

# ESG Report 2023

(extract of Annual Report)

# ESG Report

## Contents

1. Corporate responsibility	33	4. Employees, social affairs and society	47
1.1 Business model	33	4.1 Education and training	47
1.2 Sustainability at Orell Füssli	35	4.2 Data security and data protection	48
1.2.1 Organisation and responsibilities	35	4.3 Leadership culture and collaboration	49
1.2.2 Dealing with stakeholder groups	36	4.4 Occupational health and safety	51
1.2.3 Material topics	37		
2. Economy	39	5. Governance	54
2.1 Economic success of the company and profitability	39	5.1 Compliance and business ethics	54
2.2 Quality of service and products	39	5.2 Respect for human rights	56
2.3 Digitalisation	41	6. CoO reference table	56
3. Environment	42	7 Declaration of the Board of Directors	56
3.1 Energy efficiency and climate protection	43	Corporate Governance	58
		Compensation Report	68
		GRI Index	126



To improve sustainability and further reduce the environmental impact of production, the company invested in a new ultra-filtration system. Up to 2,500 litres of chemicals per hour are filtered with a recycling rate of up to 96%.

This report was prepared in accordance with the standards of the Global Reporting Initiative (GRI). In line with the GRI standards and the regulatory provisions on non-financial reporting (Swiss Code of Obligations), it contains introductory information on the strategy, business model and sustainability approach, followed by reporting on the material topics. These are split into environmental, social and governance (ESG) topics.

Orell Füssli's non-financial reporting is published annually as part of the Annual Report and can be viewed as a separate PDF document on the company's website ([www.orellfuessli.com/en/investors](http://www.orellfuessli.com/en/investors)).

The non-financial report has not been externally audited.

The sustainability report includes all companies consolidated in the Annual Report. This will be published on 8 March 2024 and submitted to the Annual General Meeting for approval on 7 May 2024.

## 1. Corporate responsibility

### 1.1 Business model

Orell Füssli is one of the oldest companies in Switzerland, with a history going back more than 500 years. It can trace its origins to the printing house of Christoph Froschauer, which published works by important authors during the Reformation in Zurich at the start of the 16th century. Among the best-selling books were also various editions of the Bible. The Zwingli Bible, printed in 1531, became particularly famous. Zürcher Zeitung, now known as NZZ, was published from 1780 onwards. At the start of the 19th century, the company started producing securities, followed by stamps and banknotes. Orell Füssli is a pioneer in security printing and education.

The company has repeatedly repositioned itself over the years. Today, the Group consists of four business segments:

- Security Printing
- Industrial Systems
- Book Retailing
- Other business areas

The company works hard to strengthen the core business in the four business segments through focus, a lot of initiative and targeted acquisitions. The figure below shows the business units.

Security Printing	Industrial Systems	Book Retailing	Other business areas	Unallocated
Orell Füssli AG (OFS)	Zeiser GmbH Zeiser Inc. Zeiser Ltd. Zeiser SRL	Orell Füssli Buchhandlungen AG Orell Füssli Thalia AG Delivros Orell Füssli AG Lehmanns Media AG	Orell Füssli AG, Publisher (OFV) hep Verlag AG Procivis AG izit AG	Orell Füssli AG, Group Functions (OFC)

Orell Füssli offers a range of services in the Security Printing business segment, which handles the production of banknotes and identification documents, such as passports, visas and driving licenses. We also pursue research and development projects to advance our core products, both in response to customer demand and proactively. Advisory services are also available to a more limited extent. The customers in this segment are central banks and governments. In addition to the Swiss National Bank (SNB), our anchor customer, we have built up a wide, globally distributed portfolio of customers in recent years. To produce these products, Orell Füssli collaborates with a small number of highly specialised suppliers. Usually, customers specify the colours, substrates and security features to be used, along with the suppliers whose products must be used for the production. Therefore, materials are usually obtained only from certain, predefined and certified suppliers for each order. The majority of suppliers are in Europe.

Orell Füssli provides the technology in the Industrial Systems business area required for the security printing industry. This includes the development, implementation and deployment of hardware and software to give security documents a clear, unambiguous and traceable identity; for example, numbering machines, perforation systems and inspection solutions in manufacturing processes. It also supplies precision mechanical components for installation in security printing machines, and systems such as passport manufacturing machines, which are assembled from various components.

High-grade steel is a critical raw material in the Industrial Systems business segment. This is sourced exclusively from Germany. There are two types of hardware components: high-end speciality products, such as cameras and scanners, for which only a few providers exist worldwide, and standard trading goods, which are purchased from long-standing partners, mostly in the EU.

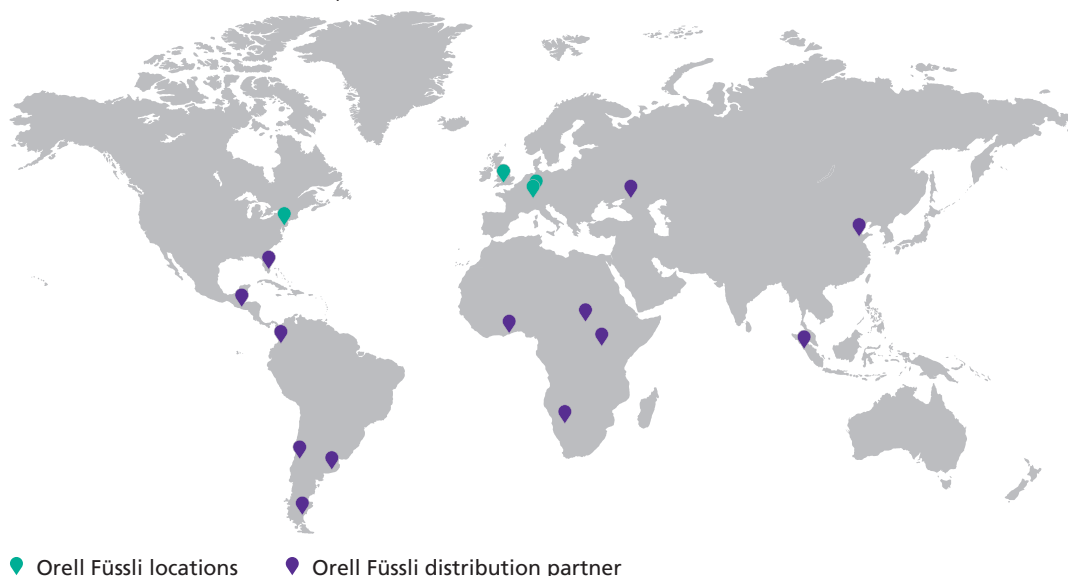
Book Retailing deals with a wide range of books and digital media. These are sold in line with a multi-channel strategy via retail shops and a dedicated online shop, to both retail and business customers. In the B2B sector, Orell Füssli Thalia AG, which is held in a joint venture, is the leading provider in Switzerland for the procurement, distribution and utilisation of books and their electronic contents for companies and educational institutions.

Orell Füssli Thalia AG, which is held as a joint venture, has a management team which is independent of the Orell Füssli Executive Board. The Orell Füssli Group exercises its influence via a seat on the Board of Directors and the exercise of shareholder rights. Orell Füssli Thalia AG draws up its own policies and regulations. However, the basic focus does not deviate from the group policies to any significant degree. Information is provided below to which documents a statement refers. Unless explicitly stated otherwise, the statements refer to Orell Füssli AG and its majority shareholdings. As in the Annual Report, the figures reported include the consolidated figures of the Group, with the figures for Orell Füssli Thalia AG proportionately consolidated; i.e. exactly half are taken into account. If the calculation method differs, an explicit note is included to this effect.

Book Retailing sources its books mainly through a book centre in Switzerland. The two other major wholesale booksellers are located in Germany (Thalia and LIBRI). The Non-Book division purchases its goods, which include games and food, from a small number of intermediaries that have accepted Orell Füssli Thalia's delivery terms.

Orell Füssli Publishers and Procivis AG are grouped under Other business areas. The publishers publish children's books, legal media and learning media under the Orell Füssli and hep names, supplemented by a specific digital offering. Procivis supplies software solutions for verifiable digital credentials for the complete digitisation of services and processes for authorities and companies. Procivis launched Procivis One in 2023. A completely new, decentralised E-ID software solution that meets the high demands of companies and government institutions for digital identities.

Locations of Orell Füssli and its sales partners



## 1.2 Sustainability at Orell Füssli

### 1.2.1 Organisation and responsibilities

Orell Füssli is pursuing a multi-year plan in order to establish systematic sustainability management and has clearly assigned responsibilities to the Board of Directors and Management Team. The Audit Committee of the Board of Directors oversees ESG activities. The Board Of Director has transferred responsibility for sustainability management and preparation of the relevant reports to the CFO.

In the reporting year, the Board Of Directors took part in a sustainability training session during a Board of Directors meeting. Led by a specialist consultancy firm, this training focused on the concept of dual materiality, sustainability as an integrated management approach, regulatory developments in general and non-financial reporting in Switzerland in particular.

In order to assess its performance, the Board of Directors of Orell Füssli conducts an annual self-evaluation.

	2022	2023	2024	2025+
Board of Directors	Commissioning of development of a sustainability strategy	Finalisation and approval of the sustainability strategy Approval of the non-financial report	Monitoring the implementation of the sustainability strategy External audit of sustainability reporting	Review of the updated sustainability strategy, monitoring of implementation External audit of sustainability reporting
Executive Board	Development of the sustainability strategy	Implementation of the sustainability strategy	Implementation of the sustainability strategy	Further development of the sustainability strategy and implementation
Sustainability management	Information and initial data collection, report conceptualisation and reporting set-up	Data monitoring	Performance measurement, reporting and implementing initiatives	Performance measurement, reporting and implementing initiatives

Figure: Multi-year plan with responsibilities in ESG management

**1.2.2 Dealing with stakeholder groups**

Orell Füssli works with a large number of different customers, suppliers and other stakeholder groups. These range from public authorities to central banks, machine manufacturers, libraries and law firms to end users who buy a book in a bookshop or online.

Individual and face-to-face contact is common practice with industrial clients, and Orell Füssli maintains dialogue with clients in the book retailing sector, both at points of sale and via customer service. Client contact is also cultivated at trade fairs and professional events.

The supplier structure within Orell Füssli is very diverse due to the different business models of the Group companies. Book Retailing obtains its books primarily through supply channels such as the Buchzentrum, and as a retailer does not have any influence on the book production process. The publishers offer a range tailored to different target groups, from learning media right through to legal publications and selected children’s books. In the publication business, Orell Füssli is involved in book production and selects the paper suppliers and printers itself.

Orell Füssli has been listed on the Swiss Stock Exchange since 1897 (see Corporate Governance Report, page 58). Shareholders receive first-hand information at the Annual General Meeting, which is held in person whenever possible. Orell Füssli also communicates relevant information on the course of business and its strategy in press releases, the Annual Report and analyst conferences. This ensures that all shareholders are always provided with transparent information at the same time.

Orell Füssli’s employees work at a large number of locations and in different time zones. At the same time, each professional group has different interests and needs. To ensure all employees have access to the necessary information simultaneously and quickly, Orell Füssli uses various communication channels in parallel. Employees are also given the opportunity to ask questions in order to better understand decisions. In addition to video messages from the CEO, video conferences and an internal communication platform (intranet), the company also uses personal information events organised by local management teams or direct written communication in the form of email and letters (e.g. amendment of regulations).

**Engagement through memberships and participation in political processes**

Orell Füssli actively participates in political processes when they concern business-relevant issues. An example is the planned realisation of a state-recognised electronic proof of identification (E-ID) in Switzerland. Orell Füssli is engaged in this issue by actively contributing knowledge and experience to the consultation process. Apart from the relevant issues, Orell Füssli is not politically active and does not make any donations to political parties.

However, the company maintains a network of partnerships. Essential memberships include:

- **Swiss Retail Federation** Orell Füssli is a member of the Swiss Retail Federation. This organisation represents the interests of retail companies to politicians and the public.
- **Swiss Booksellers and Publishers Association (SBVV)** The SBVV represents the interests of the book industry to authorities and politicians in matters relating to cultural and economic policy.
- **Intergraf** Intergraf is a business association that represents and protects the interests of the graphic industry at European level.
- **International Currency Association (ICA)** The ICA is a global trade association for the security printing industry and represents its interests, particularly in the area of banknotes.
- **Banknote Ethics Initiative (BnEI)** BnEI is an initiative aimed at promoting ethical business practice with a focus on corruption and compliance with antitrust laws in the banknote industry. (voluntary initiative; compliance with regulations/guidelines is verified by independent entities).
- **International Association of Currency Affairs (IACA)** The IACA is an international monetary policy association. It works hand in hand with the public and private sectors. The goal is to facilitate international exchange for consultation and collaboration, taking into account the interests of the various stakeholders in the cash payments cycle.
- **Energy Agency for Industry (EnAW)** The EnAW is an association founded in 1999 by the Swiss business associations that aims to steadily improve energy and resource efficiency in the economy.
- **Trade Association of Industrial Companies in Baden (WVIB)** The WVIB is a business association for medium-sized industrial companies and supports the exchange of experience, offers regional wage comparisons and functions as an internal reporting centre for whistleblowers.
- **International tax stamp association (ITSA)** The ITSA is an organisation that advocates for a better understanding of the benefits of tax stamp and traceability systems.
- **Digital Identity and Data Sovereignty Association (DIDAS)** DIDAS is a non-profit organisation with the aim of establishing and promoting Switzerland as a leading ecosystem in the development and introduction of technology, services and products for the protection of privacy that preserve and use digital identity and electronically verifiable data.

