annual report 2023

CUSTOMERS ARE OUR INSPIRATION

straumanngroup

Contents

Straumann Group's annual report for online users annualreport.straumann.com

About this report

The annual report 2023 presents the financial and non-financial performance using an integrated approach. It is aligned with the Group's purpose, vision and mission as well as strategy and vastly structured according to the company's sustainability framework. Unless otherwise noted, it covers the 2023 calendar year from 1 January 2023 through 31 December 2023. Straumann Group is a public company incorporated under Swiss law and publicly traded on the SIX Swiss exchange. The financial statements reported and disclosed in this annual report follow the IFRS reporting standards and include the accounts of Straumann Group and Straumann Holding.

The report complies with the SIX Swiss Exchange Directive on information relating to Corporate Governance. Straumann Group's activities and disclosures support and align with non-financial reporting frameworks and regulations including the Swiss Code of Obligations, the GRI Sustainability Reporting Standards, United Nations Sustainable Development Goals (SDGs), the Sustainable Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosure (TCFD).

MSCI rating
Equipment and supplies peer group
AA

ISS PRIME rating
Within our industry peer group
Rank 3

Sustainalytics risk exposure
Strong management
22.3 medium risk

CDP
B

straumanngroup

Highlights

2.4 bn
Revenue in CHF

5.6 m
Smiles impacted

>11 000
Employees

9.8 %
Organic revenue growth

81
Employee engagement score

40 %
Women in leadership positions

25.1 %
Core EBIT margin

77
Learning and growth score

28 %
Educational activities in low- and middle-income countries

0.85[1]
Dividend per share in CHF

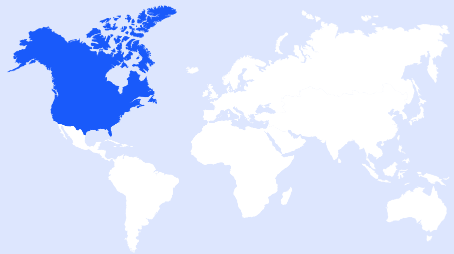
93 %
Renewable electricity

-15 %
GHG emissions compared to 2021 (Scope 1 + 2) t CO_2e

1 Subject to AGM approval

Performance by region

The Group achieved strong results across all regions, despite global uncertainties. EMEA and NAM, the largest revenue contributors, showed very good results. LATAM maintained a steady organic revenue growth of around 20% in each quarter. Asia Pacific recovered from a soft first quarter and delivered an exceptional performance, especially in China, where the volume-based procurement process was successfully implemented.



North America

689 m
Revenue in CHF
+1% Change in CHF

28%
Group revenue
+7% Change organic

Europe, Middle East, Africa

1 054 m
Revenue in CHF
+4% Change in CHF

44%
Group revenue
+8% Change organic

Latin America

209 m
Revenue in CHF
+16% Change in CHF

9%
Group revenue
+20% Change organic

Asia Pacific

461 m
Revenue in CHF
+5% Change in CHF

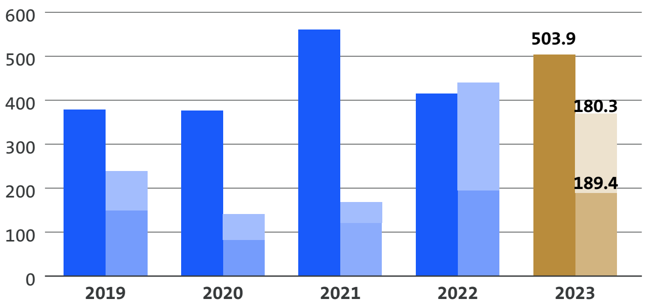
19%
Group revenue
+16% Change organic

Key financial performance

Cash flow and investments

more on p. 30

in CHF million

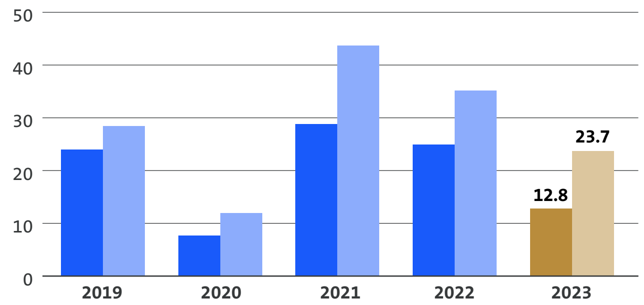


Operating cash flow
Capital expenditure
Acquisitions and participations

Return

more on p. 37

in % as reported under IFRS Accounting Standards

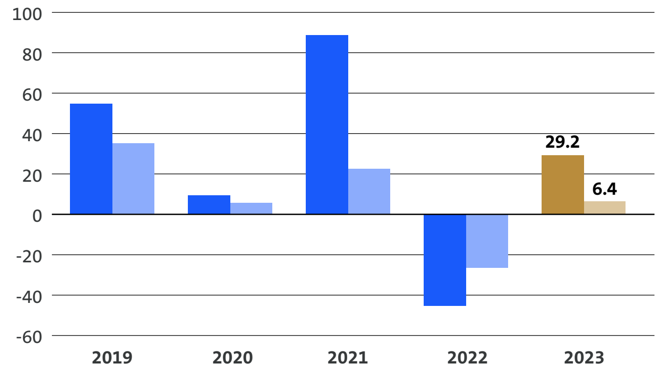


Return on equity (ROE)
Return on capital employed (ROCE)

Total shareholder return

more on p. 39

in %

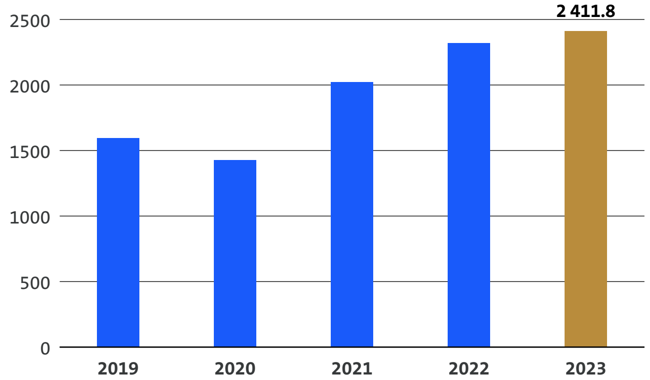


Straumann Group
SMIM Total Return Index

Revenue

more on p. 32

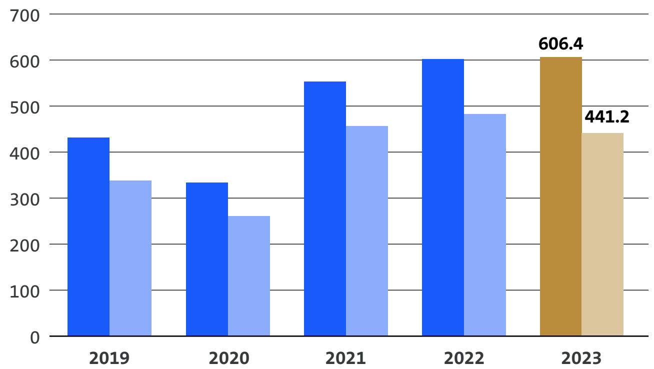
in CHF million



Core operating and net profit

more on p. 32

in CHF million



Operating profit (EBIT)
Net profit

Market capitalization

in CHF on 29 December 2023

21.6bn

Letter from the Chair and CEO

Dear Reader,

In 2023, we essentially kept on performing and transforming – we continued innovating, adapting and further expanding. Most and foremost, we focused on customers in everything we did. This led to another extraordinary year and we are humbled and inspired by the impact that we have on many lives and smiles. In 2023, we helped 5.6 million smiles and improved people's oral health and quality of life. This is what motivates us and drives us every day, and this is what we will continue to do in the future.

> Customers inspire us to push the boundaries, innovate and adapt

The start of the year was challenging in some regions with the COVID-19 pandemic still present and the changing regulatory environment in China, where the VBP (volume-based procurement) policy was implemented. These developments forced us to optimize our setup and offerings to comply with the new rules and standards and to be prudent in our spending to ensure we maintained solid profitability. During the course of the year, we were very pleased to see how the team was able to turn this challenge into an opportunity that significantly helped drive the growth of the company.

Gilbert Achermann, Chair and
Guillaume Daniellot, Chief Executive Officer

In the face of macroeconomic developments as well as geopolitical tensions, the team delivered on customer expectations and drove an organic growth of 9.8% and CHF 2.4 billion in revenue. The team's spirit and agility made up for the significant impacts on the business from currency headwinds which lowered revenue by CHF 145 million and led to 3.9% growth in Swiss francs. At the same time, we were able to maintain a high profitability of 25%, compensating for 200 basis points of currency headwind.

> Our relentless team efforts in all functions and regions led to remarkable 9.8% organic growth

Our market share is growing year by year, and we are expanding our presence in key regions and segments. We have seen strong demand for our solutions, especially in implantology, and therefore keep on investing heavily in operations and infrastructure to meet the increasing volumes. We were able to win many new customers and believe that our market share in implantology increased from approximately 30% to around 32%, while we estimate that our global addressable market grew to above CHF 19 billion in 2023.

> Innovation is the cornerstone of our business, and we want to provide solutions that meet clinician and patient needs, exceeding expectations

2023 was a year of numerous innovations across many business areas which also emerged based on customer feedback over the years. At the International Dental Show (IDS) in March, we were able to present an extensive range of innovations such as SmileCloud, Falcon, and the new intraoral scanner (IOS) software as well as our vision for our digital platform Straumann AXS. Another highlight in the implantology arena was the pre-launch of Straumann iExcel, a new high-performance premium implant system that provides clinicians with greater versatility and simplicity in their implant treatments and includes the new C-line with an improved BLT and for completion, a tissue-level option.

> Our latest premium Straumann iExcel solution was developed over the years based on several customer feedbacks

In 2023, we acquired GalvoSurge, a manufacturer of medical devices for optimal cleaning of dental implants affected by peri-implantitis, and AlliedStar, an intraoral scanner technology company located in China. On top of that, many new developments and software improvements on the orthodontics side have helped strengthen the value proposition of our solutions and increased our capability to treat more complex cases.

> More than 11 200 education activities worldwide, with 28% in low- to middle-income countries

It is essential to innovate and combine this with the necessary education activities to ensure our solutions reach our customers and ultimately patients. Investing in education continues to be part of our core business, as knowledge and skills are essential for our success and customer satisfaction. We organized and participated in various events and activities, such as IDS, Esthetic Days, webinars, podcasts, and online courses, to share knowledge and exchange the latest insights and best practices in the dental field with our customers.

Last year was also a year of transformation. We adjusted our brand strategy to reflect our strategic compass and enhance the distinctiveness of our brands. This changed how we present ourselves at customer events which was very well perceived by the different customer communities.

Another highlight was the clear definition of our digital strategy along the clinician journey, to offer a unique and seamless customer experience, from education and diagnosis to treatment and follow-up. The digital strategy also includes our internal digital transformation which will help improve our processes and workflows and leverage the power of data and analytics. Above all, we do not see digital transformation to be a technical step up only within the organization, but moreover a mindset play. This is why we brought to life an internal campaign called EDGE!UP which should give people a channel to play and experiment with new technologies, learn new skills and grow together by sharing expertise.

> We focus on our player-learner culture – on a personal and professional level – to maintain a competitive edge

In 2020, we made a strategic decision to build a consumer presence and acquired DrSmile, a leading provider of clear aligners in Europe, followed by the acquisition of Plus Dental in 2022. With the end of the contracts in 2023, the founders transitioned out and the new management took over. Given the challenges of such consumer businesses, we are closely monitoring the developments and learning to ensure the right approach in combination with our clinician business. In light of the macroeconomic environment, consumer behavior is changing, and demand from this particular target group for esthetic treatments seems to soften. Now that we have achieved our goal of establishing a critical size and become the largest doctor-led direct-to-consumer-marketing orthodontics business in Europe, we shift to a sustainable organic growth strategy starting to prioritize profitability over growth. Our other company Nihon, or the Anshin brand in Japan, is performing very well and pilots with a similar business model in implantology in other countries are under way.

The acquisition of DrSmile and Nihon will enable us to raise awareness of dental solutions and offer more accessible and affordable solutions, while maintaining the highest quality and safety standards.

> We have strengthened our presence in Europe with new customers such as the biggest DSO in Italy

In 2023, we further strengthened our strategic customer relationships with dental service organizations (DSOs) to provide them with customized and comprehensive solutions and services. We have defined an end-to-end ambition for our Orthodontics 360 solution along a digitalized and integrated aligner workflow and more than 100 practices implemented the practice management software CareStack.

We continue to collaborate with other industry players, such as universities, research institutes, associations, the ITI and NGOs, to advance the dental profession and to contribute to the social and environmental causes that we care about.

In 2023, we not only achieved strong financial results and market growth, but we also made significant progress in our sustainability agenda. We are proud to share with you some of the highlights and achievements that demonstrate our commitment to creating value for our stakeholders.

> Strong advancements in the area of sustainability

We believe that sustainability is not only our obligation as a responsible corporate citizen but also a strategic advantage. We do what we believe is the right thing to do, what is needed for business continuity and what is expected from us by our employees, customers and shareholders. That is why we have set ambitious goals to contribute to the wellbeing of our stakeholders and reduce our environmental impact.

> Our culture has been instrumental in our success and attracts new and diverse talent to join the organization

In 2023, we helped 5.6 million smiles and managed to reach 28% of educational activities in low- and middle-income countries. More than 91% responded to our employee survey, we reached a score of 77 (up 1 point) in reponse to the question whether people think they have good opportunities to learn and grow. As a highlight, the engagement score was at 81 which is 3 points above the global benchmark. Although we are already at a good level with 40% of leadership positions held by women, we have set ourselves a very ambitious target which we are still working on. This is not an easy one to achieve and we are committed to implementing next steps to get closer to our 50% women in leadership goal.

> “SBTi approved our net-zero emissions targets in 2023

We are delighted to announce that the Science Based Targets initiative (SBTi) has approved our net-zero emissions targets, which align with the most ambitious scenario of the Paris Agreement. This means that we have started our journey to achieve net-zero greenhouse gas emissions across our entire value chain by 2040. We have also made great strides in our first sustainability target of sourcing 100% renewable electricity for our operations by 2024 and are currently at 93%. This will help us reduce our carbon footprint and support the transition to a low-carbon economy.

In 2023, we supported more than 60 charitable projects

At Straumann we are committed to creating a positive impact for the communities in which we operate to improve access and ultimately people's lives. This commitment involves philanthropic activities such as facilitating access to oral health education, affordable oral care, and also participating in humanitarian relief efforts, as well as actively engaging with local communities. As an example, during the early months of 2023, when devastating earthquakes struck Southwestern Türkiye and Northern Syria, the Group responded with immediate actions and donations (see p. 111). In 2023, the Board also mandated the Management to set up a Group foundation during 2024 to bundle and strengthen the Group's philanthropic activities.

We will strengthen our non-financial reporting

For our company, on the Board and Executive Board level, non-financial reporting and sustainability have been a priority for many years. In this spirit, we are also preparing to fulfill the non-financial reporting requirements that are going to be in force for the full-year reporting 2024 and beyond. We have already started to set our reporting frameworks according to the European Corporate Sustainability Reporting Directive (CSRD).

There will be a new framework to disclose on climate-related risks and opportunities according to the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD) which we have already started to cover in this report. In an integrated approach, we also cover the new Swiss Ordinance 964b on non-financial reporting, which is in force now, in this report.

We have a strong and diverse Board and Executive Management team, which shares one vision, beliefs and executes on our strategic direction

In 2023, we welcomed new members to our Board and Executive Management, and we also announced some important changes that will take effect next year.

Olivier Filliol joined the Board in 2023 and, as Beat Lüthi left the Board, Petra Rumpf became the new Vice Chair, and Marco Gadola was elected to chair the Human Resources & Compensation Committee (HRCC). As announced in August 2023, Gilbert Achermann will not seek reelection as Chair or Board member at the Annual General Meeting in April 2024. Petra Rumpf will be proposed for the role of Chair. Her extensive industry knowledge, strategic expertise, and deep understanding of digital transformation make her the ideal personality to guide the Group into the next phase of growth.

Also in August 2023, on the Executive Management level, we were very pleased to announce Yang Xu who joined as Group Chief Financial Officer and member of the Executive Management Board in August. Rahma Samow, Head of Dental Service Organizations (DSO), decided to leave the Group and join one of Straumann Group's main business partners. The hiring process for a new DSO Head is ongoing. In October 2023, Florian Kirsch was appointed to lead orthodontics in addition to the digital solutions business unit and is now a member of the Executive Management Board. Camila Finzi, who previously led the orthodontics business, left the Group to pursue opportunities outside the organization.

Bringing sustainable value to our shareholders

In 2023, we were pleased to see that our shareholder basis increased by 5%. Investing in sustainable growth remains one of our priorities. This includes investment in our growing operation to meet demands and drive our digital transformation journey. Due to the macroeconomic environment and stock market re-rating, our market capitalization increased to CHF 21.6 billion in 2023 (see p. 39). Based on the 2023 results, the Board of Directors proposes to increase the dividend to CHF 0.85 per share, of which CHF 0.40 is to be paid from the capital contribution reserve, and payable on 18 April 2024. We intend to continue to increase the dividend in the future, subject to continued good performance.

Long-term growth ambition (barring unforeseen circumstances)

It has been almost two years since we launched our purpose, vision and mission along with the strategic compass, which defines our priorities and guides our decisions and actions. We are proud that we successfully delivered on our ambitions, and achieved remarkable results in all aspects of our business.

We were able to grow our market share and revenues, maintained strong profitability and cash flow, improved our customer satisfaction and loyalty, enhanced our innovation and education capabilities, expanded geographically and advanced our sustainability and social responsibility agenda.

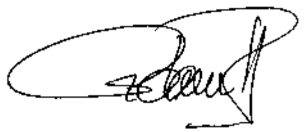
As a company, we have grown and become more resilient. Our revenue growth is now more balanced geographically, our business has diversified and our core business implantology covers offerings across all price points, reducing our dependence on one segment. The Group now operates in a potential above CHF 19 billion market, and we are confident that our strong market position, balance sheet, and business model will help us navigate through challenging times. Our high-performance player-learner culture is key to our success, and we believe that our company is well-positioned to achieve its long-term goal of CHF 5 billion in revenue by 2030, with an average organic growth rate of at least 10% annually. This strategy will be supported by continued investment in growth, leading to a core EBIT margin of 25-30% (at constant FX rates) in the coming years, depending on the size of the investments. The Group will continue to provide yearly guidance and aims to continuously increase its gross dividend.

We would like to thank all our teams who are committed to the benefit of patients and contributed to the success of Straumann Group through their untiring efforts despite the continuing challenges caused by the macroeconomic environment.

Our sincere thanks also go to you, our partners and shareholders, for your ongoing support and confidence in our company.

Yours sincerely,

Gilbert Achermann
Chair



Guillaume Daniellot
Chief Executive Officer

27 February 2024

Dear valued stakeholders,

This is my last letter for the Straumann Group as I will not stand for re-election as Chair at the AGM in April 2024.

As my tenure draws to a close, I reflect with immense gratitude on the privilege it has been to serve this remarkable company in various capacities over the past 25 years. The journey from the town of Waldenburg to a global leader today has been nothing short of extraordinary.

I am deeply proud and honored to have worked alongside countless talented people and helped build a global leader with a distinct human soul. I would like to say thank you to everyone who supported me and the company over the years.

Today the Straumann Group is in good shape, with a robust strategy, an exceptional culture and outstanding people. I am positive that the success story of the Straumann Group will continue.

Sincerely,

Gilbert Achermann
Chair

COMPANY PROFILE

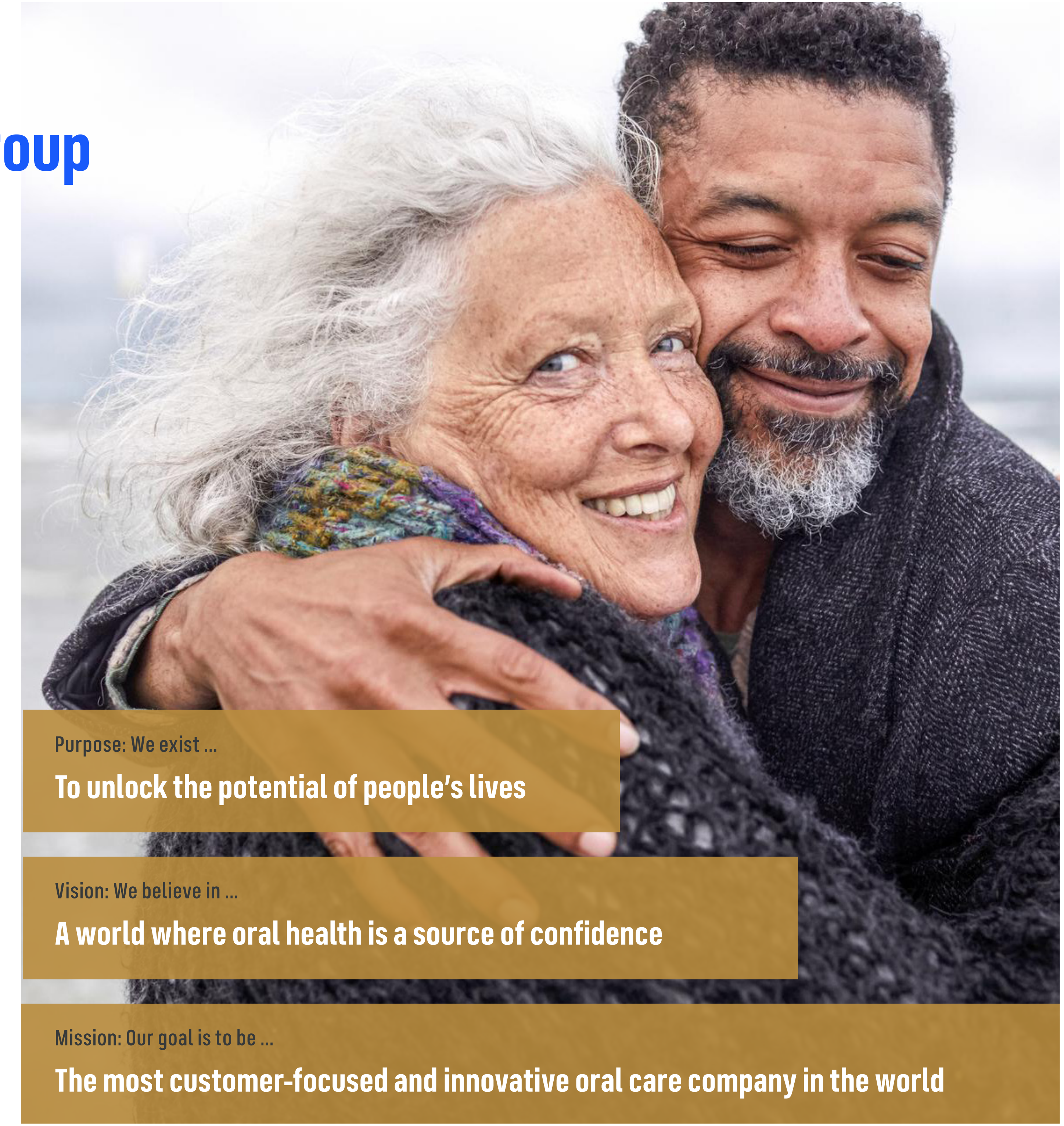
About Straumann Group

Heritage and evolution

The roots of Straumann go back to the early 1950s while the Group, with its focus on dentistry as it exists today, was founded in 1990. Over the years, the company has grown into a global leader in tooth replacement and orthodontic solutions with more than 11 000 people worldwide. With its focus on dentistry, millions of lives have been positively impacted. By restoring people's ability to eat and enjoy food, better oral health increases their self-confidence, restores their self-esteem and unlocks their potential. Billions of people need better oral care. The Group's vision is a world where oral health is a source of confidence.

Continuing the journey towards helping 10 million smiles per year

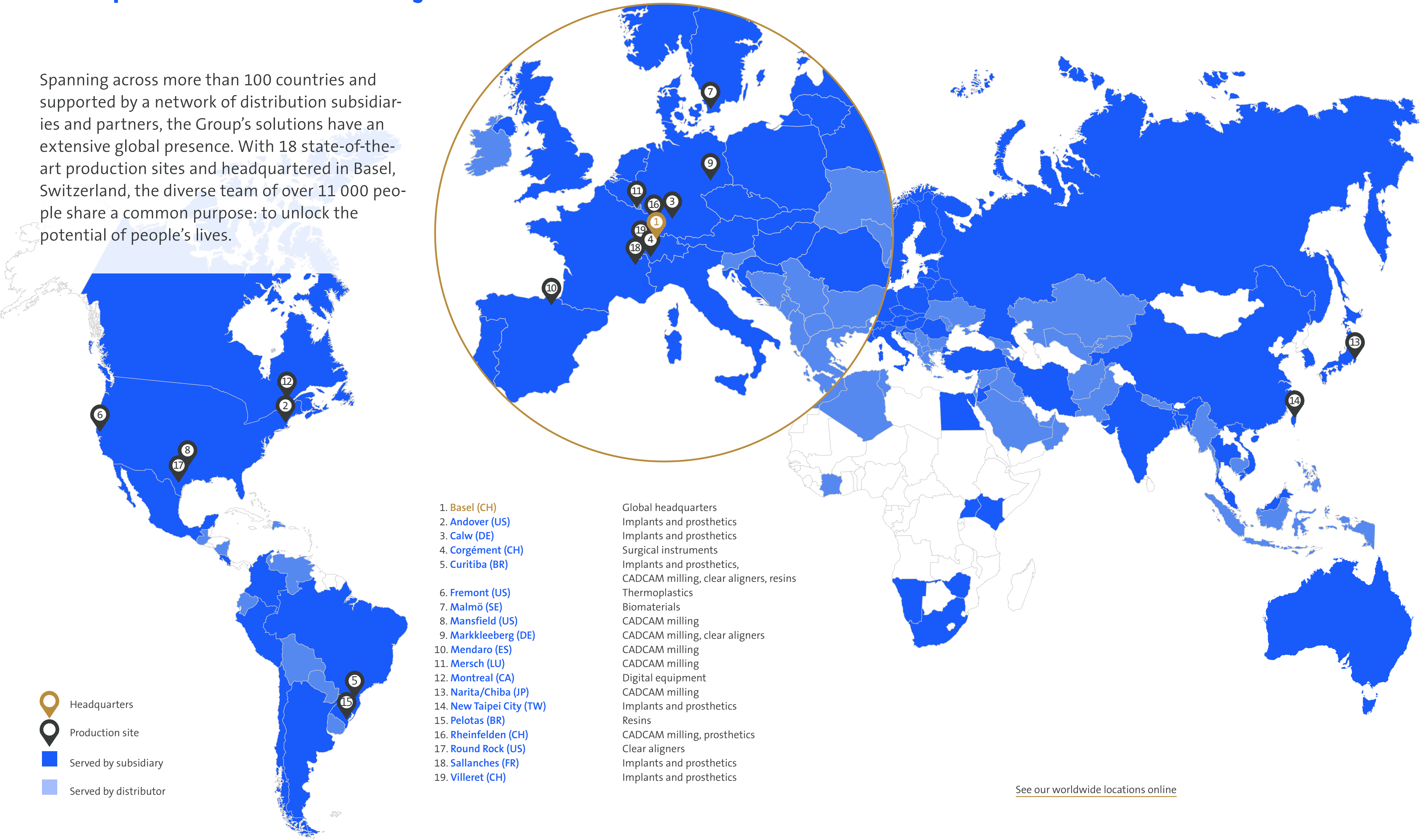
The mission to be the most customer-focused and innovative oral care company in the world is unwavering. In 2023, over 5.6 million smiles were touched, while the goal for 2030 is to achieve 10 million smiles annually. This mission guides the company forward, driving its relentless pursuit of excellence and innovation.



GRI disclosure: 2-1

Global presence and manufacturing excellence

Spanning across more than 100 countries and supported by a network of distribution subsidiaries and partners, the Group's solutions have an extensive global presence. With 18 state-of-the-art production sites and headquartered in Basel, Switzerland, the diverse team of over 11 000 people share a common purpose: to unlock the potential of people's lives.



1. Basel (CH)	Global headquarters
2. Andover (US)	Implants and prosthetics
3. Calw (DE)	Implants and prosthetics
4. Corgémont (CH)	Surgical instruments
5. Curitiba (BR)	Implants and prosthetics, CADCAM milling, clear aligners, resins
6. Fremont (US)	Thermoplastics
7. Malmö (SE)	Biomaterials
8. Mansfield (US)	CADCAM milling
9. Markkleeberg (DE)	CADCAM milling, clear aligners
10. Mendaro (ES)	CADCAM milling
11. Mersch (LU)	CADCAM milling
12. Montreal (CA)	Digital equipment
13. Narita/Chiba (JP)	CADCAM milling
14. New Taipei City (TW)	Implants and prosthetics
15. Pelotas (BR)	Resins
16. Rheinfelden (CH)	CADCAM milling, prosthetics
17. Round Rock (US)	Clear aligners
18. Sallanches (FR)	Implants and prosthetics
19. Villeret (CH)	Implants and prosthetics

See our worldwide locations online

GRI disclosure: 2-1

A holistic approach to dentistry

The Group remains committed to a holistic approach to dentistry, providing comprehensive support, training, and services to practitioners, clinics, and laboratories worldwide. Collaborative efforts with esteemed institutions, such as the International Team for Implantology (ITI) and the Latin American Institute of Dental Research and Education (Instituto Latino Americano de Pesquisa e Ensino Odontológico – ILAPEO), underscore the Group's dedication to advancing patient care standards globally.

Empowering lives

Today the Straumann Group continues to be the breeding ground for entrepreneurial minds and the home of powerful brands. It embodies the spirit of innovation and maintains its commitment to customer-centric oral care solutions. Constantly challenging the status quo, the Group stands for continuous transformation and improvement.

Premium solutions for a digital future

As a premium customer-facing brand, Straumann remains at the forefront of specialty dentistry. Our commitment to excellence is evident in our premium solutions, which now extend beyond implantology to other key areas. The Straumann brand encompasses a complete digital range, reflecting our dedication to driving digital transformation across the dental landscape.

In 2024, Straumann Group stands as a beacon of progress, weaving together the threads of its rich heritage, commitment to holistic dentistry, global presence, and brand evolution. As it navigates the future, the purpose remains clear: unlocking the potential of people's lives.

	GLOBAL	REGIONAL	LOCAL
CORPORATE BRAND	straumanngroup		
PREMIUM LINE Implantology | Prosthetics | Bio	straumann		
DIGITAL SOLUTIONS Hardware | Software | Connectivity	straumann	AlliedStar	
ORTHODONTICS	clearcorrect		
CHALLENGER LINES Implantology	NEODENT	MEDENTiKA Anthogyr	nuvo
CONSUMER Implantology | Orthodontics		DR SMILE	あんしん インプラント

The Straumann Group unites various global and regional or local product brands with a number of fully or partially owned companies, as well as independent partners which provide technology and manufacturing expertise see p. 65

Strategy for sustainable growth

The strategy lays the foundation to enable the Group to continue on its growth path by performing and transforming. It guides the company to increase its business with existing and new customers, focus on innovative solutions that meet customers' needs as well as continue developing new businesses to embrace changing trends such as fast consolidation and health consumer empowerment. Patients – especially younger generations – are becoming increasingly demanding health consumers who expect faster and more personalized oral care solutions. Digitalization and technology continue to disrupt our world.

It has been almost two years since the strategic compass (see next page) was put in place, which defines the strategic pillars based on the mission of the company. It has helped to grow market share and revenues, improve customer satisfaction and loyalty, enhance innovation and education capabilities, expand our digital and consumer presence, and advance the sustainability and social responsibility agenda.

To continue its success story and seize upcoming opportunities, the Group keeps on focusing on three strategic shifts simultaneously:

- Evolve from being product-centric to customer-centric
- Shift from being a total solution provider for esthetic dentistry to become a digitally-powered oral care company
- Move from a single to multiple business models, addressing different stakeholders including health consumers

The strategic compass

The strategic compass defines the everyday priorities of all teams towards the Group's growth and revenue ambition of CHF 5 billion and the goal of helping 10 million smiles each year sustainably by 2030.

A sustainable high-performance player-learner culture remains key to achieving the mission of being the most customer-focused and innovative oral care company in the world.

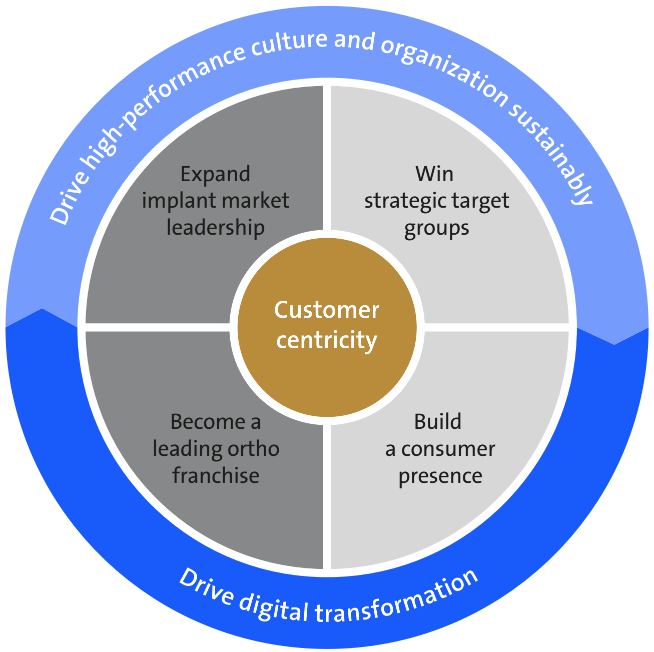
The Group's addressable market significantly expanded over the years by offering solutions that were added to the Group's portfolio through internal development, acquisitions, investments and partnerships. The Group's activities encompass implant dentistry, regenerative solutions, CADCAM prosthetics, orthodontics, digital equipment, solutions and services. This positioning and diversification will ensure future growth and help navigate in challenging times.

In 2023, the Group believes its addressable market was above CHF 19 billion compared to CHF 19 billion the previous year.

The dental industry offers attractive growth prospects in the long term as its principal growth drivers remain unchanged: demographic shifts, improved affordability, access to education and trained clinicians, increased health consumer awareness and esthetic trends. However, economic uncertainties, regulatory and political developments might affect market growth prospects, while disruptive technologies may have a more structural impact.

The Group strategy is illustrated in the **strategic compass** showing the business priorities with customer centricity at the heart. On the one hand, the Group needs to perform and thus grow the core by expanding its leadership in the implant market and becoming a leading orthodontic franchise. To reflect the changing environment and therefore transformation on the other hand, the company embraces the new trends by winning strategic target groups and building a consumer presence.

The enablers surrounding the compass impact all business priorities and represent the aspired mindset to remain vigilant and agile and ensure the Group can adapt in a fast-changing environment to shape its future. By driving a high-performance culture and organization sustainably as well as driving digital transformation, the Straumann Group mission is to become the most customer-focused and innovative oral care company in the world.

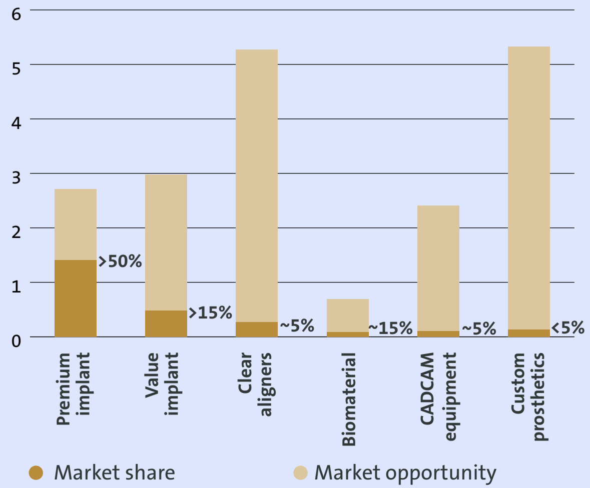


The principal growth drivers of dentistry remain valid

- **Demographics** – aging population, more elderly people need tooth replacement
- **Affordability** – the middle class is growing in developing countries
- **Treatment provision** – the number of trained dentists who are confident placing implants is rising
- **Awareness** – patients are better informed about the benefits of implant treatment
- **Esthetics** – patients favor treatment options with high esthetic outcome

Above CHF 19 billion addressable market with big potential[1]

in CHF billion



1 Straumann Group estimates. Implantology and custom-made prosthetics both include computer aided design/manufacturing (CADCAM) abutments

Driving high-performance culture and organization sustainably

High-performance player-learner culture

The Group's culture is continuously evolving, rooted in its past, driven by present opportunities, and shaping its future. The company constantly builds its cultural journey to support future growth centering around the player-learner mindset and its core beliefs that create shared value for patients, customers and employees.

The core beliefs

- Bring Straumann Group's purpose to life and continually shape the culture, reflecting the company's identity and DNA
- Are reflected in everything the teams do and how colleagues engage with each other, customers and other stakeholders
- Create a common language and understanding across the entire Group
- Help to guide decisions and shape processes throughout the company

More information about the high-performance culture can be found in the empowering people chapter (see p. 83).

OUR CORE BELIEFS

We are bold and big in our thinking. Our entrepreneurial mindsets give us the courage to seize opportunities

We strive for true impact through progress, not perfection, as speed matters in our business

We empower and inspire everyone around us to achieve collective success

We are accountable, keep our promises and deliver on expectations

We create environments where everyone has a voice and a contribution to make

We are hungry to grow and develop with the humility and curiosity to learn from each other

SUSTAINABILITY FRAMEWORK

Driving a high-performance organization

Through the continuous pursuit of excellence and profitable growth, the Group is driving a high-performance organization. This includes for example the emphasis on sales excellence to increase productivity and efficiency of the sales team augmenting the company's ability to acquire new customers. In operations, it includes activities to support the growth expansion and footprint to achieve the strategic objectives while improving COGS. These initiatives are closely intertwined with the other strategic enablers and are supported by the high-performance player-learner culture, digital capabilities and the sustainability mindset.

Sustainability to build a long-lasting business

The mindset and commitment to create long-term value for all stakeholders is reflected in the strategy compass and the sustainability framework. Straumann Group acts sustainably to improve the quality of life today and for future generations and advance oral care. Sustainability at Straumann Group focuses on attracting and retaining the best talent, responsible business practices and the efficient use of resources. The framework represents the Group's four strategic sustainability commitments which are each linked to specific targets and Key Performance Indicators (KPIs).

The sustainability commitments

- Advancing oral care
- Empowering people
- Caring for the planet and society
- Acting with responsibility

More information can be found in the sustainability section of this report (see p. 44).

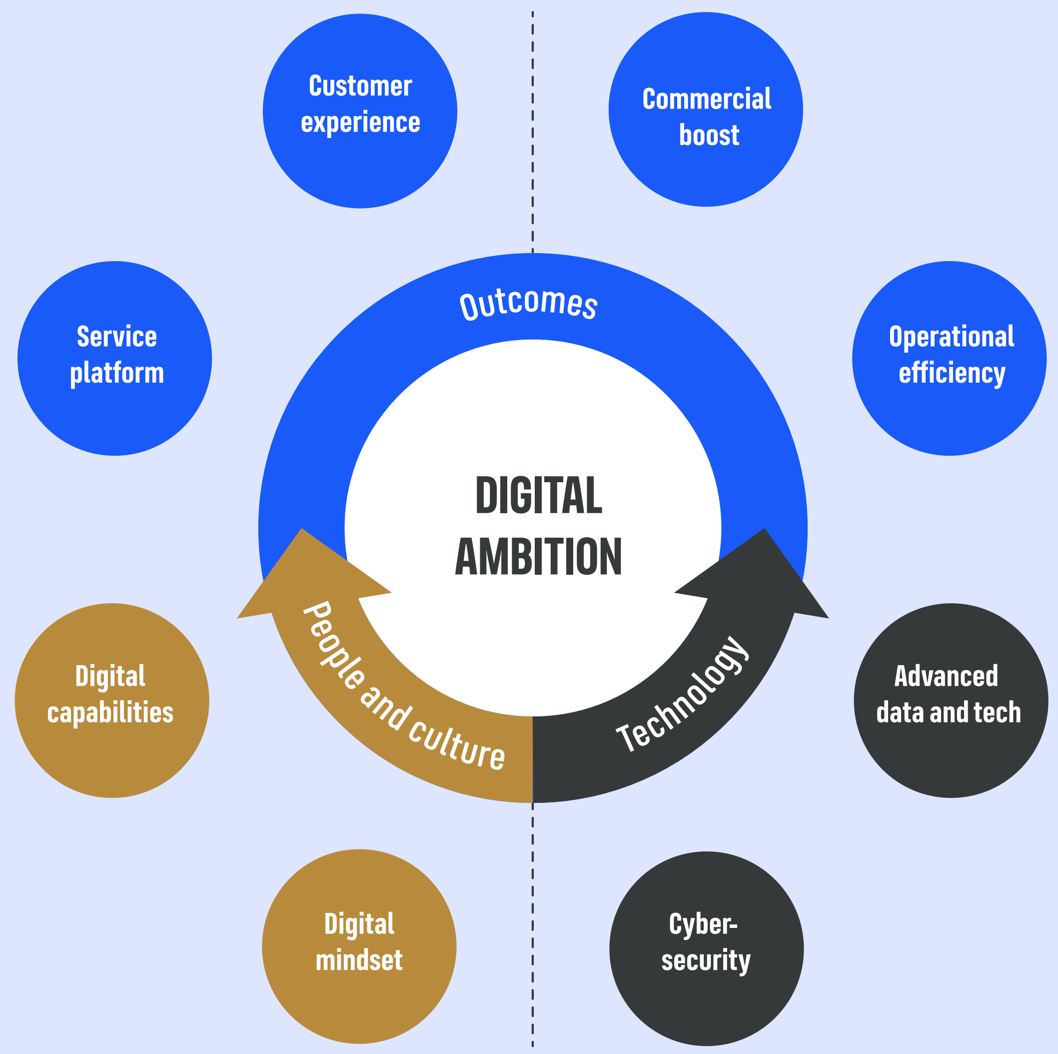
Driving digital transformation

Digital disruption and transformation are happening everywhere, in personal and professional lives, and therefore it is one of the Group's strategic enablers. In dentistry, digital technologies transform all aspects of the industry from patient communication and practice management to diagnostics and treatment. The ambition is to become a digitally-powered oral care company that delivers a unique customer experience with high sustainable performance. As much as the Group has achieved already, the way it will embrace its digital journey will build the foundation to achieve its growth ambition by 2030.

One of the key pillars of the Group's digital transformation strategy is to connect customers to services and software solutions via one platform (Straumann AXS), offering an efficient digital end-to-end solution for implantology and orthodontics workflows. In parallel, the business is further developing its e-shop and next-generation services to deliver exceptional and consistent customer experience across all digital touchpoints. Another key pillar of the digital transformation is to increase internal capabilities and drive efficiency on both the commercial and operational sides. To achieve this, the company invests significantly in advanced data analytics capabilities and cloud-based technologies across all business areas to improve customer experience and gain efficiency. To counteract operational and cyber risk, the company is bolstering its cybersecurity capabilities (see p. 126).

The Group believes that by combining people with the will and skill as well as the right technology, they will steer the company into a new area of digital dentistry building a long-lasting sustainable company.

As a consequence, Straumann Group launched EDGE!UP, a program designed to drive the skillset and mindset of all employees towards digital transformation, providing an inspiring platform to create a movement throughout the



company. EDGE!UP is based on the idea that everyone takes ownership for their personal development and benefits from digital transformation, building routines with digital tools that make ways of working easier or more efficient as well as opening up new opportunities and ways of thinking. Using the player-learner culture as a backbone, the teams play, learn, and grow. The program includes an internal communication campaign, driven by over 75 ambassadors from all levels of the organization and across the globe, and a dedicated EDGE!UP culture program has been rolled out since September 2023.
A basic digital literacy skill program is also available to provide fundamental knowledge to all. In addition, job-specific training is in preparation.

On the business side, the Group is making strong inroads in digitizing treatment workflows for tooth replacement and teeth straightening. Today, the active markets include CADCAM equipment[1] (a market around CHF 2.4 billion according to Straumann Group estimates) as well as consumables and services (including CADCAM abutments, crowns and bridges as well as 3D printing materials).
The Group provides a broad range of CADCAM equipment. However, the Group estimates its market share in CADCAM equipment to be just about 5%. The strategy relies on connectivity and open systems which can be connected to other software, instead of closed platforms (see p. 70). To complement its intraoral scanner portfolio, Straumann Group acquired AlliedStar in 2023, an intraoral scanner manufacturer located in Shanghai, China. Intraoral scanners are the entry point for digital workflows and are instrumental for building the Straumann AXS digital platform as well as driving clinical applications and services. The intraoral scanner portfolio will support market penetration capabilities and ensure access to the lar-gest possible clinician user base for the future service-led business model by offering scanners at different price points for diverse customers' needs in various geographies.

1 Intraoral scanners, lab scanners, milling equipment, 3D printing equipment

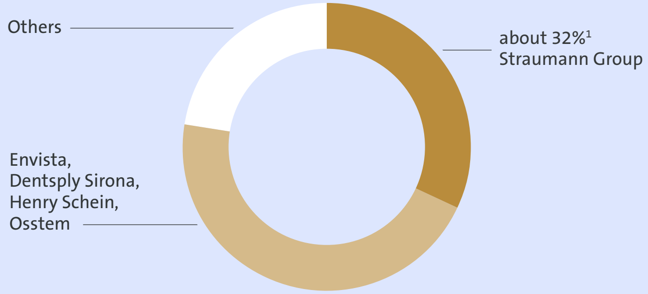
Expanding implant market leadership

Implant solutions are appreciated due to their esthetic advantages, functionality and long-term viability compared to, for example, conventional bridges which compromise neighboring teeth for support. Technological advances enable faster, more predictive and less invasive procedures for patients. Implant dentistry remains attractive, and its growth outpaces the overall dental market.

