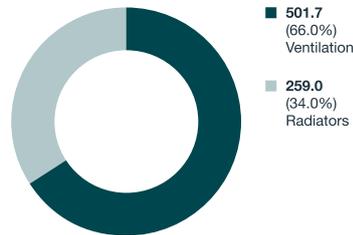


EBIT



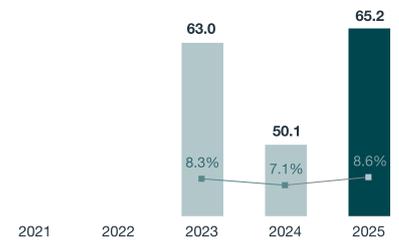
Sales by segment

2025, EUR million



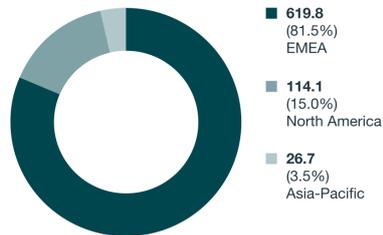
EBIT adjusted¹

EUR million, % of sales



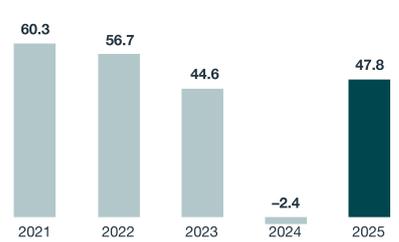
Sales by region

2025, EUR million



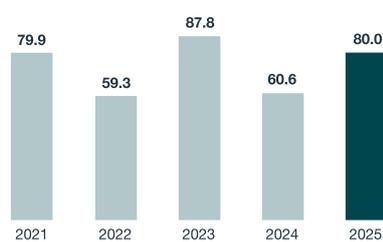
Net profit/(loss)

EUR million



Cash flow from operating activities

EUR million



Share price development

1 January to 31 December 2025, %



¹ See [Alternative performance measures](#) in the consolidated financial statements in the Financial Report.

		2025	2024	Change from prior year %
Sales	EUR million	760.7	705.8	7.8
EBITDA adjusted¹	EUR million	89.1	77.0	15.7
	% of sales	11.7	10.9	
EBITDA¹	EUR million	87.3	55.3	57.9
	% of sales	11.5	7.8	
EBIT adjusted¹	EUR million	65.2	50.1	30.2
	% of sales	8.6	7.1	
EBIT	EUR million	63.4	14.1	348.0
	% of sales	8.3	2.0	
Net profit/(loss)²	EUR million	47.8	-2.4	n/a
	% of sales	6.3	-0.3	
Cash flow from operating activities	EUR million	80.0	60.6	32.0
	% of sales	10.5	8.6	
Research & development expenses	EUR million	-25.6	-25.3	1.2
	% of sales	-3.4	-3.6	
Investments in property, plant and equipment & intangible assets	EUR million	17.0	17.0	0.1
Depreciation, amortisation & impairment	EUR million	-23.9	-41.1	-41.9
Total assets	EUR million	457.0	476.7	-4.1
Non-current assets	EUR million	200.9	211.5	-5.0
ROCE¹	%	22.1	15.4	
Net liquidity/(net debt)¹	EUR million	32.8	-11.8	n/a
Shareholders' equity²	EUR million	267.5	241.5	10.7
	% of total assets	58.5	50.7	
Number of employees³	Ø full-time equivalents	3,636	3,559	2.2
Dividends⁴	CHF million	15.7	11.2	40.0
Net profit per registered share A⁵	EUR	4.16	0.15	2,615.1
Dividend per registered share A⁴	CHF	1.40	1.00	40.0
Payout ratio	%	36	n/a	
Market closing price registered share A	CHF	81.80	45.20	81.0
Market capitalisation⁶	CHF million	758.1	418.9	81.0
Total market capitalisation⁷	CHF million	920.1	508.4	81.0

1 For further information please refer to: [Alternative performance measures](#) in the consolidated financial statements in the Financial Report

2 Including minority interests

3 Including permanent, temporary and temporary FTEs via agency

4 For 2025 as proposed by the Board of Directors

5 Excluding minority interests

6 Market value of all listed registered shares A at year end, excluding value of unlisted registered shares B

7 Registered shares A and B; registered shares B recognised at one fifth of the price of the registered share A at year end

Company profile

Zehnder Group provides world-leading solutions for a comfortable, energy-efficient and healthy indoor climate. The products and services of the Group include heating, cooling, indoor ventilation, and air cleaning. The Group develops and manufactures its products at its own factories in Europe, China, and North America. In the 2025 financial year, Zehnder Group had about 3600 employees and achieved sales of EUR 761 million. The company is listed on the SIX Swiss Exchange (symbol: ZEHN, ISIN code: CH0276534614). The unlisted registered shares B are held by Graneco AG, which is controlled by the Zehnder families.

Locations



Zehnder Group continues transformation into innovative system provider of ventilation and indoor climate solutions



Dear shareholders,

The 2025 financial year saw Zehnder Group continue its strategic development and consolidate its operational strength, particularly in the area of ventilation and indoor climate solutions. The positive trend in sales and the operating result from the first half of the year continued as the year progressed, driven largely by further growth in the ventilation segment.

In a challenging market environment still characterised by restrained new construction and renovation activity, Zehnder Group significantly improved its sales and profitability. With an innovative product and service portfolio, key milestones were achieved in the transformation of its business model. Our clear strategic focus helped to further strengthen our market position.

We continued our targeted growth initiatives in the reporting year, expanding the ventilation business in Eastern and Southern Europe and consolidating our position in the areas of multi-family homes and indoor climate solutions across Europe, as well as in the service and maintenance business.

As expected, the structural decline in the radiator segment persisted due to the weak renovation market. At the same time, demand for lower-priced radiator models increased. Active cost management and the implementation of optimisation measures helped to mitigate these effects.

With the Sustainability Report now integrated into the Annual Report for the first time, we provide a comprehensive overview of strategy, finances and sustainability in a single publication. This format clearly shows how our sustainability priorities support long-term value creation and corporate governance. Together with our partners and employees, we continue to work

towards our goal of achieving net zero by 2050, as sustainable solutions are a core outcome of our innovative strength. Despite geopolitical uncertainties and trade policy challenges, we are looking to the future with confidence.

Improved operating result despite diverging segment trends

In the 2025 financial year, Zehnder Group's sales increased by 8% (organically +7%¹) to EUR 760.7 million (previous year: EUR 705.8 million). The Siber acquisition in Spain in July 2024 supported total sales growth by 3%, while currency effects had a negative impact of -1% and the divestment of the Climate Ceiling Solutions business also reduced sales growth by 1%. Demand in the ventilation segment grew across all key countries, partly due to catch-up effects. The increase in sales is attributable to new building regulations and market share gains. By contrast, demand and sales in the radiator segment continued to decline.

In the 2025 financial year, Zehnder Group achieved an operating result (EBIT) of EUR 63.4 million and an EBIT margin of 8.3%. This represents an increase of 348% compared with the previous year's EBIT of EUR 14.1 million. In the 2024 financial year, one-off effects amounted to EUR 35.9 million in connection with targeted portfolio adjustments, production relocations, value adjustments in China, and restructuring measures.

Adjusted EBIT¹ increased by 30% to EUR 65.2 million (previous year: EUR 50.1 million), corresponding to an adjusted EBIT margin¹ of 8.6% (previous year: 7.1%). One-off effects of EUR 1.8 million resulted from further selective adjustments to production and distribution in the European radiator segment.

Research and development expenses remained stable at EUR 25.6 million (previous year: EUR 25.3 million). Of this, around 76% was attributable to the ventilation segment. The Group recorded a net profit of EUR 47.8 million in the 2025 financial year (previous year: net loss of EUR -2.4 million). The Group's tax rate in the 2025 financial year was 20.9% (previous year: 119.6%).

¹ See [Alternative performance measures](#) in the consolidated financial statements in the Financial Report.

Sales growth driven by stronger ventilation segment

Total sales in the ventilation segment increased significantly by 18% (organically +15%) to EUR 501.7 million in 2025. The acquisition of Siber in Spain in July 2024 supported ventilation sales by around 5%. In the second half of the year, ventilation sales grew organically by 14%. Currency effects were approximately -1%. All three divisions – indoor ventilation, heat exchangers, and industrial air cleaning solutions – contributed positively to sales growth. The ventilation segment accounted for 66% of total sales of Zehnder Group in the reporting year (previous year: 60%).

Ventilation sales in the EMEA region (Europe, Middle East, and Africa) increased by 23% (organically +16%) to EUR 403.3 million (previous year: EUR 328.4 million). Most countries in this region recorded sales growth, with particularly strong increases in the United Kingdom, the Netherlands, and Poland. The introduction of new building regulations in the United Kingdom boosted demand for indoor ventilation, benefiting the replacement business for existing buildings.

Sales in the ventilation segment in North America rose by 7% to EUR 76.1 million (previous year: EUR 71.1 million), with market share gains, particularly in Canada.

In the Asia-Pacific region, ventilation sales fell by 10% to EUR 22.3 million (previous year: EUR 24.7 million), as weak real estate market development and a high number of vacant apartments in China continued to dampen demand in this region.

Increased operating result in the ventilation segment

In the ventilation segment, EBIT rose by 68% to EUR 62.8 million in the 2025 financial year (previous year: EUR 37.4 million). The EBIT margin was 12.5%. In the previous year, comparable adjusted EBIT¹ amounted to EUR 44.4 million and corresponded to an adjusted EBIT margin¹ of 10.5%. There were no one-off effects in the reporting year. Targeted investments continued to be made to expand market coverage and drive product innovation. At the same time, profitability was boosted by higher volumes.

Reduced renovation activity weighs on radiator sales

The radiator segment achieved sales of EUR 259.0 million in the 2025 financial year, down 8% (organically -5%) on the previous year's sales of EUR 281.6 million. Radiator sales accounted for 34% of Zehnder Group's total sales (previous year: 40%).

In the EMEA region, sales in the radiator segment fell by 8% to EUR 216.4 million (previous year: EUR 235.9 million). The downtrend from the previous year continued in 2025, with Germany and France the most affected. This was mainly due to reduced renovation activity and a shift towards lower-priced radiator models amid economic uncertainty.

Radiator sales in North America remained stable at EUR 38.0 million (previous year: EUR 38.5 million), supported by steady demand for high-quality decorative radiators and electric bathroom radiators.

Sales in the Asia-Pacific region fell by 38% to EUR 4.5 million (previous year: EUR 7.2 million), primarily due to the ongoing weakness in the construction sector in China.

A challenging market leads to lower capacity utilisation in the radiator segment

In the radiator segment, EBIT increased to EUR 0.6 million during the reporting period (previous year: EUR -23.2 million). The EBIT margin was 0.2% (previous year: -8.2%). Adjusted EBIT¹ fell to EUR 2.4 million in the 2025 financial year (previous year: EUR 5.7 million). One-off effects of EUR 1.8 million resulted from further selective adjustments to production and distribution in the radiator segment. At the site in Lahr (Germany), for example, operation was switched from a two-shift to a single-shift system.

Reluctance to renovate coupled with the trend towards lower-cost radiators led to price pressure and an unfavourable product mix. This again resulted in a lower production capacity utilisation, particularly at the plant in Germany. Thanks to the cost-saving and efficiency measures implemented, operating EBIT remained at least slightly positive.

A clear strategy for above-average growth: focusing on ventilation systems and services

With our innovative products, digital services, and a clear growth strategy, we are very well positioned to achieve above-average growth in the coming years. At the Capital Markets Day on 12 November 2025, the Group Executive Committee outlined the positive outlook for ventilation systems and our strategy for deriving maximum benefit from the expected market growth. Demand for integrated indoor climate solutions is set to rise sharply, driven by climate change, stricter building regulations, rising energy costs, and increasing requirements for comfort and convenience. While the market share of traditional radiators continues to decrease, the importance of energy-efficient ventilation systems is steadily growing.

We recognised this trend early on and, since 2001, have developed from a radiator manufacturer into a leading international provider of ventilation and indoor climate solutions. Today, the Group generates around two-thirds of its sales in this segment. Technological leadership, client centricity, and operational excellence form the foundation for further expansion.

“We recognised this trend early on and, since 2001, have developed from a radiator manufacturer into a leading global provider of ventilation and indoor climate solutions.”

Our strategy aims to build on our leading market position in Europe through geographical expansion and an increased focus on the renovation market and multi-family homes, supplemented by selected, value-adding acquisitions. In North America, market development will be accelerated with a clear focus on the US market, where Zehnder is gradually expanding its sales in high-growth states.

The service business – including maintenance, spare parts supply, and digital system monitoring – will be prioritised, as it is highly profitable and will grow significantly with the expanding installed base. The Zehnder Academies in individual countries will also play a crucial role, acting as centres of expertise and training to ensure knowledge transfer to our customers and partner companies, and making Zehnder’s innovative strength tangible.

With this clear strategic direction and its innovative products, Zehnder Group is ideally positioned to take maximum advantage of the expected market growth.

Successful integration, innovation, and service quality

The integration of Spanish company Siber, acquired in July 2024, continues to progress according to plan. Following their successful launch in Italy in the first half of 2025, EVO products were also rolled out in the Baltic States and in Belgium over the course of the year. In addition, the first orders were received from the regions East and West, and from Germany.

Siber’s broad market access in Spain and Portugal and its focus on complete ventilation systems for new-build apartment blocks ideally complements Zehnder Group’s portfolio with mid-priced products. This opens up additional sales potential in the European market and strengthens the Group’s position in the growing multi-family home segment.

With its newly introduced MyZehnder Service Center, Zehnder Group is combining all service-related matters on a central platform. Business and private customers receive individual support with complaints, delivery queries, orders

and invoices, supplemented by an integrated knowledge database and transparent tracking of requests. After a one-time registration, customers gain easy and secure access to extensive service offerings as well as additional platforms such as the filter shop.

Clean Air Solutions continued its successful market expansion into new regional markets in 2025, including Spain, Hungary, and the Czech Republic. At segment level, innovative filter solutions were introduced to meet the challenges of demanding metalworking environments. Furthermore, a targeted campaign to combat dust issues in the woodworking industry received highly positive feedback.

Improved liquidity and equity ratio

Cash flow from operating activities increased by 32% to EUR 80.0 million in the 2025 financial year (previous year: EUR 60.6 million) compared with the previous year. In the 2025 financial year, Zehnder Group invested EUR 17.0 million in property, plant and equipment (previous year: EUR 17.0 million).

A key focus in the 2025 financial year was on generating liquidity. Against this backdrop, the company has specifically repaid the syndicated loan of EUR 60.6 million to finance the acquisition of the Spanish company Siber.

Net liquidity¹ amounted to EUR 32.8 million at the end of 2025 (previous year: net debt¹ of EUR –11.8 million). Equity totalled EUR 267.5 million (previous year: EUR 241.5 million). Accordingly, the equity ratio increased to 59% (previous year: 51%).

¹ See [Alternative performance measures](#) in the consolidated financial statements in the Financial Report.

Dividend for the 2025 reporting year and new election to the Board of Directors

At the Annual General Meeting on 19 March 2026, the Board of Directors will propose the distribution of a dividend of CHF 1.40 (previous year: CHF 1.00) per registered share A, taking into account the results of the 2025 financial year.

Dr Urs Buchmann will not be standing for re-election to the Board of Directors of Zehnder Group AG. The Board of Directors proposes the election of Dr Mara Zehnder as part of the medium-term planned generational transition within the Zehnder family of shareholders. All other members of the Board of Directors will stand for re-election.

Outlook for the 2026 financial year

A slightly positive overall trend in construction activity is expected for 2026. Demand for energy-efficient indoor climate solutions is set to further grow, although it may be adversely affected by macroeconomic developments and the progression of regional conflicts and geopolitical tensions. Zehnder Group will communicate its full-year outlook when it publishes its half-year figures for 2026.

Zehnder Group is well positioned to benefit above average from the trends outlined. Building on our transformation from a radiator manufacturer into a leading international provider of indoor climate solutions, the opportunities that arise should be consistently seized and sustainable growth achieved in key markets.

The expansion of the range of services for renovation and multi-family home projects, the clean air solutions business and the increasing importance of the service business will provide additional growth momentum. On that basis, the medium-term targets are confirmed: average annual sales growth of around 5% and an EBIT margin before one-off effects of 9–11%.

Thanks and acknowledgements

The Board of Directors and Group Executive Committee would like to express their sincere thanks and appreciation to our employees for their outstanding performance and continued commitment to Zehnder Group.

We would like to thank our customers, suppliers, and partners for continuing to choose our products and services, and for their successful cooperation.

We also extend our gratitude to you, our valued shareholders, for your trust.

With kind regards,



Dr Hans-Peter Zehnder
Chairman of the Board of Directors



Matthias Huenerwadel
Chairman of the Group Executive
Committee, CEO

The expectations presented in the management report are based on assumptions. If these prove to be incorrect, the associated results will also change.

Corporate Governance

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Introduction

Corporate Governance refers to the universe of principles and rules that are geared to shareholder interests and which strive towards transparency and a balanced relationship between management and control, while also maintaining decision-making capacity and efficiency at the highest corporate level.

The Corporate Governance Report contains the disclosures required by the Corporate Governance Directive issued by SIX Exchange Regulation AG effective as per 31 December 2023 and is structured in line with the directive. The **Compensation Report** is set out in a separate section of the Integrated Annual Report.

Zehnder Group publishes the Articles of Association and Organisational Regulations to which this report refers and the Code of Conduct on its website. These may be viewed at www.zehndergroup.com/en/investor-relations/corporate-governance.

1. Group structure and shareholders

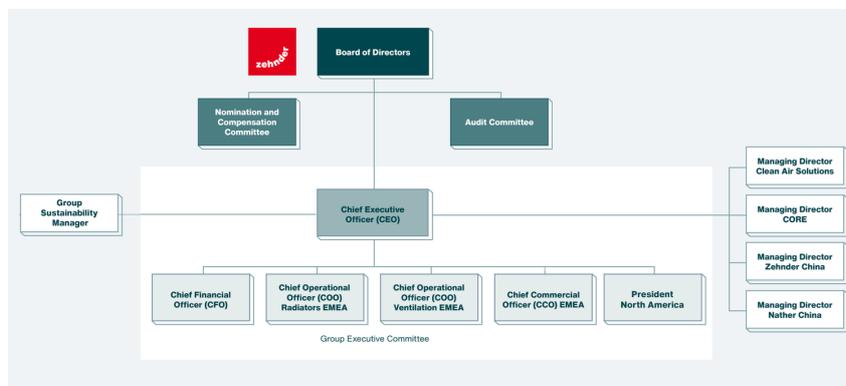
1.1 Group structure

Zehnder Group follows a differentiated structure. From an EMEA perspective, it is organised into the two segments, ventilation and radiators, whereas the divisions Clean Air Solutions and CORE are organised separately. Eventually, the two divisions of North America and China are organised by country region. While the Managing Directors and Chief Officers report directly to the CEO, the Group functions report either to the CEO or the CFO.

Zehnder Group AG, the holding company of Zehnder Group, is the only listed company included in the consolidation scope. It is headquartered in Gränichen (CH). The registered shares A are listed on the SIX Swiss Exchange (number: 27 653 461, ISIN: CH0276534614). The unlisted registered shares B (nominal value CHF 0.01) are held by Graneco AG, which is controlled by the Zehnder families. As of 31 December 2025, the market capitalisation (registered shares A) was CHF 758.1 million and the total capitalisation was CHF 920.1 million.

All companies included in the consolidation scope of Zehnder Group AG are shown in the [Overview of companies](#) in the consolidated financial statements within the Financial Report.

Zehnder Group organisational chart



1.2 Significant shareholders

According to the information available to the Board of Directors and the disclosure notifications made to the SIX Swiss Exchange, the shareholders listed below reported shareholdings of at least 3% of the voting rights (based on the disclosure notifications published on the website of SIX Swiss Exchange as of 31 December 2025):

- Graneco AG, Gränichen (CH): 6840 registered shares A and 9,900,000 registered shares B, corresponding to 51.7% of the votes (previous year: 51.7%); together with the other registered shares of the company held by the shareholders of Graneco AG, this group holds 53.4% of the voting rights,
- Swisscanto Fondsleitung AG, Zurich (CH): 590,895 registered shares A, corresponding to >3.0 % of the votes.

There is a shareholders' agreement among the shareholders of Graneco AG (the Zehnder family and persons closely associated with the Zehnder family). It is the intention of this group of persons to ensure significant influence over Zehnder Group AG over the long term. For important decisions they vote together, putting the successful development of Zehnder Group before their own interests. The agreement was renewed on 23 November 2022 and runs until at least 31 December 2032.

As of 31 December 2025, Zehnder Group AG held 127,555 of its own registered shares A. These were acquired as part of the employee shareholding plan and the variable long-term compensation (LTI) for the Group Executive Committee members.

For notification of the disclosure of significant shareholdings, please refer to the SIX Swiss Exchange website: [Significant Shareholders](https://www.six.ch/Significant-Shareholders) (ser-ag.com).

The Articles of Association of Zehnder Group AG provide an opt-out clause, which is explained in item [7.1 Duty to make an offer](#) of this Corporate Governance Report.

1.3 Cross-shareholdings

There are no cross-shareholdings.

2. Capital structure

2.1 Capital

	Registered shares A units 2025	Registered shares B units 2025	Nominal value CHF 2025	Registered shares A units 2024	Registered shares B units 2024	Nominal value CHF 2024
Total registered shares A as of 1.1.	9,268,200		463,410	9,756,000		487,800
Total registered shares B as of 1.1.		9,900,000	99,000		9,900,000	99,000
Cancellation due to capital reduction				-487,800	-	-24,390
Total at 31.12.	9,268,200	9,900,000	562,410	9,268,200	9,900,000	562,410

As in the previous year, the total share capital of Zehnder Group AG amounted to CHF 0.6 million, corresponding to EUR 0.4 million at the exchange rate of 1 January 2003. It comprises 9,268,200 registered shares A with a par value of CHF 0.05 each and 9,900,000 registered shares B with a par value of CHF 0.01 each.

The unlisted registered shares B (nominal value CHF 0.01) are held by Graneco AG, which is controlled by the Zehnder families. On the balance sheet date, Graneco AG and its shareholders held 53.4% of the company's registered shares and voting rights.

2.2 Authorised and conditional capital in particular

There is no authorised or conditional capital in particular.

2.3 Changes in capital

There was a change in capital in the last three reporting years, i.e. in the period between 1 January 2023 and 31 December 2025. On 18 September 2023, Zehnder Group completed the share buyback programme announced on 24 February 2021. Within the framework of this programme, a total of 487,800 of the listed registered shares A of Zehnder Group AG (5% of all registered shares A) were bought back on the SIX Swiss Exchange via a second trading line for an average purchase price per registered share A of CHF 70.26 and a total value of CHF 34,270,603.

The reduction in share capital from CHF 586,800 (divided into 9,756,000 listed registered shares A at CHF 0.05 each) to CHF 562,410 (divided into 9,268,200 registered shares A at CHF 0.05 each) by cancelling 487,800 of the company's own registered shares A (CHF 0.05 each with a total nominal value of CHF 24,390) proposed by the Board of Directors at the Annual General Meeting on 11 April 2024 was approved and implemented as proposed.

All changes in capital since going public in 1986 are set out on our website: www.zehndergroup.com/en/investor-relations/shares.

2.4 Shares and participation certificates

The share capital of Zehnder Group AG consists of 9,268,200 registered shares A listed on SIX Swiss Exchange with a nominal value of CHF 0.05 each (a total of CHF 463,410) and 9,900,000 registered shares B with a nominal value of CHF 0.01 each (a total of CHF 99,000). Total share capital amounts to CHF 562,410 and the total number of shares outstanding is 19,168,200. Each share carries one vote, irrespective of its nominal value. The registered shares A have a 48.4% share of the votes and account for 82.4% of the share capital; the registered shares B have a 51.6% share of the votes and 17.6% of the share capital. The dividend per registered share B is one fifth of the dividend per registered share A.

For additional information on shares, please refer to our website www.zehndergroup.com/en/investor-relations/shares.

No participation certificates of Zehnder Group are outstanding.

2.5 Dividend-right certificates

No dividend-right certificates of Zehnder Group are outstanding.

2.6 Limitations on transferability and nominee registrations

Limitations on registration of registered shares A

Under Article 5 (Restrictions on registration of registered shares A) of the Articles of Association, purchasers of registered shares A of Zehnder Group AG are entered in the share register as shareholders with voting rights upon *request*, provided they expressly declare that they have acquired these registered shares in their own name and for their own account, that there is no agreement on the redemption or return of corresponding shares, that they bear the economic risk associated with the shares, and that they fulfil the statutory reporting obligations.

Persons who do not explicitly declare in their application for registration or at the request of the company that they are holding the shares for their own account (nominees) will automatically be registered in the share register with voting rights up to a maximum of 3% of the outstanding share capital.

Beyond this limit, registered shares A of nominees are registered with voting rights only if the relevant nominee, when requesting registration or, subsequently, at the request of the company, discloses the names, addresses, and shareholdings of the persons on whose account they hold 0.3% or more of the outstanding share capital, and if the statutory reporting obligations are complied with.

The Board of Directors is authorised to conclude agreements with nominees with respect to their reporting obligations.

Transferability of registered shares B

Under Article 6 (Transferability of registered shares B) of the Articles of Association, registered shares B can be transferred into ownership or into a restricted right in rem only with the agreement of the Board of Directors.

The Board of Directors may refuse a request to approve a share transfer, but must give an important reason for doing so. Important reasons are:

- If the purchaser is in competition with the company or one of its affiliated companies;
- If and insofar as the approval of the purchase of registered shares B by the applicant might prevent the company from producing evidence of the composition of the circle of shareholders required by law, in particular in conjunction with the Swiss Federal Law on the Acquisition of Real Estate by Persons Abroad and the associated ordinance.

Furthermore, the Board of Directors may refuse applications for approval if it makes an offer to the seller of the registered shares B to purchase these on behalf of the company, on behalf of other shareholders, or on behalf of third parties at their real value at the time of the application.

Further limitations on registration of registered shares A and B

Under Article 7 (Further limitations on registration of registered shares A and B) of the Articles of Association, legal persons and partnerships with legal personality that are interrelated or affiliated through equity or voting interests, common cooperation or similar means, or natural or legal persons or partnerships who act in concert for the purpose of circumventing the restriction on registration, are treated as one purchaser in transfer regulation contexts.

The limitations placed on registration also apply to shares acquired by exercising pre-emptive, option or conversion rights.

The Board of Directors may, after consultation with the party concerned, delete entries from the share register that have been made due to incorrect information from the purchaser. The purchaser must be immediately informed of the deletion of the entry.

Cancellation or easing of the restrictions on the transferability of registered shares B and the registration restrictions on registered shares A require a resolution of the Annual General Meeting, passed by at least two-thirds of the voting shares represented, and an absolute majority of the nominal share value represented.

In the reporting year, the Board of Directors did not grant any exceptions in relation to the limitations on transferability and registration.

2.7 Convertible bonds and options

No convertible bonds or options are outstanding.

3. Board of Directors

We refer to the Articles of Association and Organisational Regulations of Zehnder Group AG set out on our website: www.zehndergroup.com/en/investor-relations/corporate-governance.

Skills and expertise of the Board of Directors

In accordance with the Swiss Code of Best Practice for Corporate Governance for a balanced composition of the Board of Directors, the members of the Board of Directors have a broad range of educational backgrounds, professional experience, and technical expertise from various sectors.

In addition to diversity in age, gender, and geographic origin, the Board of Directors evaluates its own level of diversity using a competence matrix drawn up by the Nomination and Compensation Committee. This matrix contains the following professional skills and expertise:

- International business management (including China and North America);
- Corporate governance/compliance/law;
- Finance/audit/risk management;
- Heating, ventilation, air conditioning (HVAC)/related industries;
- Strategy/transformation/M&A;
- Information technology/digitalisation, including new business models (driven by digitalisation);
- Personnel management and compensation;
- Sustainability – environmental, social, and governance (ESG).

Evaluation of the Board of Directors' competence is based on the three most important skills of each member of the Board of Directors. The Nomination and Compensation Committee verifies the composition and balance of the Board of Directors periodically on the basis of the features listed above and the strategy of Zehnder Group in order to obtain confirmation of whether the Board of Directors is in possession of the necessary skills and expertise to exercise its duties. The results and any resulting recommendations are discussed by the Board of Directors.

All the skills required currently are represented by the Board of Directors. Details of the professional backgrounds and education of the individual members of the Board of Directors as of 31 December 2025 are set out as biographical data under the following item: [3.1 Members of the Board of Directors](#).

3.1 Members of the Board of Directors



Dr Hans-Peter Zehnder
Chairman of the Board of Directors

Swiss citizen, born in 1954

First elected in 1988

Non-executive member since 2019

Professional background and education

- 1993–31.10.2014 and 5.2.–31.12.2018: Chairman of the Group Executive Committee, Chief Executive Officer (CEO) of Zehnder Group, Gränichen (CH)
- 1988–1992: Vice Chairman of the Group Executive Committee, Head of the Radiator division of Zehnder Group, Gränichen (CH)
- 1985–1988: Member of the Group Executive Committee, Head of the Instrument division (1986–1988) of Zehnder Group, Gränichen (CH)
- 1981–1984: Head of Finance, Gebr. Bühler AG, Uzwil (CH)
- 1974–1980: Dr. oec. HSG, University of St. Gallen (CH)
- Until the end of 2018 he was part of Zehnder Group AG's management.
- He has no significant business relations with Zehnder Group AG or its subsidiaries.

Other significant activities and vested interests

- Chairman of the Board of Directors of Granarium AG (CH), which holds the majority of the capital and voting rights in Graneco AG (CH)
- Chairman of the Board of Directors of Graneco AG (CH) which, together with its shareholders, holds 53.4% of Zehnder Group AG voting rights
- Member of the Board of Directors of Lagerhäuser der Centralschweiz AG (CH)
- Member of the Board of Directors of Rouge + Blanc Concept AG (until September 2025)



Jörg Walther
Vice Chairman of the Board of Directors

Swiss citizen, born in 1961
 First elected in 2016
 Non-executive member
 Chairman of the Audit Committee

Professional background and education

- Since 2010: Business lawyer and partner, Schärer Attorneys at Law, Aarau (CH)
- 2010–2012: General Counsel and Head Corporate Services, member of the Executive Committee, Resun AG, Aarau (CH)
- 2001–2009: Senior Corporate Counsel, Global Head Legal M&A and Antitrust, member of the Group Legal Executive Committee, Novartis International AG, Basel (CH)
- 1999–2001: Group Vice President M&A, ABB Asea Brown Boveri AG, Zurich (CH)
- 1995–1998: Senior Corporate Counsel, ABB Schweiz AG, Baden (CH)
- 1991–1995: Legal Counsel/General Counsel and Head Legal Services, Danzas Management AG, Basel (CH)
- 1999: MBA University of Chicago (US), Booth School of Business
- 1997: Advanced Management Programme, University of Oxford (UK)
- 1993: Post-graduate certificate in European Economic Law, University of St. Gallen (CH)
- 1990: Admitted to the bar
- 1989: lic. iur., University of Zurich (CH)
- At no time has he been a member of the Group Executive Committee of Zehnder Group AG or of any of its subsidiaries.
- He has no significant business relations with Zehnder Group AG or with any of its subsidiaries.

Other significant activities and vested interests

- Member of the Board of Directors and Chairman of the Audit Committee of SFS Group AG (CH)
- Member of the Board of Directors and Chairman of the Audit Committee of HUBER+SUHNER AG (CH)
- Vice Chairman of the Board of Directors and member of the Audit and Finance Committee of AEW Energie AG (CH)
- Vice Chairman of the Board of Directors of Immobilien AEW AG
- Member of the Board of Directors of Kraftwerk Augst AG
- Member of the Board of Directors of Apotheke im Stadtspital Zürich AG (CH) and of Aare-Apotheke Rombach AG (CH)
- Member of the Board of the swissVR association (CH)



Dr Urs Buchmann
Member of the Board of Directors
Swiss citizen, born in 1957
First elected in 2010
Non-executive member
Member of the Audit Committee

Professional background and education

- Since October 2024: Managing Director, member and Vice-Chairman of the Asia Advisory Board of EFG Bank AG
- 1985–2023: Career at Credit Suisse in corporate and investment banking in Asia and in servicing institutional customers in the Asia-Pacific region, Vice Chairman of Credit Suisse (Hong Kong) Ltd.
- 1977–1984: Studied law (doctorate) at the University of Bern (CH)
- At no time has he been a member of the Group Executive Committee of Zehnder Group AG or of any of its subsidiaries.
- He has no significant business relations with Zehnder Group AG or with any of its subsidiaries.

Other significant activities and vested interests

- Member of the Board of Directors and member of the Audit Committee of Swiss Re Asia Pte. Ltd. (Singapore) (until March 2025)

**Riet Cadonau****Member of the Board of Directors**

Swiss citizen, born in 1961

First elected in 2013

Non-executive member

Chairman of the Nomination and

Compensation Committee

Professional background and education

- 2015–2021: CEO, dormakaba Group, Rümlang (CH)
- 2011–2015: CEO, Kaba Group, Rümlang (CH)
- 2007–2011: CEO, Ascom Group, Dübendorf (CH)
- 2005–2007: Managing Director, ACS Europe + Transport Revenue (later a Xerox company), Glattbrugg (CH)
- 2001–2005: Member of the Executive Board, Ascom Group, Bern (CH), from 2002: Deputy CEO and General Manager of the Transport Revenue Division, which was acquired by ACS in 2005
- 1990–2001: Various management positions at IBM Switzerland, Zurich (CH), most recently as a member of the Management Board and Director IBM Global Services
- 2007: Advanced Management Programme at INSEAD (FR)
- 1985–1988: Master of Arts in economics and business administration (lic. oec. publ.), University of Zurich (CH)
- At no time has he been a member of the Group Executive Committee of Zehnder Group AG or of any of its subsidiaries.
- He has no significant business relations with Zehnder Group AG or with any of its subsidiaries.

Other significant activities and vested interests

- Managing Director of Cadonau Services GmbH
- Chairman of the Board of Directors of the Swiss-American Chamber of Commerce (CH) (until June 2025)
- Chairman of the Board of Directors of PEKTOPROP AG (CH)
- Member of the Board of Directors of Kärcher SE (DE) (since December 2025)



Sandra Emme
Member of the Board of Directors
German-Swiss dual citizen, born in 1972
First elected in 2022
Non-executive member
Member of the Nomination and Compensation Committee

Professional background and education

- Since 2011: Google Online Marketing, Global Business Development, Digital Transformation Consulting, currently Industry Leader Cloud at Google Switzerland GmbH, Zurich (CH)
- 2008–2009: CEO, Swixpert GmbH, Zurich (CH)
- 2000–2008: Co-founder and CEO, SoftThinks SA, Lille (FR) and SoftThinks USA Inc, San Jose (US)
- 1997–2000: Co-founder and Business Development Director, AS Media, Marseille (FR) and London (UK)
- 2023: Various certifications in the field of artificial intelligence, Google, and Section School (US)
- 2022: ESG Designation Program for Board Members, Competent Boards (CA)
- 2020: Cybersecurity Program, Massachusetts Institute of Technology (US)
- 2017–2019: Corporate Governance Programme, University of St. Gallen (CH)
- 2015: Leading Digital Business Transformation, IMD Business School, Lausanne (CH) and Singapore (SG)
- 1993–1995: Ecole Supérieure de Commerce, Marseille (FR)
- 1991–1995: MA in Business and International Management, City University of Applied Sciences, Bremen (DE)
- At no time has she been a member of the Group Executive Committee of Zehnder Group AG or of any of its subsidiaries.
- She has no significant business relations with Zehnder Group AG or with any of its subsidiaries.

Other significant activities and vested interests

- Industry Leader Cloud at Google Switzerland GmbH
- Member of the Board of Directors and Chairwoman of the Nomination and Compensation Committee of Belimo Holding AG (CH)
- Member of the Steering Committee of digitalswitzerland (CH)



Milva Inderbitzin-Zehnder
Member of the Board of Directors

Swiss citizen, born in 1985

First elected in 2016

Non-executive member

Member of the Nomination and
Compensation Committee

Professional background and education

- Since 2013: Attorney-at-law and notary, Schweiger Attorneys at Law and Notaries, Zug (CH)
- 2010–2011: Legal intern, Schweiger Attorneys at Law and Notaries, Zug (CH)
- 2008–2009: Legal assistant at a law firm in Baden (CH)
- 2012: Admitted to the bar, attorney-at-law and notary in the canton of Zug (CH)
- 2005–2010: Law studies at University of Lucerne (CH) with a Master of Law degree
- 2009: Exchange semester at Fordham University, School of Law, New York (US)
- At no time has she been a member of the Group Executive Committee of Zehnder Group AG or of any of its subsidiaries.
- She has no significant business relations with Zehnder Group AG or with any of its subsidiaries.

Other significant activities and vested interests

- Representative of the Zehnder family shareholders
- Member of the Board of Directors of Granarium AG (CH), which holds the majority of the capital and voting rights in Graneco AG (CH)
- Member of the Board of Directors of Martin Lenz AG (CH)



Ivo Wechsler
Member of the Board of Directors
Swiss citizen, born in 1969
First elected in 2019
Non-executive member
Member of the Audit Committee

Professional background and education

- 2010–2014: Chief Financial Officer and member of the Executive Group Management, HUBER+SUHNER Group, Herisau (CH)
- 2008–2010: Head Corporate Controlling, HUBER+SUHNER Group, Herisau (CH)
- 2001–2007: Head Corporate Controlling and, from 2005, in addition, Head of Corporate Treasury, Ascom Group, Bern (CH)
- 1998–2000: Controller, from 1999, Head of Controlling & Treasury at Sunrise Communications, Rümlang (CH)
- 1995–1997: In Corporate Finance at Schweizerische Bankgesellschaft (UBS), Zurich (CH)/London (UK)
- 1989–1994: lic. oec. HSG, University of St. Gallen (CH)
- At no time has he been a member of the Group Executive Committee of Zehnder Group AG or of any of its subsidiaries.
- He has no significant business relations with Zehnder Group AG or with any of its subsidiaries.

Other significant activities and vested interests

- Vice Chairman of the Board of Directors (Member until March 2025) and member of the Organisation and Compensation committee and the Finance and Strategy committee of St.Galler Kantonalbank
- President of the Board of Trustees of the Pension Fund of St.Galler Kantonalbank (since April 2025)
- Senior Finance Advisor, Huber+Suhner AG (until March 2025)
- Member of the Board of Trustees of the BÜCHI Corporate Foundation (since January 2026)

3.2 Other activities and vested interests

Other activities and vested interests are outlined in the short profiles of the members of the Board of Directors under the previous item: **3.1 Members of the Board of Directors**. Beyond these activities, the members of the Board of Directors do not have any dealings with important institutions, hold ongoing executive or advisory roles for interest groups, or hold any official function or political office.

3.3 Rules in the Articles of Association on the number of permitted activities

Under Article 29 (Permitted additional mandates outside the Group) of the Articles of Association: www.zehndergroup.com/en/investor-relations/corporate-governance, the members of the Board of Directors are permitted to exercise the following additional activities in comparable functions in other companies with a commercial purpose that are not controlled by the company, do not control the company, or are not occupational pension schemes that insure employees of Zehnder Group:

- A member of the Board of Directors may hold a maximum of five mandates in comparable functions at other listed legal entities, and additionally;
- A member of the Board of Directors may also hold a maximum of ten mandates in comparable functions at non-listed companies with a commercial purpose.

Mandates with companies controlled by the same entity, or which are subject to the same commercial authorisation, are counted as a single mandate. The above restrictions for members of the Board of Directors do not apply to mandates in associations, charitable foundations, family foundations, employee welfare foundations, or similar organisations.

3.4 Elections and terms of office

Article 19 (Employees and term of office) of the Articles of Association stipulates that the Board of Directors is made up of at least three members elected by the Annual General Meeting for a period of one year. Re-election is permissible.

At the Annual General Meeting, a separate vote is held on the election or re-election of each candidate.

For details of the initial election of the individual members of the Board of Directors, refer to the short profiles of the Directors under **3.1 Members of the Board of Directors**.

3.5 Internal organisational structure

The Chairman (Dr Hans-Peter Zehnder) or his deputy (Jörg Walther) convenes and chairs the meetings and phone and video conferences. The Board's duties are carried out by the entire Board. Managerial and monitoring tasks are delegated to ad-hoc Board committees at regular intervals. For each meeting, all Board members receive the relevant documentation one week in advance. The members of the Group Executive Committee attend the Board meetings and participate in the phone and video conferences as required. Representatives of the auditors or external consultants are called in to advise on individual items on the agenda. Board meetings are held at regular intervals at national and

international subsidiaries in order to deal in depth with local strategy, market, and customer issues.

In 2025, the Board held seven meetings or phone and video conferences. These lasted an average of seven and a half hours. The attendance rate averaged 98%.

	20.2.	3.4.	13.6.	1.- 3.7.	23.7.	24.- 26.9.	18.12.
Dr Hans-Peter Zehnder	●	●	●	●	●	●	●
Jörg Walther	●	●	●	●	●	●	●
Dr Urs Buchmann	●	●	●	●	x	●	●
Riet Cadonau	●	●	●	●	●	●	●
Sandra Emme	●	●	●	●	●	●	●
Ivo Wechsler	●	●	●	●	●	●	●
Milva Inderbitzin-Zehnder	●	●	●	●	●	●	●

The Board of Directors is supported by a Nomination and Compensation Committee and an Audit Committee.

Nomination and Compensation Committee

The Nomination and Compensation Committee is made up of at least two and not more than four members of the Board of Directors who are each elected annually by the Annual General Meeting. Members are eligible for re-election.

The Nomination and Compensation Committee comprised the following members as of 31 December 2025:

- Riet Cadonau, Chairman;
- Sandra Emme, member;
- Milva Inderbitzin-Zehnder, member.

The Nomination and Compensation Committee meets as often as business requires, generally before the meetings of the full Board of Directors. The Chairman of the Board of Directors, the Vice Chairman of the Board of Directors, the Chief Executive Officer, and the Director Group HR attend the meetings of the Nomination and Compensation Committee as guests. However, the Chairman of the Board of Directors and the Chief Executive Officer do not attend the meetings or parts of the meetings in which their own remuneration and/or benefits are discussed. In 2025, the Committee held four meetings. These lasted one and a half hours each on average. The attendance rate was 100%.

	20.2.	3.4.	26.9.	18.12.
Riet Cadonau	●	●	●	●
Sandra Emme	●	●	●	●
Milva Inderbitzin-Zehnder	●	●	●	●

The Nomination and Compensation Committee has its own regulations, which are approved by the Board.

The Nomination and Compensation Committee has the following specific duties pursuant to 4.3 (The Nomination and Compensation Committee) of the Organisational Regulations:

- Submission of motions to the full Board of Directors relating to the Group's remuneration system;
- Submission of motions to the full Board of Directors relating to targets set for the Group Executive Committee, the achievement of which has an impact on remuneration;
- Provision of information to the Board of Directors on all events relating to the Nomination and Compensation Committee that are not the direct responsibility of the Board of Directors;
- Submission of motions to the full Board of Directors relating to the specific remuneration paid to the Chairman of the Board of Directors and each of the other members of the Board of Directors;
- Submission of motions to the full Board of Directors relating to the specific remuneration paid to the CEO as well as the specific remuneration paid to each of the other members of the Group Executive Committee;
- Submission of proposals to the full Board of Directors relating to amendments to the Articles of Association affecting the remuneration system for compensating the members of the Group Executive Committee;
- Submission of proposals to the Board of Directors relating to the appropriate size and balanced composition of the Board of Directors, the majority of whose members should be independent, and determination of the criteria for independence;
- Development and presentation of criteria for election or re-election to the Board of Directors or appointment as a member of the Group Executive Committee;
- Assessment of potential members of the Board of Directors on the basis of the defined criteria and a statement to the Board of Directors regarding their nomination, for the attention of the Annual General Meeting;
- Assessment of proposals from the CEO to the Board of Directors regarding the appointment or dismissal of members of the Group Executive Committee and, if necessary, submission of a statement to the Board of Directors;
- Approval of employment contracts with the CEO and the other members of the Group Executive Committee;
- Review of succession and contingency planning at the Group Executive Committee level;
- Authorisation of the acceptance of external mandates by members of the Board of Directors and members of the Group Executive Committee in accordance with the articles of association.

Further details as well as a graph (Responsibility levels) can be found under item **2.2 Nomination and Compensation Committee** of the Compensation Report.

Audit Committee

The Audit Committee consists of at least two members of the Board of Directors. The Board of Directors appoints the members of the Committee each year and designates the Chairperson.

The Audit Committee comprised the following members as of 31 December 2025:

- Jörg Walther, Chairman;
- Dr Urs Buchmann, member;
- Ivo Wechsler, member.

The Audit Committee convenes at the invitation of the Chairman as often as is required by business activities. The Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Director of Group Controlling, the Group General Counsel, the Head of Group Internal Audit, and representatives of the external auditor attend Audit Committee meetings as guests. Where necessary, the Audit Committee addresses certain items on the agenda solely with representatives of the external auditor and/or internal auditing staff. In 2025, the Audit Committee convened six times including two extraordinary meetings. The meetings lasted an average of two hours. The attendance rate was 100%.

	15.1.	18.2.	21.7.	24.9.	28.11.	17.12.
Jörg Walther	●	●	●	●	●	●
Dr Urs Buchmann	●	●	●	●	●	●
Ivo Wechsler	●	●	●	●	●	●

Pursuant to 4.2 (The Audit Committee) of the Organisational Regulations, the Audit Committee has the following specific tasks and responsibilities:

- Evaluation of external auditors, taking into account the fulfilment of the necessary qualifications in accordance with the applicable legal requirements, and recommendations for the attention of the Board of Directors regarding selection of an auditor by the Annual General Meeting as well as proposal to the entire Board of Directors concerning election of an external auditor for the audit of the sustainability report;
- Performance assessment of the incumbent auditor and approval of the remuneration budget at the request of the CFO for auditing submitted by the external auditor;
- Organisation of internal auditing and appointment of the internal auditor; assigning of work to the internal auditor (if necessary at the request of the Board of Directors), and assessment of performance;
- Review, discussion with those affected, and approval of auditing plans from internal auditing and the external auditor;
- Approving and monitoring the issuing and execution of mandates for non-audit-related services provided by the external auditors;
- Consultation with the Group Executive Committee and the internal and external auditors regarding significant risks, contingencies, and other obligations of the Group, as well as evaluation of the measures taken by the Group to deal with them;

- Review and discussion of the annual and six-month report of the company and of the Group – including significant one-off costs, depreciations, value adjustments, and items not recognised in the balance sheet – with the relevant members of the Group Executive Committee;
- Discussion of the results of the annual review with the external auditor, the results of the limited assurance procedures of the external auditor for the selected key performance indicators of the sustainability report, and discussion of internal audit reports, and issuance of recommendations or proposals to the Board of Directors;
- Evaluation of and ensuring cooperation between the internal and external auditors.