### 1.2.3 Material topics

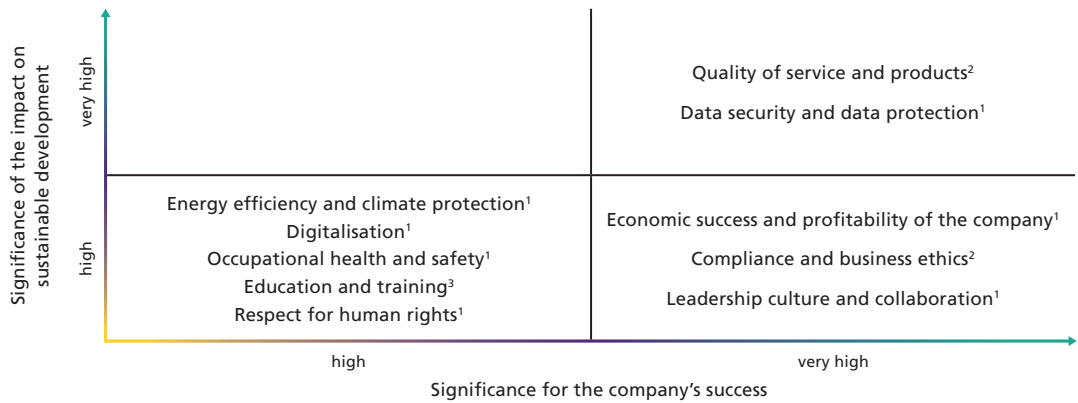
Orell Füssli's business activities may have positive and negative impacts on the economy, society and the environment. At the same time, global trends present both opportunities and risks for Orell Füssli. The gradual establishment of environmental, social and governance aspects as a firm component of the company's strategy, objectives, organisation and processes is broad-based. As a basis for its systematic sustainability management, Orell Füssli identifies the key topics itself. This helps to minimise negative impacts, strengthen positive effects, identify future trends and challenges at an early stage and address them in the interests of the company and the community.

Orell Füssli conducted a materiality analysis in 2022. The starting point was a list of about 60 potentially material topics compiled from ESG standards, legal requirements for non-financial reporting and environmental analyses. Through clustering, 26 potentially significant topic areas were identified to be later assessed based on the principles of dual materiality in respect of the relevance of their impact and influence. The assessment was carried out by the CEO, CFO, quality and risk managers, and representatives from all relevant business and specialist areas. The assessment was visualised using a dual-axis matrix. The threshold for definition as a material topic is either a high significance of the effect on the sustainable development of the company or a major importance for business success.

The Board of Directors of Orell Füssli then validated the materiality assessment.





In advance of reporting on the 2023 financial year, Orell Füssli reviewed the material topics for relevance, particularly in respect of the Swiss legal requirements on non-financial reporting. As a result, the topic of "respect for human rights" was included as a material issue for the first time. In the same vein, the material topics were assigned to the issues required by Swiss law (see CoO reference table, page 56).





- 1 Material for the entire Orell Füssli Group
- 2 Material for security printing and industrial systems
- 3 Material for bookstores and publishers

The following topics were considered to be of greatest significance in terms of Orell Füssli's impact on the business environment ('inside-out') and the success of the company itself ('outside-in')\*:

	<b>Economy</b>	<ul style="list-style-type: none"> <li>• Quality of service and products</li> <li>• Economic success and profitability of the company</li> <li>• Digitalisation</li> </ul>
	<b>Environment</b>	<ul style="list-style-type: none"> <li>• Energy efficiency and climate protection</li> </ul>
	<b>Social affairs and society</b>	<ul style="list-style-type: none"> <li>• Education and training</li> <li>• Data security and data protection</li> <li>• Leadership culture and collaboration</li> <li>• Occupational health and safety</li> </ul>
	<b>Governance</b>	<ul style="list-style-type: none"> <li>• Compliance and business ethics</li> <li>• Respect for human rights</li> </ul>

\* In the materiality analysis, the company deprioritised economic topics such as innovation, risk management and tax transparency, as their impact on the market sector or user safety was assessed as being smaller. In the ecological dimension, it also evaluated the potentially significant topics of materials, water consumption & waste, biodiversity and sustainable supply chain. Orell Füssli estimated the impact of these on resource consumption and environmental pollution through waste to be less material at both impact levels. Additionally identified potentially material social issues would have had an impact on employee satisfaction, a respectful culture and long-term customer relationships. However, these impacts were attributed to a greater extent to the topics now defined as material.



## 2. Economy

The Orell Füssli strategy is based on its long-term expertise in business areas that build on the trends of security and education. In both areas, digitalisation is enabling new innovative offerings.

Material topics:

- Economic success and profitability of the company
- Quality of service and products
- Digitalisation



### SDG 9: industry, innovation and infrastructure

By offering new digital technology with the highest quality standards and taking into account data protection, Orell Füssli AG creates innovative products for a wide range of areas of life.

## 2.1 Economic success and profitability of the company

Orell Füssli aims for long-term profitable growth. By expanding its digital business areas and implementing a wide range of teaching and learning media, the company hopes to achieve its sales target of an annual increase of 4% to 6%.

Detailed explanations on financial management can be found in the shareholder letter on page 4. Key figures for the operating result are shown in the financial report on page 76. At the Capital Market Day 2022, Orell Füssli communicated its growth ambitions and associated expansion strategies and provided an overview of its financial figures. The investor presentation can be viewed on Orell Füssli Group's website: [www.orellfuessli.com/en/investors](http://www.orellfuessli.com/en/investors).

## 2.2 Quality of service and products

In order to meet the demands of its customers, Orell Füssli defines itself by its range of products and services with the highest quality features. Quality is a key driver of success in the Security Printing and Industrial Systems business segments and at Procivis.

- Security Printing: Banknotes must meet all quality requirements without exception. Errors and the resulting damage to reputation could have a lasting negative effect on Orell Füssli's marketability. Therefore, regular checks are carried out during the production process and defective notes destroyed. After the sheets are cut to note format during the final processing of banknotes, a final 100% inspection takes place; there is zero tolerance for errors.
- Zero-error tolerance also applies to the Industrial Systems, segment, which produces products for the security printing industry: Each individual numbering machine is tested before being shipped to the customer.
- In the context of digital identity documents, Procivis also has high quality requirements in terms of reliability and speed of data processing.
- Book Retailing focuses on high service quality, particularly in customer service and prompt and error-free delivery. Service quality is ensured through personal advice in the store or the Swiss customer service team's call centre at the headquarters. Customer satisfaction, which Orell Füssli aims to achieve with its commitment to high quality service, is also influenced in this segment by the fixtures of the retail outlets and great importance is attached to this.
- Compared with Security Printing and Industrial Systems, quality is not security-critical for the publishers, but it has a major influence on the perception and acceptance of the publishers in the market in terms of content and product presentation.

**Ongoing further development of the quality management system and quality controls**

Security Printing is certified to ISO 14298 and other standards. The quality policy sets out the principles for ensuring and continuously and measurably improving quality. These require that the quality management system is implemented and constantly developed.

No errors in quality in security printing and industrial systems are tolerated. The Group therefore invests heavily in maintaining its fleet of machines and replacing machines early if necessary. In addition, a key issue is training and educating employees in how to correctly handle machines and materials. Orell Füssli conducts on-site visits to customers and suppliers to gain an in-depth understanding of customer quality requirements. In addition to quality controls via appropriate technical aids, physical controls carried out by experienced employees helps to ensure high quality security documents and components. Orell Füssli's quality controls are supplemented by external auditing bodies.

The key performance indicator in the quality of banknote production is the reject rate. The majority of the relevant targets were met or exceeded in 2023: The company is very satisfied with the quality of the printed banknotes and was pleased to report a low complaints rate and very positive customer feedback in the reporting year.

Internal key figures (e.g. complaints per product, number of process faults) are determined in order to use for quality monitoring purposes. In Industrial Systems (Zeiser) and Security Printing, Orell Füssli employees a quality management system in accordance with ISO 9001, which guarantees comprehensive evaluation and continuous improvement of processes, thus ensuring product and service quality. Zeiser's complaints rate was very low in the reporting year. No products had to be recalled nor did any significant warranty services have to be provided.

Quality controls at the publishers are carried out in stages: from data creation at the publishers to the equipment for the printing presses through to inspection of the products for print, colour, and paper quality. These controls are carried out in accordance with the guidelines of Fogra (Research Institute for Media Technologies). FSC-certified paper and environmentally friendly printing inks and additives are used to ensure quality. In addition, the printing companies have Fogra and FSC certificates and are tested and certified according to the European environmental management system EMAS (Eco-Management and Audit Scheme).

In the publishing industry, misprints and recalls are used as key performance indicators. In the reporting year, the misprint rate was only 2%. Thus, almost no misprints resulted in rejects, corrections or subsequent changes. Only one product was recalled, but this was not yet on sale.

## 2.3 Digitalisation

Digitisation is an opportunity to further develop Orell Füssli's existing business areas and establish new ones. The company offers technology in the areas of digitalisation, learning material, documents and security solutions (Digital Trust Services). This complements the existing product portfolio.

In its own processes, Orell Füssli is driving forward the digitalisation of internal workflows, but is also taking precautions to counter the risks of digitalisation, particularly in terms of cyber security and data protection (see 4.2; page 48).

### **Responsibility embedded at Board of Directors level**

The Board of Directors appoints a Digital Committee. This is a committee of the Board of Directors comprising three members. The CEO and the Head of Corporate Development of the Orell Füssli Group also attend the meetings. The committee meets at least twice a year and focuses on the management and development of digital business areas. Line managers are supported by the Head of IT in digitalisation of internal business processes and their external interfaces.

### **Development of innovative products**

Thanks to the acquisition of Procivis, Orell Füssli has offered digital solutions in the field of identity management since 2020. The product range is expanded through partnerships. The Security Printing and Industrial Systems business segments have their own research and development departments. Besides the development of various security features, the Security Printing segment unveiled the "connected banknote" DUAL® in 2022, which was honoured with an industry award ("Advancement of Digital Currency"). Since then, the solution has attracted significant interest from experts. In the field of education, Orell Füssli sees great potential for new digital solutions. The ongoing development of the digital learning platform "mySkillbox" from hep Verlag provides teachers and learners with an innovative teaching and learning environment for general education lessons.

### **Digitalisation of internal processes**

Through increased integration and the conversion of certain internal processes, some manual work steps were automated. For example, the ERP software for the industrial systems has been migrated to the latest version, and the introduction of new consolidation software has greatly automated and thus simplified the preparation of management reporting and the consolidated financial statements. This also applies to the outsourcing of HR back office processes to an external partner. The full benefits of these measures will become apparent in 2024.

Further digitalisation of processes is also planned for the Orell Füssli Publishers: a new CMS system will be introduced in 2024.

### 3. Environment

Orell Füssli has been addressing environmental issues in a structured and professional manner for almost 20 years and is continuously improving. In 2006, an environmental management system in accordance with ISO 14001 was introduced in security printing and has been continuously refined since then. Based on the code of conduct, employees are made aware of environmentally friendly behaviour in order that they can consider environmental aspects when making decisions.

In Orell Füssli's value chain, the biggest environmental impact is from the extraction of raw materials, processing of raw materials into intermediate products and transport to the upstream supply chains.

Material topics:

- Location-specific climate protection
- Emissions reduction in the supply chain

#### Responsibilities in the Group companies

Orell Füssli's commitment to environmental protection is based on the environmental policy of the individual legal entities (e.g. Zeiser GmbH and Orell Füssli Thalia AG), which they fulfil under their own responsibility.

As the Security Printing segment at the Zurich site is responsible for both the building and production, it has been given overall responsibility for implementation of the environmental policy at the site. In addition, the Security Printing segment has brought in an environmental objectives implementation programme, which is continuously updated. This is based on an environmental relevance matrix created when the ISO 14001-certified environmental management system was updated. The matrix records the environmental impact of each process and is the basis for the systematic reduction of the negative environmental impact and the necessary measures. This includes a reduction in fossil fuels and an increase in energy efficiency. Above all, environmental protection calls for the conscious commitment of all employees. Employees are obliged to contribute to the further development of the environmental management system. Environmentally relevant regulations must be observed, environmental damage must be avoided and processes must be optimised with regard to environmental compatibility. The first measurable results from the measures will be available during 2024.

In respect of the Industrial Systems segment, responsibility for implementation of environmental issues lies with the quality and building manager at Zeiser GmbH.

Orell Füssli Thalia AG has not yet defined any specific environmental targets. However, there is a high level of awareness of sustainability. Responsibility lies with Corporate Development, managed as a staff unit reporting to the CEO.



#### SDG 13: climate action

Orell Füssli AG contributes to climate protection through low operational CO<sub>2</sub> emissions, by taking into account environmental issues when procuring materials and by offering a range of products and services with a moderate environmental impact.

### 3.1 Energy efficiency and climate protection

To keep the group's ecological footprint as small as possible, Orell Füssli strives to handle resources carefully and sustainably. The company has a much greater influence on the energy-efficient use of resources and associated climate protection when it operates as a manufacturing company on its own premises than when it conducts its business as a retailer on leased premises.

Orell Füssli is currently focusing on measures to reduce emissions in its own operations and processes: reducing its energy consumption, using renewable energy and a conscious choice of transport. It also holds its suppliers accountable and uses the limited degree of freedom available in the industry when selecting the goods it procures.

In doing so, the company makes a contribution to climate protection, takes account of customer needs and reduces the financial risks to itself from climate change in the form of rising prices for electricity, water and waste disposal, and the health risks to employees.

#### Site-specific climate protection

Orell Füssli is a member of the Energy Agency for Industry (EnAW). As part of this co-operation, Orell Füssli voluntarily committed itself to measurable targets for saving energy and reducing CO<sub>2</sub> emissions at the Zurich site all the way back in 1997. This voluntary target agreement envisaged an increase in energy efficiency of at least 7% from 2013 to 2022, with a simultaneous reduction of CO<sub>2</sub> emissions by at least 23%. These goals have been achieved, partly through the complete switch to electricity from hydro power. EnAW is expected to formulate new targets during 2024.