The global tooth replacement market (comprising implant dentistry, regenerative solutions and custom-made prosthetics) represents in the Group's view a potential opportunity of around CHF 12 billion. In 2023, it has been growing low to mid-single digit, while uncertainties in the economic environment remained and regional variations in patient flow dynamics were observed. The Chinese tooth replacement market has seen a particularly dynamic year with slowdowns in the first months due to COVID-19 and the announcement of the volume-based procurement (VBP), followed by a strong volume increase driven by the VBP implementation (see p. 35).

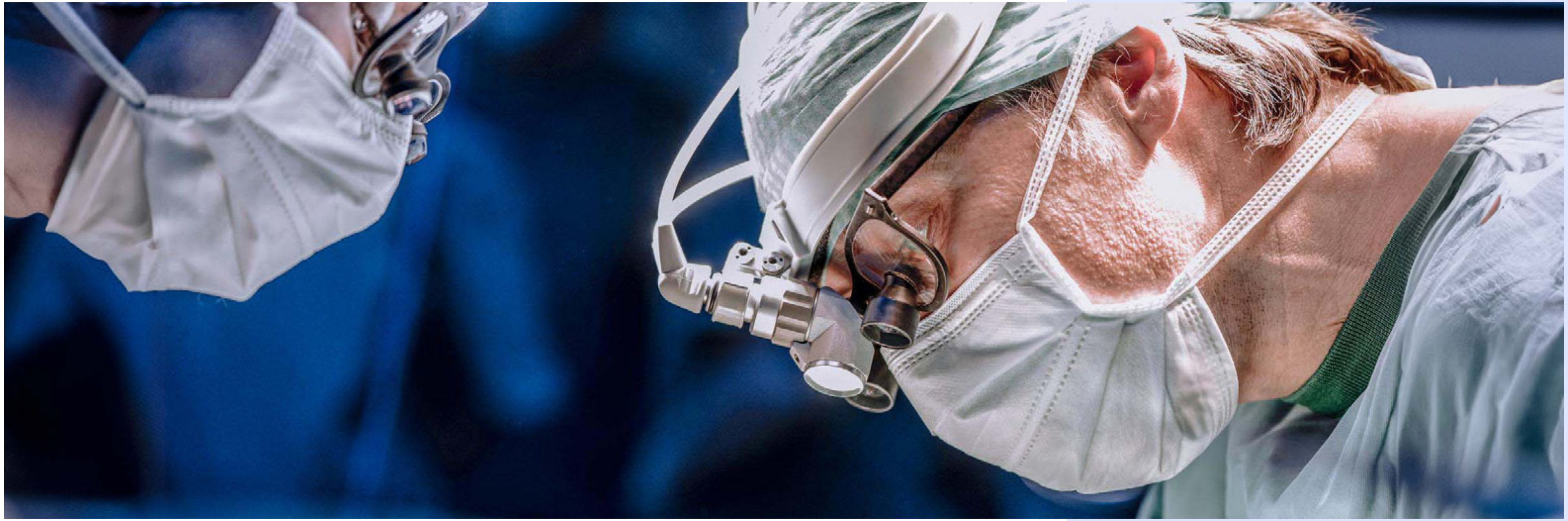
Implantology, Straumann Group's heritage and largest franchise, remains at the core of the company's business. The Group estimates that its overall implantology value market share further increased to around 32% in 2023. Consolidation is ongoing and today around 80% of the market is held by the leading five companies while the rest is shared among several hundred manufacturers, most of whom operate on a regional or local basis and compete in the value segment.

Implant dentistry market overview 2023



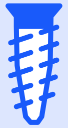
1 Straumann Group estimates

Note: The implant dentistry market includes implant fixtures, abutments, temporary abutments, healing screws, copings and related instruments.



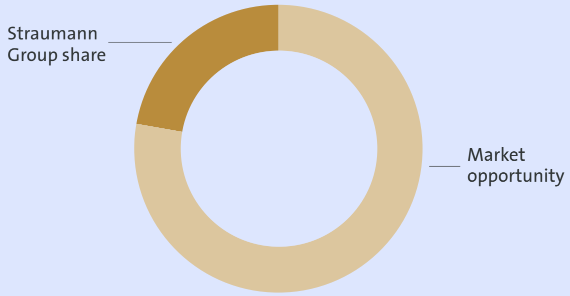
More than 85% of implant volumes sold are tapered implants (suitable for immediacy protocols)[1]

Tapered implants

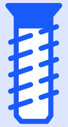


>85 %[1]
of implant market

High primary stability, the preferred choice of many clinicians in immediacy protocols, share increasing in recent years

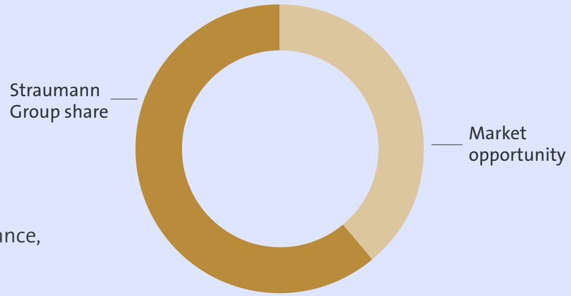


Parallel-walled implants



<15 %[1]
of implant market

Valued for their periodontal performance, documented for more than 30 years



1 Straumann Group estimates

Innovation to drive implantology

Innovation remains a strong driver, particularly in the immediacy apically and fully tapered segments. The company has always focused on innovation and this, together with strong clinical evidence, has been a key differentiator and success factor for building the strong reputation of the Straumann brand.

A key trend in implantology are immediacy solutions, which allow implants to be placed immediately after tooth extraction and/or prosthetic restoration immediately after implant placement. This results in faster time to teeth and fewer dentist visits. Many innovations are emerging to address this trend such as tapered implants for increased primary stability, digital workflow solutions (e.g. pre-operative planning, and prosthetic design) and custom-made prosthetics.

In 2023, Straumann pre-launched iEXCEL to serve this growing market segment. This tapered high-performance premium implant system includes the apically tapered C-Line and the fully tapered X-Line, each with bone-level and tissue-level options. The portfolio is designed to promote less invasive treatments and enhance patient outcomes while reducing complexity for clinicians (see innovation on p. 68). Straumann aims to gain new customers with this latest innovation to further increase its market share.

The company has complemented its innovative portfolio with recent strategic acquisitions supporting implant market leadership:

- Straumann Falcon – a dynamic navigation system for dental surgeries (miniNavident acquisition 2021). It provides clinicians with real-time control and clinical insight during surgery
- SmileCloud – a smile design and collaboration platform which empowers predictable interdisciplinary workflows and enables patient engagement and case acceptance
- GalvoSurge – a dental implant cleaning system for effective biofilm removal from implants affected by peri-implantitis
- With a strong pipeline in place, the Straumann Group is keeping innovation at the forefront of its market strategy (see innovation on p. 74).

Multi-brand approach

Another key pillar for implant market leadership is the Group's multi-brand strategy – comprising premium and challenger brands. Having historically focused exclusively on premium implants, the Group entered the challenger segment through its acquisition of Neodent, followed by its acquisition of Medentika and Anthogyr. This enables the company to meet dentist and patient needs at different price points across diverse digitization and service levels and serve regional brand preferences. In the current macroeconomic environment, the geographical expansion and this broad implantology offering ensure the Group is not fully dependent on the premium implant business as before.

Challenger brands drive geographical expansion

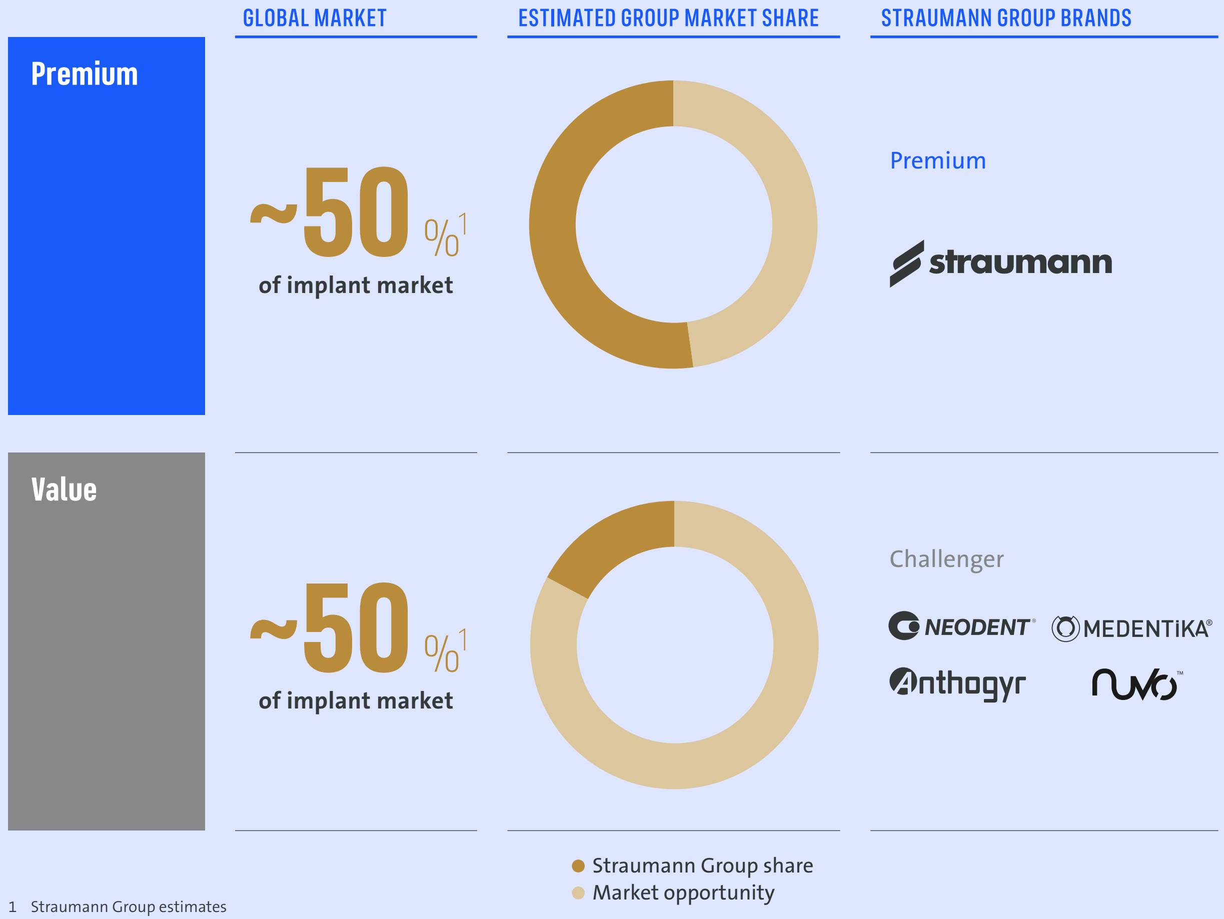
Implant dentistry is an elective procedure and is rarely reimbursed. It relies on disposable income and consumer confidence. Long-term growth drivers (see p. 17) and low penetration rates in major developed as well as emerging markets offer significant opportunities in implant dentistry in the coming years.

In recent years, the Group's challenger brands have extended their geographic reach through subsidiaries and distributors, with Neodent currently being available in more than 90 countries, Anthogyr in more than 80 and Medentika in more than 50 countries. The Group is seeking to further leverage the portfolio and synergies through continued geographic expansion to drive share gains in the value segment.

Education to expand access to treatment

In addition, large economies like China and India remain heavily underpenetrated due to a lack of qualified dental professionals. In many established Western dental markets (Europe, US), implant treatment rates are still low. Only a fraction of patients suffering from tooth loss seek treatment and if they do, they are often treated with conventional crowns and bridges. In both segments – premium and value – education is a crucial driver for expanding access to professionals and ultimately health care consumers (see increased access to oral health and education on p. 76).

Brand portfolio to target different pricing tiers (in value)



1 Straumann Group estimates

Becoming a leading orthodontic franchise

Smile appearance influences social perception, affecting how individuals are seen in terms of attractiveness, intelligence, success, and kindness. Clear aligners, discreet compared to traditional braces, offer effective teeth straightening and easy access to a more attractive smile. The digitized nature of this treatment reduces in-person visits, enhancing convenience. Consequently, clear aligners open up the teeth straightening market to adults who often avoid conventional braces. They have also emerged as a compelling option for treating teenagers with misaligned teeth.

> "The ClearCorrect business is well positioned for future growth

Today, the total clear aligner market, worth approximately CHF 5 billion according to Straumann Group estimates, is expected to be one of the fastest-growing markets in dentistry. Given the current economic uncertainties and fluctuation in patient flow, the market saw a low single-digit growth this year. In the medium and long term, the Group believes the market will grow at about 15-20% per year.

While about 500 million people globally have misaligned teeth, only about 21 million started orthodontic treatment in 2023. Of those, about 5 million started a treatment with clear aligners. All figures are Straumann Group estimates.

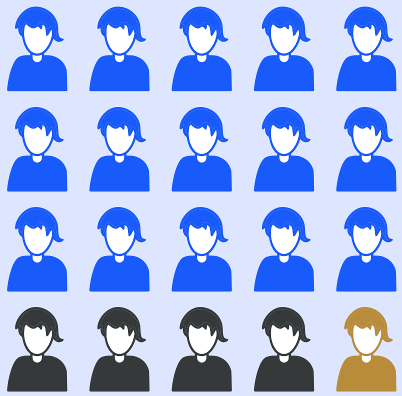
The Group started to establish its orthodontic business in 2017 with the acquisition of the US company ClearCorrect. Since then, there have been significant investments to sharpen its value proposition by strengthening the product and digital offering including faster service as well as international expansion. Having a mid-single-digit market share, the upside potential is high – indeed, the company believes that clear aligners may become a significant revenue contributor for the Group. By widening the offering to additional customer segments and health consumers, exploring new business models as well as further expanding the geographic footprint, the ClearCorrect business is well positioned for future growth.

Starting with ClearCorrect as a US player, the Group's orthodontic presence has grown since then to more than 60 markets in 2023 and established a global manufacturing footprint for clear aligners (US, Germany, Brazil and recently China). To further expand this position, the priority is building ClearCorrect into a strong brand through education and delivering clinical innovation (see innovation on p. 73) and to drive go-to-market efficiency.

A strong base of key opinion leaders helps increase usage by clinicians and scale the footprint worldwide in both the adult and teen segments. Complementary to the B2B business model, the orthodontics business also drives consumer business models.

Orthodontic treatment penetration

500 m[1]
people with misaligned teeth



21 m[1]
started orthodontic treatment

about **5** m[1]
of those started a treatment with clear aligners

1 Straumann Group estimates

Building consumer presence

Health consumers are educating themselves, demanding more and taking ownership of health care decisions. Digital touchpoints and the patient's experience throughout the treatment journey are becoming increasingly important.

In the clear aligner market, advances in digital smile simulations, treatment planning and teledentistry solutions are improving awareness of and access to treatment, giving rise to consumer activities. These include different business models such as:

- D2C: The provider handles all steps and aspects of the patient journey including treatment packages; the role of dental professionals takes a back seat
- B2C2B: The provider acquires the patient and connects them to clinicians; treatment is carried out in a dental practice; e.g. through partner practices (also referred to as 'doctor-led')

The B2C2B business model has further emerged as the preferred choice in the market.

Consumer activities are considered a significant lever to unlock the high potential in the clear aligner market: many adults are unhappy with their smile, but only few receive or seek treatment.

To address this trend, we started to build a consumer presence through acquisitions such as DrSmile in Europe. The DrSmile business model is based on creating awareness of the benefits of clear aligners among consumers, offering a complete, convenient treatment solution that relies on experienced clinicians for clinical aspects. This B2C2B model is set up to support treatment quality, optimal outcomes and lasting patient satisfaction.

To further expand this strategic priority, the Group acquired a controlling stake in Nihon Implant last year, a leading implant treatment concierge in Japan. Based on this business model, further pilots have been implemented outside of Japan. This represents a further step forward in health consumer communications which will help raise awareness of the advantages of implants.

The Group believes that creating patient awareness and managing the patient journey throughout the treatment – with the help of digital platforms – will become a strong success factor in oral care. The initial steps taken to 'play and learn' are helping the Group to transform and build the new.

Winning strategic target groups

Consolidation is a key trend in oral health care. It is driven by various factors, including economies of scale, technological advancements, dental professional needs such as work life balance and retirement, changing patient expectations, and regulatory pressures. These drivers have prompted many dental practices to merge or be acquired by larger entities resulting in fewer single, independent practices. While emerging dental service organizations (DSOs) may be backed by traditional lenders or private investors, the growth of many larger DSOs is fueled by private equity firms. The needs of DSOs go beyond those of smaller practices or labs. Core challenges include creating a seamless patient experience, ensuring sufficient qualified dental staff, and increasing efficiency within often highly fragmented workflows and diverse infrastructures.

Implant dentistry, orthodontics and esthetics are the key growth drivers for DSOs – a strong match with Straumann Group's value proposition. In 2015, around 7% of implants were placed by practitioners who were part of a DSO, increasing to approximately 15% in the six years to 2021. By 2025, it is estimated that around 30% of implants in major markets will be placed by practitioners who are part of a DSO.[1]

> "Building integrated end-to-end solutions for DSOs

The Group's goal is to become the business partner of choice for DSOs and help them to unlock the potential of oral health through the following:

- Sustain clinical excellence
- Improve operational efficiency
- Activate growth potentials

The company achieves this through expanding and reshaping its value proposition, building integrated, end-to-end solutions for restoration and orthodontics, extending its services including enterprise-wide practice operations based on the Carestack acquisition, and establishing additional business models. The company pilots, learns, scales and constantly enhances its offering for the DSO customers. The clinical as well as the business expertise and the depth and breadth of the Group solutions are strong assets in this journey.

1 Straumann Group estimates

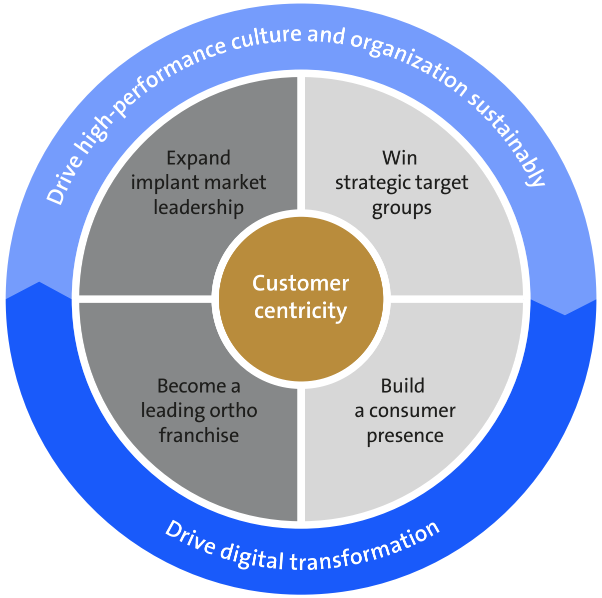
Examples of strategy in action in 2023

The strategic priorities and enablers of the Straumann Group translate into several clearly defined initiatives and deliverables. These are continuously tracked and adjusted. They are reflected in the investments, launches, pipeline and partnerships featured throughout this report. Examples are provided in the adjacent table. In addition, see stakeholder and value creation map on p. 49.

Customer centricity
Net Promoter Score (NPS) and Customer Satisfaction Score Tracking (CSAT)
New branding well received

Expand implant market leadership
Market share gains with premium and challenger brands
Pre-launch of Straumann iEXCEL, a new high-performance premium implant system
World tour celebrating 30 years of Neodent started – events in nine countries reaching more than 3 200 customers; continues in 2024
Chinese volume-based procurement process caused market disruption and led to a substantial positive impact
Acquisition of GalvoSurge, a manufacturer of medical devices for optimal cleaning of dental implants
Launch of Falcon, a dynamic navigation system for dental surgeries

Become a leading orthodontic franchise
ClearCorrect strenghtened offering to address more complex cases
Launch of ClearPilot 7.0 empowering clinicians by giving them more control over their treatment plans
Improving customer experience including treatment planning and software usability
Driving go-to-market efficiency
Geographic expansion to Peru, Argentina, Jordan, Mexico, Columbia, Chile
Florian Kirsch appointed to lead the orthodontics and digital solutions business



Drive digital transformation
Agreement to acquire AlliedStar, an intraoral scanner (IOS) technology company in China
Significant innovation along the treatment journey continues: SmileCloud and Falcon launched; AXS being expanded
EDGE!UP internal digital transformation movement launched
Significantly expanded software development capabilities
Further strengthened cybersecurity measures and internal awareness

Drive high-performance culture and organization sustainably
Maintained response rate of employee survey at 91%
Striving in a challenging market environment supported by our culture
Above average employee engagement score of 81 maintained, response rate of the employee survey at 91%
Score of 77 in response to the question whether people have good opportunities to learn and grow in employee survey, which is 1 point up from 2022
The Science Based Targets initiative (SBTi) approved the Group's net-zero targets (reduce 42% of scope 1 and 2 emissions and 25% of scope 3 emissions by 2030, net-zero emissions by 2040)
Yang Xu joined as Group CFO end of August

Win strategic target groups
Strengthened end-to-end oral care enablement: Restorative Dentistry 360 full digital workflow helped to increase single unit implant treatments by 30% in large UK-based DSO
Expanding DSO customer base (110 new DSOs with network of over 2 200 new practices)
Global DSO CEO Summit uniting more than 60 influential executives and industry experts who are shaping transformation of oral health within DSOs
Defined an end-to-end ambition for our Orthodontics 360 solution and started first pilot
Implemented CareStack practice management software

Build a consumer presence
DrSmile transition from founders to new management
Anshin Japan with strong performance

BUSINESS DEVELOPMENT

Business performance

Remarkable achievements in a challenging environment

Straumann Group reports full-year revenue of CHF 2.4 billion and organic revenue growth of 9.8%, with strong currency headwinds leading to a growth of 3.9% in CHF. The patient flow was dynamic, with regional variations. While North America experienced some consumer weakness, especially on the large implant reconstructions, Europe showed good patient flow and the APAC region, notably China, boosted the result, following the implementation of the volume-based procurement process in 2023. In the year under review, Straumann Group made significant progress in all dimensions of its clearly defined strategic roadmap. It was marked by a strong performance of the implantology business, delivering double-digit volume growth in both the premium and challenger segments. The orthodontics ClearCorrect business saw the introduction of many features and software offerings as well as training of several thousand clinicians which led to a wider adoption of the brand. 2023 marked another important year, as Straumann Group delivered a differentiated value proposition with Straumann iExcel, Anthogyr X3, Neodent ZI, enabling doctors to achieve better clinical results with improved efficiency, or treat peri-implantitis, thanks to the acquisition of GalvoSurge.

In addition, the Group continued to build its digital transformation which aims at creating a unique customer experience through an integrated cloud-based clinical workflow (Straumann AXS, SmileCloud, AlliedStar), and at optimizing the Group's internal key processes to further drive efficiency.

2023 was also a strong year in terms of execution and geographical expansion, which led to many new customer acquisitions. The overall addressable market across all business areas grew from CHF 19 billion to above CHF 19 billion in 2023. The Group estimates that it was able to grow its market share in implantology from approximately 30% in 2022 to around 32% in 2023.

Despite ongoing macroeconomic uncertainties, the Group continued to grow from helping 4.4 million smiles in 2022 to 5.6 million smiles globally in 2023, driven by volume increases especially in China.

Operations and finances

To facilitate a like-for-like comparison, the Group presents 'core' results in addition to the results reported under IFRS Accounting Standards. In 2023, the following effects (after tax) were defined as non-core items:

- Special items and amortization of acquisition-related intangible assets amounting to CHF 11 million
- One-off costs of CHF 31 million resulting from various restructuring measures across the regions
- One-time, non-cash impairment charges amounting to CHF 153 million, mainly related to goodwill impairment recognized for the DrSmile business

A reconciliation table and detailed information are provided on p. 183 of the Group's annual report.

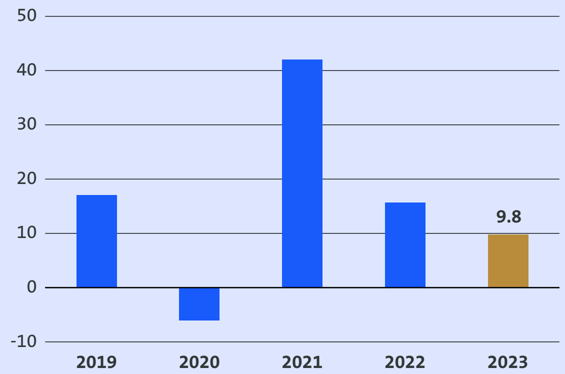
Key performance figures

	2023 Core[1]	2022 Core[1]
Revenue (CHF m)	2 412	2 321
Gross profit margin (%)	74.3	75.7
EBIT margin (%)	25.1	26.0
Net profit margin (%)	18.3	20.8

1 To facilitate a like-for-like comparison, the Group presents 'core' results in addition to the results reported under IFRS Accounting Standards– see 'Operations and Finances' in the text to the left

Organic revenue growth

in %



Core gross profit margin at 74.3% remains at a high level despite strong currency headwinds and VBP in China

Thanks to continued strong volume growth in all businesses, core gross profit increased by CHF 37 million to CHF 1.79 billion. High utilization rates in the Group's production facilities, combined with continued efficiency improvements to minimize cost increases, resulted in a core gross profit margin of 74.3%.

Core EBIT margin at 25.1%

Core EBIT increased by CHF 3.9 million to CHF 606 million, driven by the topline growth and efficiency gains. Core EBIT margin reached 25.1%, which is 90 basis points lower than in 2022. At a constant currency exchange rate, core EBIT would have reached CHF 714 million, or 27.6%, which represents a significant profitability improvement.

The Group's investments in growth and its geographic expansion led to an increase in core distribution expenses (salesforce salaries, commissions and logistics costs) of CHF 13 million to CHF 447 million. Distribution costs remained almost unchanged with a slight decrease of 15 basis points relative to revenue.

Core administrative expenses, which include research and development as well as marketing, sales and general overhead costs, increased by CHF 22 million to CHF 747 million. This was mainly due to product launches, the geographical expansion of brands and the integration of acquisitions. Administrative expenses, presented as a percentage of revenue, decreased by 27 basis points.

Core net profit margin at 18.3%

Net financial expenses amounted to CHF 54 million, reflecting increased currency hedging costs as well as currency losses in the Group's main exposures in US dollar, euro and Chinese renminbi, as well as in emerging currencies. After income taxes of CHF 102 million, core net profit decreased by 8.5% to CHF 441 million, resulting in a margin of 18.3%. Basic core earnings per share decreased by 9% to CHF 2.76.

Free cash flow at CHF 316 million

Cash flow from operations amounted to CHF 504 million, CHF 89 million higher than in 2022. Days of sales outstanding were 67 and days of supplies were 193.

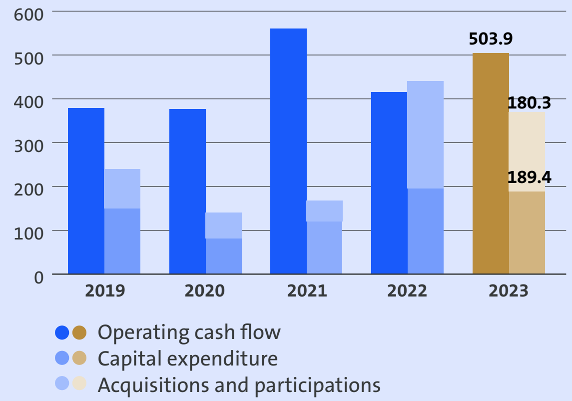
The Group's production expansion, acquisition and strategic digital transformation activities total in a cash outflow for investing activities of CHF 370 million. Despite the significant investment levels, and the repayment of the bond of CHF 280 million, the cash position on 31 December 2023 remained strong at CHF 410 million, which exceeds the Group's interest-bearing liabilities by CHF 172 million (2022: CHF 208 million). The Group's balance sheet amounted to CHF 3.3 billion, versus CHF 3.4 billion at the end of 2022.

Proposal to the Annual General Meeting to increase dividend

Based on the 2023 results, the Board of Directors proposes a dividend of CHF 0.85 per share, of which CHF 0.45 is to be paid from the available total profit and CHF 0.40 from the capital contribution reserve. The dividend is subject to shareholder approval and payable on April 18, 2024.

Cash flow and investments

in CHF million



Summary of main investments

Investments in distributors
In September 2023, the Group acquired its local distributors for the Baltics market, unlocking the possibility to serve customers directly and to invest in developing the market. The investment amounted to CHF 16.5 million. Further payments are expected to follow in the coming years.

Investments into implant maintenance
In May 2023, the Group fully acquired GalvoSurge, a company specialized in implant care and maintenance solutions to support the treatment of peri-implantitis. The investment amounted to CHF 31.3 million. Further payments are expected to follow in the coming years.

Investments into intraoral scanner portfolio
In November 2023, the Group acquired AlliedStar, an intraoral scanner manufacturer in China. The acquisition will enable the Group to offer customers in China a competitive intraoral scanner solution and to address additional price-sensitive markets and customer segments in the future.

Investments in technology partners
In May 2023, the Group acquired a 30% minority stake in Smilecloud, a digital smile design and collaboration platform, developed by dentists for dental professionals. In December 2023, the Group increased its ownership in Promaton by 18% (non-controlling). Those investments collectively amounted to CHF 10.6 million. In both companies, the Group has call options to increase to full ownership.

Investments in infrastructure
In the period under review, the Group invested CHF 129.9 million in land, buildings and machinery, mainly to increase production capacity in Switzerland (Villeret), Brazil (Curitiba), the US (Andover) and China (Shanghai). Together with investments in IT hard- and software and in other fixed assets, capital expenditure reached CHF 189.4 million.

Other investments
Information on investments in distribution (including selling activities, research and development) as well as tangible and intangible assets is presented in the financial report. Investments in people are covered in the sections on employees and compensation (see p. 158).

Capital expenditure
in CHF

189m

Business performance – regions

Despite global uncertainties, all regions showed a strong performance, thanks to the team's adaptability and the Group's innovations which supported the strong execution. The two biggest revenue contributors, EMEA and NAM, outperformed their markets[1], and LATAM showed remarkable consistent organic revenue growth of around 20% in every quarter. Asia Pacific stood out with its extraordinary performance, following a soft first quarter, due to the successful implementation of the volume-based procurement process in China.

Regional sales performance by quarter

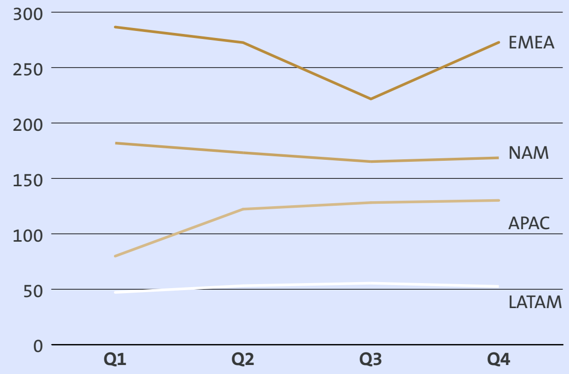
in CHF million

	Q1	Q2	Q3	Q4	Total 2023	Total 2022
Europe, Middle East & Africa	286.6	272.6	221.7	272.8	1 053.7	1 016.5
Change in CHF %	+7.2	+5.2	+1.4	+0.4	+3.7	+14.0
Change (organic) in %	+9.2	+8.8	+6.6	+5.8	+7.6	+20.5
North America	181.9	173.2	165.2	168.6	689.0	684.5
Change in CHF %	+7.0	+0.7	-2.9	-2.0	+0.7	+15.9
Change (organic) in %	+7.2	+7.0	+5.5	+7.2	+6.7	+11.6
Asia Pacific	79.9	122.3	128.2	130.2	460.6	440.5
Change in CHF %	-28.7	+9.6	+12.6	+26.7	+4.6	+7.7
Change (organic) in %	-23.5	+23.1	+26.8	+40.5	+15.8	+7.2
Latin America	47.2	53.2	55.5	52.6	208.5	179.3
Change in CHF %	+20.1	+13.7	+15.9	+16.1	+16.3	+37.5
Change (organic) in %	+20.0	+20.1	+19.1	+20.1	+19.8	+30.4
Total	595.6	621.3	570.6	624.3	2 411.8	2 320.8
Change in CHF %	+1.1	+5.4	+3.7	+5.5	+3.9	+14.8
Change (local currencies) in %	+4.9	+13.4	+11.4	+13.9	+10.8	+17.3
Change (organic) in %	+3.4	+11.7	+11.4	+13.2	+9.8	+15.7

1 Straumann Group estimate

Regional sales performance by quarter

in CHF million



Europe, Middle East & Africa (EMEA)

Strong growth in Europe, Middle East and Africa on top of last year's high performance

In 2023, the Europe, Middle East, and Africa (EMEA) region consistently delivered robust growth despite strong currency headwinds, building upon its impressive performance from the previous year.

With a strong start to the year, EMEA, the Group's largest region, achieved noteworthy success with growth spanning across all segments, prominently driven by the core implantology business. The implant business, spearheaded by the premium brand Straumann, continued to drive growth, with challenger brands Neodent, Anthogyr and Medentika experiencing substantial and ongoing success. Both premium and challenger implantology solutions continued to lead revenue growth throughout the year, supported by the strong organic growth of intraoral scanners. The ClearCorrect business also experienced considerable growth, further strengthening its position within the EMEA region. Due to the macroeconomic environment, consumer demand softened in Europe which had an impact on the DrSmile performance and therefore the regional result.

The year 2023 was marked by several milestone events such as the International Dental Show, Esthetic Days and EAO congress in Germany as well as the Neodent 30 years and ClearCorrect tours. All these activities drove customer acquisition and strengthened the Group's position in the region. On the dental service organization (DSO) side, new partnerships were established, such as in Italy, which are expected to have a positive effect on the results going forward.

New solutions such as SmileCloud, GalvoSurge, Straumann Falcon, implant registry or the latest innovation, the Straumann iExcel implant system, were either launched or presented for the first time in 2023. Germany, as the largest country, played a pivotal role in driving revenue, followed by France, Iberia, Türkiye, and Eastern Europe. Türkiye exhibited remarkable and sustained growth.

The region expanded by adding the Baltics region following the acquisition of the Group's distributor.
In summary, the Europe, Middle East, and Africa region's consistent and robust performance across the quarters underscores its pivotal role as a key driver of revenue growth for the Group in 2023.

Largest regional markets

1. Germany
2. France
3. Spain

+4% Change in CHF

+8% Change organic

44% EMEA contribution of Group revenue

1054m Revenue in CHF

North America

North America further builds on strong prior year, despite macroeconomic challenges

In 2023, North America continued to build upon its strong performance in 2022, showcasing solid organic growth in each quarter despite macroeconomic challenges that affected consumer spending, specifically the demand for high-value full-arch implant and orthodontic treatments. Both the US and Canada contributed to the overall result, with the implantology business performing at a high level, including sustained market share gains for the brands Straumann and Neodent through new customer acquisition as well as further adoption of immediacy protocols and solutions.

The digital business, fueled by robust growth of the company's intraoral scanners as well as by 3D printing and milling solutions, also played a substantial role in driving the overall growth of the region. The orthodontics business enhanced its value proposition by improving its solution and service level.

The region hosted many important conferences for all its brands, including Straumann's eXclusive event and Neodent's annual Symposium, as well as the first laboratory-only training and educational event in Texas. In addition, the team was present at the American Academy of Periodontology (AAP) and at the American Association of Oral and Maxillofacial Surgeons (AAOMS) trade shows, among others. The strong presence of the different brands helped to acquire new customers and outperform the market.

In 2023, the digital platform Straumann AXS continued to be successful in driving the Group's Smile in a Box solution, and more recently the team introduced the new iExcel implant solution line to a selected group of key customers in preparation for its full launch in 2024. Smilecloud, a state-of-the-art collaborative design platform, was also introduced as a limited market release with plans for full launch in 2024.

In summary, North America's continual organic growth and resilience in the face of macroeconomic challenges underscored its significant contribution to the overall success of the Group.

Regional markets

1. USA
2. Canada

+1%
Change in CHF

+7%
Change organic

28%
NAM contribution of Group revenue

689m
Revenue in CHF

Asia Pacific

Following a slow start, the Asia Pacific region showed exceptional growth

In 2023, the Asia Pacific region experienced contrasting dynamics, with negative growth in the first quarter primarily attributed to challenges in China.

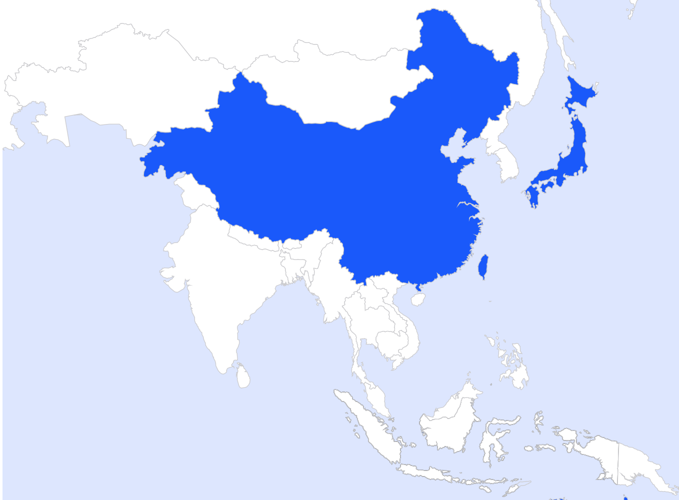
The negative growth in the first quarter stemmed from the combined effects of COVID-19 in China during the initial two months and the swift implementation of Chinese volume-based procurement (VBP) pricing, impacting average selling prices significantly.Nevertheless, implant volume saw a significant acceleration in the following quarters, driven by the pent-up demand in China due to the effects of COVID-19 in the first quarter, and accelerated volume-based procurement dynamics, which contributed to the positive momentum.

Excluding China, the region displayed a robust performance, marked by standout successes in Japan, Australia, India, Taiwan and Thailand. Newly established countries like Vietnam and Malaysia also accelerated growth. To expand the presence, a second office in India was established in 2023.

The implantology business was the primary growth driver, with contributions from both premium and challenger brands, among which Neodent performed remarkably well. The orthodontics business also contributed positively to the overall regional performance, albeit on a lower basis. Following the successful pilot of the practice management system CareStack in Singapore an additional rollout of the pilot in Australia took place in the fourth quarter. The acquisition of the Chinese intraoral scanner company AlliedStar set the foundation for the launch of the Group's first intraoral scanner in China in 2024.

The Neodent world tour was a success in the region and included the inauguration of its first regional training center in Kuala Lumpur, Malaysia. Additional events such as the ITI congress in China further enhanced the positioning of the Group's solutions in the region and helped to gain new customers.

In summary, despite the initial challenges, the Asia Pacific region showcased resilience and exceptional growth rates in 2023.



Largest regional markets

1. China
2. Japan
3. Australia

+5% Change in CHF

+16% Change organic

19% APAC contribution of Group revenue

461m Revenue in CHF

Highlights
Letter from the Chair and CEO
Company profile
Business development
Business performance
Share performance
Feature story
Customers are our inspiration
Sustainability report
Corporate governance report
Compensation report
Financial report Straumann Group
Financial report Straumann Holding
Appendix

Latin America

Exceptional double-digit organic growth in every quarter

Latin America consistently demonstrated exceptional performance across all quarters in 2023, showcasing an organic growth of around 20%. All segments, including the home brand Neodent and the premium implantology segment Straumann, performed strongly. Brazil maintained its status as the region's largest revenue generator, with strong demand for Neodent products. Argentina, Mexico and Peru also showcased significant growth.

An important highlight was the successful market penetration of the Virtuo Vivo intraoral scanner, contributing significantly to the robust revenue growth. The Virtuo Vivo intraoral scanner emerged as a major growth driver for the digital solutions business, with Chile, Peru, and Brazil leading the way.

Starting from a low base, the orthodontics business exhibited rapid growth throughout the region. Additionally, the orthodontics business extended its presence into Mexico, Colombia, and Chile, making a substantial contribution to the regional performance.

Straumann Group expanded its market share in the region by successfully attracting new customers through nationwide educational events. Highlights were the 30th anniversary Neodent tour and the ITI congress in Chile in November. In December 2023, the new Central America operation in Costa Rica went live.

In summary, Latin America's consistent double-digit growth, driven by strong demand for Neodent products, successful market penetration of digital solutions, and expansion of the orthodontics business, underscores its pivotal role in contributing to the Group's overall success throughout the year.

Largest regional markets

1. Brazil
2. Mexico
3. Colombia

+16% Change in CHF

+20% Change organic

9% LATAM contribution of Group revenue

209m Revenue in CHF

Business performance – financials

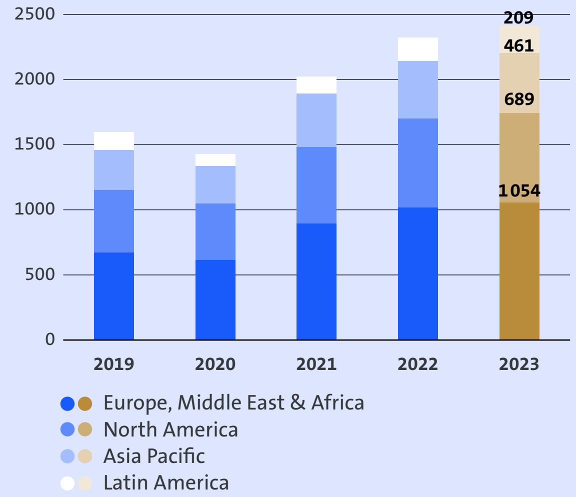
Five-year overview – operating performance

in CHF million, as reported under IFRS Accounting Standards

	2019	2020	2021	2022	2023
Net revenue	1 596.2	1 425.9	2 021.9	2 320.8	2 411.8
Growth in %	17.1	(10.7)	41.8	14.8	3.9
Gross profit	1 200.5	1 029.8	1 540.0	1 754.7	1 787.3
Margin in %	75.2	72.2	76.2	75.6	74.1
Operating result before depreciation and amortization (EBITDA)	480.6	406.0	652.4	701.8	700.5
Margin in %	30.1	28.5	32.3	30.2	29.0
Growth in %	21.7	(15.5)	60.7	7.6	(0.2)
Operating profit (EBIT)	387.1	156.5	542.6	535.3	411.0
Margin in %	24.3	11.0	26.8	23.1	17.0
Growth in %	13.0	(59.6)	246.6	(1.3)	(23.2)
Net profit	308.0	92.3	399.3	434.8	246.8
Margin in %	19.3	6.5	19.7	18.7	10.2
Growth in %	10.9	(70.0)	332.7	8.9	(43.2)
Basic earnings per share (in CHF)	1.93	0.57	2.49	2.73	1.54
Value added / economic profit	208.6	(30.6)	250.3	258.6	66.2
Change in value added	18.9	(239.1)	280.9	8.3	(192.4)
Change in value added in %	10.0	(114.7)	919.0	3.3	(74.4)
as a % of net revenue	13.1	(2.1)	12.4	11.1	2.7
Number of employees (year-end)	7 590	7 340	9 054	10 478	11 109
Number of employees (average)	6 837	7 409	8 256	10 203	10 755
Sales per employee (average) in CHF 1 000	233	192	245	227	224

Regional sales performance by year

in CHF million



Five-year overview – financial performance

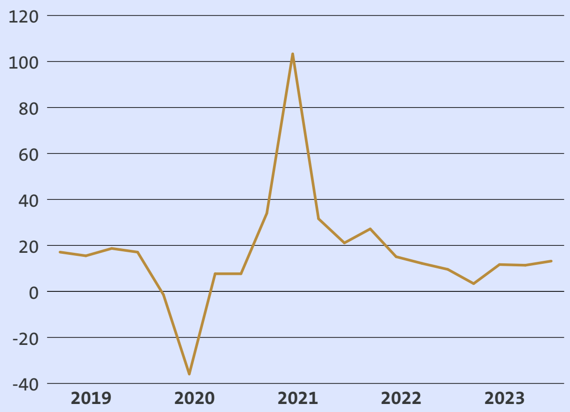
in CHF million, as reported under IFRS Accounting Standards (unless otherwise stated)

	2019	2020	2021	2022	2023
Cash and cash equivalents	260.2	632.2	880.4	696.1	410.3
Net cash (net debt)	20.2	116.2	376.1	207.5	172.3
Net working capital (net of cash)	265.6	168.0	124.0	229.3	287.1
as a % of revenue	16.6	11.8	6.1	9.9	11.9
Inventories	234.6	216.6	249.2	321.2	366.9
Days of supplies	175	160	166	191	193
Trade receivables	281.2	236.0	287.3	416.4	466.5
Days of sales outstanding	57	47	48	63	67
Balance sheet total	2 390.0	2 548.6	2 968.0	3 373.4	3 322.0
Return on assets in % (ROA) – IFRS	13.6	3.9	14.3	13.6	7.3
Return on assets in % (ROA) – CORE	15.3	10.9	16.3	15.0	13.0
Equity	1 367.2	1 209.9	1 500.4	1 853.8	1 838.6
Equity ratio in %	57.2	47.5	50.6	55.0	55.3
Return on equity in % (ROE) – IFRS	24.0	7.7	28.8	24.9	12.8
Return on equity in % (ROE) – CORE	26.3	21.8	32.8	27.6	22.9
Capital employed	1 455.0	1 190.3	1 174.6	1 600.5	1 639.7
Return on capital employed in % (ROCE) – IFRS	28.4	11.9	43.7	35.1	23.7
Return on capital employed in % (ROCE) – CORE	30.9	25.4	44.6	39.5	35.0
Cash generated from operating activities	378.5	376.6	560.3	415.2	503.9
as a % of revenue	23.7	26.4	27.7	17.9	20.9
Investments	(239.3)	(140.4)	(167.8)	(440.4)	(369.8)
as a % of revenue	15.0	9.8	8.3	19.0	15.3
thereof capital expenditures	(149.9)	(82.1)	(121.0)	(195.4)	(189.4)
thereof business combinations related	(77.1)	(55.1)	(39.7)	(157.6)	(171.6)
thereof investments in associates	(12.3)	(3.2)	(7.1)	(87.3)	(8.7)
Free cash flow	229.6	295.2	440.6	220.8	315.5
as a % of revenue	14.4	20.7	21.8	9.5	13.1
Dividend	91.2	91.3	107.4	127.4	135.5[1]
Dividend per share (in CHF)	5.75	5.75	6.75	0.80	0.85[1]
Payout ratio in % – CORE	27.1	35.5	23.7	26.4	30.8

1 To be proposed to the shareholders' AGM in 2024.

Five-year quarterly revenue growth (organic)

in %



Share performance

A year of resilience

As previous years, 2023 was marked by a large amount of uncertainty and market fluctuation. Geopolitical disturbances, soaring inflation and the threat of energy shortages in Europe dampened market sentiment in the beginning of the year. As a result of major central banks' attempt to reduce inflation, interests were raised further, which put continued pressure on the valuations of growth stocks in particular. However, major global economies, such as the US, remained surprisingly resilient throughout the year, indicating a soft landing for the economy. Towards the end of 2023, it seemed that inflation rates had passed their peak, and the prospect of a looser monetary policy in 2024 was increasing.

