



Remuneration

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Letter from the Chair of the Remuneration Committee



Christoph Mäder

Chair of the Remuneration Committee

Dear Shareholders,

In my role as Chair of the Remuneration Committee (RemCo) and on behalf of its fellow members, I am pleased to introduce our Remuneration Report 2024, which was prepared in compliance with the Swiss Code of Obligations, the SIX Exchange Regulation, the Swiss Code of Best Practice and Lonza's Articles of Association. In this report, we outline the current compensation policies and the decisions made in relation to 2024 compensation for the Executive Committee and Board of Directors of Lonza Group Ltd (the Board). In an effort to further enhance and ensure robust succession planning, continuity and further strengthen governance, the RemCo and the Nomination and Governance Committee (NGC) were formed in mid-2024. Both were split from the previous Nomination and Compensation Committee (NCC).

We are grateful for the active engagement and time with our shareholders, the investor community and proxy advisors in 2024. It helps to ensure we continue our open and transparent dialogue. Our discussions during 2024 included for the first time dedicated engagements with external stakeholders in relation to our remuneration approach, governance and remuneration system evolution. In addition our discussions covered matters relating to changes to the Executive Committee, changes to the Board of Directors and Board Committee structure, peer group simplification as well as overall company developments.

2024 Performance Outcomes

Lonza presents solid 2024 performance outcomes which have benefitted the public, our shareholders and our employees. The RemCo measured the 2024 Lonza Bonus performance outcomes and payout levels against predetermined performance targets. The Group performance outcomes against all four performance measures (sales, CORE EBITDA, free cash flow and ESG) resulted in a Company performance factor of 107%. When combined with varying personal performance factors the proposed average total payout factor is 118% of target for Executive Committee members. See page 180 and 183 for more details.

The 2022 – 2024 Long-term Incentive Plan (LTIP) performance targets, and in turn payout levels, were measured against 2022 targets as adjusted for M&A impact and Alternative Performance Measures (APM) definition changes which were communicated in May 2024. Overall Group performance against CORE EPS and ROIC targets, measured at the end of the 2022 – 2024 performance period positively impacted the 2022 LTIP achievement level which vested at 136% of target. We explain in this report how our company performance impacts the compensation under the incentive plans for the Executive Committee.

2024 Committee Activities

The RemCo formed during 2024 focusing on the determination of the compensation for the members of the Executive Committee and Board of Directors. We include in the Remuneration Report a overview of the schedule and key activities of the Remuneration Committee.

The RemCo monitored and reviewed the relevance of the KPIs in the Lonza Bonus and LTIP plans. We concluded that the existing KPIs for the Lonza Bonus plan continue to be relevant, reflecting both top and bottom line performance as well as ESG goals. Overall, the ESG goals tie compensation to annual progress against mid-term environmental objectives to reduce GHG emissions, energy and water consumption, as well as expanding programs to improve our supply chain sustainability, female representation in management positions and our educational programs with measurable quantitative targets. Qualitative targets specifically are used to build the system for longer-term ESG initiatives, necessary to ensure continued success. As an example, continuing to develop our climate-risk assessment process supports our longer-term GHG reduction targets and also fulfills expectations from regulators.

In relation to the LTIP, as communicated in 2023, Total Shareholder Return (TSR) relative to other companies of the SMI index was included as a KPI for the 2024 plan. After reviewing and assessing industry, regional and international peer groups, the SMI was deemed to be the most appropriate comparator group with a Swiss market prevalent payout curve. With the addition of relative TSR as a KPI, the plan alignment with shareholder interests is strengthened.

The RemCo determined that ROIC continued to be a relevant long-term performance measure given Lonza's CapEx strategy. Similarly, CORE EPS remains relevant to the plan as a key metric for our investors. The three KPIs ROIC, CORE EPS and relative TSR will be equally weighted and will be measured over the three-year LTIP performance period.

As part of the recruitment and selection process for a new CEO, the RemCo also carefully reviewed relevant peer and market data to ensure a market competitive and attractive total compensation package. Given the profile, including a CDMO industry, as well as CEO experienced candidate, the Committee sought additional external expert insights in determining the final compensation package which recognizes the candidates profile, experience and track-record while also being aligned in total compensation with the market and relevant peers. This resulted in a new base salary while maintaining the existing CEO short- and long-term incentive levels. Subsequently this also led to a simplification and specification of the benchmarking peer group.

During 2024 we have enhanced our reporting to ensure continued compliance with the new Swiss Code of Obligations and to further strengthen the transparency of our remuneration disclosure. As referenced above, key updates in the 2024 report include outlining and providing a detailed outline of the annual schedule and focus areas of the Remuneration Committee.

Towards the end of 2024 and looking ahead to 2025, the RemCo has supported the EC and leadership changes associated with the introduction of the One Lonza strategy aligning the right leader to the right business. In addition, the RemCo began outlining key considerations to enable the full implementation and remuneration related support of the One Lonza strategy as well as the defined growth ambitions.

Changes to the Executive Committee and Board of Directors during 2024

Our Executive Committee members transitioned in 2024. Ulrike Käßler was appointed as CHRO with effect from 1 January 2024 and stepped down on 31 May 2024 (with notice until 30 May 2025). Albert Baehny, continued to act as CEO *ad interim* until 30 June 2024. Effective from 1 July 2024, the Board of Directors appointed Wolfgang Wienand as CEO of Lonza. Nicoleta Baumgärtner was appointed as CHRO effective 1 November 2024.

In respect of the Board of Directors, Albert Baehny decided not to stand for re-election at the Annual General Meeting (AGM) in May 2024. Jean-Marc Huët was elected as the new Chair of the Board of Directors of Lonza at the AGM 2024.

All compensation decisions relating to the appointments and departures were made in line with our Executive Compensation Appointment and Termination Policies outlined on page 174.

On behalf of the Remuneration Committee, I thank our shareholders for the continued dialogue during 2024. We respectfully ask for your endorsement of this Remuneration Report 2024 and approval of Executive Compensation that will be put forward to you at the 2025 Annual General Meeting.

Yours faithfully,
Christoph Mäder

Chair of the Remuneration Committee
Lead Independent Director

2024 At a Glance

Compensation Principles

Pay for Performance – our compensation programs are performance-based, linking employee reward with individual and company performance, both financial and non-financial. Non-financial targets focus on ESG goals to support UN Sustainable Development Goals.

Drive Sustainability – our compensation programs are linked to our sustainability strategy. Strategic decisions that drive competitive advantage are encouraged but excessive risk taking is discouraged to avoid jeopardizing the financial health, reputation or sustainability of the Company. We believe in equal pay for equal work. Our compensation programs are simple, transparent and communicated internally and externally.

Create Shareholder Value – our share-based compensation encourages long-term performance and alignment of interests of our management with those of our shareholders. Our Executives are required to hold a minimum level of shares to ensure they have a stake and interest in the long-term success of the company.

Drive Strategy – a strong focus on growth, sustainability and personal contribution means our incentive programs support our strategic priorities including service (right first time), scope (breadth of offerings), solutions (scientific, manufacturing, regulatory) and speed. Our competitive compensation programs are designed to attract and retain diverse talent who drive these strategic priorities.

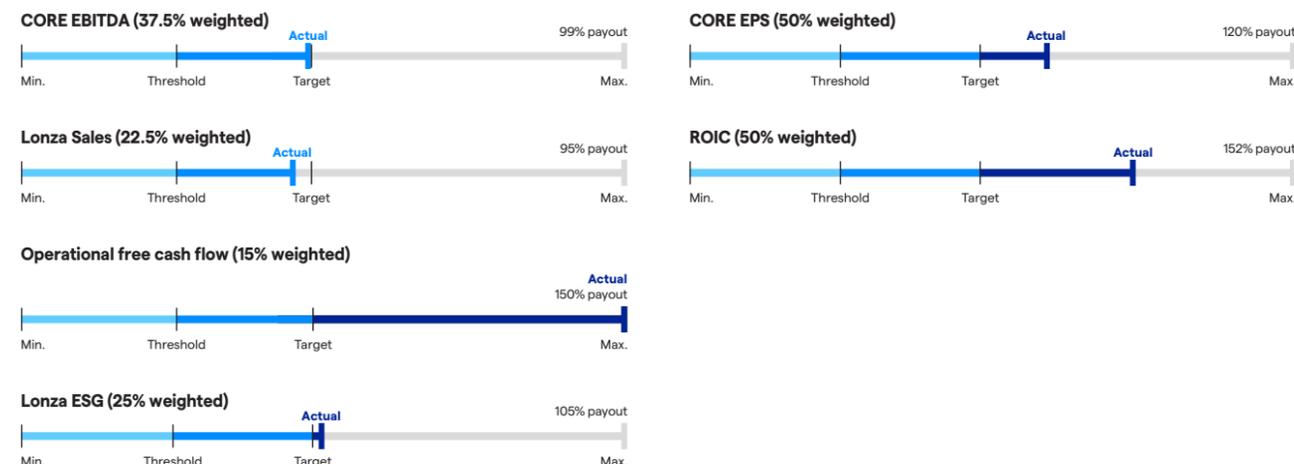
2024 Executive Committee Compensation Structure