Chairman

The Chairman of the Board of Directors chairs the meetings of the Board of Directors and the Annual General Meeting.

Alongside membership of the Board of Directors, the Chairman's specific remit includes, in particular:

- Monitoring the planning and organisation of the Annual General Meeting;
- Monitoring the enactment of the resolutions made at the meetings of the Board of Directors and the Annual General Meeting;
- Monitoring the running of the business and sustainability issues together with the Chairman of the Group Executive Committee;
- Representing the Company vis-à-vis shareholders and third parties;
- Preparing the meetings of the Board of Directors.

In extraordinary situations where it is not possible to inform the Board of Directors in advance, further to consultation with the Vice Chairman or, in his absence, with another member of the Board of Directors, the Chairman has the authority to make all necessary decisions provided that such decisions are within the framework of existing business policy. The full Board of Directors must be informed of such decisions without delay.

Dr Hans-Peter Zehnder, as the Chairman of the Board of Directors, undertakes additional tasks and functions. He embodies Zehnder's values internally and externally and advocates for Zehnder Group's long-term, sustainable direction and value creation. In close coordination and cooperation with the Group Executive Committee, he performs various representative functions, e.g. in the context of strategy and background discussions with managers, visits and speeches at official events of Group companies, discussions with important customers and suppliers as well as with potential target companies for acquisitions or strategic cooperations. Overall, his time commitment is likely to be significantly higher both in terms of duration and content compared to the usual workload of mandated chairmen of the board of directors in similar companies.

Vice Chairman

The Board of Directors appoints the Vice Chairman. The Vice Chairman supports and advises the Chairman of the Board of Directors in relation to his responsibilities and powers. Together with the Chairman, he promotes balanced management and monitoring within the Group, Board of Directors, and Committees. The duties of the Vice Chairman include chairing meetings of the Board of Directors during the temporary absence or incapacity of the Chairman.

He has the role of Lead Independent Director. Together with the Nomination and Compensation Committee, he is responsible for regular monitoring and an annual assessment of the Chairman of the Board of Directors.

Alongside membership of the Board of Directors, the Chairman's specific remit includes, in particular:

- Ensuring readiness at all times to act as deputy to the Chairman of the Board of Directors;
- Overseeing the management and development of key strategic projects;
- Acting as contact person (alternatively to the Chairman of the Board of Directors) for important shareholders, investors, and proxy advisers;
- Conducting the annual performance evaluation of the Chairman of the Board of Directors and the self-assessment of the entire Board of Directors;
- Chairing ad-hoc committees of the Board of Directors in matters that do not fall within the remit of the Chairman of the Board of Directors;
- Supporting the Chairman of the Board of Directors in the management of the company, in particular during special situations and in crisis situations;
- Approving the appointment of contact persons for external consultants who report directly to the Board of Directors;
- Conducting a preliminary review, together with or as an alternative to the Chairman of the Board of Directors, of the documents made available to the full Board of Directors;
- Attending meetings of Board committees as chair, member, or guest.

As an alternative to the Chairman of the Board of Directors, particularly in case of his absence or incapacity, the Vice Chairman is the point of contact for corporate governance and risk management, and also represents the company in respect of shareholders and other external groups of stakeholders.

3.6 Definition of areas of responsibility

The allocation of the areas of responsibility between the Board of Directors and the Group Executive Committee is based on the law (Swiss Code of Obligations), the company's Articles of Association, and its Organisational Regulations.

Insofar as no provisions to the contrary have been made by law, the Articles of Association or the Organisational Regulations, the Board of Directors delegates management of the business completely to the Group Executive Committee.

The Board of Directors is responsible for the overall management of the company, and supervision and control of the Group Executive Committee. It issues guidelines for business policy and is kept regularly informed of the course of business.

The Board of Directors is the supreme authority in the context of the management structure of the Group. Insofar as is permitted by law, the Board of Directors has the right of initiative, power of oversight, and ultimate decision-making authority over the Group companies.

3.7 Information and control instruments vis-à-vis the Group Executive Committee

The Board of Directors is regularly informed of the activities of the Group Executive Committee and business units via various channels.

Management information system (MIS)

As part of regular reporting practice, the Board of Directors receives monthly reports (income statement, key figures, commentary) and quarterly reports (expanded to include balance sheet, cash flow statement, investments, etc.). In addition, the Board members receive a quantified medium-term plan and a detailed budget analysis. The Group Executive Committee members attend the meetings of the Board of Directors and also phone and video conferences depending on requirements, reporting to the Board of Directors.

Risk management process

Operating under the guidance of the CFO, Zehnder Group has a structured risk management process that has been approved by the Board of Directors and which systematically monitors risks to the business, including sustainability and climate risks. As part of this process, key risks are defined. Strategic and operational risks are identified every year, including all the sites and functional areas, and analysed in terms of both probability of occurrence and severity. Appropriate measures for minimising and monitoring these risks are then set out. In addition, the CFO holds quarterly risk reviews with the Group General Counsel in order to assess and monitor evolving risks and define appropriate mitigation measures. The Board of Directors reviews and approves the risk report once a year. Each member of the Group Executive Committee is responsible for implementing the measures in their area of responsibility. The Audit Committee supports the Board of Directors in the monitoring of business risks and the assessment of measures introduced by the Group Executive Committee. The Board of Directors is informed periodically of significant changes to the risk assessment and kept abreast of risk management activities.

The financial risks are monitored by the Treasury department of Zehnder Group under the guidance of the CFO. Risk management focuses on identifying, analysing, and mitigating currency, interest, liquidity and counterparty risks, in order to limit the extent to which they can impair cash flow and net profit. Information security risks are monitored by the Group's central IT department under the leadership of the CFO. The focus of risk management is on prevention through effective cyber security: implementing robust security policies and procedures, conducting regular risk assessments and audits, training employees on cyber security, introducing advanced security technologies, response/emergency planning as well as planning and promoting a security culture throughout the organisation. External specialists are called in at regular intervals for organisational issues and technical audits.

Internal Audit

Internal Audit is an independent and objective auditing and advisory activity that aims to evaluate and improve the efficiency of corporate management, risk management, and internal control. The Head of Group Internal Audit reports directly to the Audit Committee and is in charge of internal audit.

Based on the audit plan approved by the Audit Committee, the Group companies are audited at regular intervals for general and specific issues on the basis of ongoing risk assessment. During the year under review, fourteen internal audits were carried out. The audit reports agreed on with the management of the audited companies or the responsible functions are distributed to the Chairman of the Board of Directors, the Audit Committee, the Group Executive Committee,

and the external auditor. The Head of Group Internal Audit ensures that the points brought up are dealt with and that the necessary adjustments are being implemented under the responsibility of the line organisation. He attends the meetings of the Audit Committee. Any material findings resulting from internal audits are presented and discussed.

Integrity Line

Zehnder Group pursues an integrated system approach to combat violations of its Code of Conduct, including the protection of whistleblowers. The whistleblower system can be used to report information about misconduct affecting Zehnder Group or the welfare of employees and third parties. The Integrity Line is accessible via the Group website (www.zehndergroup.com) and local company websites. Employees also have access via the Group intranet and local intranets, both internally and externally. The reports, which can also be submitted anonymously, are processed primarily by the Group's legal department. The Audit Committee is informed about the reports received. Further information on the use of the Integrity Line and reported incidents can be found in the [Sustainability Report](#).

4. Group Executive Committee

4.1 Members of the Group Executive Committee



Matthias Huenerwadel
Chairman of the Group Executive Committee,
Chief Executive Officer (CEO)
Swiss, born in 1968
Appointed in 2018

Professional background and education

- Since January 2019: Chairman of the Group Executive Committee, Chief Executive Officer (CEO) of Zehnder Group, Gränichen (CH)
- 12.11.–31.12.2018: Member of the Group Executive Committee, designated Chief Executive Officer (CEO) of Zehnder Group, Gränichen (CH)
- 2005–2017: Member of the Executive Board and Head of Movement Systems (2005–2012) and Flooring Systems (2013–2017), Forbo International SA, Baar (CH)
- 1995–2005: Various management positions in the areas of logistics, IT, customer services, sales and marketing at the Franke Group, Aarburg (CH), Ruston (US) and Bad Säckingen (DE)
- 1991–1994: Master of Science in Industrial Engineering, Swiss Federal Institute of Technology (ETH) Zurich (CH)
- 1987–1990: Bachelor of Science in Mechanical Engineering, Swiss Federal Institute of Technology (ETH) Zurich (CH)

Other significant activities and vested interests

- Member of the Board of Directors of Daedalus Holding AG (CH) and Spaeter AG (CH)
- Member of the Board of Aargauische Industrie- und Handelskammer (CH)



René Grieder
Chief Financial Officer (CFO)

Swiss, born in 1979

Appointed in 2015

Professional background and education

- Since August 2015: Member of the Group Executive Committee, Chief Financial Officer (CFO) of Zehnder Group, Gränichen (CH)
- 2011–2015: Head of Group Controlling of Zehnder Group, Gränichen (CH)
- 2009–2010: Head of/Manager Group Reporting of Zehnder Group, Gränichen (CH)
- 2007–2009: Group Controller, Emhart Glass SA, Steinhausen (CH)
- 2003–2007: Controller, Pilatus Aircraft Ltd, Stans (CH)
- 1998–2000: Product Manager, Intercycle SA, Sursee (CH)
- 2010–2011: Master of Advanced Studies in Corporate Finance, Institute of Financial Services Zug (CH)
- 2001–2003: Bachelor of Science in Business Economics, University of Applied Sciences and Arts Lucerne (CH)

Other significant activities and vested interests

- Member of the Board of Directors of imiam AG (CH)



Johannes Bollmann
Chief Operating Officer (COO)
Ventilation EMEA

Swiss-Italian dual citizen, born in 1982

Appointed in 2019

Professional background and education

- Since April 2019: Member of the Group Executive Committee, Chief Operating Officer (COO) Ventilation EMEA of Zehnder Group, Gränichen (CH)
- 2013–2019: Various roles and management tasks at Zehnder Group in Switzerland in the areas of business development, sales, product and project management, most recently as Managing Director of Zehnder Group Schweiz AG
- 2007–2013: Various roles at ABB in Zurich and Baden (CH) in the areas of marketing, sales, and internal audit
- 2006–2008: Master of Science in Management, Technology and - Economics, Swiss Federal Institute of Technology (ETH) Zurich (CH)
- 2003–2006: Bachelor of Science in Mechanical Engineering, Swiss Federal Institute of Technology (ETH) Zurich (CH)

Other significant activities and vested interests

- Member of the Steering Committee of the European Ventilation Industry Association (BE)
- Member of the Board of GebäudeKlima Schweiz (CH)
- Member of the Board of Directors of NSNW AG (CH)



Jörg Metzger
Chief Operating Officer (COO)
Radiators EMEA

German, born in 1967
Appointed in 2020

Professional background and education

- Since May 2020: Member of the Group Executive Committee, Chief Operating Officer (COO) Radiators EMEA of Zehnder Group, Gränichen (CH)
- 2009–2020: Various leading positions in the areas of business management and transformation with Elster Group and Honeywell Inc., Lorsch (DE) and Atlanta (US)
- 1995–2009: Management roles in various international companies
- 1990–1995: Studies with a degree in civil engineering (Dipl.-Ing.), University of Applied Sciences Kaiserslautern (DE)

Other significant activities and vested interests

- Member of the Advisory Board of Engelmann Sensor GmbH (DE) (until January 2026)
- Member of the Executive Council of the Association of the European Heating Industry (BE)



Dorien Terpstra
Chief Commercial Officer (CCO)
EMEA

Dutch, born in 1979
Appointed in 2023

Professional background and education

- Since January 2024: Member of the Group Executive Committee, Chief Commercial Officer (CCO) EMEA of Zehnder Group, Gränichen (CH)
- 2021-2023: Managing Director Zehnder Group Netherlands & Belgium (NL and BE)
- 2018-2020: Strategic Transformation and Business Development role at Nordic Engineering Firm AFRY (formerly Poyry) (FI and SE)
- 2001-2017: Various strategic and operational leadership positions at Siemens Building Technologies with scope EMEA and Asia (CH and NL)
- 2003-2007: Master of Science in Strategy & Organisation (Open University)
- 1996- 2000: Bachelor in International Business & Marketing, Hanzehogeschool Groningen (NL)

Other significant activities and vested interests

- Board Member and President of the Ventilation Association Netherlands (NL)
- Top Team Energy, Ministry of Economic Affairs Netherlands (NL)



Valentina Videva Dufresne
President North America

American-North Macedonian dual citizen, born in 1971
Appointed in 2024

Professional background and education

- Since January 2025: Member of the Group Executive Committee, President North America of the Zehnder Group, Gränichen (CH)
- 2024–2024: Vice President, Early-Stage Organization, Celestica (USA)
- 2022–2023: Vice President/General Manager Sensata Technologies North America Automotive & Global Aftermarket (USA)
- 2021–2022: Vice President/Chief of Staff to CEO Sensata Technologies (USA)
- 2018–2021: Various strategic and operational leadership positions at Sensata Technologies (USA)
- 2019–2021: Executive MBA from MIT's (Massachusetts Institute of Technology) Sloan School of Management (USA) with certificates in Sustainability and Business Analytics
- 1995–1997: Bachelor of Science in Mechanical Engineering, Norwich University (USA)

Other significant activities and vested interests

- Member of the membership committee at C200 (USA) (since January 2026)
- Co-chair of the Board Pathway Council (USA) (since January 2026)

4.2 Other activities and vested interests

Other activities and vested interests are outlined in the short profiles of the members of the Group Executive Committee under the previous item [4.1 Members of the Group Executive Committee](#). Beyond these activities, the members of the Group Executive Committee do not have any dealings with important institutions, hold ongoing executive or advisory roles for interest groups, or hold any official function or political office.

4.3 Rules in the Articles of Association on the number of permitted activities

Under Article 29 (Permitted additional mandates outside the Group) of the Articles of Association (www.zehndergroup.com/en/investor-relations/corporate-governance), the members of the Group Executive Committee may each exercise the following additional activities in comparable functions in other companies with a commercial purpose that are not controlled by the company, do not control the company, or are not occupational pension schemes that insure employees of Zehnder Group:

- A member of the Group Executive Committee may hold a maximum of two mandates in comparable functions at other listed legal entities, and additionally;
- A member of the Group Executive Committee may also hold a maximum of four mandates in comparable functions at non-listed companies with a commercial purpose.

Mandates with companies controlled by the same entity, or which are subject to the same commercial authorisation, are counted as a single mandate. The above restrictions for members of the Group Executive Committee do not apply to mandates in associations, charitable foundations, family foundations, employee welfare foundations, or similar organisations.

4.4 Management contracts

No management contracts exist that transfer management responsibility to companies or individuals outside Zehnder Group.

5. Compensation, shareholdings, and loans

For information about compensation, shareholdings, and loans, please refer to the [Compensation Report](#), and to the Articles of Association of Zehnder Group AG on our website www.zehndergroup.com/en/investor-relations/corporate-governance.

6. Shareholders' participation rights

Please refer to Swiss company law and also to Zehnder Group AG's Articles of Association on our website www.zehndergroup.com/en/investor-relations/corporate-governance.

6.1 Voting right restrictions and representation

Rules on shareholder voting rights are provided by Article 13 of the Articles of Association. Regardless of its nominal value, every share entered in the share register with a voting right carries a voting right. The statements made under item **2.6 Limitations on transferability and nominee registration** in this Corporate Governance Report apply.

In its invitation to the Annual General Meeting, the Board of Directors will announce the deadline for entry into the share register, which is required for the right to vote and participate.

A shareholder can be represented by an independent proxy or a third person. Regulations governing proxies and instructions are set by the Board of Directors. Written proxy is not required for legal representatives.

The independent proxy is elected each year at the Annual General Meeting. Re-election is permissible. The duties of the independent proxy are governed by the applicable legal provisions.

The Board of Directors did not grant any exceptions or exclude any nominees in the reporting year.

6.2 Quorums required by the Articles of Association

Insofar as provision to the contrary has not been made in law or the Articles of Association, the Annual General Meeting passes its resolutions and holds its elections based on a majority of the valid share votes cast. Abstentions, blank votes, and invalid votes are not included when the majority is counted. If a vote is tied, the Chairman has the casting vote on resolutions and in elections. Resolutions and elections are open unless provision to the contrary is made by the Chairman.

Under Article 16 (Important resolutions) of the Articles of Association www.zehndergroup.com/en/investor-relations/corporate-governance, a resolution of the Annual General Meeting passed by at least 2/3 of the voting shares represented and a majority of the par value of the shares represented is required in particular for:

- Changing the purpose of the company;
- Consolidation of shares, unless the approval of all shareholders concerned is required;
- Capital increase from equity, against contributions in kind or by offsetting against a claim, and the granting of special benefits;
- Restriction or revocation of subscription rights;

- Introduction of conditional capital or the introduction of a capital band;
- Conversion of participation certificates into shares;
- Restriction of the transferability of registered shares;
- Introduction of voting shares;
- Change of the currency of the share capital;
- Introduction of the casting vote of the Chairman at the Annual General Meeting;
- Provision in the Articles of Association on holding the Annual General Meeting abroad;
- Delisting of the company's equity securities;
- Relocation of the company's registered office;
- Introduction of an arbitration clause in the Articles of Association;
- Amendment of Article 5, Article 6 and Article 16 of the Articles of Association; or
- Dissolution of the company.

6.3 Convocation of the Annual General Meeting

As required by law, the Annual General Meeting of Shareholders is convened by the Board of Directors or, if necessary, by the auditors in accordance with Article 12 (Convening and right to add items to the agenda) of the Articles of Association: www.zehndergroup.com/en/investor-relations/corporate-governance. An Annual General Meeting of Shareholders is convened at least 20 days before the date of the meeting by publication in the Swiss Official Gazette of Commerce. If the postal or electronic delivery details of the shareholders are known, the invitation may be sent by post or electronic means at the same time.

The convening notice must state:

- The date, start, type, and location of the Annual General Meeting;
- The items on the agenda;
- The proposals of the Board of Directors together with a brief statement of reasons;
- If applicable, the motions of the shareholders together with a brief justification; and
- The name and address of the independent proxy.

The Board of Directors may summarise the items on the agenda in the notice convening the meeting, provided it makes further information available to shareholders by other means. Shareholders who together represent at least 5% of the share capital or votes may request the convening of a General Meeting at any time, stating the items on the agenda and the proposals. The Board of Directors may make provision for shareholders who are not present at the meeting venue to exercise their rights electronically or, alternatively, for a purely electronic General Meeting to be held.

6.4 Inclusion of items on the agenda

The Board of Directors places items on the agenda. Shareholders registered with voting rights who individually or collectively represent at least 0.5% of the share capital or votes of the company may petition the Board of Directors to add an item to the agenda or to include a motion on an item in the notice convening the Annual General Meeting. Shareholders may submit a brief justification with the agenda item or motion. This must be included in the notice convening the Annual General Meeting. The request to add an item to the agenda must be submitted in writing to the Chairman of the Board of Directors at least 45 days before the Annual General Meeting, stating the item to be discussed and the proposals.

6.5 Entries in the share register

In its invitation to the Annual General Meeting, the Board of Directors will announce the deadline for entry into the share register, which is required for the right to vote and participate.

7. Changes of control and defence measures

7.1 Duty to make an offer

An opt-out clause is laid down in Article 9 of the Articles of Association: (www.zehndergroup.com/en/investor-relations/corporate-governance). Under Article 125 (3) and (4) of the Swiss Financial Market Infrastructure Act (FinMIA), anyone who purchases shares in the company is not obligated to make a public offer to buy pursuant to Articles 135 and 163 of this same law.

7.2 Clauses on changes of control

There are no change-of-control clauses for members of the Board of Directors or for members of the Group Executive Committee.

8. Auditors

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

PricewaterhouseCoopers Ltd (PwC), Lucerne (CH), has been the external auditor for Zehnder Group AG since 2019. It also audits the consolidated financial statements of Zehnder Group. The auditor is elected at the Annual General Meeting for a term of one year. Thomas Ebinger took over as lead auditor on 1 October 2020. The lead auditor's rotation regime corresponds to a maximum term of seven years in accordance with the legal requirement.

8.2 Auditing fees

The financial statements of Zehnder subsidiaries are audited by various auditing firms, including PwC. In the 2025 reporting year, various auditing firms invoiced a total of EUR 1,064,000 (incl. expenses) for the auditing of individual accounts and the consolidated financial statements. Of this, EUR 563,000 was paid to PwC. This also includes the audit of the sustainability report.

8.3 Additional fees

Additional fees for services provided by PwC to the Group during the 2025 fiscal year amounted to EUR 162,000, of which EUR 66,000 related to tax consulting services and EUR 96,000 to other services. The additional services rendered by PwC outside the audit mandate are compatible with the audit assignment.

8.4 Information instruments pertaining to the external audit

The auditor attends the meetings of the Audit Committee. At these meetings, it presents significant information on the financial statements of the companies audited. The auditor is evaluated and monitored by the Audit Committee, which makes recommendations to the Board of Directors. In particular, the Audit Committee evaluates the auditor's plans and its remuneration and performance. In 2025, PwC attended four meetings of the Audit Committee.

9. Information policy

Zehnder Group communicates regularly and transparently with its shareholders, the capital market, and the public. It reports every half year on business, the financial results, strategy, and prospects for the future. It also provides timely *price*-relevant and additional information of interest. At least once a year, Zehnder Group organises a media and analyst conference.

In 2025, Zehnder Group held a Capital Markets Day where its leadership team shared updates on market trends, innovation, and growth initiatives, as well as financial topics.

Reports and notices are published in digital form in both German and English. The English version is binding. The annual and six-month reports and presentations are available on the website: www.zehndergroup.com/en/investor-relations/reports-and-presentations. Notifications can be requested and subscribed to at www.zehndergroup.com/en/news.

Notices to shareholders shall be made by publication in the Swiss Official Gazette of Commerce or, unless otherwise required by law, by letter or by electronic means to their last address given to the company. Announcements are made by publication in the Swiss Official Gazette of Commerce. The Board of Directors may designate other publication media.

Contact persons for communication with Zehnder Group are the Head of Investor Relations & Communications, the CEO, and the CFO:

Zehnder Group AG
Investor Relations
Moortalstrasse 1
5722 Gränichen (CH)

Phone + 41 62 855 1521
investor-relations@zehndergroup.com
www.zehndergroup.com

The company calendar, including the date of the Annual General Meeting and the Media/Analyst Conference can be found in this Integrated Annual Report under **Further information for investors** and on our website: www.zehndergroup.com/en/investor-relations/events.

10. Blackout periods

To prevent insider trading or the suspicion of insider trading and to ensure equal opportunities for investors, the following persons are prohibited from trading in Zehnder Group securities from 1 December until 24 hours after the publication of the annual financial statements and from 1 June until 24 hours after publication of the semi-annual financial statements:

- Members and, if specified, the secretary of the Board of Directors of Zehnder Group AG and Zehnder Group International Ltd;
- Members of the Executive Boards of Zehnder Group AG and Zehnder Group International Ltd;
- Internal and external employees and advisors of Zehnder Group AG and Zehnder Group International Ltd involved in the preparation of the six-month and annual financial statements.

These general blackout periods also apply to Zehnder Group itself. The sale and purchase of proprietary shares (e.g. as part of the employee shareholding plan) must take place outside blackout periods.

Pre-trading plans (i.e. sales and purchase programmes for which transactions, fixed dates, or periods have been agreed in advance with the bank or a securities trader before the start of the blackout periods) that are initialised before the blackout periods are permitted to run on without change.

Compensation Report

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Introduction

The Compensation Report describes the compensation policy and programme of Zehnder Group AG and the methods to determine compensation. Furthermore, it provides details about the compensation awarded to the members of the Board of Directors and the Group Executive Committee in the 2025 fiscal year.

The Compensation Report was prepared in accordance with the Swiss Code of Obligations (CO), the “Directive on Information Relating to Corporate Governance” issued by SIX Exchange Regulation AG, and the “Swiss Code of Best Practice for Corporate Governance” issued by *economiesuisse*.

Introductory note from the Chairman of the Nomination and Compensation Committee



Dear shareholders,

On behalf of the Nomination and Compensation Committee of Zehnder Group, I am pleased to present the 2025 Compensation Report.

Despite strong business performance, we maintained a disciplined approach to compensation for the Group Executive Committee and the Board of Directors, implementing only selective adjustments for the Group Executive Committee and no adjustments for the Board of Directors in light of the continued political and economic volatility and uncertainty.

At the beginning of 2025, Valentina Videva Dufresne assumed her role as President North America as part of the Group Executive Committee. She has made a strong start in her new role and has already provided fresh momentum to our North American business, which continues to develop positively under her leadership.

A review of the ESG-based performance indicator on gender diversity of the LTI Plan for the Group Executive Committee took place to align the measurement of this key performance indicator to the newly implemented global job architecture.

In addition, we placed strong emphasis on short- and medium-term succession planning to support renewal and enhance gender diversity on the Board of Directors. This process is expected to lead to changes at Board level and will remain a key priority in the upcoming years.

Another responsibility of the Nomination and Compensation Committee is the annual performance management of the CEO and the other members of the Group Executive Committee. Performance targets and development measures were defined for each executive. In addition to annual compensation and performance reviews, the Nomination and Compensation Committee analysed shareholder feedback on compensation programmes and their disclosure in the compensation report, preparation of the compensation report, and the compensation proposals for the Annual General Meeting in order to align these elements with your interests.

Looking ahead, compensation benchmarks for both the Board of Directors and for the Group Executive Committee are planned as part of the ongoing review of our compensation programmes. These benchmarks will support the Nomination and Compensation Committee in making informed decisions regarding potential compensation adjustments for the 2027 financial year.

We would like to thank you for your continued support over the past year and look forward to further strengthening our partnership through open dialogue, transparency, and trust.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Riet Cadonau', written in a cursive style.

Riet Cadonau
Chairman of the Nomination and
Compensation Committee

1. Compensation at a glance

1.1 Overview of current compensation architecture for Board of Directors

The members of the Board of Directors receive fixed compensation only, consisting of a fixed annual retainer in form of cash and shares, fixed cash compensation for their membership of committees of the Board of Directors, and an expense allowance. The shares are subject to a three-year blocking period. To safeguard the independence of the Board of Directors in its supervisory role, the compensation architecture does not include any performance-based components.

The compensation architecture and level for the Board of Directors from AGM to AGM:

In CHF (gross)	Chairman of the Board of Directors	Vice Chairman of the Board of Directors	Member of the Board of Directors
Fixed retainer: 50% cash - 50% shares	420,000	180,000	100,000
Expense allowance	12,000	6,000	2,000

In CHF (gross)	Committee chair	Committee member
Audit Committee	50,000	25,000
Nomination and Compensation Committee	50,000	25,000

The 2024 Annual General Meeting approved a maximum budget of CHF 1.7 million for the Board of Directors for the term of office from the 2024 Annual General Meeting to the 2025 Annual General Meeting. The compensation awarded to the members of the Board of Directors over this period was CHF 1.4 million and therefore within the approved budget.

Compensation for the Board of Directors from 2024 AGM - 2025 AGM:
in million CHF



1.2 Overview of current compensation architecture for Group Executive Committee (GEC)

The compensation architecture of the Group Executive Committee (GEC) comprises fixed and variable compensation elements for the fiscal year:

Element	Purpose	Vehicle	Period
Annual Base Salary (ABS)	Attract and retain	Cash	Weekly or monthly
Short-term incentive (STI)	Pay for performance	Performance-based incentive paid in cash	1-year plan
Long-term incentive (LTI)	Reward long-term, sustainable performance; align with shareholders' interests; retain	Annual grant of performance-based share units (PSUs) with 3-year vesting period subject to performance conditions	3-year plan
Zehnder Group Management Share Plan (ZGMSP)	Promote shareholder ownership; retain	Discounted registered shares A	Annually
Benefits	Protect against risks, attract, and retain	Retirement plan, insurances, perquisites	Monthly

The 2025 Annual General Meeting approved a maximum compensation budget of CHF 6.65 million for the GEC for the 2025 fiscal year. The total compensation of CHF 5.1 million was awarded to the GEC for the fiscal year 2025 and therefore within the approved budget.

Compensation of the Group Executive Committee 2025: in million CHF



2. Governance and methods to determine compensation

2.1 Shareholders' involvement

The Annual General Meeting approves the maximum compensation amounts paid to the Board of Directors and to the Group Executive Committee, each in a binding vote. The provisions of the Articles of Association of Zehnder Group (www.zehndergroup.com/en/investor-relations/corporate-governance; Article 15) envisage that the Annual General Meeting votes annually and prospectively on each of the aggregate compensation amounts as follows:

- The maximum total compensation of the Board of Directors for the period up to the next Annual General Meeting;
- The maximum total compensation of the Group Executive Committee for the current fiscal year.

The Articles of Association of Zehnder Group (www.zehndergroup.com/en/investor-relations/corporate-governance; Article 31 et seq.) include the following provisions on compensation:

- Principles of compensation and the allocation of listed shares to the Board of Directors (Articles 31 and 33);
- Principles of compensation and the allocation of listed shares to members of the Group Executive Committee (Articles 32, 33 and 35);
- Additional amount for payments to members of the Group Executive Committee appointed after the vote on compensation at the Annual General Meeting (Article 36);
- Loans, credit facilities, and post-employment benefits for members of the Board of Directors and of the Group Executive Committee (Article 34).

In addition, in accordance with the requirements of the Code of Obligations, shareholders can express their views on the compensation system by means of an annual consultative vote on the compensation report.

2.2 Nomination and Compensation Committee

According to the Articles of Association, on an annual and individual basis, the Annual General Meeting elects at least two and no more than four members of the Board of Directors to the Nomination and Compensation Committee for a term of office of one year until the conclusion of the next Annual General Meeting. Members are eligible for re-election. At the 2025 Annual General Meeting, the shareholders elected the following members of the Nomination and Compensation Committee:

	Executive/Independent/Non-independent member of the BoD	Chairman/Member
Riet Cadonau	Independent member of the BoD	Chairman
Sandra Emme	Independent member of the BoD	Member
Milva Inderbitzin-Zehnder	Non-independent member of the BoD ¹	Member

BoD: Board of Directors

¹ Related to the representative of the controlling majority shareholder; holds – directly and indirectly – a 0.3% share of total Zehnder Group AG votes.

The responsibilities of the Nomination and Compensation Committee are set out in the Articles of Association (www.zehndergroup.com/en/investor-relations/corporate-governance; Article 26) and Organisational Regulations (www.zehndergroup.com/en/investor-relations/corporate-governance; Article 4.3.) and include the following duties with reference to compensation:

- Submission of motions to the Board of Directors relating to the Group's remuneration system;
- Submission of motions to the Board of Directors relating to targets set for the Group Executive Committee, the achievement of which has an impact on remuneration;
- Provision of information to the Board of Directors on all events relating to the Nomination and Compensation Committee that are not the direct responsibility of the Board of Directors;
- Submission of motions to the Board of Directors relating to the specific remuneration paid to the Chairman of the Board of Directors and each of the other members of the Board of Directors;
- Submission of motions to the Board of Directors relating to the specific remuneration paid to the CEO as well as the specific remuneration paid to each of the other members of the Group Executive Committee;
- Submission of proposals to the Board of Directors relating to amendments to the Articles of Association affecting the remuneration system for compensating the members of the Group Executive Committee;

The levels of authority, held by the Nomination and Compensation Committee, the Board of Directors and the Annual General Meeting are summarised by the following table.

Responsibility levels

	CEO	NCC	BoD	AGM
Compensation policy and principles		Proposes	Approves	
Total compensation amounts of BoD and GEC		Proposes	Reviews	Approves (binding vote)
Individual compensation of members of the BoD		Proposes	Approves	
Compensation of CEO		Proposes	Approves	
Individual compensation of other members of the GEC	Proposes	Reviews	Approves	
Compensation Report		Proposes	Approves	Advisory vote

BoD: Board of Directors; CEO: Chief Executive Officer; GEC: Group Executive Committee; NCC: Nomination and Compensation Committee; AGM: Annual General Meeting

The Nomination and Compensation Committee meets as often as business matters require, generally before meetings of the entire Board of Directors, which take place at least four times a year. In 2025, the Nomination and Compensation Committee met four times, for an average of one and a half hours, generally with the participation of all members and with the support of Group HR.

In general, the Chairman and Vice Chairman of the Board of Directors as well as the CEO attend the meetings in an advisory capacity. The Chairman of the Nomination and Compensation Committee may invite other executives as appropriate. However, the Chairman of the Board of Directors and the executives do not participate in the meetings or parts thereof if their own compensation and/or performance is under discussion. After each meeting, the Chairman of the Nomination and Compensation Committee reports to the Board of Directors on the activities of the Committee. The minutes of the Committee meetings are available to the Board of Directors.

The Nomination and Compensation Committee is entitled to involve external consultants regarding specific compensation-related matters. In 2025, the Nomination and Compensation Committee has not engaged any external consultants or specialist for a specific compensation-related topic.

2.3 Method to determine compensation

The compensation of the Board of Directors is reviewed every three years, most recently in 2023. The benchmark analysis from 2023 carried out by Willis Towers Watson was used to define the benchmark companies in a more precise manner. Parameters such as threshold and cap in terms of market capitalisation, turnover, and number of employees have been defined, alongside the criteria of operating in the same or similar industry, stock exchange listing, having headquarters in Switzerland, and business activities in the same or a similar geographical scope. The following companies were therefore selected for comparison: Arbonia, Belimo, Bossard, Burckhardt Compression, Burkhalter, Bystronic, Daetwyler, Feintool, Forbo, Gurit, Huber+Suhner, Interroll, Kardex, Komax, Landis+Gyr, Meier Tobler, Phoenix Mecano, Rieter, Schweiter Technologies, Tecan, VAT Group, Vetropack, and V-ZUG.

The result of the analysis has confirmed the level of compensation with no adjustment to the fixed annual retainer nor to the fixed cash compensation for membership of committees of the Board of Directors. The review took into consideration **the additional duties of the Chairman of the Board of Directors** and the additional responsibility of the Vice Chairman of the Board of Directors as Lead Independent Director.

The compensation of Group Executive Committee members is also regularly benchmarked against that of executives from comparable international industrial companies in order to ensure competitive compensation levels that enable key talent to be attracted and motivated on a long-term basis. Executives who attain the defined performance objectives are generally awarded target compensation at market median level of the relevant benchmark data.

The benchmark data constitute just one of the factors taken into consideration by the Nomination and Compensation Committee when determining the compensation of members of the Group Executive Committee. Additional factors are also considered, such as the internal compensation structure (equity), the profile of the Group Executive Committee member (skill set, experience), and the responsibilities borne by that member. The performance of the company in any given year has a direct impact on the short- and long-term incentives paid to the members of the Group Executive Committee.

A benchmarking analysis for the compensation of the Group Executive Committee in Switzerland was performed in 2024 by PwC. For this purpose, PwC used benchmark data from industrial companies from its existing database. The selection criteria for the peer group were reviewed and aligned with the group of companies used for the benchmark of the Board of Directors. The following companies fulfil the selection criteria and were therefore selected for comparison: Arbonia, Belimo, Bossard, Burckhardt Compression, Burkhalter, Bystronic, Daetwyler, Feintool, Forbo, Gurit, Huber+Suhner, Interroll, Kardex, Komax, Landis+Gyr, Meier Tobler, Phoenix Mecano, Rieter, Schweiter Technologies, Starrag Tornos, Tecan, VAT Group, Vetropack, and V-ZUG. A separate benchmarking analysis was provided by Willis Towers Watson in 2024 for the compensation of the member of the Group Executive Committee located in the United States taking into consideration similar criteria as for the members in Switzerland. These benchmarks support the Nomination and Compensation Committee to analyse the compensation of members of the Group Executive Committee and to decide on any adjustments for the 2026 business year.

3. Compensation policy and principles

Zehnder Group's executives and employees constitute the company's most valuable assets. There would be no entrepreneurial success without their commitment and professionalism. Consequently, the objectives of the compensation policy are to attract and retain qualified employees, to drive best-in-class performance, to ensure market-based and equal pay, and to encourage behaviour that is in line with the company's values and high standards of integrity. The compensation programmes are designed to fulfil these fundamental objectives based on the defined compensation principles.

Compensation policy and principles

Alignment with business strategy	Compensation programmes are designed to support the business strategy.
Reward for sustainable performance	Variable compensation is based on the profitability of the company and its businesses; hence the performance management process is a central management tool to drive sustainable performance.
Participation in the company's long-term success	Executives enjoy the opportunity to participate in the company's long-term success through the variable long-term compensation plan and the Zehnder Group Management Share Plan.
Market competitiveness	Compensation is regularly benchmarked against market practice. The objective is to target median compensation of the relevant benchmark considering the experience in the role.
Transparency and fairness	Compensation decisions are transparent and fair. The global grading system ensures comparability across the organisation.

4. Architecture of compensation of the Board of Directors

In order to guarantee independence in their supervisory position for the Group Executive Committee, members of the Board of Directors receive fixed compensation only, consisting of a fixed annual retainer, fixed cash compensation for their membership of committees of the Board of Directors, and an expense allowance.

To strengthen alignment with long-term shareholder interests, payment of the fixed annual retainer for the Board of Directors is made half in cash and half in the form of Zehnder Group registered shares A. The number of shares awarded is determined based on the volume-weighted average share price in the period between 1 and 31 December of the preceding year. The shares are subject to a restriction period of three years during which they cannot be sold, transferred, or pledged. The restriction period also applies in the case of termination of the mandate, except in case of death or change of control, where the restriction immediately lapses.

The cash compensation is paid out monthly and the registered shares A are allocated in January for the current compensation period corresponding to the term of office from the Annual General Meeting of the previous year to the Annual General Meeting of the reporting year.

Additional compensation is permitted for members of the Board of Directors for advisory services to the company or for activities in companies that are controlled directly or indirectly by the company. This compensation is reflected in the total amount of compensation paid to the Board of Directors, which must be approved at the Annual General Meeting.

The compensation structure of the Board of Directors is summarised in the following table.

Architecture of compensation of the Board of Directors

In CHF (gross)	In cash	In shares ¹
Fixed retainer		
Chairman of the Board of Directors ²	210,000	210,000
Vice Chairman of the Board of Directors ³	90,000	90,000
Members of the Board of Directors	50,000	50,000
Expense allowance ⁴	2,000	
Committee fees		
Chairman of the Nomination and Compensation Committee or Audit Committee	50,000	
Member of the Nomination and Compensation Committee or Audit Committee	25,000	

1 Converted into shares on the basis of volume-weighted average share price in the period between 1 and 31 December.

2 Further duties of the Chairman of the Board of Directors are listed in the Corporate Governance Report.

3 The Vice Chairman of the Board of Directors also fulfils the role of Lead Independent Director.

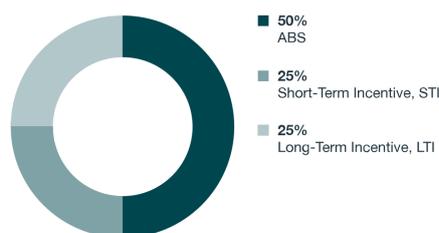
4 The Chairman and Vice Chairman of the Board of Directors are paid an expense allowance in line with the company's rules on executives' expenses depending on the work commitment (currently CHF 12,000 for the Chairman of the Board of Directors and CHF 6,000 for the Vice Chairman). No expense allowance is paid to members of the Board of Directors based outside Switzerland. If the actual business expenses exceed CHF 2,000 p.a., they are reimbursed on an actual cost basis.

5. Architecture of compensation of the Group Executive Committee

The compensation of the Group Executive Committee includes a fixed annual base salary, a variable short-term element, a variable long-term element, participation in the Zehnder Group Management Share Plan (ZGMSP), and occupational pension benefits and perquisites.

The compensation mix targets a ratio of 50% fixed compensation (annual base salary, ABS), 25% variable short-term compensation (short-term incentive, STI) and 25% variable long-term compensation (long-term incentive, LTI) in case of expected performance.

Compensation mix fixed and variable



Architecture of compensation of the Group Executive Committee

	Purpose	Drivers	Performance measures	Vehicle
Annual base salary (ABS)	Attract and retain	Position, experience, and qualifications		Weekly or monthly cash payments
Variable short-term compensation (short-term incentive, STI)	Pay for performance	Annual business performance	Group net profit	Annual cash payment
Variable long-term compensation (long-term incentive, LTI)	Reward long-term, sustainable performance; align with shareholders' interests; retain	Role and area of responsibility	Relative Total Shareholder Return (rTSR); increase in Earnings Per Share (EPS); Gender ratio in management level; CO ₂ e emission reduction Scope 1 and 2	Conditional rights to restricted shares A (Performance Share Units)
Zehnder Group Management Share Plan (ZGMSP)	Promote shareholder ownership; retain	Level of position	Share price evolution	Discounted registered shares A
Benefits	Protect against risks, attract, and retain	Market practice and position		Retirement plan, insurances, perquisites

5.1 Annual base salary (ABS)

The annual base salary is determined individually based on the scope and responsibilities associated with the position, and the experience and qualifications of the individual. The annual base salary is reviewed annually, and adjustments reflect individual performance, current salary level compared to relevant benchmark data, and the affordability of the company.

5.2 Variable short-term compensation (Short-term incentive, STI)

The STI enables the Group Executive Committee to participate in the Group's current success. It is disbursed as a profit-sharing plan in the form of a cash payment. For each position, a profit-sharing amount (as a factor) is determined, considering the impact on the operating result, implementation of company strategy, and responsibilities. The STI amount paid for the fiscal year corresponds to the profit-sharing amount (factor) multiplied by the Group net profit (in EUR million). The STI is paid only if a Group net profit of at least 80% of the budget value is achieved. There is no formal target based on the profit-sharing model, but there is a contractually agreed maximum limit for the STI amount of 100% of the annual base salary for all members of Group Executive Committee.

Calculation of the STI amount:

	Individual profit-sharing amount (EUR) / factor		Group net profit (EUR million)		STI amount (EUR)
Example	2,000	x	50	=	100,000

The STI amount for any given fiscal year is paid in the spring of the following year. In the event of significant inorganic effects (investments, divestments) with a cumulative impact of $\geq 2\%$ of the Group sales and/or other special one-off effects such as restructuring costs not budgeted in the plan year but Board-approved and/or extraordinary significant valuation adjustments or impairments (≥ 1.0 million EUR per case), the Board of Directors reserves the right to adjust the STI payout calculation, and to report transparently in such a case.

The decision to exclusively and directly link the STI to the company's financial result (Group net profit) is based on the conviction that individual performance management should not be directly linked to compensation. The main focus for the STI is on the collective performance as a whole. For the CEO and the other members of the Group Executive Committee, within the framework of the global performance management process, the performance objectives are derived directly from the business strategy by the Board of Directors at the start of each year and reviewed at regular intervals. Such reviews take place at the request of the Nomination and Compensation Committee.

In case of termination of employment during the first half of the fiscal year, the STI is calculated pro rata temporis, based on the payout level of the previous year. In case of termination of employment during the second half of the year, the published half-year figures for the pro rata temporis calculation are used. In case of termination of employment at the end of the fiscal year, the published annual results apply.

The STI is subject to clawback and malus provisions in case the company is required to prepare a relevant accounting/financial restatement or in the event of a violation of legal provisions or relevant internal regulations. The clawback and malus provisions apply for a period of three years following the year impacted by a restatement and/or violation of external or internal regulations.

5.3 Variable long-term compensation (Long-term incentive, LTI)

As part of a long-term plan, the LTI is granted in the form of Performance Share Units (PSUs). The LTI rewards the long-term performance and the sustainable success of Zehnder Group and is aligned with the interests of the shareholders.

A PSU represents a conditional right to receive shares of the company. The prerequisite for this is the fulfilment of certain conditions during the three-year performance period (vesting period). The vesting conditions include the attainment of the predefined performance objectives (performance conditions) and the continuous and ongoing employment at the end of the vesting period (service condition).

The features of the LTI can be summarised as follows: at grant date, the LTI target amount is determined for each member of the Group Executive Committee, taking the relevant benchmark for the individual total compensation into account.

In 2025, the allocation of the LTI target amount was 50% of the annual base salary for the CEO and no more than 50% of the annual base salary for the other members of the Group Executive Committee.

On the grant date, the individual LTI target amount is converted into the relevant number of PSUs based on the volume-weighted average share price of Zehnder Group on the SIX Swiss Exchange in the period between 1 October and 31 December of the year before the grant date.

Performance conditions

The performance conditions for the LTI granted in 2025 include ESG key performance indicators such as gender ratio (male vs. female/diverse) at management level – weighted at 15% – and CO₂e emission reduction (Scope 1 and 2) to achieve our reduction goal by 2033 – weighted at 15% – alongside the financial performance conditions of relative Total Shareholder Return (rTSR), weighted at 35%, and the remaining 35% weighting based on the increase in Earnings Per Share (EPS growth).

The performance condition gender ratio at senior and middle management level emphasises the ambition to achieve a more balanced gender ratio in management. The result will be evaluated as an absolute gender ratio in percent at the end of the three-year vesting period.

In order to strengthen the Zehnder Group's commitment to a net-zero strategy by 2050, starting with the base year 2023 with the respective reduction target for CO₂e emissions in Scope 1 and 2 of achieving a 55% reduction by 2033, the LTI plan now features a CO₂e emissions reduction performance condition. The applicable reduction of CO₂e emissions is the cumulative reduction over the three-year period. Baseline recalculations, restatements, and any significant other effects that have an impact on the target achievement and payout calculation follow the terms and conditions according to the Science Based Targets initiative (SBTi).

The rTSR is the achieved increase in value for the investor (i.e. the share price performance plus dividend) in comparison to a peer group. The achievement of the relative performance measure is calculated by an external independent consultancy company.

The peer group for the rTSR measure comprises comparable companies that have already been considered for compensation benchmarking purposes. The Board of Directors confirmed that the following companies were comparable:

Arbonia	Belimo	Bossard	Burckhardt Compression
Burkhalter	Bystronic	Daetwyler	Feintool
Forbo	Gurit	Huber+Suhner	Interroll
Komax	Landis+Gyr	Meier Tobler	Phoenix Mecano
Rieter	Schweiter Technologies	Starrag	V-ZUG

The performance condition EPS growth is designed to reward an increase in Zehnder Group's EPS. The EPS growth target for the period from the fiscal year of the grant date and the two immediately following fiscal years compared to the net profit per registered share A excluding minority interest (in EUR) in the fiscal year preceding the grant date will be calculated based on the compound annual growth rate (CAGR). EPS growth is applicable, before minority interests and subject to any adjustment for extraordinary items. The Board of Directors reserves the right to adjust the payout calculation in case of significant inorganic effects (investments, divestments) with an impact of $\geq 7.5\%$ of the Group sales and/or other special one-off effects such as restructuring costs which are Board-approved and/or extraordinary significant valuation adjustments or impairments with a cumulative annual impact in the year of vesting of ≥ 4.0 million EUR loss on net profit.