At the new Zeiser location in Emmingen, Germany, the Group relied on state-of-the-art building technology, use of waste heat from the production facilities, the connection of a biogas plant to the local district heating network, and electricity generation via its own photovoltaic system. At other locations – for example, at the head office in Zurich – the spatial planning requirements imposed by the local conservation authorities and listed building status represent an obstacle to energy optimisation. In addition, as a tenant Orell Füssli AG has only a limited influence on the building technology.

In 2023, the Security Printing segment replaced the system for pre-cleaning wastewater. According to the manufacturer's calculations, this will save about 180 tonnes of CO<sub>2</sub> equivalent in operating materials and 16 tonnes of CO<sub>2</sub> equivalent for their transport. This corresponds to an decrease of about 35% on the previous system. From 2024, the entire heating, ventilation and air conditioning system in production is due to be replaced, resulting in about 50% of savings in energy consumption and therefore emissions compared with the currently operated system. These measures will reduce the total amount of energy consumed at the site by more than 10%.

To reduce the consumption of resources, the temperature in the bookstores was lowered by 1°C wherever possible from 1 October 2022. The specific effect of this measure has not been calculated yet due to lack of data from landlords.

Apart from the core business, the most significant emissions come from employee mobility. Depending on the location, Orell Füssli supports environmentally friendly mobility concepts. For example, the Group contributes towards the cost of public transport travel cards for employees at the Zurich sites. In the book trade, employees who travel frequently are reimbursed for their public transport travel cards. In Zurich, the pool car was replaced by an electric vehicle, electric charging stations were installed at Zeiser in Emmingen and a lease bike initiative promotes cycling.

### Reducing emissions in the supply chain

Due to industry-related reasons and depending on the business segment, Orell Füssli has little or no influence on the selection of suppliers and materials (see business model; page 33). However, the company requires suppliers to drive forward efforts in environmental protection. For example, in Security Printing, Orell Füssli's code of conduct for Suppliers stipulates an active contribution to environmental protection. ISO 14001-certification is required when selecting suppliers. Specific improvements in environmental performance are reviewed in supplier audits. Under this system, the relevant suppliers are categorised by turnover or safety relevance. The safety-relevant suppliers are checked every three years on specific criteria. The criteria were developed by Orell Füssli in collaboration with specialist consultants and comply with the criteria of the Swiss Code of Obligations. In 2023, about 40% of key suppliers were audited.

When manufacturing customised products in the Security Printing segment, the room for manoeuvre in the choice of materials and transport is limited, as the selection of materials and semi-finished products is often specified by the customer. These can often be obtained only from individual, predefined suppliers. In order to meet customer requirements in terms of safety or delivery deadlines, air transport is sometimes unavoidable.

Book Retailing should offer as comprehensive an assortment of products as possible. Some books are packaged by the manufacturer in plastic film and do not necessarily have an environmentally friendly cover; as Orell Füssli is merely a retailer, it cannot influence such packaging materials. On the other hand, FSC-certified products are used at the publishers whenever possible. In terms of environmental protection, Orell Füssli welcomes and supports the trend towards digital teaching materials.

### GREENHOUSE GAS EMISSIONS AND TOTAL ENERGY CONSUMPTION

	Unit	2023	2022
CO <sub>2</sub> (Scope 1+2) <sup>1)</sup>	tCO <sub>2</sub> eq	272	378
CO <sub>2</sub> (Scope 3) <sup>2)</sup>	tCO <sub>2</sub> eq	12,000	n/a
Energy consumption, total	MWh	6,696	7,022

1) The share of emissions from Scope 2 was disclosed here under the market-based approach. Under the location-based approach, the value is 1,032 tCO<sub>2</sub>e (Scope 1+2) for 2023.

2) Scope 3 emissions were screened for the first time in 2023 and included the following companies: Orell Füssli AG, Zeiser GmbH, Zeiser Inc., Zeiser Ltd. and Orell Füssli Thalia AG. For the following indirect emission categories, a rough estimate of the emissions was made based on the data available: Purchased goods and services (cat. 1), purchased capital goods (cat. 2), energy and fuel-related activities (cat. 3), waste (cat. 5), business travel (cat. 6), commuting (cat. 7), rented or leased fixed assets (cat. 8), downstream transport and distribution (cat. 9), disposal of sold goods at the end of their lifecycle (cat. 12; data unavailable due to confidentiality requirements for security printing). The emissions resulting from the rented areas in the bookstores were estimated due to lack of information from landlords and are applied in the category of rented or leased fixed assets (cat. 8).

### ENERGY

#### Heating & fuels

	Unit	2023	2022
Heat & fuels total	MWh	1,728	2,069
Stationary <sup>1)</sup>	MWh	1,616	1,935
<i>Natural gas<sup>2)</sup></i>	<i>MWh</i>	<i>1,342</i>	<i>1,935</i>
<i>District heating</i>	<i>MWh</i>	<i>273</i>	<i>–</i>
Mobile	MWh	113	134
<i>Petrol</i>	<i>MWh</i>	<i>–</i>	<i>–</i>
<i>Diesel</i>	<i>MWh</i>	<i>113</i>	<i>134</i>

1) The energy sources required to generate heat for bookstores could not be calculated. Orell Füssli Thalia's energy consumption estimate for diesel by is put at 5 MWh for 2023 and 134 MWh for 2022. Petrol consumption is estimated at 4 MWh for 2023 and 0 MWh for 2022 due to a lack of information. These estimates are not included in the table above.

2) In 2023, a gas mixture with a proportion of 30% biogas (403 MWh) was purchased.

## Electricity

	Unit	2023	2022
Electricity total	MWh	4,967	4,819
from certified sources	MWh	4,967	4,819
from non-certified sources <sup>1)</sup>	MWh	–	–

1) The energy consumption (electricity) of the bookstores is estimated at 1,629 MWh due to partially missing emission information from the landlords. With known energy consumption of 10 shops, average electrical energy intensity of 130.24 kWh per m<sup>2</sup> of operating space was calculated in 2023. These estimates are not included in the table above.

## OTHER INDICATORS

## Waste

	Unit	2023	2022
Waste total <sup>1)</sup>	t	471	n/a
General waste incineration <sup>2)</sup>	t	139	n/a
General waste landfill <sup>2)</sup>	t	91	n/a
General waste recycling externally	t	65	n/a
Hazardous waste incineration	t	168	n/a
Hazardous waste recycling	t	9	n/a

1) Excluding bookstores

2) With Zeiser, it was not possible to differentiate between the disposal methods of incineration and landfill in general waste (but recycling could be separated). For this reason, the same relative distribution as for the security printing was assumed.

## GRI 305-1 GREENHOUSE GAS EMISSIONS

## Direct greenhouse gas emissions (Scope 1)

	Unit	2023	2022
Scope 1 emissions, total	tCO <sub>2</sub> eq	219.1	332.7
Fossil fuels <sup>1)</sup>	tCO <sub>2</sub> eq	190.5	296.8
Transport/fuel <sup>2)</sup>	tCO <sub>2</sub> eq	28.6	35.8

1) A gas mixture with a proportion of 30% biogas (403 MWh) was used for the first time in security printing. The biogenic emissions amount to 80 tCO<sub>2</sub>eq (out-of-scope emissions). The emissions associated with heating at the bookstore branches could not be calculated due to a lack of information from landlords.

2) The emissions resulting from Orell Füssli Thalia's fuel consumption were modelled on the basis of the costs incurred. These were considered here under Scope 3 Category 3 (energy and fuel-related activities).

## GRI 305-2 Indirect, energy-related greenhouse gas emissions (Scope 2)

	Unit	2023	2022
Scope 2 emissions, total (market-based) <sup>1)</sup>	tCO <sub>2</sub> eq	52.4	45.7
Scope 2 emissions, total (location based)	tCO <sub>2</sub> eq	571.1	n/a
Electricity (market-based) <sup>2)</sup>	tCO <sub>2</sub> eq	3.3	–
Electricity (location-based) <sup>3)</sup>	tCO <sub>2</sub> eq	522.0	n/a
Others (district heating) <sup>1)</sup>	tCO <sub>2</sub> eq	49.1	45.7

1) Zeiser's district heating procurement (new in 2023) was calculated using the location-based approach, as a market-based emissions factor is not yet available.

2) Compared with the previous year, the energy generated by hydropower (security printing) was calculated using designated emission factors (2022: assumption of zero emissions for hydropower).

3) The location-based approach is based on the IEA's emission factors (2023) and was adjusted using energy trading corrections.

The emissions from the bookstores were estimated at 153 tCO<sub>2</sub>eq due to a lack of data from landlords.



## GRI 305-3 Other indirect greenhouse gas emissions (Scope 3)

	Unit	2023	2022
Scope 3 emissions, total (1)	tCO <sub>2</sub> eq	12,000	n/a

1) Scope 3 emissions were screened for the first time in 2023 and included the following companies: Orell Füssli AG, Zeiser GmbH, Zeiser Inc, Zeiser Ltd. and Orell Füssli Thalia AG. For the following indirect emission categories, a rough estimate of the emissions was made based on the data available: Purchased goods and services (cat. 1), purchased capital goods (cat. 2), energy and fuel-related activities (cat. 3), waste (cat. 5), business travel (cat. 6), commuting (cat. 7), rented or leased fixed assets (cat. 8), downstream transport and distribution (cat. 9), disposal of sold goods at the end of their lifecycle (cat. 12; data unavailable due to confidentiality requirements for security printing). The emissions resulting from the rented areas in the bookstores were estimated due to lack of information from landlords and are considered in the category of rented or leased fixed assets (cat. 8).

## GRI 305-4 Intensity of greenhouse gas emissions

	Unit	2023	2022
tCO <sub>2</sub> per CHF thousand revenue <sup>1)</sup>	tCO <sub>2</sub> eq	0.0024	0.0036

1) Only Scope 1 and 2 emissions (excluding bookstores). Data availability for 2023 has been significantly improved compared with 2022. Revenue in 2023 amounted to CHF 114.8 million and to CHF 105.1 million in 2022. The intensity stated in the previous year was corrected.

**Reduction of greenhouse gas emissions**

Orell Füssli was able to reduce both greenhouse gas emissions and total energy consumption in 2023. Scope 1 and 2 amounted to 272 tCO<sub>2</sub>eq in the reporting year (2022: 378 tCO<sub>2</sub>eq), which corresponds to a reduction of 28%. This improvement was achieved in particular through the purchase of low-emission electricity and the use of gas with a 30% biogas content in Security Printing. In 2022, the share of biogas was still 25%. Moreover, gas consumption was reduced through the purchase of more district heating.

Orell Füssli's total energy consumption is heavily dependent on production capacity utilisation and the respective product mix. In 2023, energy consumption remained largely constant compared with 2022, with a slight increase in electricity consumption but a reduction in energy consumption for heat generation and fuel consumption.

In total, emissions in Scope 1 were reduced by 36%, which had a positive impact on the overall balance sheet. The replacement of diesel vehicles with electric vehicles also contributed to the improvement in Scope 1, with emissions resulting from fuel consumption reduced by 20% in the reporting year.

Scope 2 emissions increased slightly compared with 2022. Nevertheless, the electricity mix selected by Orell Füssli (market-based) is performing significantly better than the electricity mix of the country average (location-based), which underscores Orell Füssli's commitment to climate protection.

In 2023, the Orell Füssli Group carried out a screening of Scope 3 emissions for the first time, which included the following group companies: Orell Füssli AG, Zeiser GmbH, Zeiser Inc, Zeiser Ltd. and Orell Füssli Thalia AG. Rough estimates were made for various indirect emission categories based on the availability of data. These categories can be found in the footnote to the table above (GRI 305-3). For the current reporting year, emissions totalled about 12,000 tCO<sub>2</sub>eq. However, it should be noted that this figure is not guaranteed to be complete due to the current availability of data. Orell Füssli aims to take greater account of data in the coming years. However, this is possible only if all players – particularly the landlords in the book trade – make their contribution to disclosure.

**Increasing focus on renewable energy sources**

Measures such as the aware purchase of energy sources, the use of electric vehicles and state-of-the-art building technology are having an impact: For example, by connecting to the local district heating network in Emmingen, Germany, Zeiser has increased the proportion of renewable energy and reduced the use of natural gas by 31%.

**Waste survey**

Orell Füssli recorded waste for the first time in 2023. The aim is to systematically collect this information over the next few years and thus improve data quality.

**4. Employees, social affairs and society**

Orell Füssli is aware that its employees are key to the company's long-term success, and so the Group endeavours to offer up-to-date and attractive employment models and working conditions that support the development of each person's capabilities. The topics of education, further training, data security and data protection not only reinforce Orell Füssli's sense of duty towards its employees, but also anchor its social responsibility.

Material topics:

- Education and training
- Data security and data protection
- Leadership culture and collaboration
- Occupational health and safety

**SDG 3: good health and well being**

Orell Füssli contributes to low-accident and low-injury working conditions by raising employees' awareness of the need to comply with safety guidelines and through its certified occupational safety management system. With this system and flexible working hours models, Orell Füssli supports the different lifestyles of its employees and takes their health into consideration.

**SDG 4: quality education**

Orell Füssli contributes to the education of its employees and society by promoting internal training and education and through a wide range of digital and analogue learning media and book retailing.

**4.1 Education and training**

Education and training are key issues for Orell Füssli, both in terms of products and services and within the company. Publishing and bookstores have traditionally been strongly linked to education. Orell Füssli promotes education and training within the company. Basic vocational training is of particular importance in this regard. This is not only a way of addressing the shortage of skilled workers, but also, from Orell Füssli's perspective, making a contribution to society.

**Apprenticeships and further training for employee development**

Apprenticeships have long been part of the landscape at Orell Füssli and are highly valued. They ensure the development of necessary future specialists and enliven the company's corporate culture. At the head office in Zurich, at Zeiser in Emmingen and in the bookstores, apprenticeships are offered in technical and commercial professions and as booksellers and stationers. Orell Füssli employed a total of 89 apprentices in 2023.