	Fixed pay and benefits		Performance related variable pay		
	Base Salary	Pension and Benefits	Lonza Bonus	Long-term Incentive Plan (LTIP)	Lonza Restricted Share Plan (LRSP)
Purpose	Attract and retain Payment for role	Attract and retain Protection against risk and retirement savings	Reward for year-over-year performance	Retain Reward for long-term performance Align to shareholders	Attract and retain including employees in the wider organization Supports EC Appointment Policy
Form of payment	Cash	Pension contributions Benefits, allowances and insurances	100% cash; or 50% cash and 50% equity until shareholding guidelines are met	Performance shares subject to a three-year vesting period	Restricted shares subject to a two to five year vesting period
Drivers	Role and responsibilities Skills and experience Market value	Market practice Role	Performance against annual company financial and ESG objectives, individual goals, values and behaviors	Business performance over 3 years	Replacement award if on joining Lonza, certain compensation at their previous employer is forfeited Level is set lower than forgone awards
Performance measures			Sales CORE ¹ EBITDA Free cash flow ESG KPIs Personal performance	CORE ¹ Earnings per share (EPS) Return on invested capital (ROIC)	Sustained performance in role Continued employment

¹ CORE results for incentive plans are adjusted for divestitures, acquisitions, restructuring and extraordinary one-time events and as approved by the RemCo including rounding.

2024 Outcomes

2024 Annual Bonus

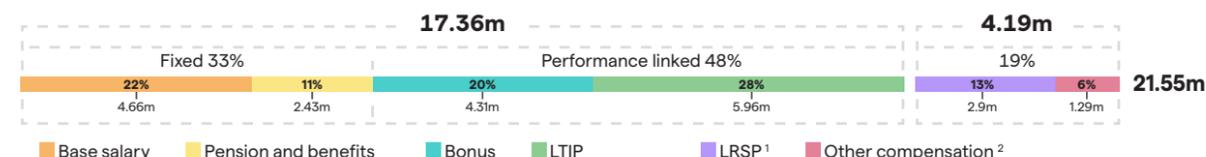


2024 Total Remuneration Paymix (CHF)

Highest Paid Member of the Executive Committee



All Executive Committee



¹ Lonza Restricted Share Unit Plan (LRSP) awards are separate from typical total compensation and are awarded at appointment and only in cases where a new Executive Committee member forgoes cash or equity at their previous employer and in line with Lonza's EC Appointment Policy.

² Cash payment (including base salary, other benefits, short-term incentive and social security) and shares (LTIP) received by departed members of the Executive Committee during 2024.

Board of Directors Compensation Policy

Compensation of Board of Directors from Annual General Meeting (AGM) 2024 to 2025 excluding employer social security contributions.

	Gross	Base annual fee (CHF)	Committee membership fee per committee (CHF)	Committee Chair fee (CHF)
Chair of the Board of Directors¹		750,000	-	-
Member of the Board of Directors²		200,000	40,000	80,000
	The additional responsibilities of Vice-Chair and Lead Independent Director ³ do not attract any additional fees			
Form of payout	50% in Lonza Group shares and 50% in cash and paid in quarterly installments			

¹ The compensation of the Chair of the Board of Directors is inclusive of all committee work.

² The compensation for a Committee Chair amounts to CHF 280,000 where chairing one committee. In the case of multiple committee memberships each attracts a separate fee.

³ The roles and responsibilities of such Lead Independent Director are in line with sect. 18 para. 2 of the Swiss Code of Best Practice for Corporate Governance, requiring adequate control mechanisms, and commensurate to such position.

Compensation Governance

Rules in the Articles of Association

Lonza's [Articles of Association](#) contain rules regarding the approval of compensation by the Shareholders' Meeting ([Article 22](#)), the supplementary amount in the event of changes in the Executive Committee ([Article 23](#)), compensation of the members of the Board of Directors and the Executive Committee, including the principles applicable to performance-related compensation and the allocation of equity awards ([Article 24](#)), the agreements with members of the Board of Directors and the Executive Committee ([Article 25](#)) and loans to members of the Board of Directors and the Executive Committee ([Article 27](#)).

Responsibilities of Board of Directors

The Board of Directors has the following roles and responsibilities as outlined in the [Organizational Rules](#) and [Articles of Association](#).

Responsibilities of the Remuneration Committee

The Remuneration Committee (RemCo) has the following roles and responsibilities as outlined in the [Organizational Regulations](#) and [RemCo Charter](#). After each RemCo meeting the Board of Directors is informed of the topics discussed and decisions taken. RemCo meeting minutes are available to all members of the Board of Directors.

The RemCo continuously reviews the aspects of executive compensation and compliance with good governance standards and also in light of continuous growth and transformation of the Company.

	RemCo	Board of Directors	Annual General Meeting
Compensation strategy and design	Proposes	Approves	
Maximum aggregate compensation of the Board of Directors	Proposes	Reviews	Approves (binding vote)
Individual compensation of the members of the Board of Directors	Proposes	Approves (within the budget approved by the AGM)	
Maximum aggregate compensation for the Executive Committee	Proposes	Reviews	Approves (binding vote)
Individual compensation of the members of the Executive Committee	Proposes	Approves (within the budget approved by the AGM)	
Performance target setting and performance assessment for the purpose incentive plans	Proposes	Approves	
Remuneration Report	Proposes	Approves	Consultative vote

Annual Remuneration Committee Schedule

	Q1	Q2	Q3	Q4
Remuneration Governance				
Preparation of Remuneration Report	•			•
Approval of Remuneration Report	•			
Review of the minimum shareholdings of Board and Executive Committee	•			
Proposal of remuneration AGM motions to be submitted to shareholder vote		•		
AGM retrospective and review of feedback on policy and disclosures			•	
Approval of Remuneration Committee meeting schedule				•
Compensation of Board of Directors				
Determination of compensation for following compensation period (AGM to AGM)		•		
Benchmark of compensation of the Board of Directors (every 2 – 3 years)			•	
Compensation of the Executive Committee				
Performance Evaluation	•			
Determination of the annual bonus payout (prior year)	•			
Determination of long-term incentive vesting (end of prior 3-year period)	•			
Compensation review for current year	•			
Review compensation peer group			•	
Determination of plan design and performance targets for annual bonus and LTIP for next financial year			•	
Forecast of expected incentive payouts for current year (every 2 – 3 years)			•	•
Benchmarking Executive Committee compensation	•			•
Determination of Executive Committee compensation for the coming year	•			•

Shareholders' Meeting

The Shareholders' Meeting approves annually the compensation of the Board of Directors and the Executive Committee in accordance with [Organizational Regulations](#) of Lonza's Articles of Association. In relation to the Board of Directors, prospective approval is sought for the compensation of the Board of Directors from AGM to AGM.

for the prior financial year. This maintains our commitment to pay for performance. In addition, a prospective approach is sought for the maximum aggregate amount of fixed compensation and variable long-term compensation (LTIP) for the upcoming financial year.

Retrospective approval is sought for the aggregate amount of variable short-term compensation of the Executive Committee

This Remuneration Report shall be submitted to a consultative vote by the shareholders at the AGM 2025. The voting mechanism that will be conducted at the AGM 2025 is described below.



External Advisors

Lonza engages with external advisors on an ad hoc basis as required. In 2024, the RemCo obtained external market and legal insights from PWC¹ and Obermatt¹ reflecting a total cost of approximately CHF 50,000. The CHRO and relevant HR specialists support the RemCo in preparing the RemCo meetings and materials. These individuals have an advisory function without voting rights.

Market Benchmarking

Lonza reviews the total compensation of the Executive Committee, wider employees and Board of Directors through regular benchmarking analysis versus market practice, to ensure that compensation levels remain competitive and support the retention and attraction of talents.

The total compensation (base salary, variable incentives, pension and other benefits) for Executive Committee members is benchmarked against a relevant peer group every two to three years or when fundamental company parameters alter (e.g. acquisition or divestment). Benchmarking was last performed in 2024.

The peer group is used for the purpose of compensation benchmarking. In 2024 the peer group was simplified to a single peer group focused on the European and Swiss pharmaceutical, life sciences and CDMO businesses of a similar size. This simplified peer group best represents the talent market in which Lonza competes.