Rewarding long-term performance

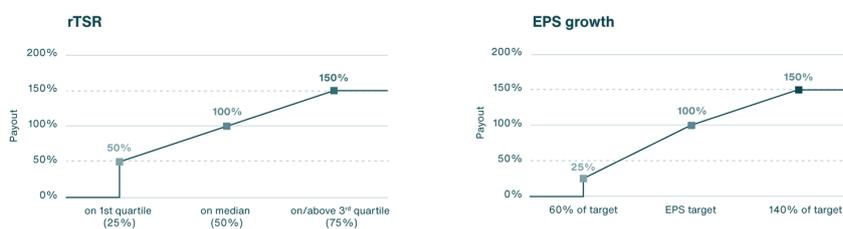
The total number of shares that are transferred to the participants after the vesting period is calculated as shown below. The performance factor can range between 0% and 150%, with no conversion into shares carried out below the threshold. The conversion into shares is limited to a maximum of 1.5 shares per PSU.

The performance level for each performance condition has been approved by the Board of Directors for the LTI with a grant date in 2025.

Each weighted at 15%, the sustainability performance conditions Scope 1 and 2 CO₂e emissions reduction and gender ratio exhibited the following performance:



Each weighted at 35%, the financial performance conditions rTSR and EPS growth exhibited the following performance:



If Zehnder Group reports a negative profit after tax from continuous operations (a loss) in the vesting year, the PSUs will be forfeited, irrespective of the performance factor achieved. However, in any exceptional circumstances not explicitly covered by the LTI plan rules, the Board of Directors has the discretion to determine appropriate other measures regarding the vesting of PSUs and/or determining the performance factor, and to report transparently in such a case.

In the case of termination of employment, the blocked PSUs are usually forfeited, except in the event of retirement, disability, death, or a change of control at the company. These provisions are outlined individually in the table below.

Reason for release	Plan rules for blocked PSUs
Termination by employee	Forfeiture
Termination of employment by employer for good cause	Forfeiture
Termination of employment by employer (other causes)	Forfeiture or pro-rata vesting based on discretion of the Board of Directors
Retirement	Discretion of the Board of Directors
Disability	Pro-rata vesting, based on effective performance at regular vesting point in time
Death	Accelerated pro-rata vesting based on target performance (100% payment factor)
Change of control	Accelerated, full vesting based on effective performance at the point of change of control (except if the plan is continued or replaced with an equivalent)

In case the company is required to prepare a relevant accounting/financial restatement or in the event of a violation of legal provisions or relevant internal regulations the clawback and malus provisions apply for a period of three years following the year impacted by a restatement and/or violation of external or internal regulations.

Shareholding guidelines

To align the interests of the Group Executive Committee with those of the shareholders, shareholding guidelines are applicable. Within five years after their appointment to the Group Executive Committee, the members of the Group Executive Committee must hold at least a multiple of their annual base salary in Zehnder Group shares, as shown in the table below.

	% of annual base salary
CEO	200%
Other members of the Group Executive Committee	150%

CEO: Chief Executive Officer

At the end of 2025, all members of Group Executive Committee have fulfilled the requirements of the shareholding provision, except for those who were appointed within the last four years and still have time to build up and fulfil the required shareholding.

5.4 Long-term benefits: Zehnder Group Management Share Plan (ZGMSP)

The ZGMSP is a long-term benefit programme with the objective to encourage members of the Group Executive Committee and employees at management level to directly participate in the long-term success of the company. The Group Executive Committee members may elect to draw up to 30% of their annual base salary in the form of Zehnder Group registered shares A. These shares are offered at a discount of 30% on the relevant share price determined as the volume-weighted average share price of the share in the period between 1 and 31 August of the reporting year. The shares are subject to a blocking period of three years during which they cannot be sold, transferred, or pledged. The blocking period also applies in case of termination of employment, except in the case of death or a change of control, where the restriction immediately lapses.

The ZGMSP strengthens the link between compensation and the company's long-term performance, as the compensation invested in the programme is exposed to the change in the share value over the restriction period of three years.

5.5 Benefits

As the Group Executive Committee is international by nature, the members participate in the benefit plans available in the country of main residence (social insurance payment obligation). Benefits consist mainly of retirement, insurance and healthcare plans. These benefits are designed to provide a reasonable level of protection for the employees and their dependents in respect of retirement, the risks of disability, death, or illness/accident.

For members of the Group Executive Committee subject to social security contributions in Switzerland, the defined insured salary is insured up to 450% of the maximum AHV retirement pension in the pension fund (currently the mandatory part is set at CHF 136,080). This solution is offered to all employees in Switzerland. The supplementary part of the defined insured salary is insured up to a maximum of 3000% of the AHV retirement pension (currently CHF 907,200) for members of the Group Executive Committee by a 1e pension solution.

Zehnder Group covers 50% of the savings contributions. The 1e solution gives the members of the Group Executive Committee more flexibility in investing their retirement savings and at the same time allows the risk of the investment to be fully borne by them. Zehnder Group's pension benefits exceed the legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG) and are comparable with the conditions offered by other international industrial companies.

Members of the Group Executive Committee subject to social security contributions outside of Switzerland are insured in line with the local legal requirements and based on local market practice in their position. Each plan may vary depending on the respective legal requirements.

In addition, the members of the Group Executive Committee are also eligible for standard perquisites such as a company car, child allowances, access to subsidised staff restaurants, and other benefits in kind, according to local market practice. The monetary value of these other compensation elements is evaluated at market value and is included in the compensation tables.

Expenses that are not covered by the expense allowance in accordance with the company's expenses regulations are compensated on presentation of documentary evidence. The reimbursement of business expenses is not considered compensation and does not need to be approved by the Annual General Meeting.

5.6 Contracts of members of the Group Executive Committee

The employment contracts of the members of the Group Executive Committee are unlimited. They incorporate a notice period of a minimum of six and a maximum of twelve months and feature a non-competition clause, which is limited to two years after termination of the employment relationship while providing an entitlement to a maximum of the annual base salary. There are no agreements regarding withdrawal payments or severance compensation in connection with leaving the company or in the case of a change of control, except for the accelerated vesting of the PSUs or early unblocking of shares (ZGMSP), as described above.

6. Additional information on compensation, guarantees, loans, and credits for the 2025 business year

6.1 Compensation paid to the Board of Directors in the 2025 business year

In 2025, the members of the Board of Directors received a total compensation of CHF 1.5 million (previous year: CHF 1.4 million). This consisted of fixed cash compensation of CHF 0.8 million (previous year: CHF 0.8 million), share-based compensation of CHF 0.6 million (previous year: CHF 0.6 million), and social security contributions of CHF 0.1 million (previous year: CHF 0.1 million).

The compensation of the Board of Directors increased slightly in the reporting year compared to the previous year.

In 2025, the total compensation awarded to the Board of Directors was 2.0% higher than in the previous year, driven by the following factors:

- The share-based compensation increased by 4.9% due to a higher share price at grant date compared to the 2024 grant and as a consequence, the social security contributions increased by around 2.8%.

Compensation for the members of the Board of Directors



	Units 2025	Units 2024	CHF ¹ 2025	CHF ¹ 2024
Dr Hans-Peter Zehnder Chairman of the Board of Directors				
Fixed cash compensation for Board activity			210,000	210,000
Expense allowance			12,000	12,000
Allocated shares for Board activity ²	3,218	4,526	225,610	214,978
Employer national insurance contributions			28,270	27,552
Other payments			12,072	13,848
Total compensation			487,952	478,379

	Units 2025	Units 2024	CHF ¹ 2025	CHF ¹ 2024
Jörg Walther Vice Chairman of the Board of Directors and Chairman of the Audit Committee				
Fixed cash compensation for Board activity			90,000	90,000
Fixed cash compensation for Audit Committee activity			50,000	50,000
Expense allowance			6,000	6,000
Allocated shares for Board activity ²	1,379	1,940	96,649	92,119
Employer national insurance contributions			17,173	16,959
Total compensation			259,822	255,077

	Units 2025	Units 2024	CHF ¹ 2025	CHF ¹ 2024
Dr Urs Buchmann				
Member of the Board of Directors and member of the Audit Committee				
Fixed cash compensation for Board activity			50,000	50,000
Fixed cash compensation for Audit Committee activity			25,000	25,000
Allocated shares for Board activity ²	766	1,078	53,687	51,177
Employer national insurance contributions			6,280	5,511
Total compensation			134,967	131,688

	Units 2025	Units 2024	CHF ¹ 2025	CHF ¹ 2024
Riet Cadonau				
Member of the Board of Directors and Chairman of the Nomination and Compensation Committee				
Fixed cash compensation for Board activity			50,000	50,000
Fixed cash compensation for Nomination and Compensation Committee activity			50,000	50,000
Expense allowance			2,000	2,000
Allocated shares for Board activity ²	766	1,078	53,687	51,177
Employer national insurance contributions			11,083	10,886
Total compensation			166,770	164,063

	Units 2025	Units 2024	CHF ¹ 2025	CHF ¹ 2024
Sandra Emme				
Member of the Board of Directors and member of the Nomination and Compensation Committee				
Fixed cash compensation for Board activity			50,000	50,000
Fixed cash compensation for Nomination and Compensation Committee activity			25,000	25,000
Expense allowance			2,000	2,000
Allocated shares for Board activity ²	766	1,078	53,687	51,177
Employer national insurance contributions			9,611	9,414
Total compensation			140,298	137,591

	Units 2025	Units 2024	CHF ¹ 2025	CHF ¹ 2024
Milva Inderbitzin-Zehnder				
Member of the Board of Directors and member of the Nomination and Compensation Committee				
Fixed cash compensation for Board activity			50,000	50,000
Fixed cash compensation for Nomination and Compensation Committee activity			25,000	25,000
Expense allowance			2,000	2,000
Allocated shares for Board activity ²	766	1,078	53,687	51,177
Employer national insurance contributions			9,611	9,414
Total compensation			140,298	137,591

	Units 2025	Units 2024	CHF ¹ 2025	CHF ¹ 2024
Ivo Wechsler				
Member of the Board of Directors and member of the Audit Committee				
Fixed cash compensation for Board activity			50,000	50,000
Fixed cash compensation for Audit Committee activity			25,000	25,000
Expense allowance			2,000	2,000
Allocated shares for Board activity ²	766	1,078	53,687	51,177
Employer national insurance contributions			9,611	9,414
Total compensation			140,298	137,591

	Units 2025	Units 2024	CHF ¹ 2025	CHF ¹ 2024
Total compensation paid to the members of the Board of Directors in the year of review				
Fixed cash compensation for Board activity			550,000	550,000
Fixed cash compensation for Nomination and Compensation Committee activity			100,000	100,000
Fixed cash compensation for Audit Committee activity			100,000	100,000
Expense allowance			26,000	26,000
Allocated shares for Board activity ²	8,425	11,853	590,694	562,982
Employer national insurance contributions			91,640	89,151
Other payments			12,072	13,848
Total compensation			1,470,406	1,441,981

1 These are gross amounts including national insurance contributions of the members of the Board of Directors.

2 The shares are disclosed at the closing share price on the respective grant dates.

The 2025 Annual General Meeting approved a maximum compensation budget of CHF 1.7 million for the Board of Directors for the term of office from the 2025 Annual General Meeting to the 2026 Annual General Meeting. The compensation effectively awarded during the period covered by this Compensation Report (1 January to 31 December 2025) remained within this budget approved by the shareholders. The final reporting for the entire period from the 2025 Annual General Meeting to the 2026 Annual General Meeting will be included in the 2026 Compensation Report.

At the Annual General Meeting held on 11 April 2024, shareholders approved a maximum total compensation of CHF 1.7 million for the Board of Directors during the term of office from the 2024 Annual General Meeting to the 2025 Annual General Meeting. The compensation effectively awarded to the members of the Board of Directors during this period was CHF 1.4 million and therefore remained within this approved budget.

6.2 Compensation of the Group Executive Committee in the 2025 business year

For 2025, the members of the Group Executive Committee (GEC) received a total compensation of CHF 5.1 million (previous year: CHF 4.0 million). This comprised fixed cash compensation of CHF 2.2 million (previous year: CHF 1.8 million), variable compensation of CHF 1.9 million (previous year: CHF 1.3 million), other benefits and the value of the discount on the shares of CHF 0.3 million (previous year: CHF 0.3 million), employer social security and pension fund contributions of CHF 0.5 million (previous year: CHF 0.6 million) including a one-time replacement award of CHF 0.2 million.

The total compensation of the GEC increased in the reporting year compared to the previous year, mainly driven by the additional member of the GEC in North America as of January 2025.

In 2025, the total compensation of the GEC increased by 26.5% compared to the previous year as a result of the following factors:

- The appointment of an additional GEC member as of January 2025, resulting in higher fixed cash compensation, short-term variable compensation (STI), long-term variable compensation (LTI) and other benefits
- Higher short-term variable compensation (STI) reflecting the higher Group net profit for the year 2025 compared to the STI payout in the previous year and the additional member of the GEC in North America
- One-time replacement award granted to the new member of the GEC in North America as of January 2025, due to forfeited unvested long-term incentive awards from previous employer

The fixed compensation of the GEC increased by 19.8% compared to the previous year, primarily due to the appointment of the additional GEC member in North America and selective adjustments to the compensation of other GEC members.

In 2025, Zehnder Group achieved an adjusted Group net profit before one-off effects of EUR 49.2 million. This result met the budgeted target for Group net profit for the STI payout and resulted in variable cash compensation (STI) corresponding to 2.1% of the adjusted Group net profit for the members of the GEC in 2025 (previous year: 1.7%)

The long-term incentive (LTI) increased by 25.7% compared to the previous year, reflecting the appointment of the additional GEC member in North America.

In 2025, variable compensation for the CEO amounted to 105.4% (previous year: 90.5%) of the annual base salary and 91.0% (previous year: 72.3%) on average for the other GEC members.

The PSU granted in 2023 under the LTI plan (LTI 2023-2025) may be transferred during the first quarter of 2026. Of the performance conditions, 50% is based on the relative Total Shareholder Return (rTSR) and 50% is based on the increase in Earnings Per Share (EPS growth). For payout purposes, rTSR was achieved at a final average percentile ranking of 62.0%, which leads to a performance of 124.0%. The EPS growth threshold for vesting was not achieved, resulting in a performance factor of 0.0%. This corresponds to a combined performance factor of 62.0%. Accordingly, 7430 PSUs were converted into 7430 Zehnder shares.

On joining Zehnder Group in January 2025, the new member of the GEC (President North America) received a replacement award in the value of CHF 182,032 to compensate for forfeited unvested long-term incentive awards from the previous employer. The replacement award was granted on 17 March 2025 and was intended to approximate the value of those forfeited awards. The replacement award was granted half in the form of restricted shares (RS) and half in the form of restricted share units (RSUs). The granted RS are subject to a blocking period until 31 January 2027, during which they cannot be sold, transferred, pledged, or otherwise disposed of. The RSUs are subject to a vesting period until 31 December 2026 under the condition of continuous employment. The full amount of the replacement award as disclosed in the compensation table below is covered by the total GEC compensation amount approved by the Annual General Meeting for the financial year 2025.

As in the previous year, the highest compensation for a member of the GEC in the reporting year was paid to the CEO, Matthias Huenerwadel.

The Annual General Meeting approved a maximum budget for the compensation of the GEC of CHF 6.65 million for the fiscal year 2025. The total compensation amount of CHF 5.1 million awarded to the GEC in 2025 as disclosed in the table remained below the approved maximum.

Compensation for the members of the Group Executive Committee



	Units 2025	Units 2024	CHF ¹ 2025	CHF ¹ 2024
Highest-paid member of the Group Executive Committee: Matthias Huenerwadel				
Fixed cash compensation			540,600	540,600
Variable cash compensation (STI)			299,656	218,852
Long-term variable compensation (LTI)	5,900	5,432	270,300	270,300
Expense allowance			24,000	24,000
Employer social security and pension contributions			172,522	184,613
Shares acquired ³	3,192	4,630	68,947	71,811
Other payments ⁴			34,112	31,288
Total compensation			1,410,137	1,341,464

	Units 2025	Units 2024	CHF ¹ 2025	CHF ¹ 2024
Total compensation paid to the Group Executive Committee including Matthias Huenerwadel				
Fixed cash compensation			2,060,720	1,704,943
Variable cash compensation (STI)			1,032,660	614,468
Long-term variable compensation (LTI)	20,089	14,716	920,300	732,225
Replacement award ²	3,598		182,032	
Expense allowance			96,000	96,000
Employer social security and pension contributions			511,262	579,240
Shares acquired ³	8,084	13,553	183,168	210,207
Other payments ⁴			123,682	101,400
Total compensation			5,109,825	4,038,484

1 These are gross amounts including employee national insurance contributions.

2 The replacement award in the amount of CHF 182,032 was originally granted in USD to the new member of the GEC (President North America) for forfeited unvested long-term incentive awards from the previous employer. The replacement award was granted on 17 March 2025 and intended to approximate the value of those forfeited awards. The replacement award is granted half in the form of restricted shares (RS) and half in the form of restricted share units (RSUs). The RS in the amount of CHF 91,016 are valued at the closing share price of CHF 50.60 to a total of 1,799 RS. The restricted shares units (RSUs) in the amount of CHF 91,016 are valued at the closing share price of CHF 50.60 to a total of 1,799 RSUs. For the conversion of USD into CHF the exchange rate as of 31 January 2025 of 0.91016 was used for both RS and RSUs. This value is included in the amount approved by the Annual General Meeting.

3 The members of the Group Executive Committee are eligible to purchase shares under the Zehnder Group Management Share Plan. The value disclosed includes the value of the discount on the shares purchased, based on the closing share price at the grant dates, 8 January 2024 and 1 September 2025, less the purchase price. This value is included in the amount approved by the Annual General Meeting.

4 Includes the value of benefits such as a car allowance, child allowance, employer contributions to accident and daily sickness benefits insurance, and a discount in the staff restaurant.

6.3 Guarantees, loans, credits, etc.

No Zehnder Group company has provided any guarantees, waivers of claims outstanding, credits, or loans to present or former members of the Board of Directors, to present or former members of the Group Executive Committee, or to persons closely associated with these individuals. No loans to current or former members of the Board of Directors or Group Executive Committee or related parties existed at the end of the reporting year.

6.4 Compensation to former members of the Board of Directors and of the Group Executive Committee, and to persons closely associated with them, in the 2025 business year

No compensation was paid to former members of the Board of Directors in the reporting year.

The former Group Executive Committee member Cyril Peysson stepped down from his duties as Chief Commercial Officer EMEA on 31 December 2023 and his employment contract terminated by 30 November 2024. His non-competition obligation remained in effect until November 2025 for which he received compensation in the amount of CHF 412,800 during the reporting year.

No compensation was paid to people closely associated with members of the Board of Directors or the Group Executive Committee.

6.5 Shareholdings in the company

As at the balance sheet date, the members of the Board of Directors owned the following shares:

✓ PwC Switzerland

Board of Directors	Registered shares A 2025	Share of voting rights ¹ 2025	Registered shares A 2024	Share of voting rights ¹ 2024
Dr Hans-Peter Zehnder ²	235,135	1.2%	228,781	1.2%
Jörg Walther	16,514	0.1%	14,516	0.1%
Dr Urs Buchmann	24,165	0.1%	23,055	0.1%
Riet Cadonau	15,131	0.1%	14,021	0.1%
Sandra Emme	2,990	-	1,880	-
Milva Inderbitzin-Zehnder ³	11,444	0.1%	10,317	0.1%
Ivo Wechsler	6,568	-	5,458	-

1 Share of total votes in % (only if $\geq 0.1\%$)

2 Excluding Graneco AG, in which Dr Hans-Peter Zehnder holds a 57.9% stake.

3 Excluding Graneco AG, in which Milva Inderbitzin-Zehnder indirectly holds 0.5%.

As at the balance sheet date, the members of the Group Executive Committee owned the following shares:

✓ PwC Switzerland

Group Executive Committee	Registered shares A 2025	Share of voting rights ¹ 2025	Registered shares A 2024	Share of voting rights ¹ 2024
Matthias Huenerwadel	52,935	0.3%	48,504	0.3%
René Grieder	40,000	0.2%	39,923	0.2%
Johannes Bollmann	10,428	0.1%	10,782	0.1%
Jörg Metzger	10,509	0.1%	9,041	-
Dorien Terpstra	3,125	-	2,756	-
Valentina Videva Dufresne	2,195	-	-	-

1 Share of total votes in % (only if $\geq 0.1\%$)

7. Activities at other companies

The activities of the members of the Board of Directors and Group Executive Committee in other companies with a commercial purpose in comparable functions as at the end of 2025 are listed below.

The Articles of Association of Zehnder Group (www.zehndergroup.com/en/investor-relations/corporate-governance; Article 29 et seq.) contain the provisions on other authorised mandates outside Zehnder Group.

✓ PwC Switzerland

Board of Directors	Activities at other companies
Dr Hans-Peter Zehnder	<ul style="list-style-type: none"> - Chairman of the Board of Directors of Granarium AG - Chairman of the Board of Directors of Graneco AG - Member of the Board of Directors of Lagerhäuser der Centralschweiz AG - Member of the Board of Directors of Rouge + Blanc Concept AG (until September 2025)
Jörg Walther	<ul style="list-style-type: none"> - Business lawyer and partner, Schärer Attorneys at Law - Member of the Board of Directors and Chairman of the Audit Committee of SFS Group AG¹ - Member of the Board of Directors and Chairman of the Audit Committee of Huber+Suhner AG¹ - Vice Chairman of the Board of Directors and member of the Audit and Finance Committee of AEW Energie AG - Vice Chairman of the Board of Directors of Immobilien AEW AG - Member of the Board of Directors of Kraftwerk Augst AG - Member of the Board of Directors of Apotheke im Stadtspital Zürich AG - Member of the Board of Directors of Aare-Apotheke Rombach AG - Member of the Board of the swissVR association
Dr Urs Buchmann	<ul style="list-style-type: none"> - Managing Director, member and Vice Chairman of the Asia Advisory Board of EFG Bank AG - Member of the Board of Directors and member of the Audit Committee of Swiss Re Asia Ltd. (SG) (until March 2025)
Riet Cadonau	<ul style="list-style-type: none"> - Managing Director of Cadonau Services GmbH - Chairman of the Board of Directors of PEKTOPROP AG - Member of the Board of Directors of Kärcher SE (since December 2025)
Sandra Emme	<ul style="list-style-type: none"> - Industry Leader Cloud at Google Switzerland GmbH - Member of the Board of Directors and Chairwoman of the Nomination and Compensation Committee of Belimo Holding AG¹ - Member of the Steering Committee of digitalswitzerland
Milva Inderbitzin-Zehnder	<ul style="list-style-type: none"> - Attorney-at-law and notary, Schweiger Attorneys at Law and Notaries - Member of the Board of Directors of Granarium AG - Member of the Board of Directors of Martin Lenz AG

Ivo Wechsler	<ul style="list-style-type: none"> - Vice Chairman of the Board of Directors (Member until March 2025) and member of the Organisation and Compensation committee and the Finance and Strategy committee of St.Galler Kantonalbank¹ - President of the Board of Trustees of the Pension Fund of St.Galler Kantonalbank¹) (since April 2025) - Senior Finance Advisor, Huber+Suhner AG¹ (until March 2025) - Member of the Board of Trustees of the Büchi Corporate Foundation (since January 2026)
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¹ Listed company at SIX Swiss Exchange

PwC Switzerland

Group Executive Committee	Activities at other companies
Matthias Huenerwadel	<ul style="list-style-type: none"> - Member of the Board of Directors of Daedalus Holding AG - Member of the Board of Directors of Spaeter AG - Member of the Board of Aargauische Industrie- und Handelskammer
René Grieder	<ul style="list-style-type: none"> - Member of the Board of Directors of imiam AG
Johannes Bollmann	<ul style="list-style-type: none"> - Member of the Steering Committee of European Ventilation Industry Association (BE) - Member of the Board of GebäudeKlima Schweiz - Member of the Board of Directors of NSNW AG
Jörg Metzger	<ul style="list-style-type: none"> - Member of the Advisory Board of Engelmann Sensor GmbH (DE) (until January 2026) - Member of the Executive Council of the Association of the European Heating Industry (BE)
Dorien Terpstra	<ul style="list-style-type: none"> - Board Member and President Ventilation Association Netherlands (NL) - Top Team Energy, Ministry of Economic Affairs Netherlands (NL) (until December 2025)
Valentina Videva Dufresne	<ul style="list-style-type: none"> - Co-chair of the Board Pathway Council (USA) (since January 2026) - Member of the membership committee at C200 (USA) (since January 2026)

The requirement to disclose other mandates held by members of the Board of Directors and Group Executive Committee in the compensation report is based on Art. 734e in conjunction with Art. 626 para. 2 no. 1 of the Swiss Code of Obligations.

Report of the statutory auditor



Report of the statutory auditor to the General Meeting of Zehnder Group AG, Gränichen

Opinion

We have audited the compensation report of Zehnder Group AG (the Company) for the year ended 31 December 2025. The audit was limited to the information pursuant to article 734a-734f of the Swiss Code of Obligations (CO) in the tables labelled «✓PwC Switzerland»ⁱ on pages 71 to 73 and 75 to 79 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the compensation report (tables labelled «✓PwC Switzerland»ⁱ) complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Other information

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

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

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

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

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Board of Directors' responsibilities for the compensation report

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

Auditor's responsibilities for the audit of the compensation report

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

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

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

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

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



PricewaterhouseCoopers AG

Thomas Ebinger
Licensed audit expert
Auditor in charge

Petar Lesic
Licensed audit expert

Lucerne, 23 February 2026

ⁱ The maintenance and integrity of Zehnder's website is the responsibility of the Board of Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the figures or Reporting Criteria when presented on Zehnder's website.

Financial Report

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Five-year overview

		2025	2024	2023	2022	2021
Sales	EUR million	760.7	705.8	762.1	812.5	697.1
Change from prior year	%	7.8	-7.4	-6.2	16.6	12.9
EBITDA adjusted¹	EUR million	89.1	77.0	87.6	n/a	n/a
	% of sales	11.7	10.9	11.5	-	-
EBITDA¹	EUR million	87.3	55.3	84.8	95.3	92.1
	% of sales	11.5	7.8	11.1	11.7	13.2
EBIT adjusted¹	EUR million	65.2	50.1	63.0	n/a	n/a
	% of sales	8.6	7.1	8.3	-	-
EBIT	EUR million	63.4	14.1	60.2	71.4	69.1
Change from prior year	%	348.0	-76.5	-15.7	3.2	36.8
	% of sales	8.3	2.0	7.9	8.8	9.9
Net profit/(loss)²	EUR million	47.8	-2.4	44.6	56.7	60.3
Change from prior year	%	n/a	n/a	-21.3	-5.9	51.2
	% of sales	6.3	-0.3	5.9	7.0	8.6
Cash flow from operating activities	EUR million	80.0	60.6	87.8	59.3	79.9
	% of sales	10.5	8.6	11.5	7.3	11.5
Research & development expenses	EUR million	-25.6	-25.3	-25.5	-24.7	-21.4
	% of sales	-3.4	-3.6	-3.3	-3.0	-3.1
Investments in property, plant and equipment & intangible assets	EUR million	17.0	17.0	23.1	27.1	21.9
Depreciation, amortisation & impairment	EUR million	-23.9	-41.1	-24.6	-23.9	-22.9
Total assets	EUR million	457.0	476.7	516.8	532.8	553.3
Non-current assets	EUR million	200.9	211.5	226.4	228.6	208.5
ROCE¹	%	22.1	15.4	17.9	18.9	22.6
Net liquidity/(net debt)¹	EUR million	32.8	-11.8	70.8	45.4	123.2
Shareholders' equity²	EUR million	267.5	241.5	347.3	340.8	364.4
	% of total assets	58.5	50.7	67.2	64.0	65.9
Number of employees³	Ø full-time equivalents	3,636	3,559	3,772	3,827	3,554
Dividends⁴	CHF million	15.7	11.2	15.3	21.1	21.1
Net profit per registered share A⁵	EUR	4.16	0.15	3.84	4.84	5.13
Dividend per registered share A⁴	CHF	1.40	1.00	1.30	1.80	1.80
Payout ratio	%	36	n/a	35	38	32
Market closing price registered share A	CHF	81.80	45.20	53.50	55.80	93.10
Market capitalisation⁶	CHF million	758.1	418.9	521.9	544.4	908.3
Total market capitalisation⁷	CHF million	920.1	508.4	627.9	654.9	1,092.6

1 For further information please refer to: [Alternative performance measures](#) in the consolidated financial statements in the Financial Report

2 Including minority interests

3 Including permanent, temporary and temporary FTEs via agency

4 For 2025 as proposed by the Board of Directors

5 Excluding minority interests

6 Market value of all listed registered shares A at year end, excluding value of unlisted registered shares B

7 Registered shares A and B; registered shares B recognised at one fifth of the price of the registered share A at year end

Data per share

		2025	2024	2023	2022	2021
Number of shares						
Registered shares A	in thousands units	9,268	9,268	9,756	9,756	9,756
	each with a par value of CHF	0.05	0.05	0.05	0.05	0.05
Registered shares B (not listed)	in thousands units	9,900	9,900	9,900	9,900	9,900
	each with a par value of CHF	0.01	0.01	0.01	0.01	0.01
Number of voting rights or shares	in thousands units	19,168	19,168	19,656	19,656	19,656
Notional number of shares	in thousands units	11,248	11,248	11,736	11,736	11,736
	each with a par value of CHF	0.05	0.05	0.05	0.05	0.05
Market prices (January–December)						
Registered share A	high CHF	81.80	61.60	77.40	92.20	106.40
Registered share A	low CHF	42.80	41.40	45.60	49.40	60.90
Registered share A	at year end CHF	81.80	45.20	53.50	55.80	93.10
Consolidated net profit¹						
Per registered share A	EUR	4.16	0.15	3.84	4.84	5.13
Consolidated equity^{1,2}						
Per registered share A	EUR	23.26	20.80	29.55	28.20	29.76
Dividend (gross)						
Dividend per registered share A ³	CHF	1.40	1.00	1.30	1.80	1.80
Payout ratio	% of net profit per share	36	n/a	35	38	32

1 All data excluding minority interests; all data on the basis of total shares outstanding at year end less the average of the shares held by Zehnder Group AG as own shares

2 Before appropriation of earnings

3 For 2025 as proposed by the Board of Directors

Consolidated balance sheet



EUR million	Notes	31 December 2025	31 December 2024	Change from prior year %
Assets				
Liquid assets	1	40.0	56.7	
Trade accounts receivable	2	104.6	100.3	
Other receivables	2	20.4	17.8	
Inventories	3	83.9	83.0	
Prepayments		1.7	2.3	
Accrued income		5.4	5.1	
Current assets		256.1	265.2	-3.5
Property, plant and equipment	4	173.7	182.1	
Financial assets	4	12.9	13.0	
Intangible assets	4	14.4	16.4	
Non-current assets		200.9	211.5	-5.0
Total assets		457.0	476.7	-4.1
Liabilities & shareholders' equity				
Short-term financial liabilities	5	4.6	4.3	
Trade accounts payable		46.3	39.9	
Other short-term liabilities		27.9	28.1	
Short-term provisions	6	14.1	15.3	
Accruals and deferred income	7	71.1	59.9	
Current liabilities		164.1	147.7	11.1
Long-term financial liabilities	5	2.6	64.2	
Other long-term liabilities		0.3	0.5	
Long-term provisions	6	22.6	22.8	
Non-current liabilities		25.5	87.6	-70.9
Total liabilities		189.5	235.2	-19.4
Share capital		0.4	0.4	
Capital reserves		-0.2	-0.2	
Own shares		-7.8	-6.1	
Retained earnings		266.3	238.2	
Equity attributable to shareholders of Zehnder Group AG		258.7	232.3	
Minority interests		8.8	9.2	
Total equity	8	267.5	241.5	10.7
Total liabilities & equity		457.0	476.7	-4.1

Consolidated income statement



EUR million	Notes	2025	2024	Change from prior year %
Sales	17	760.7	705.8	7.8
Other operating income	18	4.5	5.7	
Changes in inventories		-0.7	-4.7	
Own work capitalised		2.6	2.3	
Cost of materials		-264.4	-244.0	
Personnel costs		-267.2	-253.7	
Other operating expenses	19	-148.2	-156.2	
Depreciation and impairment of property, plant and equipment	4	-21.8	-38.6	
Amortisation and impairment of intangible assets	4	-2.1	-2.5	
Operating result (EBIT)		63.4	14.1	348.1
Financial result	20	-3.0	-1.7	
Earnings before taxes		60.4	12.4	385.4
Income taxes	21	-12.6	-14.9	
Net profit/(loss)		47.8	-2.4	n/a
Attributable to:				
– shareholders of Zehnder Group AG		46.3	1.7	
– minority interests		1.5	-4.1	
Non-diluted net profit excluding minority interests per registered share A (EUR)	22	4.16	0.15	n/a
Diluted net profit excluding minority interests per registered share A (EUR)	22	4.15	0.15	n/a
Non-diluted net profit excluding minority interests per registered share B (EUR)	22	0.83	0.03	n/a
Diluted net profit excluding minority interests per registered share B (EUR)	22	0.83	0.03	n/a

Consolidated cash flow statement



EUR million	Notes	2025	2024
Net profit/(loss)		47.8	-2.4
Depreciation of property, plant and equipment	4	21.7	23.8
Amortisation of intangible assets	4	2.1	1.5
(Reversal of)/loss from impairment	4	0.1	15.7
(Gain)/loss from sale of subsidiaries	25	-	3.1
Other non-cash changes		2.6	4.5
(Gain)/loss from disposals of non-current assets		-0.3	2.4
(Increase)/decrease in trade accounts receivable		-7.2	-1.9
(Increase)/decrease in other receivables, prepayments and accrued income		-2.1	-0.8
(Increase)/decrease in inventories		-4.1	9.8
Increase/(decrease) in trade accounts payable		8.5	-2.9
Increase/(decrease) in other short-term liabilities, accruals and deferred income		12.4	-2.2
Increase/(decrease) in provisions	6	-0.7	5.6
(Increase)/decrease in deferred tax assets	4	-0.7	4.4
Cash flow from operating activities		80.0	60.6
Investments in property, plant and equipment	4	-17.1	-17.1
Investments in intangible assets	4	-0.1	-0.1
Government grants received related to assets		0.1	0.2
Investments in consolidated entities (less cash taken over)	24	-	-94.9
Investments in minority interests	24	-	-4.7
Divestment of property, plant and equipment	4	0.8	1.9
Divestment of consolidated entities (net of cash given)	25	-	-3.0
Cash flow from investing activities		-16.2	-117.7
Dividends paid to shareholders		-11.8	-15.4
Dividends paid to minority shareholders (of subsidiaries)		-1.2	-1.1
Purchase of own shares		-3.9	-4.3
Sale of own shares		1.8	2.1
Increase/(decrease) in short-term financial liabilities	5	-0.8	-2.7
Increase/(decrease) in long-term financial liabilities	5	-60.6	59.7
Increase/(decrease) in other liabilities		-0.2	-0.1
Cash flow from financing activities		-76.8	38.3
Currency effects		-3.8	-1.7
Increase/(decrease) in liquid assets		-16.7	-20.5
Liquid assets at 1.1.		56.7	77.2
Liquid assets at 31.12.		40.0	56.7
Increase/(decrease)		-16.7	-20.5

Consolidated statement of changes in equity



EUR million	Share capital	Capital reserves	Own shares	Retained earnings			Equity attributable to shareholders of Zehnder Group AG	Minority interests	Total equity
				Goodwill offset	Other retained earnings	Translation differences			
Equity at 1.1.2025	0.4	-0.2	-6.1	-270.9	515.6	-6.4	232.3	9.2	241.5
Capital reduction	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-3.9	-	-	-	-3.9	-	-3.9
Sale of own shares	-	-	1.2	-	0.6	-	1.8	-	1.8
Share-based compensation									
– Transfers	-	-	1.0	-	-1.0	-	-	-	-
– Granted	-	-	-	-	1.7	-	1.7	-	1.7
Net profit/(loss)	-	-	-	-	46.3	-	46.3	1.5	47.8
Netted goodwill	-	-	-	-0.6	-	-	-0.6	-	-0.6
Change in minority interests	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-11.8	-	-11.8	-1.2	-13.0
Currency effects	-	-	-	-	-	-7.0	-7.0	-0.7	-7.7
Equity at 31.12.2025	0.4	-0.2	-7.8	-271.5	551.3	-13.4	258.7	8.8	267.5
Equity at 1.1.2024	0.4	33.6	-39.9	-187.0	530.4	-4.8	332.6	14.7	347.3
Capital reduction	-	-33.8	33.8	-	-	-	-	-	-
Purchase of own shares	-	-	-4.3	-	-	-	-4.3	-	-4.3
Sale of own shares	-	-	3.0	-	-0.8	-	2.2	-	2.2
Share-based compensation									
– Transfers	-	-	1.4	-	-2.0	-	-0.6	-	-0.6
– Granted	-	-	-	-	1.6	-	1.6	-	1.6
Net profit/(loss)	-	-	-	-	1.7	-	1.7	-4.1	-2.4
Netted goodwill	-	-	-	-83.9	-	-	-83.9	-	-83.9
Change in minority interests	-	-	-	-	-	-	-	-0.6	-0.6
Dividends	-	-	-	-	-15.4	-	-15.4	-1.1	-16.4
Currency effects	-	-	-	-	-	-1.6	-1.6	0.3	-1.3
Equity at 31.12.2024	0.4	-0.2	-6.1	-270.9	515.6	-6.4	232.3	9.2	241.5

Consolidation scope and principles



Consolidation scope

The consolidated financial statements are presented in Euros and include all domestic and foreign companies which Zehnder Group AG controls directly or indirectly either by holding more than 50% of the voting rights or by otherwise having the power to control their operating and financial policies. Assets and liabilities as well as revenues and expenses are included at 100% in accordance with the full consolidation method. Minority interests in equity and in net profit of fully consolidated companies are recognised separately.

Holdings with a voting interest of between 20 and 49% (associated companies) are included in accordance with the equity method. Consolidated equity and the financial result for the period are accounted for proportionately.

The following changes were made in the consolidation scope compared to the previous year:

- Merger of ELP SCI into Filtech France SARL as of 1 January 2025 in France;
- Renaming of Filtech France SARL into Filtech France SAS as per 4 July 2025 in France;
- Renaming of Zehnder Corporate Americas, Inc. into Zehnder Group North America Inc. as per 29 September 2025 in the USA.

Consolidation principles

General

Zehnder Group prepares its financial statements in accordance with the existing guidelines of Swiss GAAP FER (Swiss Accounting and Reporting Recommendations).

The consolidated balance sheet and income statement are based on the financial statements of the companies as defined in the consolidation scope for the year ended 31 December.

The data presented in the consolidated financial statements are based on uniform accounting and valuation principles which apply to all Group companies.

Intergroup receivables and payables as well as revenues and expenses are eliminated in the consolidated statements. Intermediate profits in inventories are eliminated as well.

Foreign currency translation

For the year under review, the financial statements of subsidiaries which report in currencies other than the euro were translated into euros (EUR) as follows:

- Balance sheet figures at year-end exchange rates;
- Income statement figures at average exchange rates for the year;
- Cash flow statement figures at average exchange rates for the year.

Differences arising from applying these disparate exchange rates as well as foreign exchange differences on long-term loans of an equity nature to Group companies were booked to the cumulative translation differences of the consolidated equity capital. Foreign currency differences arising from repayments of long-term loans of an equity nature are also booked to consolidated equity capital and are not transferred to the income statement until such time as a disposal takes place.

The principal rates of exchange used for consolidation are shown in the table below.

	CAD	CHF	CNY	GBP	PLN	SEK	USD
	1	1	100	1	100	100	1
Year-end exchange rates							
2025	0.6215	1.0745	12.18	1.1462	23.69	9.25	0.8518
2024	0.6699	1.0638	13.19	1.2070	23.39	8.73	0.9628
Average exchange rates for the year							
2025	0.6358	1.0672	12.36	1.1700	23.59	9.03	0.8900
2024	0.6755	1.0484	12.84	1.1791	23.22	8.75	0.9218

Capital consolidation

Capital is consolidated to show equity capital as if the Group were one single company. To do this, it is necessary to offset the net worth of consolidated companies against the capital allotted to them.

Assets acquired and liabilities assumed are recognised as of the date when control is obtained and measured at their acquisition-date fair values. Intangible assets not previously recognised by the acquiree, but significant to the acquisition decision, are identified and recognised. Any residual goodwill is subsequently offset against equity of the Group.

In the case of a gradual acquisition, each step of the acquisition is accounted for separately. The assets and liabilities acquired at each stage are recognised at their fair values as of the respective acquisition dates. When control is ultimately obtained, the previously held equity interests are remeasured at fair value, and any resulting gain or loss is recognised in the income statement. The cumulative fair value of the identifiable net assets acquired and the consideration paid are used to determine the goodwill, which is subsequently offset against the equity of the Group.

Accounting and valuation principles



The balance sheets of all subsidiaries of Zehnder Group AG have been valued according to uniform valuation principles in accordance with the Swiss accounting and reporting recommendations (Swiss GAAP FER). The financial reporting gives a true and fair view of the financial position, the results of operations, and the cash flows. The consolidated financial statements have been prepared in accordance with the historical cost method with the exception of marketable securities and participations under 20%, which are measured at fair value. In the year under review, the consolidation principles as well as the accounting and valuation principles applied remained unchanged year on year.

1. Liquid assets

Liquid assets include cash and cash equivalents, postal checking account and bank balances as well as fixed-term deposits with an original maturity of 90 days or less. Liquid assets are shown at nominal values.

2. Trade accounts receivable

Accounts receivable are stated at nominal value. Value adjustments for doubtful accounts are established based on maturity structure and identifiable solvency risks. Besides individual value adjustments with respect to specific known risks, other value adjustments are recognised based on experience.

3. Inventories

Inventories are valued on the lower of cost or market principle. Purchased products are valued at acquisition cost and manufactured goods at production cost. Production costs comprise variable manufacturing costs and overheads. Valuation adjustments are undertaken for risks arising from time in storage or reduced marketability. Unrealised profits in inventories from intergroup deliveries are eliminated. Any supplier discounts are netted with the cost of materials.

4. Property, plant and equipment

Property, plant and equipment is shown in the consolidated balance sheet at acquisition or manufacturing cost (for self-constructed assets) less depreciation and valuation adjustments.

The following useful lives are applicable for the main items contained in property, plant and equipment:

Buildings	20 to 40 years
Installations	5 to 15 years
Machinery and equipment	5 to 15 years
Furniture	3 to 5 years
Computer hardware	3 to 5 years
Vehicles	3 to 5 years

The straight-line method of depreciation is applied to all property, plant and equipment. In general, depreciation commences from the time the asset is put into operation. Plant under construction is not depreciated.

Assets valued at less than EUR 3000 are considered to be minor and are charged directly as an expense to the income statement. Investments financed through long-term leases are included in the balance sheet. Expenses for operating leasing are charged directly to the income statement in the period that they were incurred.

Investment properties that have been assessed as finance leases and financed via long-term leasing contracts are reported in the balance sheet at the lower of the present value of the minimum lease payments or the market value. The corresponding finance lease obligations are shown on the liabilities side. With regard to finance leases, please refer to item **5. Financial liabilities**.

Costs for maintenance, repairs and minor renovations are charged as expenses to the income statement when they occur. Major renovations and investments are capitalised if they result in appreciation of value and depreciated over the remaining useful life of the corresponding asset.

5. Financial assets

Holdings with a voting interest of less than 20% and loans are valued at nominal or acquisition cost less the necessary valuation adjustments. For the accounting principles of the employer contribution reserves and the active deferred taxes, please refer to the following items “10. Pension funds” and “13. Income taxes” of these accounting and valuation principles.

6. Intangible assets

Acquired intangible assets are initially recognised at acquisition cost. They are amortised on a straight-line basis over their estimated useful lives from the time at which they become available for use. The estimated useful lives applied by the Group are as follows:

Software	3 to 5 years
Patents, trademarks, technology, customer relationships and other rights	3 to 10 years
Land use rights	25 to 50 years

Internally generated intangible assets are fully charged to the income statement in the year in which they are incurred.

7. Impairment of assets

The book values of assets are reviewed for impairment at each balance sheet date or if there are indications that an asset may be impaired. If an indication of potential impairment exists, the recoverable amount of the respective asset is determined. If the book values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts. Impairment losses are recognised in the income statement. The recoverable amount is the higher of the estimated asset's net selling price and its value in use. The net selling price is the amount recoverable from the sale of an asset in an arm's-length transaction between independent parties less the cost of disposal. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

8. Trade accounts payable and other liabilities

Trade accounts payable and other liabilities are shown at nominal value. They include short-term tax liabilities, shown in the balance sheet on the basis of the results for the reporting year. This item also includes taxes on the proposed distribution of profits by subsidiaries.

9. Provisions

Provisions are recognised for actual and legal obligations arising from past events and for potential risks and losses from existing agreements when an outflow of funds is likely and can be measured in a reliable way.

The provisions are for the purpose of personnel pensions and to cover identifiable risks, including guarantee, procedural and country risks, as well as restructuring measures implemented. Provisions for deferred tax liabilities and for set-off risks in respect of tax audits are also included.

Provisions are broken down according to their maturity, i.e. a distinction is made between short-term provisions with an expected cash outflow within the next twelve months and long-term provisions with an expected cash outflow of funds after a period greater than one year.

The provisions are recalculated annually and adjusted accordingly. It is assumed that there is a high probability of use of these provisions.

10. Pension funds

Employees of the Swiss Group companies are registered with a legally independent collective foundation that provides benefits in addition to state pensions. The collective foundation is funded through investment income and premiums paid by both employers and employees. The contributions payable are set out in the regulations.

The economic effects of pension plans on the company are presented as follows: although the capitalisation of economic benefit would be admissible, it is not undertaken because the company does not intend to use this to lower employer contributions. Any benefit resulting from freely disposable employer contribution reserves is recognised as an asset. An economic liability is recognised if the conditions for forming a provision are met. The employer contributions to the pension fund for the reporting period are recognised in the income statement.