In view of the above-mentioned market challenges and positive sentiment towards the year-end, Straumann stocks demonstrated a fair degree of strength. After a decrease of 45.5% in 2022, the share price rose 28.4% to CHF 135.60 by the end of 2023. The Group closed the year at a market capitalization of CHF 21.6 billion and a core P/E ratio of 49 (share price at year-end/core earnings per share). During the same period, the SMIM index (30 largest mid-cap stocks in Swiss equity market) and SLI index (30 largest and most liquid stocks in Swiss equity market) closed the year higher at 3.6% and 8.3%, respectively.

Following its intention to pay a gradually increasing gross dividend over time, the Group decided to distribute a gross dividend amount of CHF 0.85 per share for the year 2023, of which CHF 0.40 is to he paid from the capital contribution reserve. This dividend is an increase of 6% from the previous year. The payout ratio of the dividend distributed in 2023 was 31%. Pre-tax shareholder return after dividend reinvestment amounted to 29.2% or CHF 30.80 per share.

The one-year stock volatility decreased gradually from 47% to 33% by the end of 2023. The average daily trading turnover of Straumann shares declined by 27% from CHF 42 million in 2022 to CHF 30 million in 2023, presumably because of exceptionally high volumes in the year before and the market's focus on value rather than growth shares.

Share information

in CHF

	2023[1]	2022[1]	2021	2020	2019
Earnings per share (EPS)[2]	2.76	3.03	28.45	16.20	21.21
Ordinary dividend per share	0.85[3]	0.80	6.75	5.75	5.75
Payout ratio[1,2]	31%	26%	24%	36%	27%
Share price at year end	135.60	105.60	1 937.00	1 031.50	950.40

1 Following share split 1:10 in 2022
2 Based on core results
3 Payable in April 2024 subject to shareholder approval

Stock exchange information

Listing	SIX Swiss Exchange (STMN)
Bloomberg	STMN SW
Reuters	STMN.S
Ex date	11 April 2023
Payment date	13 April 2023
ISIN	CH 1175 448 666

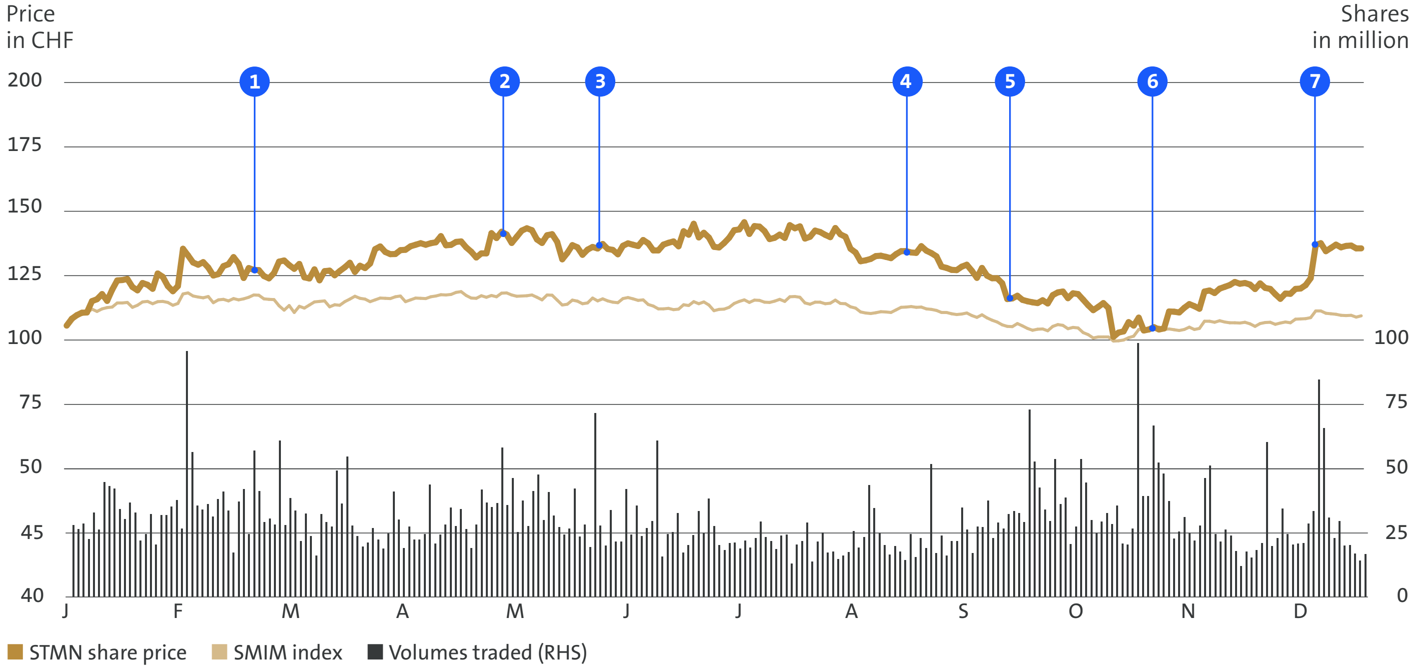
Share price data

in CHF

	2023[1]		2022[1]	
	Value	Date	Value	Date
First trading day	108.25	3 Jan	196.75	3 Jan
Lowest[2]	101.25	26 Oct	86.02	29 Sept
Highest[2]	145.75	14 July	196.75	3 Jan
Last trading day	135.60	29 Dec	105.60	30 Dec
Average	128.92		120.72	
Tax value	135.60		105.60	
Total shareholder return, gross of tax	29.2%		–45.2%	
Share price performance	28.4%		–45.5%	
Market capitalization at year end (CHF million)	21 622		16 838	

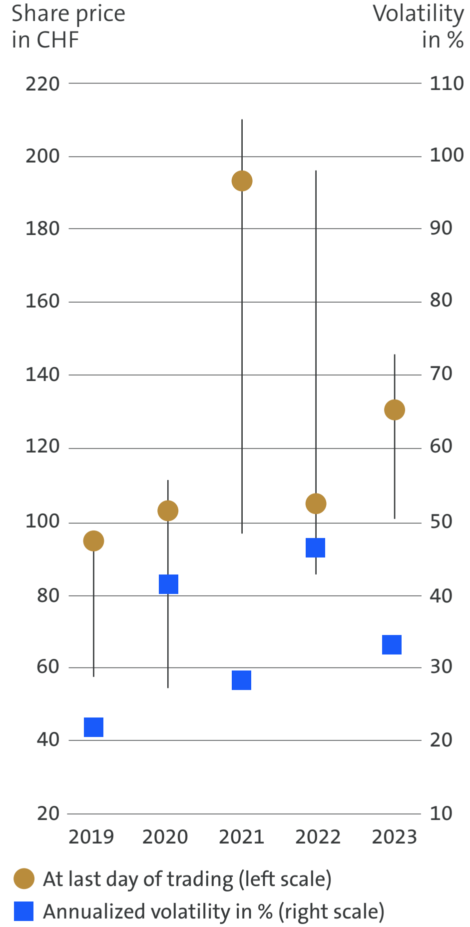
1 Following share split 1:10 in 2022
2 Value reflects daily closing price

Share price development

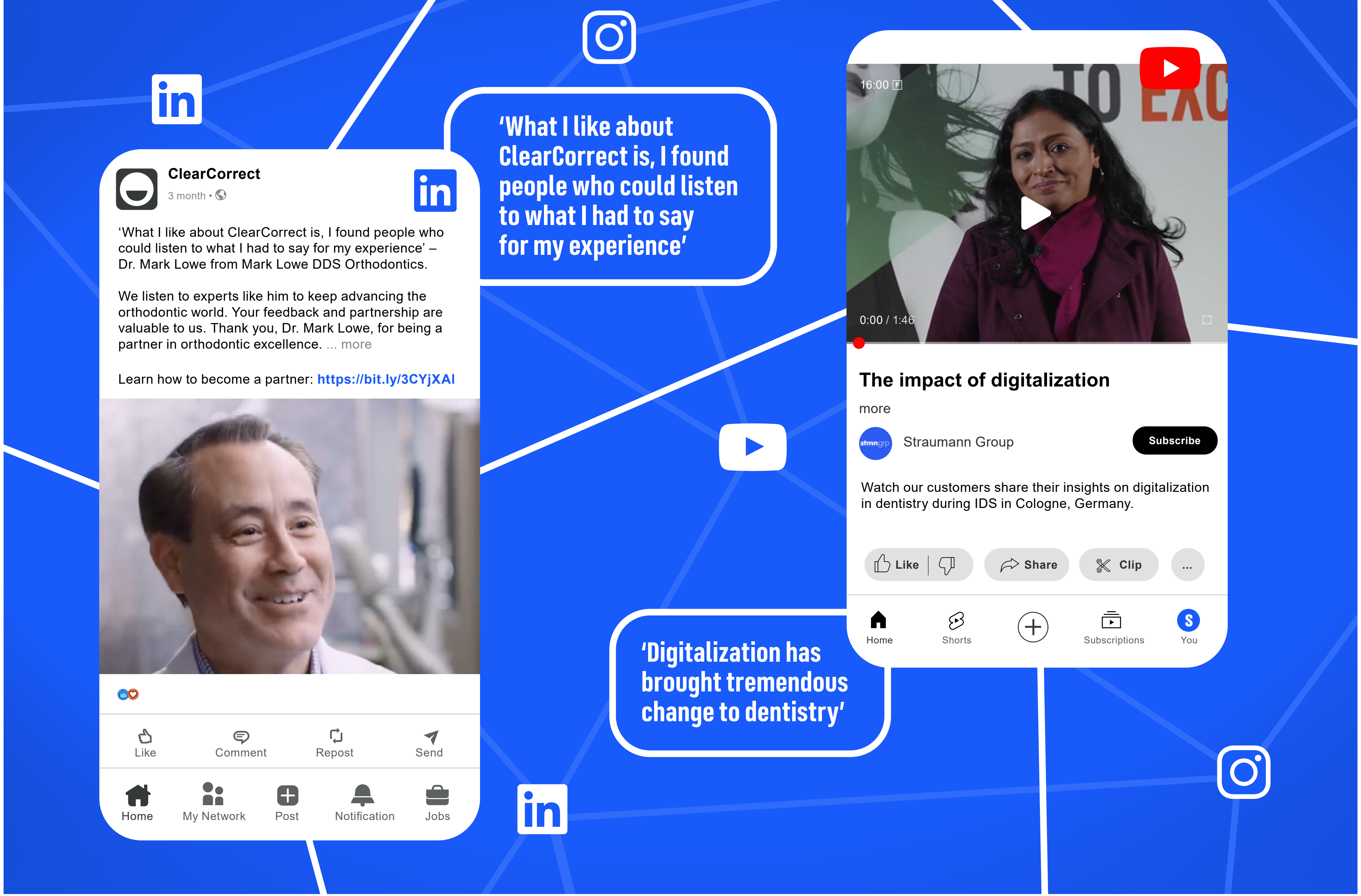


1	21 Feb	2022 results: organic growth of 15.7% with revenue reaching CHF 2.3 billion
2	3 May	Q1 results: revenue of CHF 596 million with 3.4% organic growth
3	25 May	The Group announces acquisition of Galvo-Surge, a Swiss medical device manufacturer for peri-implantitis treatment
4	15 Aug	HY1 results: CHF 1.2 billion revenue; 7.5% organic growth thanks to strong second-quarter result
5	21 Sep	The Group announces acquisition of AlliedStar, an intraoral scanner provider in China
6	31 Oct	Q3 results: CHF 571 million revenue with 11% organic growth
7	13 Dec	The Federal Reserve keeps monetary policy steady and indicates potential interest rate cuts for 2024

Trading information



CUSTOMERS ARE OUR INSPIRATION


ClearCorrect
3 month •
'What I like about ClearCorrect is, I found people who could listen to what I had to say for my experience' – Dr. Mark Lowe from Mark Lowe DDS Orthodontics.
We listen to experts like him to keep advancing the orthodontic world. Your feedback and partnership are valuable to us. Thank you, Dr. Mark Lowe, for being a partner in orthodontic excellence. ... more
Learn how to become a partner: https://bit.ly/3CYjXAI
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Comment
Repost
Send
Home
My Network
Post
Notification
Jobs
'What I like about ClearCorrect is, I found people who could listen to what I had to say for my experience'
16:00
0:00 / 1:46
The impact of digitalization
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'Digitalization not only enhances precision but also ensures the delivery of our promises to the patients'

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⭐ Witness the 5-Year Success: Straumann® Pro Arch with BLT Implants in a Periodontal Patient with Hopeless Dentition.

The case report, by Dr. Amin Motamedi from Iran, showcases the successful management of a 67-year-old patient seeking a durable solution for a hopeless dentition. Explore the seamless integration of periodontal ... more

"Full-arch immediate implant restorations in patients with an advanced periodontal background can be challenging for any practice. The Straumann® Pro Arch workflow offers a more predictable and simplified approach with a proper anterior-posterior distribution that provides optimum force distribution, and also, for your patients, reliability, comfort, and compliance for an excellent long-term result"

By Amin Motamedi, Iran

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'The Straumann Pro Arch workflow offers a more predictable and simplified approach with a proper anterior-posterior distribution that provides optimum force distribution'

SUSTAINABILITY REPORT

Letter from the Chair of the Sustainability, Technology and Innovation Committee and the Chair of the Audit and Risk Committee

Dear Reader,

As we reflect on the past year's journey, we are proud to report on the progress we have made in embedding sustainable practices into the very fabric of our business.

Sustainability remains a priority for the Board of Directors

Rooted in our heritage of creating long-term value, we are committed to making a lasting positive difference for all our stakeholders. Our success is built on a sustainable business model, and we are committed to contributing our part – for today's and future generations. We focus on sustainability to improve the quality of life and advance oral care. Sustainability is integral to our business and a strategic priority as we strive to be a role model in our industry. This includes using resources wisely, applying responsible business practices, and keeping a strong focus on retaining and attracting the best talent. We work closely with all our partners across our value chain to make a positive difference socially and environmentally.

Our commitment to high standards of governance and ethical conduct continues to be a top priority, ensuring accountability and transparency in all our operations. In 2023, the ESG Task Force's responsibilities were seamlessly integrated into the corresponding Board of Directors Committees, leveraging their specialized expertise.

This move represents a final step in embedding sustainability thoroughly into our core business processes from a governance perspective. For a detailed overview, please refer to the section on sustainability governance on p. 50.

> We increased the number of educational activities by 15%

Achievements

This year, we have taken significant strides in advancing oral health care and helped 5.6 million smiles while progressing on our social and environmental goals. The adoption of renewable energy sources and our 93% share of renewable electricity led to a decrease of greenhouse gas emissions (scope 1 and 2) from our own operations. With this, we took the first steps towards reaching our net-zero goal. In addition, our efforts in recycling led to an increase of our waste recycling rate to 68%. A score of 77 was achieved in our employee survey in response to the question whether people have good opportunities to learn and grow. This one point increase compared to 2022 brings us closer to our target score of 80.

Petra Rumpf
Vice Chair
Chair of the Sustainability, Technology and Innovation Committee

Emphasis on non-financial reporting is rising

Having always placed a high value on non-financial aspects, we recognize their growing importance due to evolving regulations. This year we initiated the first step to align with new non-financial reporting requirements, such as the European Corporate Sustainability Reporting Directive (CSRD). Consequently, we transitioned from a singular to a double materiality assessment. This approach allows us to understand both the impacts of our business activities on society and the environment (an inside-out perspective) and the potential risks and opportunities presented by external societal and environmental factors (an outside-in perspective). Additionally, we have developed a detailed value chain map, identifying key stakeholders both upstream and downstream. In 2023, we also started aligning our reporting with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Additionally, we are adhering to the Swiss Code of Obligations for non-financial reporting as per article 964b in this sustainability report. For the first time, this part of the non-financial reporting will be subject to approval at the Annual General Shareholder Meeting in April 2024. Beyond these new developments, we continue our commitment to reporting under the GRI reporting framework, as we have done for more than a decade, along with the SASB standards. For your convenience, we have included a table in the appendix that guides you to the relevant information for each standard or regulation and have also marked the areas subject to approval at the AGM.


Regula Wallimann
Chair of the Audit and Risk Committee

> "SBTi validated our targets to achieve net-zero emissions by 2040

Progress in caring for the planet

2023 was a milestone year marked by an important highlight: the Science Based Targets initiative (SBTi), which we joined in 2022, approved both our 2040 net-zero goal and our 2030 near-term emissions reduction targets. We also successfully mapped our value chain partners, developed an engagement plan, and commenced an in-depth collaboration to assess, monitor, report, and minimize our scope 3 emissions, aiming for a meaningful environmental impact. For the first time, we conducted a climate-risk assessment in line with TCFD recommendations, a practice that will become mandatory under the Swiss Code of Obligations and the accompanying Climate Ordinance in 2024. Looking ahead to next year, we plan to conduct financial modeling for the various risks we have identified.

Outlook

We thank our Executive Management team and all our teams across the world for the progress made in 2023 and for applying the same passion and innovative spirit to our sustainability journey that we apply to our products and services. As we look into the future, we are pleased about the progress we have made, but mindful of the challenges ahead. From achieving a more balanced leadership team to transitioning to 100% renewable electricity by the end of 2024 we are setting the bar high. To strengthen our philanthropic activities, the Group is planning to set up a foundation during 2024.

Representing the Board of Directors and the Executive Management team, we are excited about the opportunities that lie in integrating sustainability deeply into every aspect of our business. We believe these efforts not only benefit the environment and society but also create long-term value for you, our stakeholders. We look forward to sharing more successes in the coming years and thank you for being a part of our journey towards a more sustainable future. Please refer to our annual report's sustainability chapter for more detailed information about our sustainability initiatives and progress.

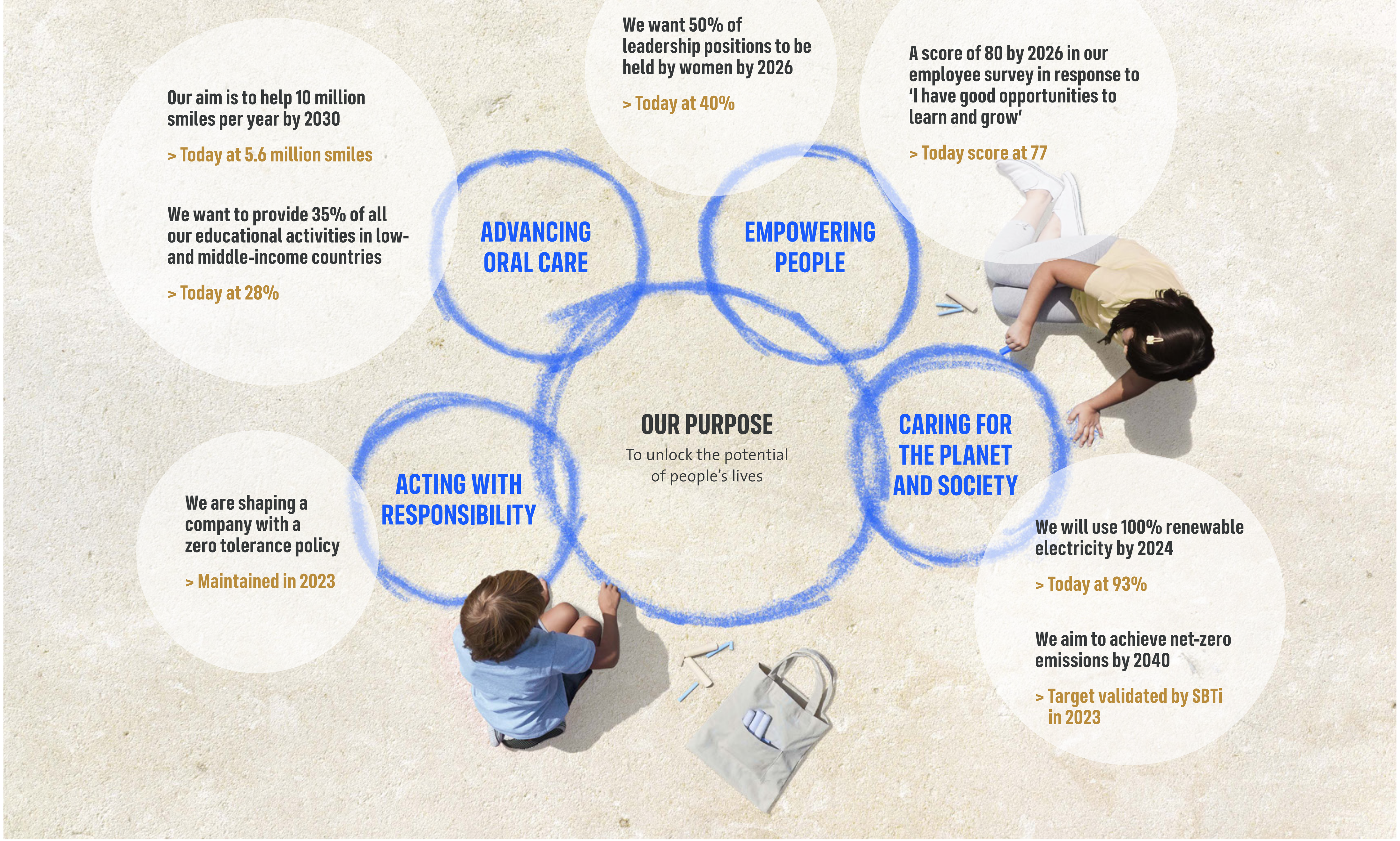
We herewith also sign on behalf of the Board, and submit for approval by the shareholders, the non-financial report established in accordance with Art. 964b Swiss Code of Obligations (CO 964b), as presented in the following sustainability report in accordance with the references in the respective CO 964b Index.

Sincerely,

Petra Rumpf
Vice Chair
Chair of the Sustainability, Technology and Innovation Committee

Regula Wallimann
Chair of the Audit and Risk Committee

SUSTAINABILITY FRAMEWORK



Introduction

Creating trust and value through a sustainable business model

NFR *This report shows the progress and performance achieved in 2023 across the four sustainability commitments: advancing oral care, empowering people, caring for the planet and society, and acting with responsibility. It is structured according to the material topics for Straumann Group.*

The sustainability framework that was developed in 2021 captures and addresses the Group's social and environmental impacts and is integrated in the Straumann Group strategic compass (see strategy on p. 16). Guided by its purpose to unlock the potential of people's lives and its vision of a world where oral health is a source of confidence, the Group aims to pursue a holistic approach to generate lasting value, especially for the millions of patients who are treated with its solutions each year. The value creation also extends to customers, employees, shareholders and the communities in which the company operates. The mission and strategy clearly define the path to achieve our ambition to become the most customer centric and innovative oral care company in the world. The sustainability framework, the digital transformation strategy and the culture define how to achieve the goals defined in this mission and the strategic compass. The company innovates, produces and markets digitally enabled end-to-end solutions for tooth replacement as well as orthodontic and regenerative treatments, see business model on the right.

To create value, the company relies on various financial and non-financial input capitals such as human and natural resources, manufacturing capital and immaterial resources such as relationships. The strategy sets out to use and develop these resources responsibly in order to achieve outputs and outcomes that generate sustainable value for all stakeholders.

Customer centricity drives our value creation

Interconnectivity and dependencies between business activities, strategy and the various inputs are taken into consideration as illustrated in the stakeholder and value creation map on the next page. Positioning the business in the middle of this model, the company closely connects all its actions with its stakeholders' needs, which reflects the strategic compass and focus on customer centricity.

Sustainability is a fundamental aspect of Straumann Group's reputation, reflecting its approach to business and operations. The Group's ability to operate hinges on maintaining trust. Consequently, the company is vigilant against the potential risks of reputational damage, recognizing its importance in its ongoing commitment to sustainable practices. Consumers increasingly hold companies accountable not only for their products and services but also for the role they play as good corporate citizens and employers. Straumann Group aims to continually earn the trust of its partners, customers and their patients by shaping a company with high standards of integrity and fostering a culture of transparent communication with all stakeholders. The Group is committed to implementing controls, processes and strategies to identify, assess and manage the impacts, risks and opportunities associated with its business activities.

Stakeholder and value creation map

UPSTREAM | OPERATIONS | OUR BUSINESS | DOWNSTREAM

UPSTREAM

- Investors
- Suppliers
- Employees
- Regulating bodies
- Educational institutions and organizations
- Public and society

INPUT

Financial capital

- Equity of CHF 1 839m
- Cash and cash equivalents of CHF 410m
- Capital expenditures of CHF 189m

Human capital

- > 11 000 talented, motivated employees in > 100 countries at year end, diversity of skills, backgrounds, experience
- Investment in staff learning of CHF 5m

Intellectual capital

- 10 brands
- 1 452 active patents
- Intangible investments CHF 35.7m
- Investment in R&D of CHF 111.1m
- Distribution rights for third parties

Natural capital

- Raw materials 987 tons
- Energy 98 545 MWh
- Operating materials 629 tons

Infrastructure capital

- Buildings and infrastructure
- Production sites
- Distribution and selling sites
- Energy
- Vehicle fleet

Social & relationship capital

- Customer base of dentists and laboratories in > 100 countries
- Supplier network
- Communities

STRAUMANN GROUP

OUTPUT / OUTCOME

Advancing oral care

Output:
- Restored dental function and esthetics; enhanced quality of life
- Educated clinicians
- Enhancing treatment solutions
- Patents

Outcome:
- 5.6m patients treated
- 11 200 educational activities in 2023
- Over 20 solutions launched
- 111 patents granted in 2023

Page 59

Empowering people

Output:
- Balanced men/women ratio within leadership positions
- Engaged employees
- Learning opportunities for employees
- Leadership development

Outcome:
- 40% women in leadership positions
- Employee engagement score of 81
- Learning and growth score of 77
- > 350 leaders participated during leadership academy

Page 83

Caring for the planet and society

Output:
- Renewable resources
- Mindful energy consumption
- Support communities
- Reducing CO_2 emissions

Outcome:
- 93% renewable electricity
- Energy consumption increased by 8% per employee
- More than 60 philanthropic projects supported
- CO_2 emissions (scope 1+2) tCO_2e compared to 2021 base year reduced by 15%
- Waste landfill rate 7%
- Waste recycling rate 68%

Page 91

Acting with responsibility

Output:
- Sales of solutions for prevention, tissue regeneration, tooth alignment, restoration, replacement and digital solutions
- Compliance trainings
- Cybersecurity and data protection trainings

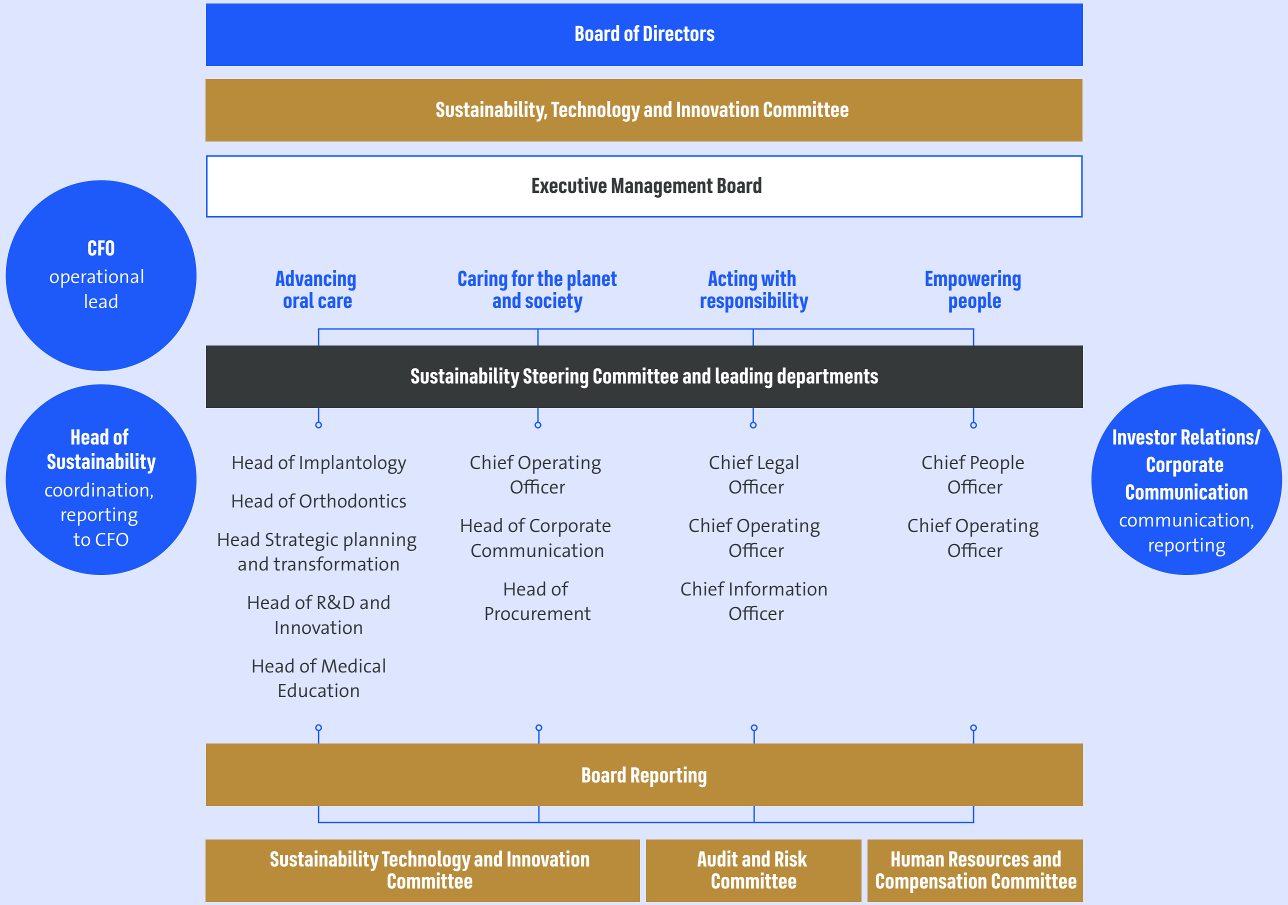
Outcome:
- CHF 2 412m revenue
- CHF 606.4m core operating profit
- Sales compliance e-trainings rolled out in 21 countries with 93% completion rate
- No recorded or detected data or cybersecurity control breach

Page 115

DOWNSTREAM

- Dental professionals
- Patients and consumers
- Regulating bodies
- Public and society
- Employees

Sustainability corporate governance structure 2023



This chart shows the allocation of sustainability responsibilities at Board and Management levels. Our Group Code of Conduct assigns personal responsibility for environmental protection and proper social conduct to all line managers and employees.

Sustainability governance

NFR Accountability for sustainability must be led from the top. In March 2021, the ESG (environmental, social and governance) Task Force was established to bring sustainability to the forefront of the Group's organization. This Task Force, led by Straumann Group's Board of Directors, developed a sustainability framework, roadmaps and set targets. After completion of these tasks, the Task Force transitioned into three committees. Today, the main responsibility on the operational side lies with the Executive Management Board. They define the roadmap for the Group to ensure the company follows its sustainability framework and achieves or adjusts its targets as needed. The Sustainability, Technology and Innovation Committee (STIC) is responsible for climate-related matters and assists the Board of Directors and monitors the respective progress.

The Audit and Risk Committee is responsible for overall non-financial reporting and the sustainability commitment 'acting with responsibility', the Human Resource Compensation Committee is in charge of 'empowering people' and the Sustainability, Technology and Innovation Committee oversees 'advancing oral care' and 'caring for the planet and society'. The overall sustainability strategy and climate-related matters are covered by the STIC committee which is chaired by the Board member and Vice Chair, Petra Rumpf.

The Executive Management Board has the overall responsibility for environmental, social and governance matters, assessing periodically the associated risks and opportunities together with the subject matter experts and Head of Sustainability who reports to the Group CFO. The Board of Directors is responsible for approving the annual report including the sustainability approach. The Corporate Communications team prepares the annual and sustainability report. Following TCFD guidelines, climate-related risks and opportunities encompass efforts for climate mitigation and adaptation, involving resource efficiencies, adop-

straumanngroup

Highlights
Letter from the Chair and CEO
Company profile
Business development
Feature story
Customers are our inspiration

Sustainability report
Letter from the Chair of the STIC and the Chair of the ARC
Introduction
Risk management approach
Advancing oral care
Empowering people
Caring for the planet and society
Acting with responsibility
Independent assurance report on non-financial KPIs in annual report

Corporate governance report
Compensation report
Financial report Straumann Group
Financial report Straumann Holding
Appendix

GRI disclosures: 2-3; 2-5

tion of low-emission energy, product/service innovation, market access, and supply chain resilience. Local positions, typically the production heads in collaboration with the COO, manage environmental issues at manufacturing sites, while global headquarters oversight falls under the COO. Climate-related aspects in sales distribution are overseen by local CFOs, and at the top level, the Group CFO is responsible for environmental reporting. For details on remuneration, please refer to the compensation report (see p. 158).

Reporting disclosure

Straumann Group has reported in accordance with the GRI Standards for the period 1 January to 31 December 2023. This report was submitted to the GRI Content Index – Essentials Service in February 2024. GRI is an independent and globally operating non-profit foundation providing sustainability reporting standards for addressing impacts on the economy, environment and people. The Group has applied the GRI Standards in its annual report since 2004.

Furthermore, since 2021, the report includes the disclosure of the Sustainability Accountant Standards Board (SASB) metrics (see p. 241). In 2023, the Group started its path to report according to the Taskforce for Climate-related Financial Disclosures (TCFD) to further align with wider global frameworks on sustainability and to make sure the organization will be prepared for future regulations (see index on p. 250).

Additionally, the Swiss Code of Obligations for non-financial reporting as per article CO 964b is followed in this sustainability report. CO 964b relevant content is marked with this icon NFR, set in italics and indexed in the appendix (see p. 248). For the first time, this part of the non-financial reporting will be subject to approval at the Annual General Shareholder Meeting in April 2024.

The Group has engaged its auditors to perform a limited assurance on selected non-financial key performance indicators. The indicators that are in scope cover environmental, social and governance aspects and are shown at the bottom of this page.

Significant sustainability aspects material to the Group are reviewed regularly and at least once annually, with input from internal and external stakeholders. The sustainability report is structured according to the material topics and categorized in line with the Group´s strategic sustainability commitments.

A limited assurance has been performed on the following key performance indicators

6 906 t CO_2e
Greenhouse gas emissions
Scope 1
more on p. 96

93 %
Renewable electricity
more on p. 96

77
Learning and growth score
more on p. 87

40 %
Women in leadership positions
more on p. 85

2 272 t CO_2e
Greenhouse gas emissions
Scope 2
more on p. 96

5.6 m
Smiles helped
more on p. 60

28 %
Educational activities in low- and middle-income countries
more on p. 77

93 %
Sales compliance e-training
Mean completion rate
more on p. 121

Stakeholder engagement

Straumann Group fosters a culture of transparent and continuous dialogue with its stakeholders. As shown in the map on p. 49, the Group's value chain touches many stakeholder groups including dental professionals, patients and consumers, employees, investors, suppliers, regulating bodies, educational institutions and organizations as well as the public and society. The company is in ongoing exchange with its stakeholders through a variety of formats which are described in detail throughout this report and summarized in the table on the right.

All formats have in common that they reflect the player-learner mindset and help the company to listen and better understand what is relevant to different groups of society, what they expect of Straumann Group and which measures the company can pursue in order to establish and maintain trust and build partnerships for a sustainable business.

Stakeholder group	Type of engagement	Focus topics
Investors	• Quarterly financial results conferences • Equity conferences • Investor roadshows • Personal contacts • Investor meetings • Annual General Meeting • Double materiality assessment	• Economic performance • Innovation • Increased access to oral health and education
Suppliers	• Supplier onboarding through Integrity Next portal • Whistleblower line • Double materiality assessment	• Human rights • Business conduct • Climate change • Resource use and circular economy • Responsible and ethical supply chain management • Cybersecurity and data privacy
Employees	• Yearly global employee survey • Talk forward employee dialogue with managers • Whistleblower line • Townhall and Q&A sessions • Double materiality assessment	• Talent attraction and employee engagement • Diversity and inclusion • Occupational health, safety and wellbeing • Patient health and safety, product quality • Business conduct • Intellectual property
Regulating bodies	• Audits • Product approvals/registrations	• Patient health and safety, product quality • Business conduct • Intellectual property
Educational institutions and organizations	• Studies • Direct personal and remote contact through sales force • Educational events for dental students • Double materiality assessment	• Patient health and safety, product quality • Increased access to oral health and education • Innovation • Customer and patient satisfaction
Public and society	• Media releases • Media interviews • Social media presence • Double materiality assessment	• Economic performance • Innovation • Increased access to oral health and education
Dental professionals	• NPS and CSAT scores • Direct personal and remote contact through sales force • Complaint management • Active involvement during product development • Market acceptance tests and limited market releases • Educational events (virtual and in person) • Customer surveys • Whistleblower line • Social media presence • Double materiality assessment	• Customer and patient satisfaction • Innovation • Patient health and safety, product quality • Increased access to oral health and education • Customer and patient satisfaction
Patients and consumers	• Consumer surveys • Direct remote contact through sales force • Social media presence	• Increased access to oral health and education • Customer and patient satisfaction

GRI disclosure: 3-1

Moving from single to double materiality in 2023

NFR From 2004, the Group conducted a single materiality assessment on an annual basis to align with global emerging trends and identify Straumann Group's impact on society and the environment. The sustainability framework was founded on the basis of a comprehensive materiality assessment conducted in 2021 which was supported by a refresh in 2022. In 2023, it was decided to follow the European Corporate Sustainability Reporting Directive (CSRD) to ensure non-financial reporting can be lined up and prepared for the upcoming regulations. The main difference between single and double materiality is that double materiality assesses two perspectives. Firstly, financial materiality covers the outside-in perspective meaning those risks and opportunities that represent potential financial effects on the company triggered by society and the environment. Secondly, impact materiality considers the inside-out perspective, i.e. the positive and negative impacts that the company's business activities have on society and the environment.

To assess the current state, a 360º evaluation including business, market trends and peers was carried out. This evaluation informed the initial long list of possible material topics, which then were the subject of stakeholder interviews. These interviews help to understand each stakeholder group perspective on the material topics and, in addition, to identify risks and opportunities that could affect the Straumann Group's continued business success and positive and negative impacts the company has on society and the environment. Impacts, risks and opportunities (IROs) for the most important sustainability topics were identified and prioritized by the stakeholders. The following stakeholder groups were included: customers, suppliers, investors, industry associations, NGOs, academia. In total, ten external stakeholders were interviewed.

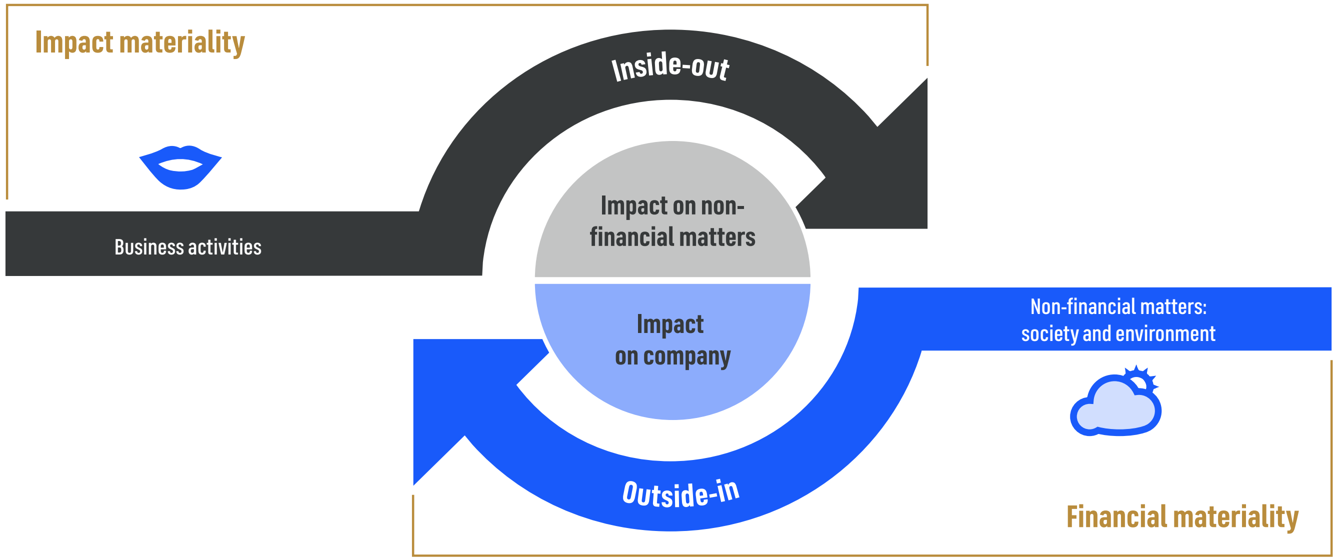
The internal stakeholder interviews, 13 in total, consisted of selected Executive Management Board members and members of the Board of Directors. In addition, an internal survey was conducted among more than 60 global Straumann Group leaders. As with the previous single materiality assessments, the double materiality assessment process has been very much appreciated by the stakeholders and taken as a signal that the Group takes sustainability seriously.

To streamline sustainability reporting, the IROs were scored per material topic. The scoring and prioritization of the topics and IROs were done according to the criteria from the CSRD standard (scale, scope and severity). This exercise was done by internal subject matter experts and reviewed and confirmed in four meetings with a larger group of participants from management. These findings will now serve for further evaluation of the CSRD reporting. The results of the assessment were presented and discussed with the Board and the Group's Executive Management team which approved them.

> The material topics serve as the structure for this sustainability report

To complement the assessment, and in anticipation of future CSRD requirements, the value chain was added to the value creation map (see p. 49). This served as a basis to assign impacts, risks and opportunities to specific segments in the value chain.

Double materiality assessment approach



GRI disclosures: 3-1; 3-2

Double materiality assessment results and observations

NFR *In 2022, we evaluated 20 topics in our materiality matrix. In this year´s assessment, 21 material topics were identified of which some were consolidated following the scoring and prioritization process. This resulted in 15 very important and important topics, in which the Group has most potential and leverage to change for the better. In general, there was alignment between internal and external stakeholders' priorities. There were no significant changes compared to last year, with only a few topics being consolidated. The Group's stakeholders stressed the increased importance of all strategic sustainability commitments.* All 15 topics that were found to be material are grouped into the four sustainability commitments and adressed in their own chapters in the following report.

Summary of changes:
- Increased access to oral health and customer and patient education have been merged to increased access to oral health and education, scoring moved from important (2022 terminology major) to very important
- Talent attraction and development & employee engagement and retention have been merged to talent attraction & employee engagement, scoring moved from important (2022 terminology major) to very important
- Pollution: this new topic has been assessed in alignment with CSRD and rated non-focus
- Biodiversity and ecosystems: this new topic has been assessed in alignment with CSRD and rated non-focus
- Water use: terminology adapted to water and marine resources to align with CSRD and rated non-focus
- Circular economy and waste management: combined and terminology adapted to resource use and circular economy to be CSRD aligned and scoring moved from non-focus (2022 terminology moderate) to important
- Community engagement scoring moved from non-focus (2022 terminology: moderate) to important
- Business ethics and corporate governance: terminology adapted to business conduct to align with CSRD
- Tax transparency has been merged with business conduct and scoring moved from important (2022 terminology: moderate) to very important
- Economic performance scoring moved from very important (2022 terminology: major) to important

Double materiality matrix

Risk management approach

An integrated control framework for sustainability

The Straumann Group fosters a culture of seizing opportunities and entrepreneurism, balanced by risk management. The Group is committed to implementing appropriate controls, processes and strategies to identify, assess and manage risks related to its activities. This is done to prevent or minimize the impact of unforeseen events on the Group's business and on its ability to create long-term value for all its stakeholders.

> Preserving the Group's ability to create long-term value for all its stakeholders

NFR *Although the climate-related risks and opportunities for the Group may not be as pronounced as in other companies or industries, the Straumann Group is committed to doing its part to protect the environment and support the global transition to a zero-carbon economy. In 2023, the Group undertook a climate risk assessment in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) for the first time and shares the first findings throughout this report.*

Responsibilities and organization

The Straumann Group applies a globally standardized process for identifying and managing potential developments, both internal and external, that may jeopardize its sustained growth, profitability and strategic objectives.

Monitoring and controlling risks are key management objectives. The Group's Chief Financial Officer (CFO) also serves as the Chief Risk Officer (CRO) and oversees the Group's risk plan, while the Board of Directors holds ultimate responsibility for the company's risk management.

The Group's risk assessment and management are embedded into a comprehensive internal control framework, which is addressed through a holistic, disciplined and deliberate approach and aligned with the double materiality assessment (see p. 53). It is aligned with the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is one of the most widely used frameworks (see corporate governance p. 129).