Alcon AG	Reckitt Benckiser Group Plc
Bayer AG	Sandoz Group AG
Eurofins Scientific SE	Sartorius AG
Grifols SA	Smith & Nephew Plc
GSK Plc	Sonova Holding AG
ICON plc	Straumann Holding AG
Ipsen SA	Teva Pharmaceutical Industries Limited
Merck KGaA	UCB SA
Novartis AG	

¹ PWC have further consulting arrangements with Lonza Human Resources. Obermatt has no other consulting arrangements.

Executive Committee Appointments Policy

Compensation Element	Policy
Levels and Structure	<ul style="list-style-type: none"> Total compensation and components for an incoming Executive Committee member will be directly aligned with the Executive Committee compensation structure (page 170)
Base Salary	<ul style="list-style-type: none"> The RemCo will set base pay levels in a reasonable range around market level considering scope of role responsibilities, experience, skills and internal relativities If the scope of an Executive Committee member's role changes significantly the RemCo may make adjustments in line with benchmark and defined budget The RemCo will review Executive Committee base salary as part of the merit based annual salary review, with increases based on strong performance and proven contributions in role over a sustained period
Incentives	<ul style="list-style-type: none"> Incoming Executive Committee members are eligible for incentive target levels in line with their role (see page 177)
Pension and benefits	<ul style="list-style-type: none"> Incoming Executive Committee members are eligible for pension and benefits in line with the wider workforce in the country in which they are employed
Replacement Awards	<ul style="list-style-type: none"> The RemCo will consider making replacement awards at the commencement of the employment relationship using equity (LRSP) or in exceptions, cash. Such awards compensate forfeited awards at the previous employer, as a result of accepting the Lonza appointment (see page 181) Details of any such buyout award for Executive Committee members will be disclosed at the time of grant, in the relevant Remuneration Report In line with mandatory Swiss law, Lonza does not give any "golden handshakes" or sign-on awards

Executive Committee Termination Policy

The employment agreements of the Executive Committee members are in line with the below provisions.

Termination type	Treatment of compensation
Death, disability and retirement	<ul style="list-style-type: none"> Payment of base salary and benefits over the 12-month notice period, except in the case of retirement. In the case of death, this is paid out to the next of kin
Termination by the Company Without Cause	<ul style="list-style-type: none"> Pro-rata annual bonus payment relating to year of termination, measured up to the termination date (payout subject to shareholder vote at the relevant Annual General Meeting) Unvested LTIP awards will be pro-rated, based on number of months employed (including the notice period) during the 36-month performance period (this applies to all outstanding LTIP awards) and will vest on the ordinary vesting date for each plan Unvested LRSP awards will be pro-rated, based on number of months employed (including the notice period) during the relevant vesting period and will vest on the ordinary vesting date for each plan No new LTIP awards will be made where the grant date is in the notice period
Resignation by the Executive	<ul style="list-style-type: none"> Payment of base salary and benefits over the 12-month notice period No entitlement to annual bonus award with respect to the plan year in which the termination date occurs, except if both of the following apply: <ol style="list-style-type: none"> Termination is after 31 December of the plan year; and Executive was not released from their obligation to work during the plan year All unvested LTIP / LRSP awards will lapse
Termination by the Company for Cause	<ul style="list-style-type: none"> Payment of base salary and benefits over the 12-month notice period No entitlement to annual bonus award relating to plan year in which employment is terminated All unvested LTIP / LRSP awards will lapse
Change of Control ¹	<ul style="list-style-type: none"> Payment of base salary and benefits up to point of transaction if moving to new entity following transaction or up to the end of the notice period, if terminated by the Company without cause Within 18 months following a change of control, an annual bonus payment will be made on a pro-rata basis reflecting the period up to the end of the notice period. The payment will also be based on actual (to the extent that it may be determined) or presumed achievement and, if to the extent that the executive is released from an obligation to work, target achievement (100%) will be assumed Unvested LTIP / LRSP awards shall vest immediately and the granted price shall be the price at which the shares are sold in the transaction resulting in the Change of Control
Non-Compete	<ul style="list-style-type: none"> For a period of six months (for Executive Committee members) and 12 months (for the Chief Executive Officer) following the end of the notice period individuals will not be partially or fully employed by any entity that materially competes with the Company In case of a breach of the non-competition clause, the executive shall pay damages to the Company Compensation for the period of non-competition, will be a monthly consideration equal to the executive's last monthly base salary minus any new income earned in the relevant month In line with the revised Code of Obligations (art. 735c para 2) compensation will not exceed the average compensation paid to the EC Member in the three previous financial years and will only be paid when commercially justifiable The Company may elect to fully or partially release the departing Executive Committee member from the non-competition obligation no later than six months prior to the end of the notice period

¹ If employment is terminated by the Company without cause or an Executive Committee member terminates the employment due to good reason, as outlined in employment agreement.

Clawback and Malus

The Lonza Clawback and Malus Policy applies to Executive Committee members and covers all new, future and outstanding variable compensation including Lonza Bonus, LTIP and LRSP awards. In instances of gross misconduct, material breach of duties, violation of code of conduct, material misstatement of and error in calculation of performance (company or personal), the Clawback and Malus policy allows Lonza to recover any relevant compensation from Executive Committee members and / or to forfeit or reduce in whole, or in part, any future awards or payments. The clawback and malus period applies until the third anniversary of the vesting date.

Shareholding Guidelines

Executive Committee members and other senior managers must meet minimum shareholding requirements to strengthen their alignment with our shareholders' interests. The minimum shareholding levels must be achieved within a specified five-year period which begins on the date of commencing the relevant role. Progress towards achieving the guideline levels is measured in January of each calendar year.

CEO	300% of base salary
Other Executive Committee members	200% of base salary
Other senior managers	Annual LTIP grant value

The RemCo periodically reviews the minimum shareholding requirements. No changes were made to the guidelines during 2024.

Executive Committee Performance Management Annual Process

Executive Committee members are subject to a performance management process, broadly aligned with the process for the wider organization. The RemCo works to set robust targets to drive sustainable results.

Both personal goals and group wide goals (financial and ESG) are set after iterative reviews and are ultimately approved by the Board of Directors. At year-end, a performance assessment takes place. Each Executive Committee member conducts a self-assessment of their performance, considering the deliverables of their role, including divisional financial targets and company-wide ESG targets, achievement of annual personal goals, and values and behaviors.

A discussion is held between each Executive Committee Member and the CEO who recommends a performance rating for RemCo endorsement. The Executive Committee members are not present during RemCo meetings when their own performance and compensation is discussed.

The Chair of the Board of Directors assesses the performance of the CEO, including: a review of company targets set at the beginning of the year (financial and ESG), personal goals and values and behaviors, in order to determine a performance rating approved by the RemCo. The CEO is not present during the section of the RemCo meeting when their own performance and compensation is discussed.

1. Target Setting

- Company (financial and ESG) targets proposed to the Board with inputs from relevant functions. Robust iterative review process ensures targets are stretching to drive competitive advantage, whilst discouraging excessive risk taking
- Personal goals proposed by each EC Member, including values and behaviors
- CEO sets personal goals with the Chair of the Board. Other EC members set goals with CEO

2. Year-end Performance Assessment

Company Performance

- Outcomes for financial and ESG targets are calculated against each weighted metric considering constant exchange rates and result in a company performance factor

Personal Performance

- EC members conduct self-assessment
- CEO performance assessed by Chair of the Board to determine a performance rating considering a review of company targets set at beginning of the year (financial and ESG), personal goals, and values and behaviors
- EC Member performance is assessed by CEO to determine a performance rating considering deliverables of their role including: Divisional financial targets and company-wide ESG targets, achievement of annual personal goals and, values and behaviors
- The personal performance assessment may result in a rating of Outstanding Performance (exceptional contributions and performance over and above expectation and exemplifying Lonza's values and behaviors), Successful Performance (strong performance in line with expectation and having delivered defined goals), or Developing Performance (performing generally in line with expectations yet may not have fully delivered defined goals or had effective business impact)
- CEO and EC ratings calibrated by the NGC and endorsed by RemCo resulting in a formulaic non-discretionary personal performance factor as outlined on page 177

3. Determining CEO and EC Compensation

- Annual bonus outcomes are formulaic (using the company and personal performance factors) and are put to the AGM
- Long-term incentive outcomes are formulaic based on outcomes of the relevant financial metrics
- Base salary is reviewed by RemCo in line with performance, market benchmarks, internal relativities, experience and scope of role, and is put to the AGM