Orell Füssli supports training and education within the company. Training needs that cannot be organised at the workplace or internally by supervisors are regulated through training and development guidelines. The guidelines contains the basis for financial participation in the costs and working time for professional training and continuous development. Book Retailing offers employees a very broad programme for personal and professional development. This includes an e-learning platform, modules for developing professional, leadership and social skills, and a career changer programme. Regarding further training, no comprehensive statistics are kept at Group level due to technical requirements (e.g. no option for effective time recording) and cost-benefit considerations.

#### **Innovation and quality in education**

In 2019, the company decided to focus Orell Füssli Publishers on the education sector and, in addition to a small range of children's books, to concentrate its services mainly on learning media and specialist legal media. The publishers stand for innovation and quality in the education sector with the aim of developing and publishing forward-looking, substantive and teacher and learner-oriented teaching materials (analogue and digital), and educational specialist and non-fiction books. Strategically, digitalisation is an opportunity for the publisher: it enables internal processes to be made more effective and efficient. However, there are also new opportunities to create valuable, pedagogically and didactically effective teaching and learning media. Which is why hep Verlag is investing in digital projects for the future. This is underlined by the myKV teaching and learning programme for basic commercial training, which was launched in 2023.

## **4.2 Data security and data protection**

The topic of data security and data protection at Orell Füssli covers the entire security of physically and digitally captured data. The topic is relevant for the company in the area of risk management. However, increasing awareness of the value of trustworthy and tamper-proof security and identity documents is an opportunity for Orell Füssli's business model.

#### **Dealing with data security and data protection**

Discretion and the handling of highly sensitive data are an inherent part of Orell Füssli's business operations. The company thus has a code of conduct for its employees and sets explicit guidelines on the handling of data when working with partners. Employees are regularly sensitised and trained in the relevant issues. The code and the guidelines were brought in line with the new Swiss Federal Act on Data Protection, which came into force on 1 September 2023. The effectiveness of the processes is regularly reviewed, both internally and by independent bodies.

The strictest requirements for data security and protection are set by the Security Printing segment. One example relates to information on the security design of individual products relating to paper, colours and techniques. Evidence that the highest standards in this area have been met is provided by ISO 14298 certification. This certifies that the company is recognised worldwide as a security printer. This guarantees the verification of security aspects and the management system by independent third parties.

During the reporting period, no complaints were received regarding breaches of client data protection or loss.

### **Promoting employees' responsible handling of data protection**

The way in which employees handle the IT infrastructure, emails and company data has an impact on IT security. Gaps that open up due to careless behaviour can lead to cyber attacks with serious consequences. The Orell Füssli Group requires all employees to comply with its IT security policy. All employees must regularly complete e-learnings with multiple modules on the topic of cyber security. Orell Füssli's IT security policy is intended to support employees by providing instructions on conduct in terms of IT security and compliance with legal obligations. The key principles are:

- Protection of computers from unauthorised use and theft
- Responsible handling of emails
- Responsible use of the internet

Additional measures to support information security are set out in the employee regulations. The results of the internal IT security campaigns and technical adjustments are presented to the management each quarter and to the Board of Directors once a year. Compliance with these guidelines is checked regularly by Internal Audit and external partners, evaluated and used as a basis for improvement measures.

## **4.3 Leadership culture and collaboration**

For Orell Füssli, leadership culture and collaboration means endeavouring to create a value-oriented corporate culture and exhibit responsible leadership behaviour. The management culture influences the working atmosphere, the satisfaction and well being of employees, shapes collaboration with suppliers, customers and partners, and has a positive impact on Orell Füssli's reputation as an employer. An inconsistent understanding of leadership and values could lead to a loss of efficiency in the company, negatively affect the relationship with external partners and thus the company's economic success.

In the reporting year, Orell Füssli redefined the company values as part of its strategic work. The values were unveiled and validated at two management workshops. Workshops were held throughout the Group in the fourth quarter to communicate the new values to the entire workforce of Orell Füssli AG and Zeiser GmbH in order to promote a common understanding of strategy, values and their day-to-day implementation in operations. Launched internally in 2023, the company will also be rolled out to external stakeholders in 2024.

### **Clear guidelines for employees and managers**

The basis for cooperation at Orell Füssli is the code of conduct, which applies to all employees of the fully consolidated companies. Orell Füssli Thalia AG, which is held as a joint venture, has its own code of conduct, but its basic approach is in line with that of Orell Füssli. The code of conduct provides employees throughout the Group with guidelines on how to conduct themselves with integrity. To meet local legal and cultural requirements, implementation of the management and HR policy is adapted to the country in question.

Guidelines on internal conduct regulate the provisions on personal privacy, sexual harassment and bullying. Mutual respect and regard for the dignity of each individual are essential for a pleasant working atmosphere. Bullying and abusive behaviour, unequal treatment, violent behaviour or harassment based on differences in ethnicity, nationality, religious or ideological beliefs, gender or sexual orientation will not be tolerated. The guidelines provide support for supervisors in dealing with challenging situations. Trusted employees can assist affected employees and are obliged to maintain confidentiality. An internal grievance procedure is also operated by HR management.

Employees who discover a suspected violation of the code of conduct are required to report this immediately to their direct superior. Alternatively, employees may contact the Human Resources Department, the risk officer or a law firm named in the code of conduct. The law firm acts as a contact point for whistleblowers. Employees are assured that they will not suffer any disadvantages as a result of a report. In addition, external parties also have the

opportunity to report any unethical behaviour. They can contact Orell Füssli via [info@orellfuessli.com](mailto:info@orellfuessli.com), [investors@orellfuessli.com](mailto:investors@orellfuessli.com) or [kundenservice@orellfuessli.ch](mailto:kundenservice@orellfuessli.ch). There were no reports of violations of the code of conduct in 2023.

#### **Regular employee surveys**

Employee surveys are conducted every two to three years or as needed. A comprehensive survey was conducted by an independent institute at Orell Füssli AG in 2021 and at Orell Füssli Thalia AG in 2022. Employees were informed of the results and measures are being implemented in stages. Issue-specific surveys are carried out in the individual business areas. The next surveys will be conducted in 2024 and 2025 respectively.

#### **Fair and attractive working conditions**

Orell Füssli's regulations on working hours allow employees the greatest degree of flexibility in the structure of their working hours. Employees benefit from up-to-date working time models. Orell Füssli facilitates part-time work and home office models in order to achieve a better balance between work and lifestyle and/or family model chosen by employees. Orell Füssli's social benefits are balanced and at least in line with the local practices customary in the industry.

In accordance with legal requirements, equity analyses are carried out every three years in order to ensure a workplace that is free from discrimination. The results of the most recent analysis were published in the Annual Report 2021 on page 33. PwC confirmed in its reports dated 30 November 2021 (for Orell Füssli AG) and 7 June 2021 (for Orell Füssli Thalia AG) that its formal reviews of the equal pay analysis did not uncover any facts that would lead it to conclude that the equal pay analysis at the two companies did not meet all the requirements of Art. 13d and Art 7 of the Ordinance to the Gender Equality Act.

## 4.4 Occupational health and safety

Orell Füssli is aware that working conditions and the working environment have a significant influence on employees' long-term performance, satisfaction and motivation.

By contrast, unsafe working conditions not only have a negative impact on employees, but can also adversely affect Orell Füssli's performance and hinder its long-term success.

### **Certified management system for occupational health and safety**

Various aspects of occupational health and safety are relevant to Orell Füssli employees, depending on the business segment and job profile.

- In Security Printing and Industrial Systems, there are greater risks of injury, such as through rotating parts or cutting edges where employees could be injured, or through handling chemicals. Other relevant factors for employee health include night work and ergonomics in production. However, the accident rate in Security Printing is low and below the industry average.
- The risk of injury or possible effects of the working environment on employees' health are significantly lower in the book trade, the publishers and at Procivis.

Orell Füssli has clearly assigned responsibilities in all segments and implements process-specific measures to facilitate occupational health and safety. Risks are regularly assessed in an ongoing process and measures are altered if necessary. Compliance with occupational safety guidelines is of central importance in production especially. Security Printing is certified to ISO 45001 and aims to achieve the goal of avoiding downtime due to preventable work accidents. The guidelines are defined through close cooperation between employee representatives, management, safety officers, the HR department and external specialists. The low accident rate in Security Printing (below industry average) is evidence of the effectiveness of these guidelines.

As the business segments are very different, there is no cross-group concept for occupational health and safety protection. Production in Switzerland maintains a certified management system for occupational health and safety in accordance with ISO 45001. The Head of Safety coordinates and monitors the implementation of the defined measures and is responsible for the proper execution of hazard identification and accident analysis. Similar processes and functions are in place for production at Zeiser GmbH. Even the book trade follows a security plan, in which annual security goals are recorded. For 2023, the focus was on maintenance of escape routes, evacuation drills and hazard assessments. The latter were carried out at all bricks-and-mortar retail locations using a checklist on occupational health and safety. Orell Füssli also makes learning videos available to employees.

### **Dealing with extraordinary situations**

The business continuity management regulations provide the framework for developing location-specific business impact analyses and associated recovery plans. The Orell Füssli Group's emergency and crisis management documents govern the procedure to be followed in the event of an emergency or crisis. After an incident, measures for future prevention are defined and implemented. The responsibility for this task lies with the safety officer.

Orell Füssli provides aids for minor cases and precautionary measures. Defibrillators and eyewash stations are easily visible and accessible for medical emergencies. In addition to the legally required personal protective equipment, Orell Füssli provides employees with sanitisers and masks. Employees include trained personnel who can initiate first-aid measures in an emergency. The company regularly offers courses to employees to improve occupational safety and to learn how to use defibrillators.

## Performance indicators

### OCCUPATIONAL HEALTH AND SAFETY

	2023	2022
Employees covered by an occupational health and safety management system	95%	86%
Work-related injuries	7.0	12.0
Work-related illnesses	–	–

In the reporting year, 95% of employees were covered by an occupational health and safety management system. Orell Füssli Thalia was also included in the 2023 calculations and the previous year's figures were adjusted accordingly.

## Key figures on employees

### EMPLOYEES BY GENDER AND BUSINESS SEGMENT

	2023			2022		
	Male	Female	Total	Male	Female	Total
Group	318.3	346.2	664.5	342.0	308.0	650.0
Security Printing	122.4	40.4	162.8	120.8	35.6	156.4
Industrial Systems	78.1	18.9	97.0	102.0	29.0	131.0
Book Retailing	62.7	226.4	289.1	79.0	193.5	272.5
Other business areas and Group functions	55.1	60.5	115.6	40.2	49.9	90.1

### EMPLOYEES BY EMPLOYMENT LEVEL

	2023			2022		
	Male	Female	Total	Male	Female	Total
Full time	276.4	153.8	430.2	305.0	255.0	560.0
Part Time	41.9	192.4	234.3	37.0	53.0	90.0

### EMPLOYEES BY EMPLOYMENT LEVEL AND BUSINESS SEGMENT

	2023		2022	
	Full time	Part time	Full time	Part time
Group	422.4	242.1	560.0	90.0
Security Printing	157.0	5.8	149.0	7.4
Industrial Systems	78.1	22.3	118.0	13.0
Book Retailing	134.2	155.0	248.0	24.5
Other business areas and Group functions	53.1	59.0	45.0	45.1



## EMPLOYEES BY AGE AND BUSINESS SEGMENT

	2023			2022		
	< 30 years	30-50 years	> 50 years	< 30 years	30-50 years	> 50 years
Group	166.3	273.0	225.2	124.3	287.2	238.5
Security Printing	13.2	71.7	77.9	10.7	68.9	76.8
Industrial Systems	19.9	33.9	46.6	18.0	51.0	62.0
Book Retailing	103.0	113.9	72.3	82.0	118.5	72.0
Other business areas and Group functions	30.2	53.5	28.4	13.6	48.8	27.7

## NEWLY HIRED EMPLOYEES AND EMPLOYEE TURNOVER

	2023	2022
Number of new employees	55.3	46.0
Rate of newly hired employees	8.4%	7.2%
Number of employees who have left the company	77.6	113.5
Employee turnover	11.8%	17.7%

**Staff who are not employees**

Orell Füssli also employs external staff. Typical areas where these staff are employed include building cleaning, access security and stocktaking. In book retailing, external staff are used particularly during the Christmas period or when the pool of stand-ins is insufficient due to illness. Orell Füssli employs an average of about 110 full-time equivalents (previous year: approx. 110) in external resources each year. Orell Füssli's partners that employ external staff are professional recruitment agencies that comply with statutory regulations and minimum wages.

## 5. Governance

Long-term successful business relationships are built on trust. Orell Füssli has established an excellent reputation as a reliable partner over the years. This reputation is an asset to the company, which is why the management does its utmost to meet the high demands of customers, investors, employees and all other stakeholder groups, and to protect its 500-year heritage. It is for this reason that Orell Füssli sets the highest standards for the compliance and conduct of its employees and respect for human rights.

### 5.1 Compliance and business ethics

Orell Füssli undertakes to comply with all applicable laws and regulations and to respect human rights and social standards. Orell Füssli understands compliance to mean internal rules, management structures, processes and practices that ensure fairness, transparency and accountability, and which encourage corporate governance with integrity. This includes the prevention of anti-competitive behaviour, money laundering, bribery and corruption. In the reporting year, no violations of laws were reported that led to significant fines or non-monetary sanctions. For Orell Füssli, business ethics mean a value and people-oriented corporate culture and responsible behaviour. Ethical business practices are a prerequisite for successful business. This applies particularly to Security Printing and the Industrial Systems segment, as these areas also operate in countries with corruption risks.