> The double materiality assessment is one of the sources that inform risk management

For identified risks that become evident in accounting and financial reporting, the Group has relevant control measures in place within the internal control system (ICS) framework. Various tools and aids are used to assess and manage risks, including a treasury management system for foreign exchange risks and regular consultations with external consultants to assess tax and insurance coverage risks.

Risk management approach

Straumann's risk assessment takes into account

- Operational and environmental risks
- Strategic risks
- Compliance risks
- Financial risks
- Employee risks
- Cyber risks

Corporate risk assessment report

The report covers the following topics

- Risk description
- Assessment of possible damage
- Occurrence probability
- Risk monitoring and counteracting measures

Risk reporting

Annually, and when necessary, the Straumann Group generates a comprehensive corporate risk assessment report. This report serves as a reference for the upcoming year, outlining the key risks that are critical to the Group's business. Risks are evaluated, ranked, and prioritized. Action plans are created to mitigate risks and the implementation of measures is monitored. The impact of a risk is estimated based on its effect on profit over 12 to 18 months, as well as its reputational and operational impact. Key risks are reported based on a defined risk scoring, considering the impact rating as well as the likelihood of it occurring.

In the case of pressing risks that emerge very rapidly, the Board of Directors is informed at short notice, and mitigating actions are discussed and determined accordingly.

Climate-related risks and opportunities are evaluated at both site and company levels, with communication to the Board of Directors (BoD) on an annual basis through the Group's integrated risk management approach.

Internal audit

The tasks of the internal audit are:

- To provide independent assurance to the Board of Directors that the organization's key risks are under control
- To support management in ensuring compliance, operational efficiency and control effectiveness across the Group

In a consulting role, its main tasks are:

- To assess internal processes and controls
- To propose recommendations and improvements

The overall objective is to safeguard the Group's tangible and intangible assets and evaluate the effectiveness of its risk management and governance processes.

The Head of Internal Audit heads the internal audit department and collaborates with KPMG in a co-sourcing model for those audits that require additional expertise not covered by the internal audit team. The Head of Internal Audit reports directly to the Head of Audit and Risk Committee and administratively to the CFO.

Risk assessment and mitigation

As outlined in the previous chapter, the Group's framework is based on a comprehensive double materiality assessment to ensure we align with emerging global trends and stakeholder expectations. The materiality matrix includes topics that were rated relevant by internal and external stakeholders based on the impacts, risks and opportunities associated with them. Whilst risk assessment is a different perspective, major risks are congruent with some of the topics on the matrix.

Risk assessment report process

Step	Execution
Preparation	Chief Risk Officer
Discussion	Executive Management Board
Risk assessment and discussion based on report	Audit & Risk Committee with Chief Risk Officer and senior management
Key findings presented to Board	Chief Risk Officer
Final approval	Board of Directors

Recognizing the significance of integrating climate-related risk management, in 2023, the Group conducted a thorough review of climate-related risks and opportunities in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Group considered policy and legal, physical, market, and technology risks and opportunities. Subject matter experts within the Group conducted an analysis of potential climate-related risks and opportunities under various scenarios, including low emissions scenarios (specifically, 1.5°C or lower than 2°C) and a high emissions scenario (ranging from 5 to 8.5°C). The identified risks and opportunities have undergone qualitative evaluation against each scenario and timeframe to assess their potential impacts on the business. The financial impact and scenario modeling will be done in 2024 in line with the legal requirement for the financial year 2024.

The chapter on climate change (see p. 93) provides details about the identified climate-related risks and summarizes the Group's progress towards its climate ambitions.

Major risks

The following major risks were relevant to the business in 2023. The Group's risk assessment and mitigation can be found throughout the annual report and is referenced in the table on p. 58.

Cyber risk

As the Group becomes increasingly digitally focused, cybersecurity is of utmost importance. The Group is constantly working on strengthening its efforts to protect the organization from cyber-attacks that could harm stakeholder relationships and lead to financial impact through the unavailability of critical IT systems, disruption of production or supply chain and the loss or manipulation of data resulting from cyber-attacks, computer malware, infrastructure and network outages, natural disasters or human mistakes. A key focus, as part of our cybersecurity strategy is therefore to further increase cyber resilience and foster business continuity (see cybersecurity and data privacy on p. 126).

Talent attraction and employee engagement

Talent attraction and employee engagement are crucial for the company to retain a high-performing team with specialized capabilities that can deliver on the Group's strategy and growth ambition. More information on how the Group addresses the competition for talent can be found in the empowering people section (see p. 83).

Compliance and governance

NFR *As a global business, the company is subject to various laws and regulations in the countries where it operates. These include, but are not limited to, anti-corruption, anti-trust, data protection, labor, environmental, health and safety, and tax laws and regulations. Non-compliance could result in fines, penalties, litigation, reputational damage, and loss of business opportunities. To manage these risks, the Group is strengthening its governance and compliance structure. The Group is also maintaining global whistleblowing lines that allow anyone to report compliance concerns anonymously and without fear of retaliation. Finally, the Group monitors internal compliance policies with global and local laws, updating and harmonizing as needed. Trainings and guidance to employees are provided on how to comply with these policies and standards (see business conduct on p. 116, responsible and ethical supply chain management p. 105 and patient health and safety, product quality p. 60).*

Foreign currency risks

The company conducts business in many countries and is therefore subject to foreign currency risk from various currency exposures, including (but not limited to) the euro, US dollar, Brazilian real, Chinese renminbi, Japanese yen and Turkish lira. Since the Group's financial statements are prepared in Swiss francs, exchange rate fluctuations can affect both the operating results and the reported values of the assets and liabilities. To mitigate this risk, the Group has a foreign currency risk management policy in place. For details see economic performance on p. 124.

Pricing pressure and market consolidation

As expected, volume-based procurement (VBP) in China had a significant impact on pricing in the Chinese market in 2023. The Group was able to turn this risk into an opportunity, grew volume significantly in the Chinese market and outperformed its competitors. Nevertheless, pricing risk will be one of the key risks Straumann Group has to focus on also in the future. This can be due to the macroeconomic softening, but also to market consolidation and the increasing importance of the dental service organization(DSO) business (see strategy p. 26). Therefore, the Group is constantly monitoring the adherence to the pricing goals set. Pressure on prices is also compensated for by holistic efficiency realization. Furthermore, sales excellence and innovation can compensate for some negative impacts.

Merger and acquisitions as well as post-merger risks

The company pursues strategic merger and acquisition (M&A) opportunities to enhance its competitive position, expand its market share, and diversify its product portfolio. Straumann Group follows a disciplined process to identify, evaluate, and execute potential M&A transactions, in alignment with its corporate strategy and financial objectives. The company recognizes that successful M&A transactions depend not only on the deal terms and valuation, but also on the effective integration of the acquired businesses and therefore continues to focus on both areas.

Intellectual property risks

Another area of risk that the company faces is related to intellectual property (IP). The company relies on its IP portfolio, which includes patents, trademarks, trade secrets, and copyrights, to protect its proprietary technologies, products, services, and brands. The Group invests significant resources in developing, acquiring, maintaining, and enforcing its IP rights, both domestically and internationally, since IP will ultimately protect Straumann Group's innovative advantage against competitors. To protect its IP against third-party infringement, the Group established and maintains IP management systems and processes to ensure the proper documentation, registra-

tion, renewal, and protection of IP rights, and to monitor and detect potential IP issues or threats. (see intellectual property on p. 125).

Geopolitical risk

The Group has a global presence and is therefore subject to the effects of economic, political and social developments such as trade protectionism, foreign exchange volatility, political tensions, war and unrest. These developments can have a direct or an indirect impact on the people, environment, assets and the business and the company's reputation. That impact may be direct (e.g. security consequences) or indirect (e.g. economic uncertainty) and might also increase the Group's exposure to a large range of threats, including compliance, tax, access to raw materials and cash repatriation. For more information see economic performance on p. 124.

The table on the right provides a summary of the primary risks the Group has identified. It directs to additional details on the company's strategic preparations to address these risks proactively before they arise and seize opportunities.

Risk type		Mitigation/opportunities
Operational and environmental	Supply chain risk	Responsible and ethical supply chain management p. 105
	Production and quality assurance risk	Patient health and safety, product quality p. 60
		Occupational health, safety and wellbeing p. 90
		Climate change p. 93
Strategic	Political and economic uncertainties	Economic performance p. 124
	Market environment risk	Strategy p. 16
		Innovation p. 64
		Increased access to oral health and education p. 76
		Customer and patient satisfaction p. 81
	Digital transformation risk	Strategy p. 20
Compliance	Personal data and ESG regulation risk	Cybersecurity and data privacy p. 126
		Introduction to sustainability report p. 51
	Corporate governance risk	Business conduct p. 116
	Legal risk	Intellectual property p. 125
Financial	Performance risk	Business development p. 28
		Economic performance p. 124
	Tax risk	Business conduct p. 116
	Treasury risk	Economic performance p. 124
Employee	Talent management risk	Inclusion and diversity p. 86
		Talent attraction and employee engagement p. 88
Cyber	Cyber risk	Cybersecurity and data privacy p. 126

straumanngroup

Highlights
Letter from the Chair and CEO
Company profile
Business development
Feature story
Customers are our inspiration

Sustainability report
- Letter from the Chair of the STIC and the Chair of the ARC
- Introduction
- Risk management approach
- Advancing oral care
- Empowering people
- Caring for the planet and society
- Acting with responsibility
- Independent assurance report on non-financial KPIs in annual report

Corporate governance report
Compensation report
Financial report Straumann Group
Financial report Straumann Holding
Appendix

ADVANCING ORAL CARE

Material topics:

This commitment contributes to the following UN SDGs:

Our goal:

To help 10 million smiles per year by 2030

Our goal:

Maintain 35% of all our educational activities in low- and middle-income countries

Approach to advancing oral care

Quality oral care extends beyond the solutions offered; it is essential for patients' overall health and wellbeing. This lies at the heart of the advancing oral care commitment. The Group is dedicated to reducing the impact of prevalent oral diseases and improving the quality of life of millions of patients worldwide. The Group's objective is to pioneer innovative oral care solutions that prioritize patient health and safety. The focus underpins the goal to help 10 million smiles[1] annually by 2030.

> We helped to create more than 5.6 million smiles in 2023

Collaborating with strategic partners allows enhanced access to oral care worldwide. Advocating for customer learning and education is aimed at benefiting patients. Based on the double materiality assessment and the stakeholder inputs collected in the process (see p. 53), the material topics that are grouped under the advancing oral care commitment were consolidated. Customer and patient education have been integrated with increased access to oral health. This emphasizes that the Group's educational initiatives around the globe are part of its broader efforts to promote access to oral health.

1 Straumann Group calculation per smile: 2 implants or 1 clear aligner case start

Patient health and safety, product quality

Ensuring product integrity for patient health and safety

In its continuous pursuit of advancing oral care, Straumann Group focuses on patient health and safety while upholding highest standards of product quality and effectiveness.

NFR *This commitment to patient health and safety, as well as product quality, is achieved by the Group's state-of-the-art quality management system, according to ISO 13485 and all other applicable country-specific standards.*

The Straumann Group offers a wide range of products, which are classified as medical, custom-made and non-medical devices. These products are related to the dental implant system (implants, abutments, final restorations, instruments and auxiliaries, dental surgery navigation), aligners and accessories, intraoral scanners, dental planning software and biomaterial products.

Global clinical trial program

NFR *The Straumann brand sponsors a global clinical trial program designed to assess and confirm the safety, efficiency and effectiveness of implantable devices and solutions. Clinical studies are conducted by dental professionals who are experienced experts in their respective fields. The Group strives to ensure that the clinical studies are compliant with legal, ethical, regulatory and data protection standards, including but not limited to the Declaration of Helsinki, Good Clinical Practice (GCP) and the General Data Protection Regulation (GDPR).*

Quality control is applied throughout the complete study duration with the goal of ensuring data completeness and integrity, and compliance of all study procedures with the respective international and national standards and legal requirements.

For instance, all Straumann-sponsored studies are regularly monitored by qualified study monitors.

All clinical studies require regulatory authorization (if applicable) and ethical approval by an independent institutional review board (IRB) or ethical committee (EC). This authorization needs to be available prior to the study start and projects must be entered in a WHO primary registry or on clinicaltrials.gov. Patients are asked to consent to clinical studies and may withdraw their participation at any time without negative consequences for their further treatment. Patients are selected by investigators according to specific eligibility criteria defined for each study. Safety reporting follows defined procedures that are applicable to all Straumann-sponsored trials. Potential risks of study procedures are weighed against the benefits prior to study start and are documented in the patient-specific documentation and respective study documents.

Clinical strategic cooperation on China CIIE 2023

The results of the clinical studies are published in peer-reviewed international scientific journals, in addition to the databases mentioned above. Articles are generally submitted for publication within 12 months after a trial has ended. Selected projects from the clinical trial program are included in the Straumann Group science webpage (studies sponsored by Straumann Group).

Regulatory requirements and medical device regulations

Medical device companies face growing scrutiny from regulators around the world as well as increasing requirements for documented evidence to demonstrate compliance in the interest of patient health and safety. To ensure continuity to meet compliance regulations and standards and to protect customers and patients around the world, the Group relies on its teams in regulatory affairs and quality assurance to implement wide-ranging regulations such as EU Medical Device Regulation (MDR), FDA Code of Federal Regulations (CFR) Title 21, and multiple other geographical requirements. This underscores the dedication to ensuring the highest level of product quality and safety and to maintaining accessibility to products across global markets.

> "Maintenance and expansion of certification assure product safety and efficacy for patient health and safety


Colleagues checking implants under the microscope in Villeret, Switzerland

The EU Medical Device Regulation (MDR – Regulation EU 2017/745) resulted in greater surveillance, higher requirements for more and stronger clinical data, more involvement of notified bodies for higher risk products, longer approval times and active post market surveillance. Notified bodies have declined in number and their control has increased. Stricter requirements and regulations are also expected in smaller markets, which will increase the demand for enhanced regulatory compliance, and safe and effective products. To ensure continued access to European markets under MDR and further geographies, timely implementation is essential.

Since the entry into force of the EU MDR in May 2017, all devices on the market need to undergo a new and complete conformity assessment under the new ruling, in alignment with the deadlines defined in the EU amendment 2023/607. Straumann Group has worked continuously on gathering and establishing evidence of compliance for its legacy devices to maintain continued availability of Straumann Group products across all impacted geographies under this regulation change. As a consequence, Straumann Group successfully obtained MDR certification for all its brands, except ClearCorrect. This achievement ensures not only the sustained availability of the Group's legacy products but also the introduction of innovative new products. Please refer to the table on p. 63 for an overview of certifications.

The Medical Device Single Audit Program (MDSAP) is a global approach to auditing and monitoring the manufacture of medical devices and facilitates compliance assessments internationally. The MDSAP allows a recognized auditing organization to conduct a single audit of a manufacturer that satisfies the relevant requirements of the regulatory authorities in the program, namely:

- Australia's Therapeutic Goods Administration
- Brazil's Agência Nacional de Vigilância Sanitária
- Health Canada
- Japan's Ministry of Health, Labor and Welfare
- The Japanese Pharmaceuticals and Medical Devices Agency

- US Food and Drug Administration (FDA), Center for Devices and Radiological Health CDRH (accepting MDSAP audit reports as a substitute for routine Agency inspections)

Straumann Group maintained its MDSAP certificates for Institut Straumann, Neodent, Anthogyr, Dental Wings and ClearCorrect and extended the MDSAP certification to Medentika and a further Straumann manufacturing site.

> All notified body audits including unannounced visits were passed in 2023

In 2023, the Group design centers and manufacturing facilities passed successfully all notified body audits including unannounced audits, which are required to maintain the certification of quality and environmental management systems. Additionally, competent authorities inspected four (France, Belgium, the UK, Singapore) Straumann Group subsidiaries regarding their storage and distribution processes with no major findings.

Several other regulatory authorities continue to inspect manufacturers in foreign countries. The Group is prepared for inspections and has experienced teams of regulatory and compliance experts in Europe, the UK, Brazil, China, Japan, Korea, Switzerland as well as the US and Canada. Excellent collaboration between the experts from each Straumann Group company and colleagues in the regions facilitated recent successful registrations and inspections.

In addition to the product conformity assessment by regulators, Straumann Group companies have focused on quality objectives for compliance and key performance indicators together with audit programs.

At Straumann Group, both internally and with suppliers, processes are implemented to assure compliance and identify opportunities for improvement. The Group also maintains an ongoing training program to support continuity in compliance with new and existing standards and regulations.

NFR *Implementing an effective internal quality audit framework and following applicable standards and regulations are crucial for the Straumann Group quality compliance. Unannounced internal quality audits and dedicated audits of product technical files were also conducted at Straumann Group. With a proactive audit management program, Straumann Group has established measures to enable the management to take informed decisions based on actual data.*

Post-market activities

NFR *Post-market activities are well established within the Group and in line with the applicable global and local regulations. In addition to product traceability and validated processes for any medical and non-medical device, the Group maintains post-market surveillance processes by collecting and analyzing customer feedback, clinical and overall quality from manufacturers as well as events relating to products from worldwide distribution networks and markets.*

The Group's approach towards customer health and safety, as well as compliance of products and services, includes an immediate escalation process when potential safety and compliance issues arise. NFR *In the rare case of a potentially serious safety or compliance issue, the appointed Product Safety Officer is authorized to convene a safety board meeting at very short notice to analyze and initiate corrective actions. This may include product recalls and reporting to worldwide health authorities.*

As a result of the efforts in this field, in 2023, there were no FDA mandated recalls, Medwatch Safety Alerts, FDA enforcement actions or fatality reports to authorities for Straumann Group products (see SASB table, p. 246). The Group conducted two voluntary limited filed actions in 2023. There were no patient safety and health incident associated with these. Please refer to the SASB table on p. 246 for details. Long-term monitoring of the performance of products and services is conducted at Straumann Group in accordance with applicable regulatory requirements (EU MDR, 21 CFR.). These processes are frequently reviewed by regulatory agencies to confirm that internationally recognized standards are met. NFR *Furthermore, clinical trials and post market clinical follow-up studies are conducted, followed by controlled, selective introductions where appropriate. A comprehensive range of educational courses (see p. 76) is also offered at all levels and in all countries where the products are available.*

Straumann Group design and production sites in 2023

Products	Location	Markets	Certifications, USFDA Establishment Registration (FEI)
Biomaterials	Malmö, Sweden (Straumann)	Global	ISO 13485, MDSAP[1]; FEI 3002806508
CADCAM prosthetics	Mansfield, US (Straumann)	NAM	ISO 13485, MDSAP[1]; Dental license for lab activity; FEI 3005106405
	Markkleeberg, Germany (Straumann)	Europe	ISO 13485, MDSAP[1]; FEI 3011221537
	Mendaro, Spain (Createch)	Spain (Europe)	ISO 13485, Dental licence for lab activity
	Mersch, Luxemburg (Simeda Anthogyr)	Europe	ISO 13485, Dental licence for lab activity
	Narita, Japan (Straumann)	Japan (Asia)	ISO 13485, Dental licence for lab activity
	Rheinfelden, Switzerland (etkon)	Switzerland	Dental licence for lab activity
Clear aligners	Beijing, China (ClearCorrect)	China	Manufacturing license for China
	Curitiba, Brazil (ClearCorrect)	Brazil	ISO 13485
	Markkleeberg, Germany (ClearCorrect)	Europe	ISO 13485
	Round Rock, US (ClearCorrect)	Global	ISO 13485, MDSAP[1]
	Lahore, Pakistan (ClearCorrect)	Global	
Digital equipment	Chemnitz, Germany (Dental Wings)	Global	ISO 13485, MDSAP[1]; FEI 3010377510
	Montreal, Canada (Dental Wings)	Global	ISO 13485, MDSAP[1]; FEI 3006945044
Implant systems	Andover, US (Straumann)	Global	ISO 13485, MDSAP[1]; FEI 1000121052
	Basel, Switzerland (Straumann)	Global	ISO 13485, MDSAP[1]; FEI 3004975279
	Curitiba, Brazil (Neodent, NUVO)	Global	ISO 13485, MDSAP[1]; FEI 3008261720
	Hügelsheim, Germany (Medentika)	Global	ISO 13485, MDSAP[1]; FEI 3008770646
	New Taipei City, Taiwan (T-Plus)	Taiwan, China, US	ISO 13485
	Calw, Germany (Medentika)	Global	ISO 13485, MDSAP[1]; FEI 3013232153
	Sallanches, France (Anthogyr)	Asia, Europe, Russia	ISO 13485, MDSAP[1]; FEI 4224
	Villeret, Switzerland (Straumann)	Global	ISO 13485, MDSAP[1]; FEI 3002807318
Resins/thermoplastics	Fremont, US (Bay Materials)	Global	ISO 13485 application pending
	Pelotas, Brazil (Yller Biomateriais)	LATAM	ISO 13485

1 MDSAP: Medial Device Single Audit Program including Australia, Brazil, Canada, the US and Japan

Innovation

At the heart of Straumann Group's mission lies a strong commitment to innovation as a driving force to advance oral care. This dedication to innovation defines the identity of the Group and inspires collaboration with customers. Innovation plays a vital role in transforming and brightening lives, one smile at a time, and it is not just a goal for the Group but the very essence of the mission.

NFR *The Group's focus on innovation extends beyond products to excellence in manufacturing processes, process innovations connected to services, and a commitment to reducing ecological impact. The broader strategy is to develop a balanced innovation portfolio that includes both incremental and sustainable innovation, as well as more radical and disruptive approaches. These efforts are integral to driving the digital transformation in oral care.*

Hence, the Group's research and development capabilities follow the approach:
- To sustain innovation as a priority to advance oral health and provide cutting-edge dental solutions
- To create an organization and capabilities to incubate disruptive, sustainable innovation, providing the Group with the chance to be part of the oral health transformation

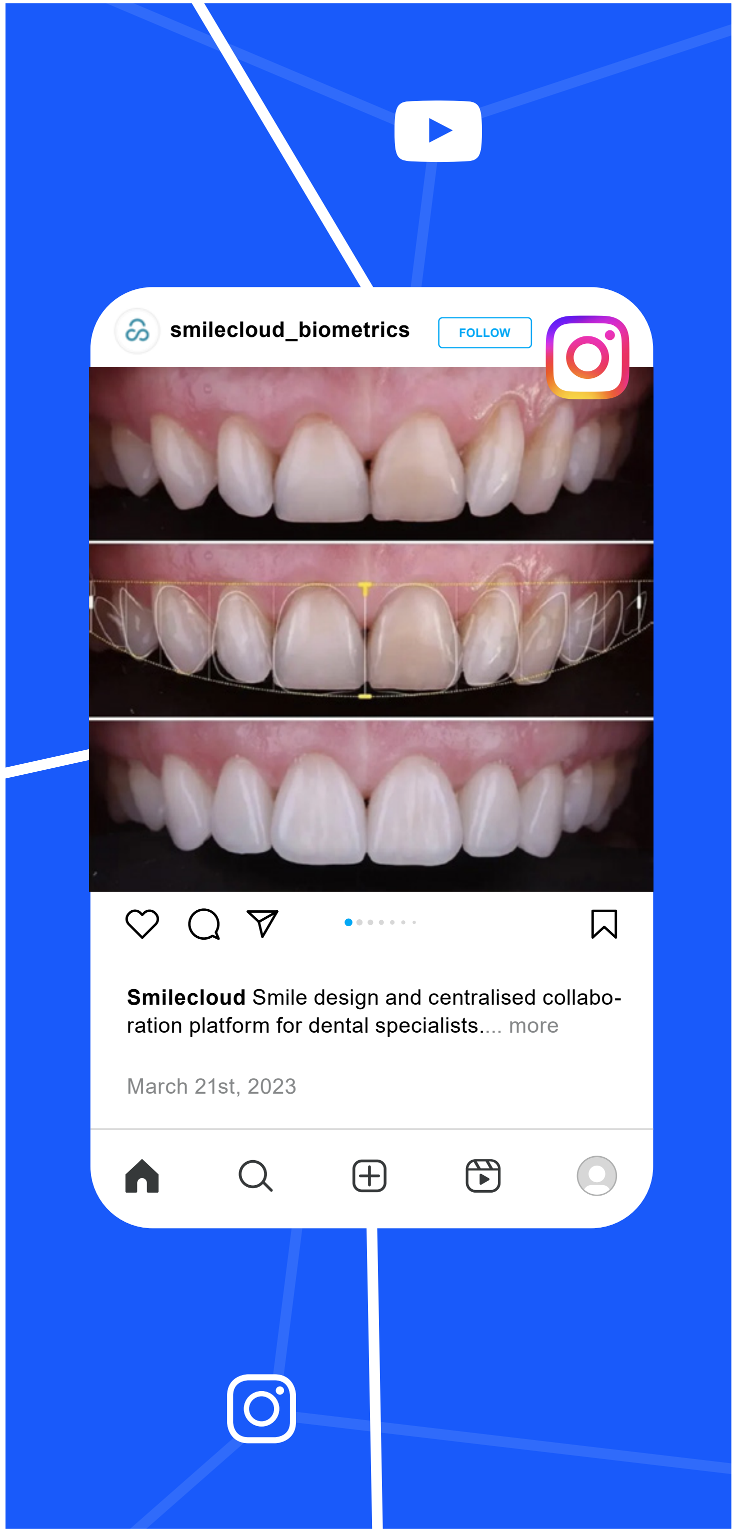
Straumann Group places significant emphasis on scientific studies and clinical trials to ensure the safety and effectiveness of its products. Maintaining a global clinical research program is integral to validating the efficacy and safety of products and workflows for the benefit of patients. In 2023, the commitment to advancing knowledge was demonstrated with 150 ongoing clinical studies worldwide, resulting in the publication of approximately 30 scientific articles in international, peer-reviewed journals. This robust clinical research program not only generates high-level scientific evidence but also provides proof of the long-term clinical performance of the products, serving as a cornerstone for advanced innovation.

The collaboration with the International Team for Implantology (ITI), a valued partner since 1988, underscores the team's dedication to supporting research in implant dentistry. Together, the aim is to advance knowledge and share results with professionals globally, establishing the Group and the ITI as key drivers for generating scientific evidence in dental implantology.

Beyond research, the focus extends to developing solutions that prioritize an exceptional customer and patient experience. Innovations are designed to create seamless workflows, enhance practice efficiency, and ultimately facilitate a faster journey from diagnostics through treatment to a healthy smile. At Straumann Group, the commitment to excellence is not just a statement; it is embedded in every aspect of research, partnerships, and product development.

NFR *The Group actively applies and trains its teams in design thinking principles to ensure that innovations are impactful as well as customer- and patient-centric.*

Ideas can come from any source: the organization, clinicians, inventors, start-ups and partners. This belief underpins the Group's culture of open innovation, encouraging a free exchange of ideas and perspectives. It is also reflected in the Group's multi-brand approach which makes it possible to gain access to key technologies or penetrate markets through acquisitions.



straumanngroup

	Main brands	Digital solutions	Tooth alignment	Prevention and tissue regeneration	Tooth replacement and restoration
Controlled by Straumann Group	AlliedStar	✓			
	Anthogyr	✓			✓
	Bay Materials		✓		
	ClearCorrect	✓	✓		
	Createch				✓
	DrSmile		✓		
	GalvoSurge			✓	
	Medentika	✓			✓
	Neodent	✓			✓
	NUVO				✓
	Smilink		✓		
	Straumann	✓		✓	✓
	T-Plus				✓
	Yller	✓			✓
Partially owned by Straumann Group	botiss biomaterials			✓	
	CareStack	✓			
	Dental Monitoring	✓	✓		
	maxon dental				✓
	mininavident	✓			✓
	Promaton	✓			
	Rapid Shape	✓			✓
	SmileCloud	✓			
Partnering businesses (distributors)	3shape	✓			
	Amann Girrbach	✓			✓
	Medit	✓			
	Nibec			✓	
	Smyletec		✓		
	Zirkonzahn	✓			✓

This chart shows the Group's main brands, the degree of ownership and the solutions they offer. Dental Wings is part of the Straumann brand today.

Click here for more product information.

Open innovation model

Open Innovation is recognized as a crucial factor in creating value for the Group, as it unlocks the untapped innovation potential of various stakeholders including scientific partners, start-ups, customers, employees, and innovation crowds. The Group's open innovation program aims to achieve the following objectives:

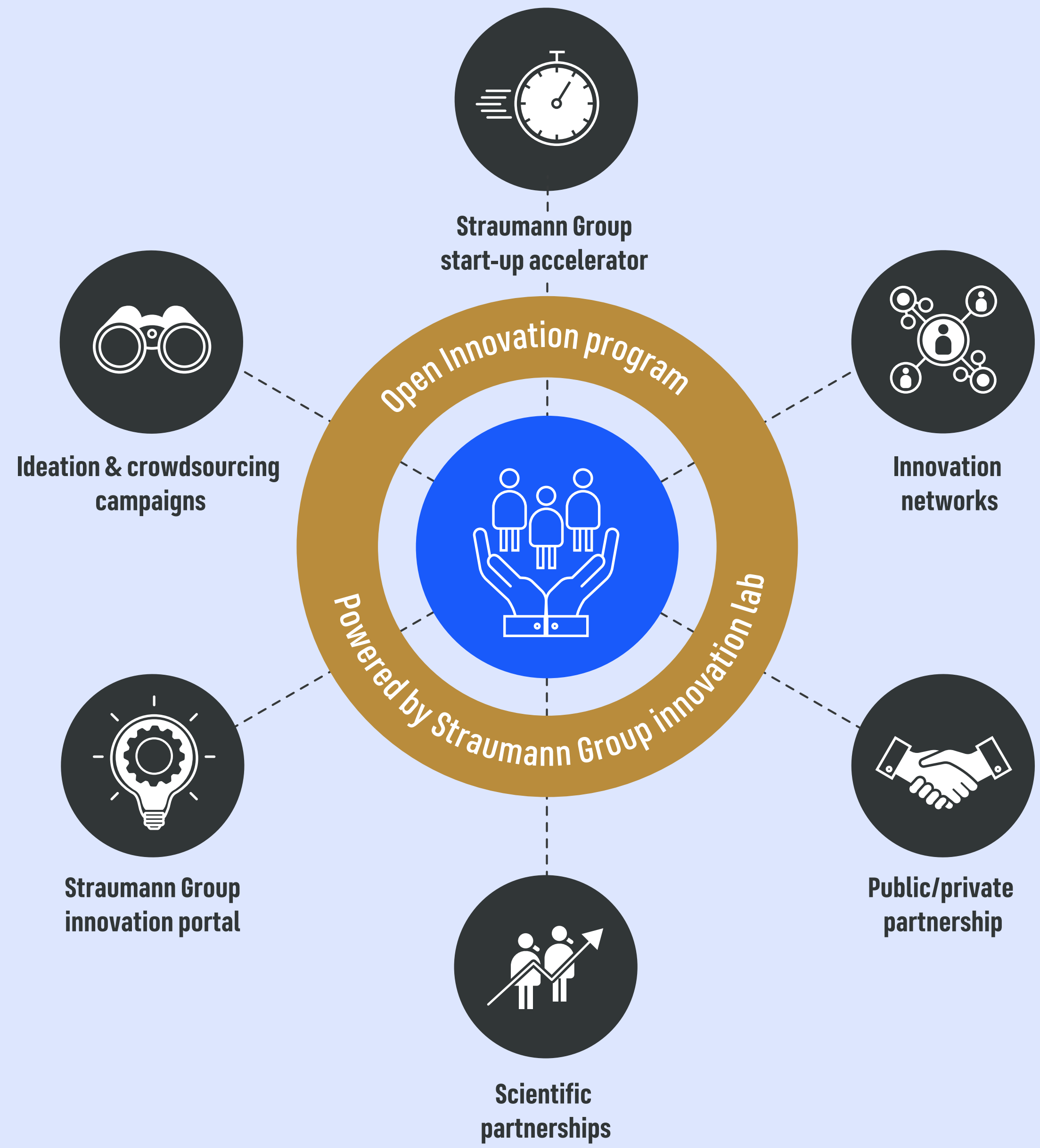
- Identify new partners and solutions aligned with the Group's strategic innovation themes
- Foster stronger collaboration and engagement with external partners
- Cultivate an innovation-driven culture and accelerate the Group's innovation potential

NFR *Ideas can be submitted via the Straumann Group innovation portal. In 2023, more than 120 ideas were screened and various new innovation projects initiated. In addition, a multitude of ideation campaigns with external customers and internal innovation teams were initiated which foster the innovation culture and collaboration mindset.*

With the Straumann Group start-up accelerator program in partnership with Plug & Play Tech Center, the aim is to identify and collaborate with relevant start-ups following a structured, three to six-month program. More than 100 start-ups were scouted. In 2023, six use cases were worked on, ranging from patient education to operational efficiency. Various pilot projects were initiated to determine the suitability of the start-ups' solutions and evaluate the match between the Group and the respective start-up companies.

Moreover, the Group's commitment to securing its future in the industry is clearly demonstrated. Substantial investments have been made in the creation of intellectual property rights. This strategic approach ensures a sustained presence in the evolving landscape of oral

OPEN INNOVATION MODEL



health, allowing the Group to stay at the forefront of advancements and innovations in the field – see p. 125.

The Global IP Team plays a vital role in cultivating a culture of innovation within the organization. The team is responsible for transforming creative ideas generated by the innovation and R&D teams into tangible inventions. Simultaneously, they prioritize the protection of these valuable innovations by strategically filing patent applications. This strategic approach provides the Group with a competitive advantage in the constantly evolving global patent landscape.

NFR *While innovation activities for the Straumann Group happen around the globe, the main R&D and Innovation Center is located in Basel, Switzerland. High-quality infrastructure, a strong innovation ecosystem, and highly educated and multilingual talents provide the ideal environment for the Group's ambition to further strengthen its innovative power. The decision to invest in a new Technology and Innovation center for Straumann in Uptown, Arlesheim near Basel, Switzerland is a testimony to this commitment.*


The Group's technology and innovation center in Arlesheim near Basel, Switzerland

New technology and innovation center in Arlesheim

The planning of a new technology and innovation center near Basel, Switzerland has further progressed. Upon completion, the center will offer a unique opportunity to facilitate customer interactions and bring together R&D teams from different locations at one site spanning over 22 000 m². Besides the development teams, the center will host a highly advanced rapid prototyping and testing facility, the Straumann Innovation LAB, a co-creating workspace, labs for start-ups and a training facility with an interactive showroom for dental professionals.

Turning waste into value – sustainable toothbrush initiative

In 2021, the Group launched a project to reduce the environmental impact of the packaging process at the production plant in Villeret, Switzerland. Around 30 tons of high-quality PET material were discarded every year as cutting waste in the Group's blister packaging process. To investigate the reusability of the PET polymer, the Group partnered with the University of Applied Sciences in Windisch, Switzerland, with Trisa, a Swiss premium toothbrush manufacturer, and with Recoplast in Solothurn, Switzerland.

Together, the Group developed a novel toothbrush with a handle made of 99% recycled plastic waste from its production site. As a result, the Straumann Group can now turn around 1 000 kilograms of plastic waste into 50 000 toothbrushes.

Implantology innovations

NFR *Straumann Group's R&D focus is especially evident in the field of dental implantology products, where the company has a pioneering role and a strong reputation. By continuously innovating and improving its solutions, Straumann Group can enhance its competitiveness, provide value to customers and access new markets. This is exemplified by two recent products, iEXCEL, the new Straumann performance system, and GalvoSurge, a solution to treat implant complications, which represent significant strides in advancing dental implant technology and care.*

iEXCEL – the new Straumann implant system

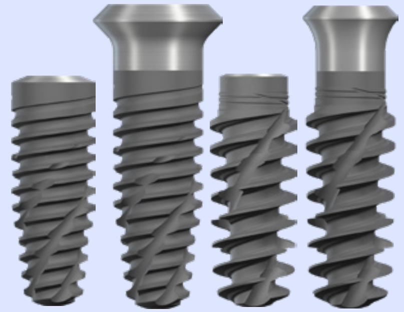
The new system introduces a dynamic approach to clinical procedures with its four distinct implant designs: BLX, TLX, BLC, and TLC. These designs make it possible to execute immediate treatment protocols effectively, even in complex cases. The BLC and TLC implants are specifically crafted with an apical taper, making them exceptionally versatile and suitable for a wide range of dental scenarios.

> iEXCEL was developed based on customer feedback collected over the past years

A standout feature of this system is its unified approach to prosthetics. All four implant types are compatible with a single prosthetic connection, TorcFit, and can be used with a single instrument set. This standardization simplifies the process significantly for both surgeons and prosthodontists, allowing them to select the most appropriate implant type for any patient condition, even during ongoing surgical procedures.

Each implant comes with a high-performance material and surface: Straumann Roxolid, a high-performance material known for its strength. This material choice facilitates less invasive procedures and helps in preserving bone structure, especially beneficial when using diameter-reduced implants.

Moreover, the system is designed to seamlessly integrate with digital workflows and services. This integration ensures predictable, efficient, and high-quality dental care outcomes, suitable for a variety of needs ranging from single tooth replacements to full-arch restorations.



Straumann iEXCEL implant system

GalvoSurge

In May 2023, the Group acquired GalvoSurge, a Swiss medical device manufacturer. The GalvoSurge Dental Implant Cleaning System offers a solution for the treatment of peri-implantitis. This condition is characterized by inflammation and infection around dental implants, which can lead to implant failure if not properly managed. GalvoSurge provides an advanced approach to addressing this issue. It effectively removes the biofilm matrix, a common culprit in peri-implantitis, and thoroughly decontaminates the affected implant surface.

By completely eliminating the biofilm and creating a clean environment, the system creates ideal conditions for successful tissue reconstruction around the implant. This process promotes better healing and enhances the long-term stability and function of the dental implant.

The acquisition of GalvoSurge demonstrates Straumann's commitment to expanding its offering to comprehensive solutions for implant care and maintenance, and reaffirms its dedication to providing innovative and effective solutions for dental professionals and their patients.

GalvoSurge removes biofilm from dental implants affected by peri-implantitis

Straumann Group key launches in 2023 – tooth replacement and restoration / regenerative solutions

Brand	Solution name	Benefit and added value for customers and their patients
Tooth replacement and restoration		
Anthogyr	Axiom X3 Tissue Level Implant	New X3 implant available now for the classical tissue level; high versatility to cover most indications including single tooth restoration and bars and bridges
Medentika	Multi-Platform System (MPS)	Launch of new MPS lines compatible with Straumann Group connections
		Launch of new scanbody design for upgraded data capturing for the digital prosthetic workflow
		RevEx scanbody for reverse data capturing on edentulous patients
Neodent	Zygoma-S	Implant design indicated to all zygomatic implant techniques, with a smooth surface, small diameter, and single GM Connection; designed to simplify the surgical procedure and avoid peri-implantitis
	Mini Conical 45 / 52 / 60°	Delivers comprehensive options for full arch restorations with angled implants techniques, in order to facilitate prosthetic solutions
	Helix Short	Short implants solution in helix design to achieve high primary stability; transmucosal implant recommended for posterior regions; fits for situations with reduced bone availability.
Straumann Dental Implant System	iEXCEL	Two new iEXCEL implant lines of the Straumann performance system, including BLC and TLC, entered limited market release; the C-line, BLC and TLC, will increase the versatility of the system while offering simplicity and efficiency to clinicians by using the same prosthetic components and surgical instruments for all implant family members including BLX and TLX
	Locator Fixed	System to attach a fixed prosthesis to implants to deliver a financially accessible, fixed full-arch treatment plan for edentulous patients.
	RevEX Scanbody	New scan bodies will be used to scan the entire existing temporary restoration and give precise implant position to the lab; this scanning will be done as part of the usual IOS workflow
Regenerative solutions		
Straumann	Cerabone plus	Continuous global roll-out of innovative bovine bone grafts with hyaluronate for tissue regeneration
	GalvoSurge	Completely removes the biofilm matrix and decontaminates the surface of implants effected by peri-implantitis, without harming healthy soft and hard tissue; this sets an ideal starting point to regenerate the lost tissue and save the implant

Digital implantology workflow innovations

As mentioned in the strategy chapter (see p. 20), digital transformation plays a crucial role in driving innovation across the entire Straumann Group. This transformation encompasses various aspects such as hardware, software, and connectivity, all aimed at improving dental workflows. Digital dentistry, in particular, has emerged as a key area of focus for the Group.

Digital dentistry enables dental professionals to streamline their workflows, reduce costs, and ultimately enhance patient satisfaction. To support this effort, the Straumann Group offers integrated software solutions and advanced scanners tailored for orthodontics, implantology, and CADCAM restoration.

Innovation is exemplified by several notable products. Falcon, Straumann's dynamic navigation system, is designed to improve surgical precision and optimize implant placement. ReVEX, a novel scan body, significantly reduces the time required to complete the restorative phase of treatment, ultimately accelerating the delivery of functional teeth to patients. Additionally, Straumann's fast molar solution, in conjunction with Anatomic Healing Abutments, streamlines dental procedures and enhances treatment accuracy, particularly in molar restorations.

By embracing digital dentistry and offering these cutting-edge solutions, the Straumann Group is fully committed to empowering dental professionals with the tools they need to deliver efficient, accurate, and patient-centered dental care.

Straumann Falcon

Straumann Falcon is a computer-assisted system that surgeons use to navigate their instruments during dental procedures. Enabling visualization of the precise instrument location in the surgical field, it helps to avoid critical anatomical structures and supports implant positioning according to the treatment plan. Straumann Falcon is designed to achieve predictable results and provide more flexibility to adapt to the clinical situation during surgery. This can potentially lead to fewer complications and improved patient outcomes.

Straumann Falcon – a dynamic navigation system for dental surgeries

Platform and Service Innovation

NFR *Dental platform innovation is key to transforming the dental industry and improving the quality of care for patients.*

The Group has a clear vision for creating an innovative digital dental platform called Straumann AXS, that will host powerful AI enhanced applications, such as coDiagnostiX for surgical planning, enable collaboration across dental professionals, communication to patients with SmileCloud, and offer dental services such as Smile in a Box. By leveraging the latest technologies and data insights, the Group aims to provide a seamless and personalized dental experience that will enhance the outcomes and satisfaction of both dentists and their patients.

Straumann AXS

Straumann AXS aims to bring all Straumann Group solutions under one roof, providing seamless, end-to-end treatment workflows and secure patient data storage for clinicians and dental labs as illustrated on the next page.

Virtuo Vivo

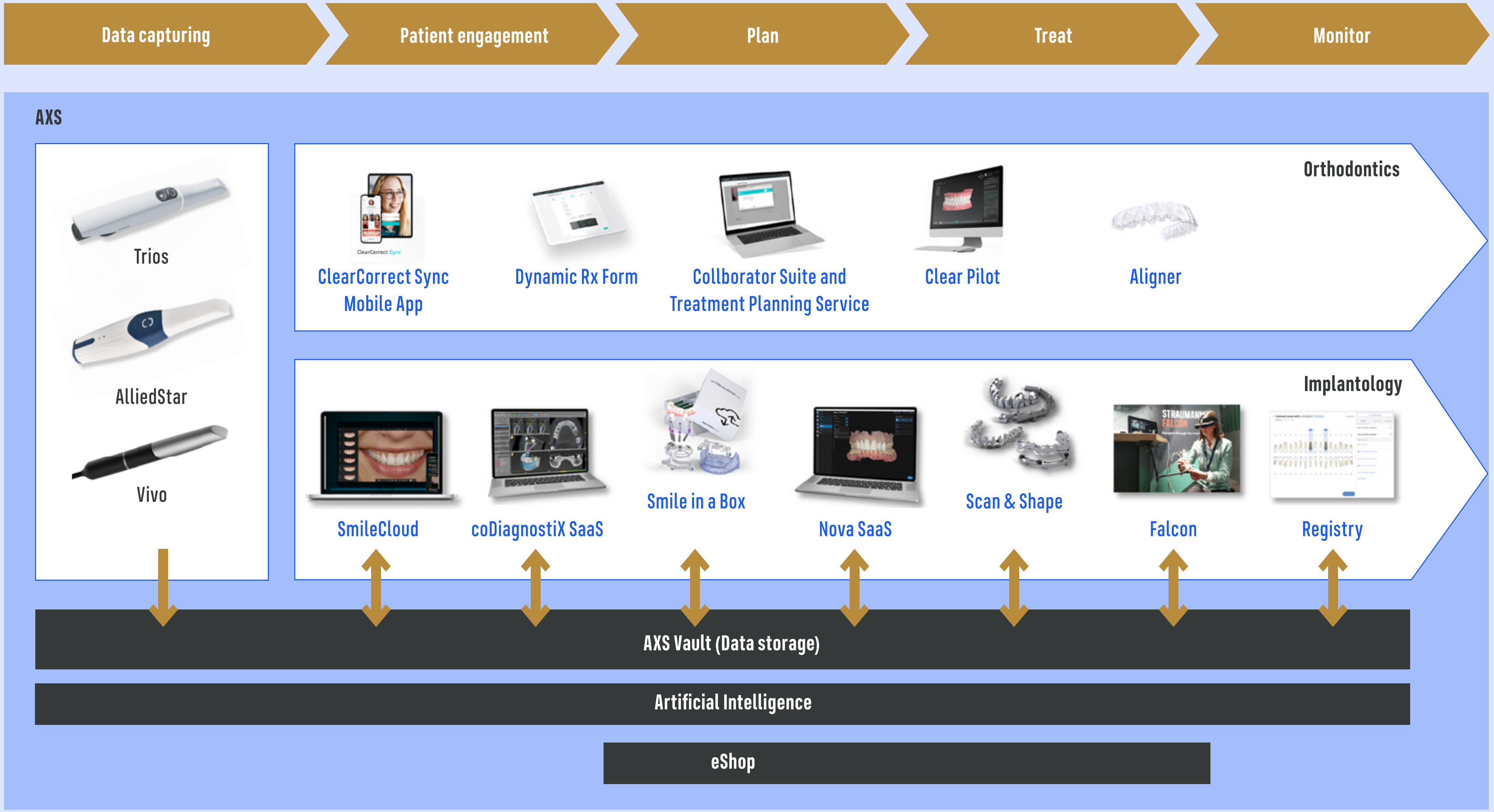
The Group continuously enhances its Virtuo Vivo software, optimizing the integration with Straumann AXS for efficient workflow dynamics and streamlined data sharing. Maintaining a strong emphasis on implantology and ClearCorrect integration is crucial to strengthening the orthodontics business.