Compensation of the Executive Committee 2024



Base Salary

Objective and overview	<ul style="list-style-type: none"> • Paid as a fixed cash amount • Basis for total compensation (incentives target amounts set in percentage of base salary) • Reviewed annually, taking into consideration the scope and responsibilities of the position, market benchmark and base salary increase made across the Company, as well as the personal performance of the individual • May be adjusted in case of change in scope of role
2024 implementation	<ul style="list-style-type: none"> • Base salary for those appointed to the Executive Committee during 2024 was set taking in consideration the experience of individual and relevant market levels • Base salary for specific Executive Committee members was adjusted during 2024 in line with the objectives above

Benefits

Objective and overview	<ul style="list-style-type: none"> • Complement the total compensation offering on a country or market specific basis • Includes retirement benefits and risk benefits such as life, health insurance and medical allowance, as well as perquisites such as transportation allowance and expense allowance
2024 implementation	<ul style="list-style-type: none"> • Administered in line with country benefit policies • Provided to Executive Committee members on the same terms as the wider workforce in the country in which they are employed

Lonza Bonus

Objective	A reward for year-over-year performance, providing potential for an annual bonus payment based on Group and personal performance			
Overview and pay out method	Bonus performance conditions are defined for each financial year ahead of the relevant annual bonus cycle based on the company's short-term objectives, and include a mix of financial, ESG and individual goals			
	Annual bonus target amount	Company performance factor	Personal performance factor	Bonus award
		<ul style="list-style-type: none"> • Sales • CORE¹ EBITDA • Free Cash Flow • ESG KPIs 	<ul style="list-style-type: none"> • Personal factor based on personal performance rating considering delivery of: role deliverables; annual goals; values and behaviors, results in a formulaic non-discretionary pay out percentage 	<ul style="list-style-type: none"> • Bonus award is paid 100% in cash or, 50% cash and 50% shares if shareholding guidelines have not been met
Levels	<p>CEO 100% of base salary at-target</p> <p>Other Executive Committee members 75% of base salary at-target</p>	0 - 150% of target	<ul style="list-style-type: none"> • Unsatisfactory 0 - 40% • Developing Performer 80% • Successful Performer 100% • Outstanding Performer 130% 	Realized bonus award ranges from 0 - 195% of target
2024 company performance conditions	The 2024 annual bonus was based on Company performance and personal performance measures with financial and ESG target performance results derived from the audited 2024 results. These financial KPIs measures were selected to reflect company performance holistically considering topline revenue generation as well as bottom line operational efficiencies, cost and expense management. They are coupled with ESG goals which are outlined in the following section			
Definition	Sales Measures revenue generated	CORE¹ EBITDA Measures Group operating performance and profitability	Free Cash Flow Measures the company's ability to generate cash	ESG Measures the company's contribution to seven UN Sustainable Development Goals
Weighting	22.5%	37.5%	15.0%	25.0%

¹ CORE results for incentive plans are adjusted for divestitures, acquisitions, restructuring and extraordinary one-time events and as approved by the RemCo including rounding.



Environmental, Social and Governance (ESG)

Lonza has prioritized seven of the United Nations Sustainable Development Goals as the most relevant to our commitment to supporting our customers to bring medicines and therapies to patients, investing in the development of our people and reducing the environmental impact of our operations and supply chain. This commitment is anchored in our annual bonus for the Executive Committee and the wider employee population, with the equally weighted targets set out below. The Executive Committee have a collective responsibility for the achievement of the ESG goals and its members sponsor the goals to ensure a dedicated focus.

2024 Pay Out Factor

ESG

2024 Achievement (% of target)						
Sustainable Development Goal	Objective Description	2024 Achievements	Threshold	Target	Maximum	2024 Payout
3. Good Health and Wellbeing	Lonza contributes to the wellbeing of the world and global society, measured by the satisfaction of our customers who bring medicines and therapies to patients	Customer satisfaction for our products and services offerings increased 3 points year over year				59%
	Annual progress on our ESG roadmap	We improved our ESG risk management, governance and reporting by continuing to enhance our site-level climate risk assessment process and financial quantification and our materiality assessment				100%
13. Climate Action	Annual progress in reducing Scope 1 and 2 emissions with the long-term goal of cutting our GHG emissions by 42% by 2030 vs 2021	While absolute emissions decreased slightly year over year, we developed roadmaps to reduce Scope 1 and 2 emissions in the mid – long term. Our emissions intensity (tons of CO ₂ /m CHF) remained consistent year over year.				100%
	Enhancement of roadmap and commitment to reduce Scope 1 and 2 emissions	We continued our work to implement virtual power purchase agreements (VPPAs) for new wind and solar developments, onsite capacity, renewable energy certificates and other market instruments				100%
9. Industry, Innovation and Infrastructure	Lonza further reduces the environmental impact of our operations through innovation for efficiency in growth projects and investment	Priority sites further developed plans identifying projects to reduce emissions in mid to long term, and projects are included in the financial planning				150%
	Lonza improves ESG along its supply chain	We implemented Sustainable Design Standards for all relevant capital expansion and refurbishment projects worldwide and their estimated carbon footprint. These standards incorporate the best solutions in terms of reducing energy consumption, GHG emissions, water consumption and waste production into our assets for the most common utilities				150%
12. Responsible Consumption and Production	Enhancement of roadmap and commitment to reduce Scope 3 emissions	We continued our progress on performing sustainability evaluations for our suppliers, covering more than 80% by spend				150%
	Annual progress towards our global ambition of ensuring equal employment	We work towards our Scope 3 science-based supplier engagement target, by engaging more than 500 suppliers to improve their decarbonization maturity				150%
5. Gender Equality	Annual progress towards reducing industrial water intensity by 50% by 2030 vs. 2021	Through our equal employment opportunity efforts, we increased the percentage of females in management positions by more than 1% year over year globally ¹				100%
	Enhancement of roadmap and commitment to reduce water consumption	We reduced industrial water intensity (m ³ /m CHF) by more than 1% year over year with an absolute water consumption decrease of 5%				100%
6. Clean Water and Sanitation	Annual progress towards reducing industrial water intensity by 50% by 2030 vs. 2021	Many industrial water reduction projects are under way, already delivering actual water savings year on year				100%
	Enhancement of roadmap and commitment to reduce water consumption	Employee satisfaction related to learning and development remained stable year over year				100%
4. Quality Education	Lonza supports the learning and development of its employees, measured by their satisfaction of such opportunities and programs	Our focus on education continued throughout the year with the launch of the Learn@Lonza Learning Experience Platform and roll-out of the Employee Development Journey (EDJ) initiative. Employee satisfaction related to learning and development remained stable year over year				50%
Total ESG Factor						105%

¹ This target is the global (where permitted by local law) performance indicator of our efforts to remove any gender-related obstacles in the workplace, ensuring each person is assessed fairly based on merit.

Overall Company Performance

2024 Group performance targets and outcomes

	Weighting	Target	Maximum	Actual	2024 Payout (% of target)
CORE ¹ EBITDA	37.5%	1,887	1,987	1,886	99%
Lonza Sales	22.5%	6,552	6,852	6,524	95%
Free Cash Flow	15.0%	-22	78	543	150%
Lonza ESG	25.0%			105%	105%
Total Company Performance Factor	100%	-	-	-	107%

¹ CORE results for incentive plans are adjusted for divestitures, acquisitions, restructuring and extraordinary one-time events and as approved by the RemCo including rounding.

The 2024 annual bonus will be paid to eligible Executive Committee members in May 2025 subject to shareholder approval at the 2025 Annual General Meeting.

CEO Personal Performance

In addition to company financial and ESG targets, the CEO also has personal objectives. The overall holistic personal performance factor is determined by considering performance against goals, as well as overall contributions and demonstration of Lonza values and behaviors.