In most countries abroad, pension and retirement plans are state-organised. They are generally financed through employer and employee contributions. Two of our German companies have a pension plan in addition to the state scheme. The corresponding obligations are specified in part under provisions. In addition, one obligation amounting to EUR 5.0 million was transferred to a pension trust (Contractual Trust Arrangement) and is no longer specified on the balance sheet. Any financial income from the outsourced obligation is posted in personnel expenses.

11. Derivative financial instruments

Derivative financial instruments are sometimes used to hedge against currency, interest rate and commodity risks. Valuation is undertaken at current value or according to the same valuation principles as for the hedged underlying transaction (current values or according to lower of cost or market principle). The changes in value since the previous valuation are reported in the financial result for the period.

Instruments used to hedge future cash flows are not recognised in the balance sheet, but are reported in the notes until the future cash flow is realised.

12. Sales

Sales comprises the sale of products and services after deducting value-added taxes, rebates, and other price discounts. Sales are posted if the relevant risks and opportunities associated with the services rendered or the ownership of the sold products have been transferred to the customer, the income and costs can be reliably determined, and the recoverability of the resulting receivables is adequately assured.

13. Income taxes

Income taxes comprise current and deferred income taxes.

Current income taxes are calculated by applying the current tax rates to the profit calculated in accordance with commercial law/anticipated profit for tax purposes, in accordance with the respective taxable profit calculation regulations. The current income tax liabilities are recognised under accruals and deferred income.

Deferred taxes comprise deviations between the group-wide and tax valuation in the company financial statements. These deviations can lead to timing differences in the taxation of the profits. Deferred taxes are based on the income tax rates per country. Whether an actual tax expense or an actual tax reduction will also arise in the foreseeable future has not been taken into account. Deferred tax assets are recognised in the balance sheet within financial assets, and deferred tax liabilities within provisions. Deferred tax assets and deferred tax liabilities are offset provided that they apply to the same taxable entity and are levied by the same tax authority. Deferred tax assets with respect to timing differences will then be capitalised only if it becomes likely that they can be offset by future taxable profits.

Several companies have tax loss carry-forwards. Deferred tax assets have not been capitalised from tax loss carry-forwards.

14. Transactions with related parties

Associated companies, boards of directors, executive board members, employee benefits plans, and companies controlled by major shareholders are considered to be related parties.

15. Government grants

Government grants are compensations provided by public institutions for services provided or expenses incurred in the operating activity and may relate to assets or to income. Government grants are recognised if there is a reasonably assured entitlement, and the amount can be reliably estimated.

Government grants relating to assets are offset against the respective asset and are presented as gross amounts in the cash flow from investing activities.

Government grants relating to income are offset against the corresponding expenses and are disclosed in the respective note.

Notes to the consolidated financial statements



1. Liquid assets

Liquid assets amounted to EUR 40.0 million (previous year: EUR 56.7 million), whereas interest-bearing financial liabilities reached EUR 7.2 million (previous year: EUR 68.6 million). At year end, net liquidity¹ amounted to EUR 32.8 million (previous year: net debt¹ of EUR –11.8 million).

¹ See [Alternative performance measures](#) in the consolidated financial statements in this Financial Report.

2. Trade accounts receivable and other receivables

EUR million	31.12.2025	31.12.2024
Trade accounts receivable, gross*	126.5	123.4
Value adjustments on trade accounts receivable	-21.9	-23.1
Trade accounts receivable, net	104.6	100.3
Other receivables, gross	21.8	19.8
Value adjustments on other receivables	-1.3	-2.0
Other receivables, net	20.4	17.8
Total trade accounts receivable and other receivables	125.0	118.1
* Of which more than 12 months overdue gross	22.3	19.2

Due to the ongoing real estate crisis in China and the associated outstanding receivables, related value adjustments on trade receivables amounted to EUR 19.3 million (previous year: EUR 21.1 million). The decline is mainly due to the weakening of the Chinese currency.

In addition to individual allowances based on a risk assessment, general allowances are made for the following overdue periods:

1–30 days	0%
31–60 days	10%
61–90 days	10%
91–180 days	25%
181–360 days	50%
More than 360 days	100%

3. Inventories

EUR million	31.12.2025	31.12.2024
Raw materials	53.4	54.4
Semi-finished products and goods in process	6.6	5.7
Finished products	44.9	43.7
Valuation adjustments	-21.0	-20.7
Total inventories	83.9	83.0

4. Non-current assets

Property, plant and equipment

EUR million	Land/ buildings/ installations in buildings	Machinery/ plant	Other fixed assets	Plant under con- struction	Total
Net book value at 1.1.2025	125.2	43.7	8.5	4.7	182.1
Acquisition cost					
Status 1.1.2025	262.9	271.7	32.5	5.1	572.2
Investments	1.1	9.6	3.1	4.0	17.8
Disposals	-1.1	-7.9	-3.4	-0.1	-12.5
Changes in consolidation scope	-	-	-	-	-
Reclassifications	0.1	3.5	0.7	-4.5	-0.2
Currency effects	-3.9	-4.3	-0.5	-0.1	-8.8
Status 31.12.2025	259.0	272.5	32.4	4.4	568.4
Accumulated valuation adjustments					
Status 1.1.2025	-137.7	-228.0	-24.0	-0.4	-390.1
Depreciation	-7.2	-11.2	-3.3	-	-21.7
Impairment	-	-	-	-	-0.1
Disposals	0.7	7.0	3.2	-	10.9
Changes in consolidation scope	-	-	-	-	-
Reclassifications	-	-	0.2	-	0.2
Currency effects	2.3	3.4	0.4	-	6.1
Status 31.12.2025	-142.0	-228.9	-23.5	-0.4	-394.7
Net book value at 31.12.2025	117.1	43.6	8.9	4.0	173.7
Net book value at 1.1.2024					
140.4	49.9	8.7	4.1	203.1	
Acquisition cost					
Status 1.1.2024	259.5	268.6	33.4	4.1	565.6
Investments	2.6	8.2	3.7	3.4	17.9
Disposals	-1.2	-7.8	-3.7	-	-12.7
Changes in consolidation scope	1.4	-1.1	-0.5	-	-0.2
Reclassifications	0.1	2.8	-0.5	-2.4	-
Currency effects	0.5	1.0	0.1	-	1.7
Status 31.12.2024	262.9	271.7	32.5	5.1	572.2
Accumulated valuation adjustments					
Status 1.1.2024	-119.0	-218.8	-24.7	-	-362.5
Depreciation	-7.5	-13.0	-3.3	-	-23.8
Impairment	-11.1	-3.2	-	-0.4	-14.8
Disposals	0.7	7.1	3.5	-	11.3
Changes in consolidation scope	-	1.1	0.3	-	1.4
Reclassifications	-0.1	-0.4	0.4	-	-
Currency effects	-0.7	-0.9	-0.1	-	-1.7
Status 31.12.2024	-137.7	-228.0	-24.0	-0.4	-390.1
Net book value at 31.12.2024	125.2	43.7	8.5	4.7	182.1

Net book values from finance leases of EUR 0.3 million (previous year: EUR 0.8 million) are capitalised in land/buildings/installations in buildings and EUR 2.1 million (previous year: EUR 2.4 million) in machinery/plant.

Financial assets

EUR million	Financial assets	Loans	Reserves for employer contributions	Deferred tax assets	Total
Net book value at 1.1.2025	0.1	0.3	3.1	9.5	13.0
Acquisition or current book value					
Status 1.1.2025	0.1	0.3	3.1	14.0	17.5
Increases	-	-	-	1.3	1.3
Decreases	-	-	-0.6	-0.6	-1.2
Changes in consolidation scope	-	-	-	-	-
Currency effects	-	-	-	-0.3	-0.3
Status 31.12.2025	0.1	0.3	2.6	14.4	17.4
Accumulated valuation adjustments					
Status 1.1.2025	-	-	-	-4.5	-4.5
Impairment	-	-	-	-	-
Status 31.12.2025	-	-	-	-4.5	-4.5
Net book value at 31.12.2025	0.1	0.3	2.6	9.9	12.9
Net book value at 1.1.2024					
Net book value at 1.1.2024	0.1	0.3	3.2	13.2	16.8
Acquisition or current book value					
Status 1.1.2024	0.1	0.3	3.2	13.2	16.8
Increases	-	-	-	0.8	0.8
Decreases	-	-	-	-0.8	-0.8
Changes in consolidation scope	-	-	-	0.6	0.6
Currency effects	-	-	-	-	-
Status 31.12.2024	0.1	0.3	3.1	14.0	17.5
Accumulated valuation adjustments					
Status 1.1.2024	-	-	-	-	-
Impairment	-	-	-	-4.5	-4.5
Status 31.12.2024	-	-	-	-4.5	-4.5
Net book value at 31.12.2024	0.1	0.3	3.1	9.5	13.0

For further details on reserves for employer contributions, please refer to item **15. Employer contribution reserves and pension fund liabilities** in these notes to the consolidated financial statements.

Intangible assets

EUR million	Patents/ techno- logy	Brands/ trade- marks	Software licences	Land use rights	Other intangible assets	Total
Net book value at 1.1.2025	13.0	2.3	0.6	0.5	-	16.4
Acquisition or current book value						
Status 1.1.2025	15.2	2.4	11.3	1.9	0.5	31.2
Investments	-	-	0.1	-	-	0.1
Disposals	-0.1	-	-0.2	-	-	-0.3
Changes in consolidation scope	-	-	-	-	-	-
Reclassifications	-	-	0.2	-	-	0.2
Currency effects	-	-	0.1	-0.1	-	-0.1
Status 31.12.2025	15.1	2.4	11.4	1.7	0.5	31.1
Accumulated valuation adjustments						
Status 1.1.2025	-2.2	-0.1	-10.7	-1.4	-0.5	-14.8
Amortisation	-1.0	-0.7	-0.4	-	-	-2.1
Impairment	-	-	-	-	-	-
Disposals	0.1	-	0.2	-	-	0.3
Changes in consolidation scope	-	-	-	-	-	-
Reclassifications	-	-	-0.2	-	-	-0.2
Currency effects	-	-	-0.1	0.1	-	0.1
Status 31.12.2025	-3.1	-0.8	-11.1	-1.3	-0.5	-16.7
Net book value at 31.12.2025	12.0	1.6	0.3	0.4	-	14.4
Net book value at 1.1.2024	1.2	2.8	1.0	1.5	-	6.5
Acquisition or current book value						
Status 1.1.2024	3.3	2.4	11.6	1.8	0.5	19.6
Investments	0.1	-	0.1	-	-	0.1
Disposals	-0.3	-	-0.3	-	-	-0.6
Changes in consolidation scope	12.4	-	-0.3	-	-	12.1
Reclassifications	-	-	-	-	-	-
Currency effects	-0.3	-	0.1	-	-	-0.1
Status 31.12.2024	15.2	2.4	11.3	1.9	0.5	31.2
Accumulated valuation adjustments						
Status 1.1.2024	-2.1	0.4	-10.6	-0.3	-0.5	-13.1
Amortisation	-0.6	-0.5	-0.4	-	-	-1.5
Impairment	-	-	-	-1.0	-	-1.0
Disposals	0.3	-	0.3	-	-	0.6
Changes in consolidation scope	-	-	0.1	-	-	0.1
Reclassifications	-	-	-	-	-	-
Currency effects	0.2	-	-0.1	-	-	0.1
Status 31.12.2024	-2.2	-0.1	-10.7	-1.4	-0.5	-14.8
Net book value at 31.12.2024	13.0	2.3	0.6	0.5	-	16.4

5. Financial liabilities

Financial liabilities consist of:

EUR million	2025	2024
Bank debts	2.0	2.4
Bank loans	2.5	62.6
Other loans	0.4	0.4
Financial lease liabilities	2.4	3.2
Total	7.2	68.6

Financial lease liabilities have the following maturity structure:

EUR million	2025	2024
Less than 12 months	0.4	0.6
12 months to 60 months	1.7	1.9
More than 60 months	0.3	0.7
Total	2.4	3.2

Total financial liabilities have the following maturities and currencies:

EUR million	2025	2024
Split by maturity		
Less than 12 months	4.6	4.3
12 months to 60 months	2.3	63.5
More than 60 months	0.3	0.7
Total	7.2	68.6
Split by currency		
CAD	0.3	0.3
CHF	-	42.6
EUR	6.9	25.7
Total	7.2	68.6

Short-term loans are at average interest rates of 2.2% (previous year: 2.5%).
Long-term loans are at average interest rates of 1.5% (previous year: 1.7%).

6. Provisions

EUR million	Tax provisions	Pension commitments	Restructuring provisions	Warranty provisions	Other provisions	Total
Book value at 1.1.2025	8.6	2.7	9.7	7.1	10.1	38.2
New provisions	0.3	0.5	4.1	2.2	2.0	9.1
Use	-	-0.4	-5.6	-1.6	-0.7	-8.4
Reversals	-0.4	-0.2	-0.4	-0.4	-0.5	-2.0
Changes in consolidation scope	-	-	-	-	-	-
Currency effects	-	-	-	-0.1	-0.1	-0.2
Book value at 31.12.2025	8.4	2.5	7.9	7.1	10.7	36.6
Of which short-term	-	0.4	7.3	4.2	2.1	14.1
Book value at 1.1.2024	6.4	2.7	2.6	7.1	10.4	29.2
New provisions	0.3	1.0	8.9	1.4	1.7	13.3
Use	-	-0.6	-1.8	-1.3	-0.8	-4.5
Reversals	-1.4	-0.4	-0.1	-0.4	-1.0	-3.2
Changes in consolidation scope	3.3	-0.1	-	0.2	-0.1	3.3
Currency effects	-	-	0.1	-	-	-
Book value at 31.12.2024	8.6	2.7	9.7	7.1	10.1	38.2
Of which short-term	-	0.4	9.2	4.1	1.6	15.3

Tax provisions include deferred as well as other tax provisions in accordance with item "9. Provisions" of the **Accounting and valuation principles** in the consolidated financial statements in this Financial Report.

The discount rate for German pension obligations was 4.0% (previous year: 3.5%).

In 2025, EUR 4.1 million new restructuring provisions were recognised in connection with European radiator market restructurings as well as other selective restructurings in Europe and China. In the previous year, new restructuring provisions were mainly related to the ongoing restructuring of the radiator production footprint.

Other provisions mainly include provisions for pending legal cases and personnel-related provisions.

7. Accruals

Accruals and deferred income consist of:

EUR million	31.12.2025	31.12.2024
Accrued current taxes	11.0	6.9
Accrued customer bonuses	16.2	14.5
Accrued personnel bonuses	18.5	15.1
Other accrued liabilities	25.4	23.4
Accruals and deferred income	71.1	59.9

8. Equity capital

At the balance sheet date, the equity ratio was 59% (previous year: 51%). The factors that contributed to changes in consolidated equity are presented in the consolidated statement of changes in equity.

As in the previous year, the total share capital of Zehnder Group AG amounted to CHF 0.6 million, corresponding to EUR 0.4 million at the exchange rate of 1 January 2003. It comprises 9,268,200 registered shares A with a par value of CHF 0.05 each and 9,900,000 registered shares B with a par value of CHF 0.01 each.

Statutory and legal reserves and those not available for distribution amounted to EUR 8.1 million (previous year: EUR 6.3 million).

	Registered shares A units 2025	Value per unit EUR 2025	Value thousand EUR 2025	Registered shares A units 2024	Value per unit EUR 2024	Value thousand EUR 2024
Own shares at 1.1.	110,989	55.17	6,123	583,148	68.50	39,949
Transfer at market price	-41,275	68.77	-2,838	-60,859	53.93	-3,282
Cancellation due to capital reduction				-487,800	69.25	-33,781
Gain/(loss) from sale			632			-1,049
Purchase at acquisition price	63,200	62.12	3,926	76,500	56.04	4,287
Own shares at 31.12.	132,914	59.01	7,843	110,989	55.17	6,123

The transferred shares were sold at a discount of 30% to management staff participating in a stock ownership plan, transferred to the Executive Committee as part of the share-based compensation plan (LTI), and issued to members of the Board of Directors as part of their annual retainer (see item 23. **Shares granted** in these notes to the consolidated financial statements).

9. Contingent liabilities

At year end, guarantee obligations and contingent liabilities vis-à-vis third parties amounted to EUR 14.8 million (previous year: EUR 12.2 million).

The following contingent liability exists in connection with the acquisition of Zhongshan Fortuneway Environmental Technology Co., Ltd.:

- Zehnder Group owns 51% of Zhongshan Fortuneway Environmental Technology Co., Ltd. Zehnder Group has agreed on the conditions of the potential transfer of the additional 25% stake in Zhongshan Fortuneway Environmental Technology Co., Ltd. with the current owner. On the one hand, Zehnder Group has received call options on the remaining 49% stake in Zhongshan Fortuneway Environmental Technology Co., Ltd. On the other hand, Zehnder Group has issued put options on a 25% stake in Zhongshan Fortuneway Environmental Technology Co., Ltd.

The option right is exercisable from 2024. As the option does not meet the recognition criteria for an asset or a liability, it is not recognised in the balance sheet.

The following contingent liabilities exist in connection with the divestment of the Closed Ceiling Solution business:

- In case the working capital of the divested business does not meet the liquidity requirement, an additional EUR 3.0 million credit facility must be granted. As per 31 December 2025, as in the previous year, the criteria were not met for the exercise of this cash injection call. The contingent liability expires 24 months after closing of the transaction, namely as per 30 June 2026.
- Zehnder Group will continue to be subject to certain liability claims from ongoing construction projects. This contingent liability cannot be quantified and currently does not meet the recognition criteria for provisions.

10. Pledged assets

None of the Group's assets were pledged either in the reporting year or in the previous year.

11. Liabilities to pension funds

At year end, there were liabilities to pension funds of EUR 0.9 million (previous year: EUR 1.1 million). These are included in other short-term liabilities.

12. Transactions with related parties

In the reporting year, as was the case in the previous year, no products were sold to associated companies and there were no receivables due from associated companies.

In the year under review, as per the previous year, Zehnder Group did not complete any major transactions with shareholders and there were no receivables or obligations.

13. Derivative financial instruments

EUR million	Contract	Positive	Negative	Contract	Positive	Negative	Purpose
	value	fair value	fair value	value	fair value	fair value	
	31.12.2025	31.12.2025	31.12.2025	31.12.2024	31.12.2024	31.12.2024	
Foreign exchange	2.9	-	-	4.2	-	0.1	Hedging
Total	2.9	-	-	4.2	-	0.1	

14. Operating leasing not recognised in the balance sheet

Current operating leasing contracts expire as follows:

EUR million	31.12.2025	31.12.2024
Within 12 months	5.7	5.9
In 13–60 months	13.5	10.1
In more than 60 months	3.5	4.0
Total	22.7	20.0

15. Employer contribution reserves and pension fund liabilities

Employer contribution reserve (ECR)

EUR thousands	Nominal value 31.12.2025	Balance sheet 31.12.2025	Currency gain (+)/ loss (-) on ECR 2025	Balance sheet 31.12.2024	Expense (-)/ income (+) in personnel expenses 2025	Expense (-)/ income (+) in personnel expenses 2024
Pension trust fund	2,573	2,573	28	3,143	-598	-
Total	2,573	2,573	28	3,143	-598	-

No interest was paid on the employer contribution reserve in either year.

Economic benefits/economic liabilities and pension expenses

EUR thousands	Excess/ (inad- equated) cover 31.12.2025 ¹	Economic share of organi- sation 31.12.2025	Economic share of organi- sation 31.12.2024	Capitalised in business year 2025	Contri- butions accrued 2025	Pension expenses in personnel expenses 2025	Pension expenses in personnel expenses 2024
Pension trust fund	3,092	-	-	-	-	-	-
Personnel pension fund collective fund	14,395	-	-	-	2,701	2,701	3,045
Pension plans abroad	-	-	-	-	10,803	10,803	11,231
Total	17,487	-	-	-	13,504	13,504	14,276

¹ The details regarding the excess coverage in 2025 are based on provisional financial statements as at 31 December 2025.

Please refer to item “10. Pension funds” of the [Accounting and valuation principles](#) in the consolidated financial statements and to the pension commitments in item [6. Provisions](#) in these notes to the consolidated financial statements.

16. Segment reporting

In accordance with Swiss GAAP FER 31/8, segment reporting used by the top management level for corporate management is disclosed. Zehnder Group is an indoor climate system supplier. With the two segments, ventilation and radiators, the Group is classified according to business areas. These are managed independently from one another and their business performance is assessed separately.

The ventilation segment covers the three product lines for ventilation, heat exchangers, and clean air solutions. The radiator segment contains two product lines: radiators and ceiling panels.

The **Sales by region and segment** table also provides information on the regions in which the sales were generated. Sales are allocated to the region to which the products and systems were sold. In order to reflect the global activities of Zehnder Group, the regions have been expanded accordingly to EMEA (Europe, Middle East, and Africa), Asia-Pacific, and North America.

		Ventilation	Radiators	Total
2025				
Sales	EUR million	501.7	259.0	760.7
EBIT adjusted ¹	EUR million	62.8	2.4	65.2
	% of sales	12.5	0.9	8.6
EBIT	EUR million	62.8	0.6	63.4
	% of sales	12.5	0.2	8.3
Number of employees	Ø full-time equivalents	2,184	1,452	3,636
2024				
Sales	EUR million	424.2	281.6	705.8
EBIT adjusted ¹	EUR million	44.4	5.7	50.1
	% of sales	10.5	2.0	7.1
EBIT	EUR million	37.4	-23.2	14.1
	% of sales	8.8	-8.2	2.0
Number of employees	Ø full-time equivalents	1,947	1,612	3,559

¹ See **Alternative performance measures** in the consolidated financial statements in this Financial Report.

17. Sales

Consolidated sales amounted to EUR 760.7 million (previous year: EUR 705.8 million), an increase of 7.8%. Organic¹ sales increased by 7.0%.

Sales by region and segments are classified as follows:

		2025	%	2024	%
Sales by region and segments					
Ventilation EMEA	EUR million	403.3	53.0	328.4	46.5
	Change from prior year in %	22.8		-2.3	
Ventilation North America	EUR million	76.1	10.0	71.1	10.1
	Change from prior year in %	7.0		2.9	
Ventilation Asia-Pacific	EUR million	22.3	2.9	24.7	3.5
	Change from prior year in %	-9.8		-30.9	
Total ventilation segment	EUR million	501.7	66.0	424.2	60.1
	Change from prior year in %	18.3		-3.8	
Radiators EMEA	EUR million	216.4	28.5	235.9	33.4
	Change from prior year in %	-8.2		-12.1	
Radiators North America	EUR million	38.0	5.0	38.5	5.5
	Change from prior year in %	-1.1		-15.5	
Radiators Asia-Pacific	EUR million	4.5	0.6	7.2	1.0
	Change from prior year in %	-37.9		-0.9	
Total radiator segment	EUR million	259.0	34.0	281.6	39.9
	Change from prior year in %	-8.0		-12.3	
Total region EMEA	EUR million	619.8	81.5	564.3	80.0
	Change from prior year in %	9.8		-6.6	
Total region North America	EUR million	114.1	15.0	109.6	15.5
	Change from prior year in %	4.1		-4.4	
Total region Asia-Pacific	EUR million	26.7	3.5	31.9	4.5
	Change from prior year in %	-16.1		-25.9	
Total	EUR million	760.7	100.0	705.8	100.0
	Change from prior year in %	7.8		-7.4	

¹ See [Alternative performance measures](#) in the consolidated financial statements in this Financial Report.

18. Other operating income

Other operating income is classified as follows:

EUR million	2025	2024
Licence income	-	0.1
Gain/(loss) on disposal of fixed assets	0.3	1.0
Miscellaneous operating income	4.2	4.5
Total	4.5	5.7

The main sources of miscellaneous operating income are income generated by the sale of scrap materials, rental income from third parties, and payments from insurance claims.

19. Other operating expenses

Other operating expenses are classified as follows:

EUR million	2025	2024
Operating expenses	-53.5	-54.2
Marketing and distribution expenses	-64.5	-63.2
Administration and IT expenses	-31.1	-30.9
Gain/(loss) from sale of subsidiaries (Climate Ceiling Solutions business)	0.8	-7.9
Total	-148.2	-156.2

20. Financial result

EUR million	2025	2024
Financial expenses	-1.5	-2.3
Financial earnings	0.3	0.5
Exchange gains/(losses)	-1.8	0.1
Total financial result	-3.0	-1.7

21. Income taxes

The tax ratio (=taxes as a percentage of earnings before taxes) was 20.9% (previous year: 119.5%).

EUR million	2025	2024
Current taxes	-13.3	-10.4
Deferred taxes	0.6	-4.5
Total taxes	-12.6	-14.9

In accordance with the OECD BEPS 2.0 Pillar Two rules, the Group has applied the global minimum tax framework in the countries in which it operates. All relevant countries can benefit from the Transitional Country-by-Country Reporting Safe Harbor and are therefore exempt from a top-up tax calculation. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Zehnder Group anticipates that losses of EUR 0.7 million (previous year: EUR 0.2 million) can be utilised against future taxable profits. The deferred tax assets on these losses amount to EUR 0.2 million (previous year: EUR 0.0 million).

Total deferred tax assets not capitalised amount to EUR 1.2 million (previous year: EUR 1.2 million) and originate predominantly from Finland.

The differences between the expected income tax expense, based on the expected income tax rate and the effective income tax expense shown in the income statement, is explained by the following factors. The expected income tax rate of the Group is based on the profit/loss before taxes and the applicable tax rate in the tax year for the Group companies.

EUR million	2025	2024
Earnings before taxes	60.4	12.4
Expected tax rate in %	21.2	22.5
Expected tax expenses	-12.8	-2.8
Effect from non-refundable tax credits/incentives	0.5	0.2
Effect of non-deductible expenses	-0.7	-6.8
Effect of non-recognition of tax loss carry-forwards	-0.3	-0.8
Effect of use of unrecognised tax loss carry-forwards	0.3	0.2
Effect from deferred tax asset valuation allowances	0.7	-4.5
Other effects	-0.4	-0.4
Effective tax expenses	-12.6	-14.9
Effective tax rate in %	20.9	119.6

In the previous year, EUR 5.3 million of the total EUR 6.8 million effect of non-deductible expenses were derived from the impairment in China and the divestment of the Zehnder Climate Ceiling Solutions business. Furthermore, EUR 4.5 million capitalised deferred taxes were impaired in relation to the business development in China and the diminished probability of generating sufficient taxable profits to realise these assets.

22. Net profit per registered share

The undiluted net profit per registered share A is calculated by dividing the net profit excluding minority shares by the total nominal value adjusted shares, less the average number of own shares held by Zehnder Group AG, based on a weighted average due to the capital reduction.

The shares eligible for the share-based compensation plan (LTI) are also held as own shares. The shares allocated will be included proportionately, resulting in a dilution of the net profit per registered share A.

		2025	2024
Net profit excluding minority interests	EUR million	46.3	1.7
Notional number of shares	units	11,248,200	11,248,200
Notional number of shares excl. own shares	units	11,120,645	11,169,576
Non-diluted net profit excluding minority interests per registered share A	EUR	4.16	0.15
Notional number of shares excl. own shares	units	11,120,645	11,169,576
Eligible shares for share-based compensation plan (LTI)	units	29,897	21,731
Number of shares for calculating diluted net profit per share	units	11,150,542	11,191,307
Diluted net profit excluding minority interests per registered share A	EUR	4.15	0.15

The undiluted/diluted net profit excluding minority interests per registered share B amounts to one fifth of the undiluted/diluted net profit excluding minority interests per registered share A.

23. Shares granted

As part of the Zehnder Group Management Share Plan (ZGMSP), the managers of operating units and members of the Group management of Zehnder Group are given the opportunity to acquire registered shares A. The shares are issued at a discount to the persons entitled to receive them. The registered shares A issued also include the Board of Directors' shares. Half of the annual retainer that the members of the Board of Directors receive is made up of registered shares A.

In the case of the ZGMSP, the difference between the current value at the time of allocation and the issue price is recognised in personnel expenses.

Furthermore, Zehnder Group offers a long-term, variable compensation element (long-term incentive or LTI). This is granted as part of a long-term investment plan in which rights to shares are awarded under certain conditions. The general contractual basis and exercise conditions are explained under item **5.3 Variable long-term compensation element (long-term incentive, LTI)** in the Compensation Report.

The value of shares issued at the time of allocation is equal to the current value. The current value is determined as the closing rate on the day of allocation.

		2025	2024
Shares for the Zehnder Group Management Share Plan			
Shares granted for the Zehnder Group Management Share Plan	units	23,803	40,666
Current value on the day of allocation	CHF	72.00	51.70
Personnel expenses for the Zehnder Group Management Share Plan	CHF	505,000	685,000
Shares for replacement awards			
Shares granted for the replacement award of the new GEC member	units	1,799	-
Current value on the day of allocation	CHF	50.60	-
Personnel expenses for the Zehnder Group Management Share Plan	CHF	91,000	-
Shares for the compensation of the Board of Directors			
Shares granted for the compensation of the Board of Directors	units	12,211	10,780
Current value on the day of allocation	CHF	46.20	51.90
Personnel expenses for the compensation of the Board of Directors	CHF	564,000	559,000
Shares for the variable long-term compensation element for the Group Executive Committee			
Shares granted for the variable long-term compensation element for the Group Executive Committee (with 100% achievement of objectives)	units	20,089	14,716
Shares allocated for the variable long-term compensation element for the Group Executive Committee	units	3,462	9,413
Current value on the day of allocation	CHF	52.60	55.10
Personnel expenses for the variable long-term compensation element for the Group Executive Committee	CHF	984,000	407,000
Total personnel expenses for shares granted	CHF	2,144,000	1,651,000

24. Acquisitions

In 2025, no acquisitions were made.

The purchase price allocation relating to the acquisition of the Siber Group in 2024 was finalised in 2025. As part of this finalisation, the identifiable net assets were determined to be EUR 0.6 million lower than initially recognised, resulting in a corresponding increase in goodwill to EUR 80.4 million.

In the previous year, the following acquisitions were made:

- As per 19 March 2024, Zehnder Group acquired the remaining 25% share in Zehnder Caladair International SAS in France. The purchase price was EUR 4.7 million. EUR 0.6 million equity from minority interests was transferred to equity attributable to shareholders of the Zehnder Group AG. The resulting goodwill amounted to EUR 4.1 million and was offset against equity.
- As of 11 July 2024, Zehnder Group acquired the ventilation Group Siber in Spain, consisting of Zehnder Spain Holding, S.L.U., Zerfas Europe, S.L.U., Siber Zone, S.L.U., Metair 2010, S.L.U., and Industrias Gonal Hispania, S.L.U. The purchase price was EUR 86.3 million. Additionally, EUR 10.4 million debt was taken over and EUR 0.9 million transaction costs were capitalised. The Group acquired net assets amounting to EUR 17.8 million (excluding EUR 10.4 million debt taken over). These net assets included liquid assets of EUR 2.6 million, other current assets of EUR 15.2 million, non-current assets of EUR 15.7 million, and liabilities of EUR 15.7 million. The resulting goodwill amounted to EUR 79.7 million and was offset against equity.

25. Disposals

In the year under review, no disposals were made.

In the previous year, the following disposal was made:

- As per 30 June 2024, the divestment of Zehnder Climate Ceiling Solutions GmbH (Germany) and Zehnder Climate Ceiling Solutions SAS (France) to Private Assets SE & Co. KGaA (Germany) was completed. EUR 13.2 million of assets, of which EUR 3.0 million were liquid assets, and EUR 8.5 million of liabilities were divested. Total one-off costs related to the transaction amounted to EUR 7.9 million and were reported in other operating expenses.

26. Goodwill

In accordance with the consolidation principles, Zehnder Group directly nets acquired goodwill against equity at the time of first consolidation.

The theoretical amortisation of goodwill is based on the straight-line method and an amortisation period of five years. The impact of the theoretical capitalisation and amortisation of goodwill is disclosed in the tables below:

Impact of theoretical capitalisation of goodwill on balance sheet

		31.12.2025	31.12.2024
Disclosed equity including minority interests	EUR million	267.5	241.5
Equity ratio	%	58.5	50.7
Acquisition value of goodwill			
Status at beginning of business year	EUR million	270.9	187.1
Additions	EUR million	0.6	83.9
Status at end of business year	EUR million	271.6	270.9
Accumulated amortisation			
Status at beginning of business year	EUR million	-172.2	-151.9
Amortisation in current year	EUR million	-28.6	-20.3
Status at end of business year	EUR million	-200.8	-172.2
Theoretical net book value of goodwill	EUR million	70.8	98.7
Theoretical equity including minority interests and net book value of goodwill	EUR million	338.3	340.3
Theoretical equity ratio	%	64.1	59.1

In 2025, EUR 0.6 million additions to goodwill are related to the final determination of the purchase price allocation in connection with the acquisition of the Siber Group in 2024.

In the previous year, additions to goodwill included EUR 79.7 million from the acquisition of the Siber Group in Spain and EUR 4.1 million from the acquisition of the remaining 25% share in Zehnder Caladair International SAS in France.

Impact of theoretical capitalisation of goodwill on results

		31.12.2025	31.12.2024
Disclosed net profit/(loss)	EUR million	47.8	-2.4
Theoretical amortisation of goodwill	EUR million	-28.6	-20.3
Net profit/(loss) after amortisation of goodwill	EUR million	19.2	-22.7

27. Government grants

The following government grants related to income were recognised:

EUR million	2025	2024
Technology/research and development grants	0.9	0.8
Others	0.1	0.8
Total government grants	1.0	1.5

28. Events after the balance sheet date

Zehnder Group is not aware of any events that occurred after the balance sheet date that could have a material impact on the consolidated financial statements for the financial year ended December 31, 2025.

The 2025 financial statements were approved by the Board of Directors on 23 February 2026.

Overview of companies



As at 31 December 2025, the consolidation scope of Zehnder Group comprised the following companies.

Unless otherwise stated, the capital stock is shown in the relevant local currency.

		Activity	Capital stock	Capital share in %	Consolidated
Austria					
Vienna	Zehnder Österreich GmbH	S	5,000	100	Fully
Belgium					
Mechelen	Zehnder Group Belgium nv/sa	S	800,010	100	Fully
Canada					
London	Airia Brands Inc.	S/P	27,162,000	100	Fully
Vancouver	Core Energy Recovery Solutions Inc.	S/P	18,766,213	100	Fully
China					
Dachang	Dachang Zehnder Indoor Climate Co., Ltd.	P	200,000,000	73	Fully
Beijing	Zehnder (China) Indoor Climate Co., Ltd.	S	228,250,000	73	Fully
Pinghu	Nather Ventilation System Co., Ltd.	S/P	60,000,000	76	Fully
Pinghu	Zhejiang Nather Water Treatment Technology Co., Ltd.	S	5,000,000	39	Fully
Shanghai	Shanghai Nather Air Technology Co., Ltd.	O	3,200,000	76	Fully
Shanghai	Zehnder Group Enterprise Management (Shanghai) Co., Ltd.	O	2,516,000	100	Fully
Zhongshan	Zhongshan Fortuneway Environmental Technology Co., Ltd.	S/P	11,111,000	51	Fully
Czech Republic					
Prague	Zehnder Group Czech Republic s.r.o.	S	200,000	100	Fully
Estonia					
Tallinn	Zehnder Baltics OÜ	S	2,556	100	Fully
Finland					
Porvoo	Enervent Zehnder OY	S/P	250,000	100	Fully
France					
Évry	Zehnder Group France	S	6,261,866	100	Fully
Évry	Zehnder Group Participations SAS	O	22,744,000	100	Fully
Mâcon	Zehnder Caladair International SAS	S/P	1,000,000	100	Fully
Mâcon	Calihce SCI	O	2,000	100	Fully
Modane	Filtech France SAS	S/P	128,000	100	Fully
Saint-Quentin	HET Transport & Logistique SAS	O	687,000	100	Fully
Vaux-Andigny	Zehnder Group Vaux Andigny SAS	P	4,200,000	100	Fully

Germany

Lahr	Zehnder Group Deutschland GmbH	S	2,000,000	100	Fully
Lahr	Zehnder GmbH	P	25,000,000	100	Fully
Lahr	Zehnder Group Deutschland Holding GmbH	O	2,100,000	100	Fully
Lahr	Zehnder Group Grundstücksverwaltungs-GmbH	O	1,100,000	100	Fully
Lahr	Zehnder Logistik GmbH	O	250,000	100	Fully
Reinsdorf	Core Energy Recovery Solutions GmbH	S	25,000	100	Fully
Reinsdorf	Core Production Germany GmbH	P	2,100,000	100	Fully

Hungary

Budapest	Zehnder Hungary Kft.	S	3,000,000	100	Fully
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Italy

Campogalliano	Zehnder Group Italia S.r.l.	S	80,000	100	Fully
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Netherlands

Zwolle	Zehnder Group Zwolle B.V.	P	908,000	100	Fully
Zwolle	Zehnder Group Nederland B.V.	S	18,000	100	Fully
Udenhout	Filtech Nederland B.V.	S/P	5,000	100	Fully
Waalwijk	Core Production Waalwijk B.V.	S/P	114,000	100	Fully

Norway

Bekkestua	Exvent AS	S	300,000	100	Fully
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Poland

Bolesławiec	Zehnder Group Bolesławiec Sp. z o.o.	P	51,280,000	100	Fully
Wrocław	Zehnder Polska Sp. z o.o.	S	4,000,000	100	Fully

Spain

Barcelona	Industrias Gonal Hispania, S.L.U.	S/P	540,900	100	Fully
Barcelona	Metair 2010, S.L.U.	S/P	114,771	100	Fully
Barcelona	Siber Zone, S.L.U.	S/P	103,005	100	Fully
Sabadell	Zehnder Group Iberica Indoor Climate, S.A.U.	S	300,500	100	Fully
Barcelona	Zehnder Spain Holding, S.L.U.	O	6,053,000	100	Fully
Madrid	Zerfas Europe, S.L.U.	O	2,969,800	100	Fully

Sweden

Motala	Zehnder Group Nordic AB	S	6,400,000	100	Fully
Motala	Zehnder Group Motala AB	P	120,000	100	Fully

Switzerland

Gränichen	Zehnder Group AG	O	562,410		Fully
Gränichen	Zehnder Group Produktion Gränichen AG	P	2,900,000	100	Fully
Gränichen	Zehnder Group International Ltd	O	1,000,000	100	Fully
Gränichen	Zehnder Group Schweiz AG	S	500,000	100	Fully
Gränichen	Zehnder Group Swiss Property AG	O	2,000,000	100	Fully
Rancate	Filtech Swiss SA	S	100,000	100	Fully

Türkiye

Manisa	Hotpan Isitma Sistemleri Pazarlama ve Ticaret Aş	S	50,004	100	Fully
Manisa	Sanpan Isitma Sistemleri Sanayi ve Ticaret Aş	S/P	104,481,674	100	Fully

UK

Camberley	Zehnder Group UK Ltd	S/P	3,500,002	100	Fully
Camberley	Zehnder Group UK Holdings Ltd	O	20,000,000	100	Fully

USA

Buffalo NY	Hydro-Air Components, Inc. (Zehnder Rittling)	S/P	55,950	100	Fully
Buffalo NY	Zehnder Clean Air Solutions NA, LLC	S	n/a	100	Fully
Hampton NH	Zehnder America, Inc.	S	10	100	Fully
Ward Hill MA	Runtal North America, Inc.	S/P	193,522	100	Fully
Ward Hill MA	Zehnder Group North America Inc.	O	1,000	100	Fully
Ward Hill MA	Zehnder Group US Holdings, Inc.	O	30	100	Fully

P: production; S: sales; O: other functions

Report of the statutory auditor



Report of the statutory auditor to the General Meeting of Zehnder Group AG, Gränichen

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Zehnder Group AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2025, and the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes ('consolidation scope and principles' and 'notes to the consolidated financial statements' and 'overview of companies') to the consolidated financial statements, including a summary of significant accounting policies ('accounting and valuation principles').

In our opinion, the accompanying consolidated financial statements (pages 86 to 117) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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

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Our audit approach



Overview

Overall group materiality: EUR 7'400'000

The entities addressed by our full scope audit work as well specified procedures contribute to 81% of the Group's sales.

As key audit matter the following area of focus has been identified:

Valuation of inventories

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall group materiality	EUR 7'400'000
Benchmark applied	Sales
Rationale for the materiality benchmark applied	We chose sales as the benchmark because, in our view, it is one of the benchmarks against which the performance of a group is most commonly measured, and it is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above EUR 400'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.



Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of inventories

Key audit matter	How our audit addressed the key audit matter
<p>The Key Audit Matter relates to the Zehnder Group's inventories.</p> <p>As of 31 December 2025, the Group's inventories amount to a net of EUR 83.9 million (previous year: EUR 83.0 million).</p> <p>Inventories are valued at the lower of cost or market value. Purchased products are valued at acquisition cost, while manufactured goods are valued at production cost. Production costs are determined based on cost accounting principles and include material, manufacturing, and appropriate overhead costs. Valuation adjustments are made to address risks arising from storage duration or reduced marketability. Group Management and the Board of Directors make assumptions to calculate the necessary valuation adjustments for inventories.</p> <p>We consider the valuation of inventories—including the determination of manufacturing costs and the assessment of net realizable value—to be a key audit matter, given its significant impact on the consolidated financial statements.</p> <p>Please refer to the disclosures on accounting and valuation principles (Note 3 'Inventories') and to the</p>	<p>We tested the appropriateness of the Group's financial reporting with respect to the valuation of inventories, including the accounting policies for valuation adjustments and cost accounting. Our audit of the valuation of the inventories included the following procedures:</p> <ul style="list-style-type: none"> • We obtained an understanding of the inventory valuation process, including the relevant controls for identifying inventory value adjustments and cost accounting. • We performed substantive procedures on raw materials to verify that they have been recorded at acquisition or production costs. • We analysed, on a sample basis, the standard cost calculations. Additionally, we assessed the differences between the standard and actual costs in order to determine if the valuation of the inventories is an acceptable approximation of the acquisition or production costs. • We also performed sample-based testing to verify whether individual inventory items reconcile to the standard price calculation.



- notes to the financial statements (Note 3 'Inventories'), where further details are described.
- Furthermore, we recalculated the valuation adjustments on the inventories based on the inventory turnover and future consumption analysis.
 - Lastly, we performed procedures to assess the adequacy of the inventory provisioning.
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Other information

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

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

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

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

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

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



A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Ebinger
Licensed audit expert
Auditor in charge

Petar Lesic
Licensed audit expert

Lucerne, 23 February 2026

Alternative performance measures

In this Integrated Annual Report, Zehnder Group reports financial key figures that are not defined according to Swiss GAAP FER. These alternative performance measures are intended to aid the management team as well as analysts and investors in forming a clearer understanding of the Group's performance.

The alternative performance measures "EBITDA adjusted" and "EBIT adjusted" were introduced in the 2024 financial statements, because, unlike in the previous years, the result in 2024 was heavily impacted by one-off effects. In 2025, one-off restructuring costs amounting to EUR 2.6 million were recognised in connection with the European radiator market. On the other hand, income of EUR 0.8 million was reported from last year's Climate Ceiling Solution divestment. These alternative performance measures were deemed more helpful as they remove exceptional and substantial business operations, and their exclusion is relevant to the assessment of the overall year-to-year business performance.

The following definitions and calculation bases of Zehnder Group may differ from those employed by other companies.

Alternative performance measure	Definition	Calculation basis/reconciliation		
		EUR million		
		2025	2024	
Organic sales growth	Organic sales growth measures the growth that the Group is able to achieve on its own. Organic sales equate to sales that have been adjusted for acquisition effects and which took place at constant exchange rates.	Sales	760.7	705.8
		Currency effects	6.2	-0.5
		Acquisition effects	-12.5	-8.4
		Organic sales	754.4	696.9
		Organic sales growth/(decline) in %	7.0	-8.6
EBITDA	Earnings before interest, taxes, depreciation and amortisation (EBITDA) is a key figure used to measure the performance of the Group.	Operating result (EBIT)	63.4	14.1
		Depreciation of property, plant and equipment	21.8	38.6
		Amortisation of intangible assets	2.1	2.5
		EBITDA	87.3	55.3
EBITDA adjusted	Earnings before interest, taxes, depreciation and amortisation (EBITDA) adjusted for significant exceptional one-off effects.	Operating result (EBIT)	63.4	14.1
		Depreciation of property, plant and equipment	21.8	38.6
		Amortisation of intangible assets	2.1	2.5
		One-off effects (excluding impairments)	1.8	21.7
		EBITDA adjusted	89.1	77.0
EBIT adjusted	Earnings before interest and taxes (EBIT) adjusted for significant exceptional one-off effects.	Operating result (EBIT)	63.4	14.1
		One-off effects	1.8	35.9
		EBIT adjusted	65.2	50.1

ROCE	The return on capital employed (ROCE) measures the profitability and efficiency of the Group's capital utilisation. The net operating profit after tax (NOPAT) is based on the adjusted EBIT and compared with the capital employed (CE).	Total assets	457.0	476.7		
		Total liabilities	-189.5	-235.2		
		Net liquidity/(net debt)	32.8	-11.8		
		Capital employed (CE)	234.7	253.3		
		EBIT adjusted	65.2	50.1		
		Effective tax rate	20.9%	22.5%		
		Expected income taxes on EBIT adjusted	-13.6	-11.3		
		Net operating profit after tax (NOPAT)	51.8	39.0		
		ROCE in %	22.1	15.4		
		Net liquidity/(net debt)	Net liquidity or net debt is a key figure used to measure the Group's financial liquidity or debt.	Liquid assets	40.0	56.7
				Short-term financial liabilities	-4.6	-4.3
Long-term financial liabilities	-2.6			-64.2		
Net liquidity/(net debt)	32.8			-11.8		

Balance sheet of Zehnder Group AG



CHF million	Notes	31 December 2025	31 December 2024
Assets			
Liquid assets		0.8	0.4
Other short-term receivables	1	4.2	3.5
Prepayments and accrued income		0.1	0.1
Current assets		5.1	4.0
Financial assets	2	48.8	73.5
Participations	3	427.4	402.1
Non-current assets		476.2	475.7
Total assets		481.3	479.6
Liabilities & shareholders' equity			
Short-term interest-bearing liabilities	4	1.5	16.0
Other short-term liabilities	5	0.9	-
Accruals and deferred income		0.6	0.7
Short-term provisions		0.2	-
Current liabilities		3.1	16.7
Long-term interest-bearing liabilities	6	71.0	56.9
Non-current liabilities		71.0	56.9
Total liabilities		74.1	73.7
Share capital	7	0.6	0.6
Legal retained earnings		12.2	12.2
Voluntary retained earnings			
• Voluntary retained earnings		4.2	4.2
• Available earnings			
– Profit carried forward		383.7	376.0
– Net profit for the year		14.0	18.8
Own shares	8	-7.4	-5.8
Shareholders' equity		407.3	406.0
Total liabilities and shareholders' equity		481.3	479.6

Income statement of Zehnder Group AG



CHF million	Notes	2025	2024
Income from participations		17.0	22.1
Other operating income		1.5	1.2
Operating income		18.5	23.3
Personnel expenses		-1.0	-1.0
Other operating expenses		-4.4	-4.1
Operating profit		13.1	18.2
Financial income		3.0	5.7
Financial expenses		-2.1	-5.1
Direct taxes		-	0.1
Net profit for the year		14.0	18.8

Accounting and valuation principles



These annual accounts have been prepared in accordance with the provisions of the Swiss Accounting Law (title 32 OR [Swiss Code of Obligations]). The main valuation principles applied that are not prescribed by law are described below. It should be noted that the option of forming and releasing hidden reserves was exercised in order to safeguard the company's long-term best interests.