Throughout 2023, four software updates were implemented to enhance the user experience, streamline the learning process and optimize clinical outcomes. These updates, compatible with existing hardware, enhance the performance of Virtuo Vivo. The software introduces a modern interface, improved guidance and enhanced data and patient management, with a specific focus on integration with Straumann AXS.

AlliedStar

In 2023, the Group closed the acquisition of AlliedStar, an intraoral scanner (IOS) manufacturer in China. It will enable the Group to offer customers in China a competitive intraoral scanner solution and to address additional price-sensitive markets and customer segments in the future. The Group will acquire full ownership of AlliedStar spread over several installments over the next eight years.

End-to-end treatment workflows via Straumann AXS



Straumann Group key launches in 2023 – digital solutions

Brand	Solution name	Benefit and added value for customers and their patients
Digital solutions		
Cosmos	Cosmos Universal	Launch of multiple new resin solutions: Surgical Guide – precise results on 3D printed surgical-guide; Bite Splint – strength and comfort with myorelaxant boards printed with Cosmos Bite Splint; Denture Base – access to highly durable temporary 3D printed denture bases; Denture Teeth – print functional and esthetic denture teeth
	Shades for Temporary Restoration	Reproducing teeth to look natural with 3D printed restoration make up
	Cosmos Glaze	Shiny temporary 3D printed restoration make up
Straumann Digital	PRO Resins	Denture – Straumann's first material to 3D print dentures is a full system to 3D print and manufacture dentures, allowing P series customers to produce dentures; Crown – Straumann's first 3D printing resin for permanent crowns; Model Y – dental model resin for P series for mass-producing aligner models
	Virtuo Vivo	Major software updates to improve the user experience, shorten the learning journey and improve clinical outcome; leveraging the current hardware, the new software version impacts the performance of the Virtuo Vivo significantly; the software benefits from a new and modern touch and feel, including enhanced guidance and new data and patient management centered around the integration with the Straumann AXS digital platform
	SmileCloud	Smile design and collaboration platform that allows clinicians to create smile designs supported by AI technology and 3D biometric libraries to achieve the best possible outcome for patients; SmileCloud enables collaboration among dental professionals and allows them to improve interaction with patients
Straumann Platform and Services	Smile in a Box, Registry and Virtuo Vivo file archiving	Continuous improvement on Smile in a Box service including one invoicing
		Limited market release of Straumann AXS together with Vivo file archiving in the cloud

Orthodontics

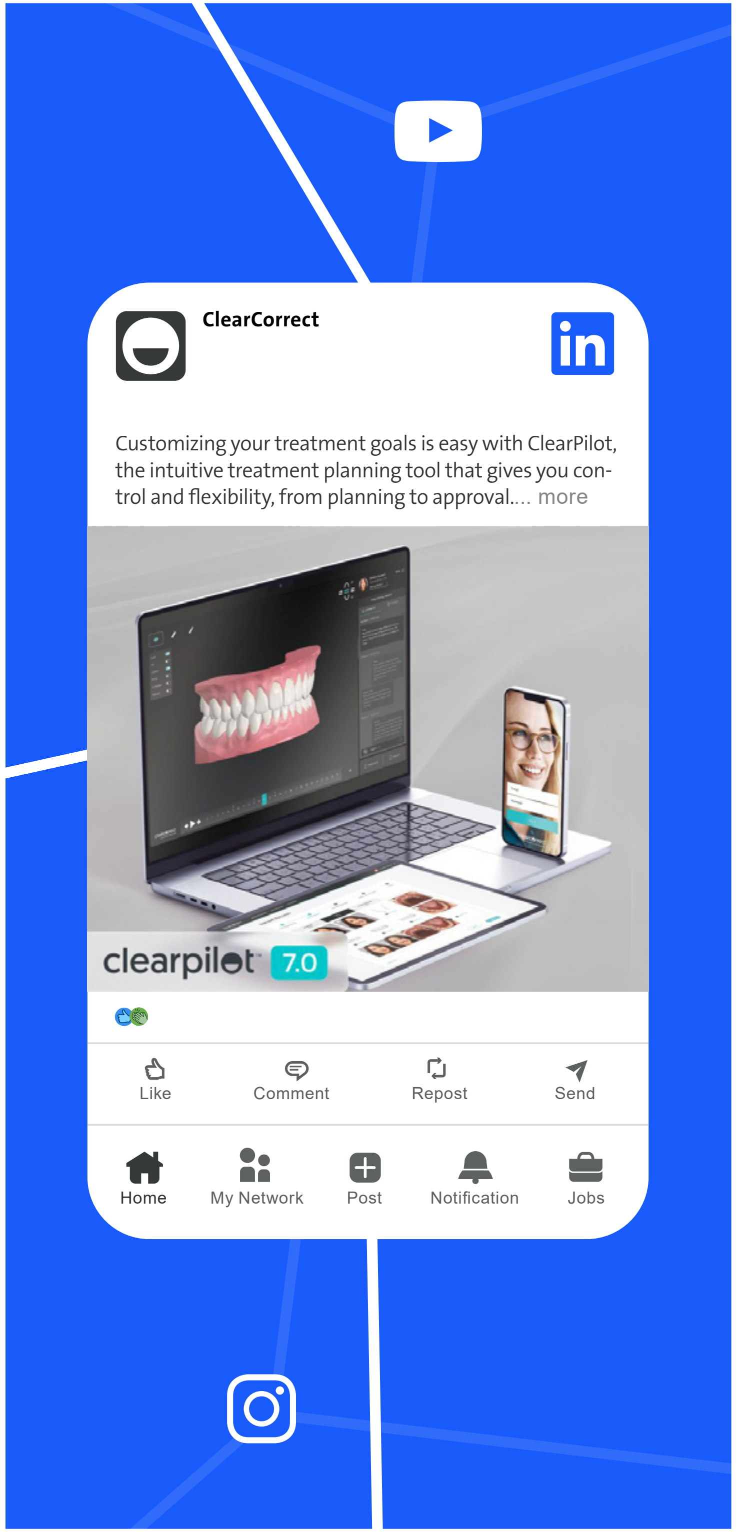
The Group's primary focus remains on enhancing its value proposition and becoming a leader in the field of orthodontics. In the past year, the Group has launched innovative software, refining clinical features to empower clinicians in addressing cases with greater control.

ClearCorrect introduced significant updates with the ClearPilot treatment software, enhancing collaboration among clinicians and improving its service level. Also, advancements such as bite jump simulation and expanded editing capabilities enhance the treatment efficacy for more severe cases. The continued collaboration with major intraoral scanner providers resulted in direct integrations, addressing the daily needs of dentists and orthodontists.

Initiating a global clinical advisory board in 2022, the Group continued to strengthen medical expertise in 2023. The Orthodontics business organized its first global speaker summit, where scientific studies highlighting the benefits of aligner material and design were presented.

ClearCorrect has streamlined its treatment planning centers to enhance regional adaptability and collaboration with dental professionals. Furthering its commitment to education, ClearCorrect expanded the Ortho Campus offering, introducing new online courses, live webinars, study clubs and in-person lectures. The platform is designed to accommodate diverse roles and experience levels within the field. The Group is dedicated to enhancing its orthodontics business, striving for excellence to meet the needs of clinicians and patients.

> "We have further enhanced our value proposition in orthodontics to become a leader in the field



Straumann Group key launches in 2023 – tooth alignment

Brand	Solution name	Benefit and added value for customers and their patients
Tooth alignment		
ClearCorrect	ClearCorrect Sync Mobile App	The ClearCorrect Sync Mobile Application lets providers create a new case, easily take and edit patient photos and instantly upload them to the ClearCorrect Doctor Portal; available for both Apple and Android
	ClearPilot 7.0	Added additional clinical features, visualization and editing tools (e.g. posterior bite ramps, bite jump, and root visualization)
	Posterior Bite Ramps	An extended version of bite ramps, designed to be used in the posterior teeth (molars and pre-molars) as an option to treat posterior crossbites or to assist with molar intrusion to correct open bites (and level curve of spee)

Examples of ongoing development projects scheduled for rollout in 2024

Brand	Solution name	Benefit and added value for customers and their patients
Tooth replacement and restoration		
Anthogyr	Ti Base Extension	2nd generation of Tibase with specific surface treatment, wide choice of coronary heights, angulated access and variety of diameters
	TL Prosthetics Range Extension	Additional range of dedicated catalogue TL prosthetics: non-indexed temporary abutments, aesthetic abutments and angled multi-units
Medentika	Multi-Platform System	Customized abutments with angulated screw channel (all multi-platform lines) for the centralized workflow
	Multi-Platform System	TiBase SSC Flex (straight screw channel)
Neodent	NeoConvert	Solution thinking on the edentulous patient journey, that could have a step between the removable and final prosthesis, so focusing on offering a solution for an intermediate option to convert a denture into a fixed temporary prosthesis
Straumann Dental Implant System	Straumann iEXCEL Performance System	Four implant designs with one single instrument set, one TorcFit connection for all four implant designs sharing the same connection diameter for all prosthetics to offer simplicity for clinicians, integrated digital workflows and services designed to deliver predictable, efficient and high-quality outcomes, from single to full-arch indications
	Variobase XC	Enhanced TorcFit Variobase portfolio with new surface, designs, additional gingiva and chimney sizes; laser structured chimney surface designed to provide higher retention (lower risk of debonding)
	Simplified Guided	A new guided surgery concept
	Straumann Novaloc Digital	Scan bodies to digitally capture abutment position, analogs for efficient 3D printed model creation, abutment and attachment libraries to be implemented in CAD software
	Straumann Star Concept	Simplified digital workflow to improve predictability of the treatment
	Fast Molar	Anatomically shaped healing abutment, an integrated scanbody that leaves soft tissue undisturbed during the scanning process, and an IOS readable identification code transferring the anatomical shape to the final crown design

Brand	Solution name	Benefit and added value for customers and their patients
Digital solutions		
Straumann Digital	AlliedStar	Intraoral scanner to cover price-sensitive markets and customer segments
	Virtuo Vivo	Continuous improvement on the Virtuo Vivo software; it will be streamlined with Straumann AXS to allow efficient workflow dynamics and data sharing; ClearCorrect integration will remain a key priority
	SmileCloud	SmileCloud is a smile design and collaboration platform; the SmileCloud 3DNA launch (mid-2024) to further enhance customer experience
	coDiagnostiX	Software integrating AI technology to make the treatment planning process faster and simplify the customer workflow; the AI assistant automates the data preparation workflow steps
	Straumann Falcon	Dynamic navigation system to combine predictability of static guided surgery with the flexibility of freehand surgery, making it possible to visualize instruments in real time versus anatomy
	Straumann UN!Q	Custom implant prosthetic service that offers a portfolio for a wide range of indications, and is designed to provide premium experience to customers: new portfolio for single to full arch indications (custom abutments with angled screw channel and new bar portfolio for Zirconia full arch)
	Straumann NOVA	CAD software to enable users to provide a solution or patient treatment; the anatomy driven workflow makes it possible to design an esthetic solution based on the anatomic situation
Straumann Platform and Services	Smile in a Box, Registry and Virtuo Vivo file archiving & sharing	Solutions to be available in different regions on the Straumann AXS digital platform
Tooth alignment		
ClearCorrect	ClearPilot releases	Software update to provide advanced users more tools to position and edit the model, including: Bite Jump Editing, Tilt/Cant, Multiple IPR Editing
	Low Trimline	New options for the performance trimline, including a new low trimline height (0.5 mm ± 0.5 mm) to improve comfort and retention for patients with special dental anatomies; our default height will remain high and flat (1.5 mm ± 0.5 mm).
	AlliedStar ClearCorrect integration	Scan sharing approach to give users flexibility; by pairing their Doctor Portal account with their AlliedStar Connect account, users can then capture and store scans in their AlliedStar Connect Cloud and access them directly from the Doctor Portal when submitting prescription forms

Increased access to oral health and education

There is a vast unmet need for oral care and inadequate access to treatment. Oral diseases such as tooth decay and periodontitis are among the most widespread chronic diseases. It is estimated that 30 billion teeth are missing worldwide, presenting a large potential for improving oral health. Additionally, it is believed that up to 500 million people with misaligned teeth could benefit from clear aligners.

> Education activities increased by 15% globally

Access to quality dental treatment remains an issue, particularly in low- and middle-income countries with few trained dentists. Education and innovation in product solutions play a key role in improving access. By training more dentists and making solutions available internationally, Straumann Group contributes to better access to oral care for patients.

Pricing approach to help improve access

The Group's pricing approach aims to ensure that global access to oral care is continuously improved. Through establishing different price points in the group-wide portfolio as well as strengthening value brands globally, the Group is committed to providing oral health solutions for a broader population. This position is also reflected in the Group's participation in the volume-based procurement (VBP) program by the Chinese government which aims to expand access to oral care in China and led to a decrease in average sales prices in China by almost 50% in 2023. In the US market, the weighted average sales price of the Group's solutions remained stable for 2023 versus 2022, when in parallel the US consumer price index rose by 3.4% (Dec 2023).

With macroeconomic changes and an increase in the costs of resources, the Group is conducting price adjustments for 2024 in accordance with inflation forecasts. The price adjustments are transparently communicated to customers through the annual price catalog available in each country.

Customer and patient education

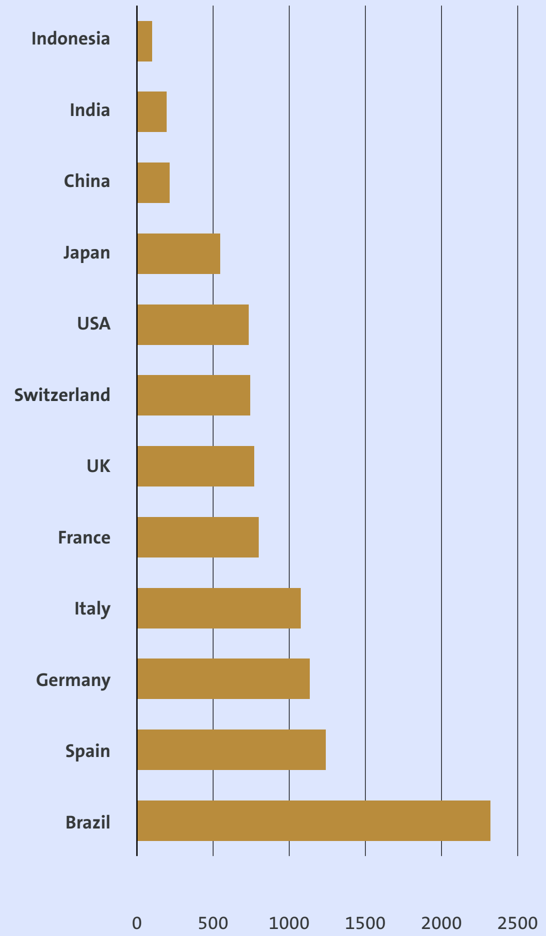
The team's unwavering commitment to delivering exceptional education, fostering innovation, and ensuring product excellence is the cornerstone of its approach to education. This dedication consistently addresses the ever-changing requirements and expectations of customers and patients. The commitment to advancing education, empowerment, and awareness in oral health is an ongoing journey.

As the business expands, the pivotal role of education becomes even more pronounced, impacting not only our clients but also health-conscious consumers. In this evolving landscape, patients actively seek knowledge and enthusiastically participate in health care decision-making, recognizing the significance of digital touchpoints, elevating the overall patient experience throughout their treatment journey, and acknowledging the steady rise in its importance.

To meet the growing demand for knowledge and engagement, it is a priority to actively involve both professionals and health-conscious consumers. The Group's multi-brand approach ensures that the diverse portfolio of brands remains at the forefront, providing comprehensive education and support to all those involved in the health care journey. This holistic strategy reflects the commitment to excellence and continuous improvement in delivering impactful education and support to the community.

Patients' access to quality dental treatment is an issue in emerging countries due to fewer dentists per capita

Dentists per million population in 2023



Source: Statista

Customer education impact

NFR *In 2023, the Group increased educational activities by 15% globally, conducting more than 11 200 educational activities, benefiting over 300 000 participants worldwide.* These activities encompassed various formats, including congresses, study clubs, hands-on sessions, webinars, events, virtual gatherings, and courses. The diverse range of formats made it possible to offer a mix of in-person, hybrid, and online opportunities. A significant surge in the number of activities was observed compared to the previous year. This increase was driven by factors such as the return to in-person educational activities post-pandemic and the continuous enhancement of data collection.

NFR *Notably, 28% of these activities took place in low- and middle-income countries[1]. This was below the 35% target, due to the value-based procurement process one-time effect in China which had a significant temporary impact on the amount of education activities in 2023.*

Advancing education for lasting excellence

Advancing education towards enduring excellence is crucial in the ever-evolving landscape of learning. The ability to adapt is essential for successfully navigating changes, especially in the face of challenges like the recent pandemic, which prompted a significant shift to both online and in-person formats. This transformative period not only showcased adaptability but also strengthened customer relationships.

Remarkably, 28% of educational activities unfolded in low- and middle-income countries, emphasizing the global impact of these changes. Post-pandemic, there has been a notable trend towards larger physical events, indicating a shift from the smaller activities that characterized the pandemic era. During these events, participants are encouraged to actively engage in conversations with medical experts, partake in special lectures, network with industry leaders, and capitalize on this unique learning opportunity.

> 28% of educational activities took place in low- and middle-income countries

These gatherings serve as dynamic platforms for knowledge exchange, fostering collaboration and partnerships with the overarching goal of elevating standards in implant dentistry or orthodontics. Through these initiatives, we strive to contribute to lasting excellence in education and further enhance the quality of learning experiences worldwide.

Successfully reinstating physical meetings, standout events include:

- International Esthetic Days Congress in Baden-Baden with 30 international speakers, hosting 900 attendees from 40 countries
- Neodent 30th anniversary celebration tour in 13 countries
- ‘Le Cercle’ by Anthogyr – distinguishes itself through an innovative and dynamic format
- ClearCorrect World Tour

NFR *The educational outreach significantly expanded through innovative hybrid programs developed in collaboration with academic partners. Leveraging contemporary tools and platforms, the Group seamlessly integrated webinars, virtual events, on-demand lectures and e-learning opportunities. This comprehensive approach, encompassing clinical education and product training, along with valuable content on youtooth.com, has empowered professionals worldwide to adapt, learn and connect.*

Tailoring education for professional advancement

NFR *Recognizing the pivotal role of customized education in meeting the diverse needs of professionals at various career stages is vital to the Group’s commitment to education.*

A prime illustration of this commitment is the Straumann Smart curricula – an adaptive learning pathway designed to empower dentists in initiating and advancing their skills in placing or restoring dental implants. Crafted in collaboration with reputable professors and universities, this hybrid program ensures excellence in content delivery and tangible learning outcomes.

The Straumann Digital Academy stands as a testament to its dedication to innovative and accessible education formats, responding to customers’ needs for flexibility, convenience, and engaging experiences. This scalable model offers fully digitalized and 24/7 free access to training materials, including customer experiences which are seamlessly integrated. Through the strategic use of modern educational approaches, the Group continues to equip professionals with the knowledge and skills essential for their success.

The ‘Ortho Campus’, a comprehensive collection of orthodontic tools and curricula, serves as a continuous education tool for treatment success.

1 According to World Bank definition

Empowering women in implantology: a transformative journey

In 2021, 56% of first-year dental students were women, marking a record high according to the ADA Health Policy Institute.[1] The FDI World Dental Federation also reports a noteworthy global trend, with women comprising between 48% (Russia) to 75% (Finland) of the dentist workforce. However, it was also reported that female clinicians are less likely to own a clinic or pursue post-graduate qualifications.

> The number of female dental students now surpasses that of their male counterparts

NFR *Established within the Straumann Group in 2016, the Women Implantology Network (WIN) has a mission to inspire and support women in dentistry to pursue their ambitions, ascend to leadership roles, and become role models for future generations.*

The WIN program offers a range of initiatives, including events, WIN circles, national and international congress gatherings, and maintains a strong online presence through social media, webinars, and online events. This holistic approach provides a platform for diverse female speakers, fostering a supportive environment for growth, collaboration and empowerment. As of 2023, the community has grown to include nearly 5 000+ members across 20 countries, actively working towards the community's goals.

1 ADA News, June 2023

In 2023, a two-day online symposium called 'Your Implant Journey: From Basics to Beyond', catering to the educational needs of future generations, took place. The event featured a panel of nine female experts who inspired 2 500 participants, guiding them through all stages of implant treatment and serving as role models for the future of implantology.

Education technologies: a vision for the future

Current global trends, as detailed on the right, show a rapid acceleration in digitalization. This surge in digital adoption has reshaped individual behaviors and greatly intensified dependence on digital connectivity. This change is evident not just in general consumer behavior and interaction but also across all facets of health care education. The move towards digital is a permanent shift, and leaders in oral health are now expected to adapt to these trends. This includes providing innovative digital learning solutions to help dentists excel in their field.

Digitalization in dental education is addressing critical challenges and bottlenecks. It's paving the way for data-driven learning solutions that are setting new standards in educational methods. The inclusion of advanced technologies such as virtual and augmented reality, smart glasses, gamification, and precision-enabling tools is transforming how dental education is delivered. These technologies enhance the learning experience, leading to greater knowledge retention and increased confidence among learners. They also provide valuable metrics that assist clinicians in applying new knowledge to clinical practice.

These education technologies go beyond mere edutainment. With significant investments in these areas, the Group is positioning itself to secure a pioneering role, leading the way in the integration of technology and education in dentistry.

Fast growing digitalization[1]

60% of the global population is online

40% of waking time per person per day is spent online

50% of online time is spent on mobile devices

50% of the global population have home computers

1 GlobalWebIndex.com (Jan 2020)

Fostering education through strategic partnerships

NFR *The Group's partnerships with prestigious universities, cutting-edge clinics, renowned research institutes and expansive academic networks signify a shared commitment to perpetual research and innovation. Together, they are striving to shape the future of implant dentistry, laying the groundwork for transformative breakthroughs, and setting new standards in education and practice.*

Centers of Dental Education (CoDE)

NFR *A cornerstone initiative is the collaboration with the Centers of Dental Education (CoDE), a network encompassing 36 independent dental centers, spanning over 26 countries, led by expert practitioners. These CoDE facilities stand at the forefront of dental care, offering cutting-edge treatment procedures rooted in the latest literature and technology. Beyond clinical excellence, these centers play a pivotal role in testing and implementing innovative technologies, including virtual reality, while providing invaluable mentorship to newcomers in implantology. CoDE forms a dynamic community where scientific expertise converges with real-world clinical practice.*

The International Team for Implantology (ITI)

The Group has had a strong alliance with its scientific partner, the International Team for Implantology (ITI), since 1980. This global association of 25 000 dental professionals strives for excellence in implant dentistry by providing a continuously growing network for life-long learning through comprehen-

Participants of the seventh ITI Consensus Conference in Lisbon sive quality education and innovative research for the benefit of the patient. The ITI Study Club initiative is a cornerstone of the organization, with 900 Study Clubs in 82 countries, that bring together 82% of the ITI membership in regular local meetings. In 2023 alone, there were approximately 3 000 ITI Study Club events – averaging more than eight events per day. In 2023, the ITI held its seventh Consensus Conference with more than 90 leading experts from all over the world, who reviewed the current state of evidence in various areas of topical interest in implant dentistry.

> In 2023 alone, there were approximately 3 000 ITI study club events

Published in Clinical Oral Implants Research, the resulting Consensus Statements and clinical recommendations with their evidence-based approach to treatment will guide the implant dentistry community for the coming five years. The Group's broad and long-standing collaboration with the ITI underscores its commitment to advancing knowledge, skills, and excellence in implant dentistry worldwide.

Instituto Latino Americano de pesquisa ensino odontológico (ILAPEO)

NFR *A vital partner of the Straumann Group, the Instituto Latino Americano de Pesquisa e Ensino Odontológico (ILAPEO) has been a collaborative force for over 16 years, particularly with Neodent. This enduring partnership focuses on educational and scientific studies, with ILAPEO hosting courses that enhance access to implant therapy for patients. Grounded in the latest scientific evidence, ILAPEO distinguishes itself by providing clinicians with hands-on practical experience. This unique approach empowers the Group's customers to attain a higher level of expertise and confidence. In 2023, Neodent conducted 84 courses at ILAPEO, training more than 800 customers worldwide.*

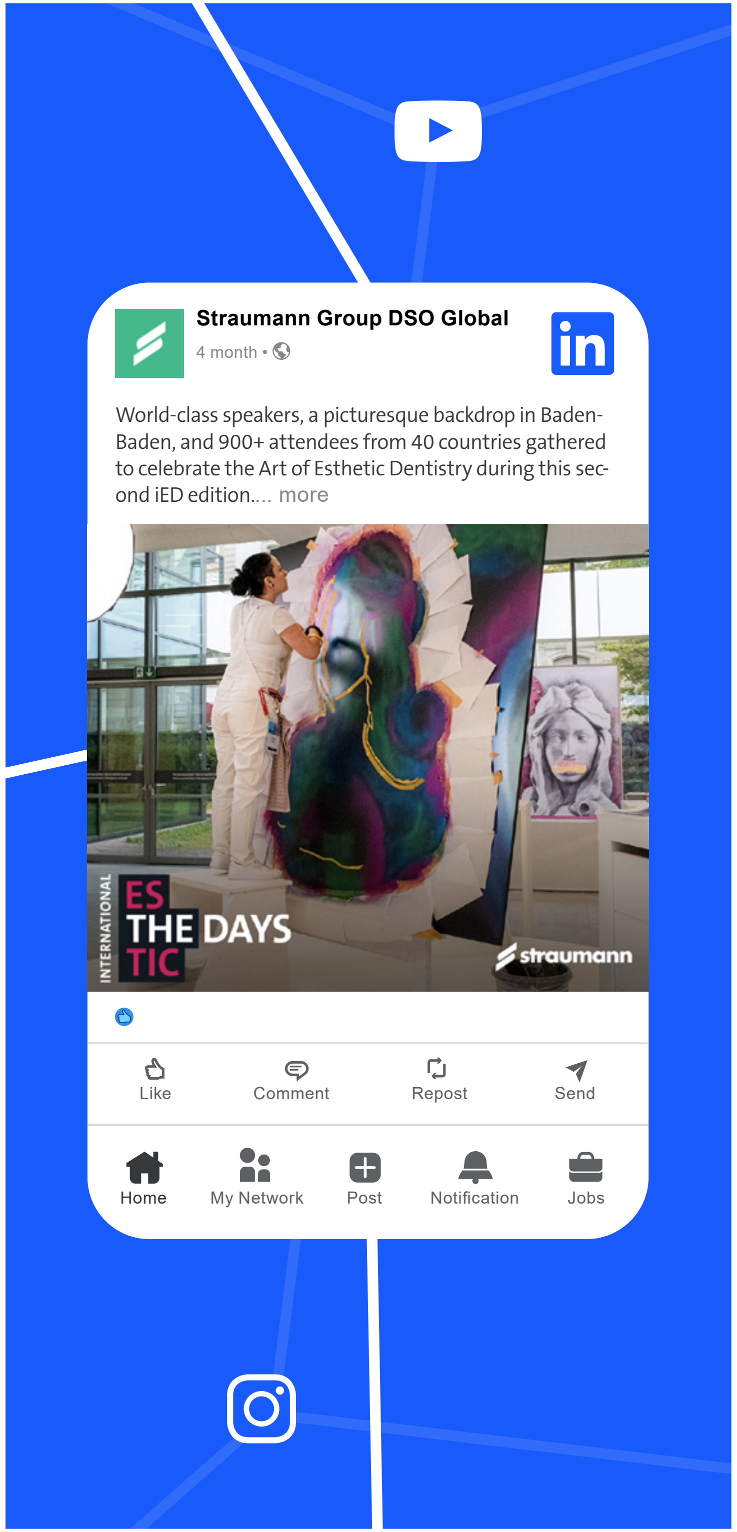
This collaboration continues to contribute to the growth and advancement of implant dentistry education.

Patient education

At Straumann Group, commitment revolves around envisioning a world where oral health transcends mere solutions, becoming a cornerstone of confidence that significantly contributes to the overall health and wellbeing of patients. This dedication to patient-centric oral care supports the Group in establishing close collaborations with strategic partners, with a focused objective of enhancing global access to oral health.

> Driven by dedication to patient-centric oral care

In partnership with the Centers of Dental Education (CoDEs) and the ITI World Symposium, the Group introduced the book 'Patient Centered' in 2021. This collaborative endeavor portrays patient scenarios and stories, providing an insight into how clinicians can prioritize their patients. Straumann Group's commitment to a patient-centered approach goes beyond the realms of medical education and is exemplified by the continuous refinement of the patient website. Furthermore, teethtoday.com was recently launched in the US – a dedicated platform aimed at educating and increasing awareness about oral care and dental procedures.



Customer and patient satisfaction

Customer satisfaction

The Group is deeply committed to serving its customers through a dedicated team of sales, marketing, and service professionals. Aligned with its strategic goals, the Group places the customer at the heart of everything it does, integrating their perspective into both digital and offline interactions. Actively listening to and understanding customers is pivotal for identifying their needs, managing expectations, and deriving insights for continuous improvement. This approach is fundamental in enhancing overall customer experience.

> Nearly 90% of customers say the experience a company provides matters as much as its products or services

Investing substantially into advancing technology-based tools for customer-facing teams allows for an optimal blend of in-person and online engagement in promotional efforts, customer acquisition, sales, and support services. A key focus is refining the omnichannel approach, which is tailored to the customer journey and empowered by data, technology, streamlined processes, and, most critically, the Group's teams. The aim is to elevate the effectiveness and impact of customer interactions to deliver unparalleled customer experiences.

Customer dialog

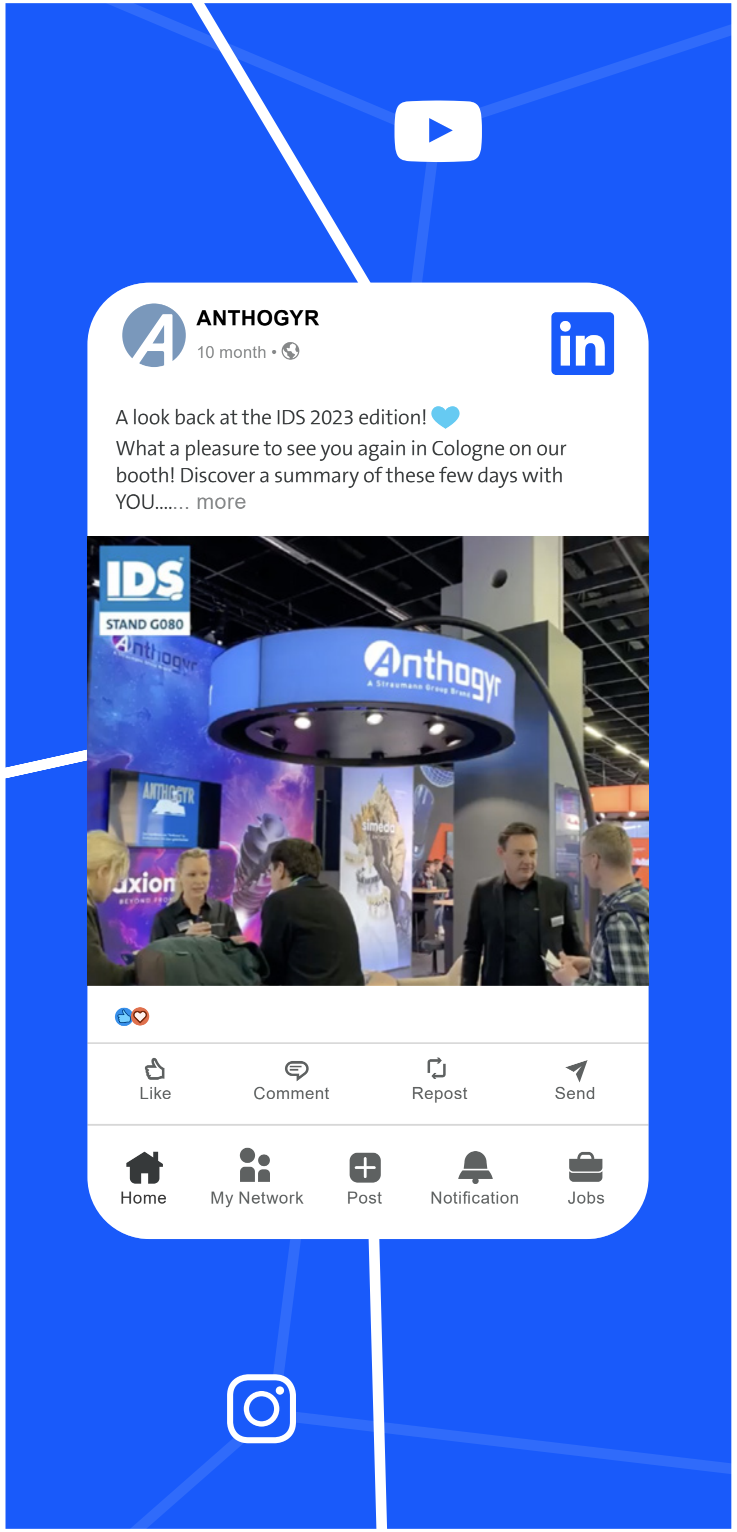
The primary customer activities include:

- Direct personal and remote contact through sales force
- Active involvement during product development, market acceptance tests and limited market releases to obtain customer feedback prior to launch
- Diligent complaint management, evaluation and reporting (see patient health and safety, product quality on p. 60)

The Group has fully embraced a customer-centricity program, now operational across 23 countries, leveraging automated Net Promoter Score (NPS) and Customer Satisfaction (CSAT) surveys at crucial interaction points. This initiative underscores the Group's proactive stance, with immediate follow-up actions on negative feedback by local teams. This makes it possible to understand the root causes of customer dissatisfaction and also provides the opportunity to offer timely solutions where feasible.

Moreover, the company integrates customer feedback with key operational metrics, enhancing the ability to strategically improve its services. This focus enables a smooth and consistent customer experience across all touchpoints and customer journeys. The adoption of these customer-centric practices is now a fundamental part of the organization, symbolizing its dedicated effort to cultivate a customer-first mindset across the entire team.

> Today, customer feedback is an important metric, allowing the Group to enhance its services strategically



Digital commercial transformation

The landscape of global dentistry is undergoing a dynamic transformation, with change as a constant factor. In this environment, customers are embracing channel-agnostic approaches, demanding seamless experiences across all platforms, with a strong emphasis on data privacy. In such a market, the customer experience now outweighs both price and product as the primary decision-making factor. This shift elevates the importance of branding and reputation as crucial differentiators in a competitive field. Consequently, the Straumann Group is pivoting from traditional, compartmentalized business models to integrated, omnichannel, and data-driven strategies. This shift is essential for harnessing the power of personalization, thereby meeting and exceeding the evolving demands of customers.

The team focuses on further transforming the eCommerce capabilities, bringing customer services to the next level of efficiency, building a new CRM to boost the performance of the sales force, as well as improving the omnichannel demand generation value-chain.

The Group serves customers across more than 100 countries. This includes general dentists, specialists, dental technicians and laboratories. In 2023, there were no significant shifts in the specialization and geographic distribution of customers. The respective proportions of general dentists and specialists increased and decreased slightly, reflecting a continuation of the trends observed in recent years and other factors, such as the growth of the clear aligner business. In general, a decrease of specialists increases the need for education and simple and easy-to-use tools such as Smile-in-a-Box (see innovation p. 64 and education on p. 76).

In the chart on the right, the breakdown of the customer base can be seen, including 'Other', which comprises distributors, hospitals, universities and dental service organizations (DSOs). A single DSO can represent hundreds of clinics and dentists, including generalists, specialists and technicians.

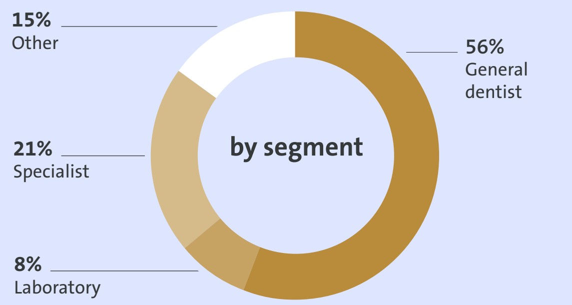
Patient satisfaction

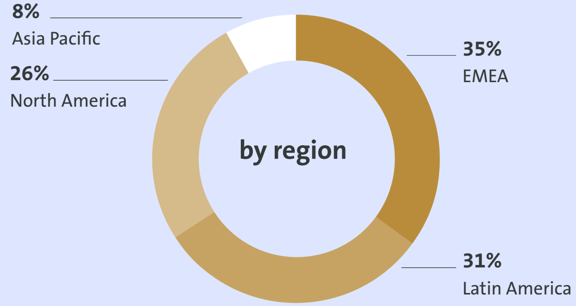
As outlined in the strategy chapter, with the combination of digitization and consumers taking more control of their health, patients are looking for ever more accessible and convenient medical offerings, increasingly expecting a flawless consumer experience, with a strong preference for direct medical oversight.

As an important industry player, the Straumann Group has further invested to understand, anticipate and shape these disruptive trends, including learning more about the health consumer dimension. While patients are increasingly becoming 'health consumers', the Group strongly believes that the direct involvement of medical experts in treatments, will continue to be a critical success factor.

Setting up the right diagnostics and the right treatment planning is critical for success, including aligner therapies. DrSmile and Anshin place patient treatment in the hands of qualified dental professionals, whose involvement throughout the course of our therapies is essential to treatment success and lasting patient satisfaction.

Straumann Group's active customers 2023





EMPOWERING PEOPLE

Material topics:

This commitment contributes to the following UN SDGs:

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Our goal:

A score of 80 by 2026 in our employee survey in response to 'I have good opportunities to learn and grow'

Our goal:

50% of leadership positions to be held by women by 2026

An engaging culture energizes colleagues and helps attract new talent, increase loyalty, and creates a future. Providing employees with fulfilling work in a supportive environment that maximizes their wellbeing gives them the opportunity to fully explore their potential. An inclusive, diverse, and empowering culture is believed to be at the heart of a successful company. The Straumann Group emphasizes the wellbeing of its employees, promotes continuous learning and growth, and maintains the highest standards of occupational health and safety in the workplace.

These elements are instrumental in making Straumann Group not just a workplace but a place where people genuinely want to thrive.

NFR *Throughout the double materiality assessment undertaken in 2023 (see p. 53) both internal and external stakeholders have consistently highlighted the importance of talent attraction and employee engagement, diversity and inclusion as well as occupational health and safety. By proactively supporting the development of individuals, the Group enhances organizational growth prospects and maintains its status as an appealing employer for its people and potential external hires.*

In 2023, based on feedback from stakeholders, the two topics outlined in the 2022 report - talent attraction and development, as well as employee engagement and retention - were merged. This was done because the stakeholders felt that these topics support each other and can be viewed as one material topic for the Group.

Culture in focus

Empowered employees are vital for the Group's success and resilience in today's environment. The high-performance player-learner mindset, a cornerstone of the Group's culture, promotes a growth-oriented approach. At the core of the player-learner mindset lies a deep rooted commitment to inclusion and diversity. The culture fosters curiosity and a desire to continuously learn and grow within a collaborative environment. This commitment ensures that diverse perspectives and experiences are not just welcomed but actively sought and encouraged.

NFR *Throughout 2023, the Group continued making cultural programs accessible to everyone in the company. The programs bring the high-performance player-learner culture to life, and the 'It', 'We' and 'I' that sit at the heart of the core beliefs (see p. 18). The commitment to deliver this training extends to over 12 languages worldwide.*

I-WE-IT framework

Over the past two years, the Group aspired that every new hire undergoes a global culture onboarding program, and during 2023 an additional 1 538 new joiners were able to experience the culture program firsthand within days of joining the company. Another 1 799 employees participated during 2023 in the player-learner program within three months of joining the company or attended if they had not been through the program before.

> More than 3 300 employees experienced the culture program in 2023

The high-performance player-learner culture also creates the organizational 'glue' which shapes the collective understanding of what has to be done to achieve results.

NFR *In 2023, a total of 334 managers and individual contributors participated in the foundational program which encourages the individual and the team to reflect on the different dimensions of the high-performance culture. These face-to-face and remote programs empower employees to delve into their personal development, allowing them to explore actively, how both **'I'** and **'We'** can effectively contribute to a better **'It'.***

As mentioned in the strategy chapter (see p. 20),embracing the opportunities represented by the digital age has was another key focus area for people development in 2023.

Human resources key figures

Parameter		Unit	2023	2022	2021
Staff size[1]	Employees	Total headcount	11 109[1.1]	10 478[1.2]	9 054[1.3]
		Full-time equivalents	10 942[1.1]	10 333[1.2]	8 918[1.3]
Employment type	Part-time employees	% of headcount	5	4	4
Women	Women in general staff (excl. Mgmt)	%	46	44	45
	Women in leadership positions[2]	%	40	39	40
Training and education	Investment in staff learning[3]	CHF million	5	4	3
	Average annual training and learning	Days/employee	5	5	3
Turnover and absence	Staff turnover[4]	%	16	15	15
	Absence rate due to workplace accidents	%	0	0	0
	Work-related fatalities	Number	0	0	0

Staff structure by category and age group[5]

in %

Age	<30	30–50	>50	Unit	2023
General staff (excl. Management)	17	56	11	% of headcount	84
Management[6]	0	12	4	% of headcount	16
Total	17	68	15		100

1 Only 'staff size' includes numbers from: DrSmile, Anshin/Nihon Implant, AlliedStar & GalvoSurge
1.1 Including: DrSmile, Anshin/Nihon Implant, AlliedStar & GalvoSurge
1.2 Including: DrSmile, PlusDental & Nihon Implant
1.3 Including: DrSmile
2 Leadership position levels: CEO-1, CEO-2, CEO-3 (excluding management level 'staff')
3 Only direct expenses for internal and external training activities are counted here; salaries paid to employees while in training are additional and are not included
4 Includes resignations and terminations
5 Excluding DrSmile, Anshin/Nihon Implant, AlliedStar & GalvoSurge
6 Management level 'manager' and levels above

Employee age[1]

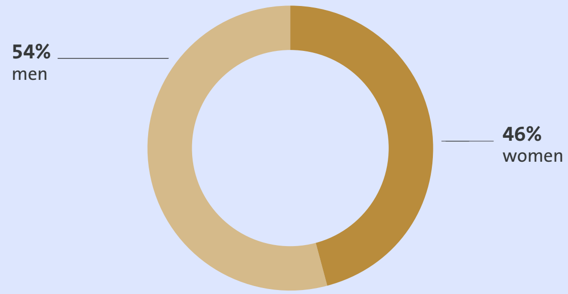
17% <30 years

68% 30–50 years

15% >50 years

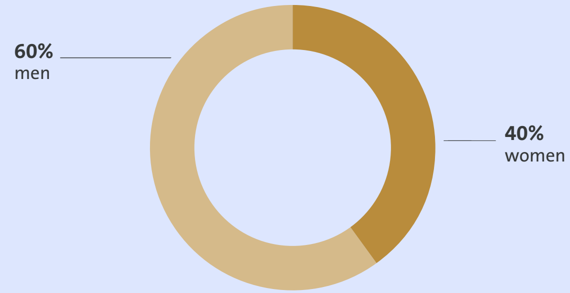
General staff[1]

2022: 44% women and 56% men



Leadership positions[1]

2022: 39% women and 61% men



1 Excluding DrSmile, Anshin/Nihon Implant, AlliedStar & GalvoSurge

NFR *To achieve a digital mindset, Straumann Group introduced EDGE!UP, an approach to cultivate a digital skillset amongst all employees.*

Starting with senior leaders and cascading through the organization, employees have access to a comprehensive suite of online e-learnings curated into a digital player-learner playlist. This has been supplemented by a leader-led EDGE!UP culture program where participants explore the personal and professional digital journeys they have undertaken. The Group firmly believes that its digital transformation will only truly come to life if a collective mindset shift can be achieved. In 2023, a total of 115 people completed the one-day workshop with another 750 expected to undergo the workshop in 2024.

Inclusion and diversity

As part of the Group's engagement efforts, an overwhelming majority of employees say that they are proud to work at Straumann Group and are committed to its purpose of making a meaningful difference to customers and patients. The Group's culture has been instrumental in its success and has helped to attract new and diverse groups of talent to join the organization.