Goal 1 Personal “what” goal focused on completing a review of the business portfolio, establishing a unified corporate strategy and business model with relevant updates to investors.	
Goal 2 Personal “how” goal focused on creating a positive, inclusive, performance-oriented company culture and establish transparent communication with the Board.	
Overall holistic assessment Since appointment, the CEO has driven transformative change with exceptional focus, speed and success, defining the One Lonza strategy based around four key initiatives: focusing on the CDMO business; reshaping the operating model; elevating execution in manufacturing and engineering and expanding through an impartial approach to buy and build. In addition, the CEO was able to very successfully align EC Members and leadership team with the right business, positioning Lonza for future growth, as communicated to and recognized by key external stakeholders. In addition, 2024 financial goals as well as ESG targets have been delivered. As a result, the Chair of the Board, as approved by the RemCo, determined a personal performance rating of Outstanding performance fairly reflects 2024 performance. This results in a formulaic and non-discretionary output of a 130% personal performance factor.	
Personal Performance Factor	130%
CEO Overall Pay-out Factor	139.1%

Long-term Incentive Plan (LTIP)

Objective and overview	<ul style="list-style-type: none"> Part of variable compensation, the LTIP aligns the interests of participants with those of Lonza’s shareholders. It also contributes towards the offering of a competitive total reward package Executive Committee members are awarded the conditional right to receive a number of Lonza shares in the future, provided that performance conditions are achieved over a three-year performance period The LTIP plan design and performance targets are determined at the beginning of each three-year performance period 																												
Levels	<ul style="list-style-type: none"> CEO: 150% of base salary at target Other Executive Committee members: 125% of base salary at target Minimum payout is 0% of target levels Maximum payout is up to 200% of target levels 																												
Payout ranges	Payout ranges from 0% to 200% of target opportunity levels																												
	<table border="1"> <thead> <tr> <th>Performance</th> <th>Payout (% of target)</th> </tr> </thead> <tbody> <tr> <td>Minimum</td> <td>0%</td> </tr> <tr> <td>Threshold</td> <td>50%</td> </tr> <tr> <td>Target</td> <td>100%</td> </tr> <tr> <td>Maximum</td> <td>200%</td> </tr> </tbody> </table>	Performance	Payout (% of target)	Minimum	0%	Threshold	50%	Target	100%	Maximum	200%																		
Performance	Payout (% of target)																												
Minimum	0%																												
Threshold	50%																												
Target	100%																												
Maximum	200%																												
Performance Conditions	From 2024 KPIs are CORE ¹ EPS, ROIC and rTSR each weighted at one-third. These KPIs align the interests of the Executive Committee with Lonza’s long-term performance and thus the interests of our shareholders																												
2022 LTIP award – performance and payout	<p>The 2022 LTIP award was granted in 2022 with the KPIs relevant at that time</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">2022–2024 LTIP performance</th> <th rowspan="2">2024 Payout (% of target)</th> </tr> <tr> <th>Weighting</th> <th>Target</th> <th>Maximum</th> <th>Actual¹</th> </tr> </thead> <tbody> <tr> <td>CORE EPS (earnings per share)</td> <td>50%</td> <td>13.0</td> <td>18.2</td> <td>14.3</td> <td>120%</td> </tr> <tr> <td>ROIC (return on invested capital)</td> <td>50%</td> <td>7.7%</td> <td>10.8%</td> <td>9.4%</td> <td>152%</td> </tr> <tr> <td>Total</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>136%</td> </tr> </tbody> </table> <p>This resulted in a payout of 136% of target LTIP levels for Executive Committee members with this award</p>		2022–2024 LTIP performance				2024 Payout (% of target)	Weighting	Target	Maximum	Actual ¹	CORE EPS (earnings per share)	50%	13.0	18.2	14.3	120%	ROIC (return on invested capital)	50%	7.7%	10.8%	9.4%	152%	Total	-	-	-	-	136%
	2022–2024 LTIP performance				2024 Payout (% of target)																								
	Weighting	Target	Maximum	Actual ¹																									
CORE EPS (earnings per share)	50%	13.0	18.2	14.3	120%																								
ROIC (return on invested capital)	50%	7.7%	10.8%	9.4%	152%																								
Total	-	-	-	-	136%																								
2023 LTIP award	The 2023 LTIP award was granted in 2023 and will vest in early 2026 following a three year performance period. Full details were provided in the Remuneration Report 2023																												
2024 LTIP award – grant	<p>Overview The 2024 LTIP budget value for the Executive Committee was approved by the Board of Directors and submitted to the AGM 2024. Following shareholder approval at this meeting, the awards were subsequently administered. Similar to previous years, the 2024 LTIP awards include minimum, threshold, target and stretch goals, as outlined above.</p> <p>Performance measures 2024 and target setting The respective performance targets at the threshold (50%), target (100%) and maximum (200%) payout levels were recommended by the RemCo and approved by the Board of Directors in January 2024. They are commercially sensitive at this time and will not be disclosed publicly until after the awards have vested. All three of the relevant KPIs are measured on the average 3-year performance.</p> <p>CORE¹ EPS EPS (Earnings per share) is defined as CORE net income divided by the average number of outstanding shares and measures profitability and excludes financial income and expenses. The 2024 LTIP award threshold performance level remains consistent with prior years. The maximum performance level requires significantly better performance than target.</p> <p>ROIC ROIC (return on invested capital) is defined as adjusted net operating profit after tax divided by average invested capital. This measures the return the company generates on its investments for both organic, and inorganic expansion. The measure is a reflection of the effect of decisions taken by Executive Committee members and senior management over the course of the relevant LTIP performance period. The 2024 LTIP award threshold performance level remains consistent with prior years. The maximum performance level requires significantly better performance than target.</p> <p>rTSR rTSR (relative total shareholder return) ranks Lonza’s performance against all members of the peer group. This measure aligns the interests of our executives with shareholders over a multi-year period. The target (100%) payout level is achieved with a median ranking relative to the peer group. rTSR is measured against the SMI peer group and will be calculated by an independent third-party advisor, and subsequently approved by the Board and assured by an external auditor.</p>																												

¹ CORE results for incentive plans are adjusted for divestitures, acquisitions, restructuring and extraordinary one-time events and as approved by the RemCo including rounding.

Lonza Restricted Share Plan (LRSP)

Objective, overview and performance measures	<ul style="list-style-type: none"> A replacement award instrument for Executive Committee members awarded solely at the commencement of the employment relationship if certain compensation is forfeited at their previous employer as a result of joining Lonza. It is used as a vehicle to support the Executive Committee Appointment Policy and replicates existing vesting schedule at previous employer Two to five-year time-based vesting period, depending on the structure of the forgone compensation Replacement awards subject to continued employment and sustained performance in role
Levels	<ul style="list-style-type: none"> Levels set less than forgone awards, considering, but not limited to, previous employer variables such as historical company performance, volatility and the equity instrument
Payout method	<ul style="list-style-type: none"> 100% equity following a two to five-year time-based vesting period
2024 Implementation	<ul style="list-style-type: none"> Wolfgang Wienand received an award of CHF 2.7m vesting in two tranches over 12 and 24 months from the date of appointment on 1 July 2024 Ulrike Käppler received an award of CHF 0.2m vesting over 24 months to 30 April 2026

The LTIP and LRSP plans outlined above are the only share-based programs provided.

Highest Compensation Paid to a Member of the Executive Committee

The table below shows the breakdown of compensation for Wolfgang Wienand, CEO, as the highest-paid Executive Committee member in 2024 as compared to the highest-paid Executive Committee member in 2023, Pierre Alan Ruffieux (which reflected compensation received as an active member of the Executive Committee and compensation received in relation to the contractual notice period).

The higher total remuneration in 2024 is driven by higher full time equivalent base compensation (CHF 1.35m in 2024 as compared to CHF 0.90m in 2023) which in turn is reflected in the incentive programs. The higher base pay is reflective of the determined desire of the Board of Directors to appoint a CEO with significant experience, skills and competencies in the relevant industry in which Lonza operates, as well as seeking a candidate with proven capabilities in a CEO function within a listed company.

Based on careful analysis, which was also supported by external expert insights to assess in detail the market, the new base salary sought to be attractive for the expected candidate profiles. In addition the base salary was positioned around market median and allows for the total compensation levels to ensure competitive positioning depending on actual performance achievements. This package applied the existing short- and long-term incentive level of the existing compensation framework.

The actual bonus is payout based on outstanding individual performance driven by exceptional impact to integrate into, stabilize and set up the organization for future success. Combined with solid company performance in 2024 this has contributed to the Lonza Bonus payout outlined in the table below. More details of the personal performance can be found on page 180. In addition 2024 reflects the one-time replacement award for compensation forfeited at the prior employer when accepting the role at Lonza as outlined in the LRSP table above.

The fixed and variable long-term compensation budgets are based on shareholders' approval during the 2024 Annual General Meeting.

Million CHF (gross)	2024	2023
Fixed pay		
● Base salary	0.67	0.90
● Pension and benefits ¹	0.42	0.36
Variable pay		
● Lonza Bonus (cash) ²	0.47	1.01
● Lonza Bonus (shares) ²	0.47	0.00
● LTIP (grant value) ³	1.69	1.35
Other pay		
● LRSP (grant value)	2.70	0.00
● Other compensation	0.00	0.00
Total	6.42	3.62

¹ The disclosed amounts on this line represent the full costs of employer contributions for social security and pension fund for 2024 and 2023. For 2024 the employer pension contributions were CHF 0.06m (2023: CHF 0.11m).

² For those Executive Committee Members who are yet to reach the minimum shareholding, the 2024 Lonza Bonus will be paid out 50% in cash and 50% in shares (individual exceptions reserved subject to RemCo approval).

³ The fair value in 2024 and 2023 was calculated using base salary and market value at grant date (31 January 2024 and 31 January 2023).