1. Income from participations

The income from participations corresponds to the dividend earnings of the company. These are generally stated before the deduction of withholding tax.

2. Own shares

Own shares are recognised under shareholders' equity in the balance sheet as a deduction at cost at the time of acquisition. If they are later resold, the profit or loss is recognised as financial income or expenses on the income statement.

3. Share-based compensation

If own shares are used for share-based compensation for Board of Director members, the difference between the current value at the time of allocation and the allocated share payment to the Board members is assigned as personnel expenses.

4. Participations

Participations are valued at acquisition cost less impairments.

5. Receivables and liabilities

Receivables and liabilities to third parties and Group companies are recognised at nominal values, less any operating individual allowance.

Notes to the financial statements of Zehnder Group AG



General comments

As Zehnder Group AG has a pure holding company function, the point must be made that the income development of this company in no way reflects the present or future profitability of Zehnder Group. Hence the development of the Group as set out in the consolidated financial statements – and not the individual financial statements of Zehnder Group AG – is decisive for the Board of Directors for their dividend proposal.

1. Other short-term receivables

CHF million	31.12.2025	31.12.2024
Other short-term receivables from Group companies	4.2	3.5
Total	4.2	3.5

2. Financial assets

CHF million	31.12.2025	31.12.2024
Loans to third parties	0.7	0.3
Loans to Group companies	48.1	73.2
Total	48.8	73.5

3. Participations

The directly or indirectly held majority interests which are material are included in the [Overview of companies](#) table set out in the consolidated financial statements in this Financial Report.

4. Short-term interest-bearing liabilities

CHF million	31.12.2025	31.12.2024
Loans from Group companies	1.5	16.0
Total	1.5	16.0

5. Other short-term liabilities

CHF million	31.12.2025	31.12.2024
Other short-term liabilities to third parties	0.9	-
Total	0.9	-

6. Long-term interest-bearing liabilities

CHF million	31.12.2025	31.12.2024
Bank loans	-	56.9
Loans from Group companies	71.0	-
Total	71.0	56.9

7. Share capital

	Registered shares A units 2025	Registered shares B units 2025	Nominal value CHF 2025	Registered shares A units 2024	Registered shares B units 2024	Nominal value CHF 2024
Total registered shares A as of 1.1.	9,268,200		463,410	9,756,000		487,800
Total registered shares B as of 1.1.		9,900,000	99,000		9,900,000	99,000
Cancellation due to capital reduction				-487,800	-	-24,390
Total at 31.12.	9,268,200	9,900,000	562,410	9,268,200	9,900,000	562,410

As in the previous year, the total share capital of Zehnder Group AG amounted to CHF 0.6 million, corresponding to EUR 0.4 million at the exchange rate of 1 January 2003. It comprises 9,268,200 registered shares A with a par value of CHF 0.05 each and 9,900,000 registered shares B with a par value of CHF 0.01 each.

The unlisted registered shares B (nominal value CHF 0.01) are held by Graneco AG, which is controlled by the Zehnder families. On the balance sheet date, Graneco AG and its shareholders held 53.4% of the company's registered shares and voting rights.

8. Own shares

The development of own shares can be seen in the table below.

	Registered shares A units 2025	Value per share CHF 2025	Value CHF 2025	Registered shares A units 2024	Value per share CHF 2024	Value CHF 2024
Own shares at 1.1., trading portfolio	110,989	52.68	5,846,576	583,148	69.01	40,242,880
Shares sold	-41,275	65.20	-2,691,306	-60,859	52.90	-3,219,164
Gain/(loss) from sale			592,555			-1,001,204
Cancellation due to capital reduction				-487,800	70.26	-34,270,603
Shares bought	63,200	58.15	3,675,355	76,500	53.53	4,094,667
Own shares at 31.12., trading portfolio	132,914	55.85	7,423,181	110,989	52.68	5,846,576

The own shares allocated to members of the Board of Directors are shown in item **6.1 Compensation to the Board of Directors in the 2025 business year** in the Compensation Report.

9. Number of full-time positions

The company has no employees.

10. Contingent liabilities

The company has guarantee obligations in favour of subsidiaries in the amount of CHF 50.0 million (previous year: CHF 58.0 million).

In connection with the acquisition of the 51% stake in Zhongshan Fortuneway Environmental Technology Co., Ltd., there is a contingent liability due to the granting of a put option on a further 25% stake in Zhongshan Fortuneway Environmental Technology Co., Ltd.

The company belongs to a VAT group which comprises all the Swiss companies in Zehnder Group and is thus jointly and severally liable vis-à-vis the Swiss Federal Tax Administration for any VAT debts of this VAT group.

11. Net release of hidden reserves

The total net release of hidden reserves amounts to CHF 7.0 million (previous year: CHF 14.0 million).

12. Events after the balance sheet date

Zehnder Group AG is not aware of any events that occurred after the balance sheet date that could have a material impact on the consolidated financial statements for the financial year ended December 31, 2025.

Proposal on the appropriation of earnings

	CHF
<hr/>	
The balance sheet profit available for distribution comprises	
Retained earnings from previous year	383,695,277
Net profit for 2025 according to the income statement	13,988,142
Balance sheet profit	397,683,419
<hr/>	
The Board of Directors proposes the following appropriation of earnings:	
Payment of a dividend ¹	15,747,480
To be carried forward to new account	381,935,939
Total appropriation of earnings	397,683,419

¹ Corresponds to a dividend of CHF 1.40 per registered share A and CHF 0.28 per registered share B.

As retained earnings have reached the statutory requirement of 20% of share capital, any corresponding allocation can be waived.

Report of the statutory auditor



Report of the statutory auditor to the General Meeting of Zehnder Group AG, Gränichen

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Zehnder Group AG (the Company), which comprise the balance sheet as at 31 December 2025, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 125 to 130) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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

Our audit approach



Overview

Overall materiality: EUR 4'800'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Valuation of participations

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	EUR 4'800'000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is a relevant benchmark against which a holding company can be assessed, and it is a generally accepted benchmark for materiality considerations.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of participations

Key audit matter	How our audit addressed the key audit matter
The key audit matter ("KAM") relates to the valuation of the participations.	We performed the following audit procedures to test the valuation of the participations:



The Company, as at 31 December 2025, holds direct and indirect participations in the amount of CHF 427.4 million (prior year: CHF 402.1 million).

The recoverable amount of these participations is assessed using a capitalised earnings model. In this process, wide-ranging qualitative and quantitative factors are taken into account. The model applies various assumptions that have a significant influence on the calculated recoverable amount of the participation.

We consider the impairment testing of participations as a key audit matter owing to their significance on the balance sheet and the corresponding estimation uncertainty.

Please refer to page 127 of the annual report for information on the accounting and valuation principles and to page 128 for the notes on the participations.

- Assessment whether a methodologically correct valuation process had been chosen and whether the calculations were mathematically correct.
- Reconciliation of the budget figures with the business plans of Management that had been approved by the Board of Directors.
- Critical assessment of the key assumptions, including the expected future earnings, the growth rate and the capitalisation rates used, by comparison with other available internal and external information and by performing sensitivity analyses.

We further conducted, on the basis of the available documentation, a critical assessment of the wider-ranging qualitative and quantitative factors considered in the valuation by Management.

Additionally, we compared the net assets of the Company with the market capitalisation of the Group.

Other information

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

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

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

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

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going



concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Ebinger
Licensed audit expert
Auditor in charge

Petar Lesic
Licensed audit expert

Lucerne, 23 February 2026

Sustainability Report

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Introduction

Our approach to sustainability

As a global provider of indoor climate and ventilation solutions, we recognise that our industry has a significant environmental footprint. We are committed to the United Nations (UN) Sustainable Development Goals (SDGs) and the United Nations Global Compact (UNGC), of which we are a signatory. Our sustainability strategy, based on a **double materiality assessment**, focuses on environmental responsibility, social issues, and governance. We work to reduce our environmental impact, promote fair labour conditions, and enhance transparency and accountability across our value chain.

Sustainability is central to our operations, as demonstrated by our policy commitments, including the **Code of Conduct** and the **Supplier Code of Conduct**. These policies align our activities and guide our suppliers in adhering to international standards, such as the UN Guiding Principles on Business and Human Rights (UNGPs) and International Labour Organization (ILO) conventions. We regularly review and update these policies. Our human rights due diligence framework, overseen by the CEO and the Sustainability Steering Committee, integrates human rights considerations into all operations.

Clear processes are in place to address negative impacts arising from our operations, including risk assessments and corrective actions. We are committed to investigating and resolving issues promptly, in line with our responsible business practices.

We provide several channels for our employees and stakeholders to seek advice or raise concerns. The Integrity Line (more details under **Compliance and fair business practices**) allows anonymous reporting of misconduct and policy violations. All concerns are handled confidentially, with safeguards in place to prevent retaliation.

We are an active member of various industry and sustainability associations. These memberships help us to follow global engineering best practices and to engage with other like-minded organisations. At Zehnder Group, we are committed to continuous improvement and high sustainability standards.

Our approach to reporting

From 2025 onwards, Zehnder Group's Sustainability Report will be incorporated into the Integrated Annual Report. We will continue to increase transparency by outlining our sustainability strategy, progress, and challenges and responding to evolving stakeholder expectations and regulatory requirements.

The Sustainability Report covers the period from 1 January to 31 December 2025, encompassing all business segments and consolidated companies in line with the **scope of consolidation in the Financial Report**. We apply the principle of including acquisitions and excluding divestments in the reporting year on a full-year basis, unless stated otherwise. Where available, value chain information (upstream and downstream) is included through direct engagement; any remaining gaps are addressed using research and stakeholder input.

Social and governance key performance indicators (KPIs) reflect full-year actuals, while environmental KPIs are based on three quarters of actual data and an estimate for the fourth quarter, unless a deviation of more than 5% from the Group total for this KPI has been discovered between the actual and estimated figures. Selected KPIs have undergone limited assurance by PricewaterhouseCoopers AG and have been marked with a checkmark , as described in the [Limited assurance report](#). Adjustments due to new or updated data are marked accordingly and figures that were unavailable or unpublished in the previous year or base year are marked “n/a”.

We report in accordance with the GRI (Global Reporting Initiative) Standards to the fullest extent permitted by law and our report on non-financial matters remains compliant with Art. 964a ff. of the Swiss Code of Obligations. The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) continue to be followed in our “[Climate action](#)” disclosures. Following the European Union (EU) omnibus proposal, the application of the Corporate Sustainability Reporting Directive (CSRD) has been deferred and the thresholds adjusted. We continue to collect data aligned with the European Reporting Standards (ESRS) to maintain readiness and will review CSRD applicability as the regulatory framework evolves. For the financial year 2025, we are voluntarily reporting on the [EU taxonomy](#) for the first time.

The report is structured as follows. The chapters [Introduction](#), [Governance](#), and [Strategy](#) describe Zehnder Group’s general approach to sustainability. The focus topics [Environmental matters](#), [Employee-related issues](#), [Social issues](#), [Combating corruption](#), and [Respect for human rights](#) are in line with the five non-financial reporting areas specified in the Swiss Code of Obligations. The focus topics contain issues identified based on the principles of double materiality. For each issue, we describe the associated impacts, risks, opportunities, and Zehnder Group’s management approach. We also describe the measures taken, their implementation and outlook, and report on relevant KPIs. The report also includes an [EU taxonomy](#) section. Finally, the report contains an index section comprising a [GRI content index](#), an [index in accordance with the Swiss Code of Obligations](#), a [TCFD index](#), and a [List of abbreviations](#).

Further details of our commitment to sustainability can be found on our [Sustainability website](#).

Restatements of information

Zehnder Group’s greenhouse gas (GHG) emissions accounting policy is based on the Science Based Targets initiative’s (SBTi) Net-Zero Standard Criteria and Corporate Near-Term Criteria as well as the GHG Protocol. Under this policy, the base year inventory must be recalculated and restated if changes in company structure and activities, methodology changes, or data errors lead to a change of 5% or greater in Scope 1 and 2 combined base year emissions, or a change of 5% or greater in total Scope 3 base year emissions. If total combined Scope 1, 2, and 3 base year emissions change by 5% or more, all scopes must be recalculated, integrating all known changes in company structure and activities, methodology changes and data errors in all scopes.

During the reporting year, a data error was identified at one Group company representing more than 5% of Zehnder Group’s total Scope 1, Scope 2, and Scope 3 GHG emissions. This triggered a restatement of historical emissions data.

While the primary impact was related to Scope 3 emissions, minor adjustments were also made to Scope 1 figures to ensure methodological consistency and comparability across reporting years according to our GHG emissions accounting policy. These adjustments did not materially affect the previously reported Scope 1 emissions. No changes were necessary for Scope 2 emissions for previous years. As a result, the restated Scope 2 figures remain unchanged compared to previously reported values.

Any resulting recalculations or restatements are disclosed and explained in the footnotes of the relevant tables and figures, with the scope and magnitude of changes indicated.

Governance: Purpose and structure of organisation

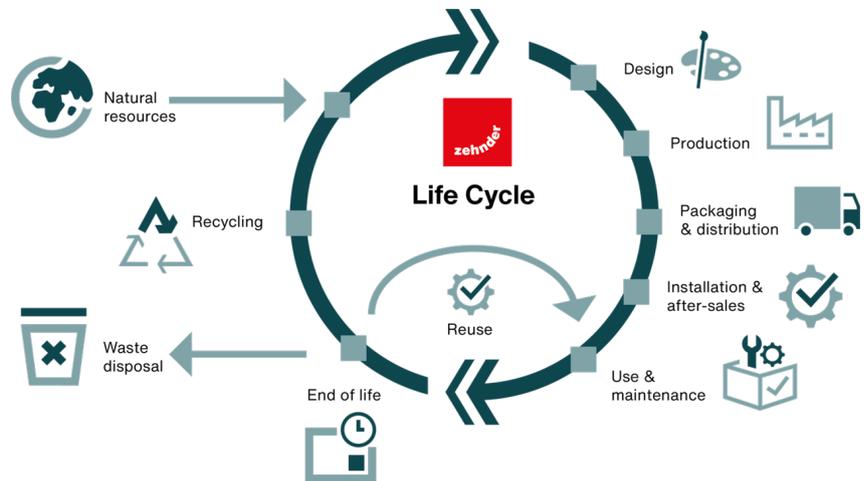
Organisational purpose

Description of the Zehnder Group business model

Zehnder Group is a global leader in indoor climate solutions, enhancing comfort, energy efficiency and health in residential, commercial, and industrial spaces through innovative products and systems. Energy efficiency means reducing energy consumption while maintaining optimal indoor conditions, lowering costs, and environmental impact. Health and comfort are achieved by ensuring fresh air circulation, consistent temperatures, and improved air quality.

We design and manufacture our products in our own facilities across Europe, China, and North America. We have sales activities in over 70 countries through local companies and representatives. Our value chain includes acquiring raw materials, developing products, procuring materials, producing goods, distributing products, supporting customers, and disposing of goods. We have strong business relationships with suppliers, partners, and customers. Our corporate purpose is to create sustainable and long-term value and this influences both our operations and partnerships.

The Zehnder value chain



Sustainability organisation of Zehnder Group ✓

The **General Meeting** is the supreme governing body of Zehnder Group. The ordinary General Meeting is held annually within six months of the end of the financial year and approves the Sustainability Report.

The **Board of Directors** is the highest governance body and oversees the sustainability strategy and its impacts. It comprises seven non-executive members, five of whom are considered independent under best practice standards.

The Board of Directors is supported by several committees. The **Nomination and Compensation Committee** manages sustainability-related remuneration and incentives, while the **Audit Committee** oversees sustainability- and climate-related risks within the overall risk framework. Day-to-day execution is the responsibility of the **Group Executive Committee**, while the **Sustainability Steering Committee** is responsible for developing the Group sustainability strategy.

The Chair of the Board is non-executive. Details on the Board's composition, skills, independence, tenure, and diversity as well as the nomination and selection process are provided in the [Corporate Governance Report](#).

Stakeholder expectations are integrated through regular materiality work; however, an internal definition for tracking under-represented social groups is still to be developed. Subsidiaries maintain employee representation where required by local law.

Delegation of responsibility ✓

The Board of Directors delegates the management of economic, environmental, and social impacts to senior executives.

At the centre of this governance structure is the **Sustainability Steering Committee**. Chaired by the CEO, it includes the Chair of the Board of Directors, the Group Executive Committee, and other senior management members. It meets monthly to serve as the primary decision-making body for sustainability strategy and defines targets, approves the measures required to achieve them, and ensures alignment with corporate objectives, while fostering cross-functional collaboration among leaders.

Within this framework, the **Group Executive Committee** develops and implements the sustainability strategy and sets the corresponding objectives, integrating them into planning and execution across business units and functions. Reporting directly to the CEO, the Group Sustainability Manager is responsible for leading the company's sustainability efforts. Supported by two team members, the **Group Sustainability Manager** is responsible for overseeing data collection, reporting on sustainability performance, and presenting an annual review to the Board of Directors and the Group Executive Committee. The **Competence Centres** and **business leaders** implement measures in their respective domains, consolidate KPIs from production sites, and submit regular progress reports to the committee.

Other Group Functions that are not directly part of the Sustainability Steering Committee but are represented by the CFO, such as Legal and Compliance, Finance and Controlling, and Group Procurement, are closely involved in implementing the strategy and driving the actions required to meet the Group's sustainability targets.

Oversight of sustainability impacts, controls, and risk management ✓

Sustainability is a standing Board agenda item, discussed at least twice a year, with regular KPI reports and an annual review of results and progress against targets. Zehnder Group operates an Internal Control System (ICS) that helps to ensure proper financial reporting, reliable bookkeeping, compliant and efficient operations, and to manage and mitigate risks. It also covers the assessment of selected sustainability data and is supplemented by Business Unit reviews and internal and external audits to assure information quality and reliability. Risk management follows the Group Risk Manual: each legal entity conducts an annual assessment, the Group monitors long-term meta-risks, a consolidated assessment is submitted to the Board and Internal Audit formally reports significant findings. The Board and the Group Executive Committee also conduct a joint annual review of sustainability impacts, risks, and opportunities, supported by ongoing KPI reporting.

Reviewing and approving the information ✓

The Board of Directors reviews and approves the reported information, including the organisation's material topics, following a structured, multi-level process: local data collection and validation by sustainability ambassadors, oversight by Group Controlling and Group Sustainability, approval by the Group Executive Committee, and final submission to the Board.

Expanding the collective knowledge ✓

Zehnder Group aims to enhance the Board of Directors' knowledge and expertise in sustainability, ensuring it is integrated into the corporate strategy. Sustainability expertise is a criterion for recruitment. Five of the seven board members contribute relevant sustainability insights from other boards, and four external members have completed seminars and training courses. The Board's knowledge is further enhanced through regular learning initiatives and a biennial self-assessment that incorporates sustainability.

Prevention and mitigation of conflicts of interest ✓

Zehnder Group has clear procedures to prevent and manage conflicts of interest. These are outlined in the **Articles of Association**, the **Organisational Regulations**, and the **Code of Conduct**. They detail all of the responsibilities. External engagements of Board and Group Executive Committee members are also limited by statutory rules, ensuring Board members' duties remain aligned with the Group's interests.

Board members and senior executives, along with all employees, must avoid any conflicts of interest with Zehnder Group. They must notify the Chair of the Board of Directors in writing if there is a potential conflict. If the conflict involves the Chair, the notification is directed to the Vice-Chair. The Chair (or Vice-Chair) assesses the situation and informs the Board of Directors if needed, recommending actions. In urgent cases, immediate measures can be taken and later reported to the Board of Directors.

To ensure transparency, all conflict disclosures and actions are documented. Zehnder Group discloses material conflicts of interest to stakeholders, when necessary, e.g. cross-board memberships, business dealings between the company and governing bodies, or related parties. These transactions are conducted at arm's length to ensure fairness and transparency.

Communication of critical concerns

Critical concerns are reported to the Board through defined channels, ensuring transparency in the handling of sustainability, risk, and compliance issues. The Audit Committee reviews significant risks, including compliance, legal and sustainability matters, and receives an annual compliance report. The Chair of the Committee, the Group General Counsel, and the Head of Group Internal Audit maintain continuous contact in order to escalate urgent legal or regulatory issues to the highest level.

Employees and external stakeholders can raise concerns via internal reporting channels (e.g. compliance breaches or operational risks). These are escalated to senior management and, if material, to the Board. The Board also receives briefings from the Sustainability Steering Committee on environmental, social, and economic risks. The number and nature of critical concerns in the reporting year are presented under **Compliance and fair business practices**.

Strategy: Materiality and stakeholder analysis

Materiality analysis

The list of material topics is based on the double materiality assessment conducted in 2023 and thoroughly reviewed and amended in 2024 with key stakeholders, including the CEO and the Board of Directors. The assessment undergoes an annual high-level review to ensure its continued relevance and robustness. A more in-depth reassessment will be carried out whenever significant changes occur that could affect material impacts, risks, or opportunities. Such changes could include major acquisitions, shifts in business activities, substantial changes in the supply chain, global events affecting human rights, new scientific insights, or societal expectations that alter the relevance or severity of sustainability issues.

In line with the European Financial Reporting Advisory Group (EFRAG) guidance, the UN SDGs and supported by internal analyses, we initially identified 80 potentially material topics. These were consolidated into 21 topics and assessed in a survey of 63 stakeholders – including employees, suppliers, customers, and members of the Executive Board – who rated each topic on a scale of 1 to 5 for likelihood and severity of impact, or financial impact (for risks and opportunities), over a five- to ten-year horizon. The survey results were then compared with internal priorities to avoid bias and to develop the materiality matrix, which has played a central role in shaping Zehnder Group's sustainability strategy.

In 2024, a TCFD analysis was conducted, enabling a detailed assessment of climate-related risks and opportunities. Taking this into account, the financial implications of climate change were outlined, and strategic adjustments were implemented with a focus on resilience and climate protection measures. Feedback from leadership and a benchmark against industry peers led to the validation of the data collection process, a reassessment, and the reorganisation of specific subtopics. This resulted in improved prioritisation and effectiveness.

Building on these insights, the materiality assessment continues to guide how we prioritise and address sustainability topics, ensuring alignment with stakeholder expectations and internal objectives.

Materiality Matrix



Indoor air quality (IAQ) is a key topic for Zehnder Group, given the company's focus on mechanical ventilation systems. Good air quality has a positive effect on health and well-being and helps reduce pollutants and humidity in buildings. At the same time, energy-efficient ventilation systems help reduce the ecological footprint. IAQ is an integral part of Zehnder Group's core business, offering our customers significant benefits through our products. Stakeholders have increasingly emphasised its importance in interviews. Although it was identified as relevant in the materiality analysis, it does not present a distinct sustainability challenge and is therefore not discussed in detail in this report.

Our other material topics remain unchanged from 2024 and are thoughtfully integrated and reflected throughout the report as follows:

- **Climate action:** addresses **Climate Change**, including our emissions, energy savings via heat recovery ventilation, and the management of physical and transition risks.
- **Resource-efficient production:** covers **Waste & Pollution** management, including packaging, scrap, and hazardous chemicals and addresses **Water Use** at key production sites.
- **Circular products and innovation:** emphasises **Circular Products & Business Models** including reparability, sustainable materials, and renovation-friendly solutions.
- **Occupational health and safety:** prioritises the well-being of employees, especially in environments with a strong focus on **Occupational Health & Safety**.
- **Attractive employer:** highlights initiatives to boost employee engagement and a supportive workplace culture.
- **Diversity, equal opportunity, inclusion, and decent work:** addresses **Fair & Equal Working Conditions**, including pay equity, diversity and inclusion, and anti-harassment measures.
- **Sustainable purchasing:** focuses on **Supplier Business Conduct & Sustainability Performance**, emphasising alignment with our ethical standards.

- **Compliance and fair business practices:** promotes **Corporate Culture & Business Conduct** by fostering transparency and compliance while preventing unethical practices.
- **Upholding human rights:** covers risks and due diligence efforts to ensure fair treatment in operations and supply chains.

Stakeholder analysis

Our stakeholder analysis helps us to identify important sustainability topics, recognise potential risks and opportunities and ensure that our actions are socially responsible and environmentally sustainable. This allows us to align our sustainability strategy with the expectations and concerns of those who are affected, either directly or indirectly, by our activities. Transparent communication enhances decision-making and, above all, fosters trust and builds lasting relationships.

In order to proceed with this process, we first identify our stakeholder categories by assessing their relevance to our operations, their influence on our business and the potential impact of our activities on them. Following consultations with internal teams across different branches, a preliminary comprehensive list has been compiled. We then prioritise these stakeholders based on their significance to our sustainability goals. Stakeholders include individuals and organisations with financial, legal, ethical, or environmental expectations of Zehnder Group, such as employees, customers, suppliers, investors, financial analysts, rating agencies, and non-governmental organisations.

Communication with stakeholder groups

To advance our sustainability goals, we utilise a variety of structured and inclusive approaches to engage with our different stakeholder groups, such as:

- Interviews, surveys, and workshops facilitate the collection of feedback and insights, ensuring relevance and actionable results.
- Annual and Sustainability Report along with ad hoc press releases are important media for informing shareholders and other stakeholders about key figures, sustainability initiatives, and other important topics.
- Presentations and roadshows together with conferences are important opportunities to ensure transparency, particularly towards financial stakeholders such as analysts and investors.
- Corporate governance meetings facilitate dialogue between the Chair of our Board of Directors, investors, and proxy advisors.
- Trade fairs and training sessions in addition to customer visits are ideal opportunities to interact directly with customers to exchange information and gather feedback.
- Collaboration with experts: organisations such as the UNGC can be helpful in aligning our practices with global sustainability standards.
- Supplier screening and audits are essential, as we closely collaborate with high-risk suppliers and aim to uphold our sustainable supply chain standards.

Environmental matters: Introduction

Shaping a resilient future

This section provides an overview of Zehnder Group's approach to sustainability in terms of **climate action**, **resource-efficient production**, and **circular products and innovation**. Subsequent subchapters explore the impacts, risks, and opportunities associated with our operations and products, as well as our management approach to addressing these challenges.

Since many environmental indicators are volume-sensitive, trends should be interpreted within the context of the Group's 2025 business performance (see **Management Report**). Although net sales were similar to 2023 and around 7.8% higher than in 2024, not all KPIs scale with net sales.

We always refer to CO₂e, including all relevant GHG emissions as per GHG Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

Climate action

Impacts, risks, and opportunities

Impacts

Our business contributes to global climate change through emissions in Scopes 1 to 3. While Scope 1 and Scope 2 emissions arise primarily from electricity and gas consumption in our production facilities, particularly in energy-intensive processes like welding, drying, surface coating, and the generation of compressed air, Scope 3 emissions arise during the use phase of our products, such as electric radiators or heating and cooling systems. Although Scope 3 emissions account for the largest share, reducing emissions in all three scopes is central to our internal decarbonisation efforts.

Nevertheless, Zehnder's ventilation systems also contribute to increased energy efficiency through integrated heat recovery, which uses outgoing air to heat or cool fresh outdoor air entering the ventilation system to within a few degrees of the room temperature. As these are avoided emissions, they are not included in our GHG emissions calculations; however, this technology can considerably reduce heating and cooling costs, leading to a more efficient use of energy resources. With an emission efficiency ratio of 1 to 7.5 compared to an alternate system¹, 10.2 times less energy is required. This corresponds to a reduction in energy consumption of 31.3 million GJ and savings of 1,498,487 t CO₂e emissions over its entire lifetime – a significant benefit to the environment while also benefitting our customers.

¹ Emissions and energy consumption are calculated for the full product use phase, and do not include emissions at other phases such as production, transport or disposal. Estimated product lifetimes vary between 8 and 20 years, depending on the product line. Grid emissions are split by country (source: International Energy Agency (IEA)). They are assumed to remain constant during product lifetime. Lost heat is replaced by heating systems, split between heat pumps (energy efficiency ratio of 3 as a conservative choice for renewables) and natural gas heaters (85% conversion efficiency). Natural gas heaters were selected as the conservative choice for non-electrical heating. Natural gas is assumed to have an emission factor of 183.0 g CO₂e/kWh (source: Department for Environment, Food and Rural Affairs (DEFRA) 2025 v1.0). The ratio of natural gas heaters to heat pumps is country-dependent and is generated using values provided by the Institute of Building Technologies and Energy at Lucerne School of Engineering and Architecture (HSLU), Switzerland, based on current national ratios of fossil-to-fossil-free heating methods. Data sources for heating per country: USA: US Energy Information Administration, Canada: Canada Energy Regulator, China: US Energy Information Administration, EU: Eurostat, UK: Statista, Switzerland: Energie Schweiz, Other: Assumption 80-20 split between fossil and fossil-free. The ratio of CO₂e consumption to an alternative system is calculated as 1 to 7.5. Assuming exclusively heat pump heating and considerable global grid decarbonisation (20 g CO₂e/kWh) reduces the ratio to 1 to 3.5.

Risks and opportunities

The TCFD assessment on climate-related risks and opportunities revealed that not only do Zehnder's business activities impact climate change, but climate change itself also influences Zehnder's business activities. It is expected that the frequency and severity of physical risks will increase in the short, medium, and long term.

In the short term (within 12 months), Zehnder Group faces risks from extreme weather events that may disrupt operations and supply chains or damage assets. Stricter regulations increase costs, particularly for energy and CO₂, but also create opportunities through greater transparency on climate risks. Incentives for sustainable projects further support early adaptation to changing market requirements and rising demand for sustainable products.

In the medium term (one to three years), Zehnder Group's investment in new technologies and development of innovative products for the transition to renewable and more energy-efficient energy sources and natural refrigerants will have a temporary impact on profitability, but will be beneficial in the long term. This is especially relevant against the backdrop of continuously rising CO₂ taxes and growing demand from climate-conscious consumers.

Long-term risks (more than three years) include the potential need to retrofit older facilities, as the emissions captured there could slow progress towards achieving our CO₂e reduction targets, particularly if carbon costs continue to rise. Furthermore, chronic climate risks, such as increasing heat and drought, could also affect sites in high-risk areas, for example in China and Canada.

At the same time, rising global temperatures may result in increased demand for solutions to mitigate overheating, which could consolidate our market position. Our proactive approach allows us to anticipate potential impacts early while capitalising on new opportunities for sustainable growth.

Management approach

Governance

Zehnder Group embeds climate governance within its sustainability framework, using tailored processes to manage climate risks and opportunities. The Sustainability Steering Committee oversees the climate strategy and reports progress and challenges on CO₂e reduction, energy efficiency, and decarbonisation initiatives to the Board of Directors. Because the Chair of the Board also sits on the Committee, Board oversight is directly connected to its work. The Audit Committee conducts an annual review of climate risk management to confirm its integration into the wider risk management framework.

The Board incorporates climate considerations into strategic planning: our targets are validated by the SBTi and climate factors are built into major action plans, risk policies, budgets, and business plans. These considerations guide capital investment, acquisition, and divestment decisions and shape performance objectives and progress tracking across the Group.

Roles are clearly defined. The Group Executive Committee, supported by the Sustainability Steering Committee, oversees delivery of the climate strategy and achievement of SBTi targets. The Group Sustainability Manager coordinates the strategy, manages data collection, and ensures alignment with international standards. Competence Centres execute operational measures, track KPIs (including CO₂e emissions and energy use), and report results to the Steering Committee. Reporting across all levels ensures consistent execution and full visibility to the Board.

Strategy

We are committed to growth without environmental harm. In line with the SBTi, we have reduction targets for Scope 1, 2, and 3 emissions and aim to reach net-zero CO₂e by 2050, with interim targets for 2033.

Our decarbonisation strategy is informed by a full analysis of CO₂e sources and backed by a roadmap. Core actions include improving energy efficiency, switching to renewable energy, and advancing circular product innovation. Early high-impact priorities include installing photovoltaic parks, converting fuelled fleets to electric vehicles, and procuring certified green electricity largely consistent with RE100 standards.

We are progressing towards more advanced technical measures, including technology upgrades in selected radiator production processes to drive further cuts. In parallel, we are investing in equipment upgrades, optimising energy management systems, and developing low-carbon heating and cooling solutions such as heat pumps and ventilation systems with integrated heat recovery. The Board of Directors has approved this strategy, which is fully aligned with our business objectives.

Scenario analysis of low-emission (+1.5°C) and high-emission (+4°C) pathways assesses physical and transition risks across operations, finances, and supply chains. Investments in renewables and energy-efficient technologies help mitigate exposure to energy price volatility and carbon taxation, while low-carbon product development positions us to capture opportunities created by shifting markets and regulation. The results feed into our financial planning so we can adjust proactively and remain resilient.

We track climate-related risks and opportunities using metrics such as CO₂e emissions, energy use, and the share of renewable energy in operations, and we assess potential financial impacts from carbon pricing. Changes in these emissions and energy-related KPIs reflect not only management measures but also external drivers such as production volumes, business activity, and product mix; trends should therefore be interpreted in that context. Climate performance influences remuneration: 30% of the Group Executive Committee's long-term bonus is linked to sustainability targets, including climate goals. We are exploring extending similar incentives to other employees to embed sustainability across the organisation.

Our climate strategy places strong emphasis on improving the energy efficiency of our products, as the use phase of electrical systems is the largest contributor to our Scope 3 emissions. We design radiators, ventilation, and climate systems to minimise energy demand in operation, for example through integrated heat recovery, optimised airflow, and intelligent control. Digital solutions such as our Clean Air Remote Application (CARA) help customers operate equipment efficiently by continuously adjusting performance based on sensor data. Product development teams increasingly use energy performance as a key design criterion, ensuring new launches contribute measurably to reducing emissions over their lifetime.

Risk management

Climate-related risks are fully embedded within our Enterprise Risk Management (ERM) framework, enabling systematic identification, assessment, and management. Zehnder Group proactively tracks global climate regulation to remain compliant and adapt to emerging requirements.

Risk materiality is assessed through potential cash-flow impacts. Mitigation responses include investing in energy-efficient technologies, retrofitting facilities, and adapting supply-chain practices to strengthen resilience. Management regularly evaluates whether to mitigate, transfer, accept, or control each risk to keep actions aligned with strategic objectives.

Integrating climate with broader business risks supports well-informed decisions, proactive risk management, and the ability to capture emerging opportunities.

Implementation and outlook

Implementation of the above management approach is structured around two focus areas, each with defined targets and KPIs.

Targets

Ambition: Reduce greenhouse gas emissions and achieve net-zero emissions by 2050 for Scope 1, 2, and 3

Target: Submit science-based targets for validation by the SBTi

- **Status:** Our science-based targets have been validated in 2025 by the SBTi and published on their [website](#). Our goal is to reduce Scope 1 and 2 emissions by 55% and Scope 3 emissions by 33% by 2033 from a 2023 baseline. These targets align with the SBTi's 1.5°C pathway for Scopes 1 and 2 and its below-2°C pathway for Scope 3.
- **Outlook:** By 2050, we aim to achieve net-zero emissions by reducing CO₂e emissions by 90% and neutralising the rest through carbon removals. We will continue implementing our roadmap, focusing on energy reductions and using more renewables. For hard-to-abate emissions, we will use verified nature-based removals, such as reforestation and soil carbon sequestration, as well as engineered removals, such as direct air capture with storage, including credible removal credits.

Target: Reduce Scope 1 and 2 emissions

- **Status:** In 2025, we reduced our Scope 1 emissions to 7848 t CO₂e, achieving a 6.3% decrease from 2024, primarily due to lower natural gas use following the outsourcing of radiator production in China and the relocation of production from Switzerland to France. Scope 2 emissions (market-based) declined to 6940 t CO₂e, a 9.5% decrease from the previous year. This decline was primarily driven by the use of RE100-aligned Energy Attribute Certificates (EACs) in Poland, which covered 21% of the site's 2025 grid electricity. Together, Scope 1 and Scope 2 emissions accounted for 1.1% of our total emissions and are 16.4% below the 2023 base year, keeping us aligned with our SBTi reduction pathway and on track to meet our Scope 1 and 2 targets.

Renewable energy is one of our main levers for decarbonisation. In 2025, 45.6% of our electricity consumption was certified as 100% renewable (48.2% in 2024), either through direct supply or via EACs. The decline compared to the previous year reflects a change in consumption patterns: production facilities already supplied with 100% renewable energy consumed less electricity, while sites without renewable energy contracts experienced increased demand. Additionally, a change of supplier occurred at one location in the Netherlands, further reducing the certified share when the switch was made from green electricity to a conventional energy supply.

While most of our sites purchase electricity locally, our three largest sites in Germany, Türkiye, and Poland are centrally managed and represent key levers for expanding the use of renewable energy across the company. Electric vehicles are already in operation in multiple sites, including Germany and Türkiye, and a new photovoltaic system is being installed at our headquarters to enhance energy independence.

- **Outlook:** From next year, we will extend the use of electric vehicles in selected European countries. While not all certificates are fully aligned with RE100 yet, all EACs for our sites in Lahr (Germany), Manisa (Türkiye) and Bolesławiec (Poland) are expected to meet these criteria from 2026. Alongside this, expanding on-site renewable generation and electrifying operations will further advance our progress towards a low-carbon, energy-independent future.

Target: Reduce Scope 3 emissions

- **Status:** Scope 3 remains our largest source of emissions, amounting to 1,348,431 t CO₂e in 2025, or 98.9% of our total footprint². This is a 5.0% reduction from the previous year and is primarily driven by lower radiator sales and lower sales at a Chinese ventilation branch. These reductions are 19.5% below the 2023 base year and in line with our SBTi reduction pathway, keeping us on track to meet our Scope 3 targets. The use phase of electrical products sold over their lifetime continues to be the biggest contributor, accounting for 81.2% of Scope 3 emissions, representing a 7.8% decrease from 2024³. Purchased goods are the second-largest contributor at 15.0% and increased 13.9% from 2024, with emissions stemming mainly from metals (44.4%), non-packaging plastics (25.8%), and electronics (21.8%)⁴.

In response to these drivers we focus on materials, supplier collaboration, and product use. Low-emission electric arc furnace steel is being trialled at our two radiator sites in Germany and France, with positive results. The share is around 10% of demand in 2025 and could rise to up to 25% in 2026, pending the outcome of final tests. Recycled-content certificates are not yet available, and supply is currently single-sourced, so diversification remains a priority. New SAP material groups are being established in our ERP system to track recycled content in plastics, while development work continues to increase recycled shares and improve product recyclability.

Our radiators and ventilation systems are designed for energy-efficient operation. Actual performance depends on correct installation and use. We support users with practical guidance and controls to help them optimise settings and reduce avoidable energy use. Our CARA continuously adjusts system performance based on sensor input to maximise efficiency.

- **Outlook:** We will continue to expand the use of recycled and low-emission materials, working closely with suppliers to scale up feasible solutions. Further digitalisation and smart control systems will help customers operate our products even more efficiently, contributing to lower emissions throughout the product life cycle.

Ambition: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters**Target: Analyse the recommendations of the TCFD and further embed climate risks into the risk management process and internal control system**

- **Status:** Climate-related risks identified through the TCFD-based physical risk assessment have been integrated into the company's risk management framework. Business units with "Medium" to "High" risk levels include these in their local risk processes, evaluating mitigation measures and planned actions. Transition risks identified in the 2024 TCFD analysis are reviewed annually by the Group Executive Committee and presented to the Board for approval each December.
- **Outlook:** Our goal at this point in time remains to raise awareness of climate risks and continue to educate the local Business Units, as well as the Management and Board. These risks will be monitored at both Business Unit and Group Executive Committee levels to ensure they are identified as early as possible, allowing appropriate measures to be taken where necessary.

² The 2023 (base year) and 2024 (previous year) figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections and methodology changes. Total Scope 3 figures were affected by this restatement. The original reported figures were 1,602,591 t CO₂e emissions for 2024 and 1,874,862 t CO₂e emissions for 2023. For further information, see [Restatements of information](#).

³ Use of sold products (Scope 3.11) figures were not affected by the restatement.

⁴ Purchased goods (Scope 3.1) figures were affected by the restatement. The original reported figures were 364,863 t CO₂e emissions for 2024 and 427,673 t CO₂e emissions for 2023. For further information, see [Restatements of information](#).

Metrics

GRI 302: Energy 2016

Disclosure 302-1 Energy consumption within the organisation

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total fuel consumption from non-renewable sources ¹	GJ	140,489	150,469	-6.6%	163,896	-14.3%
Total fuel consumption from renewable sources ²	GJ	-	-	-	-	-
Total electricity consumption	GJ	135,863	141,500	-4.0%	147,180	-7.7%
Total heating consumption	GJ	11,794	12,058	-2.2%	13,264	-11.1%
Total cooling consumption	GJ	-	-	-	-	-
Total steam consumption	GJ	-	-	-	-	-
Total electricity sold ³	GJ	3,960	3,161	25.3%	3,675	7.8%
Total heating sold	GJ	-	-	-	-	-
Total cooling sold	GJ	-	-	-	-	-
Total steam sold	GJ	-	-	-	-	-
Total NET energy consumption	GJ	288,145 	304,027	-5.2%	324,340	-11.2%

The methodology follows the GHG Protocol. Scope 1 and 2 activity data have been centrally collected through Zehnder's Hyperion Financial Management system (consolidation tool). Reporting units were pre-defined and data collection adhered to the operational control approach.

The source of the conversion factors used was DEFRA 2023 v1.0.

- 1 The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. The original reported figures were 150,417 GJ for 2024 and 163,855 GJ for 2023. For further information, see [Restatements of information](#).
- 2 The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. The original reported figures were 52 GJ for 2024 and 41 GJ for 2023. For further information, see [Restatements of information](#).
- 3 Sold electricity is excluded from NET energy consumption.

GRI 302: Energy 2016

Disclosure 302-2 Energy consumption outside of the organisation

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Energy consumption outside of the organisation	GJ	25,232,104	24,252,961	4.0%	26,633,917	-5.3%

The energy consumption information only encompasses the use of sold and leased products. Data for other up- and downstream categories is unavailable. The estimated highest energy consumption is based on the use of sold products, calculated over their product lifetime. Energy consumption for leased products is calculated solely for the reporting year (12 months).

GRI 302: Energy 2016**Disclosure 302-3 Energy intensity**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Energy intensity ratio for the organisation using energy consumption within the organisation ¹	GJ/TEUR	0.38	0.43	-12.1%	0.43	-11.0%
Energy intensity ratio for the organisation using energy consumption outside of the organisation	GJ/TEUR	33.17	34.36	-3.5%	34.95	-5.1%
Energy intensity ratio for the organisation using energy consumption both within and outside of the organisation ²	GJ/TEUR	33.55	34.79	-3.6%	35.37	-5.2%

The energy included in the intensity ratio is fuel, electricity, and heating.

The energy consumption outside of the organisation only encompasses the use of sold and leased products. Data for other up- and downstream categories is unavailable. The estimated highest energy consumption is based on the use of sold products, calculated over their product lifetime. Energy consumption for leased products is calculated solely for the reporting year (12 months).

The organisation-specific metric (the denominator) chosen to calculate the ratio was net sales (EUR 760.7 million in 2025, EUR 705.8 million in 2024, and EUR 762.1 million in 2023).

- The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. However, the original reported figures were also 0.43 (rounded) for 2024 and 0.43 (rounded) for 2023. For further information, see [Restatements of information](#).
- The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. However, the original reported figures were also 34.79 (rounded) for 2024 and 35.37 (rounded) for 2023. For further information, see [Restatements of information](#).

Energy circularity**Renewable energy**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Energy circularity: Renewable energy in % of total net energy consumption	%	22.6	23.3	-0.7pp	21.6	1.0pp

Energy circularity only refers to energy consumed within the organisation.

The lower share of renewable energy mainly reflects a shift in the consumption mix: sites that were already using 100% renewable electricity consumed less power, while sites without renewable contracts increased their demand. Additionally, the share of renewable electricity was slightly lower than in 2024 for the aforementioned reasons, which further impacted the KPI.

The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. However, the original reported figures were also 23.3% (rounded) for 2024 and 21.6% (rounded) for 2023. For further information, see [Restatements of information](#).

GRI 305: Emissions 2016**Disclosure 305-1 Direct (Scope 1) GHG emissions**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Gross direct (Scope 1) GHG emissions in metric tons of CO ₂ equivalent ¹	t CO ₂ e	7,848	8,379	-6.3%	9,225	-14.9%
Biogenic CO ₂ emissions in metric tons of CO ₂ ²	t CO ₂	153	175	-12.6%	182	-16.1%

Scope 1 emissions consist of 64.9% heat and cold from fossil fuels, 34.3% fossil fuel for vehicles, and 0.8% others.

The base year for the calculation is 2023.

Emission factors for 2023 (base year) are taken mainly from DEFRA 2023 v1.0, emission factors for 2024 (previous year) from DEFRA 2024 v1.0, and emission factors for 2025 (current year) from DEFRA 2025 v1.0. Biogenic CO₂ emissions are not included in gross direct (Scope 1) GHG emissions.

Data is consolidated according to the operational control approach as per GHG Protocol.

The methodology follows the GHG Protocol and the calculation was performed in Microsoft Excel. There were no specific assumptions made for the calculation of Scope 1 emissions.

- 1 The 2023 (base year) and 2024 (previous year) figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. The original reported figures were 8377 t CO₂e for 2024 and 9223 t CO₂e for 2023. For further information, see [Restatements of information](#).
- 2 The 2023 (base year) and 2024 (previous year) figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. The original reported figures were 177 t biogenic CO₂ emissions for 2024 and 184 t biogenic CO₂ emissions for 2023. For further information, see [Restatements of information](#).

GRI 305: Emissions 2016

Disclosure 305-2 Energy indirect (Scope 2) GHG emissions

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Gross market-based indirect (Scope 2) GHG emissions in metric tons of CO ₂ equivalent	t CO ₂ e	6,940	7,670	-9.5%	8,457	-17.9%
Gross location-based indirect (Scope 2) GHG emissions in metric tons of CO ₂ equivalent	t CO ₂ e	11,833	13,356	-11.4%	14,545	-18.6%

The base year for the calculation is 2023.