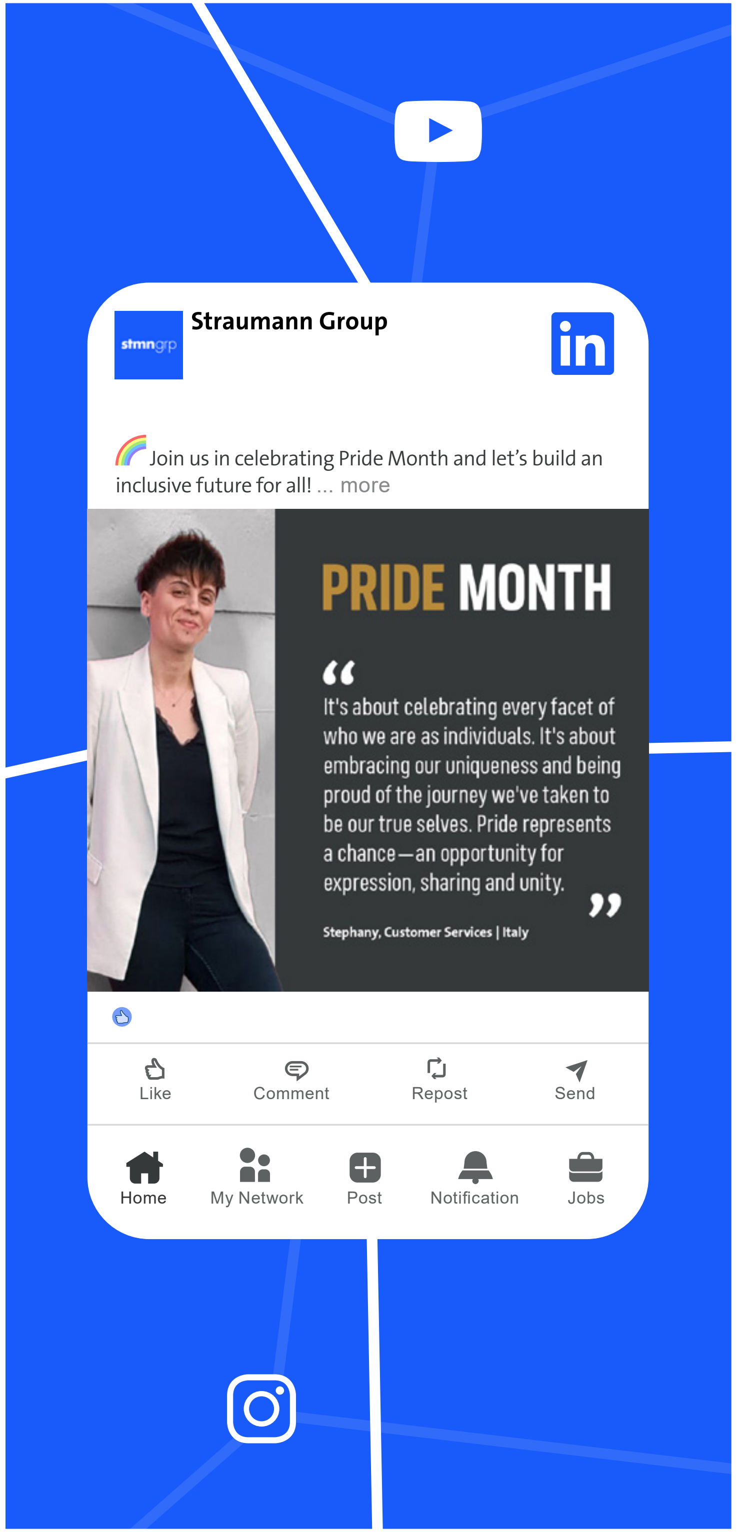
NFR *At Straumann Group, differences in who we are, how we think, and what we have experienced are embraced. The inclusive culture is designed to make everyone feel valued and heard, uniting to create more smiles every day. Diversity is not a given despite its scale and the geographic spread of colleagues, which is why pursuing a mindset of being focused on securing inclusion and diversity in all daily decisions and actions is important. The core belief of creating a workplace of Psychological Safety, where everyone has a voice and a contribution to make, is key to fostering true inclusion across the company.*

Straumann Group operates in line with the UN International Labour Organization's Declaration on Fundamental Principles and Rights at Work. It supports freedom of association and the effective recognition of the right to collective bargaining, equal remuneration for all genders, the elimination of forced or compulsory labor, the abolition of child labor and the elimination of discrimination in respect of employment.

> Today, 40% of leadership positions are held by women

NFR *As stated in the company's Code of Conduct, Straumann Group does not tolerate discrimination against people based on their gender, ethnicity, race, age, religion, nationality or sexual orientation. The Code of Conduct requires all employees to act ethically and to always uphold human rights. There is an instituted confidential SpeakUp line, providing employees with the opportunity to anonymously report any violations of our Code of Conduct (see p. 122).*

As mentioned above, the Group hosts a Core Beliefs in Action program called I&We that reaches all managers across the organization, and a new program called Choose Inclusion that further enhances its aspirations of bringing the core belief to life. Under the banner of Together Different, this initiative includes mentoring for identified female talent by the Executive Management Board and other senior managers throughout the organization, supplementing its existing programs.



NFR *Developing and building leadership talents cannot be left to chance. Believing in its people, the Group constantly explores ways to provide growth opportunities through projects, programs and in-job stretch activities. These activities and programs, coupled with specific action plans in regions, business units and functions, are intended to enable the Straumann Group to develop future female leaders to reach our 2026 goal of 50% women in leadership. Today, we show a representation of 40% of leadership positions[1] held by women.*

1 Leadership position levels: CEO-1, CEO-2, CEO-3 (excluding management level 'staff')

Global staff survey 2023[1]

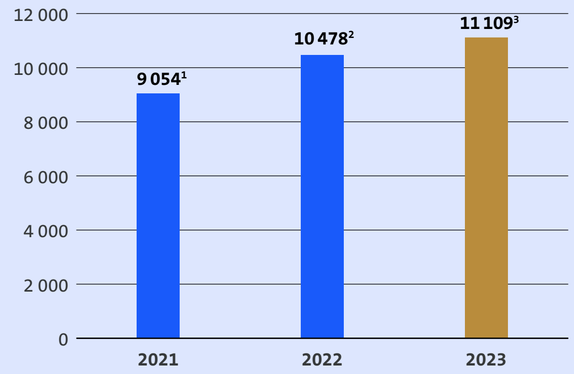
	2023	2022	2021
Response rate	91%	91%	87%
Engagement score	81	81	80
Comments	>12 900	>9 600	>7 300
Good opportunities to learn and grow score[2]	77	76	74

1 Survey is sent to all active employees, excluding temporary employees
2 This value represents a score based on the average methodology of GLINT

> The response rate of the weEngage annual employee survey was again 91%

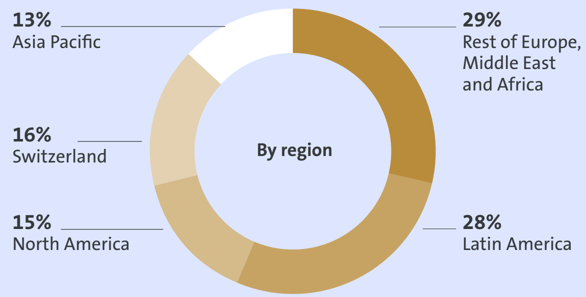
Talents at Straumann Group

Employees



1 Including: DrSmile
2 Including: DrSmile, PlusDental & Nihon Implant
3 Including: DrSmile, Anshin/Nihon Implant, AlliedStar & GalvoSurge

Employment[1]



1 Excluding DrSmile, Anshin/Nihon Implant, AlliedStar & GalvoSurge

Talent attraction and employee engagement

The Group prioritizes 'moments that matter' for managers and employees, impacting engagement, inclusion, innovation and productivity. This enables people to embrace accountability, excel in performance, prioritize effectively, and lead with a commitment to continuous learning.

> In 2023, our employee engagement score was 81

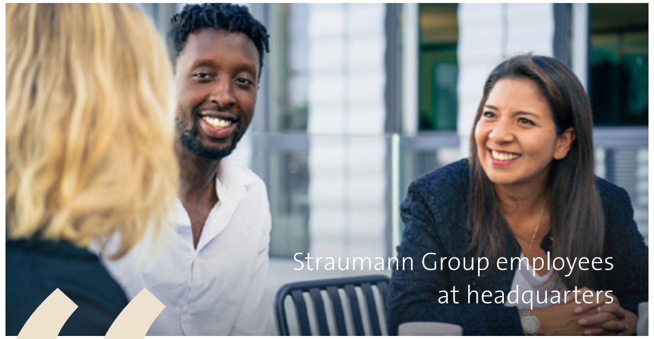
Through the acquisition of new skills and capabilities, the Group wants to enrich experiences, paving the way for meaningful and rewarding career opportunities. The response rate of the fourth weEngage annual employee survey was again 91% (on a par with 2021 and +16% over the top 25th percentile of the Glint global benchmark for response rates of 75). The continued focus on leadership and culture resulted again in a group-wide employee engagement score of 81 in 2023 (at par with 2022). This now ranks three points above the Glint global benchmark which places the Group in the top 25th percentile of companies worldwide. The scores of 13 questions increased and there were over 12 900 comments which allows the Group to understand and focus on what is important. By 2026, our goal is to achieve a score of 80 in our employee survey in response to 'I have good opportunities to learn and grow', the score standing at 77 as of 2023, 1 point above the top 25th percentile Glint global benchmark.

NFR *Open, honest, and confidential feedback about what it is like to work at Straumann Group from people is critical to be able to continuously improve and to live the aspired culture. Strongly advocating that every manager discusses the engagement survey results with their team and determines together focus areas for action and follow-up during the year is part of the culture. The Group wants its people to share their ideas about solutions that will fuel progress over time.*

2023 saw a continued strengthening of how learning and development is supported throughout the global organization. The following is expected of leaders as role models for the culture: creating impact, leading change, developing people, building teams and relationships, growing self-awareness and pursuing a passion for learning.

NFR *This year, Management Essentials was launched, a foundational program aimed at new or first-line managers which will now be scaled globally. The existing Leadership Academy is now having impact worldwide, having empowered over 350 leaders through an intensive six to 12-month journey with 360-degree feedback and a focus on strengths and development opportunities.*

The first cohort of the International Leadership Program (ILP) has been completed and the second has been launched. This is a top talent program set up in partnership with the International Institute for Management Development (IMD) in Lausanne for a selected senior leader group who underwent a rigorous application and selection process for the program. The Group also continued its 18-month rotational global graduates program, with additionally 14 masters level graduates joining in China, North America, Germany, and Basel.



Straumann Group employees at headquarters

> In 2023, people said they have good opportunities to learn and grow, resulting in a score of 77

The Group's strategic management development process continues to mature, increasing its ability to connect people with opportunities worldwide. Creating succession plans and developing the skills of people continues to take center stage. The learning platform weLearn offers over 3 000 curated learning resources for all people to pursue their passion for learning. The Talk Forward performance process fosters frequent performance and development conversations to unlock the performance and potential of the people. Straumann Group actively supports apprenticeships worldwide by providing further development certification and educational assistance on a local basis, thereby rounding out its commitment to employee growth and development.

Talent attraction

As the Group continues to grow, it enters new markets, develops new capabilities and establishes new global functions. During the course of this growth journey, the Group heavily focuses on making sure it hires the right people with the skills that are needed for the future. This includes developing internal talents to advance in their careers within the company.

NFR *To strengthen the Group's capabilities to hire the right talent for today and tomorrow, a new global interview framework was introduced in 2023 to provide comprehensive training for all Straumann Group managers. This framework includes 19 standardized interview capabilities across the organization, creating a shared language for global talent selection. Supported by training that advocates best practices in interviewing, it empowers hiring managers to recognize and eliminate bias throughout the interview and selection process.*

In 2023, the Group launched a new global Employer Value Proposition (EVP) called Unlocking Our Potential with the aim of promoting careers and development across the entire Straumann Group. The goal is to give external candidates a glimpse into the company's culture and growth opportunities by sharing engaging personal stories from employees.

New recruitment technology infrastructure adds AI capabilities to support candidates and employees in finding new career opportunities. The integration of the Applicant Tracking System (ATS) and Candidate Relationship Management (CRM) within 'Employee Central', now provides rich data about candidate/employee behavior across the end-to-end employee experience (EX).

Looking ahead to 2024, the Group plans to invest in a global onboarding platform to further enhance its employee experience (EX).

People at Straumann Group exchanging ideas

Employee experience digital infrastructure upgrade

NFR *In November 2023, the launch of Employee Central (EC), a new cloud-based HR master core data platform which is part of the SAP SuccessFactors our.success suite took place. The objective was to enhance and standardize the experience for employees, introducing scalability, efficiency, and advanced services to the Human Resources (HR) operations, harmonizing its core global technology infrastructure. Throughout the implementation, the Group standardized core HR processes and aligned HR/manager roles and responsibilities on a global scale.*

Moving forward, this advancement will empower Straumann Group to generate insightful and meaningful data, shifting from mere HR reporting to the realm of predictive analytics. Managers can now harness self-service capabilities, gaining real-time access to data about their organization and employees. Additionally, employees gain the flexibility to carry out basic HR activities anytime, anywhere via self-service.

Now equipped with the new HR technology foundation, the next phase of HR evolution will introduce new service offerings, enhance scalability, and improve efficiency by investing in shared service models.

Occupational health, safety and wellbeing

NFR *Employee health and safety is a top priority for the Group, striving for zero work-related accidents. As many of the employees' positions are in customer-facing, desk, or production roles, potential risks include musculoskeletal illnesses and accidents. Our commitment to continuous improvement addresses these concerns. For instance, the Group prioritizes ergonomic office design to enhance overall wellbeing and reduce musculoskeletal risks. In 2023, zero work-related fatalities were reported, and absence rate due to workplace accidents was 0%.*

Thus, the approach focuses on prevention through specific training and awareness programs. To provide better visibility, a project aimed at streamlining the improvement and incident reporting across all manufacturing sites was initiated in 2023. Additionally, the learning will be applied to other sites, facilitating the widespread distribution of valuable insights.

> Employee health and safety is a top priority for the Group, striving for zero work-related accidents

The approach to employment is based on principles of employee development, open dialogue and fair and attractive employment conditions. Collective bargaining agreements and freedom of association are allowed throughout the company in compliance with laws and regulations, though in practice, most labor contracts are negotiated individually rather than by collective bargaining.

To prioritize the holistic wellbeing of the global workforce, a comprehensive benefits package and workplace flexibility practices are offered to all employees worldwide. Aligned with local policies, these encompass essential benefits like pensions and insurance coverage, supplemented by offerings such as parental leave and employee assistance programs. In diverse locations, the commitment is underscored by additional benefits like public transport passes, lunch vouchers, access to company cars, mobile phones, and exclusive discounts on the Group's products. It also includes other local plans that are considered to be competitive drivers in attracting or retaining talents, such as the employee share participation plan (see compensation report, p. 158). These offerings reflect the appreciation and recognition of employees' invaluable contribution to the company's success, emphasizing its commitment to their overall wellbeing.

Employee working at Neodent, Brazil

straumanngroup

CARING FOR THE PLANET AND SOCIETY

Material topics:

Our goal:

We will use 100% renewable electricity by 2024

Our goal:

We aim to achieve net-zero emissions by 2040

This commitment contributes to the following UN SDGs:

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Approach to caring for the planet and society

Straumann Group consciously safeguards the environment through emission reduction, waste management, efficient use of materials, energy, and water. The company's responsible social approach extends to supply chain management and philanthropic initiatives supporting the development of local communities. Climate change, particularly, is a critical global challenge. In response, Straumann Group actively supports the worldwide transition to a zero-carbon economy.

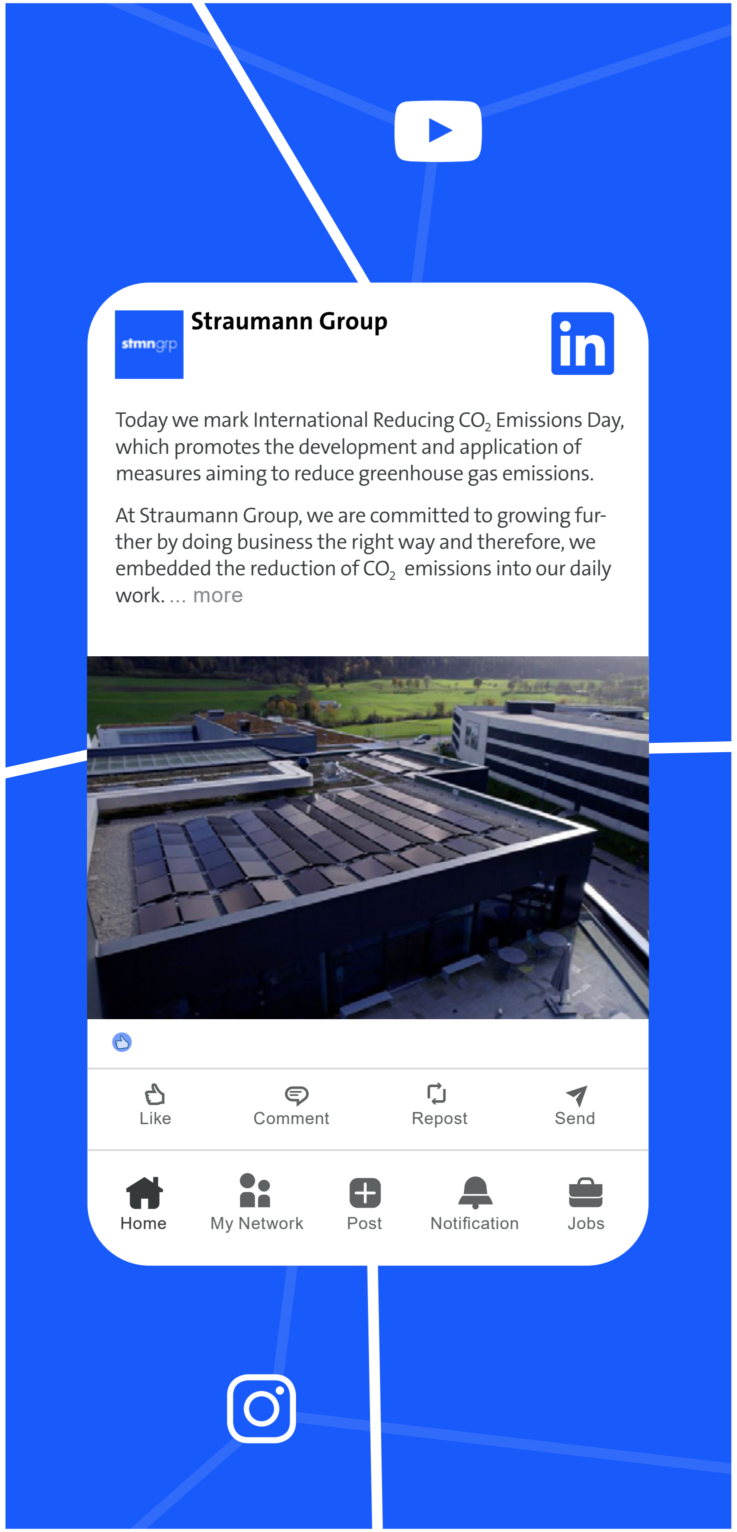
During the double materiality assessment (see p. 53), the Group consolidated its material topics that make up the caring for the planet and society commitment to align with CSRD terminology. Together with various stakeholders, the company discussed and assessed the relevance of the topics and the impacts, risks and opportunities linked to each topic. In line with CSRD terminology, 'water use' was changed to 'water and marine resources'. Recognizing their overall significance for the environment and society, 'pollution' as well as 'biodiversity and ecosystems' were also assessed in line with CSRD. In the context of Straumann Group's business activities, these topics were rated as non-focus topics by internal and external stakeholders. Furthermore, 'circular economy' and 'waste management' were changed to 'resource use and circular economy'. Their rating increased slightly in relevance and the topic was found to be important. Climate change remained to be rated as an important topic.

The emphasis on 'responsible and ethical supply chain management' remains high as an unethical supply chain could harm business relationships and have financial impacts. Community engagement, which relates to philanthropic activities, moved up in the materiality matrix and was also rated as an important material topic in this year's assessment.

NFR *This annual report marks an important milestone for the Straumann Group as it aims to align with the reporting recommendations set forth by the Taskforce on Climate-related Financial Disclosures (TCFD) and the Ordinance on Climate Disclosures, reflecting Straumann Group's commitment to transparency and accountability in climate reporting. The climate change chapter addresses two out of the four core topics recommended by the TCFD guidelines: strategy as well as metrics and targets. The TCFD disclosures related to governance and risk management are detailed in the introduction of the sustainability report on p. 50, and the risk management approach on p. 55.*

> Safeguarding the environment, responsibly managing the supply chain and contributing to community development

The following chapter provides an overview of the Group's adherence to TCFD's recommendations, summarizing the progress toward its climate ambitions. The contents highlight specific climate management actions taken by the Group. The primary objective is to offer stakeholders transparent insights into commitments and strategic steps taken to achieve climate goals.



Climate change

Committed to reducing emissions

NFR *In collaboration with an external partner, Straumann Group undertook a TCFD assessment in 2023. The project involved desk research and interviews with key internal stakeholders to gauge alignment with TCFD disclosures. The analysis informs the development of a TCFD roadmap, addressing identified gaps and facilitating comprehensive, long-term disclosure. Straumann Group has also consistently reported climate-related information to CDP since 2010. Detailed information and scores are readily accessible on the official CDP website.*

Strategy

The Group conducted a high-level scenario analysis to comprehend the potential development of identified climate-related risks and opportunities under different scenarios in 2023. Following the TCFD recommendations, the company established time horizons aligning with

- *capital planning and investment timelines; and*
- *the useful lifetime of major assets.*

Straumann Group defined short (2030), medium (2040), and long-term (2050) horizons, grounded in business strategic processes, asset lifetimes, and internal policy milestones.

The Group has devised an internal transition plan aligned with a 1.5°C world, aiming for net-zero emissions by 2040. The decarbonization plan, aimed at reducing greenhouse gas emissions and achieving water and waste efficiency improvements, is closely connected to the impact of climate-related risks and opportunities on the company's strategy. Specific targets are elaborated in the metrics and targets section (see p. 96). Key elements of Straumann Group's transition plan are:

Scopes 1 and 2:

- Transitioning to 100% renewable electricity by 2024
- Enhancing electricity efficiency through infrastructure upgrades and production process optimization
- Improving heating and cooling efficiency and incorporating renewable sources
- Addressing the environmental impact of the company's vehicle fleet through pilot programs for switching to electric vehicles

Scope 3:

- Prioritizing data quality improvement for accurate emissions assessment
- Tracking supplier emissions via tailored supplier sustainability and compliance management platform, aiming for significant supplier engagement
- Implementing sustainable procurement initiatives for capital goods and purchased goods and services
- Reducing third-party logistics and transport emissions: collaborating with providers to implement efficiency measures, transition to biofuels, and integrating electric vehicles

The climate-related risks and opportunities identified in the high-level climate analysis were scrutinized against various scenarios and timeframes to assess potential impacts. While these impacts are outlined, additional work is planned to comprehensively understand and evaluate the influence of climate-related risks on the company's financial planning. Straumann Group intends to screen potential controls and risk treatment actions to mitigate expected risks, integrating this practice into future business and budget planning processes (see risk management approach on p. 55).

Additional details concerning the low-carbon energy transition and physical climate risks and opportunities within the Group's business are presented in the tables below. These insights were internally identified through a scenario analysis, and the Group is currently working on enhancing the climate assessment and quantification approach.

NFR *The outcomes of the scenario analysis reveal that operational sites in Europe are exposed to river flooding, extreme rainfall and heat, with these risks expected to escalate over future timeframes. Conversely, sites in the Americas are most exposed to water stress, drought, wildfires, and extreme heat. These hazards have the potential to impact the health and safety of on-site personnel, productivity and lead to business interruption, thereby affecting both capital expenditures and operating expenses. However, the potential impact on the overall business is considered to be manageable and climate related risks are not among the key risks for the business that were identified for the next 12-18 months (see risk management approach on p. 55). In terms of transition-related risks, Straumann Group is susceptible to an increase in energy costs and exposure to pass-through decarbonization costs from logistics providers. Climate-related risks are classified into two categories: physical risks and transition risks. Physical risks result from climate events affecting assets directly, like floods impacting infrastructure. Transition risks arise from shifts to a low-carbon economy, such as regulatory changes (e.g. carbon pricing) or market shifts (e.g. decreased demand for fossil fuels).*

The table on the next page provides an overview of climate-related risks with the greatest potential impact on Straumann Group's business, as identified through the high-level scenario analysis.

Transition risks

Risk	Description
Increasing energy costs (access to green electricity)	Due to the potential for increasing energy demand, energy costs may increase as suppliers pass on some or all the costs associated with carbon taxation and trading to the consumer. This would impact manufacturing and other locations, such as offices and training facilities. Furthermore, in a net-zero scenario, grid electricity prices are expected to increase. Electrification is a key enabler of the transition to net zero. This will require significant investment in electrification, requiring investment in electricity generation, transmission, and distribution networks, passed on to energy consumers. 73% of the total energy consumed in 2023 was electricity, approximately 71 800 MWh. This amplifies the risk, as most of the Straumann Group's energy used is electricity. Straumann Group used 6 335 MWh of gas equivalent in 2023 for heating its sites, this is a relatively small amount relative to electricity in its energy mix, i.e. less than one-tenth. Straumann Group has begun work to mitigate risk here, as some sites have already implemented renewable energy technologies.
Pass-through decarbonization costs from suppliers	Increased operational costs of third-party suppliers driven by the low-carbon transition may increase overall logistics costs for Straumann Group, i.e. the costs associated with decarbonizing operations through investment into greener vehicles, such as electrifying the fleet, and rising fuel costs. Straumann Group may need to pass these costs on to its own customers, some of which may not be able to afford the products and may opt for cheaper competitor products - this could result in a reduction in revenue. The financial risks may be realized through margin erosion if costs are not passed on and/or reduction in revenue if some customer groups cannot afford to purchase products.

Physical risks

Risk	Description
Extreme heat impact on operations	High maximum temperatures, temperature fluctuations and warm periods may impact the amount of energy required to cool temperature-controlled areas and equipment and reduce the efficiency of equipment. Sustained high temperatures could also result in health and safety risks for personnel working in ambient temperatures without air conditioning, or outdoors. Financial impacts may include: • Increased operational expenditure related to more energy being required to cool production and office locations and maintain stable temperatures for research activities or clinical treatments, e.g. at one of Straumann Group's sales subsidiaries in Crawley (UK), remote control of the air conditioning system has been implemented to ensure it operates in a more energy efficient temperature range; however, the temperature range could increase with increased temperatures, increasing operational expenditures • Revenue loss if temperature thresholds of equipment are exceeded, reducing the efficiency of equipment, and subsequently resulting in reduced production capacity • Revenue loss if the operating efficiency of the workforce is reduced as increased breaks are required during warm spells

Risk	Description
Flooding (river and extreme rainfall impact on supply chain and operations)	Extreme rainfall can lead to several types of acute events, including extreme rainfall (flash) flooding and river flooding due to overtopping. These events could impact supply chains by blocking transport routes, or access points to sites, with floodwater or debris. This may prevent the supply of raw materials to a site, or the delivery of products to customers. The extent of disruption will depend on the ability to use alternative routes, however, given Straumann Group's global footprint of its supply chain, this could reduce the likelihood of disruptions as alternative routes could be sourced. The Group continually assesses supply and manufacturing risks and implements appropriate mitigations such as multiple global inventory points with adequate stock levels and site-level systems to reduce the risk of loss due to natural or accidental events. Financial impacts may include: • Revenue loss due to delays in the supply of raw materials and/or difficulties accessing sites • Increased operational expenditure if deliveries need to be rerouted • If a flood or landslide only results in short-term delays to product delivery, impacts are likely to be limited due to contractual agreements with customers, but long-term delays (more likely associated with patient-specific products that must be manufactured to order) could cause reputational issues and related revenue loss
Water stress and drought impact on operations	Straumann Group uses comparatively little water in its operations, primarily for cleaning, packaging, and sanitary purposes. The company conducts situational analysis of major production sites to identify specific risks related to water stress. However, Straumann Group recognizes that due to the scarce nature of water, it could pose a challenge to its business operations at major production sites. Water stress and drought could impact the production process e.g. water use during the ultrasonic cleaning process. Financial impacts may include: • Increased operational expenditure due to higher water costs; additional supplies may also need to be purchased from other (less local) suppliers, which could increase costs further • Decreased revenue if production processes require shutting down, or reduced in efficiency, if cleaning processes cannot be undertaken due to a limited water supply
Wildfire impact on supply chain	Wildfires may impact supply chains by blocking transport routes, or access points to sites, with fire, downed trees, or other debris. Wildfires at supplier locations can lead to a shortage of raw materials to sites, or the delayed delivery of products to customers. The extent of disruption will depend on the ability to use alternative routes, however given Straumann Group's global footprint of its supply chain, this could reduce the likelihood of disruptions as alternative routes could be sourced. The Group continually assesses supply and manufacturing risks and implements appropriate mitigations such as multiple global inventory points with adequate stock levels and site-level systems to reduce the risk of loss due to natural or accidental events. Financial impacts may include: • Revenue loss due to delays in the supply of raw materials; e.g. thermoplastics or difficulties accessing sites • Increased operational expenditure if deliveries need to be rerouted or sourced from suppliers located further away from the required location • If a wildfire only results in short-term delays to product delivery (more likely for implants, instruments, stock abutments and biomaterials), impacts are likely to be more limited; however, long-term delays (more likely associated with patient-specific products that must be manufactured to order) could cause reputational issues and related revenue loss
Wildfire impact on operations	Wildfires may cause direct damage to infrastructure, equipment, and stored products; e.g. implants. HVAC systems may be subject to higher strain to filter smoke and ash from air, creating unsafe working conditions for site personnel. Projected increases in temperatures increase the likelihood of wildfires. Financial impacts may include: • Increased capital expenditure related to covering repairs to damaged equipment and infrastructure; e.g. HVAC air filters • Revenue loss due to production downtime to conduct repairs, poor air quality halting outdoor activities (e.g. loading stock and raw materials on and off transport), or if materials in warehouses are damaged

Metrics and targets

NFR *To monitor performance across critical areas, Straumann Group tracks several environmental metrics to evaluate its impact. These metrics encompass operational aspects related to*

- *Energy, including electricity, heating, vehicle, and other fuels (measured in MWh)*
- *Greenhouse gas (GHG) emissions across scope 1, scope 2, and scope 3 (measured in t CO_2e)*
- *Raw and operating materials (measured in t)*
- *Water and wastewater (measured in m^3) and*
- *Non-hazardous and hazardous wastes (measured in t)*

The actual data and time series can be found in the environmental KPI tables *on p. 100 and p. 104**. Straumann Group uses energy for production, offices and passenger vehicles. The company's data collection process encompasses production sites and relevant logistics hubs. Additionally, non-production entities with at least 100 FTE, or possessing their own vehicle fleet, are included in the assessment (see list on the right). Smaller sites are excluded from the assessment due to their minimal impact. To ensure data quality and comparability, new locations are incorporated into the reporting once they have accumulated two years' worth of information.*

The Group discloses direct GHG emissions resulting from the combustion of heating and vehicle fuels, along with emissions from refrigerants (scope 1), and reports indirect emissions linked to purchased electricity and district heat (scope 2), following the GHG Protocol[1]. These categories are key contributors to climate change within the company's operational scope, primarily stemming from its production facilities, vehicle fleet, and the utilization of office buildings.

Approximately 69% of the energy consumed originated from renewable sources in 2023, which is an increase in the share of renewable energy of 20% compared to 2022. Absolute energy consumption rose significantly due to strong growth and expanded production (+15%). In relative terms, measured per Group revenue in Swiss francs, energy consumption increased by 10%. Measured relative to the number of smiles helped, energy consumption decreased by 10%. Electricity constituted 73% of total energy consumption, while vehicle fuels accounted for 17%. The remainder was attributed to fuels used for heating, manufacturing, and district heat.

NFR *The proportion of electricity sourced from renewables increased from 80% to 93%, reflecting a further uptake in sites transitioning to certified green power in 2023. On-site generation of electricity from renewable sources to curtail dependence on purchased electricity and fossil fuels remained fairly stable over the same period (-6%).*

> "Straumann Group will use 100% electricity from renewable sources by 2024, with 93% already achieved by the end of 2023

NFR *In scope 1 and 2, emissions were primarily driven by vehicle and heating fuels, constituting 67%, while electricity made up 23%. The remaining 10% was attributed to refrigerants and district heat. Overall, GHG emissions from the Group's own operations (scopes 1 and 2) significantly*

1 GHG Protocol Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 Guidance

GRI disclosure: 2-2

The key figures reported on pp. 100 and 104 include

- Straumann Group headquarters in Basel, Switzerland
- Subsidiaries and logistics centers in Freiburg, Germany, Neodent in Curitiba, Brazil

Production sites

- Andover, Arlington, Mansfield, Fremont and Round Rock (US)
- Curitiba and Pelotas (Brazil)
- Malmö (Sweden)
- Markkleeberg, Hügelsheim and Calw (Germany)
- Mendaro (Spain)
- Mersch (Luxembourg)
- Montreal (Canada)
- Narita (Japan)
- New Taipei City (Taiwan)
- Sallanches (France)
- Villeret and Corgémont (Switzerland)

The following office locations are covered

- Ankara (Türkiye)
- Beijing (China)
- Berlin (Germany)
- Crawley (UK)
- Fontenay-sous-Bois (France)
- Lahore (Pakistan)
- Mexico City (Mexico)
- Moscow (Russia)
- São Paulo (Brazil)
- Seoul (South Korea)
- Straumann regional entities associated with the use of company cars (Belgium and the Netherlands, Iberia, Nordics)

decreased compared to 2022 (-14%), primarily due to the sustained switch to energy from renewable sources. In 2023, scope 1 emissions saw a 16% increase driven by heightened vehicle utilization, increased business activities, and higher refrigerants consumption attributed to maintenance. Over the same period, scope 2 emissions decreased by 52% driven by the switch to renewable energy. Please consult the environmental KPI table on p. 100 for the full GHG emissions inventory. Straumann Group's actions in 2023 to save energy and reduce greenhouse gas emissions are outlined in the table on p. 99.

> Straumann Group initiatives reduced approximately 2 630 tons of annual greenhouse gas emissions

In 2023, the Group updated its scope 3 emissions inventory following the GHG Protocol[1]. Like most organizations, the majority of the carbon footprint is attributed to Scope 3 emissions, stemming from the company's activities but beyond its direct control. The results presented in the KPI table on p. 100 and the breakdown displayed to the right were obtained through a hybrid approach, incorporating calculations and estimations based on both activity and monetary spend data.

Scope 3 accounting is a very resource-intensive endeavor which poses inherent challenges due to the lack of comprehensive and robust primary (product- or supplier-specific) and even secondary (industry average and monetary) data. Nevertheless, the Group achieved the following advancements in this field:

- Enhanced data basis through gap closure, reduced uncertainties, and reconciliation of data sources
- Refined assumptions and calculation parameters
- Streamlined data collection and management processes with software-backed improvements
- Identified future optimization opportunities, such as the collection of supplier-specific data

Leveraging the outcomes, Straumann Group identifies hotspots, key suppliers, and strategic levers, aligning with the goal of consistently minimizing its scope 3 footprint in the future (see also responsible and ethical supply chain management on p. 105).

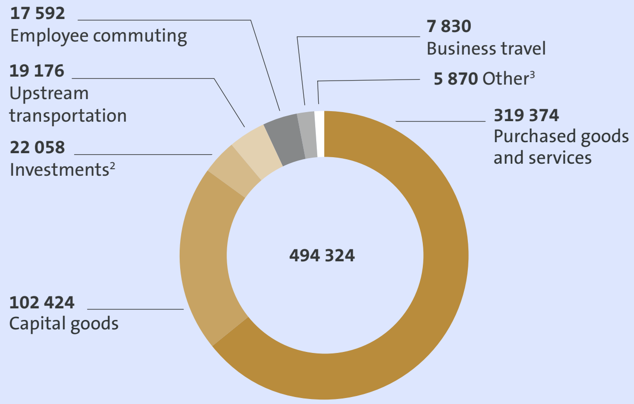
NFR *After joining the Science Based Targets initiative (SBTi) in 2021, the Group established its ambitious net-zero GHG emissions reduction target, aligning with the goals of the Paris Agreement and grounded in climate science. It was submitted in 2022 for review and officially validated by the SBTi in 2023.*

> In 2023, the Group's 2040 net-zero emissions target was successfully validated by the Science Based Targets initiative

1 GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Share of scope 3 emissions per category[1] (2023)

in t CO_2e



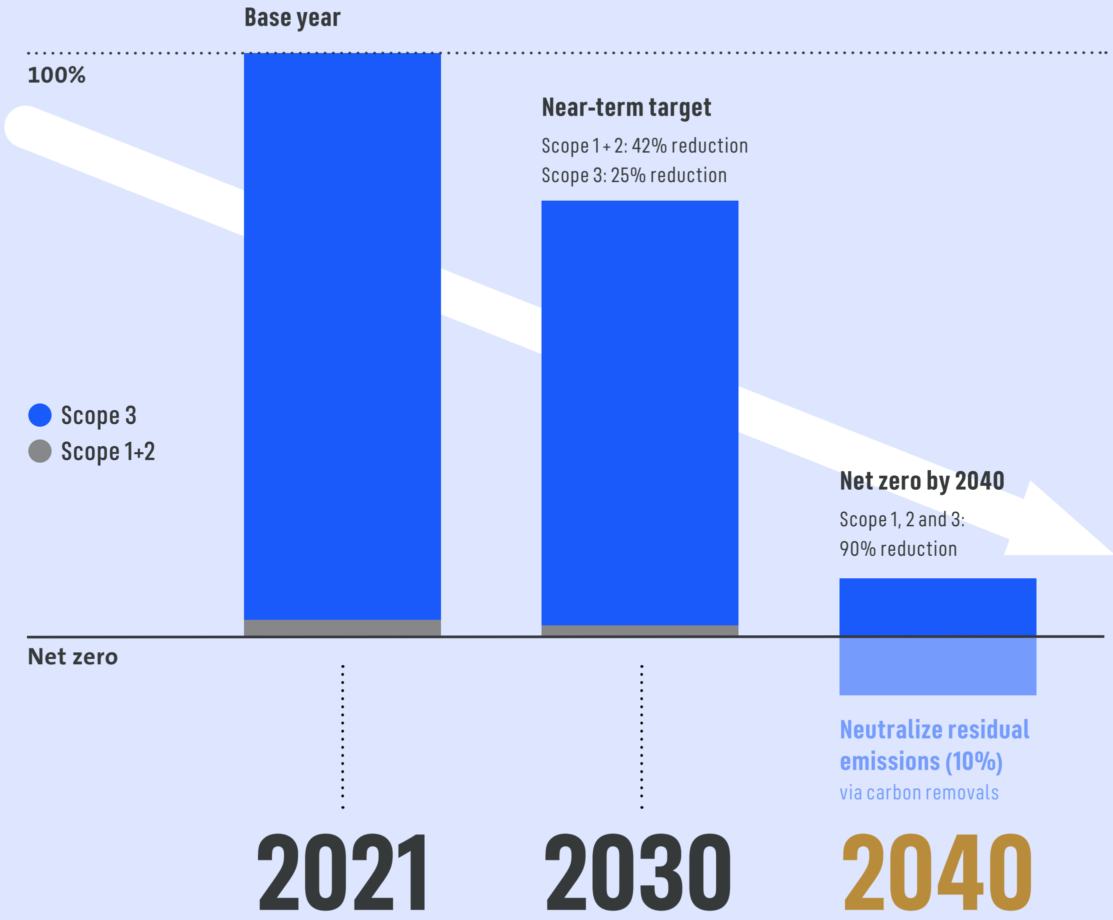
1 Relevant Scope 3 categories as defined by the GHG Protocol
2 Associate companies and equity investments
3 Fuel- and energy-related activities, use of sold products, waste generated by operations, end-of-life treatment and sold products

NFR *The target was developed based on the SBTi's rigorous criteria and incorporates both near- and long-term emission reduction pathways as well as an overarching trajectory, aiming for a net-zero state by 2040 (see visual on the right). Closely linked to this target is the Group's goal to reach 100% renewable electricity usage by 2024, with 93% already achieved by the end of 2023.*

The science-based target (SBT) means full decarbonization of Straumann Group's operations and value chain, which mandates an emissions reduction of 90% until 2040, with any residual emissions neutralized through carbon removals. Please refer to the information to the right for details. This target is particularly challenging as it must be achieved while accounting for the company's growth, making it imperative to meet the emission reduction goals irrespective of any expansion.

Straumann Group discloses a comprehensive GHG inventory (scope 1–3) once a year through CDP and in the annual report, while monitoring progress towards its net-zero SBTi target. The company remains on track for its near-term scope 1 and 2 target, reflecting ongoing efforts in emission reduction initiatives. Scope 3 emissions have increased compared to the base year (+20%), driven by sustained business growth, mainly manifested in estimated emissions based on procurement spend. Addressing the inherent uncertainties in scope 3 GHG accounting, as outlined on p. 97, remains a central focus. The Group demonstrates its dedication by transitioning from secondary to primary data sources, improving data quality, minimizing estimates, and closing data gaps. This effort allows the company to identify and harness emissions reduction opportunities, enabling targeted and strategic initiatives for reducing scope 3 emissions. These goals can only be achieved in collaboration with stakeholders, including suppliers and other key partners.

Group's science-based net-zero emissions target



Overall net-zero target	Straumann Group commits to reach net-zero greenhouse gas emissions across the value chain by 2040
Near-term targets	Straumann Group commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year. Straumann Group also commits to reduce absolute scope 3 GHG emissions 25% within the same timeframe
Long-term target	Straumann Group commits to reduce absolute scope 1,2 and 3 GHG emissions 90% by 2040 from a 2021 base year

2023 initiatives

Efforts to reduce energy consumption and avoid greenhouse gas emissions

Switzerland	In Basel, additional lights were replaced by efficient LED fittings in offices, corridors, and toilets. The calculated reduction in electricity consumption amounts to approximately 31 000 kWh. In addition, heating, ventilation and hot water systems were further optimized to increase overall building energy efficiencies.
Germany	Calw's solar photovoltaic system met over 17% of the modern plant's electricity demand in 2023. The location has been powered entirely by green electricity since September 2021 for the remaining energy needs.
	In Hügelsheim, the commissioning of a 139 kWp solar photovoltaic system took place in 2022 with the aim of reducing dependency on grid electricity. However, due to delays on the constructor's side, the actual installation has been postponed. The site has been using 100% green electricity from the grid since September 2021.
	In Freiburg, a dedicated task force has been formed to drive resource efficiency, waste reduction, and energy management initiatives. A proportion of halogen lights have been replaced with LED fixtures in the warehouse, resulting in energy savings of approximately 850 kWh.
	Markkleeberg also successfully transitioned from conventional lighting to LED technology by replacing 400 lights, resulting in an estimated energy savings of approximately 4 500 kWh.
France	Sallanches has been using 100% green electricity since January 2023. Based on the location's electricity consumption, this translates into an annual reduction of GHG emissions of approximately 198 t CO_2e. Further operational efficiency initiatives focused on energy conservation. Practices included shutting down machines and systems during weekends, optimizing energy consumption by replacing outdated equipment, identifying and rectifying compressed air leaks, and fine-tuning programmed temperatures.
Sweden	In Malmö, energy savings were achieved through LED lighting and the adoption of a modernized steam generator and water system. An electricity usage mapping has prompted the formulation of an action plan to curtail power consumption in equipment and machinery, effective from 2024. Sustainable transportation is also emphasized, prioritizing train travel for business trips and opting for virtual meetings to minimize overall travel impact.
Luxembourg	At our Mersch site, operational improvements have been implemented, including the introduction of fully electric company cars, adjustments to air conditioning settings, and optimization of machinery usage. Total energy savings were 58 000 kWh.
Benelux	Straumann Group Benelux introduced an updated car policy in June 2023, requiring every eligible employee entitled to a company car to choose an electric vehicle lease. Currently, 45% of their fleet consists of electric vehicles including plug-in hybrids, with the objective to transition to a 100% electric fleet by the end of 2026.
UK	In Crawley, energy efficiency was increased by replacing conventional lamps with LED fittings, resulting in annual energy savings of nearly 30 000 kWh and an associated GHG emission reduction of approximately 6.6 t CO_2e.
US	In Fremont, energy efficiency was enhanced by installing motion sensor light switches and automated lighting systems in restrooms.
	The new site in Mansfield uses 100% green electricity. Based on the location's power needs, this translates into an annual reduction of GHG emissions of approximately 1 453 t CO_2e.
	Round Rock has been using 100% green electricity since July 2023. Based on the location's electricity consumption, this translates into an annual reduction of GHG emissions of approximately 781 t CO_2e. In addition, upgrading all conventional lights to energy-efficient LEDs is currently in progress, with the goal of achieving a 20% reduction in electricity consumption upon completion.
Canada	In Montreal, several energy-efficient measures were implemented. Intelligent switches now control all lighting, programmed to automatically turn off nightly. Timers installed in restrooms, and motion detectors in meeting rooms, locker rooms, and the gym ensure lights are only active when needed. To further reduce energy consumption, there is a plan to conduct a comprehensive energy analysis by a specialized company. Potential upgrades will include programmable heating/AC thermostats for better control, and the installation of window insulation and solar/UV films to enhance energy efficiency.
Japan	Narita has been using 100% green electricity since February 2023. Based on the location's electricity consumption, this translates into an annual reduction of GHG emissions of approximately 191 t CO_2e. In addition, operational enhancements were made to improve energy efficiency. This included the replacement of the machine cooling system and turning off unused machines. A further improvement involved the automatic linking of dust collectors, optimizing their operation to align with processing needs. These measures resulted in notable energy and cost savings for our operations.