Aggregate Compensation of the Executive Committee

The table below shows the aggregated breakdown of all compensation provided to Executive Committee members¹ in 2024 and 2023.

Million CHF (gross)	2024	2023
Fixed pay		
● Base salary ²	4.66	4.38
● Pension and benefits ³	2.43	2.15
Variable pay		
● Lonza Bonus (cash) ^{4,5}	3.62	2.82
● Lonza Bonus (shares) ⁵	0.69	1.02
● LTIP (grant value) ⁶	5.96	5.14
Other pay		
● LRSP (grant value) ⁷	2.90	0.00
● Other compensation ⁸	1.29	0.85
Total	21.55	16.36

¹ 8.3 members in 2024 and 8.3 members in 2023. Pierre-Alain Ruffieux stepped down from the Executive Committee on 30 September 2023 with notice period to 30 June 2024. Albert Baehtly was appointed as CEO *ad interim* from 1 October 2023 to 31 July 2024. Ulrike Käppler was appointed on 1 January 2024 and stepped down on 31 May 2024 (with notice period to 31 May 2025). Her departure was treated in accordance with contractual obligations and applicable plan rules. Wolfgang Wienand was appointed on 1 July 2024. Nicoleta Baumgärtner was appointed on 1 November 2024.

² Base salary levels paid for the periods when individuals were members of the Executive Committee during 2024 and 2023. 2023 and 2024 include pro-rated payment to Albert Baehtly to the equivalent of CHF 500,000 per annum for the added responsibility of the CEO *ad interim* role 1 October 2023 – 8 May 2024, and a pro-rata payment to the equivalent of CHF 1.35m for the period 9 May – 31 July 2024.

³ Social security, pension fund and other benefits. The disclosed amount represent the full costs of employer contributions for social security and pension fund amounts for 2024 and 2023. For 2024 the employer pension contributions were CHF 0.86m (2023: CHF 0.85m). The table includes the fair value of the other benefits as well.

⁴ The Company performance factor for 2024 was 107% (2023: 112.4%) and the rounded average personal factor for the Executive Committee Members was 108% (with personal performance ratings in the range of Successful and Outstanding performance) (2023: 101%). Payouts will be made with the first possible payroll after shareholders' approval at the AGM 2025.

⁵ Three active Executive Committee members as at 31 December 2024, are developing their shareholding in line with the shareholding guidelines and will receive the 2024 Lonza Bonus 50% in cash and 50% in shares (individual exceptions reserved subject to RemCo approval).

⁶ The fair value in 2024 and 2023 was calculated using base salary and market value at grant date (31 January 2024 and 31 January 2023).

⁷ In line with the Executive Committee Appointment Policy (see page 174), replacement awards at the commencement of the employment relationship were made in 2024 to Executive Committee members (U Käppler and W Wienand) under the Lonza Restricted Share Unit Plan (LRSP) compensated for equity awards which were forfeited when leaving the previous employer. These awards were made in accordance with Article 23 (Supplementary Amount in the Event of Changes in the Executive Committee) of Lonza's Articles of Association. The fair value at grant was calculated using the three trading day average closing share price prior to the grant date. The awards will vest after one (CHF 1.4m relating to W Wienand) and two (CHF 1.3m relating to U Käppler and CHF 0.2m related to U Käppler) year periods, subject to continued employment, sustained performance and clawback and malus, under the Clawback and Malus Policy. See page 175 for full details on the award.

⁸ Cash payment (including base salary, other benefits, short-term incentive and social security) and shares (LTIP) received by departed members of the Executive Committee during 2024 and 2023 in line with contractual obligations and in line with applicable plan rules.

The aggregated base salary levels increased by 7% in 2024 (as compared to a 9% increase in 2023). Base salaries were adjusted for two Executive Committee members in line with market value, scope of role and experience. The increase is also a result of the *ad interim* base salary payment to the CEO *ad interim* and having two CHRO's with overlapping service and notice periods. There were 8.3 active Executive Committee members in 2024 which compared to the 8.3 active Executive Committee members in 2023, reflecting the portion of time held by Executive Committee members during each year.

The proposed payments under the Lonza Bonus for 2024 are reflective of the 2024 Group financial and ESG target performance, as outlined on page 179 – 180 of this report. The Company performance factor of 107% combined with varying personal factors resulted in a proposed average total payout of 118% of target for Executive Committee members. Although the number of eligible Executive Committee members decreased slightly in 2024 (8.4 as compared to 8.6 in 2023), the aggregated bonus payments increased compared to 2023 as a result of the higher overall performance factor (including personal and company performance). The CEO *ad interim* was not eligible to participate in the Lonza Bonus plan whilst also holding the mandate as Chair of the Board of Directors. The CEO *ad interim* participated in the Lonza Bonus plan from 9 May – 31 July 2024.

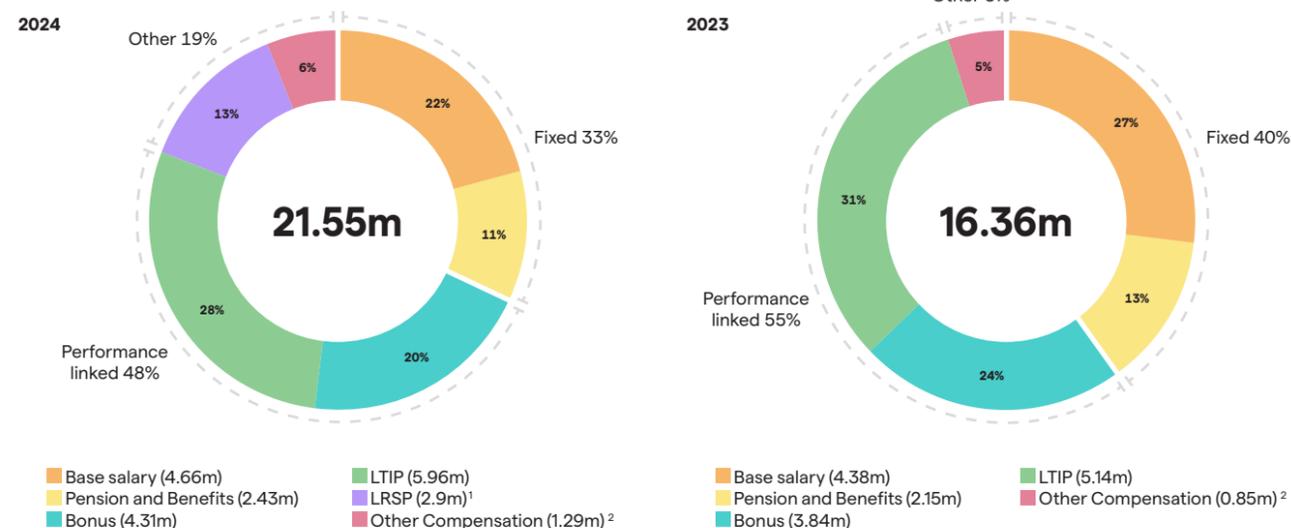
The aggregated 2024 LTIP grant value increased compared to 2023. There was no change to policy levels during 2024. A lower number of the Executive Committee members were eligible to receive awards (8.2 in 2024 as compared to 8.6 in 2023), the increase arises from the impact of higher base salaries. The CEO *ad interim* was not eligible to participate in the LTIP plan.

Lonza Bonus of CHF 5.07m for active and departed Executive Committee Members (inclusive of social security) will be subject to shareholders' approval at the AGM 2025. Fixed compensation of CHF 7.69 exceeds the CHF 6.71m approved for 2024 fixed compensation at the AGM 2023. Ulrike Käppler and Wolfgang Wienand's appointments were not known at the time of the AGM 2023 and hence their compensation was authorized under Article 23 of the Articles of Association. The LTIP grants in the amount of CHF 6.19m are within the amount of CHF 12.1m approved at the AGM 2023.

No loans or credits were outstanding as of 31 December 2024. During 2024, no payments (or waiver of claims) other than those disclosed in this report were made to current or departed Executive Committee members, nor to persons closely linked to them.

No member of the Executive Committee benefits materially from any contract between a Lonza company and a third party.

2024 Fixed Versus Variable Pay Mix



¹ Lonza Restricted Share Unit Plan (LRSP) awards are separate from typical total compensation and are awarded only in cases where a new Executive Committee member forgoes cash or equity at their previous employer.
² Cash payment (including base salary, other benefits, short-term incentive and social security) and shares (LTIP) received by departed members of the Executive Committee during 2024 and 2023.