Emission factors for electricity consumption are mainly taken from the latest available and completed dataset from IEA (current year: IEA 2025, previous year: IEA 2024, base year: IEA 2023), and if available, supplier-specific emission factors provided by energy suppliers or the residual mix from Association of Issuing Bodies (from the same year as IEA data) were used as per GHG Protocol Scope 2 Guidance (only for market-based). For district heat from fossil fuels DEFRA 2025 v 1.0 (previous year: DEFRA 2024 v 1.0, base year: DEFRA 2023 v 1.0) was used and for district heat from renewable sources ecoinvent 3.11 (previous year: ecoinvent 3.10, base year: ecoinvent 3.9.1) (modified to fit Scope 2 definition) assuming 25.0% each biogas, biomass (wood chips), solar collector, and geothermal was used. It was calculated with Intergovernmental Panel on Climate Change (IPCC) 2021 100a Global warming potential (GWP). Biogenic CO₂ emissions are not available separately and therefore cannot be reported. Biogenic CO₂ emissions are not included in gross energy indirect (Scope 2) GHG emissions.

Data is consolidated according to the operational control approach as per GHG Protocol.

GRI 305: Emissions 2016

Disclosure 305-3 Other indirect (Scope 3) GHG emissions

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Gross other indirect (Scope 3) GHG emissions in metric tons of CO ₂ equivalent	t CO ₂ e	1,348,431	1,419,439	-5.0%	1,675,685	-19.5%

Scope 3 emissions consist of 15.0% purchased goods from third-party suppliers (202,675 t CO₂e), 81.2% use of sold products (1,094,428 t CO₂e), and 3.8% other categories (fuel- and energy-related activities (5338 t CO₂e), upstream transportation (8781 t CO₂e), generated waste during operations (1947 t CO₂e), business travel (1539 t CO₂e), employee commuting (3786 t CO₂e), downstream transportation and distribution (1329 t CO₂e), end-of-life treatment of sold products (10,985 t CO₂e), and downstream leased assets (17,623 t CO₂e).

Included in the calculation are all relevant categories as per GHG Protocol: purchased goods, fuel- and energy-related activities, upstream transportation, generated waste during operations, business travel, employee commuting, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products, and downstream leased assets.

Based on calculations for 2023, emissions from purchased services and capital goods are excluded as they do not contribute more than 1.0% to total emissions and are calculated based on monetary spend contrary to all other categories. Emissions from upstream leased assets are already included in Scope 1 and 2 emissions. As Zehnder does not manufacture intermediate products, emissions from the processing of sold products are not applicable. There are no franchises and no investments.

The base year for the calculation is 2023.

Emission factors are taken from ecoinvent 3.11 (previous year: 3.10, base year: ecoinvent 3.9.1) calculated with IPCC 2021 100a GWP. Additional emission factors are taken from DEFRA 2025 v1.0 (previous year: DEFRA 2024 v1.0, base year: DEFRA 2023 v1.0), IEA 2025 (previous year: IEA 2024, base year: IEA 2023), and EPA 2023 for GHG inventories. An exception applies to the restatement of purchased goods (Scope 3.1) and use of sold products (Scope 3.11), for which ecoinvent 3.11 emission factors are used consistently (for base year and previous year). Biogenic CO₂ emissions are not available separately for all Scope 3 categories and are not included in gross other indirect (Scope 3) GHG emissions.

The methodology is based on the GHG Protocol and the calculation was performed in Microsoft Excel and SimaPro 9.6.0.1.

Assumptions:

Purchased goods: When the material composition was unclear, the highest emission factor within the category (e.g. plastics) was utilised. Zehnder estimated the percentage of recycled-input materials purchased from European suppliers for certain metals and packaging materials, which were applied if business units did not provide a percentage of recycled content, but the material was reported as produced in Europe.

Purchased services and capital goods: Both categories were computed for 2023 using a spend-based methodology and collectively contribute less than 1% to the total footprint. Consequently, they are not included.

Fuel- and energy-related activities: Emissions from the upstream value chain of electricity production were calculated with IEA 2025 factors (for previous year: IEA 2024 and for base year: IEA 2023) (as also applied for Scope 2). For all other inputs, well-to-tank (WTT) emission factors were utilised from the same sources employed for Scope 1 calculations.

Up- and downstream transport: If there was no lorry size given then 16-32 metric tonnes were assumed and if no emission standard was provided then EURO5 was assumed. The average weight of a parcel sent by Zehnder was assumed to be 4.5 kg/parcel based on the average given by sampled business units. In cases where it was not possible to distinguish between transport distances from different suppliers, the average one-way distance was assumed and applied as the one-way distance for aggregated suppliers.

Generated waste: Following the cut-off by classification approach, emissions from waste treatment processes from preparation for reuse, recycling, and other recovery operations are cut-off and do not contribute to the carbon footprint.

Business travel: To calculate emissions from the use of private and rental cars for business travel the emission factor was assumed to be 50% diesel and 50% petrol. Emissions from business travellers staying in hotels have not been included, as their reporting is optional under the GHG Protocol. This decision is based on the limited availability and quality of data, as well as the relatively low impact of these emissions on the overall footprint.

Employee commuting: Emissions from the use of electric cars and scooters for commuting are calculated using basic assumptions from ecoinvent for kWh/km and calculated using the country-specific emission factors from IEA.

Upstream leased assets: This Scope 3 category is not applicable for Zehnder.

Processing of sold products: This Scope 3 category is not applicable for Zehnder.

Use of sold products: The emission factor for electricity used by sold products throughout their lifetime is not adjusted for possible future changes in emissions per kWh.

End-of-life: The end-of-life treatment for sold products only considers the non-recyclable parts, following the cut-off by allocation approach. This is based on the assumption that recyclable components will undergo recycling.

Downstream leased assets: Emissions from the use of leased products are only calculated for one year, unlike the use of sold products where the entire lifetime of each product is considered.

Franchises: This Scope 3 category is not applicable for Zehnder.

Investments: This Scope 3 category is not applicable for Zehnder.

The 2023 (base year) and 2024 (previous year) figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections and methodology changes. The original reported figures were 1,602,591 t CO₂e emissions for 2024 and 1,874,862 t CO₂e emissions for 2023. For further information, see [Restatements of information](#).

GRI 305: Emissions 2016

Disclosure 305-4 GHG emissions intensity

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
GHG emissions intensity ratio for the organisation (Scope 1 and 2) ¹	t CO ₂ e/TEUR	0.02	0.02	-0.00	0.02	-0.00
GHG emissions intensity ratio for the organisation (Scope 3) ²	t CO ₂ e/TEUR	1.77	2.01	-0.24	2.20	-0.43
GHG emissions intensity ratio for the organisation (Scope 1, 2, and 3) ³	t CO ₂ e/TEUR	1.79	2.03	-0.24	2.22	-0.43

Direct Scope 1, indirect Scope 2 (market-based), and/or indirect Scope 3 emissions were included in the intensity ratios.

The organisation-specific metric (the denominator) chosen to calculate the ratio was net sales (EUR 760.7 million in 2025, EUR 705.8 million in 2024, and EUR 762.1 million in 2023).

¹ The 2023 figure (base year) and 2024 figure (previous year) have been restated due to reasons explained above. However, the original reported figures were also 0.02 t CO₂e/TEUR (rounded) for 2024 and 0.02 t CO₂e/TEUR (rounded) for 2023. For further information, see [Restatements of information](#).

² The 2023 figure (base year) and 2024 figure (previous year) have been restated due to reasons explained above. The original reported figures were 2.27 t CO₂e/TEUR for 2024 and 2.46 t CO₂e/TEUR for 2023. For further information, see [Restatements of information](#).

³ The 2023 figure (base year) and 2024 figure (previous year) have been restated due to reasons explained above. The original reported figures were 2.29 t CO₂e/TEUR for 2024 and 2.48 t CO₂e/TEUR for 2023. For further information, see [Restatements of information](#).

Resource-efficient production

Impacts, risks, and opportunities

Impacts

Many of Zehnder Group's operations involve significant resource use, particularly in radiator manufacturing. Radiators are made from aluminium and steel, whose extraction generates substantial CO₂e emissions and pollution. Production is energy- and water-intensive, involves hazardous substances, and generates waste, wastewater, and air pollutants including nitrogen oxides (NO_x), sulphur oxides (SO_x), and volatile organic compounds (VOCs).

In contrast, ventilation system manufacturing is mainly assembly-based and less resource-intensive, though it relies heavily on electronics that contain scarce and potentially conflict-affected materials, making sustainable sourcing essential.

Zehnder Group also operates chroming facilities, which produce wastewater and sludge; proper treatment ensures their environmental compatibility.

Overall, Zehnder Group aims to reduce resource requirements by extending product lifecycles and using durable materials.

Risks and opportunities

Given the resource-intensive nature of several activities, Zehnder Group is exposed to a range of risks linked to resource-efficient value creation. Stricter emissions and water-use regulations may increase operating costs if resource consumption is not reduced. In addition, inadequate waste or pollution management can lead to reputational risk.

At the same time, improving resource efficiency offers significant opportunities. By optimising production processes and reducing waste, Zehnder Group can strengthen regulatory compliance and lower operating costs. Product innovations that enhance energy efficiency, durability, and repairability also support the growing demand for circular solutions, improving the company's competitiveness.

Management approach

In order to significantly reduce energy use, waste, hazardous substances, emissions, and water consumption, Zehnder Group promotes resource efficiency through continuous process monitoring and improvement. Due to differences in production processes, technologies, and product mix, performance varies by site, so each production site is responsible for implementing tailored reduction measures and reporting progress to the Sustainability Steering Committee. Regular due diligence, including environmental certifications, underpins this approach. All European radiator production sites are certified to ISO 14001 for environmental management.

Reducing pollution

Radiator manufacturing is energy-intensive and can generate hazardous emissions. To reduce impacts, we are trialling alternative surface treatments, such as physical vapour deposition (PVD) coating, to reduce our reliance on chroming, a process that produces wastewater and sludge. We monitor and reduce emissions of NO_x, SO_x, and VOCs wherever feasible, and all our sites operate in full compliance with applicable local environmental regulations.

Water use and wastewater treatment

We periodically assess our environmental impact using the Aqueduct Water Risk Atlas¹, a global database developed by the World Resources Institute and widely used for evaluating local water risk, to identify sites where contextual water stress is elevated. The 2025 update identified 14 sites in areas of high or extremely high water stress, where human demand exceeds 60% of the renewable supply. While twelve of these sites are offices or non-water-intensive facilities with comparatively low water withdrawal and minimal process effluent, two sites – Manisa in Türkiye and Vaux-Andigny in France – are radiator production plants. As radiator manufacturing involves water-intensive processes such as painting, plating, and cutting, these locations have a higher operational exposure and therefore receive enhanced management attention.

At highly exposed sites, our focus is on reducing the withdrawal of freshwater and controlling effluent quality. Water for radiator production is sourced from springs or the drinking water network. Wastewater from our radiator production sites is pre-treated before being processed by public sewage plants, and the efficiency of this process is monitored by public authorities. Independent bodies regularly test our wastewater to ensure it complies with legal standards.

Waste management and recycling

Zehnder Group is committed to manufacturing in a way that is efficient in terms of resources and reduces waste, hazardous substances, and other manufacturing impacts. We have implemented a consistent approach to waste sorting and are using more sustainable materials. We are redesigning packaging to make it easier to recycle, for example by replacing protective films with cardboard solutions, increasing the use of recycled/recyclable materials, and reducing rejects through more precise cutting of media. We are also piloting refurbishment and component-recovery programmes in the Ventilation and Radiator segments. These programmes aim to keep materials in use and minimise end-of-life waste across the value chain. Our original focus on reducing returns has evolved into a life-cycle approach that captures value at the take-back, repair, and reuse stages. For more detail, see [Circular products and innovation](#).

¹The [Aqueduct Water Risk Atlas](#) developed by the World Resources Institute is an online global database of local-level water risk indicators and a global standard for measuring and reporting geographic water risk.

Implementation and outlook

Implementation of the above management approach and policies is structured around two focus areas with defined targets and KPIs.

Targets

Ambition: Significantly reduce our energy consumption, waste generation, use of hazardous substances, polluting air emissions, and water consumption

Target: Increase waste recycling

- **Status:** In 2025, the percentage of waste directed to recycling or recovery was 75%, compared to 77% in 2024 and 84% in 2023. The decline reflects improved data quality and corrections of previous misclassifications at several sites. Year over year, total waste rose by 9%, and hazardous waste rose by 14%, largely due to one-time dismantling activities at our Swiss production site. Notably, this included streams such as heavy metals (e.g., copper cables), electronics, used oil and emulsions, and solvents and chemicals. These activities temporarily increased fractions with limited recycling options.

To increase waste recycling across our production sites, we have analysed waste categories in more detail and are implementing improvements step by step in close cooperation with suppliers. Some constraints remain due to national legislation and local waste or energy recovery priorities.

At our radiator production sites, several tangible measures were introduced. In France, landfilling of sludge and paint powder was discontinued and expanded polystyrene (EPS) was removed from packaging. Waste sorting was improved both on the shop floor and in offices. In Poland, shrink foil was eliminated from the packaging process.

In our ventilation business, hazardous foam packaging in the Netherlands was replaced with cardboard inlays and preparations are underway for more recyclable packaging and automated box folding. In the UK, reusable plastic boxes are replacing cardboard transit boxes, and digital scanning will reduce paper use. In Finland, energy efficiency improved through automation of lighting and ventilation systems and the installation of a new high-efficiency heat exchanger.

- **Outlook:** We continue to strive toward a Group-wide average recycling and recovery rate of 90%. Planned measures include the introduction of recycled pallets and revised waste concepts at selected sites. Looking ahead, we are committed to eliminating landfill waste by 2028 and to achieving our first waste-free production site by 2030.

Target: Introduce circular business models including refurbishment to leverage product returns

- **Status:** As part of the EMEA Circular Economy project, five ideas were developed, one of which was selected for implementation: the refurbishment of ventilation spare parts, initially focusing on fans. A first market test will be carried out in early 2026 in the Netherlands, where refurbished fans will be offered by Zehnder Group's service technicians at a 15% discount compared with new spare parts, with the same warranty as new spare parts. This test is designed to assess customer acceptance of refurbished components. The team is also defining logistics and product master data management processes, while exploring ways to expand the limited annual return volume of around 50 units, for example through installer involvement.

Zehnder Group has also been invited to join the Fraunhofer Institute's E² Cycle project, which aims to build multi-stage value retention networks enabling high-value product and component recovery.

- **Outlook:** Next steps include advancing the refurbishment offer for high-demand spare parts and exploring further circular concepts such as update kits for ventilation units. In addition, a new replacement and product-as-a-service model is being developed, offering system replacements with take-back and reconditioning. Integration of return processes into SAP value flows is also under review to ensure efficient implementation.

Target: Replace hazardous substances with non-hazardous alternatives

- **Status:** Across production sites, 160 hazardous substances were identified, and 48 have already been eliminated. Product Business Units are now identifying further candidates for substitution with non-hazardous alternatives.

Tests with PVD coating as a substitute for chrome plating on towel radiators showed good quality and feasibility, though large-scale use remains limited by vacuum chamber capacity. Alternative finishes such as polished stainless steel are being explored.

- **Outlook:** We aim to expand the substitution of hazardous substances by advancing the use of non-chrome coatings and alternative surface finishes. Further assessments will determine technically and economically viable replacements for remaining toxic substances, ensuring continued progress towards safer and more sustainable production. Our goal is to replace 100% of technically replaceable hazardous substances by 2030.

Target: Reduce polluting air emissions

- **Status:** We revised the target to provide a comprehensive view of all Zehnder activities. Since the use of petrol and diesel in the vehicle fleet generates a larger share of harmful air emissions than production gas use, the scope now covers all air pollutants and uses the EU Environmental Footprint indicator in millipoints (EF 3.1 [mPt]), which weights pollutants by their environmental and health impact (lower is better), rather than a simple sum of tonnes. The target is to reduce NO_x, SO_x, POPs, NMVOCs, HAPs (Pb), PM_{2.5}, CO, and NH₃ by 20% by 2025 compared to 2023.

The EF 3.1 score decreased by 5.4% compared to the 2024 baseline and by 18.4% compared to the 2023 baseline, leaving us just short of the 20% goal. The largest reduction potential remains in the vehicle fleet. In the meantime, we are continuing to reduce the energy used for room temperature control at production sites.

- **Outlook:** Further reductions are expected from optimising process temperatures, for example by switching to low-temperature powder coatings. Additional potential lies in investing in solar thermal systems and heat recovery technologies to further decrease energy use and associated emissions. In line with these measures, our aim is to reduce polluting air emissions significantly by 2030.

Target: Decrease water withdrawal by 10% in facilities where water is used in production and that are located in water-stress areas

- **Status:** The amount of water withdrawn at our production sites where water is used in water-stressed areas (currently Türkiye and France) was 30,830 m³, compared to 77,130 m³ in 2024, which represents a decrease of 60% and 59% below the 2023 baseline. Türkiye achieved its site-level reduction target for 2025; France has not yet met its target.

At our production site in Türkiye, which accounts for the largest proportion of our total water usage, water withdrawal decreased by 67% from 64,800 m³ in 2023 to 21,461 m³ in 2025. The site continued implementing measures such as improved leak detection, process optimisation, and reduced irrigation times.

At our production site in France, withdrawal decreased by 4%, from 9798 m³ in 2023 to 9365 m³ in 2025. The target was partly not achieved due to production being relocated from Switzerland. While combined withdrawal across both locations in France and Switzerland fell by more than 10%, the shift concentrates demand in a water-scarce region, resulting in a negative impact from a water-resource perspective. Mitigation measures included installing water meters with automated reporting in all critical processes and completing a detailed mapping of consumption. Cleaning frequencies in the autophoretic process were reviewed to reduce water use and filtration replaced water exchange in the leak test area.

- **Outlook:** In Türkiye, additional water meters will be installed at 11 locations within the production area to enable more detailed monitoring and analysis. Both the France and Türkiye sites will continue focusing on optimising process control, enhancing leak detection and identifying further opportunities to reduce water consumption. These measures underpin our aim to cut group-wide freshwater withdrawal by 20% by 2028 compared to 2023.

Metrics

GRI 303: Water and Effluents 2018

Disclosure 303-3 Water withdrawal

Disclosure 303-3a Total water withdrawal from all areas

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Surface freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	0.17	0.15	15.2%	-	n/a
Other surface water withdrawal (> 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Total surface water	ML	0.17 	0.15	15.2%	-	n/a
Groundwater freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	9.33	9.48	-1.6%	9.45	-1.3%
Other groundwater withdrawal (> 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Total groundwater	ML	9.33 	9.48	-1.6%	9.45	-1.3%
Seawater freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Other seawater withdrawal (> 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Total seawater	ML	- 	-	-	-	-
Produced freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	-	-	-	0.33	-100.0%
Other produced water withdrawal (> 1000 mg/L total dissolved solids)	ML	0.02	0.03	-50.0%	0.03	-50.0%
Total produced water	ML	0.02 	0.03	-50.0%	0.36	-95.6%
Third-party freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	56.48	68.25	-17.2%	76.54	-26.2%
Other third-party water withdrawal (> 1000 mg/L total dissolved solids)	ML	22.84	70.62	-67.7%	64.80	-64.8%
Total third-party water	ML	79.32 	138.86	-42.9%	141.34	-43.9%
Total freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	65.98 	77.87	-15.3%	86.32	-23.6%
Total other water withdrawal (> 1000 mg/L total dissolved solids)	ML	22.86 	70.65	-67.6%	64.83	-64.7%
Total water withdrawal	ML	88.84 	148.52	-40.2%	151.15	-41.2%

The unit of measure ML is used as an abbreviation for megalitre and is equal to 1 million litres.

Water withdrawal was measured in most business units, with some exceptions of very small offices where water withdrawal has been calculated based on instructions provided by the Group.

The significant reductions were mainly driven by the production site in Türkiye, where increasing the main-meter readings enabled faster leak detection. Other contributing factors were the relocation of the production site in Switzerland to France and the outsourcing of radiator production in China.

GRI 303: Water and Effluents 2018**Disclosure 303-3 Water withdrawal****Disclosure 303-3b Total water withdrawal from all areas with water stress**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Surface freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	- ✓	-	-	-	-
Other surface water withdrawal (> 1000 mg/L total dissolved solids)	ML	- ✓	-	-	-	-
Total surface water	ML	- ✓	-	-	-	-
Groundwater freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	8.37 ✓	8.55	-2.1%	8.15	2.7%
Other groundwater withdrawal (> 1000 mg/L total dissolved solids)	ML	- ✓	-	-	-	-
Total groundwater	ML	8.37 ✓	8.55	-2.1%	8.15	2.7%
Seawater freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	- ✓	-	-	-	-
Surface freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	- ✓	-	-	-	-
Total seawater	ML	- ✓	-	-	-	-
Produced freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	- ✓	-	-	0.33	-100.0%
Other produced water withdrawal (> 1000 mg/L total dissolved solids)	ML	- ✓	-	-	-	-
Total produced water	ML	- ✓	-	-	0.33	-100.0%
Third-party freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	12.71 ✓	23.36	-45.6%	28.41	-55.3%
Other third-party water withdrawal (> 1000 mg/L total dissolved solids)	ML	22.05 ✓	70.62	-68.8%	64.80	-66.0%
Total third-party water	ML	34.76 ✓	93.98	-63.0%	93.21	-62.7%
Total freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	21.08 ✓	31.91	-34.0%	36.89	-42.9%
Total other water withdrawal (> 1000 mg/L total dissolved solids)	ML	22.05 ✓	70.62	-68.8%	64.80	-66.0%
Total water withdrawal	ML	43.13 ✓	102.53	-57.9%	101.69	-57.6%

The unit of measure ML is used as an abbreviation for megalitre and is equal to 1 million litres.

Water withdrawal was measured in all business units at locations with water stress.

The significant reductions were mainly driven by the production site in Türkiye, where increasing the main-meter readings enabled faster leak detection. Other contributing factors were the relocation of the production site in Switzerland to France and the outsourcing of radiator production in China.

GRI 303: Water and Effluents 2018**Disclosure 303-4 Water discharge****Disclosure 303-4a Total water discharge to all areas**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Surface freshwater water discharge (≤ 1000 mg/L total dissolved solids)	ML	0.15	0.13	15.2%	-	n/a
Other surface water discharge (> 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Groundwater freshwater discharge (≤ 1000 mg/L total dissolved solids)	ML	6.69	6.84	-2.1%	-	n/a
Other groundwater discharge (> 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Seawater freshwater discharge (≤ 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Other seawater discharge (> 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Third-party freshwater discharge (≤ 1000 mg/L total dissolved solids)	ML	39.84	49.31	-19.2%	47.05	-15.3%
Other third-party discharge (> 1000 mg/L total dissolved solids)	ML	26.18	55.91	-53.2%	69.45	-62.3%
Total freshwater discharge (≤ 1000 mg/L total dissolved solids)	ML	46.69 	56.28	-17.0%	47.05	-0.8%
Total other water discharge (> 1000 mg/L total dissolved solids)	ML	26.18 	55.91	-53.2%	69.45	-62.3%
Total water discharge	ML	72.87 	112.19	-35.0%	116.50	-37.4%

The unit of measure ML is used as an abbreviation for megalitre and is equal to 1 million litres.

Water discharge was often not measured and has thus been calculated by the business units, based on clear instructions provided by the Group.

The significant reductions were mainly driven by the production site in Türkiye, where increasing the main-meter readings enabled faster leak detection. Other contributing factors were the relocation of the production site in Switzerland to France and the outsourcing of radiator production in China. As water withdrawal fell, the associated wastewater volume also declined.

GRI 303: Water and Effluents 2018**Disclosure 303-4 Water discharge****Disclosure 303-4c Total water discharge to all areas with water stress**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total freshwater discharge (≤ 1000 mg/L total dissolved solids)	ML	13.30 	20.22	-34.2%	11.99	10.9%
Total other water discharge (> 1000 mg/L total dissolved solids)	ML	22.15 	54.47	-59.3%	67.09	-67.0%
Total water discharge	ML	35.45 	74.69	-52.5%	79.08	-55.2%

The unit of measure ML is used as an abbreviation for megalitre and is equal to 1 million litres.

Water discharge was often not measured and has thus been calculated by the business units, based on clear instructions provided by the Group.

The significant reductions were mainly driven by the production site in Türkiye, where increasing the main-meter readings enabled faster leak detection. Other contributing factors were the relocation of the production site in Switzerland to France and the outsourcing of radiator production in China. As water withdrawal fell, the associated wastewater volume also declined.

GRI 303: Water and Effluents 2018**Disclosure 303-5 Water consumption****Disclosure 303-5a Total water consumption from all areas**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total water consumption	ML	15.96 ✓	36.33	-56.1%	34.65	-53.9%

The unit of measure ML is used as an abbreviation for megalitre and is equal to 1 million litres.

Water consumption was always calculated by the business units, based on clear instructions provided by the Group. The assumption was that all business units consume water in some way.

The significant reductions were mainly driven by the production site in Türkiye, where increasing the main-meter readings enabled faster leak detection. Other contributing factors were the relocation of the production site in Switzerland to France and the outsourcing of radiator production in China.

GRI 303: Water and Effluents 2018**Disclosure 303-5 Water consumption****Disclosure 303-5b Total water consumption from all areas with water stress**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total water consumption	ML	7.67 ✓	27.84	-72.4%	22.61	-66.1%

The unit of measure ML is used as an abbreviation for megalitre and is equal to 1 million litres.

Water consumption was always calculated by the business units, based on clear instructions provided by the Group. The assumption was that all business units consume water in some way.

The significant reductions were mainly driven by the production site in Türkiye, where increasing the main-meter readings enabled faster leak detection. Other contributing factors were the relocation of the production site in Switzerland to France and the outsourcing of radiator production in China.

GRI 305: Emissions 2016**Disclosure 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Significant air emissions of nitrogen oxides (NOx)	kg	17,577	18,660	-5.8%	21,279	-17.4%
Significant air emissions of sulphur oxides (SOx)	kg	424	439	-3.4%	450	-5.7%
Significant air emissions of persistent organic pollutants (POP)	kg	0.106	0.109	-2.8%	0.121	-12.9%
Significant air emissions of volatile organic compounds (VOC)	kg	3,842	4,106	-6.4%	4,152	-7.5%
Significant air emissions of hazardous air pollutants (HAP)	kg	0.758	0.771	-1.7%	0.781	-2.9%
Significant air emissions of particulate matter (PM)	kg	683	712	-4.0%	897	-23.9%
Significant air emissions of other standard categories of air emissions identified in relevant regulations: carbon monoxide (CO)	kg	32,764	35,104	-6.7%	35,210	-6.9%

Emission factors for GRI 305-7 are taken from the EMEP/EEA air pollutant emission inventory guidebook 2019.

Emissions were calculated in Zehnder's Hyperion Financial Management system (consolidation tool) and aggregated in Microsoft Excel.

Weighted significant air emissions (EF3.1)

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Weighted significant air emissions of nitrogen oxides (NOx)	mPt	65,378	69,406	-5.8%	79,148	-17.4%
Weighted significant air emissions of sulphur oxides (SOx)	mPt	1,171	1,213	-3.4%	1,242	-5.7%
Weighted significant air emissions of persistent organic pollutants (POP)	mPt	214	220	-2.7%	245	-12.5%
Weighted significant air emissions of volatile organic compounds (VOC)	mPt	4,540	4,852	-6.4%	4,906	-7.5%
Weighted significant air emissions of hazardous air pollutants (HAP) (only Pb)	mPt	21	21	-3.0%	24	-11.8%
Weighted significant air emissions of particulate matter (PM)	mPt	24,526	25,557	-4.0%	32,210	-23.9%
Weighted significant air emissions of other standard categories of air emissions identified in relevant regulations: carbon monoxide (CO)	mPt	1,748	1,873	-6.7%	1,879	-6.9%
Total of weighted significant air emissions (EF3.1)	mPt	97,598	103,143	-5.4%	119,652	-18.4%

Emissions were calculated in Zehnder's Hyperion Financial Management system (consolidation tool) and aggregated in Microsoft Excel.

The following EF3.1 factors have been used to calculate the weighted impact of the air emissions: 0.0037 g/Pt for nitrogen oxides (NOx) (g NOx), 0.0001 g/Pt for carbon monoxide (CO) (g CO), 0.0012 g/Pt for non-methane volatile organic compounds (NMVOC) (g NMVOC), 0.0028 g/Pt for sulphur oxides (SOx) (g SOx), 0.0359 g/Pt for particulate matter (PM) (g PM), 0.2554 g/Pt for lead (Pb) (g Pb), 5.0329 g/Pt for benzo(a)pyrene (B(a)P) (g B(a)P), 1.1721 g/Pt for benzo(b)fluoranthene (B(b)F) (g B(b)F), 0.5345 g/Pt for benzo(k)fluoranthene (B(k)F) (g B(k)F), 0.5174 g/Pt for indeno(1,2,3-cd)pyrene (g ID(1,2,3-cd)P)

The unit of measure mPt is used as an abbreviation for millipoints.

GRI 306: Waste 2020**Disclosure 306-3 Waste generated**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total waste – heavy metals	t/year	11.00	-	n/a	0.05	23,304.3%
Total waste – batteries	t/year	0.85	2.16	-60.7%	1.57	-46.1%
Total waste – electronics	t/year	38.43	21.06	82.5%	10.02	283.4%
Total waste – fluorescent lamps	t/year	0.17	0.34	-50.9%	0.71	-76.8%
Total waste – used oil and emulsions	t/year	107.69	37.66	185.9%	53.63	100.8%
Total waste – solvents and chemicals	t/year	134.15	31.29	328.7%	46.32	189.6%
Total waste – printing ink/toners	t/year	4.98	2.08	138.7%	1.52	227.0%
Total waste – quartz sand/powder	t/year	35.39	31.29	13.1%	41.22	-14.1%
Total waste – hazardous sludge	t/year	57.16	84.35	-32.24%	89.25	-36.0%
Total waste – other hazardous waste	t/year	41.82	169.56	-75.3%	67.77	-38.3%
Total hazardous waste	t/year	431.63 	379.79	13.6%	312.06	38.3%
Total waste – metals	t/year	3,912.77	3,863.81	1.3%	4,082.73	-4.2%
Total waste – plastics	t/year	389.14	409.89	-5.1%	733.40	-46.9%
Total waste – paper and cardboard	t/year	915.57	751.28	21.9%	1,668.26	-45.1%
Total waste – glass	t/year	0.54	1.75	-69.4%	0.23	137.3%
Total waste – wood treated	t/year	472.34	343.61	37.5%	370.19	27.6%
Total waste – wood untreated	t/year	194.03	190.80	1.7%	231.47	-16.2%
Total waste – residual non-hazardous waste	t/year	1,273.54	1,020.42	24.8%	1,110.63	14.7%
Total non-hazardous waste	t/year	7,157.92 	6,581.57	8.8%	8,196.90	-12.7%
Total weight of waste	t/year	7,589.55 	6,961.36	9.0%	8,508.96	-10.8%

The increase in waste is primarily due to higher activity levels and improved reporting and segregation at sites. Although saving measures continued, their impact was offset by the increase in overall throughput.

GRI 306: Waste 2020**Disclosure 306-4 Waste diverted from disposal****Disclosure 306-4a Total weight of waste diverted from disposal**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total waste diverted from disposal – heavy metals	t/year	11.00	-	n/a	-	n/a
Total waste diverted from disposal – batteries	t/year	0.85	1.94	-56.4%	1.45	-41.5%
Total waste diverted from disposal – electronics	t/year	36.61	11.97	205.9%	9.85	271.6%
Total waste diverted from disposal – fluorescent lamps	t/year	0.17	0.26	-36.8%	0.44	-62.6%
Total waste diverted from disposal – used oil and emulsions	t/year	10.33	8.60	20.1%	26.29	-60.7%
Total waste diverted from disposal – solvents and chemicals	t/year	11.59	10.74	8.0%	12.12	-4.3%
Total waste diverted from disposal – printing ink/toners	t/year	0.54	1.87	-71.2%	1.31	-58.8%
Total waste diverted from disposal – quartz sand/powder	t/year	-	1.12	-100.0%	27.77	-100.0%
Total waste diverted from disposal – hazardous sludge	t/year	23.97	25.95	-7.6%	25.02	-4.2%
Total waste diverted from disposal – other hazardous waste	t/year	4.39	14.21	-69.1%	13.21	-66.8%
Total hazardous waste diverted from disposal	t/year	99.44 	76.66	29.7%	117.47	-15.4%
Total waste diverted from disposal – metals	t/year	3,910.43	3,861.38	1.3%	4,082.73	-4.2%
Total waste diverted from disposal – plastics	t/year	322.57	317.49	1.6%	704.49	-54.2%
Total waste diverted from disposal – paper and cardboard	t/year	893.61	743.93	20.1%	1,635.99	-45.4%
Total waste diverted from disposal – glass	t/year	0.34	1.55	-78.4%	0.03	1,213.7%
Total waste diverted from disposal – wood treated	t/year	247.57	96.37	156.9%	155.04	59.7%
Total waste diverted from disposal – wood untreated	t/year	157.21	164.22	-4.3%	205.33	-23.4%
Total waste diverted from disposal – residual non-hazardous waste	t/year	89.34	121.22	-26.3%	273.68	-67.4%
Total non-hazardous waste diverted from disposal	t/year	5,621.07 	5,306.16	5.9%	7,057.28	-20.4%
Total weight of waste diverted from disposal	t/year	5,720.50 	5,382.83	6.3%	7,174.75	-20.3%
Total waste diverted from disposal vs. total waste	%	75.37 	77.32	-2.0pp	84.32	-8.9pp

The decline in waste diverted from disposal reflects improved data quality (correction of prior misclassifications and fuller coverage of residual streams).

GRI 306: Waste 2020**Disclosure 306-4 Waste diverted from disposal****Disclosure 306-4b Total weight of hazardous waste diverted from disposal**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Hazardous waste prepared for reuse	t/year	1.17	4.68	-75.1%	11.26	-89.6%
Hazardous waste recycled	t/year	80.36	46.02	74.6%	79.71	0.8%
Hazardous waste treated with other recovery operations	t/year	17.91	25.96	-31.0%	26.50	-32.4%
Total hazardous waste diverted from disposal	t/year	99.44 	76.66	29.7%	117.47	-15.4%

GRI 306: Waste 2020**Disclosure 306-4 Waste diverted from disposal****Disclosure 306-4c Total weight of non-hazardous waste diverted from disposal**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Non-hazardous waste prepared for reuse	t/year	506.64	316.41	60.1%	481.94	5.1%
Non-hazardous waste recycled	t/year	5,050.68	4,914.33	2.8%	6,283.70	-19.6%
Non-hazardous waste treated with other recovery operations	t/year	63.74	75.42	-15.5%	291.63	-78.1%
Total non-hazardous waste diverted from disposal	t/year	5,621.07 	5,306.16	5.9%	7,057.28	-20.4%

GRI 306: Waste 2020**Disclosure 306-5 Waste directed to disposal****Disclosure 306-5a Total weight of waste directed to disposal**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total waste directed to disposal – heavy metals	t/year	- ✓	-	-	0.05	-100.0%
Total waste directed to disposal – batteries	t/year	- ✓	0.22	-100.0%	0.12	-100.0%
Total waste directed to disposal – electronics	t/year	1.82 ✓	9.09	-80.0%	0.17	952.9%
Total waste directed to disposal – fluorescent lamps	t/year	- ✓	0.08	-100.0%	0.27	-100.0%
Total waste directed to disposal – used oil and emulsions	t/year	97.36 ✓	29.06	235.0%	27.34	256.2%
Total waste directed to disposal – solvents and chemicals	t/year	122.55 ✓	20.55	496.3%	34.21	258.3%
Total waste directed to disposal – printing ink/toners	t/year	4.44 ✓	0.21	2,012.4%	0.21	2,012.4%
Total waste directed to disposal – quartz sand/powder	t/year	35.39 ✓	30.17	17.3%	13.44	163.3%
Total waste directed to disposal – hazardous sludge	t/year	33.19 ✓	58.40	-43.2%	64.22	-48.3%
Total waste directed to disposal – other hazardous waste	t/year	37.44 ✓	155.35	-75.9%	54.56	-31.4%
Total hazardous waste directed to disposal	t/year	332.19 ✓	303.13	9.6%	194.59	70.7%
Total waste directed to disposal – metals	t/year	2.34 ✓	2.43	-3.8%	-	n/a
Total waste directed to disposal – plastics	t/year	66.57 ✓	92.39	-27.9%	28.91	130.3%
Total waste directed to disposal – paper and cardboard	t/year	21.96 ✓	7.35	198.8%	32.27	-32.0%
Total waste directed to disposal – glass	t/year	0.20 ✓	0.20	-	0.20	-
Total waste directed to disposal – wood treated	t/year	224.77 ✓	247.24	-9.1%	215.15	4.5%
Total waste directed to disposal – wood untreated	t/year	36.82 ✓	26.58	38.5%	26.14	40.9%
Total waste directed to disposal – residual non-hazardous waste	t/year	1,184.20 ✓	899.20	31.7%	836.95	41.5%
Total non-hazardous waste directed to disposal	t/year	1,536.86 ✓	1,275.40	20.5%	1,139.62	34.9%
Total weight of waste directed to disposal	t/year	1,869.05 ✓	1,578.53	18.4%	1,334.21	40.1%

GRI 306: Waste 2020**Disclosure 306-5 Waste directed to disposal****Disclosure 306-5b Total weight of hazardous waste directed to disposal**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Hazardous waste incinerated (with energy recovery)	t/year	144.20	143.58	0.4%	98.36	46.6%
Hazardous waste incinerated (without energy recovery)	t/year	98.10	23.41	319.1%	2.60	3,673.2%
Hazardous waste disposed of in a landfill	t/year	7.16	17.84	-59.9%	46.66	-84.7%
Hazardous waste disposed of in other disposal operations	t/year	82.73	118.30	-30.1%	46.97	76.1%
Total hazardous waste directed to disposal	t/year	332.19 	303.13	9.6%	194.59	70.7%

GRI 306: Waste 2020**Disclosure 306-5 Waste directed to disposal****Disclosure 306-5c Total weight of non-hazardous waste directed to disposal**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Non-hazardous waste incinerated (with energy recovery)	t/year	726.57	729.89	-0.5%	612.19	18.7%
Non-hazardous waste incinerated (without energy recovery)	t/year	106.36	69.84	52.3%	49.10	116.6%
Non-hazardous waste disposed of in a landfill	t/year	627.42	429.35	46.1%	470.31	33.4%
Non-hazardous waste disposed of in other disposal operations	t/year	76.50	46.33	65.1%	8.03	853.1%
Total non-hazardous waste directed to disposal	t/year	1,536.86 	1,275.40	20.5%	1,139.62	34.9%

Circular products and innovation

Impacts, risks, and opportunities

Impacts

Zehnder Group's focus on creating circular products helps to reduce the environmental impact of its entire portfolio. Improving repairability and recyclability enables products to be reused or refurbished, extending their life cycles. This approach reduces waste generation and, where recycled materials are used, lowers the need for virgin raw materials. New product developments increasingly incorporate recycled content, with technical feasibility largely confirmed; economic viability and scaling are being further evaluated, supporting a gradual reduction in the CO₂e footprint over time.

Risks and opportunities

The transition to circular products presents several challenges. Depending on the mechanical and optical requirements, materials with high recycled content can be costly or limited in availability, which could make product design more complicated and increase production costs. Circular products must also meet rising customer expectations regarding durability and repairability in order to avoid reputational risks and loss of market share. Furthermore, Zehnder Group must remain vigilant and compliant with evolving circular economy regulations as standards continue to develop.

Despite these challenges, however, the circular economy presents significant opportunities. Energy-efficient, durable, and repairable products support environmental goals and can generate long-term cost savings. They also enable innovative business models, such as "product-as-a-service" meeting the growing demand from consumers and regulators for sustainable, adaptable solutions. This strengthens Zehnder Group's competitive position and supports long-term value creation.

Management approach

In line with its ambition to understand and improve the environmental impact of its products, as well as to increase their durability and circularity, Zehnder Group is strengthening its circular product portfolio. The company is doing this by designing long-lasting, repairable, and recyclable items that can be efficiently refurbished or recycled at the end of their life. The Group Sustainability Engineer coordinates life cycle assessments (LCAs), develops internal expertise, and assists the Competence Centres in implementing measures and developing related projects.

Life cycle assessments

LCAs are a core tool for understanding and improving the environmental impact of our portfolio. We prioritise LCAs for key product families and new developments, using the results to inform design choices on materials, manufacturing processes, energy efficiency in use, and end-of-life options. Completed LCAs also provide the basis for third-party certified environmental product declarations (EPDs), meeting customer and regulatory expectations for transparency. Over time, we are expanding LCA coverage and strengthening internal expertise so that environmental performance is consistently reflected in product roadmaps and investment decisions.

Circular Design Guideline

Zehnder Group's Circular Design Guideline embeds sustainability at every stage of product development to minimise environmental impact and underpin a circular economy. It promotes durability plus reuse, repair, refurbishment, recycling, and recovery to extend product life, cut primary raw material use, and enable circular business models. The Guideline organises action under three themes: design out waste and pollution, keep products and materials in use, and regenerate natural systems to help restore environmental balance. It has been implemented across the major Competence Centres: Radiators Europe, Ventilation Europe, Clean Air Solutions, and CORE.

Circular business models

Zehnder Group is expanding its take-back and refurbishment programmes to keep its equipment in service and conserve resources. Clean Air Solutions operates a clean-air-as-a-service model that includes air quality monitoring, installation, maintenance, and replacement of air filters. At contract end, equipment is recovered, refurbished, and redeployed. By combining robust product design, a rental and take-back scheme, and demand-based control, we aim to provide efficient, on-demand clean air so that equipment runs only when needed and can be recovered, refurbished, and redeployed at the end of the contract. To extend circular offerings, pilot projects are testing ventilation-as-a-service and refurbishment models in the Ventilation business (Netherlands). Scaling these models will depend on technical feasibility, customer acceptance, and economic viability.

Materials and packaging

Our circular product work is reinforced by our collaboration with suppliers to source lower-impact and recycled materials, such as carbon-reduced steel, recycled aluminium for radiators, and recycled polymer content for new air distribution products. Our goal is to minimise our use of primary materials in packaging while increasing the recycled content. We are redesigning packaging designs to make them more recyclable, considering the inner and outer materials separately. Business Units report annually on the proportion of recyclable materials used, enabling progress to be monitored.

Implementation and outlook

Implementation of the above management approach and policies is structured around two focus areas with defined targets and KPIs.

Targets

Ambition: Understand and improve the environmental impacts of our products

Target: Conduct life cycle assessments to reduce environmental footprint

- **Status:** A total of twelve LCAs were completed this year (five locally and seven by the Group). LCAs for overseas locations are still in progress. The assessments provided valuable insights into energy use in production, enabling optimisation across sites. The product use phase was confirmed to have limited influence, as it largely depends on user behaviour. Development teams now place stronger emphasis on designing products that support energy-efficient operation and on raising user awareness through improved guidance and settings. The LCAs also highlighted electronics and galvanisation as key contributors to material-related environmental impacts.
- **Outlook:** Future LCA efforts will focus on new product developments, where design decisions can meaningfully influence environmental performance. Additional LCAs will be conducted selectively, guided by market demand for EPDs and potential for improvement. Our goal is to achieve a 20% reduction in the environmental impact of new products launched after 2025, based on the Environmental Footprint method (EF 3.1). Initial assessments show that this level of improvement is not yet reached over the full life cycle (including electricity use), but is already exceeded on a cradle-to-gate basis (i.e. raw material extraction to end of manufacturing). Pre-gate, impacts are estimated to be around 45% lower for the analysed product.

Ambition: Increase the durability and circularity of our products by promoting reuse, repair, refurbishment, recycling, and recovery

Target: Pilot ventilation-as-a-service and refurbishment business models in the Netherlands

- **Status:** Pilot projects for ventilation-as-a-service and refurbishment business models in the Netherlands are being developed through ongoing dialogue with customers. Following an evaluation of five potential business models, ventilation spare parts refurbishment was selected as first priority for the circular economy concept. The business case is currently being finalised.
- **Outlook:** The pilot will continue to be developed and refined, with a focus on establishing viable service models and scaling refurbishment solutions. The aim is to increase the share of net sales from refurbished products and the ventilation-as-a-service business by 2030 for the entire group.

Target: Increase the share of recycled raw materials in our products

- **Status:** Today our purchased materials contain an estimated 18.8% recycled material (2024: 17.5%¹), with the actual figure likely being higher but lacking full documentation. Zehnder Group has advanced the concept phase for new products designed to contain over 80% recycled raw materials and be over 80% recyclable at the end of their life, across multiple product families, including radiators, ventilation units, and heat exchangers. Recycled materials are increasingly integrated into the production process. Electric arc furnace steel has been tested and introduced to a limited extent in Germany and France, with positive results. It currently represents around 10% of total demand.

In ventilation, several improvements have been achieved. The new ERV heat exchanger solution reduced weight by almost 60% compared with the previous model. In North America, UL-approved heat exchangers made from polyethylene terephthalate (PET) contain between 30% and 70% recycled content and new infrared welding technology enables the processing of recycled plastics in production. One of the air distribution components integrated into our systems is now made from 100% recycled material.

- **Outlook:** To achieve our goal of using a significant share of recycled content for our raw materials by 2030, our initial step is to ensure that new ventilation projects incorporate over 50% recycled content in all plastic components, while our next-generation climate solutions will feature natural refrigerants and reduced material usage (a 20% reduction in metal sheets, a 15% reduction in copper, a 20% reduction in plastic, and a 15% reduction in insulation materials).

Target: Increase the share of recycled packaging materials

- **Status:** For this year we aimed to achieve 80% recycled-content or reusable packaging materials for outbound transportation (excluding pallets), with the remaining 20% meeting the highest available ecolabel standards. While this target was not fully achieved, we have seen steady improvements in this area, particularly in recycled content, which has increased from 41.9% in 2024 to 54.5% in 2025. In addition, 13% of our cardboard is now confirmed to be FSC-certified. We have also reduced the purchase quantities of several of our plastic-based packaging materials, including bubble wrap (50 tonnes to 10 tonnes), polystyrene (17 tonnes to 9 tonnes), and shrink foil (199 tonnes to 139 tonnes).

In this context, we continued to increase the proportion of recycled packaging materials used in production. In the Netherlands, the recycled cardboard content of fast-moving product packaging increased to 77%. We transitioned from white to more sustainable brown packaging and the lids of boxes from two ComfoAir product lines now contain 66% recycled material, though this is limited by strength requirements for lifting. In France, polystyrene wedges were replaced by honeycomb cardboard inserts consisting of a hexagonal paper core sandwiched between flat sheets of paper and bonded with water-based glue. This structure provides high compressive strength for its weight and can be produced largely from recycled fibre. The material is fully recyclable and in many cases biodegradable and compostable. Specifications for endless fanfold cardboard were successfully updated to achieve 100% recycled content in both France and Poland, and in Germany, the recycled content reached 91.6%.