Environmental key performance indicators

		Performance indicator	Unit	2023[1]	2022[2]	2021[2,3]
Energy	Energy consumption	Total energy consumption	MWh	98 545	85 911	75 709
		• of which renewable sources	MWh	67 890	49 421	38 032
		• of which non-renewable sources	MWh	30 656	36 490	37 676
		Total energy consumption per revenue[4]	MWh/CHF million	41	37	37
	Electricity	Total electricity consumption	MWh	71 797	61 189	53 984
		• of which purchased (renewable)	MWh	65 525	48 330	37 024
		• of which own production (renewable)[5]	MWh	363	387	163
		• of which diesel generators	MWh	970	310	118
		• of which electric vehicles	MWh	87	30	3
	Heating	Total heating energy	MWh	10 056	9 380	10 573
		• Natural gas	MWh	6 335	6 730	7 894
		• LPG	MWh	1 306	1 153	1 127
		• District heat	MWh	2 416	1 497	1 552
	Vehicles	Total vehicle fuels	MWh	16 692	15 341	11 152
		• Diesel	MWh	12 119	11 863	8 596
		• Petrol	MWh	4 130	3 322	2 297
		• Bioethanol	MWh	444	156	259
Emissions	GHG emissions[6,7]	Total emissions	t CO_2e	503 501	465 594	422 316
		• Direct (scope 1)[8,9]	t CO_2e	6 906	5 970	4 988
		• Indirect (scope 2)[9,10,11]	t CO_2e	2 272	4 736	5 816
		• Other indirect (scope 3)[12,13]	t CO_2e	494 324	454 888	411 512
		Total emissions per revenue[4]	t CO_2e/CHF million	209	201	209

1 Data spans from December 2022 to November 2023, with the covered sites listed on p. 96
2 Prior year figures adjusted for additional site (2022: Seoul), enhanced data quality (2021: scope 3 emissions, 2022: electricity, vehicle fuels, scope 1 and 2 emissions), and a shift to per revenue normalization (2021, 2022)
3 Straumann Group's base year, 2021, aligns with the science-based net-zero target, serving as the reference point for emissions reductions.
4 Relative figures refer to net revenue in CHF million
5 Surplus electricity generated from own solar PV production and sold to the grid totaled 43 MWh (2022: 50 MWh, 2021: 43 MWh)
6 Emission factor sources: IEA, US EPA, OWID, AIB, Intep, utility-specific fuel mix disclosures, UK Defra, ecoinvent, GHG Protocol; global warming potentials (GWP): IPCC AR5 (100-year); all relevant GHGs covered
7 Straumann Group calculates its scope 1 and 2 emissions using the 'operational control' consolidation approach
8 Scope 1 emissions include GHGs from Group-controlled sources, such as heating, vehicle fuels, and refrigerants
9 Emissions from non-fossil fuels (bioethanol and biomass) totaled 659 t CO_2e (2022: 233 t CO_2e, 2021: 274 t CO_2e); these biogenic emissions, reported 'outside of scopes' per GHG Protocol, reflect CO_2 released through combustion which equals the amount absorbed during plant growth
10 Scope 2 emissions include GHGs produced in generating electricity and district heat consumed by the Group
11 Scope 2 emissions were calculated using the 'market-based approach' per GHG Protocol Scope 2 Standard. Under the 'location-based approach', emissions totaled 9 585 t CO_2e (2022: 9 572 t CO_2e; 2021: 9 136 t CO_2e)
12 Scope 3 encompasses GHG emissions throughout the value chain, (refer to p. 97 for a breakdown of the Group's relevant scope 3 categories); emissions 2022 were derived through linear interpolation, utilizing raw data from 2021 and 2023
13 Emissions 2022 derived through linear interpolation utilizing raw data from 2021 and 2023

GRI disclosure: 2-4

Energy consumption

-10%

MWh per thousand smiles
2022: 19.5; **2023: 17.6**

+10% **MWh per CHF million revenue**
2022: 37.0; **2023: 40.9**

Renewable electricity

93%

2022: 80%
2023: change +16%

GHG emissions since 2021 (scope 1 + 2)

-15%

t CO_2e
2021: 10 804; **2023: 9 178**

Resource use and circular economy

Waste management

As a medical device supplier, the Group's business scope and product portfolio have expanded over the years. Growing operations and associated activities in the value chain resulted in increased resource consumption and waste generation. Straumann Group consistently refines products and processes to enhance resource conservation and waste reduction, aligning with environmental care embedded in its Code of Conduct. NFR *Recognizing the supply chain's impact, the Group strives for supplier assessments focusing on climate change (scope 3), waste, and water-related aspects (see p. 106).*

The Group's three principal manufacturing sites are ISO 14001 certified, reflecting the commitment to environmental management and supporting circular economy principles.

Straumann Group's proactive approach to waste management and materials use is integral to its sustainability strategy. Regular evaluations identify improvement opportunities, and the tracking system monitors metrics such as waste generation, recycling rate, and diversion from landfill (see table on p. 104). Committed to continuous improvement, regular assessments are conducted and strategies to reduce, reuse, and recycle waste are implemented aiming to decrease the environmental footprint and enhance resource efficiency (see the efforts to minimize waste, save water and increase circularity on p. 103). A recent example of Straumann Group's endeavors in this field is the sustainable toothbrush initiative highlighted on p. 67.

In 2023, Straumann Group tracked production and office waste volumes, enabling systematic evaluation of recycling and landfill diversion performance and identification of improvement measures. Prioritizing waste separation and diversion from landfill, the Group saw a 30% increase in overall waste volume compared to 2022, mainly driven by business development and sales growth. The recycling rate improved from 64% to 68%, and the landfill rate remained low (moderate increase from 6% to 7%). Efforts include recycling virtually all metal waste and actively working to increase recycling rates for other scrap materials. A key focus is the clear aligner business actively seeking ways to reduce scrap, enhance recycling and recovery rates, and achieve zero waste to landfill.

> "Waste recycling rate further increased from 64% to 68%

Circular economy

Straumann Group is dedicated to the transition from a linear to a circular economy, aiming to eliminate waste and pollution while promoting the reuse of materials and regenerating instead of degrading nature. This shift involves adopting renewable energy sources and materials, as well as decoupling economic activity from finite resource consumption. Straumann Group actively implements circular practices including water reuse, waste diversion, and renewable energy adoption (see also efforts to minimize waste, save water and increase circularity on p. 103). The Group also conducts life-cycle analyses (LCAs) to investigate improvement potentials for the environmental performance of products and related supply chain aspects.

The product portfolio currently includes:

- **Dental implants**
  and components made from pure titanium, titanium alloy and ceramics
- **Prosthetic elements**
  made of ceramics, metal or polymer
- **Clear aligners**
  made of polymer
- **Resins**
  for 3D printing and thermoplastics for clear aligner production
- **Biomaterials**
  for tissue regeneration including proteins, collagens and bone derivatives
- **Digital equipment:**
  scanners, milling machines and 3D printers, mostly manufactured by third parties and made mainly from metal, plastic, prefabricated electronic components and glass

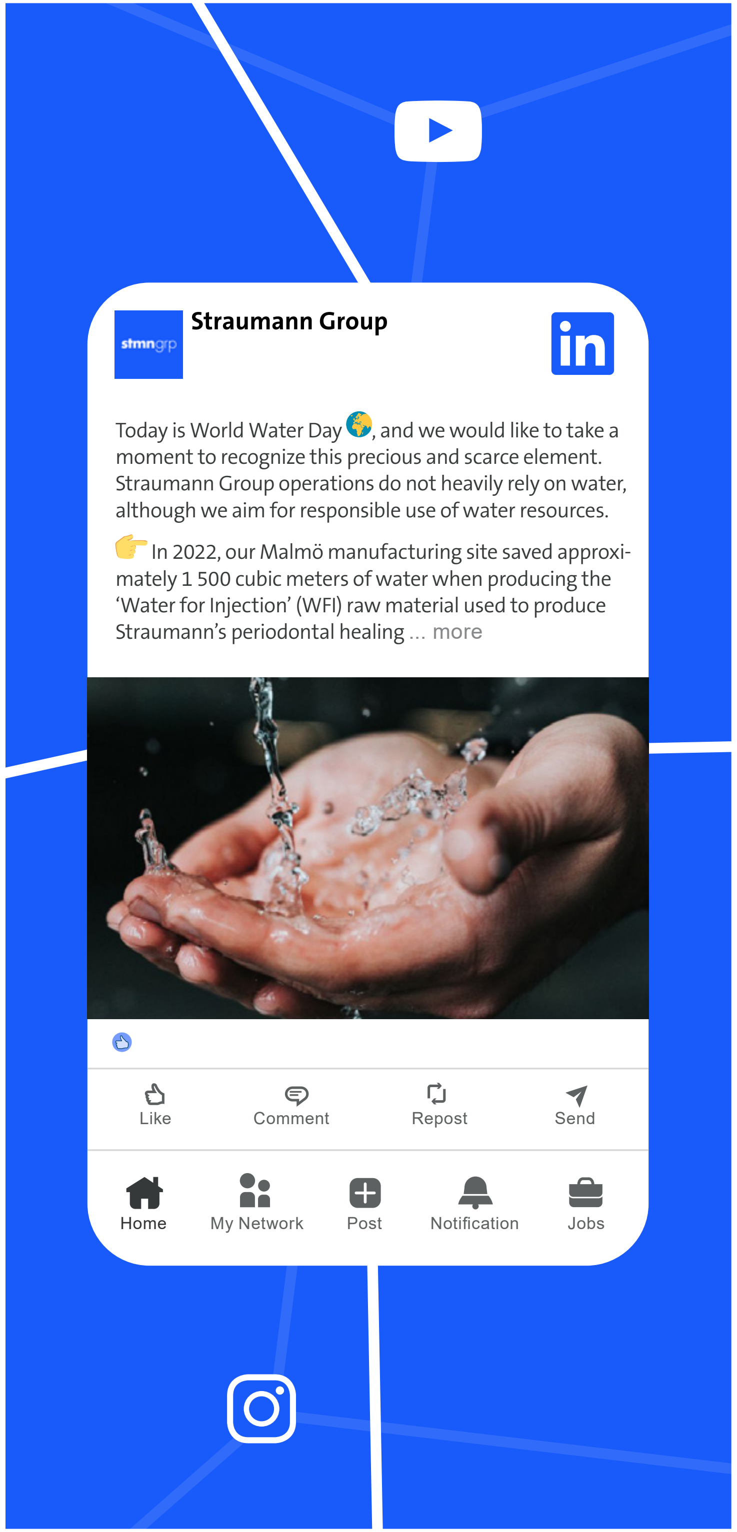
In 2022, the Straumann Group packaging community (Straumann, Neodent, Anthogyr, and Clear Correct) committed to introducing FSC-certified quality for folding boxes. FSC forest management certification ensures responsible forest practices that prioritize biodiversity, local communities, and economic sustainability. Straumann completed the conversion of all sterile-packed products to FSC-certified cardboard boxes by the first quarter of 2023, covering implants, sterile instruments, prosthetics, and healings. The transition for Straumann biomaterials is scheduled for implementation in early 2024. This strategic initiative aligns with our circular economy commitment, promoting sustainable sourcing practices and reducing the environmental impact of our packaging materials.

> “Water reuse increased by 79%

Water use

Straumann Group uses comparatively little water in its operations, primarily for cleaning, packaging, and sanitary purposes. ‘Water and marine resources’ has been identified as a non-focus topic in the double materiality assessment. Nevertheless, the company recognizes the precious and scarce nature of water, especially in some areas of the world. Water constraints can pose a growing challenge for the Group’s business operations. To address this, potential water-related risks at production sites are proactively monitored and evaluated.

Beyond compliance with local laws, this entails engaging with stakeholders such as communities, water and wastewater authorities, and other official bodies. Additionally, situational analyses of water stress levels at key production sites are conducted to identify risks linked to situations where demand surpasses supply or water quality is compromised. Through these measures, the Group strives to manage water resources responsibly. Overall water consumption rose with business growth in 2023; however, simultaneous initiatives resulted in a substantial boost in water reuse (see also efforts to minimize waste, save water, and enhance circularity on p. 103).



2023 initiatives

Efforts to minimize waste, save water and increase circularity

Switzerland	At the Villeret site, in response to the annual disposal of 30 tons of PET material from production, a collaborative project was initiated with the University of Applied Sciences and Arts Northwestern Switzerland. It aimed to explore the reusability of blister packaging from medical technology. Following a successful preliminary study, alternative processing methods for the waste were investigated. The surplus processed material led to a collaboration with a Swiss personal hygiene products company, resulting in the creation of toothbrush handles made from 99% recycled plastic waste from Villeret. Approximately 50 000 toothbrushes were produced from 1 000 kg of plastic waste.
	In Basel, a paper savings and waste optimization initiative has been implemented through the transition of printers to a 'follow-me printing' system. This is expected to reduce unnecessary printouts and lead to a reduction in both paper usage and associated waste.
Germany	In Freiburg, a dedicated task force has been formed to drive resource efficiency, waste reduction, and energy management initiatives. The site has replaced plastic bands around Pro Arch product cases with paper and lowered business card production by incorporating QR codes.
France	In Sallanches, operational efficiency initiatives included the acquisition of a new osmosis unit which will help decrease water consumption.
Italy	In Milan, the team implemented a recycling initiative by removing desk bins and introducing centralized recycling stations, aiming to increase the share of waste recycled. Additionally, aluminum bottles were provided to all employees to reduce plastic usage, and parcels to customers are now sent in boxes made from recycled paper.
Sweden	In Malmö, water savings were realized through the upgrade of equipment for water for injection (WFI) treatment and steam generation. Initiatives focused on improving product batch yield resulted in reduced material usage, mitigating waste in packaging, chemicals, and contaminated consumables. Additionally, these efforts led to savings in acids and cleaning solvents.
Luxembourg	In Mersch, measures like using flow-reducing nozzles on faucets were implemented, resulting in water savings. Additionally, adjustments in packaging and procurement practices contributed to waste reduction.
US	Andover partnered with Villeret, Switzerland, to phase out the use of nitric acid in a specific process. The collaboration yielded a significant decrease in the utilization of concentrated nitric acid, a highly corrosive compound.
	Round Rock implemented or initiated the following projects in 2023: collaboration with a specialized waste handling partner to recycle all cured 3D resin, aiming to reduce landfill waste by around 4 000 kg per month. Program development for patients to return used aligners, with an initial goal to reduce landfill waste by 25%. Updating shipping processes to digitize records and reduce paper usage by 20%. Printing shipping labels directly onto boxes to eliminate label usage entirely. Investigating the thickness of 3D printed models to seek material usage reduction by 10-15%. Recycling liquid resin waste in the 3D printing process to cut resin waste in models by 50%.
Canada	In Montreal, a comprehensive waste management practice is in place. This includes recycling electronic and metallic parts, implementing composting and food waste collection, and recycling bottles and cans. Individual desk trash bins were replaced with centralized recycling stations, fostering a culture of responsible waste disposal.
Brazil	At the Neodent factory in Curitiba, the on-site water treatment process conserved nearly 4 000 m^3 of potable water. The highly efficient reuse water system currently reduces the need for potable freshwater by approximately 8%. The water savings initiative encompasses the use of greywater for irrigation and the installation of low-flow taps, sinks, toilets, and showers to minimize water consumption. Additionally, at the site rainwater for irrigation is collected. Apart from the zero waste to landfill initiative, the waste management strategy prioritizes the implementation of ISO 14001 since the beginning of 2023 at both the Neodent and ClearCorrect factories. The site also implemented a process efficiency and waste reduction measure by removing components from Neodent implant packaging. It led to increased productivity as well as reduced production time and costs, while also minimizing plastic waste.
	At our ClearCorrect factory in Curitiba, the on-site water treatment process conserved nearly 28 000 m^3 of potable water. The highly efficient reuse water system currently reduces the need for potable freshwater by approximately 55%.
Japan	In Narita, waste reduction initiatives have demonstrated tangible outcomes through systematic process changes. Improvements include significantly lower burnable waste, optimized water usage, and a refined approach to material loss during production with substantive improvements.

Environmental key performance indicators

		Performance indicator	Unit	2023[1]	2022[2]	2021[2]
Materials	Raw materials[3]	Titanium	t	99.6	79.2	66.2
		Cobalt chrome	t	8.8	7.5	8.0
		Thermoplastics	t	683	725	668
		Photopolymers	t	196	198	158
Materials	Operating materials	Various oils	t	337	281	196
		Cleaning solvents	t	93.0	90.3	88.5
		Acids	t	199	160	131
Water	Freshwater	Consumption[4]	m^3	124 010	109 015	95 273
	Water reuse		m^3	18 373	10 280	2 451
	Freshwater use intensity	Per revenue[5]	m^3/CHF million	51	47	47
	Wastewater requiring special treatment	Disposal	m^3	3 481	2 973	3 220
Waste	Total waste	Non-hazardous and hazardous waste	t	2 397	1 847	1 519
	Total waste intensity	Per revenue[5]	t/CHF million	1.0	0.8	0.6
	Non-hazardous waste	Recycling	t	1 198	861	549
		Incineration	t	479	421	213
		Landfill	t	164	111	356
	Hazardous waste	Recycling	t	425	312	312
		Incineration	t	121	135	47
		Landfill	t	9.3	6.7	42.8

1 Data spans from December 2022 to November 2023, with the covered sites listed on p. 96
2 Prior year figures adjusted for additional site (2022: Seoul) and a shift to per revenue normalization (2021, 2022)
3 For information on conflict minerals, see business conduct, p. 118
4 Water withdrawn from the following sources: municipal water supplies (freshwater) = 99 275 m³ (2022: 85 220 m³; 2021: 69 917 m³), groundwater (freshwater) = 24 735 m³ (2022: 23 795 m³; 2021: 25 355 m³)
5 Relative figures refer to net revenue in CHF million

GRI disclosure: 2-4

Waste recycling rate

68%

2022: 64%

2023: change +7%

Waste landfill rate

7%

2022: 6%

2023: change +14%

Water reuse

79%

2022: 10 280 m^3

2023: 18 373 m^3

Responsible and ethical supply chain management

Creating value along the entire supply chain

The Straumann Group has a global supply chain that includes suppliers, production sites, warehouses, and customers. The Group sources materials and components from suppliers worldwide and uses a multiple-source strategy. It maintains agreements at the Group level for critical raw materials like titanium to ensure supply for all brands and franchises. The Group continually assesses supply and manufacturing risks. It implements appropriate mitigations, including multiple sources for components and products, long-term supply agreements, redundant manufacturing locations, and capacity, multiple global inventory points, and site-level systems to reduce the risk of loss due to natural or accidental events.

In 2023, the Straumann Group began shifting its focus from a traditional corporate supply chain to a connected end-to-end (E2E) supply chain with streamlined processes across sites and functions within the organization. One key initiative was forming high-performance teams dedicated to growth, collaboration, digitalization, regional empowerment, and global governance. By bringing together individuals with diverse skills and expertise, the Group fostered a culture of collaboration and knowledge sharing, laying a solid foundation to work cohesively toward achieving its E2E supply chain objectives.

The Group recognized the importance of establishing and empowering regional supply chain teams to make decisions and take actions that best suited their local markets. Consequently, it began implementing clear and consistent governance processes and structures across its global E2E supply chain to manage risks better, ensure compliance, and harmonize processes.

In 2024, the Straumann Group will continue to prioritize customer-centricity, striving to understand and meet the unique needs of its customers. Additionally, it will work to improve its operational excellence further, leveraging data and technology to drive efficiency and agility in its supply chain. Overall, 2024 promises to be an exciting year for the Group's E2E supply chain as it builds on the progress made in 2023 and works towards achieving its long-term vision of a customer-centric, efficient, and innovative E2E supply chain.

> "We continued to reinforce and further develop our robust and sustainable end-to-end supply chain building, on the growth in 2023


Implant production in Curitiba, Brazil

The demand for implant systems continued to grow significantly, driven in large part by favorable outcomes from the China volume-based procurement (VBP) program. However, growth has also been observed across various geographies and brands. Thanks to capacity investments made in the previous years, the Group has been able to keep up with this increasing demand. The Straumann Group's extension in Villeret, which opened in 2022, is rapidly ramping up, while its second site in Curitiba continues to see growth in utilization. The Straumann Group is continuously working to increase the capacity utilization throughout its entire manufacturing network.

> We continued to improve our approach to forecasting and orchestrating future demand in a robust and efficient way

The Group continued to increase its capacity in its custom production sites. A new and state-of-the-art site was opened in Mansfield, Texas to support the Group's expansion in custom prosthetics. Additionally, the Group continued to increase the aligner manufacturing capacity across its existing production network.

The Straumann Group is continuously investing to meet future demand. Its new manufacturing campus in Shanghai is on track, and the Group anticipates completing all necessary qualifications and validations in 2024. This will enable the Group to submit for local manufacturing of the products to be sold in China. This site will be exclusively dedicated to the Chinese market, allowing the Group to participate to the VBP as a local producer.

Straumann Group is continuing to invest in additional capacity globally. The Group has begun preparing the land for its third site in Curitiba, and it has started expanding its manufacturing site in Calw (Germany). Additionally, the Group is increasing its investment in aligner manufacturing lines to meet the demand.

While increasing its capacity, the Group continues to progress on the sustainability of its operations. Straumann Group is well on track to NFR *operating fully with renewable electricity by the end of 2024 and has already increased from 80% in 2022 to 93% by the end of 2023. The Group is also focusing on reducing emissions due to the way of heating its buildings. For instance, the Group's site in Villeret switched to remote heating from the village, which is produced from wood pellets. Straumann Group is also investing in automation and digitalization to increase its efficiency and reduce its power and water consumption per unit produced.*

After the successful launch of the integrated planning software in 2022, the Group made further progress in digitalizing the forecasting process and other systems within the value chain. The efforts have resulted in improved customer satisfaction and increased end-to-end supply chain operations. Straumann Group remains committed to building on this progress and further enhancing the supply chain operations.

Ethical supply chain

NFR *The Group takes its responsibility to manage supplier relationships and logistics operations in an ethical and socially responsible manner seriously. The Group expects external business partners (ExBP) to adhere to the principles outlined in the Straumann Group Code of Conduct for External Business Partners (ExBP CoC). This includes compliance with laws and regulations, ethical business practices, fair and safe working conditions, environmental protection, and the proper handling of confidential information. The Group requires its major suppliers to periodically sign the ExBP CoC as written confirmation of their commitment to these principles. Straumann Group may monitor compliance with the Code and take appropriate action in the event of any non-compliance. If an ExBP is unable to rectify an issue, Straumann Group is dedicated to finding a replacement ExBP who is capable and willing to adhere to the Code.*

The Group recognizes the impact its supply chain has on the environment and started a thorough assessment of its suppliers in that regard. The Group CoC ExBPs clearly outlines the expectations for environmental protection within the supply chain. The Group produces detailed reports on its own operational environmental impact, including direct and indirect GHG emissions (scope 1 and 2), as well as emissions throughout the value chain (scope 3, see climate change chapter on p. 93).

> We ensured supply to our operations while accelerating the onboarding of our suppliers on to the digital platforms

For product traceability in the Group, all materials are recorded with material numbers and batch data which allows the tracking of a production lot and its distribution using bar code technology.

Supply risk

Straumann Group has implemented a comprehensive risk evaluation process to assess and mitigate risks associated with materials and components that are critical to its operations. The cross-functional teams work diligently to develop and implement strategies and countermeasures to address risks in the short, medium and long term. The company continually strives to diversify its supplier base and regularly review its inventory management policies to minimize the risk of supply disruptions and ensure that patients are not impacted.

In 2023, the Straumann Group supply chain faced several challenges. The Group faced some disruptions due to raw material supply tensions, such as titanium, and pent-up demand from China following the lifting of COVID-19 restrictions. However, agile cross-functional teams across the Group worked tirelessly to fully support and prioritize supply to production sites. By mutualizing materials across the Group, the teams were able to effectively navigate these disruptions and ultimately achieve success.

Driving supplier compliance and sustainability through digital platforms

NFR *In 2022, Straumann Group rolled out two digital platforms: the supplier portal for Source to Contract (S2C) and the ESG (Environmental, Social, and Governance) platform for assessing suppliers on sustainability criteria.*

These criteria not only comply with laws and regulations, but also align with the ExBP CoC and the sustainability targets of the Straumann Group. For more information, please refer to the chapter business conduct (p. 116) and the Group website.

NFR *By December 2023, over 1 400 suppliers, representing about 70% of the Group's global spend, were invited on to its ESG platform. More than 500 of these suppliers, representing about 40% of the global spend, fully completed the supplier assessment. Straumann Group aims to have all invited suppliers complete the screening questionnaire in 2024 and targets to have 100% of global suppliers onboarded on to the ESG platform by 2030. Further information on those platforms can be found on the Group website.*

Procurement

The Group's procurement teams, both at global and local levels, worked diligently to secure products and ensure the continuity of supply to the factories, despite facing supply disruptions and longer lead times for ordered raw materials from suppliers due to challenging market situations. This was further exacerbated by the surge in demand for the Group's products from the APAC region particularly China.

However, a cautious safety stock policy for raw materials, semi-finished and finished products, combined with effective coordination across the Group, enabled the company to maintain supply to its operations and even meet the growth in demand from the APAC markets.

Straumann Group constantly reassess its safety stocks and exposure to supply risks, and the ongoing efforts to ensure continuity of supply will continue. The Group is addressing identified supply bottlenecks through cross-functional teams and collaboration with its suppliers, and the Group is investing in new capex tools to meet, and even exceed, the future demand for its products.

Colleague in logistics center in Germany

Community engagement

NFR *Straumann Group is committed to creating a positive impact for the communities in which it operates as an extension of its dedication to improving peoples' lives through excellent dental care. This commitment involves philanthropic activities such as facilitating access to oral health education, affordable oral care, and participating in humanitarian relief efforts, as well as actively engaging with local communities.* These efforts also help to engage employees, customers, and consumers, as well as attract talent by being a responsible corporate citizen.

Through a thorough double materiality assessment, community engagement emerged as an important material topic, identified by both internal and external stakeholders. The positive impacts they saw include support for education and health care and contributing to the overall enhancement of Straumann Group's reputation. However, compliance issues related to charitable projects were recognized as a potential risk.

> Creating positive impact through corporate philanthropy

NFR *The Group's charitable and social engagement programs are primarily managed by the regional teams in the areas where the business operates. The corporate philanthropy department evaluates global project requests using specific criteria to ensure maximum reach, impact, continuity, good stewardship, and accountability in charitable efforts and partnerships. A policy is in place to evaluate support requests based on purpose and permissible recipients, serving as a due diligence process to mitigate compliance risks. The final selection of grants is a collaborative process involving the compliance department, regional or local teams, and the Executive Management Board for larger donations. This ensures a transparent decision-making process aligned with the Group's values and objectives.*

Continuing its commitment, the Straumann Group is actively expanding engagement in communities globally, believing in the potential for meaningful and lasting impact through partnerships with like-minded organizations. To further bundle its efforts and strengthen its philanthropic impact, the Board of Directors has charged the Group Management to establish a foundation in 2024.

The Straumann Group also stands for a positive impact on those communities where it plays a significant role, e.g. in Basel, Villeret, Andover and Curitiba, by not only providing attractive employment opportunities, but also by participating and endorsing cultural and social events, where appropriate. In Basel, the Group, for example, participated in the Industry Night and in Curitiba, Neodent is a sponsor of several local soccer clubs.

Recent achievements include outreach through more than 60 projects across 30 countries. This global reach highlights the Group's ability to leverage its international network of clinicians, technicians, academics, and employees in collaboration with charities and customers.

Oral health and care

Millions worldwide lack access to dental care, motivating the Straumann Group's charitable activities in oral health and care. With this focus, the Group strives to make a meaningful impact by leveraging its expertise.
NFR *Whether the Group undertakes initiatives directly or partners up with charitable organizations, the objectives are clear: to raise awareness, provide basic dental care, and restore smiles with an emphasis on continuity and long-term impact.*

Taking the initiative to deliver oral care to those in need

Since 2007, the Straumann Group Access to Implant Dentistry (AID) program has globally assisted underprivileged and medically compromised patients who cannot afford critical dental treatment. Dental professionals generously provide free treatment using products such as implants and prosthetic parts donated by the Straumann Group. As an example, among the beneficiaries in 2023 was a 23-year-old nurse from India who underwent dental rehabilitation, vastly improving her medical condition and quality of life.

LetThemShine patient and his doctor

Launched in the US in 2020, the LetThemShine initiative provides free dental implant treatment to edentulous patients and others with severe conditions. Volunteer dentists and lab clinicians, supported by Straumann Group supplies, transform lives by restoring smiles and improving oral health.


Novos Sorrisos mobile dental clinic in Brazil

In Brazil, Novos Sorrisos is a mobile dental project covering 7 000 km across seven cities and six states in 2023. Staffed by rotating volunteer dental professionals, the project provided screening, lectures, and treatment to over 1 500 people, promoting dental care and education.


Inside the Novos Sorrisos mobile dental clinic

Long-standing fruitful partnerships

The Straumann Group prioritizes enduring projects that promise sustained impact. Collaborating with longstanding major partners, the Group has fostered relationships aimed at enhancing and expanding the assistance provided.

Supporting dental education combined with global outreach, Straumann Group supported two teams of eight students and two dentists in 2023, engaging in overseas projects organized by the German aid organization Dental Volunteers. These initiatives, conducted in Senegal and Tanzania, present students with challenging situations, requiring adaptability in resource-limited environments. All projects align with the Group's commitment to offering essential dental care to those for whom it is otherwise unaffordable or unavailable.

Since 2004, Straumann has partnered with the US-based National Foundation for Ectodermal Dysplasia (NFED), aiding Ectodermal Dysplasia (ED) patients and their families. Typically born with missing or severely malformed teeth, ED patients require expensive full-mouth restorations. Straumann Group provides free implants and prosthetics to affiliate dentists, facilitating pro bono implant therapy. Financial support from the Group funds family programs, advocacy, and research, including an annual conference addressing new treatments.

In collaboration with the Dental Lifeline Network, the Group supports the Donated Dental Services (DDS) program in the US. This program assists individuals with disabilities, the elderly, or those medically fragile, who cannot afford severe dental condition treatment. With Straumann Group's donations of implants and implant components, the program provided dental treatment to 44 people across 23 US states in 2023.

Since 2018, Straumann Group has supported the Dharma Wulan Foundation in Indonesia. The foundation's team of volunteer surgeons performs over 100 surgeries annually, correcting cleft palate deformities, primarily in infants. The foundation's mobile clinic reaches remote villages. The service provided also extends to post-op speech therapy and orthodontics.

Since 2017, funding from the Straumann Group has supported The Australian Dental Association's Rebuilding Smiles initiative, providing free dental reconstruction to women and children who have suffered from domestic violence. In 2023, more than 150 patients benefited from the program.

In 2014, the Group provided dental school scholarships and expenses to six local students in partnership with Hope for All, a dental clinic in Cambodia. This clinic offers very low-cost or free treatment where the need exceeds available care. Five of the students have graduated and now practice in the clinic, treating an average of 800 patients monthly.


Doctor and patient at Sonrisa clinic in Nicaragua

In 2023, a new partnership named the Azalea Gum Treatment Project was launched in Hong Kong. This initiative aims to provide free dental treatment to patients with periodontal disease. Straumann Group's in-kind product donations support the project, and with the backing from the Azalea (1972) Endowment Fund, the Division of Periodontology & Implant Dentistry at the Hong Kong University Faculty of Dentistry will provide free comprehensive dental treatment to at least 100 patients suffering from severe gum disease over the next five years.

Straumann Taiwan initiated the Women In Implantology (WIN) Woman Empowering Project in collaboration with Taiwanese WIN (see p. 78) members, offering dental care to female athletes. The project seeks to create a platform connecting empowered female dentists and female athletes. In 2023, six athletes were beneficiaries of this initiative.

The Smile to Life fund, launched in 2023, aims to provide middle-aged and elderly people in Shanghai with improved access to high-quality and safe dental treatment services. With support from the Straumann Group, the fund provides free dental implants to elderly individuals and supports the treatment costs for disadvantaged elderly people. The fund will conduct dental education activities in various districts of Shanghai to raise public awareness of dental health.


Oral health education in Senegal

Since 2006, the Group has partnered with the Sonrisa Foundation in Nicaragua. In 2023, the focus was on prevention, with children and their families receiving tooth brushing instructions, a tooth cleaning, fluoride treatment, and a toothbrush to support good oral hygiene. The Group also offered a training scholarship for a young dentist from the community who has returned to the clinic, practicing there regularly.

Supporting humanitarian relief efforts

NFR *In times of humanitarian crises within the regions of its operation, the Group channels its focus towards rapid and effective support. This involves collaboration with experienced organizations and leveraging local infrastructure whenever feasible.*

Earthquake in Türkiye and Syria

During the early months of 2023, when devastating earthquakes struck Southwestern Türkiye and Northern Syria, the Group responded promptly on both local and global fronts. An immediate donation of CHF 50 000 was directed to the Swiss Red Cross to aid in search and rescue operations, as well as relief efforts encompassing shelter, food, drinking water, and medical care in Türkiye and Syria through the Red Crescent and Red Cross network. Simultaneously, the Turkish subsidiary took swift action to safeguard employees and customers. Teams in Istanbul and Ankara actively participated in emergency support initiatives, delivering urgently needed relief materials such as blankets, baby diapers, and water to affected areas. Additionally, the Group contributed to the Turkish Dental Association to support its mobile clinic, providing dental treatments and care to affected cities.

> Partnering up with experienced NGOs for fast and effective help in times of crisis

Restoring Ukrainian smiles

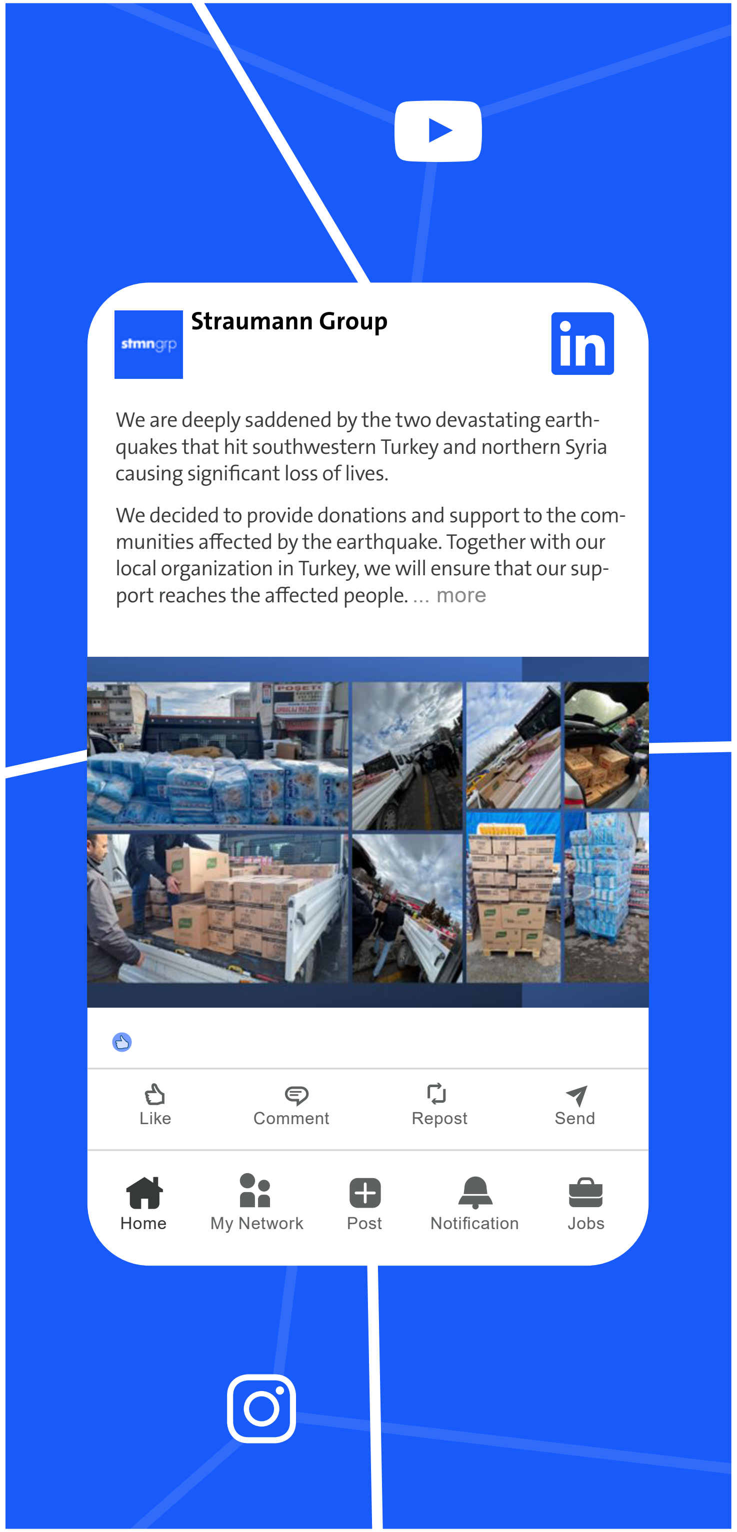
In response to Russia's invasion of Ukraine in February 2022, the Group extended support through a donation to the International Committee of the Red Cross. This humanitarian relief effort provided immediate assistance to the Ukrainian people, offering water, food, shelter, clothing, and medical support. The Group's commitment to restoring the smiles of the Ukrainian people continues, marked by ongoing efforts. Since the initiation of the conflict, the Group has donated implants valued at CHF 1.2 million to Ukraine.

Helping neighbors

NFR *Proximity to the communities where the Group operates is one of the priorities in the company's efforts and it often allows employees to actively engage and contribute their time and energy to the supported causes.*

> Making proximity to the communities where the Group operates a priority

When a fire hit the Pequeno Príncipe Hospital in Curitiba, Brazil, where the Group has a major site, it supported the reconstruction of the oncology, hematology, and bone marrow transplant (BMT)outpatient clinic. The facility caters to children, adolescents, and families from across Brazil who seek care at the renowned pediatric hospital. Engaging with the community around the factories in Curitiba, the Group supports social initiatives. These include collection drives during Easter, winter, Children's Day, and Christmas, benefiting more than 150 families. Additionally, a course is offered to community residents, enabling them to apply for opportunities in the Group's and other companies' production. In 2023, 58 individuals graduated successfully. Furthermore, a soccer school created by the company serves approximately 50 students weekly, fostering discipline and teamwork among children in the neighborhood.



In Italy, Fondazione Dottor Sorriso extends clown therapy to children with disabilities across six pediatric hospitals with the help of Straumann Group.

The German team supported Jung & Krebs e.V, an organization offering support to young people with cancer in the Freiburg area, aiding them in finding their way back into life. Additionally, timeout GmbH benefited from a donation to provide support to mentally handicapped teenagers and young adults living in residential groups in the region.

Straumann Lithuania focused its efforts on supporting children's health through neurosensory stimulation, early developmental therapy and providing intensive therapy for children with rare diseases or after brain injury or trauma.

Aiding children and individuals suffering from cancer, the Group contributes to the Cancer & Childhood Association Centre Leon Bérard in France. The aim is to assist them in overcoming the challenges of cancer and regain the desire to live. Also in France, the banque alimentaire initiative was supported. Employee teams in the Sallanches region collected food and distributed it to those facing various challenges.

In Hungary, the team actively participated in and provides financial support for the equal opportunities program organized by the Mozdulj! Közhasznú Egyesület foundation. This initiative focuses on a tandem tour for more than 50 blind individuals around Lake Balaton. The Group's involvement underscores its commitment to fostering inclusivity and accessibility for individuals with visual impairments, promoting a meaningful and enriching experience for the participants.


Children from the neighborhood at Neodent soccer school in Brazil


Clown therapy at hospital in Italy

The Group actively contributes to a local community fund in Pakistan dedicated to supporting the underprivileged, encompassing orphans, widows, the economically disadvantaged, and individuals in need of medical treatment and educational support. Additionally, the initiative provides daily sustenance for over 100 individuals and extends support to numerous medical treatment cases.

The US team in Andover sponsored and actively participated in the Run for the Troops initiative, supporting veterans, active military personnel, and their families in New England. The program aids local organizations providing essential care to military veterans and their families. The team also collected for Toys for Tots, an initiative that provides holiday gifts to children from underserved families, with a total of 92 gifts donated.

Main initiatives and projects sponsored by Straumann in 2023

Region	Lead partner	Objective/service	Status
Oral health and care			
Australia	Australian Dental Association: Rebuilding Smiles	Pro bono dental treatment for women amd children affected by domestic violence	Ongoing since 2017
Brazil	Expedição Novos Sorrisos	Mobile dental clinic serving across Brazil with treatment and education in underserved areas	Ongoing since 2016
Cambodia	Hope for All Clinic	Dental student scholarship program	Ongoing since 2007
China	Smile to Life Fund	Implant treatments and education for disadvantaged elderly in Shanghai	Ongoing since 2023
Dominican Republic	Bella Risa	Swiss aid mission to promote oral health and educate children and adults on oral hygiene	Completed
Global	Straumann AID	Free implants and materials for individuals in need, supporting volunteer dentists	Ongoing since 2017
Indonesia	Dharma Wulan Foundation	Free surgical treatment for children suffering from cleft palate and other dento-facial conditions	Ongoing since 2018
Nicaragua	Sonria Foundation	Clinic offering free dental care in impoverished community; preventative care and education in local schools; reach-out to remote areas	Ongoing since 2006
Senegal	Dental Volunteers students from Germany	Aid mission treated patients, including fillings, extractions and education	Completed
Singapore	Azalea Gum Treatment Project	Treatment for underprivileged patients in Hong Kong who suffer from severe gum disease in partnership with the University of Hong Kong	Ongoing since 2023
South Africa	Big Smile	German aid mission to prevent tooth decay; treatment and education for underdeserved children in the village of Paternoster	Completed
Switzerland	Stiftung Schönes Lächeln	Affordable implant treatment for people with limited means, provided by Straumann in collaboration with Swiss dental universities	Ongoing since 2018
Taiwan	WIN – Woman Empowerment Project	Dental care for female athletes including those who are physically disabled and lesser known by female dentists to connect and empower female dentists and female athletes	Ongoing since 2023
Tanzania	Dental Volunteers students from Germany	Aid mission treated patients, including fillings, extractions and education	Completed
US	Dental Lifeline Network	Donated Dental Services program to treat individuals with disabilities, the elderly or medically fragile who cannot afford or otherwise access treatment for severe dental conditions	Ongoing since 2021
	National Foundation for Ectodermal Dysplasias (NFED)	Restorative implants and prosthetics for ectodermal dysplasia patients in addition to research, conferences, patient education and advocacy	Ongoing since 2004
	Let Them Shine	Transformative dental restorations for underprivliged patients with critical cases	Ongoing since 2019

Region	Lead partner	Objective/service	Status
Humanitarian relief efforts			
Türkiye	Turkish Dental Association	Mobile container to provide dental treatments and care for patients in the Turkish cities that were hit by the earthquake	Completed
Türkiye and Syria	Swiss Red Cross	Search and rescue operations, shelter, food, drinking water, and medical care in Türkiye and Syria	Completed
Ukraine	Dental Help UA	Dental treatment for Ukranian soldiers	Ongoing since 2023
Helping neighbors			
Brazil	Doe Sorrisos	Company funded, employee led social collections for Easter, winter, Children's Day and Christmas to serve underprivileged local community	Ongoing since 2021
	Sorrisos da Vila	Football school for children and teenagers from neighborhood located around Group factories	Ongoing since 2022
	Basic mechanics course	Technical training course offered for local residents to enable them with the main prerequisites for opportunities to work in production	Ongoing since 2022
Canada	Fondation du Cancer du Sein du Québec	Founding research about breast cancer	Completed
France	A chacun son Everest	Supports women and children suffering from cancer during and after treatment	Ongoing since 2019
	Centre Leon Bérard, Lyon	Support for oncology hospital network in research and patient care	Ongoing since 2018
	Sur un lit de couleur	Supports hospital patients psychologically through art therapy workshops	Ongoing since 2015
	Banque Alimentaires	Food collection to support individuals experiencing financial hardship	Ongoing since 2020
Germany	Jung & Krebs	Help for young people with cancer living in the area around Freiburg, Germany	Ongoing since 2019
	timeout	Support mentally handicapped teenagers and young adults to live in residential groups in the Black Forest area in Germany	Ongoing since 2022
Hungary	Mozdulj! Közhasznú Egyesület Foundation	Tandem tour around Lake Balaton to help blind people have an experience in the spirit of equal opportunities	Completed
Italy	Un sorriso vale doppio	Clown therapy for children with disabilities in hospitals	Ongoing since 2021
Latvia	Help for elderly people	Financial support for disadvantaged elderly people	Completed
	Help for families in poverty	Financial support for disadvantaged families	Completed
Lithuania	Maltieciai	Daily hot soup for elderly people	Ongoing since 2016
	Vaiko raidos klinika	Early developmental therapy for children	Ongoing since 2021
	Isgyvenau	Physical and pychological therapy for children after brain injury	Completed
	Alano Agatanovo paramos fondas	Therapy for children with very rare diseases	Completed
Pakistan	Local Community Fund	Support medical treatment and education to members of local underprivileged community	Ongoing since 2023

ACTING WITH RESPONSIBILITY

Our goal:

We are shaping a company with a zero tolerance policy

Material topics

This commitment contributes to the following UN SDGs:

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Acting with responsibility is a key commitment and defines the way the Straumann Group conducts its business. The Group is committed to implementing appropriate controls, processes and strategies to identify, assess and manage risks associated with our activities to prevent or reduce the impact of unforeseen events on our business.

During the double materiality assessment (see p. 53) the topic business ethics and corporate governance was revised into business conduct to align with the terminology of the upcoming CSRD (Corporate Sustainability Reporting Directive) non-financial reporting regulation. Additionally, tax transparency was recognized as an important matter, but not as an independent material topic, so it was merged with business conduct.

> We are committed to continously improving business conduct

Business conduct encompasses the commitment to sound corporate governance, as outlined in the separate Group corporate governance report, and an ethical business approach to decision-making. This involves taking a long-term perspective, carefully managing risks and ensuring compliance with relevant standards and regulations.

Economic performance is essential for the financial sustainability of the business, both in the short and the long term. This includes managing key risks and impacts at appropriate, predefined levels. Intellectual property (IP) involves securing and maintaining IP rights while respecting the valid IP rights of third parties.

At Straumann Group, cyber security combines the implementation of robust measures to manage and mitigate risks associated with data, including the collection, retention, and use of sensitive and confidential user information. This includes safeguarding against data breaches and protecting personally identifiable information, as well as ensuring the integrity and security of the company's digital systems and infrastructure against potential cyber threats.

Business conduct

Our approach

An ethical business approach and sound governance are the foundation of our long-term success. To this end, the Straumann Group's Articles of Association, the Organizational Regulations, the Code of Conduct and various internal policies on quality, IT, internal information and employee regulations form a sound framework of principles and rules that govern everyday behavior and decisions throughout the organization. For details on corporate governance, see p.129.

The Group regularly monitors legal and regulatory developments and their implications for the Group on a global level. Based on these developments, the Group implemented changes in its policies and training tools, with a focus on anti-corruption, lawful product promotion, data protection and privacy, antitrust, insider trading as well as finance legislation.