Appointments to the Executive Committee in 2024

Albert Baehny acted as CEO *ad interim* from 1 October 2023 whilst also holding the mandate as Chair of the Board of Directors. The RemCo determined that for that period he receive the equivalent of CHF 500,000 per annum for this added responsibility which will be delivered as monthly cash payments. This is in addition to the CHF 750,000 fee received as Chair of the Board of Directors to 8 May 2024. For the period 9 May 2024 to 31 July 2024 Mr Baehny received the pro-rated equivalent of CHF 1.35m per annum and participated in the Lonza Bonus plan. All relevant compensation for this *ad interim* appointment is included in the Aggregate Compensation of the Executive Committee table on page 183. Details of Mr Baehny's Board fee are outlined on page 186. Ulrike K ppler was appointed as CHRO with effect from 1 January 2024. Wolfgang Wienand was appointed as CEO effective 1 July 2024 and on 1 November 2024 Nicoleta Baumg rtner was appointed as the new CHRO.

Payment to Departed Executive Committee Members in 2024

Ulrike K ppler stepped down as CHRO on 31 May 2024 with notice period to 31 May 2025.

Albert Baehny stepped down as CEO *ad interim* on 31 July 2024.

Their departures continue to be treated in accordance with contractual obligations and in line with applicable plan rules, including the Executive Committee Termination Policy.

No other payments (or waiver of claims) were made to former Executive Committee members in 2024.

Compensation Compared to the Lonza Workforce

Executive Committee members received in average an increase of 3.6% in an annual salary review process for existing members. In comparison, eligible employees in the wider Lonza workforce in Switzerland received an average base salary increase of 2.0% as part of the annual salary review in April 2024. As the Executive Committee is primarily Swiss based, comparison is made to Swiss based employees. Any workforce representation wider than this would not enable a fair comparison due to varying inflation, currency exchange and market levels across the world.

Compensation of the Board of Directors 2024

Policy

Objective and Market Benchmarking

The Board of Directors reviews the compensation of its members in general on a biennial basis, including the Chair, based on a proposal by RemCo, including relevant benchmarking information. In 2024 there was no review and no change to the Chair or committee fees. The present benchmarking peer group consists of Swiss companies of various sectors that are comparable in type of business, complexity of operations, size (market capitalization) and global presence to Lonza. The peer group comprises ABB Ltd, Richemont SA, Givaudan SA, K hne + Nagel AG, Sika AG, Alcon AG, Schindler AG, LaFarge SA, Straumann Holding AG, Swisscom AG, Sonova Holding AG, Geberit AG and SGS SA.

Board of Directors' compensation is closely aligned with our shareholders' interests. The members of the Board of Directors do not receive variable compensation. The members of the Board of Directors are reimbursed for travel and other related expenses associated with their responsibilities as members of the Board of Directors of Lonza.

Compensation Components

For the period from the AGM 2024 to the AGM 2025, the members of the Board of Directors receive fixed gross compensation for Board of Directors' membership and additional compensation for Committee Chair and committee members as described in the table below. The compensation of the Chair of the Board of Directors includes compensation as Chair of the Nomination and Governance Committee of the Board of Directors. The additional responsibilities of Vice-Chair and Lead Independent Director do not attract any additional fees.

In 2024 a personal pension plan was introduced for the Board Members. No company contributions are made to the plan, only voluntary personal contributions by eligible members of the Board of Directors.

Structure and Level of Compensation

The Chair of the Board of Directors and its members receive their compensation 50% in cash and 50% in restricted shares (blocking period of three years). Compensation is paid in arrears, in quarterly installments. The number of shares granted for Board of Directors' compensation is based on the average closing share price of the last five business days of each quarter. Share restrictions lapse after three years from the grant date. Shares are eligible for a dividend. With this structure the

Compensation of Board of Directors from Annual General Meeting (AGM) 2024 to 2025 (excluding social security contributions)

Gross	Base annual fee (CHF)	Committee membership fee per committee (CHF)	Committee Chair fee (CHF)
Chair of the Board of Directors¹	750,000	-	-
Member of the Board of Directors²	200,000	40,000	80,000
The additional responsibilities of Vice-Chair and Lead Independent Director ³ do not attract any additional fees			
Form of payout	50% in Lonza Group shares and 50% in cash and paid in quarterly installments		

¹ The compensation of the Chair of the Board of Directors is inclusive of all committee work.
² In the case of multiple committee memberships, the committee fees are cumulated.
³ The roles and responsibilities of the Lead Independent Director are in line with sect. 18 para. 2 of the Swiss Code of Best Practice for Corporate Governance, requiring adequate control mechanisms, and commensurate to such position.

Implementation

No loans or credits were outstanding as of 31 December 2024. During 2024, no payments (or waiver of claims) other than those disclosed in this report were made to current or departed Board of Directors members, nor to persons closely linked to them.

No member of the Board of Directors benefits materially from any contract between a Lonza company and a third party.

The Board of Directors compensation approved by shareholders reflects the July to June period (12 months) following each AGM. As such, any year-on-year change for this period impacts the financial years within which this period falls. The compensation disclosed in the Remuneration Report includes the respective calendar year (January to December). However, shareholders approve the compensation for the period AGM to AGM.

At the AGM 2024, shareholders approved an aggregate maximum compensation amount of CHF 2.9m for the Board of Directors for the period from the AGM 2024 to the AGM 2025. This compensation period is not completed yet.

At the AGM 2023, shareholders approved an aggregate maximum compensation amount of CHF 2.9m for the Board of Directors for the period from the AGM 2023 to the AGM 2024. The compensation effectively paid for this period was CHF 2.9m and is therefore within the approved limits. Compensation levels for the AGM 2025 to 2026 period are proposed in the 2025 AGM invitation.

Board of Directors Compensation¹

CHF	Board Functions as at 31/12/2024	2024					2023				
		Net cash payment	Number of shares	Value of shares ²	Social security and taxes ³	Total	Net cash payment	Number of shares	Value of shares ²	Social security and taxes ³	Total
Jean-Marc Huët ⁴	C	82,663	541	280,054	185,025	547,742	n/a	n/a	n/a	n/a	n/a
Albert M. Baehny ⁵	n/a	84,853	175	93,282	17,794	195,929	339,312	836	373,682	71,375	784,369
Marion Helmes	M	69,500	244	127,440	58,833	255,773	64,952	267	119,329	55,048	239,329
Angelica Kohlmann	M	145,088	306	159,556	29,825	334,469	142,941	356	159,205	32,624	334,770
Christoph Mäder	LID	143,901	306	159,556	31,382	334,839	142,941	356	159,205	32,624	334,770
Roger Nitsch	M	114,502	244	127,439	26,304	268,245	106,836	267	119,329	24,835	251,000
Barbara Richmond	M	69,010	266	138,714	108,764	316,488	69,050	310	138,521	108,724	316,295
Jürgen Steinemann	VC	69,500	244	127,439	58,834	255,773	64,952	267	119,329	55,047	239,328
Olivier Verscheure	M	106,991	228	118,889	24,660	250,540	106,836	267	119,329	24,834	250,999
Total		886,008	2,554	1,332,369	541,421	2,759,798	1,037,820	2,926	1,307,929	405,111	2,750,860

C: Chair
VC: Vice Chair
LID: Lead Independent Director
M: Member

¹ Total compensation amounts refer to gross payments, including social security and withholding tax, except where stated otherwise.

² The fair values were calculated using the average closing share price of the last five business days of each quarter, see Note 24 in the Financial Report.

³ The social security amounts disclosed in this column represent the full costs of the employer and employee social security contributions and withholding tax.

⁴ This compensation is inclusive of all committee work and the net cash payment reflects also the voluntary personal contributions to a Board of Directors pension plan. There is no company contribution to the pension plan.

⁵ This compensation is inclusive of all committee work.

Share Ownership of the Members of the Board of Directors and the Executive Committee

Board of Directors

Based on information available to Lonza, the members of the Board of Directors and parties closely associated with them held, as of 31 December 2024: 23,958 (2023: 27,187)¹ registered shares of Lonza Group Ltd and controlled <0.1% (2023: <0.1%) of the share capital.

Board of Directors¹

	Numbers of shares	
	2024	2023
Jean-Marc Huët ²	366	n/a
Albert M. Baehny ³	n/a	5,632
Marion Helmes	633	369
Angelica Kohlmann	1,987	1,643
Christoph Mäder	4,633	4,289
Roger Nitsch	633	369
Barbara Richmond	4,471	4,171
Jürgen Steinemann	9,460	9,196
Olivier Verscheure	1,775	1,518
Total	23,958	27,187

¹ Board of Director members, spouse, children below 18, any legal entities that they own or otherwise control, or any legal or natural person who is acting as their fiduciary.

² Jean-Marc Huët was appointed to the Board of Directors at the AGM 2024.

³ Albert Baehny did not stand for re-election to the Board of Directors at the AGM 2024.