- **Outlook:** Further improvements are planned with the aim of increasing recycled content in packaging materials by 2028. We are also assessing options to reduce or eliminate packaging where feasible and to expand the use of returnable solutions. The availability of research and development resources may limit implementation speed, but the focus will remain on phasing out remaining plastic components and increasing recyclability while maintaining packaging strength and functionality.

Target: Conduct feasibility study for reusable and/or recycled pallets

- **Status:** The feasibility study on recycled content and reusability of pallets forms the basis for our 2025 targets. It evaluates options for reducing carbon impact, tracks pallet flows, and identifies potential suppliers for pallet return systems. As part of the feasibility study for reusable and recycled pallets, a first delivery using returnable packaging was completed in the Netherlands for a prefabrication customer. Key challenges include standardising master data and overcoming market barriers to efficient pallet returns.
- **Outlook:** The concept will be further developed in 2026 based on the pilot results, with the aim of expanding the use of reusable pallet systems to additional customer segments and production sites. One business unit is also acquiring approximately 50% of its wooden pallets second-hand, providing them with a second life.

¹ The 2024 purchased goods figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections and methodology changes. Purchased goods recycled content was affected by the restatement. The original reported figure was 21.7% for 2024. For further information, see [Restatements of information](#).

Metrics

GRI 301: Materials 2016

Disclosure 301-1 Materials used by weight

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total weight of materials that are used to produce and package the organisation's primary products and services during the reporting period ¹	t	58,281	55,748	4.5%	64,756	-10.0%
Total weight of materials that are used to produce and package the organisation's primary products and services during the reporting period, by non-renewable materials ²	t	49,354	47,011	5.0%	54,142	-8.8%
Total weight of materials that are used to produce and package the organisation's primary products and services during the reporting period, by renewable materials ³	t	8,927	8,738	2.2%	10,615	-15.9%

1 The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections, and methodology changes. The original reported figures were 55,670 t for 2024 and 65,812 t for 2023. For further information, see [Restatements of information](#).

2 The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections, and methodology changes. The original reported figures were 43,614 t for 2024 and 50,395 t for 2023. For further information, see [Restatements of information](#).

3 The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections, and methodology changes. The original reported figures were 12,056 t for 2024 and 15,417 t for 2023. For further information, see [Restatements of information](#).

GRI 301: Materials 2016

Disclosure 301-2 Recycled input materials used

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Percentage of recycled input materials used to manufacture the organisation's primary products and services	%	18.8	17.5	1.3pp	18.6	0.2

The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections, and methodology changes. The original reported figures were 21.7% for 2024 and 23.4% for 2023. For further information, see [Restatements of information](#).

GRI 301: Materials 2016

Disclosure 301-3 Reclaimed products and their packaging materials

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Percentage of reclaimed products and their packaging materials for business segment Radiators Europe	%	-	-	-	-	-
Percentage of reclaimed products and their packaging materials for business segment Residential Ventilation Europe	%	-	-	-	-	-

The data for this disclosure has been collected by asking the Competence Centres (Radiators Europe and Residential Ventilation Europe) how many products have been reclaimed and sold.

Employee-related issues: Introduction

Proud to be Zehnder

This section outlines Zehnder Group's comprehensive approach to **occupational health and safety**, its commitment to being an **attractive employer**, and its focus on **diversity, equal opportunities, inclusion, and decent work**. The subchapters examine the associated impacts, risks, and opportunities relating to employee well-being and workplace safety, as well as our management approach in these areas.

Before delving into the key topics, we present tables that provide an overview of our workforce as a whole, which cannot be assigned to any single topic. For this reason, they are listed at the beginning of the chapter on employees to provide readers with a clear factual basis.

GRI 2: General Disclosures 2021

Disclosure 2-7 Employees

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of employees by gender – female (headcount)	#	884	899	-1.7%	984	-10.2%
Number of employees by gender – male (headcount)	#	2,587	2,627	-1.5%	2,683	-3.6%
Number of employees by gender – diverse (headcount)	#	1	1	-	2	-50.0%
Number of employees by region – EMEA (headcount)	#	2,670	2,679	-0.3%	2,794	-4.4%
Number of employees by region – Asia-Pacific (headcount)	#	362	426	-14.9%	461	-21.4%
Number of employees by region – North America (headcount)	#	440	423	4.1%	415	6.1%
Total number of employees (headcount)	#	3,472	3,527	-1.6%	3,669	-5.4%

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of permanent employees by gender - female (headcount)	#	841	839	0.3%	n/a	n/a
Number of permanent employees by gender - male (headcount)	#	2,489	2,507	-0.7%	n/a	n/a
Number of permanent employees by gender - diverse (headcount)	#	1	1	-	n/a	n/a
Number of permanent employees by region - EMEA (headcount)	#	2,543	2,508	1.4%	n/a	n/a
Number of permanent employees by region - Asia-Pacific (headcount)	#	362	426	-14.9%	n/a	n/a
Number of permanent employees by region - North America (headcount)	#	426	413	3.2%	n/a	n/a
Total number of permanent employees (headcount)	#	3,331	3,347	-0.5%	n/a	n/a
Number of temporary employees by gender - female (headcount)	#	43	60	-29.3%	n/a	n/a
Number of temporary employees by gender - male (headcount)	#	98	121	-18.8%	n/a	n/a
Number of temporary employees by gender - diverse (headcount)	#	-	-	-	n/a	n/a
Number of temporary employees by region - EMEA (headcount)	#	126	171	-26.0%	n/a	n/a
Number of temporary employees by region - Asia-Pacific (headcount)	#	-	-	-	n/a	n/a
Number of temporary employees by region - North America (headcount)	#	14	10	42.0%	n/a	n/a
Total number of temporary employees (headcount)	#	141	181	-22.3%	n/a	n/a

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of full-time employees by gender - female (headcount)	#	704	721	-2.3%	n/a	n/a
Number of full-time employees by gender - male (headcount)	#	2,494	2,530	-1.4%	n/a	n/a
Number of full-time employees by gender - diverse (headcount)	#	1	1	-	n/a	n/a
Number of full-time employees by region - EMEA (headcount)	#	2,417	2,418	-0.0%	n/a	n/a
Number of full-time employees by region - Asia-Pacific (headcount)	#	362	426	-15.0%	n/a	n/a
Number of full-time employees by region - North America (headcount)	#	421	408	3.1%	n/a	n/a
Total number of full-time employees (headcount)	#	3,200	3,252	-1.6%	n/a	n/a
Number of part-time employees by gender - female (headcount)	#	180	179	0.5%	n/a	n/a
Number of part-time employees by gender - male (headcount)	#	93	97	-4.1%	n/a	n/a
Number of part-time employees by gender - diverse (headcount)	#	-	-	-	n/a	n/a
Number of part-time employees by region - EMEA (headcount)	#	252	260	-3.1%	n/a	n/a
Number of part-time employees by region - Asia-Pacific (headcount)	#	-	-	-	n/a	n/a
Number of part-time employees by region - North America (headcount)	#	20	15	32.7%	n/a	n/a
Total number of part-time employees (headcount)	#	272	275	-1.1%	n/a	n/a

The number of employees is reported in headcount as an average across the reporting period.

All numbers are rounded, resulting in certain totals that may not precisely add up to 100%. The same applies to all following tables.

GRI 2: General Disclosures 2021

Disclosure 2-8 Workers who are not employees

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of workers who are not employees, but whose work and/or workplace is controlled by the organisation (headcount)	#	359	242	48.4%	215	67.1%

The number of workers who are not employees, but whose work and/or workplace is controlled by the organisation is reported in headcount as an average across the reporting period.

Workers are defined as individuals who are employed via a domestic and/or foreign agency or self-employed. They do not have an employment contract with Zehnder Group (are not on the payroll), but their work is controlled by the organisation inside and/or outside Zehnder premises (covers contractors, suppliers, self-employed people, volunteers, etc.).

The increase in 2025 was primarily due to greater use of temporary and contract labour amid market uncertainty.

GRI 2: General Disclosures 2021**Disclosure 2-30 Collective bargaining agreements**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of total employees covered by collective bargaining agreements	%	42.9	44.1	-1.2pp	n/a	n/a
Rate of total employees covered by workers' representatives	%	41.6	46.9	-5.3pp	n/a	n/a

Occupational health and safety

Impacts, risks, and opportunities

Impacts

Zehnder Group's manufacturing processes, particularly in radiator and ventilation production, pose risks due to hazardous materials, heavy machinery, and energy-intensive operations. If not properly managed, these risks may result in workplace accidents or long-term health issues. Our occupational health and safety (OHS) work therefore focuses on preventing harm and mitigating negative impacts through hazard identification, risk controls, and continuous monitoring. While prevention is our primary objective, a safer workplace supports employee well-being and helps sustain productivity by reducing injuries, absenteeism, and unplanned downtime.

Risks and opportunities

Inadequate health and safety standards can lead to work accidents, operational disruptions, legal liabilities, reputational damage, and increased costs resulting from workplace incidents or regulatory breaches. OHS-related risks may also increase due to evolving regulations or greater scrutiny of safety practices by stakeholders. Supporting ongoing improvement with employee training and engagement helps create a safer work environment and supports long-term business resilience. Adhering to international health and safety standards can also strengthen relationships with external stakeholders, particularly regulators and investors, who increasingly value robust safety performance.

Management approach

Zehnder Group promotes OHS across the organisation, aiming to provide safe working conditions in all its operations and to eliminate fatalities and serious work-related injuries.

OHS is overseen at Group level by the COO Radiators EMEA, with a standardised reporting process implemented in 2025. Each relevant production site has an appointed OHS manager responsible for KPI collection and compliance. Regular internal and external audits, along with certification processes, form part of Zehnder Group's due diligence in managing safety risks. By tracking metrics, such as the work-related injury rate and certification rate, we are able to monitor the effectiveness of our OHS initiatives.

Occupational health and safety management systems

The international standard ISO 45001 offers a robust framework for accident prevention and the management of workplace risks. This standard forms the basis for all our European production sites that have complex manufacturing processes. This certification is particularly important for our radiator production facilities and other sites involved in metal forming or injection moulding.

The Occupational Health and Safety Group Directive defines the key elements of our approach. These include establishing clear safety guidelines, conducting machinery and process risk assessments, and analysing all work-related incidents to prevent recurrence. Measures range from technical improvement, such as setting minimum safety standards for equipment, to enhancing work organisation and training practices.

Implementation and outlook

Implementation of the above management approach and policies is structured around one focus area with defined targets and KPIs.

Targets

Ambition: Create an environment in which we promote occupational health and safety across the organisation

Target: Obtain ISO 45001 certification (or equivalent) of all production sites where metal forming or plastic injection takes place

- **Status:** The ISO 45001 certification process has been successfully completed. In May 2025, our production site in Germany achieved certification, bringing the total number of certified sites to six: Lahr (Germany), Bolesławiec (Poland), Gränichen (Switzerland), Manisa (Türkiye), Maidstone (Great Britain) and Vaux-Andigny (France). All European sites involved in metal forming and plastic injection are now certified under ISO 45001.
- **Outlook:** No further certifications are planned at this stage. Sites outside Europe will continue to operate under equivalent local occupational safety standards, such as the Occupational Safety and Health Administration (OSHA) in North America.

Target: Create and implement an Occupational Health and Safety Group Directive

- **Status:** The OHS Group Directive was approved by the Group Executive Committee in early May 2025 and officially published in the same month. It is now accessible via the company intranet.
- **Outlook:** Implementation across all business units will ensure consistent application of OHS principles and alignment with ISO 45001 requirements. Ongoing monitoring and feedback from sites will support continuous improvement and integration of best practices in workplace safety.

Metrics

GRI 403: Occupational Health and Safety 2018

Disclosure 403-8 Workers covered by an occupational health and safety management system

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of all employees and workers who are not employees, but whose work and/or workplace is controlled by the organisation, who are covered by an occupational health and safety management system	%	83.5	84.1	-0.6pp	83.6	-0.1pp
Rate of all employees and workers who are not employees, but whose work and/or workplace is controlled by the organisation, who are covered by an occupational health and safety management system that is internally audited	%	41.3	47.3	-6.0pp	54.5	-13.2pp
Rate of all employees and workers who are not employees, but whose work and/or workplace is controlled by the organisation, who are covered by an occupational health and safety management system that is externally audited	%	48.9	56.0	-7.1pp	52.5	-3.6pp

Total number of employees, i.e. individuals who are in an employment relationship with the organisation: 3472 employees in 2025, 3527 employees in 2024, and 3669 employees in 2023

Total number of workers who are not employees, but whose work and/or workplace is controlled by the organisation: 359 workers in 2025, 242 workers in 2024, and 215 workers in 2023

GRI 403: Occupational Health and Safety 2018

Disclosure 403-9 Work-related injuries

Work-related injuries for all employees

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of fatalities as a result of work-related injury for all employees	#	-	-	-	-	-
Rate of fatalities as a result of work-related injury for all employees	# per 1,000,000 hours worked	-	-	-	-	-
Total number of high-consequence work-related injuries (excluding fatalities) for all employees	#	-	3	-100.0%	-	n/a
Rate of high-consequence work-related injuries (excluding fatalities) for all employees	# per 1,000,000 hours worked	-	0.5	-0.5	-	-
Total number of recordable work-related injuries for all employees ¹	#	67	67	-	73	-8.2%
Rate of recordable work-related injuries for all employees	# per 1,000,000 hours worked	10.4	10.7	-0.3	11.7	-1.3

Number of hours worked for all employees: 6,432,738 in 2025, 6,242,160 hours in 2024, and 6,231,245 hours in 2023

¹ The main types of work-related injuries are strains and sprains, cuts, lacerations, bruises, contusions, and falls. Following these reported injuries, additional corrective and safeguard measures were implemented to prevent such accidents in the future. Additionally, retraining sessions were conducted to enhance awareness and to further reduce risks.

GRI 403: Occupational Health and Safety 2018**Disclosure 403-9 Work-related injuries**

Work-related injuries for all workers who are not employees, but whose work and/or workplace is controlled by the organisation

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of fatalities as a result of work-related injury for all workers who are not employees, but whose work and/or workplace is controlled by the organisation	#	-	1	-100.0%	-	-
Rate of fatalities as a result of work-related injury for all workers who are not employees, but whose work and/or workplace is controlled by the organisation	# per 1,000,000 hours worked	-	2.0	-2.0	-	-
Total number of high-consequence work-related injuries (excluding fatalities) for all workers	#	-	1	-100.0%	-	-
Rate of high-consequence work-related injuries (excluding fatalities) for all workers	# per 1,000,000 hours worked	-	2.0	-2.0	-	-
Total number of recordable work-related injuries for all workers ¹	#	9	11	-18.2%	8	12.5%
Rate of recordable work-related injuries for all workers	# per 1,000,000 hours worked	15.3	22.4	-7.1	19.5	-4.2

Number of hours worked for all workers who are not employees, but whose work and/or workplace is controlled by the organisation: 587,865 hours in 2025, 491,005 hours in 2024, and 410,749 hours in 2023

¹ The main types of work-related injuries are strains and sprains, cuts, bruises, and falls. Following these reported injuries, additional corrective and safeguard measures were implemented to prevent such accidents in the future.

GRI 403: Occupational Health and Safety 2018**Disclosure 403-10 Work-related ill health**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of fatalities as a result of work-related ill health for all employees	#	-	-	-	-	-
Total number of cases of recordable work-related ill health for all employees	#	14	9	55.6%	2	600.0%
Total number of fatalities as a result of work-related ill health for all workers who are not employees, but whose work and/or workplace is controlled by the organisation	#	-	-	-	-	-
Total number of cases of recordable work-related ill health for all workers who are not employees, but whose work and/or workplace is controlled by the organisation	#	1	2	-50.0%	-	n/a

Due to confidentiality and local legislation, not all details could be disclosed outside the local entity. However, cases that were reported with the cause were primarily tied to work-related stress.

Attractive employer

Impacts, risks, and opportunities

Impacts

Zehnder Group's approach to workforce-related issues centres on mitigating the potential negative impact on employees of factors such as excessive workloads, limited development opportunities, and reduced engagement. Measures aimed at supporting a healthy work-life balance, providing access to development and training opportunities, and fostering an open feedback culture are intended to prevent stress, disengagement, and skills obsolescence, while maintaining employee well-being in the long term.

Alongside competitive benefits and transparent career paths, these measures help reduce the risk of employee turnover, labour shortages, and declining job satisfaction in a competitive labour market. While these actions primarily serve to mitigate negative impacts on the workforce, they can also contribute to higher engagement and stability within the organisation. This, in turn, supports innovation and customer satisfaction.

Risks and opportunities

A motivating work environment is essential for long-term success. Failure to meet labour standards poses regulatory risks and may undermine fair treatment. Limited development opportunities or poor work-life balance can cause dissatisfaction, raise turnover, and result in the loss of valuable expertise. This may increase recruitment and training costs, weaken Zehnder Group's reputation, and make it harder to attract skilled talent. Lower engagement levels can also reduce productivity, quality, and innovation.

Conversely, prioritising employee well-being, development, and inclusion offers significant opportunities. A culture that promotes these aspects and encourages open communication can increase retention, reduce turnover, and strengthen Zehnder Group's position as an employer of choice.

Management approach

Zehnder Group pursues an employer strategy built on engagement, growth, and care. The strategy aims to maintain high employee engagement; invest in people through lifelong learning; and promote health, well-being, and sustainable lifestyles. Biannual engagement surveys capture employee needs and identify improvement areas, helping us sustain engagement and address well-being needs. We strengthen skills and careers through continuous learning and development, aiming to fill two-thirds of leadership vacancies through internal promotions and to promote a holistic, sustainability-minded workplace culture.

Oversight is the responsibility of the Director of Group Human Resources (HR), who coordinates measures across the company; implementation is carried out by local HR teams and line managers. This setup enables tailored programmes based on employee feedback and regional requirements, ensuring actions are relevant, practical, and aligned with our ambitions.

Training and development

We foster a culture of engagement, learning and shared responsibility for sustainability. Our e-learning platform offers a wide range of courses to support skill development and career progression. We aim to make this platform accessible to all employees, reinforcing the company's commitment to lifelong learning and internal mobility. We encourage our employees to get involved with our sustainability goals and the UN SDGs by providing targeted training and inclusive initiatives.

The sustainability training covers key areas including the fundamentals of sustainability at Zehnder Group, with practical examples. It also addresses employee-related topics such as fair wages, diversity, and OHS; environmental priorities such as climate action, pollution, and the circular economy; and societal issues including sustainable procurement, compliance, and human rights in the supply chain. A dedicated module on transformation and change consolidates the programme and provides leaders with the tools needed to manage sustainability-related change effectively.

Feedback and dialogue

Performance reviews are conducted regularly by managers to encourage a culture of continuous feedback. To facilitate effective feedback, Zehnder Group offers them relevant training. This ensures that employees are consistently recognised for their contributions and guided in their professional development.

Well-being and sustainable lifestyles

The importance of a healthy work-life balance is recognised by Zehnder Group, with well-being initiatives being promoted across its global sites. These initiatives are tailored to local cultures and needs, demonstrating the company's sensitivity to regional differences. Zehnder Group also encourages participation in health- and sustainability-promoting activities, such as "Veganuary" and other programmes. These activities benefit employees and align with the company's broader sustainability goals.

Implementation and outlook

Implementation of the above management approach and policies is structured around two focus areas with defined targets and KPIs.

Targets

Ambition: Maintain the level of engagement of our employees with Zehnder Group

Target: Address the top three improvement items from the employee engagement survey

- **Status:** Following the latest employee engagement survey, the overall engagement score reached 85%, a 1% increase compared with 2023, 6% above the industry norm, and 1% above the high-performance norm. The survey achieved an 86% response rate, meeting the target, and for the first time included employees from Siber. Leadership scores improved to 85%, reflecting strong role modelling of company values and support for employees.

The three key focus areas for 2023 evolved as follows: long-term confidence and digital transformation improved, while product know-how declined slightly despite the expansion of e-learning opportunities and the introduction of new training campaigns for internal and external sales teams in EMEA. During the Summer Meeting, the company's Mission, Vision, Values, and Purpose were revised and presented to global management, with a full roll-out planned for 2026. This increased confidence in Zehnder Group's long-term future.

- **Outlook:** Based on the latest results, a number of action items have been defined for each business segment and location. Such tailored actions have proven to be the most effective way of engaging employees. These range from expanding the scope of the digital module for performance reviews and holding dedicated value workshops with leadership teams to creating further product training for our e-learning offering.

Ambition: Invest in our people, upgrade their skills, promote a culture of lifelong learning for all genders, and aim to fill two-thirds of all vacancies through internal promotions for all roles with leadership responsibility

Target: Improve the results of the employee engagement survey question "I receive regular feedback"

- **Status:** The engagement survey score for the statement "I receive regular feedback" improved by 1% to an overall 80% rating, falling short of the initial 3% target. As a supporting indicator, the proportion of employees receiving a regular performance and career development review was 90.2% in 2025. To strengthen feedback culture, the annual appraisal form was updated in 2025 and will be used for the first time in early 2026. This update reinforces the importance of performance management and regular feedback among managers and is supported by communication materials distributed through local HR teams. Group HR has developed a Performance Management e-learning module, available to managers to be completed before the next cycle in 2026.
- **Outlook:** The focus will remain on embedding feedback as an integral part of the performance culture. The new tools and training are expected to enhance managers' feedback skills and improve future engagement results relating to communication and performance development. The ongoing rollout of SuccessFactors is expanding digital access to appraisals and objectives, supporting greater consistency and transparency in feedback processes.

Target: Provide access to e-learning for all employees

- **Status:** Access to e-learning platforms is now available to all employees in North America and EMEA (excluding Siber), covering approximately 85% of the total workforce.
- **Outlook:** E-learning access will be extended to Siber, ensuring full coverage across all EMEA and North American sites. This will complete the Group-wide digital learning rollout, enabling consistent access to training and development opportunities for all employees. China remains outside the current scope due to IT security constraints, with no rollout planned for 2026.

Ambition: Promote health, well-being, and sustainable lifestyles and become a role model for our employees**Target: Encourage employee engagement with the UN Sustainable Development Goals and the Zehnder Group sustainability ambition**

- **Status:** The latest survey revealed that 91% of employees support our sustainability ambitions, targets, and actions, confirming a consistently high level of internal support despite a slight decrease of one percentage point versus 2023. The Sustainability Ambassador Programme was successfully launched and now meets monthly to exchange ideas and share progress on sustainability initiatives.

In addition, the Sustainability Snacks format was introduced, offering short learning sessions on sustainability topics. By the end of 2025, six sessions have taken place, with over 80 employees registered and an average of 30 live participants per session. Recordings are made available for all employees who cannot attend live.

- **Outlook:** We aim to increase participation in the Sustainability Snacks and expand the Ambassador Programme by offering live training sessions to business units. These efforts will help deepen sustainability engagement and further align employees with the Group's long-term sustainability goals.

Metrics

GRI 401: Employment 2016

Disclosure 401-1 New employee hires and employee turnover

New employee hires

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of new hires by age group – under 30 years old	%	34.1	32.5	1.6pp	34.2	-0.0pp
Rate of new hires by age group – between 30 and 50 years old	%	52.6	54.0	-1.4pp	53.6	-1.0pp
Rate of new hires by age group – over 50 years old	%	13.3	13.5	-0.2pp	12.3	1.0pp
Rate of new hires by gender – female	%	31.0	25.8	5.2pp	32.4	-1.5pp
Rate of new hires by gender – male	%	69.0	74.2	-5.2pp	67.6	1.5pp
Rate of new hires by gender – diverse	%	-	-	-	-	-
Rate of new hires by region – EMEA	%	68.8	61.2	7.7pp	70.8	-2.0pp
Rate of new hires by region – Asia-Pacific	%	7.2	17.1	-9.9pp	10.1	-2.9pp
Rate of new hires by region – North America	%	24.0	21.7	2.3pp	19.2	4.8pp
Rate of total new hires	%	13.2	11.1	2.1pp	11.1	2.1pp

Total number of new hires: 459 new hires in 2025, 391 new hires in 2024, and 407 new hires in 2023

GRI 401: Employment 2016

Disclosure 401-1 New employee hires and employee turnover

Employee turnover

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of employee turnover by age group – under 30 years old	%	22.2	32.1	-9.9pp	27.8	-5.6pp
Rate of employee turnover by age group – between 30 and 50 years old	%	11.1	15.3	-4.2pp	15.1	-3.9pp
Rate of employee turnover by age group – over 50 years old	%	10.0	10.8	-0.8pp	11.0	-1.1pp
Rate of employee turnover by gender – female	%	12.1	17.1	-5.0pp	14.7	-2.6pp
Rate of employee turnover by gender – male	%	11.9	15.2	-3.3pp	15.6	-3.7pp
Rate of employee turnover by gender – diverse	%	-	100.0	-100.0pp	-	-
Rate of employee turnover by region – EMEA	%	10.0	13.6	-3.5pp	13.5	-3.5pp
Rate of employee turnover by region – Asia-Pacific	%	18.2	26.3	-8.1pp	18.2	-0.0pp
Rate of employee turnover by region – North America	%	18.6	18.4	0.2pp	25.1	-6.4pp
Rate of total employee turnover	%	12.0	15.7	-3.7pp	15.4	-3.4pp

Total amount of employee turnover: 415 employees in 2025, 553 employees in 2024, and 564 employees in 2023

GRI 404: Training and Education 2016**Disclosure 404-1 Average hours of training per year per employee**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Average hours of training that our employees have undertaken, by gender – female	h	17.0	21.0	-4.0	17.3	-0.3
Average hours of training that our employees have undertaken, by gender – male	h	13.2	15.3	-2.1	20.7	-7.5
Average hours of training that our employees have undertaken, by gender – diverse	h	41.0	40.0	1.0	8.0	33.0
Average hours of training that our employees have undertaken	h	14.2 	16.8	-2.6	19.8	-5.6

GRI 404: Training and Education 2016 Disclosure**404-3 Percentage of employees receiving regular performance and career development reviews**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Percentage of total employees who received a regular performance and career development review	%	90.3	93.4	-3.1pp	89.7	0.6pp

Internal promotion

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of internal promotions vs. external hiring by employee category – management positions (L1–L4) ¹	%	63.9	50.0	13.9pp	33.3	30.6pp
Rate of internal promotions vs. external hiring by employee category – non-management positions ²	%	16.2	23.4	-7.2pp	31.7	-15.4pp
Rate of internal promotions vs. external hiring for employees with leadership responsibility ³	%	62.0	63.4	-1.4pp	47.9	14.1pp

¹ L1–L4 refers to leadership levels 1 to 4. The company Siber, acquired in 2024, is excluded from this KPI as no leadership levels have been assigned to Siber employees yet. The higher internal promotion rate in 2025 is primarily attributable to the restructuring of the Commercial EMEA division, which took effect in January 2025.

² Non-management positions are positions beyond leadership level 4.

³ An employee with leadership responsibility is formally responsible for and supervising at least three other employees.

Employees with access to e-learning

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of employees with access to e-learning	%	88.0	73.3	14.7pp	73.6	14.4pp

In 2025, access to e-learning was extended to employees from Filtech, Caladair, and North America.

Employees that support the Zehnder sustainability ambitions and targets

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of employees that support the Zehnder sustainability ambitions and targets	%	91.0	n/a	n/a	92.0	-1.0pp

The rate of employees that support the Zehnder sustainability ambitions and targets is based on the employee engagement survey. The survey is conducted biannually and did not take place in 2024.

Diversity, equal opportunity, inclusion, and decent work

Impacts, risks, and opportunities

Impacts

Zehnder Group's corporate culture is designed to prevent and mitigate the potential negative impact on employees of unequal treatment, discrimination, harassment, and barriers to equal opportunity. The Group is committed to the principles of decent work and aims to promote diversity, equal opportunities, and inclusion throughout its workforce. All employees, regardless of gender, age, ethnicity, or other personal attributes, have an equal right to fair remuneration, career progression, and professional development.

A zero-tolerance policy towards harassment, bullying, and discrimination aims to reduce the risk of unsafe or disrespectful working conditions and safeguard employees' dignity and well-being. These measures primarily serve to mitigate the negative impact on job satisfaction, psychological safety, and employee retention. When implemented effectively, they can also contribute to stable workforce engagement and organisational performance.

Risks and opportunities

A lack of diversity and inclusion can present significant risks. Low levels of belonging or limited advancement opportunities can undermine retention and increase resignations. High turnover is particularly challenging in manufacturing, where attracting diverse talent, especially women, can be difficult. Less diverse teams may also limit creative thinking and reduce opportunities for innovation. Inadequate progress on diversity can further expose the company to reputational risks, especially as societal and legal expectations evolve.

Conversely, actively promoting diversity and inclusion offers substantial opportunities. Diverse teams bring broader perspectives, strengthen problem-solving and foster innovation. A culture that values different backgrounds and viewpoints enhances performance and reinforces Zehnder Group's reputation as an attractive employer for highly skilled professionals.

Management approach

Zehnder Group applies a zero-tolerance approach to harassment, bullying, and discrimination and promotes a diverse and inclusive workplace with decent working conditions and equal pay, with equal opportunity ensured in recruitment, remuneration, and career progression. To strengthen executive accountability, gender diversity is included in the Group Executive Committee's long-term incentive plan.

The Group HR department coordinates the implementation of policies and monitors progress, while local HR teams and line managers are responsible for the day-to-day execution and handling of cases, ensuring consistent application across regions and teams.

Directive on Diversity, Equality, and Inclusion

Introduced in 2023, the objective of the directive is to provide equal opportunities for all employees, regardless of their age, gender, disability, ethnicity, sexual orientation, or religion, and it shapes our broader approach to decent work. Governance and enforcement are defined by corporate standards and incentives. The Code of Conduct sets out conduct expectations and complaint handling, and an anonymous whistleblowing channel is available to all stakeholders. Any reported concerns are investigated, and appropriate action is taken. Further information about the Integrity Line can be found under [Compliance and fair business practices](#).

Equal Pay and Transparent Practices

Achieving equal pay and transparency in remuneration decisions is a top priority for Zehnder Group. For this reason, a standardised procedure for salary increases has been introduced across the company, whereby salaries are linked to clear and objective job descriptions, reducing the influence of subjective bias on pay. Building on the progress made in 2025, the 2026 salary review will also use success profiles, job grades, internal pay ranges, and compa ratios to guide decisions, further strengthening consistency and supporting equal pay outcomes.

Furthermore, the dual control principle guarantees that decisions regarding hiring, promotion, and remuneration are subject to review and approval by multiple individuals in all HR-related processes. This approach fosters fairness and objectivity, and underlines Zehnder Group's commitment to equal opportunities.

Implementation and outlook

Implementation of the above management approach and policies is structured around two focus areas with defined targets and KPIs.

Targets

Ambition: Apply a zero-tolerance approach to harassment, bullying, and discrimination at all times

Target: Train employees in anti-harassment and discrimination

- **Status:** The mandatory Code of Conduct training, covering anti-harassment and anti-discrimination topics, was launched in 2024 and continued through 2025. Completion rates were high, with participation close to full coverage. The Code of Conduct e-learning module is now mandatory for all new hires as part of onboarding, while new blue-collar employees participate in quarterly classroom workshops. Dedicated values trainings were held across several locations, tailored to local needs.
- **Outlook:** Dedicated training programmes are no longer planned at Group level beyond the ongoing mandatory Code of Conduct sessions, as our principles around anti-harassment and discrimination are embedded in multiple processes, aiming at compliant behaviour in day-to-day operations. Local initiatives will continue based on identified needs. In addition, the roll-out of the Values Campaign in 2026 is expected to further strengthen respectful workplace behaviour and reinforce awareness of diversity and inclusion principles across the organisation.

Ambition: Create a diverse work environment and provide decent work and equal pay**Target: Achieve gender diversity**

- **Status:** In 2025, women accounted for 20.9% of senior management positions (management levels 1 to 3) compared to 19.7% in 2024. Of internal promotions and external hires into senior management positions, 43.6% and 33.3% respectively were women, indicating a positive trend towards achieving the 2026 gender diversity target.
- **Outlook:** By 2026 we aim to reach 22.5% women in senior management, rising to 30% by 2030. Internal guidance on recruitment activities and internal opportunities requires consideration of qualified candidates of all genders, deliberately integrating our gender diversity target into existing processes with the ambition to further increase the share of female candidates, both internally and externally. The Group Executive Committee is confident that continued talent movements will support progress in 2026.

Target: Further securing equal pay

- **Status:** Significant progress was made towards securing equal pay. The Job House framework has been rolled out to nearly all sites in EMEA and North America; the remaining part is planned for 2026. Approximately 3000 positions have been mapped to success profiles and job grades, and internal pay structures and annual base salary ranges have been established for all locations. Separate approaches were applied for apprentices, trainees, interns, positions under union agreements, where pay is determined by the respective agreement, and contingent positions due to differing compensation mechanisms.

The annual base salary pay ranges are based on Korn Ferry benchmarking data, reflecting median market pay per country, job grade, and function, and can include regional and/or industry variations. The first pay gap analysis was conducted, identifying employees whose pay falls outside defined ranges, and targeted actions are being planned to close these gaps. Initial mapping of gender pay differences has also started in preparation for compliance with upcoming EU Pay Transparency regulations.

- **Outlook:** In 2026, the equal pay analysis by gender will be implemented by the EU Pay Transparency Directive implementation deadline, ensuring readiness for the first EU reporting cycle in 2027.

Target: Increase the portion of employees receiving a living wage

- **Status:** Progress towards increasing the share of employees receiving a living wage is embedded in the Job House roll-out in North America and the associated internal pay structures and salary ranges. Initial planning has begun to address these cases gradually, considering cost implications and potential adjustments to existing compensation programmes. This transition will require time and is expected to be completed by 2028 at the latest.
- **Outlook:** Work will continue in a phased manner between 2026 and 2028 to close identified gaps and aim to ensure that all employees receive at least a living wage. Insights from the Job House framework will guide the development of consistent living-wage standards across relevant locations.

Metrics

GRI 405: Diversity and Equal Opportunity 2016

Disclosure 405-1 Diversity of governance bodies and employees

Diversity within the Board of Directors

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of individuals within the Board of Directors by age group – under 30 years old	%	-	-	-	-	-
Rate of individuals within the Board of Directors by age group – between 30 and 50 years old	%	14.3	14.3	-	14.3	-
Rate of individuals within the Board of Directors by age group – over 50 years old	%	85.7	85.7	-	85.7	-
Rate of individuals within the Board of Directors by gender – female	%	28.6	28.6	-	28.6	-
Rate of individuals within the Board of Directors by gender – male	%	71.4	71.4	-	71.4	-
Rate of individuals within the Board of Directors by gender – diverse	%	-	-	-	-	-

GRI 405: Diversity and Equal Opportunity 2016

Disclosure 405-1 Diversity of governance bodies and employees

Diversity within the Group Executive Committee

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of individuals within the Group Executive Committee by age group – under 30 years old	%	-	-	-	-	-
Rate of individuals within the Group Executive Committee by age group – between 30 and 50 years old	%	50.0	60.0	-10.0pp	40.0	10.0pp
Rate of individuals within the Group Executive Committee by age group – over 50 years old	%	50.0	40.0	10.0pp	60.0	-10.0pp
Rate of individuals within the Group Executive Committee by gender – female	%	33.3	20.0	13.3pp	-	33.3pp
Rate of individuals within the Group Executive Committee by gender – male	%	66.7	80.0	-13.3pp	100.0	-33.3pp
Rate of individuals within the Group Executive Committee by gender – diverse	%	-	-	-	-	-

GRI 405: Diversity and Equal Opportunity 2016
Disclosure 405-1 Diversity of governance bodies and employees
Diversity among employees

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of employees by age group – under 30 years old	%	11.4	11.7	-0.3pp	13.4	-2.0pp
Rate of employees by age group – between 30 and 50 years old	%	51.6	53.3	-1.7pp	52.0	-0.4pp
Rate of employees by age group – over 50 years old	%	37.0	35.1	2.0pp	34.6	2.5pp
Rate of employees by gender – female	%	25.4	25.5	-0.0pp	26.8	-1.4pp
Rate of employees by gender – male	%	74.5	74.5	0.0pp	73.1	1.4pp
Rate of employees by gender – diverse	%	<0.05	<0.05	n/a	<0.1	n/a

Gender diversity among senior management

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of senior management members (L1-L3) by gender – female	%	20.9	19.7	1.2pp	18.3	2.6pp
Rate of senior management members (L1-L3) by gender – male	%	79.1	80.3	-1.2pp	81.7	-2.6pp
Rate of senior management members (L1-L3) by gender – diverse	%	-	-	-	-	-

L1-L3 refers to leadership levels 1 to 3.

The company Siber, acquired in 2024, is excluded from this KPI as no leadership levels have been assigned to Siber employees yet.

GRI 406: Non-discrimination 2016
Disclosure 406-1 Incidents of discrimination and corrective actions taken

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of incidents of discrimination during the reporting period	#	4	6	-33.3%	5	-20.0%

Due to training on discrimination and anti-harassment, overall awareness of these topics increased, which led to more sensitivity in identifying respective behaviour. Each reported case was handled individually according to its severity. Corrective actions taken ranged from mediation among affected parties to follow-up training for minor incidents. Two of these four cases were found to be unsubstantiated.

Trained employees for harassment, bullying, and/or discrimination

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of trained employees for harassment, bullying, and/or discrimination	%	27.8	30.8	-3.0pp	25.9	1.8pp

The rate only includes employees who were trained in the respective reporting year.

Social issues: Introduction

Ethics and transparency in our partnerships

This section outlines Zehnder Group's approach to **sustainable purchasing**, with a focus on ensuring transparency and ethical standards throughout its complex global supply chain. The subsequent subchapters explore the impacts, risks, and opportunities of responsible procurement, and explain how Zehnder Group incorporates sustainability into its relationships with suppliers and its risk management processes.

Sustainable purchasing

Impacts, risks, and opportunities

Impacts

Given the complexity of our supply chain and the involvement of thousands of suppliers, negative impacts can occur. Increased environmental and social risks are particularly evident in sectors such as logistics, electronics, and raw material extraction. Social challenges such as health and safety risks, forced labour, child labour, and modern slavery disproportionately affect vulnerable groups of workers, including migrant workers, young employees, women, and trade unionists.

While no specific factories or countries have yet been identified, Zehnder Group's human rights due diligence has highlighted potential risks within the supply chain. To prevent and mitigate these risks, Zehnder Group applies its Supplier Code of Conduct and regular sustainability audits to ensure compliance with, and continuous improvement of, environmental and social standards.

Despite these challenges, participation in a global supply chain also brings positive effects. In regions with a strong focus on artisanal mining, which carries serious risks, this sector offers opportunities for job creation and related employment and training, as well as economic opportunities.

Risks and opportunities

The introduction of a new supplier invariably brings with it a number of additional risks and vulnerabilities; addressing these requires a considerable investment of resources. The inclusion of social factors in supply chain management adds layers of complexity to procurement processes. Failure to address these risks may result in reputational damage, given the growing expectations of high ethical standards among all stakeholders.

However, Zehnder Group can strengthen its reputation as a responsible business partner by promoting fair working conditions, protecting vulnerable groups, and ensuring transparent corporate governance. The Group can also take advantage of its close, trusting collaborations with established suppliers to reduce risk, ensure product quality, and advance joint sustainability initiatives, encouraging partners to align themselves with sustainability goals in the process.

Management approach

To ensure that suppliers share our commitment to sustainability and are transparent about their environmental and social impacts, Zehnder Group is strengthening relationships with suppliers. Social, environmental, and economic criteria are increasingly integrated into purchasing decisions to improve supply chain transparency. Currently, human rights and environmental due diligence primarily focus on direct suppliers and is applied on a risk-based basis. The intention is to progressively extend coverage to Tier 2 and beyond.

Zehnder Group's procurement team, led by the CFO and Director Group Procurement, coordinates Group-wide initiatives and embeds sustainability across sourcing, contracting, and supplier management. In close collaboration with the Sustainability Steering Committee, it reports progress and challenges against the company's sustainability goals. To prepare Zehnder Group's procurement teams for the ESG challenges that can arise in complex supply chains, the company provides training on sustainability issues. This contributes to the assurance and promotion of responsible procurement.

Supplier Code of Conduct

Our Supplier Code of Conduct is based on global standards, such as the UN Universal Declaration of Human Rights and the ILO, as well as the UNGPs. It is also informed by the findings of our **double materiality assessment** and human rights due diligence. It establishes clear expectations for suppliers regarding ESG issues and requires them to sign a binding declaration to the Code of Conduct or an equivalent standard.

We strive to build long-term, trusting partnerships that adhere to the Code of Conduct. These partnerships are based on dialogue and cooperation, rather than financial pressure. This includes jointly developing solutions and providing support in implementing sustainable practices when difficulties arise in complying with the Code.

Risk-based screening and audits

Our aim is to audit direct-material suppliers before they are onboarded, when they present higher sustainability risk or uncertainty or are extremely important to our business in size, potential, or dependency. We use a risk-based assessment to identify those suppliers that require further investigation. By combining public country and category risk indices with our own evaluations, we determine where further investigation and more intensive audits are necessary.

The audits cover ESG criteria to ensure that suppliers' sustainability commitments are consistently implemented. Audit processes are continuously updated to ensure compliance with the latest standards and to continuously improve the initial assessments.

Transparency and engagement

Trusting and cooperative partnerships with suppliers are crucial for transparency in the supply chain, particularly with Tier 2 suppliers where risks can be more difficult to identify. Such partnerships enable Zehnder Group to support its suppliers in improving their environmental responsibility, working conditions, and governance standards, helping Zehnder Group achieve its sustainability goals.

Open communication is vital to identify and resolve significant problems in the supply chain and to ensure transparency. Zehnder Group facilitates this by providing open communication channels for all employees along the value chain. An Integrity Line (further information under **Compliance and fair business practices**), for example, allows anonymous reports and concerns to be raised. While there have been no reported significant negative effects to date, Zehnder Group remains committed to providing ongoing support and assistance in the event of any issues.

Implementation and outlook

Implementation of the above management approach and policies is structured around one focus area with five defined targets and KPIs.

Targets

Ambition: Ensure suppliers apply the same sustainability ambitions as we do and are transparent about their environmental and social impacts along the value chain

Target: Implement a Zehnder Group supply chain due diligence and risk management standard operating procedure

- **Status:** The standard operating procedure (SOP) has been completed. It outlines essential processes such as supplier onboarding (including the Supplier Code of Conduct and audits for high-risk or strategically important suppliers), Supplier Code of Conduct signature management, and sustainability risk screening. It also introduces a mechanism for providing suppliers with voluntary sustainability feedback whenever the relevant chapter is applied.

In line with the Ethical Trading Initiative (ETI) framework, the sustainability audit form has been updated and aligned with the nine ETI principles, which also underpin the Supplier Code of Conduct. Some gaps between the principles and current practices remain, and these will be periodically reassessed and addressed where feasible.

- **Outlook:** The SOP will be implemented across all regions, ensuring a consistent approach to supply chain due diligence and sustainability risk management.

Target: Signed Supplier Code of Conduct by significant direct suppliers

- **Status:** 86% of in-scope direct material suppliers¹ in EMEA and 34% in North America have signed the Supplier Code of Conduct or confirmed adherence to an equivalent standard. Suppliers were prioritised based on sustainability risk and spend, a methodology that will continue to guide supplier engagement. Those who have not yet signed will be contacted through the established escalation process, while low-risk, low-spend suppliers remain deprioritised. All new direct material suppliers are required to sign the Supplier Code of Conduct as part of the onboarding process, as defined in the Supply Chain Due Diligence SOP.
- **Outlook:** The target officially concludes in 2025. Going forward, the focus will shift to maintaining compliance, ensuring ongoing adherence to the Supplier Code of Conduct, and integrating the process fully into supplier onboarding and risk management practices.

Target: On-site audit of high-risk suppliers

- **Status:** The target of conducting 10 on-site sustainability audits of high-risk suppliers has been achieved. Additional audits were carried out using the sustainability chapter of our assessment process, though these suppliers were outside the original target scope. Not all suppliers were compliant. Findings led to voluntary improvement measures, such as clearer grievance mechanisms, climate-risk analysis, energy-mix transparency, and contracts in native languages.
- **Outlook:** Future audit commitments will depend on the definition of new 2026 targets. A continuation of audits based on country-risk prioritisation is under consideration.

¹ In-scope direct material suppliers are defined as direct material suppliers with a yearly spend of more than EUR 5000.

Metrics

GRI 204: Procurement Practices 2016

Disclosure 204-1 Proportion of spending on local suppliers

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Percentage of the procurement budget used for significant locations of operation ¹ that is spent on suppliers local ² to that operation	%	62.0	66.0	-4.0pp	63.0	-1.0pp

Data relies in part on spend and market forecasts.

The 2023 and 2024 figures have been restated due to a revised methodology to collect the data. For our central entity, a plant-level assessment was applied rather than relying on the entity's country of registration, providing a result closer to operational reality. The original reported figures were 52.0% for 2024 and 54.0% for 2023.

1 Significant locations of operation are defined as business units representing above 5% of total spend.

2 Local here is defined as by country.

GRI 308: Supplier Environmental Assessment 2016

Disclosure 308-1 New suppliers that were screened using environmental criteria

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Percentage of new suppliers that were screened using environmental criteria	%	-	-	-	-	-

Since the SOP implementation has not yet occurred, the KPI for environmental screening is currently zero.

GRI 308: Supplier Environmental Assessment 2016

Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of suppliers assessed for environmental impacts	#	23	27	-14.8%	24	-4.2%
Number of suppliers identified as having significant actual and potential negative environmental impacts	#	1	-	n/a	-	n/a
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment ¹	%	4.3	-	4.3pp	-	4.3pp
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment ²	%	-	-	-	-	-

1 One supplier did not meet the audit requirements. Mandatory improvement actions were issued, and the supplier has been provided with an appropriate timeline to implement the required changes.

2 Zero supplier relationships were terminated due to potential and actual negative environmental impacts. We recognise our responsibility to those potentially affected by negative impacts and aim to address significant adverse effects with our suppliers, benefiting all parties. Termination of a business relationship is considered only as a last resort.

GRI 414: Supplier Social Assessment 2016**Disclosure 414-1 New suppliers that were screened using social criteria**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Percentage of new suppliers that were screened using social criteria	%	-	-	-	-	-

Since the SOP implementation has not yet occurred, the KPI for social screening is currently zero.