#### **Code of conduct for employees**

Orell Füssli has had a Group-wide code of conduct for employees since 2021. The code is handed out and must be signed when taking up employment. It covers the principles of action relating to corporate culture, integrity and human rights, discretion, the avoidance of bribery and corruption and proper conduct in the event of a conflict of interest. At Orell Füssli AG, employees are also required to submit an annual extract from the criminal record and debt enforcement register to the HR department.

The Orell Füssli code of conduct is publicly available on the company's website: [www.orellfuessli.com/en/investors](http://www.orellfuessli.com/en/investors).

**Banknote Ethics Initiative (BnEI) to promote fair competition**

Orell Füssli Security Printing has been a member of the Banknote Ethics Initiative (BnEI) since 2017. The BnEI is an initiative that promotes ethical business practices with a focus on corruption prevention and antitrust compliance in the banknote industry. BnEI members are committed to ethical business practices in accordance with the BnEI code. All organisations that have signed the Code must be accredited after an audit by an external auditor. The industry association has about 15 members worldwide. More than 40 commissioning central banks support the initiative. Accreditation is reviewed regularly and is maintained on the basis of external audits.

Further information can be found on the BnEI website: [www.bnei.com](http://www.bnei.com)

**Screening of business partners to prevent corruption and ensure ethical business practices**

Orell Füssli expects impeccable business behaviour from its suppliers and, depending on the business segment, also from its customers. In Security Printing, suppliers must comply with the supplier code of conduct. In signing the code, they undertake to respect the human rights of their employees, to refrain from any discrimination, to guarantee fair working conditions, to ensure continuous improvement in occupational health and safety, and to improve their environmental performance. Compliance with the code is reviewed in regular supplier audits (see page 44). The relevant suppliers are audited at least once every three years. In the reporting year, about 40% of key suppliers were audited in this way. There were no known cases of corruption in the reporting year.

The other business segments also examine each supplier connection before working together, with a strong focus placed on certifications. Audits are also carried out. The most important suppliers are also indexed for querying in the daily media review.

In order to eliminate the risk of corruption in Orell Füssli's business relations as far as possible, the integrity of potential new customers is also comprehensively checked. In addition to checking for compatibility with Orell Füssli's business strategy, a compliance check is also carried out by the compliance officer in Security Printing. Final approval is the responsibility of the Executive Board. Additional preventive measures to avoid corruption are implemented through guidelines for employees and in payment transactions. Payments are centrally approved by the finance department in accordance with the four-eyes principle. Payments with no supporting documentation are not processed. Sales or purchases do not have access to bank accounts and therefore cannot initiate payments.

Orell Füssli Thalia also expects its suppliers to follow ethical business practices, but it does not provide a supplier code of conduct yet.

## 5.2 Respect for human rights

Orell Füssli is committed to protecting human rights in all areas of its business activities. The Group is committed to respecting the fundamental rights and dignity of all people, whether within the workforce or with customers and partners.

The principles for respect of human rights are set out in Orell Füssli's code of conduct. The company is committed to maintaining a safe working environment, free from discrimination, bullying or any form of violence, and categorically rejects child and forced labour. No critical materials from conflict areas, such as minerals and metals, are used in its operations. No children are employed. The youngest employees are the apprentices, who have appropriate apprenticeship contracts, are directly supervised by a responsible person in the HR department, and legally enjoy special protection. Regular supplier audits are conducted to verify the risk of child labour or violation of human rights in the supply chain. In the reporting year, the company focused more heavily on this area. No cases of discrimination were raised in the reporting year.

Suppliers are also obliged under the supplier code of conduct to strictly adhere to the defined standards and employment regulations. This also includes instructions on respect of children's rights. Suppliers are instructed to prevent any cases of child labour. In the reporting year, Orell Füssli performed an analysis of regulatory due diligence obligations in the supply chain. The Group categorises its suppliers based on revenue and safety relevance of the products, and started a systematic review in the reporting year.

## 6. CoO reference table

Since this Annual Report also includes reporting on non-financial matters in accordance with the Swiss Code of Obligations and reporting is carried out for the material topics for Orell Füssli, the following CoO reference table is used to assign the key topics to the non-financial matters in accordance with the Swiss Code of Obligations.

### SWISS CODE OF OBLIGATIONS REFERENCE TABLE

Non-financial matters according to Art. 964b CoO	Material topics Orell Füssli AG	Section of the 2023 non-financial report
Environmental matters	Energy efficiency and climate protection	3. Environment
Social matters	Education and training	4. Employees, social affairs and society
	Occupational health and safety	4. Employees, social affairs and society
	Education and training	4. Employees, social affairs and society
Employee matters	Leadership culture and collaboration	4. Employees, social affairs and society
Respect for human rights	Respect for human rights	5. Governance
Anti-corruption	Compliance and business ethics	5. Governance

Any enquiries on this report should be addressed to [investors@orellfuessli.com](mailto:investors@orellfuessli.com).

## 7 Declaration of the Board of Directors

The Board of Directors of Orell Füssli AG unanimously approved the non-financial report for 2023 in its meeting on 6 March 2024. The report signed by the Chairman of the Board of Directors has been lodged in the records of the Board of Directors meeting.



# Corporate Governance

This report complies with the requirements of SIX Swiss Exchange's guidelines regarding information on Corporate Governance. Unless stated otherwise, the information refers to 31. December 2023.

All relevant corporate governance documents (Articles of Association, Organisational Regulations, Risk Management and Internal Control System (ICS), Code of Conduct, Rules Entry of Registered Shares & Guidance Share Register) can be viewed online on the website of Orell Füssli AG under Corporate Governance ([www.orellfuessli.com/en/investors](http://www.orellfuessli.com/en/investors)).

## 1. Group structure and shareholders

### Operational Group structure

In terms of management, the Orell Füssli Group is structured into three divisions and Other business areas. The Security Printing, Zeiser and Book Retailing divisions, and the publishing businesses assigned to Other business areas, enjoy extensive autonomy in their strategic and operational management. Orell Füssli AG exerts influence on the strategic direction of the individual divisions and subsidiaries.

Orell Füssli Thalia AG has its own Executive Board. The Executive Board of Orell Füssli AG exerts influence on the company through its seat on the Board of Directors of Orell Füssli Thalia AG and through exercise of its shareholder rights. This also applies to the subsidiary Procivis AG and to hep Verlag AG, which was acquired on 1. July 2022.

### Companies included in the scope of consolidation

The parent company, Orell Füssli AG, has its registered office in Zurich. The company is listed on SIX Swiss Exchange under security number (Valorenummer) 342 080 and ISIN number CH0003420806. The Legal Entity Identifier No. (LEI) is 5067005U9Z97T4PWVC13. The market capitalisation as at 31. December 2023 was CHF 147.4 million.

Orell Füssli AG has no investments in listed companies. A complete overview of significant investments can be found in section 7.5 of the financial report (page 106).

### Significant shareholders

In the reporting year, there were no significant changes to the shareholder structure and thus no disclosure notifications. All disclosure notifications can be viewed on the SIX Swiss Exchange website at [www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/](http://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/). For a list of significant shareholders, please refer to the financial report (Note 9.20).

### Cross-shareholdings

There are no cross-shareholdings with other public limited companies.

## 2. Capital structure

### Capital

The ordinary share capital of Orell Füssli AG amounts to CHF 1,960,00 divided into 1,960,000 registered shares with a nominal value of CHF 1.00 each and is fully paid-in. Each share has one vote. Only those registered as shareholders in the share register can exercise their voting rights. Shares held by the company have no voting rights. There are no preferential rights or similar entitlements. Orell Füssli AG has not issued any profit-sharing certificates or participation certificates.

As at 31. December 2023, Orell Füssli AG has neither a capital fluctuation margin nor conditional or authorised capital, and no convertible bonds or options are outstanding.

### Changes in capital

The share capital of Orell Füssli AG remained unchanged in the year under review and in the two preceding years.

### Own shares

In the context of the equity participation plan for members of the Executive Board, Orell Füssli AG did not purchase any own shares in the year under review, but it issued 508 shares from its own holdings.

### Restrictions on the transferability of shares and nominee registrations

The Articles of Association of Orell Füssli AG do not contain any restrictions on the transfer of shares. Art. 4a of the Articles of Association of Orell Füssli AG states that in order to be entered in the share register with voting rights, buyers of shares must expressly declare that they have acquired the shares in their own name and for their own account. The Board of Directors also enters nominees in the share register with voting rights for up to a maximum of 3% of the share capital indicated in the Commercial Register. Above this limit, the shares of nominees are entered only if the respective nominee informs the company of the names, addresses and shareholdings of the persons on whose account they hold 0.5% or more of the share capital indicated in the Commercial Register. No such requests were received in the reporting period.

Legal entities and partnerships or other associations of persons or joint owners that are associated with or related to one another by virtue of capital ownership or voting rights, common management or in any other manner, and natural persons or legal entities and partnerships that act in a coordinated manner in order to circumvent the provisions on nominees (in particular by acting as a syndicate) shall be regarded as a nominee for the purposes of Art. 4a of the Articles of Association.

If the entry of the buyer into the share register as a shareholder with voting rights is refused, the buyer shall be entered into the share register as a shareholder without voting rights.

## 3. Board of Directors

Members of the Board of Directors	Year of birth	Nationality	Member since
Mirjana Blume	1975	CH	21.05.2020
Dr Martin Folini	1958	CH	21.05.2020
Dr Thomas Moser	1967	CH	07.05.2014
Dr Luka Müller	1964	CH	21.05.2020
Johannes Schaede	1955	CH/DE	11.05.2022
Dieter Widmer	1963	CH	10.05.2011

### Biographical details of the members of the Board of Directors

No member of the Board of Directors holds an executive position with the Orell Füssli Group and did not do so in the three financial years preceding the reporting period. Dr Thomas Moser is a representative of the largest shareholder, Swiss National Bank (SNB). The SNB has its banknotes produced by Orell Füssli. All other members of the Board of Directors are independent and have no significant business relations with Orell Füssli AG or any other company of the Orell Füssli Group other than their directorship.

### Rules in the Articles of Association regarding the maximum number of appointments

According to Art. 18h of the Articles of Association, members of the Board of Directors may not take on more than five additional appointments (as a member of the supreme executive or management body) at listed companies, no more than 10 at non-listed companies and no more than 10 at associations, charitable foundations, family foundations or employee benefit foundations.



# Members of the Board of Directors



**CHAIRMAN OF THE BOARD OF DIRECTORS**  
 Chairman of the Compensation Committee  
 Member of the Board of Directors since 2020

## Dr Martin Folini

Swiss, born 1958  
 Dr sc. techn. ETH Zurich (Mechanical Engineering/BWI), AMP Wharton School, University of Pennsylvania

### POSITIONS

1985–1990 Foundation for Research and Consulting at BWI, ETH Zurich, Project Manager  
 1990–1993 Isopress AG, Managing Director  
 1993–2009 Rieter Textile Systems, various management positions, most recently CEO Spun Yarn Systems Business Unit  
 2010–2014 K.R.R. Pfiffner AG, CEO and member of the Board of Directors, Pfiffner Group  
 2014–2016 Saurer AG, CEO Saurer Group  
 Since 2017 Independent member of the Board of Directors

### OTHER BOARD APPOINTMENTS

President MTEC Foundation, ETH Zurich  
 Chairman of the Board of Directors, Hans Oetiker Holding  
 Member of the Board of Directors, Integra Holding  
 Member of the Board of Directors, Sitek AG (100% subsidiary of Integra Holding)  
 Member of the Board of Directors, Signal AG (100% subsidiary of Integra Holding)  
 Member of the Board of Directors, Eugen Seitz AG  
 Member of the Board of Directors, Kowema AG  
 Member of the Board of Directors, Stadtmühle Schenk AG (100% subsidiary of Kowema AG)  
 Member of the Board of Directors, Landqart AG



**VICE CHAIRMAN OF THE BOARD OF DIRECTORS**  
 Chairman of the Audit Committee  
 Member of the Board of Directors since 2011

## Dieter Widmer

Swiss, born 1963  
 Swiss certified public accountant (CPA) and auditor

### POSITIONS

1986–2010 KPMG, Zurich, Vancouver, Bern, Auditor and Management Consultant  
 From 1997 Head of KPMG Bern  
 From 1998 Partner and  
 From 2002 Member of the Executive Board, KPMG Switzerland  
 From 2007 Member of the Non-Executive Board and member of the Audit Committee, KPMG Europe LLP  
 Since 2010 Entrepreneur and independent member of various boards of directors

### OTHER BOARD APPOINTMENTS

Member of the Board of Directors, Stäubli Holding AG  
 Co-owner and member of the Board of Directors, EquityNova AG  
 Co-owner and member of the Board of Directors, RP Invest AG  
 Member of the Foundation Council, Kuoni and Hugentobler Foundation  
 Member of the Board of Directors, Mühle Walther AG  
 Member of the Board of Directors, Mühle Burgholz AG (85% subsidiary of Mühle Walther AG)  
 Member of the Board of Directors, Blattmann Schweiz AG



**MEMBER OF THE BOARD OF DIRECTORS**  
 Member of the Audit Committee  
 Member of the Digital Committee  
 Member of the Board of Directors since 2020

## Mirjana Blume

Swiss, born 1975  
 Executive MBA, University of St. Gallen  
 Business Economist FH, ZHAW

### POSITIONS

1996–1997 Schulthess Maschinen AG, Accountant  
 1997–1999 PricewaterhouseCoopers AG, Tax Consultant  
 1999–2000 Swissôtel Management Europe AG, Regional Accountant and Controller  
 2000–2006 MediCentrix AG, MediService AG, CFO, Head of Sourcing & IT, Member of the Board of Directors  
 2006–2008 Novartis Pharma Schweiz AG, Business Planning and Analysis Manager/Deputy Head of Oncology  
 2008–2011 Edisun Power Europe AG, CFO, CEO (09–11)  
 2012–2018 Qnective AG, CFO  
 2018 Jedlix B.V., Rotterdam, Netherlands, CFO (interim)  
 Since 2019 SML Solutions AG, Managing Director  
 Since 2021 Synhelion SA, CFO

### OTHER BOARD APPOINTMENTS

Vice Chairwoman of the Board of Directors and Chairwoman of the Audit Committee, Industrielle Werke Basel (IWB)  
 Chairwoman of the Board of Directors, EWE AG  
 Member of the Board of Directors, Werke am Zürichsee AG  
 Member of the Board of Directors, Freigeist Asset Management AG  
 Secretary of the Board of Directors, Qnective AG  
 Senior independent NED, W.A.G. payment solutions plc, UK



**MEMBER OF THE BOARD OF DIRECTORS**  
 Member of the Compensation Committee  
 Member of the Digital Committee  
 Member of the Board of Directors since 2014

## Dr Thomas Moser

Swiss, born 1967  
 Dr. oec. publ., University of Zurich

### POSITIONS

1996–1999 Economist, KOF Swiss Economic Institute at ETH Zurich  
 1999–2001 Economist, Swiss National Bank  
 2001–2004 International Monetary Fund (IMF), Washington, USA, Advisor; from 2002 Senior Advisor to the Executive Director of the IMF constituency headed by Switzerland  
 2004–2006 Swiss National Bank, Assistant Director  
 2006–2009 International Monetary Fund, Washington, USA, Executive Director of the IMF constituency headed by Switzerland  
 Since 2010 Swiss National Bank, Alternate Member of the Governing Board  
 Since 2015 Member of the Managing Committee of the Swiss Institute of Banking and Finance, University of St. Gallen  
 Since 2017 Member of the Advisory Board, Swiss International Finance Forum  
 Since 2021 Visiting professor at the Faculty of Economics, University of Lucerne

### OTHER BOARD APPOINTMENTS

None



**MEMBER OF THE BOARD OF DIRECTORS**  
 Chairman of the Digital Committee  
 Member of the Board of Directors since 2020

## Dr Luka Müller

Swiss, born 1964  
 Lawyer, LL.M.