Executive Committee

The members of the Executive Committee and parties closely associated with them held, as of 31 December 2024: 10,292 (2023: 7,263)¹ shares and controlled <0.1% (2023: <0.1%) of the share capital. The individual control rights are proportional to the holdings shown below. In addition they hold unvested equity rights as outlined in the table below. These will vest only in line with the LTIP and LRSP plan parameters (see page 181).

None of the members of the Board of Directors or Executive Committee owns shares in the Group's subsidiaries or associated companies.

Executive Committee^{1,2}

	Shareholding	Unvested equity rights (LTIP / LRSP)	Total 31 December 2024	Total December 2023
Wolfgang Wienand ³	0	9,449	9,449	n/a
Gordon Bates	2,404	2,601	5,005	4,770
Nicoleta Baumgärtner ⁴	0	1,535	1,535	n/a
Philippe Deecke	3,400	4,006	7,406	6,251
Jean-Christophe Hyvert	2,152	4,195	6,347	5,589
Daniel Palmacci	359	3,227	3,586	1,890
Christian Seufert	889	3,588	4,477	2,982
Maria Soler Nunez	1,088	3,562	4,650	2,987
Ulrike Käppler ⁵	n/a	n/a	n/a	n/a
Total			42,455	24,469

¹ Executive Committee member, spouse, children below 18, any legal entities that they own or otherwise control, or any legal or natural person who is acting as their fiduciary.

² Three active Executive Committee members are developing their shareholding in line with the shareholding guidelines.

³ Wolfgang Wienand appointed to the Executive Committee on 1 July 2024.

⁴ Nicoleta Baumgärtner appointed to the Executive Committee on 1 November 2024.

⁵ Ulrike Käppler appointed to the Executive Committee on 1 January 2024 and stepped down on 31 May 2024.

Mandates of the Members of the Board of Directors and the Executive Committee as at 31 December 2024

Board of Directors

Company Name	Function
Jean-Marc Huët	<ul style="list-style-type: none"> • Heineken N.V. (since 2014) • Vermaat (since 2019) • Picnic (2020 – 2024)
Marion Helmes	<ul style="list-style-type: none"> • Heineken N.V. (since 2018) • Siemens Healthineers AG (since 2018)
Angelica Kohlmann	<ul style="list-style-type: none"> • Bloom Diagnostics AG (since 2014) • IE University and Business School, Madrid (since 2017) • Kohlmann & Co AG (since 2013) • Peter Drucker Society Europe / Global Peter Drucker Forum (since 2009)
Christoph Mäder	<ul style="list-style-type: none"> • Schindler Holding Ltd (since 2024) • Baloise Holding AG (since 2019) • Swiss National Bank (since 2021) • Economiesuisse (since 2020) • Assivalor AG (since 2019) • Accenture Switzerland (since 2019) • Becker, Gurini, Partner law firm (since 2019) • Schweizer Jugend forscht (since 2018) • Vereinigung Schweizerischer Unternehmen in Deutschland (since 2016) • Loeba GmbH (since 2014) • Lonza Group AG (2020 – 2024)
Roger Nitsch	<ul style="list-style-type: none"> • Neurimmune Group (since 2006) • PUREOS Bioventures (since 2017) • NOVAGO Therapeutics AG (since 2015) • INTEGRA Biosciences Holding AG (since 2002) • University of Zurich (1998 – 2024)
Barbara Richmond	<ul style="list-style-type: none"> • Redrow plc (August 2024 until retirement in August 2025) • Redrow plc (2010 – 2024) • Barry Callebaut AG (since 2024)
Jürgen Steinemann	<ul style="list-style-type: none"> • Metro AG (2015 – 2025) • Big Dutchman AG (2024 – 2025) • Big Dutchman AG (2023 – 2024) • JBS Holding GmbH (since 2017) • Barentz International B.V. (since 2020) • Bankiva B.V. (since 2017)
Olivier Verscheure	<ul style="list-style-type: none"> • Foundation Council, SWITCH (since 2019) • HEC Lausanne and EPFL (since 2018) • ETH Strategic Initiative on Personalized Health and Related Technologies (since 2017) • Swiss Data Science Center (since 2016)

Executive Committee

Company / Organization Name	Function
Wolfgang Wienand	• Mettler-Toledo International Inc (since 2023)
Gordon Bates	• No external mandates
Nicoleta Baumgärtner	• No external mandates
Philippe Deecke	• Assura (since 2023)
Jean-Christoph Hyvert	• No external mandates
Daniel Palmacci	• LOWENCO (since 2022)
Christian Seufert	• No external mandates
Maria Soler Nunez	• No external mandates



Deloitte AG
Pfungstweidstrasse 11
8005 Zurich
Switzerland

Phone: +41 (0)58 279 60 00
Fax: +41 (0)58 279 66 00
www.deloitte.ch

To the General Meeting of
Lonza Group Ltd, Basel

Report on the audit of the remuneration report according to Art. 734a-734f CO

Opinion

We have audited the remuneration report of Lonza Group Ltd (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables in the sections "Highest Compensation Paid to a Member of the Executive Committee" (page 182), "Aggregate Compensation of the Executive Committee" (page 183), "Compensation of the Board of Directors 2024" (pages 185 and 186), "Share Ownership of the Members of the Board of Directors and the Executive Committee" (page 187), and "Mandates of the Members of the Board of Directors and the Executive Committee as at 31 December 2024" (page 188), of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the remuneration report 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 remuneration 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 Matter

The remuneration report of Lonza Group Ltd for the year ended 31 December 2023 was audited by another auditor who expressed an unmodified opinion on this report on 2 April 2024.

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 in the sections "Highest Compensation Paid to a Member of the Executive Committee", "Aggregate Compensation of the Executive Committee", "Compensation of the Board of Directors 2024", "Share Ownership of the Members of the Board of Directors and the Executive Committee", and "Mandates of the Members of the Board of Directors and the Executive Committee as at 31 December 2024" in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the remuneration 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 remuneration 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 remuneration 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.

Lonza Group Ltd
Report on the audit of the remuneration report
For the year ended
31/12/2024

Board of Directors' Responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration 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 remuneration report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 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 remuneration report.

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

- Identify and assess the risks of material misstatement in the remuneration 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 and 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 and its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to 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.

Deloitte AG



Fabien Lussu
Licensed Audit Expert
Auditor in Charge



Jan Meyer
Licensed Audit Expert

Zurich, 31 March 2025

Legal Disclaimer

Forward-Looking Statements

This Annual Report includes statements that are, or may be deemed to be “forward-looking statements”. Forward-looking statements are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Forward-looking statements are not statements of historical fact and may be identified by forward-looking terminology, including the words “outlook,” “guidance,” “believes,” “plans,” “anticipates,” “expects,” “estimates”, “may”, “will”, “should”, or in each case, their negative or other variations, or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Investors are cautioned that all forward-looking statements involve risks and uncertainty because they relate to future events and circumstances.

Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Group, and the development of the markets and the industries in which members of the Group operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Annual Report. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including the timing and strength of its product, service or technology offerings; pricing strategies of competitors; interruption or delays in manufacturing; the company’s ability to continue to receive adequate products from its vendors on acceptable terms, or at all, and to continue to obtain sufficient financing to meet its liquidity needs; difficulty to maintain relationships with employees, customers and other business partners; and changes in the political, social and regulatory framework in which the company operates, or in economic or technological trends or conditions, including currency fluctuations, increased tariffs, trade restrictions, and changing trade policies, inflation and consumer confidence, on a global, regional or national basis.

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Legal and Regulatory Disclosure

Lonza Group Ltd has its headquarters in Basel, Switzerland, and is listed on the SIX Swiss Exchange. It has a secondary listing on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Lonza Group Ltd is not subject to the SGX-ST’s continuing listing requirements but remains subject to Rules 217 and 751 of the SGX-ST Listing Manual.

For publications and further information, please contact:

Lonza Group Ltd

Muenchensteinerstrasse 38
4002 Basel, Switzerland
Tel +41 61 316 81 11
www.lonza.com

Investor Relations

investor.relations@lonza.com

Media Relations

media@lonza.com

Share Register

c/o Computershare Schweiz AG
P.O. Box 4601 Olten, Switzerland
Tel +41 62 205 77 00
Fax +41 62 205 77 90
share.register@computershare.ch

Production Details:

Corporate Communications, Lonza Group Ltd, Basel (CH)
Design and Illustration: SevenThree Creative, Edinburgh (UK) and Lonza Design Team
Lonza Online Annual Report: Sears Davies Ltd, London (UK)
Pictures: Getty Images, Lonza
Board of Directors, Executive Committee Members and Leadership Portraits: Lonza

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