GRI 414: Supplier Social Assessment 2016**Disclosure 414-2 Negative social impacts in the supply chain and actions taken**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of suppliers assessed for social impact	#	23	27	-14.8%	24	-4.2%
Number of suppliers identified as having significant actual and potential negative social impacts	#	1	-	n/a	-	n/a
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment ¹	%	4	-	4.3pp	-	4.3pp
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment ²	%	-	-	-	-	-

¹ One supplier did not meet the audit requirements. Mandatory improvement actions were issued, and the supplier has been provided with an appropriate timeline to implement the required changes.

² Zero supplier relationships were terminated due to potential and actual negative social impacts. We recognise our responsibility to those potentially affected by negative impacts and aim to address significant adverse effects with our suppliers, benefiting all parties. Termination of a business relationship is considered only as a last resort.

Suppliers that have signed the Supplier Code of Conduct

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of direct material suppliers that have signed the Supplier Code of Conduct	%	41.9	33.7	8.2pp	29.1	12.8pp
Rate of indirect material suppliers that have signed the Supplier Code of Conduct	%	-	-	-	-	-

Combating corruption: Introduction

Strengthening ethical practices

This section provides an overview of Zehnder Group's comprehensive approach to **compliance and fair business practices**. The subchapters explore the impacts, risks, and opportunities involved in maintaining a robust compliance framework and promoting fair conduct, as well as the management strategies employed to safeguard against unethical behaviour.

Compliance and fair business practices

Impacts, risks, and opportunities

Impacts

Corruption undermines the integrity of governance systems and undermines their ability to protect human rights. By disregarding accountability, individuals and companies can evade laws and tax regulations that can fund public services such as education, healthcare, and infrastructure. Zehnder Group is committed to promoting strong ethics both within the company and across its supplier base in order to ensure high standards in its operations. This also enhances transparency throughout the supply chain and contributes positively to external stakeholders.

Risks and opportunities

While corruption poses a risk in many industries, it is perceived to be particularly prevalent in the construction sector, which Zehnder Group serves. Zehnder Group operates in countries with varying degrees of public-sector corruption. While Switzerland and the Netherlands, for example, are among the top ten countries in the [Corruption Perceptions Index](#), China (76/180) and Türkiye (107/180)  pose a higher risk of corruption.

The consequences of bribery and corruption can be severe and far reaching. Legal disputes arising from such practices may lead to significant reputational damage. Corruption can also result in inefficient resource allocation, hinder innovation, and disrupt market dynamics, which has a long-term impact on social welfare. Combating corruption therefore offers an important social opportunity, strengthens competition, protects vulnerable communities, and promotes fair business practices.

Our Code of Conduct establishes that we win and retain customers through our commitment to trust and the quality of our products, not through unethical practices. We apply these principles consistently across our operations and expect the same from our suppliers. Therefore, we place strong emphasis on transparency and preventive measures as core elements of our compliance strategy. Our Code of Conduct, training programmes, and due diligence procedures are designed to identify and mitigate corruption risks throughout our operations and supply chain.

Management approach

At Zehnder Group, we are committed to upholding the highest standards of ethical conduct, transparency, and compliance. Our compliance system follows a three-lines-of-defence approach: business units implement internal regulations as the first line of defence, legal and compliance experts provide oversight as the second line of defence, and the third line of defence is led by the Head of Group Internal Audit and the Audit Committee to ensure independent assurance and advice. The Board of Directors and the Group Executive Committee oversee the entire process to ensure transparency and accountability throughout the company. Group Legal and Group Compliance have been brought together under the Group General Counsel, making governance even stronger.

Our compliance management system is reviewed and updated regularly. Key risks are addressed through directives and guidelines, in-person and online training, onboarding programmes, newsletters, risk assessments, and internal audits. Each site appoints a legal and compliance contact, with quarterly reporting consolidated at Group level.

Our Code of Conduct

The Zehnder Group Code of Conduct serves as a framework for ethical, legal, and socially responsible behaviour. The Code of Conduct informs our daily interactions and helps us navigate complex business environments while upholding the highest ethical standards. Available in ten languages, it provides a solid foundation for our compliance efforts.

The Code of Conduct covers the following key topics:

- Integrity, ethics, and compliance
- Conflicts of interest and insider trading
- Safeguarding corporate assets
- Communication
- Environment, health, and safety
- Fairness, respect, and anti-discrimination
- Diversity, equity, and inclusion
- Confidentiality and data privacy
- Competition and global trade
- Corruption and gifts
- Quality

Updated in 2023, the Code of Conduct incorporates international best practices, such as the UNGPs, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the OECD Due Diligence Guidance for Responsible Business Conduct.

Supportive directives

In addition to the Code of Conduct, Zehnder Group's Legal and Compliance Directive defines clear roles and responsibilities, ensuring effective monitoring and governance across the Group. Introduced in 2023, the Anti-Bribery and Anti-Corruption Directive sets out stringent rules on ethical business conduct, including the handling of gifts and benefits, and is aligned with international legislation such as the Swiss Criminal Code, the US Foreign Corrupt Practices Act, and the UK Bribery Act . The directive reinforces our zero-tolerance approach to bribery, prohibits facilitation payments, prevents the misuse of third parties for improper purposes, and ensures that our business records remain accurate and transparent. These measures have strengthened awareness and improved escalation practices across the organisation. Regular anti-corruption training further supports compliance, and no incidents of corruption were recorded in 2025 . While this suggests our prevention measures are working effectively, we recognise that robust detection mechanisms and continued vigilance therefore remain priorities. We therefore maintain ongoing training, regular risk assessments, and continuous enhancement of our compliance framework.

To further highlight our stance, the CEO endorsed the UN Global Compact Call-to-Action, which promotes collaboration between businesses and governments to strengthen governance and anti-corruption efforts as vital components of a sustainable and inclusive global economy, aligned with the 2030 Agenda for Sustainable Development.

The Zehnder Group Integrity Line

Our Integrity Line provides employees and business partners a confidential and secure way to report any suspected misconduct or breaches of the Code of Conduct. Available in all operating countries, it supports local languages and allows anonymous reporting. All submissions are taken seriously, investigated thoroughly and independently by Group Legal and Compliance, and the findings are reported to the Group Executive Committee and Audit Committee. The Integrity Line serves as an alternative reporting channel for individuals who are uncomfortable with the internal reporting procedures, ensuring that concerns can be raised without fear of retaliation.

In 2025, 16 compliance cases  were recorded (compared to nine in 2024). Five cases were substantiated following investigation (previous year: five) and one case was determined to be partially substantiated (previous year: zero). One case was handled locally and 15 at Group level. The cases included four IT security and (potential) data breaches (of which two were substantiated, two were not substantiated) and one potential product safety issues (not substantiated), and internally three cases relating to harassment (one substantiated, one not substantiated, and one case that is ongoing), one case concerning potential offences against property (not substantiated), three cases concerning other breaches of the Code of Conduct (e.g. conflict of interests, two not substantiated, one partially substantiated) and one case concerning internal trade compliance (substantiated). Four cases occurred in North America, eleven in Europe and the Middle East, and one in China. Remedial actions included warnings, a dismissal, and further mitigation and compliance measures. Three cases were closed as out of scope.

Our Whistleblowing Guidelines protect all reporters from retaliation, harassment, or discrimination, reinforcing a culture of transparency, trust, and accountability.

Implementation and outlook

Implementation of the above management approach and policies is structured around one focus area with three defined targets and KPIs.

Targets

Ambition: Maintain a good compliance framework, upskill, and achieve zero corruption or antitrust incidents, with compliance reviews forming an essential part of internal audits

Target: Upskill in compliance through compliance training

- **Status:** Compliance training activities were further expanded across the organisation in 2025. In-person legal and compliance sessions covered topics such as corporate governance, contracts, antitrust, anti-bribery and anti-corruption, regulatory aspects, and ESG, reaching employees across all functions, including sales, procurement, management, and the Board of Directors.

The mandatory Code of Conduct training was rolled out to all employees, with e-learning for white-collar staff and classroom sessions for blue-collar employees. Reminders were sent to ensure completion among remaining participants. Additional e-learning campaigns focused on conflicts of interest and anti-bribery and corruption refreshers were also conducted.

Relevant compliance e-learning are now integrated into the onboarding process for new employees.

In 2025, 1033 employees  were enrolled in compliance e-learning, 326 employees  took part in in-person legal or compliance sessions (mainly for blue collar workers), and 2023 employees  attended various additional Group compliance trainings.

- **Outlook:** With foundational compliance training complete, the focus will shift to ensuring these foundational trainings are periodically refreshed or deepened as appropriate. This ongoing approach aims to maintain high awareness levels and reinforce alignment with the organisation's ethical standards. These upskilling efforts are supplemented by additional compliance measures.

Target: Establish a more granular risk management framework related to operations with a potentially higher risk score for bribery or corruption

- **Status:** We further strengthened our risk management approach for operations with an elevated bribery and corruption risk. A targeted anti-bribery e-learning refresher was launched for selected employees. In supplier onboarding, Group Procurement integrated additional anti-bribery and anti-corruption questions into supplier onboarding, improving transparency on supplier practices and conditions at their sites. In parallel, potential suppliers are now asked to sign the Supplier Code of Conduct at onboarding, which reinforces awareness of anti-bribery and anti-corruption expectations. Supplier sign-off continues to follow a risk-based approach, with a supplier's risk profile determined by a combination of country and category risk, including business ethics and anti-corruption criteria.
- **Outlook:** The updated supplier audit template will be fully launched and implemented by Group Procurement in 2026, strengthening anti-bribery and anti-corruption coverage in on-site supplier assessments. Further measures and next steps under this target will be defined and led by Group Legal and Compliance, in coordination with Group Procurement, as part of the broader corruption-risk management framework.

Target: Focus on raising awareness for antitrust

- **Status:** Awareness-raising on antitrust compliance continued in 2025 through a series of virtual and in-person training sessions, and roll-out of new antitrust directives, following a similar approach as in 2024. The sessions targeted employees in sales, procurement, management, and other functions exposed to potential competition law risks. The training underscored the importance of understanding fair competition principles, prohibited practices, and compliance in daily business activities.
- **Outlook:** Antitrust awareness initiatives will remain a key element of the Group's compliance programme. Future efforts will focus on maintaining regular refresher trainings and integrating antitrust guidance into onboarding and role-specific compliance sessions.

Metrics

GRI 2: General Disclosures 2021

Disclosure 2-27 Compliance with laws and regulations

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of significant instances of non-compliance with laws and regulations for which fines were incurred	#	-	1	-100.0%	n/a	n/a
Number of significant instances of non-compliance with laws and regulations for which non-monetary sanctions were incurred	#	-	-	-	n/a	n/a
Total number of significant instances of non-compliance with laws and regulations	#	-	1	-100.0%	n/a	n/a
Number of fines paid for significant instances of non-compliance with laws and regulations from previous periods	#	-	-	-	n/a	n/a
Number of fines paid for significant instances of non-compliance with laws and regulations from current period	#	-	1	-100.0%	n/a	n/a
Total number of fines paid for significant instances of non-compliance with laws and regulations	#	-	1	-100.0%	n/a	n/a
Monetary value of fines paid for significant instances of non-compliance with laws and regulations from previous periods	EUR	-	-	-	n/a	n/a
Monetary value of fines paid for significant instances of non-compliance with laws and regulations from current period	EUR	-	10,045	-100.0%	n/a	n/a
Total monetary value of fines paid for significant instances of non-compliance with laws and regulations	EUR	-	10,045	-100.0%	n/a	n/a

The instance and fine reported in 2024 relates to an OHS case reported in 2024 (see more details in our 2024 Sustainability Report).

GRI 205: Anti-corruption 2016

Disclosure 205-2 Communication and training about anti-corruption policies and procedures

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of governance body members to whom the organisation's anti-corruption policies and procedures have been communicated	#	13	12	8.3%	12	8.3%
Total percentage of governance body members to whom the organisation's anti-corruption policies and procedures have been communicated	%	100.0	100.0	-	100.0	-
Total number of governance body members who have received training on anti-corruption	#	13	12	8.3%	7	85.7%
Total percentage of governance body members who have received training on anti-corruption	%	100.0	100.0	-	58.3	41.7pp

The definition of governance body members includes all members of the Board of Directors and the Group Executive Committee.

Currently, all governance body members who have been informed about the organisation's anti-corruption policies and procedures or have received related training are from the EMEA region.

GRI 205: Anti-corruption 2016**Disclosure 205-3 Confirmed incidents of corruption and actions taken**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of confirmed incidents of corruption	#	-	-	-	-	-
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	#	-	-	-	-	-
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	#	-	-	-	-	-
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases	#	-	-	-	-	-

GRI 206: Anti-competitive Behaviour 2016**Disclosure 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant	#	-	-	-	-	-

Respect for human rights: Introduction

Protecting human rights across our value chain

This section outlines Zehnder Group's approach to **upholding human rights** throughout its operations and supply chain. The subsequent subchapters examine the impacts, risks, and opportunities related to human rights, as well as our management strategy for addressing these issues. Zehnder Group is committed to promoting fair labour practices, ensuring safe working conditions, and supporting workers' rights, reflecting our focus on ethical business practices and social responsibility.

Upholding human rights

Impacts, risks, and opportunities

Impacts

Zehnder Group's approach to human rights aims to prevent and mitigate any potential negative impacts on individuals within its own operations and across the supply chain. This includes risks related to unfair labour practices, unsafe working conditions, restrictions on freedom of association, and discriminatory treatment. By setting expectations regarding fair labour standards, workplace safety, freedom of association, and non-discrimination, the Group aims to minimise the risk of human rights violations and ensure decent working conditions.

With regard to its products, Zehnder Group considers the potential impact on consumers' health and safety. The design and development of products aim to avoid adverse effects on indoor air quality and, where possible, to promote healthy indoor environments. While these measures primarily serve to mitigate potential negative impacts, any positive effects depend on appropriate product use and operating conditions.

Risks and opportunities

The global nature of our supply chain, particularly in high-risk regions, makes ensuring respect for human rights more complex. Failure to address issues such as forced labour, poor working conditions and environmental damage can result in legal challenges, reputational damage, and potential loss of business opportunities.

Strengthening human rights due diligence can improve responsible sourcing, strengthen supplier relationships, and increase overall resilience. Engaging with employees, suppliers, and local communities helps to identify root causes and supports the implementation of more effective corrective actions. Increased transparency, targeted audits, and improved supplier assessments drive higher standards across the value chain. Furthermore, sustainable product development and responsible procurement reinforce Zehnder Group's position as a reliable and ethical business partner.

Management approach

We have systematically evaluated our performance across the six core elements of human rights due diligence, in line with the UNGPs, and with a focus on minimising the use of rare earths and conflict minerals. We have established clear objectives and metrics to reinforce our dedication to human rights.

The salient human rights issues for Zehnder Group across the value chain include child labour, modern slavery, and forced labour, as well as environmental impacts on people, particularly in logistics and end-of-life management. Actions are prioritised based on severity and likelihood, and focus on preventing workplace discrimination, ensuring living wages, eliminating modern slavery, and strengthening OHS.

Responsibility for human rights due diligence has been embedded within Zehnder Group's corporate governance framework and is overseen by the Steering Committee, the CEO, and the Chair of the Board of Directors. To further ensure compliance with our sustainability goals, human rights considerations are incorporated into the company's strategies, policies, and processes across all departments. The Group's sustainability team coordinates these measures in consultation with the Group Executive Committee and in collaboration with departments such as Legal, Compliance, HR, Procurement, and Logistics.

Our approach aligns with international standards, including the ILO Conventions, the ILO-IOE Child Labour Guidance Tool¹, and the UNGPs.

Zehnder Group's human rights due diligence framework

Our standalone Human Rights Directive defines clear goals and measures to strengthen our commitment to human rights. Through regular monitoring, public reporting, and effective grievance mechanisms, we ensure the highest ethical standards and transparency, and continuous improvement.

Furthermore, Zehnder Group has integrated human rights aspects into several existing policies, including those against harassment and for the promotion of diversity, equity, and inclusion, to encourage fair treatment and inclusion. Safe and secure working conditions are also guaranteed in our local OHS policies. In addition, the Zehnder Group Code of Conduct, the Supplier Code of Conduct and our **Modern Slavery Statement** (UK only) are integral to our commitment to upholding ethical business practices throughout the supply chain.

Child labour and conflict minerals

In line with Swiss regulations on due diligence obligations and transparency concerning minerals and metals from conflict areas,² and child labour, we address these issues within the broader framework of our human rights due diligence.

Zehnder Group categorically rejects child labour. We are following international standards, as explained above, and therefore comply with the equivalent provisions of Swiss law.³ Within the Group, the risk is considered very low due to the high production depth. In addition, our Supplier Code of Conduct ensures that our suppliers comply with ILO standards. According to the annual group-wide review, no cases of child labour were identified within Zehnder Group legal entities. There were likewise no such cases of child labour uncovered during the audits carried out at suppliers. Furthermore, the analysis of child labour at high-risk suppliers did not give rise to any reasonable suspicions.

With regard to minerals from conflict-affected regions, we have conducted assessments in accordance with the Ordinance on Due Diligence and Transparency relating to Minerals and Metals from Conflict-Affected Regions and Child Labour. Although our total imports are below the threshold values, we are committed to minimising our use of conflict minerals and ensuring that our materials are responsibly sourced, avoiding materials from conflict-affected regions wherever possible.

¹The ILO-IOE Child Labour Guidance Tool is a resource developed by the ILO and the International Organisation of Employers (IOE) to help companies identify, prevent, and address child labour in their operations and supply chains.

²Tantalum, tin, tungsten, gold (3TG), as defined by regulation (EU) 2017/821

³As defined in CO Art. 964j para. 4 and Ordinance on Due Diligence Obligations and Transparency Regarding Minerals and Metals from Conflict Areas and Child Labour Art. 9 para. 1

Implementation and outlook

Implementation of the above management approach and policies is structured around two focus areas with defined targets.

Targets

Ambition: Apply a human rights due diligence approach and respect the UN Guiding Principles on Human Rights

Target: Set up a human rights due diligence risk management process and implement a roadmap based on the UN Guiding Principles on Business and Human Rights

- **Status:** Progress continued in establishing a human rights due diligence (HRDD) risk management process aligned with the UNGPs. The Supplier Code of Conduct was revised to expand its scope and ensure alignment with other internal policies, strengthening coverage of key human rights topics. In addition, the Group Occupational Health and Safety Directive, approved in May 2025, provides clear guidance on OHS management system requirements supporting worker protection.

Employee awareness was further enhanced through the Sustainability Snacks training series, which includes human rights topics alongside environmental and social issues. No additional human rights-specific trainings have yet been released beyond existing modules on SuccessFactors. The Zehnder Group Integrity Line was reviewed for outreach improvements, with implementation planned beyond 2025. The completion of the Job House roll-out across most EMEA and all North American branches also paved the way for continued progress on the Living Wage project in North America.

- **Outlook:** We plan to launch our Living Wage project in North America in 2026, which will entail a thorough gap analysis of actual wages compared to living wages and the formulation of a concrete action plan to close potential gaps, where applicable.

Ambition: Minimise the use of rare earth and conflict minerals in our products and production processes

Target: Assess our main direct high-risk material supply chains by country of origin

- **Status:** Efforts to assess high-risk material supply chains by country of origin continued through additional outreach and direct communication with suppliers' sustainability teams. Despite these efforts, obtaining full transparency remains challenging, as many suppliers are either unwilling or unable to share detailed origin information, and the Group's influence over upstream supply chains remains limited.
- **Outlook:** While the topic remains important, this specific target is considered closed. The focus will shift toward strengthening market intelligence and improving visibility in the steel supply chain to support future due diligence and responsible sourcing initiatives.

EU taxonomy

Reporting requirements

Zehnder Group is not yet covered by the EU Taxonomy Regulation (Regulation 2020/852). This report therefore represents our voluntary EU taxonomy disclosure for the fiscal year 2025. As our reporting is voluntary, we have focused on activities with the highest economic significance and environmental relevance, prioritising clarity and accuracy over extending the scope to less relevant activities.

This approach maintains transparent and meaningful disclosure while prioritising areas with the greatest potential to contribute to sustainable objectives.

Zehnder Group has chosen to apply the reporting rules under the Disclosures Delegated Act as amended by the Omnibus Delegated Act when publishing its report covering the 2025 financial year. We acknowledge that the current scope does not encompass all eligible activities or financial indicators. As data availability and reporting practices mature, we intend to expand the scope of our EU taxonomy disclosures.

Summary of results

Please note that all relative numbers in the table below refer to the company total.

	Net sales
Total (absolute value)	EUR 760.7 million
Eligible	68.5%
Eligible, aligned	0.0%
Eligible, not aligned	68.5%
Not eligible	31.5%

The eligible activities are listed below:

- Manufacture of electric radiators – Activity 1.2. Manufacture of electrical and electronic equipment (transition to a circular economy)
- Manufacture of indoor ventilation systems – Activity 3.5. Manufacture of energy efficiency equipment for buildings (climate change mitigation)
- Manufacture and leasing of industrial air cleaning units – Activity 5.5. Product-as-a-service and other circular use- and result-oriented service models (transition to a circular economy)

When combined, at least 68.5% of our total net sales comes from activities that are eligible under the EU taxonomy. The majority of criteria, including all minimum safeguard criteria, were met, and we identified our target areas to increase alignment for the next evaluation.

General comments

The turnover KPI includes the revenue recognised pursuant to Swiss GAAP FER.

This taxonomy assessment was completed in good faith, focused on transparency and providing explanation for choices made when interpreting the criteria. The interpretation of the criteria is based on both the explicit information available at the time of the assessment and the understanding of the purpose of the requirement.

The taxonomy regulation is being continually updated and clarified, and best practices in reporting are still emerging. Zehnder Group is closely following any clarifications from the EU Commission and any changes in industry best-practice when it comes to interpreting the activity descriptions or technical screening criteria.

GRI index

Zehnder Group has reported in accordance with the GRI Standards for the period 1 January 2025 to 31 December 2025, including the requirements specified by GRI 1: Foundation 2021.

GRI content index

GRI STANDARD	DISCLOSURE	LOCATION
The organisation and its reporting practices		
GRI 2: General Disclosures 2021	2-1 Organisational details	Corporate Governance, 1.1 Group structure Financial Report, Overview of companies Sustainability Report, Organisational purpose
	2-2 Entities included in the organisation's sustainability reporting	Financial Report, Overview of companies Sustainability Report, Our approach to reporting
	2-3 Reporting period, frequency and contact point	Sustainability Report, Our approach to reporting Integrated Annual Report, Further information for investors
	2-4 Restatements of information	Sustainability Report, Restatements of information
	2-5 External assurance	Sustainability Report, Limited assurance
Activities and workers		
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	Sustainability Report, Organisational purpose
	2-7 Employees	Sustainability Report, Proud to be Zehnder
	2-8 Workers who are not employees	Sustainability Report, Proud to be Zehnder
Governance		
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Corporate Governance ✓ Zehnder Group Homepage, Board of Directors ✓ Organisational regulations of Zehnder Group AG ✓ Corporate Governance, Zehnder Group organisational chart ✓ Sustainability Report, Sustainability organisation of Zehnder Group

2-10 Nomination and selection of the highest governance body	Corporate Governance 
	Articles of Association 
	Organisational regulations of Zehnder Group AG 
2-11 Chair of the highest governance body	Articles of Association 
	Organisational regulations of Zehnder Group AG 
2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance 
	Sustainability Report, Sustainability organisation of Zehnder Group
2-13 Delegation of responsibility for managing impacts	Sustainability Report, Delegation of responsibility
	Corporate Governance 
2-14 Role of the highest governance body in sustainability reporting	Sustainability Report, Reviewing and approving the information
2-15 Conflicts of interest	Sustainability Report, Prevention and mitigation of conflicts of interest
	Sustainability Report, Compliance and fair business practices
2-16 Communication of critical concerns	Code of Conduct 
	Sustainability Report, Communication of critical concerns
	Sustainability Report, Compliance and fair business practices
2-17 Collective knowledge of the highest governance body	Corporate Governance 
	Sustainability Report, Expanding the collective knowledge
2-18 Evaluation of the performance of the highest governance body	Corporate Governance 
	Sustainability Report, Expanding the collective knowledge
2-19 Remuneration policies	Compensation Report 
2-20 Process to determine remuneration	Compensation Report 
	Corporate Governance 
2-21 Annual total compensation ratio	The omission of this standard is due to the lack of globally consolidated data. With multiple local compensation systems, varying standards for working hours and the absence of a unified tracking system for cash benefits, it is not feasible to provide the required data for the 2025 report.

Strategy, policies and practices

GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Zehnder Group Sustainability Homepage Sustainability Report
	2-23 Policy commitments	Code of Conduct Supplier Code of Conduct Zehnder Group Sustainability Homepage Sustainability Report, Our approach to sustainability Sustainability Report, Climate action: Management approach Sustainability Report, Resource-efficient production: Management approach Sustainability Report, Circular products and innovation: Management approach Sustainability Report, Occupational health and safety: Management approach Sustainability Report, Attractive employer: Management approach Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Management approach Sustainability Report, Sustainable purchasing: Management approach Sustainability Report, Compliance and fair business practices: Management approach Sustainability Report, Upholding human rights: Management approach
	2-24 Embedding policy commitments	Sustainability Report, Our approach to sustainability Sustainability Report, Climate action: Management approach Sustainability Report, Resource-efficient production: Management approach Sustainability Report, Circular products and innovation: Management approach Sustainability Report, Occupational health and safety: Management approach Sustainability Report, Attractive employer: Management approach

	<p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Management approach</p> <hr/> <p>Sustainability Report, Sustainable purchasing: Management approach</p> <hr/> <p>Sustainability Report, Compliance and fair business practices: Management approach</p> <hr/> <p>Sustainability Report, Upholding human rights: Management approach</p>
2-25 Processes to remediate negative impacts	<p>Sustainability Report, Our approach to sustainability</p> <hr/> <p>Sustainability Report, Climate action: Management approach</p> <hr/> <p>Sustainability Report, Resource-efficient production: Management approach</p> <hr/> <p>Sustainability Report, Circular products and innovation: Management approach</p> <hr/> <p>Sustainability Report, Occupational health and safety: Management approach</p> <hr/> <p>Sustainability Report, Attractive employer: Management approach</p> <hr/> <p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Management approach</p> <hr/> <p>Sustainability Report, Sustainable purchasing: Management approach</p> <hr/> <p>Sustainability Report, Compliance and fair business practices: Management approach</p> <hr/> <p>Sustainability Report, Upholding human rights: Management approach</p>
2-26 Mechanisms for seeking advice and raising concerns	<p>Corporate Governance</p> <hr/> <p>Code of Conduct</p> <hr/> <p>Sustainability Report, Compliance and fair business practices: Management approach</p>
2-27 Compliance with laws and regulations	<p>Sustainability Report, Compliance and fair business practices: Implementation and outlook</p>
2-28 Membership associations	<p>Zehnder Group Homepage</p>

Stakeholder engagement

GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Sustainability Report, Communication with stakeholder groups
	2-30 Collective bargaining agreements	Sustainability Report, Proud to be Zehnder Sustainability Report, Respect for human rights

Materiality assessment and list of material topics

GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report, Materiality analysis
	3-2 List of material topics	Sustainability Report, Materiality analysis

Climate action

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Climate action: Impacts, risks, and opportunities
		Sustainability Report, Climate action: Management approach
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Report, Climate action: Implementation and outlook
	302-2 Energy consumption outside the organisation	Sustainability Report, Climate action: Implementation and outlook
	302-3 Energy intensity	Sustainability Report, Climate action: Implementation and outlook
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report, Climate action: Implementation and outlook
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report, Climate action: Implementation and outlook
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report, Climate action: Implementation and outlook
	305-4 GHG Emissions intensity	Sustainability Report, Climate action: Implementation and outlook

Resource-efficient production

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Resource-efficient production: Impacts, risks, and opportunities
		Sustainability Report, Resource-efficient production: Management approach

GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Sustainability Report, Resource-efficient production: Management approach
	303-2 Management of water discharge-related impacts	Sustainability Report, Resource-efficient production: Management approach
	303-3 Water withdrawal	Sustainability Report, Resource-efficient production: Implementation and outlook
	303-4 Water discharge	Sustainability Report, Resource-efficient production: Implementation and outlook
	303-5 Water consumption	Sustainability Report, Resource-efficient production: Implementation and outlook
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	Sustainability Report, Resource-efficient production: Implementation and outlook
GRI 306: Waste 2020	306-3 Waste generated	Sustainability Report, Resource-efficient production: Implementation and outlook
	306-4 Waste diverted from disposal	Sustainability Report, Resource-efficient production: Implementation and outlook
	306-5 Waste directed to disposal	Sustainability Report, Resource-efficient production: Implementation and outlook

Circular products and innovation

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Circular products and innovation: Impacts, risks, and opportunities
		Sustainability Report, Circular products and innovation: Management approach
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainability Report, Circular products and innovation: Implementation and outlook
	301-2 Recycled input materials used	Sustainability Report, Circular products and innovation: Implementation and outlook
	301-3 Reclaimed products and their packaging materials	Sustainability Report, Circular products and innovation: Implementation and outlook

Occupational health and safety

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Occupational health and safety: Impacts, risks, and opportunities
		Sustainability Report, Occupational health and safety: Management approach

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report, Occupational health and safety: Management approach
	403-5 Worker training on occupational health and safety	Sustainability Report, Occupational health and safety: Management approach
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report, Occupational health and safety: Management approach
	403-8 Workers covered by an occupational health and safety management system	Sustainability Report, Occupational health and safety: Implementation and outlook
	403-9 Work-related injuries	Sustainability Report, Occupational health and safety: Implementation and outlook
	403-10 Work-related ill health	Sustainability Report, Occupational health and safety: Implementation and outlook

Attractive employer

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Attractive employer: Impacts, risks, and opportunities
		Sustainability Report, Attractive employer: Management approach
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report, Attractive employer: Implementation and outlook
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Report, Attractive employer: Implementation and outlook
	404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability Report, Attractive employer: Management approach
	404-3 Percentage of employees receiving regular performance and career development reviews	Sustainability Report, Attractive employer: Implementation and outlook

Diversity, equal opportunity, inclusion, and decent work

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Impacts, risks, and opportunities
		Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Management approach
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Implementation and outlook
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Implementation and outlook

Sustainable purchasing

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Sustainable purchasing: Impacts, risks, and opportunities
		Sustainability Report, Sustainable purchasing: Management approach
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainability Report, Sustainable purchasing: Implementation and outlook
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability Report, Sustainable purchasing: Implementation and outlook
	308-2 Negative environmental impacts in the supply chain and actions	Sustainability Report, Sustainable purchasing: Implementation and outlook
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainability Report, Sustainable purchasing: Implementation and outlook
	414-2 Negative social impacts in the supply chain and actions taken	Sustainability Report, Sustainable purchasing: Implementation and outlook

Compliance and fair business practices

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Compliance and fair business practices: Impacts, risks, and opportunities
		Sustainability Report, Compliance and fair business practices: Management approach
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	While at Group level we conduct risk assessments related to corruption as reported, this data is currently not being collected locally and is therefore omitted.
	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report, Compliance and fair business practices: Implementation and outlook
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Report, Compliance and fair business practices: Implementation and outlook
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Sustainability Report, Compliance and fair business practices: Implementation and outlook

Upholding human rights

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Upholding human rights: Impacts, risks, and opportunities
		Sustainability Report, Upholding human rights: Management approach

Swiss Code of Obligations index

Transparency on non-financial matters

CO ARTICLE	DISCLOSURE	LOCATION	
964b para. 1	Environmental matters (in particular CO ₂ goals)	Sustainability Report, Environmental matters	
964b para. 1	Social issues	Sustainability Report, Social issues	
964b para. 1	Employee-related issues	Sustainability Report, Employee-related issues	
964b para. 1	Respect for human rights	Sustainability Report, Respect for human rights	
964b para. 1	Combating corruption	Sustainability Report, Combating corruption	
964b para. 1	Information required to understand the business performance	Management Report	
964b para. 1	Information required to understand the business result	Financial Report	
964b para. 1	Information required to understand the state of the undertaking and the effects of its activity on ...	... environmental matters (in particular CO ₂ goals)	Sustainability Report, Environmental matters
		... social issues	Sustainability Report, Social issues
		... employee-related issues	Sustainability Report, Employee-related issues
		... respect for human rights	Sustainability Report, Respect for human rights
		... combating corruption	Sustainability Report, Combating corruption
964b para. 2 ciph. 1	Description of the business model	Sustainability Report, Organisational purpose	
964b para. 2 ciph. 2	Description of the policies adopted including the due diligence applied in relation to ...	... environmental matters (in particular CO ₂ goals)	Sustainability Report, Climate action: Management approach
			Sustainability Report, Resource-efficient production: Management approach
			Sustainability Report, Circular products and innovation: Management approach
		... social issues	Sustainability Report, Sustainable purchasing: Management approach

		... employee-related issues	<p>Sustainability Report, Occupational health and safety: Management approach</p> <hr/> <p>Sustainability Report, Attractive employer: Management approach</p> <hr/> <p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Management approach</p>
		... respect for human rights	<p>Sustainability Report, Upholding human rights: Management approach</p>
		... combating corruption	<p>Sustainability Report, Compliance and fair business practices: Management approach</p>
964b para. 2 ciph. 3	Presentation of the measures taken to implement these policies and an assessment of the effectiveness of these measures ...	... environmental matters (in particular CO ₂ goals)	<p>Sustainability Report, Climate action: Implementation and outlook</p> <hr/> <p>Sustainability Report, Resource-efficient production: Implementation and outlook</p> <hr/> <p>Sustainability Report, Circular products and innovation: Implementation and outlook</p>
		... social issues	<p>Sustainability Report, Sustainable purchasing: Implementation and outlook</p>
		... employee-related issues	<p>Sustainability Report, Occupational health and safety: Implementation and outlook</p> <hr/> <p>Sustainability Report, Attractive employer: Implementation and outlook</p> <hr/> <p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Implementation and outlook</p>
		... respect for human rights	<p>Sustainability Report, Upholding human rights: Implementation and outlook</p>
		... combating corruption	<p>Sustainability Report, Compliance and fair business practices: Implementation and outlook</p>
964b para. 2 ciph. 4 lit. a	Description of the main risks that arise from our own business operations, related to ...	... environmental matters (in particular CO ₂ goals)	<p>Sustainability Report, Climate action: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Resource-efficient production: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Circular products and innovation: Impacts, risks, and opportunities</p>
		... social issues	<p>Sustainability Report, Sustainable purchasing: Impacts, risks, and opportunities</p>

		... employee-related issues	<p>Sustainability Report, Occupational health and safety: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Attractive employer: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Impacts, risks, and opportunities</p>
		... respect for human rights	<p>Sustainability Report, Upholding human rights: Impacts, risks, and opportunities</p>
		... combating corruption	<p>Sustainability Report, Compliance and fair business practices: Impacts, risks, and opportunities</p>
964b para. 2 ciph. 4 lit. b	Description of the main risks that arise from our business relationships, products or services related to ...	... environmental matters (in particular CO ₂ goals)	<p>Sustainability Report, Climate action: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Resource-efficient production: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Circular products and innovation: Impacts, risks, and opportunities</p>
		... social issues	<p>Sustainability Report, Sustainable purchasing: Impacts, risks, and opportunities</p>
		... employee-related issues	<p>Sustainability Report, Occupational health and safety: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Attractive employer: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Impacts, risks, and opportunities</p>
		... respect for human rights	<p>Sustainability Report, Upholding human rights: Impacts, risks, and opportunities</p>
		... combating corruption	<p>Sustainability Report, Compliance and fair business practices: Impacts, risks, and opportunities</p>
964b para. 2 ciph. 5	Main performance indicators for our activities in relation to ...	... environmental matters (in particular CO ₂ goals)	<p>Sustainability Report, Climate action: Implementation and outlook</p> <hr/> <p>Sustainability Report, Resource-efficient production: Implementation and outlook</p> <hr/> <p>Sustainability Report, Circular products and innovation: Implementation and outlook</p>
		... social issues	<p>Sustainability Report, Sustainable purchasing: Implementation and outlook</p>

	... employee-related issues	<p>Sustainability Report, Occupational health and safety: Implementation and outlook</p> <hr/> <p>Sustainability Report, Attractive employer: Implementation and outlook</p> <hr/> <p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Implementation and outlook</p>
	... respect for human rights	<p>Sustainability Report, Upholding human rights: Implementation and outlook</p>
	... combating corruption	<p>Sustainability Report, Compliance and fair business practices: Implementation and outlook</p>
964b para. 4	Scope of consolidation	<p>Sustainability Report, Our approach to reporting</p> <hr/> <p>Financial Report, Overview of companies</p>

TCFD index

TCFD content index

TOPIC	DISCLOSURE	LOCATION
Governance	The Board's oversight of climate-related risks and opportunities	Sustainability Report, Climate action: Governance
	Management's role in assessing and managing climate-related risks and opportunities	Sustainability Report, Climate action: Governance
Strategy	Climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Sustainability Report, Climate action: Risks and opportunities
	The impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Sustainability Report, Climate action: Strategy
	The resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Sustainability Report, Climate action: Strategy
Risk management	The organisation's processes for identifying and assessing climate-related risks	Sustainability Report, Climate action: Risk management
	The organisation's processes for managing climate-related risks	Sustainability Report, Climate action: Risk management
	How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Sustainability Report, Climate action: Risk management
Metrics and targets	The metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Sustainability Report, Climate action: Targets Sustainability Report, Climate action: Metrics
	Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks	Sustainability Report, Climate action: Targets Sustainability Report, Climate action: Metrics
	The targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Sustainability Report, Climate action: Targets Sustainability Report, Climate action: Metrics

List of abbreviations

CARA	Clean Air Remote Application
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CO ₂ e	Carbon dioxide equivalent
DEFRA	Department for Environment, Food and Rural Affairs
EACs	Energy Attribute Certificates
EMEA	Europe, Middle East, and Africa
EPDs	Environmental product declarations
ESG	Environmental, social, and governance
ETI	Ethical Trading Initiative
EU	European Union
GHG	Greenhouse gas
GRI	Global Reporting Initiative
GWP	Global warming potential
HR	Human Resources
IEA	International Energy Agency
ILO	International Labour Organization
ILO-IOE	International Labour Organization and International Organisation of Employers
ISO	International Organization for Standardization
IPCC	Intergovernmental Panel on Climate Change
KPI	Key performance indicator
LCA	Life cycle assessment
NOx	Nitrogen oxides (NO and NO ₂)
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational health and safety
PVD	Physical vapour deposition
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SOP	Standard operating procedure
SOx	Sulphur oxides (SO ₂ and SO ₃)
TCFD	Task Force on Climate-related Financial Disclosures
UN	United Nations
UNGC	United Nations Global Compact
UNGPs	UN Guiding Principles on Business and Human Rights
VOCs	Volatile organic compounds (e.g. benzene, ethylene)

Independent practitioner's limited assurance report



Independent practitioner's limited assurance report on selected key performance indicators (KPIs) in the Sustainability Report 2025 (including the GHG emissions) to the Board of Directors of Zehnder Group AG, Gränichen

We have been engaged by the Board of Directors to perform assurance procedures to provide limited assurance on the selected key performance indicators (the KPIs) in the Sustainability Report 2025 (including the GHG emissions) of Zehnder Group AG for the period ended 31 December 2025. Our limited assurance engagement focused on the selected KPIs as presented in the Sustainability Report 2025 (the Report) on pages 137 to 233 marked with the symbol .

The selected key performance indicators (KPIs) in the Report were prepared by Management of Zehnder Group AG (the 'Group') based on the guidelines for sustainability reporting of the Global Reporting Initiative, the "GRI Standards" (latest versions). The Group presents its basis of reporting in the section "Our approach to reporting" in the Report on page 137 and on the respective pages where the above-mentioned indicators were disclosed (the "suitable Criteria"). The following selected KPIs were subject to our engagement:

- Environment:
 - [Energy consumption \[GRI 302\]](#)
 - [Water and Effluents \[GRI 303\]](#)
 - [Total Scope 1 and Scope 2 GHG emissions \[GRI 305-1 and 305-2\]](#)
 - [Total Scope 3 GHG emissions \[GRI 305-3\]](#)
 - [Waste \[GRI 306\]](#)
- Social:
 - [Occupational Health and Safety \[GRI 403\]](#)
 - [Training and Education \[GRI 404\]](#)
 - [Diversity and Equal Opportunity \[GRI 405\]](#)
- Governance:
 - [Governance structure and composition \[GRI 2-9\]](#)
 - [Nomination and selection of the highest governance body \[GRI 2-10\]](#)
 - [Chair of the highest governance body \[GRI 2-11\]](#)
 - [Role of the highest governance body in overseeing the management of impacts \[GRI 2-12\]](#)
 - [Delegation of responsibility for managing impacts \[GRI 2-13\]](#)

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- [Role of the highest governance body in sustainability reporting \[GRI 2-14\]](#)
- [Conflicts of interest \[GRI 2-15\]](#)
- [Communication of critical concerns \[GRI 2-16\]](#)
- [Collective knowledge of the highest governance body \[GRI 2-17\]](#)
- [Evaluation of the performance of the highest governance body \[GRI 2-18\]](#)
- [Remuneration policies \[GRI 2-19\]](#)
- [Process to determine remuneration \[GRI 2-20\]](#)

Inherent limitations

The accuracy and completeness of the key performance indicators in the Report (including the GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the indicators is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the guidelines for sustainability reporting of the Global Reporting Initiative (the "GRI Standards" (latest versions)) used by the Group, its definitions and procedures stated in the section "Our approach to reporting" and on the respective pages where the above-mentioned indicators were disclosed.

Board of Director's responsibility

The Board of Directors of Zehnder Group AG is responsible for the preparation and presentation of the Report in accordance with the suitable Criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation and presentation of the Report that are free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the suitable Criteria and adequate record keeping.

Independence and quality management

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

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

1 Independent practitioner's limited assurance report on selected key performance indicators (KPIs) in the Sustainability Report 2025 to the Board of Directors of Zehnder Group AG, Gränichen



Practitioner's responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion on the selected KPIs in the Report marked with the symbol . We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the selected KPIs in the Group's Report, marked with the symbol , were not prepared, in all material respects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the procedures, among others:

- Suitability assessment on the section "Our approach to reporting" including the criteria to determine whether they are appropriate when applied in relation to the disclosures and indicators;
- Reviewing the application of the internal reporting guidelines for the selected KPIs together with the suitable Criteria;
- Inquiries and detailed walkthroughs with relevant stakeholders for the selected KPIs;
- Analytical procedures;
- Reperformance of relevant calculations (including the GHG emissions);
- Additional assurance procedures as deemed necessary (e.g. sample based source tracing);
- Reading of other information to identify and resolve material inconsistencies or material misstatements of facts within the Report (i.e. other than selected indicators);
- Local level procedures (site visits to inspect local processes and reconcile source evidence).

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

Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the selected key performance indicators (KPIs), marked with the symbol , in the Sustainability Report 2025 (including the GHG emissions) of Zehnder Group AG on pages 137 to 233 for the period ended 31 December 2025 are not prepared, in all material respects, in accordance with suitable Criteria.

**Other matter**

The prospective nor retrospective information in the Report of the Zehnder Group AG for the period ended 31 December 2025 was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Restriction of use and purpose of the report

This report is prepared for, and only for, the Board of Directors of Zehnder Group AG, and solely for the purpose of reporting to them on selected key performance indicators in the Sustainability Report 2025 (including the GHG emissions) and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the selected key performance indicators in the Sustainability Report 2025 of Zehnder Group AG for the period ended 31 December 2025, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Zehnder Group AG for our work or this report.

PricewaterhouseCoopers AG

Thomas Ebinger

Petar Lesic

Lucerne, 23 February 2026

The maintenance and integrity of Zehnder Group AG's website and its content are the responsibility of Management. The work we have performed as the independent assurance practitioner does not involve consideration of the maintenance and integrity of the Zehnder Group AG's website. Accordingly, we accept no responsibility for any changes that may have occurred to the reported selected key performance indicators (KPIs) in the Sustainability Report 2025 (including the GHG emissions) or the suitable Criteria since they were initially presented on the website.

Disclaimer

Disclaimer and cautionary statement

Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans, or objectives of Zehnder Group AG or Zehnder Group (the Group). The Group has based these forward-looking statements largely on current expectations, estimates, and projections about the factors that may affect the Group's future performance, including global economic conditions as well as the economic conditions of the regions and the industries that are major markets for the Group. The words "believe", "may", "will", "estimate", "continue", "target", "anticipate", "intend", "expect", "plan", and similar words and the express or implied discussion of strategy, plans, or intentions are intended to identify forward-looking statements. Forward-looking statements further include statements regarding the Group's targeted ESG targets and metrics, the mentioned KPIs, outlooks, and measures as well as statements, sometimes incorporated by reference, regarding the Group's targeted profit, return on equity targets, expenses, pricing conditions, dividend policy, results, as well as statements regarding the Group's understanding of general environmental, social, governance, economic, financial, and industry market conditions and expected developments. Undue reliance should not be placed on such statements because by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and plans and objectives of Zehnder Group AG or the Group to differ materially from those expressed or implied in the forward-looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in key markets; (ii) the risk of a global economic downturn, in the construction industries in particular; (iii) performance of financial markets; (iv) levels of interest rates and currency exchange rates; (v) increased litigation activity and regulatory actions; (vi) costs associated with compliance activities; (vii) the timely development of new products, technologies, and services that are useful for our customers; (viii) our ability to anticipate and react to technological change and evolving industry standards in the markets in which we operate; and (ix) changes in laws and regulations and in the policies of regulators may have a direct bearing on the results of operations of Zehnder Group AG and its Group and on whether the targets will be achieved. Although Zehnder Group AG believes that the expectations reflected in any such forward-looking statements are based on reasonable assumptions, we can give no assurance that they will be achieved. Zehnder Group AG undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances, or otherwise. It should be noted that past performance or metrics are not a guide for future performance or metrics. Please also note that interim results are not necessarily indicative of full-year results. Persons requiring advice should consult an independent adviser. This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

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Further information for investors

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Registered shares A

ISIN code	CH0276534614
Valor number	27 653 461
SIX	ZEHN
Bloomberg	ZEHN SW
Reuters	ZEHN S

Registered shares B (unlisted)

Valor number	13 312 654
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Company calendar

Annual General Meeting 2026	19.3.2026
Ex-dividend date	23.3.2026
Dividend payout	25.3.2026
Six-month Report 2026	30.7.2026
End of business year	31.12.2026
Sales for 2026	15.1.2027
Integrated Annual Report 2026 and Media/Analyst Conference 2027	25.2.2027
Annual General Meeting 2027	8.4.2027

This Integrated Annual Report is only available in English. The Management Report is also available in German. The English version is binding.

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