Degree from the University of Zurich, doctorate from the University of Basel and master's from the London School of Economics (LSE)

### POSITIONS

1990–1993 Legal internship in the courts of Zug, bar exam and examining magistrate in Zug  
 1993–1994 Degree course at the London School of Economics (LSE)  
 1995–1998 Lawyer at a commercial law firm in Zurich and Zug  
 Since 1999 Co-founder/partner; until 2019 managing partner of MME Legal | Tax | Compliance AG

### OTHER BOARD APPOINTMENTS

Co-owner and Chairman of the Board of Directors, KYC Spider AG  
 Co-owner and Chairman of the Board of Directors, Sygnum Bank AG  
 Chairman of the Board of Directors, Marquard Media Group AG



**BOARD OF DIRECTORS**  
 Member of the Board of Directors since 2022

## Johannes Schaede

Swiss and German dual citizen, born 1955  
 Machine installation apprenticeship, KSB AG, Frankenthal  
 Degree from ETH Zurich, Dipl. Ing.

### POSITIONS

1983 Banknote printing internship, Bundesdruckerei Berlin  
 1984 Banknote Machine Designer, Koenig & Bauer AG, Würzburg  
 1989–1990 Head of Production Banknote Machines, Egenolf Contracting, Indianapolis  
 1990–2001 Authorised signatory for banknote machines, Koenig & Bauer AG, Würzburg  
 2001–2021 CTO, Koenig & Bauer BNS SA, Lausanne  
 Since 2007 Teaching position, OWL University of Applied Sciences and Arts, Lemgo

### OTHER BOARD APPOINTMENTS

None

## Election and term of office

The Board of Directors shall consist of a minimum of three and a maximum of seven members elected by the Annual General Meeting. Election shall be for one year, by an absolute majority of the votes represented at an Annual General Meeting. The election shall be held individually. The Annual General Meeting elects the Chairman of the Board of Directors and the members of the Compensation Committee individually each year. The age and term limits are laid down in section 2.8 of the Organisational Regulations ([www.orellfuessli.com/en/investors](http://www.orellfuessli.com/en/investors)).

## Internal organisation

The Board of Directors has the following functions: Chair and Vice-Chair.

The main duties of the Board of Directors are governed by the Swiss Code of Obligations, in particular Art. 716a, and the Organisational Regulations. Management is delegated to the CEO and the Executive Board of Orell Füssli AG. The CEO chairs the Executive Board.

The Board of Directors meets as often as business requires, but at least once per quarter. Upon invitation, executive managers also take part in the meetings. The Board of Directors may call in external advisors to deal with specific issues. The Board of Directors is supported in its work by the Audit Committee, the Compensation Committee and the Digital Committee. The Board of Directors met five times in the reporting year. In addition, the Board of Directors met for a strategy workshop with the Executive Board.

The Board of Directors conducts an annual self-evaluation of its performance.

## Audit Committee

The Board of Directors has appointed an Audit Committee to assess the annual and half-year financial statements, risk management, internal control and external audit. The duties of the Audit Committee are defined in a set of regulations. The Audit Committee has the authority to make decisions subject to approval by the full Board of Directors, which also receives the minutes of the meetings. The Audit Committee is composed of two members of

the Board of Directors. The CEO, the CFO, the Head of Internal Audit/Risk Officer and representatives of the auditing company also attend the meetings of the Audit Committee in an advisory capacity. The committee meets at least twice a year, usually in the first and third quarters. The Audit Committee met four times during the reporting year, each meeting lasting half a day, and held several video conference calls. The Chairman of the Audit Committee is in regular contact with the Head of Internal Audit, who reports to him.

## Compensation Committee

The Board of Directors has appointed a Compensation Committee, which determines remuneration of the Executive Board depending on the company's success and performance. The tasks of the Compensation Committee are defined in Art. 18f of the Articles of Association. The Compensation Committee has decision-making authority within the scope of the total compensation approved by the Annual General Meeting. The other members of the Board of Directors are informed after each meeting about the business discussed and the main decisions. The Compensation Committee is composed of two members of the Board of Directors. The CEO and the Head of Human Resources (minute taker) of the Orell Füssli Group also attend the meetings (both without voting rights). The Compensation Committee meets at least once a year. In the reporting year, the Compensation Committee met twice.

## Digital Committee

The Board of Directors has set up a Digital Committee to help define the Group's digital issues and prepares them for the Board of Directors. The Digital Committee is a committee of the Board of Directors with no supervisory or decision-making authority. The Digital Committee is made up of three members of the Board of Directors and is chaired by one member of the Board of Directors. The CEO and the Head of Corporate Development of the Orell Füssli Group also attend the meetings. The Committee met twice in the reporting year. One session served to prepare for a meeting of the Board of Directors. The Chair of the Digital Committee maintains regular contact with the Head of Corporate Development.

## Attendance by members of the Board of Directors

With the exception of one member who was unable to attend an extraordinary meeting, all members of the Board of Directors were present at the meetings and video conferences of the Board of Directors and the committees.

## Division of responsibilities between the Board of Directors and the Executive Board

The division of responsibilities between the Board of Directors and the Executive Board is governed in the Organisational Regulations ([www.orellfuessli.com/en/investors](http://www.orellfuessli.com/en/investors)). The Board of Directors decides on the business policy, the organisational structure, the election of the CEO and the Executive Board, approves the budgets and decides on proposals that are assigned to it as part of the division of responsibilities. The Board of Directors has delegated the management of the business to the Executive Board, chaired by the CEO.

## Information and control instruments of the Board of Directors

The CEO informs the Board of Directors at its meetings about the current course of business and important business transactions. Financial reporting to the Board of Directors includes monthly management reporting, which presents the financial situation of the Group and the individual companies by means of income statements, balance sheets and various key figures. An overview of the Group's liquidity situation is also generated on a monthly basis. This is supplemented by the half-year report and annual report with audited annual financial statements at the end of the financial year.

The Chair of the Board of Directors meets regularly with the CEO, including for updates on the most important events and the current course of business.

The Board of Directors and in particular the Audit Committee monitor risk management and the implementation of the Internal Control System (ICS). The Audit Committee

sets its own audit areas and is informed at the meetings by the Head of Internal Audit/Risk Officer about the results of the audits carried out by independent internal or external bodies. The description of the ICS and risk management can be viewed online under Corporate Governance ([www.orellfuessli.com/en/investors](http://www.orellfuessli.com/en/investors)).

## Internal audit

The main task of Internal Audit (IA) is to assess and, if necessary, improve the effectiveness and efficiency of risk management, the internal management and control systems, and the management processes (governance). In addition, IA reviews compliance with standards and provides independent and objective assurance and advisory services. The Head of IA reports directly to the Chair of the Audit Committee. This position has been held by an external specialist on a part-time basis since 2019. In the year under review, four audits/reviews were conducted with a focus on Orell Füssli AG, with one audit focusing on Zeiser GmbH. Further activities took place in risk review and coordination and in financial assurance. More audits/reviews and assurance activities at Group level and within the divisions will follow in 2024.

## 4. Executive Board

### Rules in the Articles of Association regarding the maximum number of appointments

According to Art. 18h of the Articles of Association, members of the Executive Board may not take on more than two additional appointments (as a member of the supreme executive or management body) at exchange-listed companies or non-listed companies, plus no more than three additional appointments at associations or charitable foundations (five appointments in total).

The company has not entered into any management contracts with companies or natural persons outside the Orell Füssli Group.

# Members of the Executive Board



CEO, ORELL FÜSSLIG AG  
Member of the Executive Board,  
Orell Füssli AG

## Daniel Link

Swiss, born 1969  
Degree in microengineering, ETH Lausanne;  
Executive MBA in General Management,  
St. Gallen

### POSITIONS

1994–1996 Laboratoire de Microtechnique (LMT),  
Research Assistant

1996–2007 OC Oerlikon/ESEC, various R&D  
positions

2007–2010 Rieter Management AG,  
Project Manager Group Development

2010–2018 Bräcker AG, CEO

2018–2019 Gebrüder Loepfe AG, CEO

Since 1 November 2019 CEO, Orell Füssli AG

### OTHER BOARD APPOINTMENTS

Vice Chairman of the Board of Directors,  
Orell Füssli Thalia AG

Member of the Board of Directors, Procivis AG

Chairman of the Board of Directors,  
Orell Füssli Buchhandlungs AG

Member of the Board of Directors, izit AG



CFO ORELL FÜSSLIG AG  
Member of the Executive Board of  
Orell Füssli AG

## Reto Janser

Swiss, born 1971,  
Business Economist (lic. oec. HSG University  
St. Gallen)

### POSITIONS

1996–2000 Swiss Re, Controller

2001–2003 Booz Allen & Hamilton AG,  
Management Consultant

2003–2004 Würth Holding GmbH, Controller

2005–2014 Würth Finance International B.V.,  
Head of Controlling and Accounting

2014–2017 ERNI Management Services AG, CFO

2018–2021 Suhner Holding AG, CFO

Since 1. June 2021 CFO, Orell Füssli AG

### OTHER BOARD APPOINTMENTS

Chairman of the Board of Directors, KXO AG

Member of the Board of Directors, Procivis AG

Member of the Board of Directors,  
Orell Füssli Buchhandlungs AG

Vice Chairman, Orell Füssli Foundation



HEAD OF CORPORATE DEVELOPMENT,  
ORELL FÜSSLIG AG  
Member of the Executive Board,  
Orell Füssli AG

## Désirée Heutschi

Swiss, born 1973  
Executive Master of Business Law, University  
of St. Gallen  
Master of International Relations, HEI, Paris

### POSITIONS

1999–2000 Genentech (Roche),  
South San Francisco, USA, Legal Associate

2000–2004 Genesys, San Francisco, USA,  
various positions, most recently as Director of  
Business Development & Strategy

2005–2019 Microsoft Switzerland,  
various management roles

2019–2020 Swiss Startup Factory, CEO/Member  
of the Executive Board of the Swiss Startup Group

Since 1. January 2021 Head of Corporate  
Development, Orell Füssli AG

Since 1. November 2023 Co-CEO Procivis AG

### OTHER BOARD APPOINTMENTS

Member of the Board of Directors, Procivis AG

Member of the Board of Directors, hep Verlag AG

President of the Board of Trustees,  
MTEC Foundation, ETH Zurich

Chairwoman, izit AG





MANAGING DIRECTOR OF SECURITY PRINTING  
Member of the Executive Board,  
Orell Füssli AG

## Dr Michael Kasch

German, born 1968  
Doctorate in organic chemistry, University  
of Kiel

### POSITIONS

1994–1996 University of Kiel, Institute of Organic  
Chemistry, Assistant Professor

1997–1999 Consortium für elektronische  
Industrie GmbH, Munich, Head of Laboratory R&D

1999–2005 Wacker-Chemie AG, Burghausen,  
Laboratory Head of Technical Marketing with  
responsibility for Business Development & Product  
Management

2005–2018 SICPA Germany GmbH, Munich,  
Managing Director

2010–2018 SICPA S.A., Regional Business Director  
Banknote for Western Europe & Canada

Since 1 January 2019 Managing Director of  
Security Printing

### OTHER BOARD APPOINTMENTS

None



MANAGING DIRECTOR, ZEISER GMBH  
Member of the Executive Board,  
Orell Füssli AG

## Thorsten Tritschler

German, born 1964  
Commercial training; Dual Executive MBA  
GSBA Zurich, SUNY Albany/NY

### POSITIONS

1983–1986 Zeiser, Production Planning/Service

1986–1989 Gebel-Automatik, Sales Coordinator

1989–1992 Zeiser, Key Account Manager

1992–2002 Atlantic Zeiser, Sales Manager  
EURASIA

2002–2008 Atlantic Zeiser, Sales Director

2008–2012 Atlantic Zeiser, Head of Business Unit  
Banknote Systems

2012–2015 Atlantic Zeiser, CSO

2015–2018 Atlantic Zeiser, Head of Business Unit  
Security Printing Systems

Since 1 October 2018 Managing Director,  
Zeiser GmbH

### OTHER BOARD APPOINTMENTS

None

## Management of major investments and divisions

Pascal Schneebeil: CEO, Orell Füssli Thalia AG

Andreas Freitag: Co-CEO, Procvivis AG

Manuel Schär: Chairman of the Board of Directors, hep Verlag AG

Martina Barth: Head of Orell Füssli Publishers

Sonja Lütolf: HR Manager, Orell Füssli AG

## 5. Compensation

The compensation of the members of the Board of Directors and the Executive Board, including statutory provisions, is presented on pp. 68–73 of the compensation report.

## 6. Shareholders' participation rights

In relation to the company, only those persons entered in the share register shall be recognised as shareholders (Articles of Association: Art. 4). Registration in the share register requires proof of beneficial ownership of the shares to be registered. The conditions are set out in the regulations of the Board of Directors on the Rules Entry of Registered Shares & Guidance Share Register, which, like the Articles of Association of the Company, are available online.

To participate in the Annual General Meeting, the shareholder must be registered as a shareholder with the right to vote in the share register of the company on the date designated by the Board of Directors (Articles of Association: Art. 8). Shareholders who have registered in this way will receive an admission ticket in their name or access details for electronic participation.

A shareholder who does not attend the Annual General Meeting in person may be represented by a proxy of their choice by submitting a written power of attorney to the company (Articles of Association: Art. 8).

Shareholders representing at least 0.5% of the share capital may request that an item be included on the agenda. Such a request must be made in writing at least 45 days before the meeting, stating the agenda item and the motion proposed by the shareholder (Articles of Association: Art. 6).

Shareholders may participate in votes and elections at the Annual General Meeting by authorising or instructing the independent proxy; authorisations or instructions to the independent proxy may also be issued electronically (Articles of Association: Art. 8). The independent proxy is elected by the Annual General Meeting for a term of office of one year.

## 7. Change of control and defensive measures

There are no rules in the Articles of Association on "opting out" or "opting up".

Orell Füssli AG does not have any change of control clauses for members of the Board of Directors and the Executive Board.

## 8. Auditors

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

The external Auditors are elected by the Annual General Meeting of shareholders for a term of office of one year.

PricewaterhouseCoopers (PwC) has been the statutory auditor since 2003. Following a public invitation to tender for the mandate and at the request of the Board of Directors, the external audit of Orell Füssli AG and the consolidated financial statements was again awarded to PwC at the Annual General Meeting on 28 April 2016. The auditor in charge, Thomas Ebinger, has been the lead auditor since the 2022 financial year. Audit fees of CHF 230,100 (2022: CHF 246,973) were incurred in the reporting year. Additional fees totalling CHF 9,270 (2022: CHF 8,253) were charged by PwC in the reporting year.

**Audit supervision and control instruments**

The supervision and control of the external auditor is carried out by the Audit Committee of the Board of Directors. Representatives of the auditing company are also invited to attend the meetings of the Audit Committee as informants. The Audit Committee assesses the performance, fees and independence of the external auditors. The criteria for this are professional competence, scope and quality of the written reports and oral statements, practical feasibility of the recommendations, transparent and effective communication and coordination, and adherence to deadlines. The Audit Committee conducts an annual review and discussion with the external auditors on the scope of their work, the audit planning and relevant procedures, and the audit results. The external auditor's reporting includes the audit reports and the comprehensive report of the auditor for the attention of the Audit Committee and the Board of Directors for the completed financial year.

**9. Information policy**

In March, after the close of the financial year, the detailed annual figures are published in a media release and the annual report is put online ([www.orellfuessli.com/en/investors](http://www.orellfuessli.com/en/investors)). A financial analysts' conference is held on the same day.

The Annual General Meeting is held in April or May. After the half-year results, a press release is published by the Group (early August at the latest). The scheduled publication dates are available online ([www.orellfuessli.com/en/investors](http://www.orellfuessli.com/en/investors)). Disclosures to shareholders are also published in the Swiss Official Gazette of Commerce (SHAB).

Shareholders receive the annual financial statements (summary report) and the half-year report. The media releases can also be accessed online ([www.orellfuessli.com/en/media/press-releases](http://www.orellfuessli.com/en/media/press-releases)).

From 1 January/1 July until the publication of the annual/half-year financial statements of the Orell Füssli Group, no transactions involving Orell Füssli AG shares and related financial instruments may be carried out by members of the Board of Directors or the Executive Board, or by individuals involved in preparation of the financial statements or who have access to financial figures. This is explicitly documented in the internal regulations of Orell Füssli AG, and the individuals concerned are additionally informed by email about the commencement, scope and conclusion of the trading blackout period. There are no exceptions to these blackout periods.

Extraordinary events relevant to the stock exchange are published in ad hoc announcements in accordance with Art. 53 CISG. The corresponding announcements can be subscribed to ([www.orellfuessli.com/en/subscription-for-press-releases](http://www.orellfuessli.com/en/subscription-for-press-releases)).

Orell Füssli investor relations representatives can be reached via the website, email, phone or post. The URL for the Orell Füssli website, contact details, and the address for the headquarters are included in the legal notice on p. 129.



# Compensation Report

This report is issued in accordance with the requirements of the new corporate Law entered into force on January 1, 2023 and the Directive on Information relating to Corporate Governance of SIX Exchange Regulation. Unless indicated otherwise, all of the information provided is as of 31 December 2023.

## Compensation of the Board of Directors and the Executive Board

### Principles

Art. 18a of the Articles of Association lays down the principles for the remuneration of the Board of Directors and the Executive Board. The provisions applicable to voting at the General Meeting of shareholders regarding the compensation of the members of the Board of Directors and the Executive Board are set out in article 18c of the Articles of Incorporation, and those regarding any additional amounts in article 18b thereof. The Articles of Association are found on the Orell Füssli homepage under Corporate Governance ([www.orellfuessli.com/en/investors](http://www.orellfuessli.com/en/investors)).

Based on the Board of Director's proposal, the Annual General Meeting approves the maximum compensation of the Board of Directors for the period until the next Annual General Meeting as well as the maximum compensation of the Executive Board for the following financial year.

The provisions applicable to variable compensation and share allocations are set out in article 18d and 18e of the Articles of Incorporation ([www.orellfuessli.com/en/investors](http://www.orellfuessli.com/en/investors)).

The compensation of the Board of Directors is made up entirely of a fixed component, whereas the Executive Board's compensation comprises a fixed and a variable component. External specialists are consulted only in the case of a fundamental redesign of the compensation structure. At group level, compensation is determined for new hires or promotions based on function-specific benchmarks.

The variable component is designed to allow the members of the Executive Board to participate in the success of the company depending on their contribution and the achievement of the financial targets. The variable component is based on the bonus regulations as approved by the Board of Directors. The compensation model as described in the following entered into force as of 1 January 2022. Members of the Executive Board are allocated two-thirds of their bonus in cash (short-term performance-related compensation) and one-third in the form of entitlements to employee shares (long-term performance-related compensation). If they remain with the company for the duration of the vesting period, the participants in the plan are entitled to receive one employee share per entitlement or the equivalent cash amount. If the employee leaves the firm before the end of the vesting period, any entitlement to employee shares is usually extinguished. Usually, the cash bonus is paid out and the employee shares are allocated as part of the salary for the month of May of the following year.

Apart from the contributions to the pension fund, which are limited to a maximum insured salary of CHF 882,000 by the Occupational Pensions Act (OPA/BVG), the Orell Füssli Group does not provide any special old-age benefit schemes.

The compensation of the Executive Board includes individually agreed additional benefits, such as the provision of a company vehicle at no charge or the reimbursement of the cost of a rail season ticket (GA).

No severance payments ("golden parachutes") have been agreed with any of the members of the Board of Directors and the Executive Board. The members of the Executive Board do not have long-duration contracts (maximum period of notice of six months).

## Compensation of the Board of Directors

The Compensation Committee of the Board of Directors reviews annually the regulations applicable to the determination of the compensation of the Board of Directors. The Compensation Committee proposes to the Board of Directors any changes it deems necessary. The Board of Directors approves the compensation, which will take effect as of the subsequent term of office. Final approval of the compensation for the subsequent year is given only after the Annual General Meeting gives its approval. Board members receive a fixed amount of compensation.

## Compensation of the Executive Board

Final approval of the amount of the fixed and variable components of the compensation for the subsequent financial year is given only after the Annual General Meeting gives its approval. Within this range, the Compensation Committee of the Board of Directors reviews the fixed compensation as proposed by the CEO. The amount of the fixed compensation is defined according to the function, duties, qualifications, experience and the market environment. The CEO (when it concerns the CEO's own compensation) and the members of the Executive Board are not present during the discussions to determine the compensation. The Compensation Committee adjusts the compensation, where necessary, and passes on its recommendation to the attention of the Board of Directors. The Board makes the final decision and approves the fixed compensation component.

The variable component of the Executive Board's compensation is based on the bonus and LTI (long-term incentive) regulations as approved by the Board of Directors. The maximum value of the variable component (for achieving or overachieving all of the set goals) is determined individually and amounts to between 40% and 60% of the basic salary. It is calculated according to a predefined formula based on the EBIT as well as the achievement of the agreed annual goals (weightings: EBIT 70% and individual goals 30%). The goals can be exceeded; the maximum bonus is 125% of the target bonus. The Executive Board members are assessed against the EBIT and the group's or division's results. The three to five individually determined goals, comprise quantitative and qualitative components; such goals must also be specific, measurable, challenging, relevant and time-bound. They may concern, for example, the implementation of a project, adherence to a project budget or the strategic development of the business. With the involvement of the Executive Board members, the CEO elaborates the goals of the individuals, the assessment criteria and the range of values. The proposed objectives are then submitted to the Compensation Committee of the Board of Directors for approval. The bonus regulations also provide for individual cash bonus payments to be made at the discretion of the Executive Board and the Board of Directors to employees of the Orell Füssli Group as a reward for exceptional performance.

The LTI (long-term incentive) regulations govern the calculation and conversion of the share entitlements that are allocated. The goal of the LTI plan is to enable participation in the future long-term success of the company. All members of the Executive Board participate in the plan. The allocated share entitlements are subject to a vesting period of three years from the date they are allocated. At the end of the vesting period, the participants in the plan can decide either to convert the entitlements into shares or to request a cash payment. The LTI is reported in the compensation report in the year in which the allocation takes place; however, the participant can only freely dispose of the shares after a share transfer has taken place.

## Comparative analysis of the CEO's compensation

In the year under review, the compensation of the CEO was reviewed using a benchmark and based on the data as at the end of 2022. A peer group of the Ethos Foundation consisting of 20 companies listed in Switzerland was used for benchmarking purposes\* (excluding companies operating in the financial services sector). Three equally weighted criteria were used to measure this peer group: market capitalisation, number of employees and total turnover.

Benchmarking confirmed that the current compensation approach is comparable to that of the peer group. The total compensation of the CEO lies between the median and the mean average amount of the peer group.

## Compensation 2023

(audited from this point until the end of page 73 by the external auditor)

The disclosed compensation amounts are for the services rendered in the year under review. The following tables therefore include all entitlements to compensation relating to the 2023 financial year in full. Compensation that has not yet been paid is accrued in the financial year in question, even when the payment will only be made in the following year.

### COMPENSATION OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR THE 2023 FINANCIAL YEAR

in CHF	Fixed com- pensation	Functional auppel- mentary allowance <sup>2)</sup>	Other payments	Total 2023	
	in cash	in cash	Special allowances	Social security expenses	
Dr Martin Folini, Chairman, Compensation Committee (Chairman)	176,668	–	–	11,863	188,531
Dieter Widmer, Vice Chairman, Audit Committee (Chairman)	60,000	20,000	–	5,920	85,920
Dr Thomas Moser, Compensation Committee (Member), Digital Committee (Member)	60,000	10,000	–	5,180	75,180
Mirjana Blume, Audit Committee (Member), Digital Committee (Member) <sup>1)</sup>	60,000	20,000	–	–	80,000
Dr Luka Müller, Digital Committee (Chairman) <sup>1)</sup>	60,000	20,000	–	–	80,000
Johannes Schaede, Member of the Board of Directors	60,000	–	–	2,722	62,722
<b>Total</b>	<b>476,668</b>	<b>70,000</b>	<b>–</b>	<b>25,685</b>	<b>572,353</b>

1) Payout by invoice without VAT

2) Compensation for members of the Audit Committee and the Digital Committee

\* Lastminute.com NV, Carlo Gavazzi Holding AG, Zug Estates Holding AG, HIAG Immobilien Holding AG, Klingelberg AG, Basilea Pharmaceutica AG, Elma Electronic AG, Lalique Group SA, MCH Group AG, Adval Tech Holding AG, Varia US Properties AG, IVF Hartmann Holding AG, Hochdorf Holding AG, Tornos Holding AG, Piazza AG, BVZ Holding AG, Warteck Invest AG, Leclanché SA, Fundamenta Real Estate AG, SHL Telemedicine Ltd.

## COMPENSATION OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR THE 2022 FINANCIAL YEAR

in CHF	Fixed com- pensation	Functional supple- mentary allowance <sup>2)</sup>	Other payments	Total 2022	
	in cash	in cash	Special allowances	Social security expenses	
Dr Martin Folini, Chairman, Compensation Committee (Chairman)	170,004	–	–	12,689	182,693
Dieter Widmer, Vice Chairman, Audit Committee (Chairman)	65,000	13,333	–	5,797	84,130
Dr Thomas Moser, Compensation Committee (Member), Digital Committee (Member)	58,333	6,667	–	4,810	69,810
Mirjana Blume, Audit Committee (Member), Digital Committee (Member) <sup>1)</sup>	60,000	13,333	–	–	73,333
Dr Luka Müller, Digital Committee (Chairman) <sup>1)</sup>	58,333	13,333	–	–	71,666
Johannes Schaede, Member of the Board of Directors	58,333	–	–	2,731	61,064
<b>Total</b>	<b>470,003</b>	<b>46,666</b>	<b>–</b>	<b>26,027</b>	<b>542,696</b>

1) Payout by invoice without VAT

2) Compensation for members of the Audit Committee and the Digital Committee

The social security expenses include the mandatory employer's contributions. No pension fund contributions were made.

## COMPENSATION OF THE MEMBERS OF THE EXECUTIVE BOARD FOR THE 2023 FINANCIAL YEAR

in CHF	Fixed com- pensation	Short-term performan- ce-based compensa- tion	Long-term performan- ce-based compensa- tion <sup>2)</sup>	Premium allowances	Other pay- ments	Social security and pension fund ex- penses	Total 2023
	in cash	in cash	in shares	in cash			
Daniel Link, CEO Orell Füssli Group <sup>1)</sup>	414,000	202,032	101,016	–	1,055	147,464	865,567
Other members of the Executive Board <sup>1)</sup>	1,040,453	354,616	177,307	28,000	27,257	304,795	1,932,428
<b>Total</b>	<b>1,454,453</b>	<b>556,648</b>	<b>278,323</b>	<b>28,000</b>	<b>28,312</b>	<b>452,259</b>	<b>2,797,995</b>

1) The Executive Board consisted of five members as of 31 December 2023 (incl. the CEO).

2) Allocated share entitlements in the 2023 financial year: Daniel Link 1'396, Désirée Heutschi 596, Reto Janser 641, Dr. Michael Kasch 843, Thorsten Tritschler 373

Total allocated share entitlements: Daniel Link 2'481, Désirée Heutschi 1'062, Reto Janser 1'110, Dr. Michael Kasch 1'504, Thorsten Tritschler 562

## COMPENSATION OF THE MEMBERS OF THE EXECUTIVE BOARD FOR THE 2022 FINANCIAL YEAR

in CHF	Fixed com- pensation	Short-term performan- ce-based compensa- tion	Long-term performan- ce-based compensa- tion	Premium allowances	Other pay- ments	Social security and pension fund ex- penses	Total 2022
	in cash	in cash	in shares	in cash			
Daniel Link, CEO Orell Füssli Group <sup>1)</sup>	408,000	177,888	88,944	–	1,055	139,323	815,210
Other members of the Executive Board <sup>1)</sup>	1,012,267	292,308	146,153	–	29,897	273,886	1,754,511
<b>Total</b>	<b>1,420,267</b>	<b>470,196</b>	<b>235,097</b>	<b>–</b>	<b>30,952</b>	<b>413,209</b>	<b>2,569,721</b>

1) The Executive Board consisted of five members as of 31 December 2022 (incl. the CEO).

The social security and pension fund expenses include the mandatory and voluntary employer's contributions. The pension fund contributions are made jointly by the employer and the employee.

The amount of the long-term performance-based compensation (share entitlements) refers to the performance year (vesting period), which corresponds to the financial year. The amount recorded is an estimate since the exact amount of the allocated share entitlements is determined only after the General Meeting in the spring of the following year. The vesting period of three years begins from the date they are allocated. In accordance with Swiss GAAP FER, share entitlements are deferred over the entire term until the expected end of the vesting period.

## Loans and other payments

The provisions applicable to loans and other payments are set out in article 18i of the Articles of Incorporation ([www.orellfuessli.com/en/investors](http://www.orellfuessli.com/en/investors)).

In the 2022 and 2023 financial years, no loans were granted to current or former members of the Board of Directors and the Executive Board. Additionally, no guarantees were given on behalf of the members of these bodies for loans granted by third parties. As of 31 December 2023, no such loan receivables were disclosed on the balance sheet.

## Further disclosures

The Orell Füssli Group did not make any payments to current or former members of the Board of Directors, the Executive Board or any related parties thereof, beyond the information disclosed in the Compensation Report. The Orell Füssli Group also did not waive any claims against such persons.

## Shares held by members of the Board of Directors and the Executive Board

As of the balance sheet date, the Board Directors and the members of the Executive Board held the following shares in Orell Füssli AG: **SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS**

Number of shares at 31 December	2023		2022	
	Number of own shares	Total number of shares including shares of related parties	Number of own shares	Total number of shares including shares of related parties
Dr Martin Folini	500	500	500	500

Dr. Thomas Moser, member of the Board of Directors, is an Alternate Member of the Governing Board of the Swiss National Bank (SNB), which owns 653,460 shares in Orell Füssli AG: **SHARES HELD BY MEMBERS OF THE EXECUTIVE BOARD**

Number of shares at 31 December	2023		2022	
	Number of own shares	Total number of shares including shares of related parties	Number of own shares	Total number of shares including shares of related parties
Daniel Link	1,008	1,008	500	500
Dr Michael Kasch	494	494	494	494
Thorsten Tritschler	150	150	100	100

## ACTIVITIES OF THE MEMBERS OF THE BOARD OF DIRECTORS IN OTHER COMPANIES AND ORGANISATIONS

Dr. Martin Folini	Listed companies: none Non-listed companies: - Folini Partners GmbH: Owner - Hans Oetiker Holding: Chairman of the Board of Directors - Integra Holding, Integra Sitek AG (subsidiary of Integra Holding), Signal AG (subsidiary of Integra Holding), Seitz Holding AG, Eugen Seitz AG (subsidiary of Seitz Holding AG), Kowema AG, Stadtmühle Schenk AG (subsidiary of Kowema AG), Landqart AG: Member of the Board of Directors
Dieter Widmer	Listed companies: none Non-listed companies: - Dieter Widmer valeth: Owner - EquityNova AG, RP Invest AG: Co-owner and Member of the Board of Directors - Stäubli Holding AG, Mühle Walther AG, Mühle Burgholz AG (85%-subsidiary of Mühle Walther AG), Blattmann Schweiz AG: Member of the Board of Directors - Kuoni und Hugentobler Stiftung: Member of the Foundation Council
Mirjana Blume	Listed companies: - W.A.G. payment solutions plc, UK: Senior Independent NED Non-listed companies: - SML Solutions AG: Managing Director - Synhelion SA: CFO - IWB, Industrielle Werke Basel: Vice Chairwoman of the Board of Directors & Chairwoman of the Audit Committee - EWE, Energie und Wasser Erlenbach AG: Chairwoman of the Board of Directors - WAZ, Werke am Zürichsee AG, Freigeist Asset Management AG: Member of the Board of Directors - Qnective AG: Secretary of the Board of Directors
Dr. Thomas Moser	Listed companies: - Swiss National Bank: Alternate Member of the Governing Board Non-listed companies: - Visiting Professor at the Faculty of Economics and Management, University of Lucerne
Dr. Luka Müller	Listed companies: none Non-listed companies: - Sygnum Bank AG: Co-owner and Chairman of the Board of Directors - MME Legal   Tax   Compliance AG: Partner - KYC Spider AG: Co-owner and Chairman of the Board of Directors - Marquard Media Group AG, Kapstein Immobilien AG, Hextra AG: Chairman of the Board of Directors
Johannes Schaede	Listed companies: none Non-listed companies: none

## ACTIVITIES OF THE MEMBERS OF THE EXECUTIVE BOARD IN OTHER COMPANIES AND ORGANISATIONS

Daniel Link	Listed companies: none Non-listed companies: - Orell Füssli Thalia AG: Vice Chairman of the Board of Directors - Procivis AG, Orell Füssli Buchhandlungs AG: Chairman of the Board of Directors - izit AG: Member of the Board of Directors
Reto Janser	Listed companies: none Non-listed companies: - KXO AG, Chairman of the Board of Directors - Procivis AG, Orell Füssli Buchhandlungs AG: Member of the Board of Directors - Orell Füssli Personalvorsorgestiftung: Vice Chairman - izit AG: Managing Director
Désirée Heutschi	Listed companies: none Non-listed companies: - Procivis AG: Co-CEO & Member of the Board of Directors - izit AG: Chairwoman of the Board of Directors - hep Verlag AG: Member of the Board of Directors
Dr. Michael Kasch	Listed companies: none Non-listed companies: none
Thorsten Tritschler	Listed companies: none Non-listed companies: none

# Report of the statutory auditor on the compensation report

## Report of the statutory auditor

to the General Meeting of Orell Füssli AG

Zürich

### Report on the audit of the compensation report

#### Opinion

We have audited the compensation report of Orell Füssli AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the sections marked 'audited by external auditor' on pages 70 to 73 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the compensation report (pages 70 to 73) 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 sections marked 'audited by external auditor' in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

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

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

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

#### Board of Directors' responsibilities for the compensation report

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

#### Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland  
Telefon: +41 58 792 44 00, [www.pwc.ch](http://www.pwc.ch)

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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

Dario Gassmann  
Licensed audit expert

Zürich, 6 March 2024





# GRI-Index

Orell Füssli Ltd has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023. For the Content Index - Essentials Service, GRI Services has assessed whether the GRI Index has been presented in a manner consistent with the reporting requirements of the GRI Standards and whether the information in the GRI Index is clearly presented and accessible to stakeholders. This service was provided for the German version of the report.

## UNIVERSAL STANDARDS

GRI 1	GRI 1: Foundation 2021		Omission (Requirements omitted (RO), Reason (R), Explanation (E))
GRI Standard	Disclosure	Reference/Information	
<b>The organization and its reporting practices</b>			
GRI2: General Disclosures 2021	2-1 Organizational details	S. 33	
	2-2 Entities included in the organization's sustainability reporting	S. 33	
	2-3 Reporting period, frequency and contact point	S. 33, 124	
	2-4 Restatements of information	In the last report, the energy consumption was accidentally presented in the energy unit kWh. This has been adjusted and corrected in the current report. Additional restatements and updates of information are identified where appropriate in the report.	
	2-5 External assurance	S. 33	
<b>Activities and workers</b>			
GRI2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	S. 33	
	2-7 Employees	S. 52	
	2-8 Workers who are not employees	S. 53	
<b>Governance</b>			
GRI2: General Disclosures 2021	2-9 Governance structure and composition	S. 35, 59-61	
	2-10 Nomination and selection of the highest governance body	S. 62	
	2-11 Chair of the highest governance body	S. 60	
	2-12 Role of the highest governance body in overseeing the management of impacts	S. 35	
	2-13 Delegation of responsibility for managing impacts	S. 35	
	2-14 Role of the highest governance body in sustainability reporting	S. 35	
	2-15 Conflicts of interest	S. 53	
	2-16 Communication of critical concerns	S. 49	
	2-17 Collective knowledge of the highest governance body	S. 35	
	2-18 Evaluation of the performance of the highest governance body	S. 35	
	2-19 Remuneration policies	S. 68-72	
	2-20 Process to determine remuneration	S. 68-72	

GRI Standard	Disclosure	Reference/Information	Omission (Requirements omitted (RO), Reason (R), Explanation (E))
	2-21 Annual total compensation ratio	Notes to the CEO compensation: Compensation report 2023, pp. 68-72	Information not available/incomplete  Orell Füssli does not calculate the median total annual compensation for all employees because this figure is not meaningful from the company's perspective.
<b>Strategy, policies and practices</b>			
GRI2: General Disclosures 2021	2-22 Statement on sustainable development strategy	S. 4 (Editorial)	
	2-23 Policy commitments	S. 36, 49	
	2-24 Embedding policy commitments	S. 36, 49	
	2-25 Processes to remediate negative impacts	S. 50	
	2-26 Mechanisms for seeking advice and raising concerns	S. 49	
	2-27 Compliance with laws and regulations	S. 54	
	2-28 Membership associations	S. 36	
<b>Stakeholder engagement</b>			
GRI2: General Disclosures 2021	2-29 Approach to stakeholder engagement	S. 36	
	2-30 Collective bargaining agreements	No collective employment contracts apply to employees of the Orell Füssli Group. The employment conditions of employees differ from group company to group company.	

## TOPIC STANDARDS

GRI Standard	Disclosure	Reference/Information	Omission (Requirements omitted (RO), Reason (R), Explanation (E))
<b>MATERIAL TOPICS</b>			
<b>Materiality analysis and list of material topics</b>			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	S. 37	
	3-2 List of material topics	S. 38	
<b>Economics success and profitability of the company</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	S. 39	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	S. 10, 76	
<b>Quality of service and products</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	S. 39	
<b>Digitalisation</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	S. 41	
<b>Energy efficiency and climate protection</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	S. 40, 41	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	S. 42	
	302-4 Reduction of energy consumption	S. 42	

GRI Standard	Disclosure	Reference/Information	Omission (Requirements omitted (RO), Reason (R), Explanation (E))
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	S. 42	
	305-2 Energy indirect (Scope 2) GHG emissions	S. 42	
	305-4 GHG emissions intensity	S. 42	
	305-5 Reduction of GHG emissions	S. 42	
GRI 306: Waste 2020	306-3 Waste generated	S. 45	
<b>Education and training</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	S. 47	
<b>Data security and data protection</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	S. 47	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	S. 48	
<b>Leadership culture and collaboration</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	S. 49	
<b>Occupational health and safety</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	S. 51	
GRI 403: 2018 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	S. 51	
	403-2 Hazard identification, risk assessment, and incident investigation	S. 51	
	403-3 Occupational health services	S. 51-52	
	403-5 Worker training on occupational health and safety	S. 51	
	403-9 Work-related injuries	S. 52	
GRI 403: Occupational Health and Safety 2018	403-10 Work-related ill health	S. 52	
	401-1 New employee hires and employee turnover	S. 53	
<b>Compliance and business ethics</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	S. 54	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	S. 55	
	205-2 Communication and training about anti-corruption policies and procedures	S. 54	
	205-3 Confirmed incidents of corruption and actions taken	S. 55	
<b>Human rights assessment</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	S. 56	