Organization to support business compliance

Group Legal, Compliance & IP Department

Chief Legal Officer/Chief Compliance Officer

Compliance	APAC	EMEA	NAM	LATAM
Group Compliance Manager	Regional Gen. Counsel	Regional Gen. Counsel	Regional Gen. Counsel	Regional Gen. Counsel
	Sen. Compliance Manager	Legal Counsel	Legal Counsel	Compliance Coordinator
		Legal Counsel Data Privacy	Sunshine Act Reporting Specialist	

Our Group Code of Conduct

NFR *The overarching governing document is the Straumann Group Code of Conduct which summarizes and promotes the core principles of ethical behavior, care for people and good corporate citizenship including respect for human rights and the environment, which are fundamental to sustainable development and our company culture.*

Available in 19 languages, the Group Code of Conduct applies to all employees of the Straumann Group. Compliance is the responsibility of each employee.

> We provide the Group Code of Conduct in 19 languages

The compliance management system is built on three pillars:

- **Prevent/communicate:** Fully supported by the top management's commitment, the compliance function sets standards, delivers e-trainings to employees, and provides compliance guidance and advice to individuals or project teams
- **Detect/control:** Line managers are tasked with controlling and monitoring compliance within their teams; in addition, spot checks are carried out by internal audit, and the SpeakUp[1] (whistleblower) line is promoted
- **Respond/correct:** The entire management team is asked to fill identified gaps, issue e-trainings, and deliver consequent and swift corrective measures in cases of non-compliance

The Group's compliance management system is under regular supervision by the Audit and Risk Committee and the Executive Management Board. Oversight for compliance ultimately lies with the Board of Directors, which usually acts through its Audit and Risk Committee.

The principles of the Group Code of Conduct are further refined and detailed in specific internal policies and guidelines.

Non-compliance with the Group Code of Conduct may lead to disciplinary measures in accordance with the Policy on Disciplinary Measures.

The Straumann Group Code of Conduct for External Business Partners

NFR *External business partners (e.g. suppliers and distributors) are an integral part of the international value chain and the Straumann Group Code of Conduct for External Business Partners (ExBP CoC) governs the cooperation with business partners requesting a clear anti-corruption commitment. This reflects the commitment to responsible and ethical supply chain management* *(see p. 105)**.*

The ExBP CoC addresses a wide spectrum of business ethics, compliance with laws and regulations, promoting free competition, truthful marketing practices, safeguarding intellectual property (IP) and protecting confidential information, cooperating with government investigations, committing to fair and safe working conditions (covering protection from discrimination and sexual harassment, respect for human rights, exclusion of child and forced labor, prevention of modern slavery and human trafficking), expecting ExBP to uphold the rights of free association, providing adequate remuneration, offering safe workplaces, providing whistleblower protection, and observing environmental compliance.

The Group actively encourages employees and third parties to report their concerns about potential Code of Conduct violations. NFR *In addition to the SpeakUp line, a Compliance Hotline for External Business Partners to facilitate anonymous reporting of potential violations is in place.*

In addressing human rights, the ExBP CoC refers to a comprehensive set of rules that includes:

- *Straumann Group's Code of Conduct*
- *The United Nations' Universal Declaration of Human Rights*
- *The United Nations' Convention on the Rights of the Child*
- *The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*
- *UN Guiding Principles on Business and Human Rights*
- *The United Nations Global Compact Principles*
- *The UK Modern Slavery Act 2015*
- *Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO), 2022*

1 SpeakUp is a registered trademark of People in Touch B.V.

NFR *In accordance with art.964j of the Swiss Code of Obligation and the respective Ordinance on Due Diligence and Transparency concerning Minerals and Metals from Conflict-Affected Areas and Child Labour, Straumann Group examined its use of minerals and metals and concluded that the ordinance is not applicable to the Group's business, given that none of the critical metals and minerals listed in the ordinance were either imported or purchased for production in Switzerland in 2023. This assessment is repeated annually to monitor any changes of our business.*

While the Group typically considers its industry sector to pose a low risk for child labor, it implemented several measures to be vigilant on this topic, such as documentation that gives no reason to believe that our products and services were supported by child labor. Via our Letters of Representation (LoR) for subsidiaries and production sites, the Group seeks confirmation from the managers responsible that there is no suspicion of child labor in their organization.

With enhanced risk territories such as Pakistan, India, Iran and China, we confirmed in addition with key entities that also no suspicion of child labor was noticed with any of our current suppliers. In physical production site checks conducted by internal audit, child labor is included as a review item. There is also an established Compliance Hotline (external business partner whistleblower line), providing a platform for reporting potential violations which will trigger investigations based on reasonably evidenced suspicions.

In 2022, the Straumann Group implemented an ESG platform as part of the supplier due diligence based on sustainability criteria, including compliance with laws and alignment with the Group's sustainability targets. One of the criteria is whether its suppliers comply with important social standards, including child labor. External business partners shall have no reasonable suspicion that there is child labor or forced labor in their organization or supply chain.

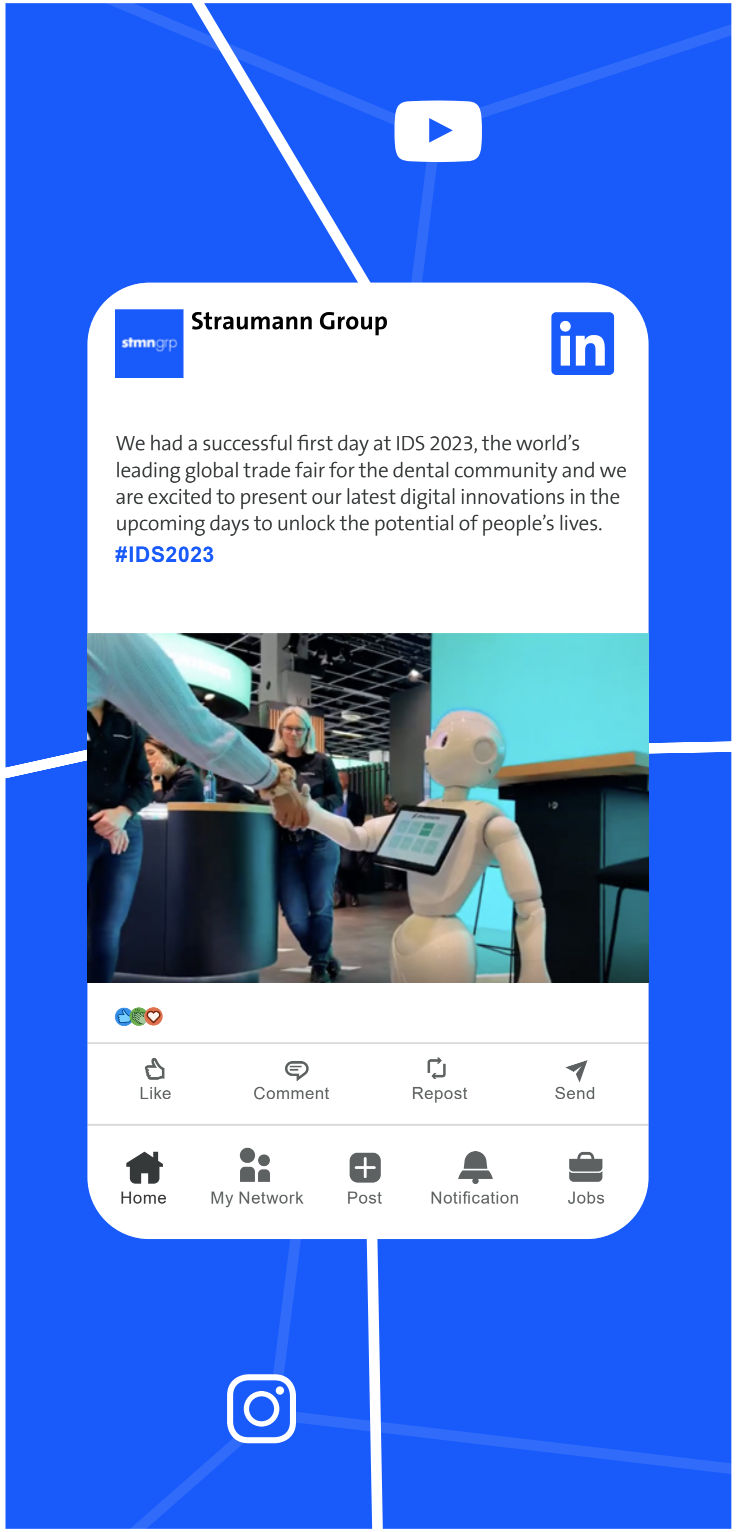
For more information, please refer to the chapter responsible and ethical supply chain management (p. 105)
- *Via the Letter of Representation (LoR), country managers and site heads confirmed that there was no suspicion of child labor in their entity*
- *Via the ESG platform, no suspicion of child labor has been identified among suppliers*

> No reasonable suspicion of child labor

Health care technology association memberships

As a member of Swiss Medtech, Straumann generally follows the principles of the Swiss Medtech Code of Ethical Business Practice. This Code defines requirements for the industry sector for interactions with health care professionals and organizations (support for medical education, research, and donations etc.) with the ambition to ensure that medical professionals take independent treatment decisions.

Additionally, subsidiaries of the Group are members of various further healthcare technology associations including Verband der Deutschen Dental Industrie e.V., the Spanish Federation of Healthcare Technology companies (Fenin), Australian Dental Industry Association (ADIA), the Korea Medical Device Association and the Brazilian associations of the Medical Device Industry (ABIMO) and of the Health Technology (ABIMED).



Tackling bribery and corruption

NFR *Operating globally comprises exposure to corruption risk. The Group clearly communicates that it is never acceptable to offer, authorize or receive any form of bribe, kickback or facilitation payment to or from any private individual, public official or third party – either directly or indirectly.*

The ethical and legal requirements chapter of our Group Code of Conduct covers anti-bribery and corruption. The Sales Compliance and Interactions with Government Officials policies are key internal standards of the Straumann Group that address the risk of corruption. The Group's Sales Compliance Policy defines the minimum global standard, with a focus on interactions with health care professionals and with health care organizations. This procedure gives more detailed guidance on relevant topics, such as speaker engagements and permissible invitations, which must be modest and have a clear business focus. In addition, it covers grants, donations and sponsorships. To prevent passive bribery and conflicts of interest, Straumann Group has established gift reporting forms, with defined thresholds indicating when a gift must be reported by the employee to the Chief Compliance Officer or requires approval prior to accepting.

Many countries have specific laws and regulations with regards to interactions with health care professionals, and the Group has therefore established national versions of our Sales Compliance Policy. These provide further details regarding what is and what is not permissible in any given country to ensure the Group meets and adheres to local laws and regulations. Currently, Straumann Group has 35 country versions of this policy.

Colleagues meeting at headquarters in Basel, Switzerland

Straumann Group also has a corporate procedure for interactions with government officials in place. We reject any form of corruption or granting of inappropriate advantages which might influence government officials.

Employees who engage with dental professionals, health care organizations, or government officials receive training on sales compliance (prevention of bribery and improper advantages) in 21 countries on a mandatory basis. The training target group can be expanded and we allow self-enrollment for employees in other roles. See further details including completion rates under employee trainings on p. 121.

In 2023, no legal proceedings related to bribery or corruption were reported in the Straumann Group.

Risks	Corporate Standards
Bribery/ corruption	Straumann Group Code of Conduct
	Straumann Group Code of Conduct for External Business Partners
	Sales Compliance Policy
	Interactions with government officials – corporate procedure
	SpeakUp line procedure
	Gift reporting form
Unlawful promotion	Marketing material drafting guideline
	Social media guideline

Ethical marketing practices

The corporate marketing material drafting guidelines (MMDG) govern the lawful promotion of the Group's medical devices and services, and support the authors of marketing material in creating promotional messages (claims) that fully comply with the laws and regulations that govern the industry. Marketing materials must be precise, correct, substantiated, balanced, up-to-date and always in line with the product's labelling, and may not promote any unapproved use of a product.

The marketing communication procedure defines the process, roles, and responsibilities for creating, implementing and approving marketing material. It helps to ensure both compliance with regulatory requirements and a high-quality internal standard. Employees who create, review, and approve marketing materials are obliged to follow the above-mentioned policies.

> Marketing material drafting guidelines govern lawful promotion

As a result of legal proceedings associated with false marketing claims, the Straumann Group lost EUR 79 460.60 (CHF 76 608.40) in 2023. For this particular case, advertising has been changed and adapted in accordance with legal requirements.

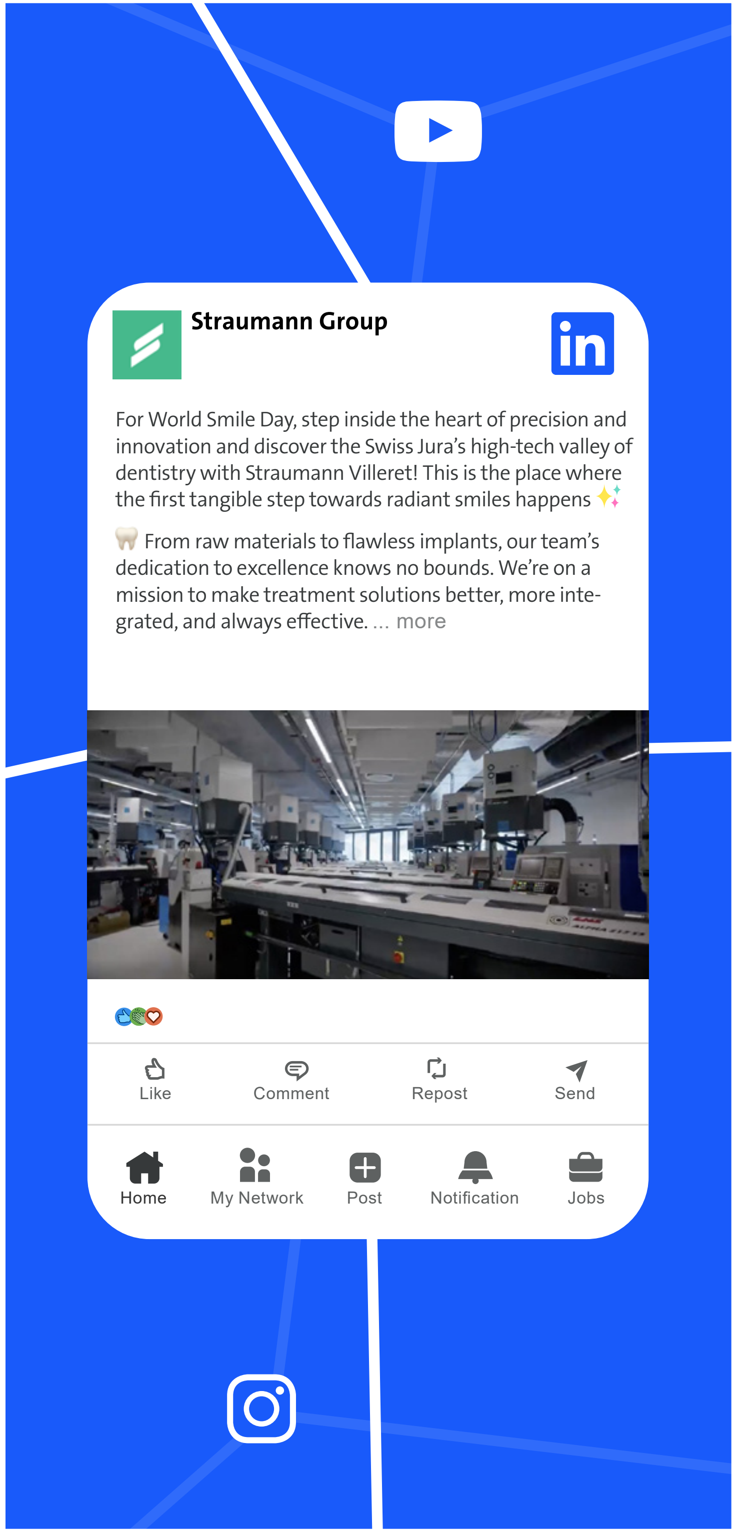
There is also a social media guideline in place, which distinguishes between private and professional use of social media, and we have authorized spokespersons who communicate on behalf of the Group.

A steering committee meets quarterly or ad hoc if needed to discuss:
- Feedback about the training given on the marketing material drafting guidelines (MMDG)
- Results of random reviews by the legal department of previously published marketing material
- Any legal issues
- Compliance-related questions regarding new marketing materials and campaigns
- Potential amendments or interpretations of the marketing material drafting guidelines (MMDG) or other related policies

The committee also decides on corrective measures to prevent recurrence and decides on a marketing material recall if required.

Fair competition

To ensure free and fair competition, the Straumann Group is committed to adhering to antitrust laws. To raise awareness of antitrust principles, the company implemented a global e-training program and has trained all senior management since 2022. In addition, antitrust e-trainings were made available in the local language for all relevant roles and functions in China since 2022 and in Japan as of 2023.



Employee training

NFR *The Group has a corporate procedure that defines mandatory global compliance e-trainings and the target groups to be trained. New employees are onboarded monthly, and completion is regularly monitored with follow-ups for non-completion. Refresher trainings are mandated every second year. The target is to achieve over 90% training completion rates for the four mandatory training courses, which are: sales compliance, marketing material drafting guidelines, antitrust, data protection.*

> In 2023, raising awareness about data protection was a priority. To achieve this, e-trainings were rolled out in 36 countries across all regions

One of the objectives is to provide training on preventing bribery and improper advantages to all employees who engage with dental professionals, health care organizations, or government officials. By the end of 2023, sales compliance e-training had been implemented in 21 countries, achieving an average completion rate of 93%. In 2023, four additional countries were introduced to the program.

As a part of the onboarding process for new employees at headquarters, the Group converted a former classroom training on legal and compliance basics to an e-training.

After the initial launch of the new marketing material drafting guideline e-training on the prevention of unlawful promotion, at headquarters in October 2021, the Group has expanded the program since then by localizing the e-training modules. It is now available in 18 countries. The average completion rate for the training in 2023 was 92%.

In 2022, the Straumann Group introduced an antitrust e-training program for its senior management, which was implemented globally. Additionally, specific antitrust e-trainings were created in local languages for relevant roles and functions in China in 2022, and Japan in 2023. The average completion rate for the antitrust training was 94%.

In 2023, the Straumann Group focused its training efforts on raising awareness about data protection. To achieve this, e-trainings were implemented in 36 countries across all regions, with the goal of promoting compliance with data protection laws. A completion rate of 79% was achieved.

Sales compliance e-training, regional breakdown

Stakeholder	Number of employees enrolled	Completion rate %
NAM	734	93
EMEA	1 617	93
APAC	410	96
LATAM	1 194	92
Globally	3 955	93

2023 Key compliance e-training achievements

Prevention of bribery and improper advantages (sales compliance):

93%
Mean completion rate

21 countries
Rolled out

Prevention of unlawful promotion (marketing material drafting guideline):

92%
Mean completion rate

18 countries
Rolled out

Employees in the North American region and in Pakistan are required to periodically complete training on the US Federal Health Insurance Portability and Accountability Act (HIPAA). HIPAA is a federal law that aims to safeguard sensitive patient health information and prevent its disclosure without the patient's consent or knowledge. The average completion rate for employees assigned to the training in 2023 was 80%.

In the region North America, the Straumann Group requires annual antidiscrimination/antiharassment e-training, which includes specific modules for both employees and managers.

NFR *To ensure that all compliance e-trainings are completed, regular monitoring is conducted, and reminders are sent to individuals who have not yet finished their training.*

Reporting violations of our Code of Conduct

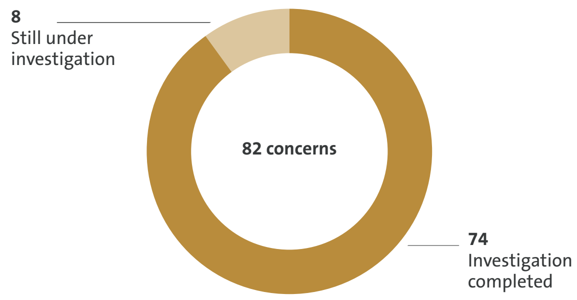
NFR *The Straumann Group has an Internal SpeakUp[1] line and an External Business Partner Compliance Hotline/ Whistleblowing line to support compliance with the Code of Conduct. The SpeakUp line is operated by an independent third party and allows employees to report potential violations of the Group Code of Conduct anonymously. It is available 24/7, 365 days a year, in 42 countries and 36 languages. In 2023, the SpeakUp line was extended to include two new subsidiaries: Malaysia and Vietnam.*

In 2019, the SpeakUp line was introduced through global and local town hall meetings, and posters were created to present local access details. Full details, including its purpose, how to access it, and the related SpeakUp procedure, are available on the company's intranet.

In 2023, the company established a Compliance Hotline for External Business Partners, allowing for anonymous reporting of potential violations. More information can be found on the Straumann Group website under the Governance section.

At Straumann, any concerns reported through the SpeakUp line are promptly and thoroughly investigated. The company has a strict policy against any form of retaliation towards employees who report, in good faith, any suspected or observed misconduct or violations of the Group Code of Conduct.

Below are the key figures 2023 on alleged violations of the Code of Conduct



The Board of Directors' Audit and Risk Committee receives annual updates on concerns reported through the SpeakUp line and other compliance channels from across the Group.

1 SpeakUp is a registered trademark of People in Touch B.V.

2023 Key compliance e-training achievements

Data protection basics:

79%
Mean completion rate

36 countries
Rolled out

Antitrust:

94%
Mean completion rate

Rolled out group wide to
- All senior management
- Relevant staff in China and Japan

NFR *The Chief Compliance Officer is responsible for deciding if and how cases of non-compliance should be reported to the Executive Management Board, the Straumann Board of Directors, and other relevant parties. The SpeakUp procedure outlines the process, roles, and responsibilities for the compliance hotline. Additionally, the Corporate Procedure on Disciplinary Measures for Code of Conduct violations helps management determine the appropriate disciplinary actions in cases of misconduct.*

> In addition to the internal SpeakUp line, the Straumann Group established a compliance hotline for external business partners in 2023, encouraging both employees and third parties to report any concerns regarding potential violations of the code

Tax transparency

As a multinational company based in Switzerland, the Straumann Group operates in over 100 countries. The majority of its products are developed and manufactured in Switzerland, Brazil, France, Germany, the US, Canada, and Spain, and are distributed and marketed under multiple brands in most countries through its own distribution subsidiaries and third-party distributors. The operating business requires a robust supply chain for cross-border transactions, with prices and documentation that comply with local laws and regulations for income tax, value-added tax, and customs duties.

The Straumann Group's tax strategy, approved by its Board of Directors, involves paying an equitable amount of taxes in the countries where it operates. The Group does not engage in artificial tax planning to avoid taxes through the use of 'tax haven' arrangements. To achieve this, the Group has implemented a tax policy and transfer pricing policy based on OECD Transfer Pricing Guidelines and regulations aimed at preventing Base Erosion and Profit Shifting (BEPS).

The Group adheres to the principle that profits should be generated where economic value is added and ensures that its corporate structure aligns with its business objectives and operations. The Group's tax policy reflects its commitment to a cooperative and transparent approach to tax compliance and planning, including its relationships with tax authorities.

The Corporate Tax team, based in Switzerland, is responsible for ensuring tax compliance within the Straumann Group. They coordinate, educate, and support local finance teams in all Group companies to ensure compliance with local laws, regulations, reporting, filing, and disclosure requirements, as well as internal standards and policies. The Audit and Risk Committee of the Board of Directors regularly discusses tax matters.

The OECD has established a minimum standard that requires countries to request multinational enterprises to prepare and file a country-by-country report (CbCR). This report contains aggregate tax information for each country, including the global allocation of income, taxes paid, and other relevant indicators. The Straumann Group has complied with this standard by preparing and filing a CbCR with the Swiss Federal Tax Administration every year since 2016.

Recent efforts by the OECD (Organization for Economic Cooperation and Development) and G20 have aimed to establish a global minimum tax rate of 15% for all companies through the BEPS Pillar II initiative. The OECD's Base Erosion and Profit Shifting (BEPS) initiative is designed to address gaps in international taxation, preventing companies from avoiding taxes or reducing their tax burden through tax inversions or the migration of intangibles to lower tax jurisdictions. Switzerland is currently considered a low tax jurisdiction under Pillar II because its tax rates can fall below 15%. Switzerland implemented a qualified domestic top-up tax, which increases the applicable tax rate to 15% as of 2024.

> We are committed to paying an equitable amount of taxes in the countries where we operate

Our tax transparency report for the annual report 2022 showed our regional tax footprint and our economic activities. This is the second year in a row that we have shared this information and the 2023 report will be published during the first half of 2024.

Economic performance

Sustainability and strong economic performance are key factors in driving success and ensuring the long-term viability of the Group. The Group is committed to contributing to economic growth and resilience, promoting sustainable industrialization, fostering innovation (see p. 64), and creating decent work (see p. 83 and p. 158), economic opportunities for its customers, employees, social environment, and the wider community. The Group's financial and non-financial goals reflect these commitments.

The Group aims to achieve a financially sustainable business in the short and the long term. The Board of Directors oversees its financial performance, while operational responsibilities are delegated to the Executive Management Board. For more information on the 2023 economic performance, see the business development chapter (p. 28) and the financial report (p. 180).

The Group has implemented several measures to monitor and manage financial risks, intending to maintain key risks within predefined, acceptable levels to ensure consistent economic performance. In managing these risks, the Group considers the perspectives of various stakeholders, such as customers and suppliers.

Geopolitical risk

Geopolitical risk encompasses the uncertainties arising from political, economic, and social events in geographical areas where the Group operates. These risks can affect various stakeholders, such as customers, employees, and supply chains. The Group actively monitors the geopolitical landscape, assesses each event on a case-by-case basis, and implements measures to mitigate their impact.

Liquidity risk

Liquidity risk is the potential inability to meet short-term debt obligations due to a shortage of liquid assets. The Group carefully manages its liquidity risk through diligent asset and liability management. This includes a regular liquidity planning approach throughout the Group. The Group aims to maintain an adequate funding structure using bank overdrafts, bank loans, bonds, and finance leases. Following its policy, the Group Treasury ensures a permanently accessible cash reserve and flexible short-term funding options through both committed and uncommitted credit lines, using a forward-looking approach.

Foreign currency risk

Foreign exchange risk occurs when future transactions or recognized assets or liabilities are denominated in a currency that differs from the entity's functional currency. As most of the Group's business is international and its financial statements are prepared in Swiss francs, exchange rate fluctuations can affect the Group's operating results and the reported values of its assets and liabilities. The Group is primarily exposed to the euro, the US dollar, the Brazilian real, the Chinese renminbi, and the Japanese yen. In addition to naturally reducing currency exposures, the Group's foreign currency risk management policy aims to centralize exposures and subsequently manage them through a selective hedging approach. The Group CFO and the Group Treasury continuously review the policy, which the Group CEO approves. For details on the impact of exchange rate fluctuations in 2023, see business performance on p. 29.

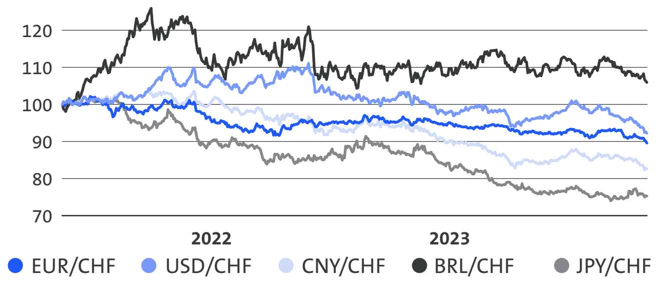
Credit risk

Credit risk is the potential for financial loss when counterparties fail to fulfill their obligations. The Group is exposed to credit risk through its operating activities, primarily through trade receivables and loan notes, and its financing activities, primarily through financial instruments such as foreign exchange derivatives and cash deposits with financial institutions. The Group closely monitors its exposure to these risks and ensures that it remains within predetermined parameters for each type of counterparty. Further information on the Group's financial risk management is provided in Note 9.2 of the financial report (see p. 222).

Miscellaneous business risks

The Group manages its inherent key business risks, product or employer liability, and property loss by obtaining appropriate insurance policies from reputable insurance companies.

Currency chart (USD, EUR, CNY, BRL, JPY)



Group currency breakdown

in %

	Sales	Cost
CHF	2	15
EUR	31	35
USD/CAD/AUD	32	23
BRL	6	12
CNY	10	3
Others	19	12

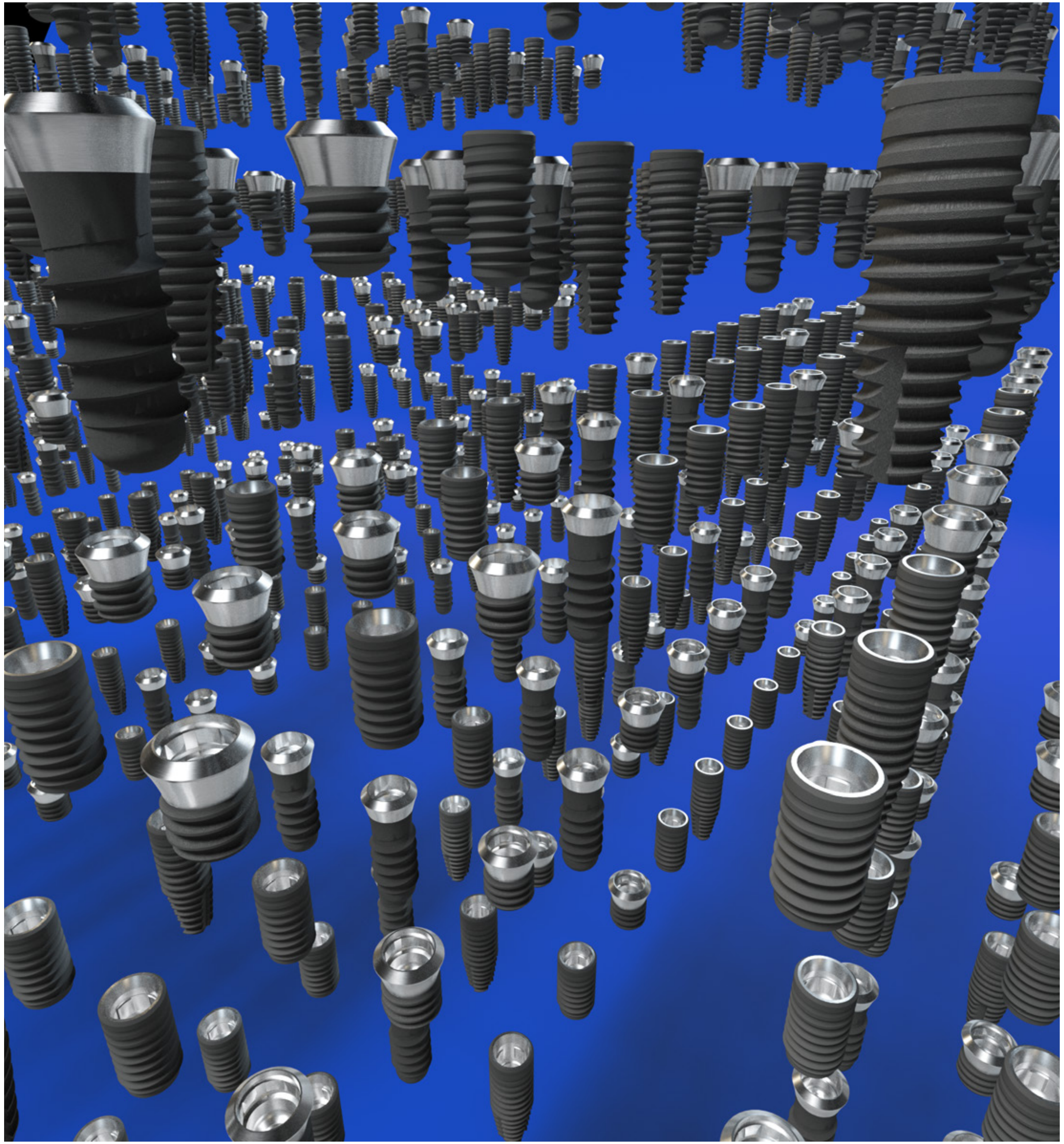
Intellectual property

Global IP is part of the Legal and Compliance Department of the Straumann Group and manages the company's intellectual property (IP), while considering environmental and social factors. The team oversees the IP aspects of the entire Straumann Group, including securing patent and design rights to protect the company's products and services and ensuring respect for the valid IP rights of third parties.

Global IP made considerable efforts to raise awareness about the importance of intellectual property in protecting the innovations of the Straumann Group. By establishing the Straumann Inventor Club it played a key role in recognizing inventors for their valuable contributions to the company's patent portfolio.

The Group is dedicated to continuously protecting its innovations and is ready to defend them through legal action and other confrontational methods when strategically necessary.

In 2023, the Group implemented strategic measures to manage the important launch of the Unified Patent Court (UPC) and the Unitary Patent (UP) for the company. This included a clear strategy for opting out of European patents and aligning with the validation of unitary patents, thus actively managing the risk for the Straumann portfolio. Furthermore, members of the Global IP became qualified European patent litigators, providing Straumann Group with in-house expertise to effectively handle potential litigation at this crucial new court, especially regarding future patent disputes and damages within the EU.



Cybersecurity and data privacy

Straumann Group continues to see an increase in digital service and product sales with a robust roadmap supported by its digital transformation initiatives to harmonize business processes, increase business agility, and increase customer and employee experience.

These digital channels generate growing amounts of data which require safeguards to protect customers' and patients' data and comply with increasing data sovereignty and privacy protection regulations (see Data Privacy section for more details on the regulatory landscape). While this data requires compliance with consumer privacy regulations, it also makes the Group a target of cybersecurity and business email attacks by third parties. In addition to maintaining infrastructures that protect customer and patient data, operations rely on information technology systems. Cyber-attacks, computer malware, viruses, and phishing attacks have become more prevalent and may impact our systems. A breach of the Group's facilities, applications, or networks could disrupt operations, impair the ability to protect customer data and compromise confidential business information. A failure to prevent, mitigate, or detect security breaches or improper access to business or customer information or comply with consumer privacy regulations could disrupt operations, cause significant penalties, and harm consumer confidence in the Group.

The Group has implemented IT infrastructure controls across the company to protect customer data and comply with data privacy and health care regulations in the countries where the company operates. In order to maintain the highest standards of information security, the company intensified its focus on obtaining and upholding audited internationally recognized certifications and reports, such as ISO 27001. This certification underscores the dedication to establishing and following stringent security measures, risk management processes, and continuous improvement practices.

The Group significantly increased cybersecurity and data protection training programs for all employees, communicating their role in protecting and preventing unauthorized access to sensitive data. The information security management system is evolving to ensure the efficacy of the controls and risk reduction efforts and to provide continuous visibility across all operations and third-party suppliers.

> "IT infrastructure controls across the Group protect customer data and comply with data privacy and health care regulations

Except for a notable increase in business email compromise attacks through third-party suppliers, which has impacted fraudulent payment requests, the Group did not record or detect a data or cybersecurity control breach in 2023.

Despite the Group's continued efforts to mitigate it, the risk of a cybersecurity attack for all companies remains and has recently escalated following heightened geopolitical tensions and increasing numbers of sophisticated threat actors. The Group diligently evaluates and implements enhanced techniques to protect its systems and data from threats.

Data protection

Processing personal data in a compliant and secure manner is a vital aspect of the business and the focus on customers and patients. It also plays a key role in the digital roadmap. Since the General Data Protection Regulation of the European Union (GDPR) came into effect in May 2018, new data protection laws have been implemented across the world, including China's Personal Information Protection Law (PIPL), Brazil's General Data Protection Law (LGPD) and the Californian Consumer Privacy Act (CCPA).

The Straumann Group continues to be committed to protecting the data of individuals it holds from any misuse or loss. It's a key management responsibility implemented across the Group with the support of the worldwide legal and information technology departments. The Group strives to collect, process, and store personal data in compliance with all applicable data protection and privacy laws. The company implemented privacy procedures and measures across the Straumann Group to achieve this. These include access and information rights procedures, data breach measures, consent management, data collection, processing, and usage guidelines. The Group also raises awareness by providing guidance and training to its employees on privacy matters. In 2023, there were no reportable data breaches or material privacy complaints.

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To the Management of
Straumann Holding AG, Basel

Basel, 26 February 2024

Report of the statutory auditor

Independent Assurance Report on sustainability KPIs in 2023 Annual Report

We have been engaged to perform a limited assurance engagement (the engagement) on the KPIs disclosed in Straumann Holding AG's (the Company) and its consolidated subsidiaries' (the Group) 2023 Annual Report (the report) in the sustainability section of the report (the KPIs) for the year ended 31 December 2023. An overview of the KPIs in scope of the limited assurance is attached as appendix to our independent assurance report (the Appendix).

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the report, and accordingly, we do not express a conclusion on this information.

Applicable criteria
The Company defined as applicable criteria (applicable criteria):
- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) for KPIs listed in the appendix under GRI disclosures. GRI Standards are presented on the GRI homepage.
- Custom criteria for KPIs listed in the appendix under ´Disclosures based on Straumann's own criteria´. These KPIs are disclosed in the Annual Report with the disclosed values of the KPIs in scope of this engagement.

We believe that these criteria are a suitable basis for our limited assurance engagement.

Responsibility of the Management
The Management is responsible for the selection of the applicable criteria and for the preparation and presentation, in all material respects, of the disclosed KPIs in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the KPIs that are free from material misstatement, whether due to fraud or error.

Independence and quality control
We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility
Our responsibility is to express a conclusion on the above mentioned KPIs based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the KPIs in the report are free from material misstatement, whether due to fraud or error.

Summary of work performed
Based on risk and materiality considerations, we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in the above mentioned KPIs. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing control or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our limited assurance procedures included, amongst others, the following work:
- Assessment of the suitability of the underlying criteria and their consistent application
- Interviews with relevant personnel to understand the business and reporting processes, including the sustainability strategy, principles and management
- Interviews with the Company's key personnel to understand the sustainability reporting systems during the reporting period, including the processes for collecting, collating and reporting the KPIs
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the applicable criteria
- Analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions supporting calculations
- Testing, on a sample basis, underlying source information to check the accuracy of the data

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

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GRI disclosure: 2-5

Conclusion
Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the KPIs for the year ended 31 December 2023 have not been prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd

Mark Veser
(Executive in Charge)

Fabian Meier
(Partner)

Appendix: Performance indicators in assurance scope

Limited assurance

GRI disclosures
- Scope 1 GHG emissions (GRI 305-1)
- Scope 2 GHG emissions (location-based) (GRI-305-2)
- % of renewable electricity (GRI 302-1)

Disclosures based on Straumann's own criteria (disclosed in the relevant sections of the sustainability disclosures)
- Number of smiles helped
- % of educational activities in low-and middle-income countries
- % of women in leadership positions
- Score of employees that agree with statement they have good opportunities to learn and grow
- % of employees that completed sales compliance training

CORPORATE GOVERNANCE REPORT

Letter from the Chair of the Board

Dear Reader,

At Straumann Group, we are proud to have a strong commitment to sound corporate governance and a long-term perspective in our decision-making. Our stewardship is focused on supporting the decisions necessary to build a sustainable and long-lasting company. In 2023, 5% more shareholders decided to invest in the Group which we see as a great signal of trust in our company.

Stewardship and independence

The Board takes its responsibility to its shareholders very seriously and considers independence to be essential. To ensure effective Board work, it is important to maintain continuity by incorporating in-depth knowledge of the industry and company. The Board also strives to maintain an entrepreneurial spirit and retain members with a successful track record. Three of the eight Board members are women.

> "The company is in a strong position, with a clear strategy

As announced, Olivier Filliol joined the Board in 2023 and as Beat Lüthi left the Board, Petra Rumpf became the new Vice Chair. Marco Gadola was elected to chair the Human Resources & Compensation Committee (HRCC).

After dedicating over 25 years to Straumann Group and achieving numerous milestones, I feel that it is the right time for me to step down this year. Currently, the Group has established itself as a global leader in dental specialties, particularly in implant dentistry.

The company is in a strong position, with a clear strategy and a competent CEO and Executive Management Board. Our long-term strategy has laid out the next steps for sustainable development and digital transformation. I am confident in leaving my position, knowing that Petra Rumpf, a highly skilled industry expert and dedicated leader at Straumann Group, is being considered for the role of Chair. Her extensive industry knowledge, strategic expertise, and deep understanding of digital transformation make her the ideal candidate to guide Straumann Group into its next phase of growth.

Sustainability transitioned to Sustainability, Technology and Innovation Committee (STIC)

It has always been important to us to build a strategy that supports a sustainable long-lasting business. To anchor sustainability even more deeply in everything we do, we recognize that accountability for sustainability must be led from the top. Following the transition from the ESG Task Force into the existing committees, sustainability has been fully integrated into the Board governance as of 2023 - please find more information in the sustainability letter (see p. 45). In accordance with the Swiss Code of Obligations, the required elements of the non-financial report under Article 964b will be submitted for approval to the shareholders in the Annual General Meeting 2024.

> "We follow a clear purpose and strategy with a long-term perspective

Conclusion

Our mandate, on behalf of our shareholders and in line with our aspirations, is to reinforce our clear purpose and support our coherent strategy with a long-term perspective. Our approach to governance, the commitment and involvement of our Board members, and most importantly, the dedication and hard work of all our employees, ensure that the interests of our stakeholders are taken seriously.

Thank you for your support and for being a part of our journey.

Sincerely,

Gilbert Achermann
Chair of the Board of Directors

Principles

The principles and rules of the Straumann Group's corporate governance are laid down in the Articles of Association, the Organizational Regulations including the charters of the Board Committees, the Code of Conduct, the Code of Conduct for our External Business Partners and various internal policies, e.g. on quality, IT, sales and marketing compliance, confidentiality obligations as well as other employee and supplier regulations. They are the basis of the Group's corporate governance disclosures, which comply with the Directive on Information relating to Corporate Governance published by the SIX Swiss Exchange, where Straumann's shares have been traded since the company's initial public offering in 1998.

Name	Straumann Holding AG
Domicile	Peter Merian-Weg 12, 4052 Basel, Switzerland
Listed on	SIX Swiss Exchange
Valor number	117544866
ISIN	CH 1175 448 666
Ticker symbol	STMN
LEI number	50670046ML5FVIM60Z37
Market capitalization	CHF 21.6 bn
Percentage of treasury shares	0.01

Group structure and shareholders

The Straumann Group is headquartered in Basel, Switzerland. Its products and services are sold in more than 100 countries through its various distribution subsidiaries and through third-party distributors (see global Straumann Group presence on p. 14). The subsidiary management is responsible for managing the local daily business. As laid down in the Organizational Regulations, the respective Regional Sales Head, the Chief Financial Officer and the Chief Legal Officer are usually members of the supervisory body of the subsidiaries. Details of the Group's business segments can be found in note 3.1 of the audited consolidated financial statements on p. 200.

Listed companies

Straumann Holding AG, the ultimate parent company of the Group, is listed in the main segment of the Swiss stock exchange. No other company of the Group is listed on a stock exchange.

Non-listed group companies

The Group is managed through Institut Straumann AG and has partnered with and invested in a number of companies to support its mission to be the most customer-focused and innovative oral care company in the world, targeting unexploited growth markets and segments. A list of the subsidiaries, associates and joint ventures of the Straumann Group as of 31 December 2023 can be found in note 9.5 of the audited consolidated financial statements on p. 225.

Significant shareholders

The major shareholders on 31 December 2023 are listed in the table below, which is based on shareholdings recorded in the share register and notifications on the SIX Swiss Exchange online reporting platform. In 2023, the Group reported no transactions according to Art. 120 et seq. of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FinMIA).

Significant shareholders

in %

	31 Dec 2023[1]	31 Dec 2022[1]
Dr h.c. Thomas Straumann	15.7	16.3
Dr h.c. Rudolf Maag	10.2	10.2
BlackRock Inc. (Group)[2]	7.2	7.3
Simone Maag de Moura Cunha	3.5	3.5
Gabriella Straumann	3.0	3.0
Total	39.6	40.3

1 Or at last reported date if shareholdings are not registered in the share register
2 Not or only partially registered in the share register

Cross-shareholdings

The Group does not have and has not entered into any cross-shareholdings with other companies relating to equity or voting rights.

Capital structure

On 31 December 2023, the share capital was composed of 159 455 239 registered shares, fully paid in, each with a nominal value of CHF 0.01 and conditional capital of CHF 21 742 divided into 2 174 151 conditional shares, each with a nominal value of CHF 0.01, which relates to 1.36% of the existing share capital.

In April 2022, 13 833 conditional shares were converted into ordinary shares, succeeded by a split of the shares 1:10 and post-split another conversion of 103 219 conditional shares into ordinary shares. In April 2021, 14 545 (pre-split) conditional shares were converted into ordinary shares. There have been no further changes in the share capital in the past three years.

The Group's conditional share capital is approved for an unlimited period for use in employee and Board equity participation plans and, since the AGM 2023, also for equity participation plans for third parties (see compensation report on p. 158 and note 8.3 of the financial report on p. 221). Straumann Holding AG has no capital band, no authorized share capital and no category of shares other than registered shares. All shares have equal voting rights and carry equal entitlements to dividends. There are no limitations on the transferability of the shares. Nominees' registrations are admitted if such nominee has entered into an agreement with the company concerning their position and is subject to recognized banking or financial supervision.

The Group has not issued any financial instruments (participation certificates, dividend-right certificates, warrants, options or other securities granting rights to Straumann shares) other than the performance share units and restricted share units granted to certain employees as a long-term incentive (see p. 169 for details) and a CHF 200 million domestic straight bond issued in 2020 due on 3 October 2025 (see note 7.2 of the financial report on p. 212). A CHF 280 million domestic straight bond that was issued in 2020 was repaid on 3 October 2023.

Capital structure

in CHF 1 000

	31 Dec 2023	31 Dec 2022	31 Dec 2021
Equity	1 838 606	1 853 845	1 500 448
Reserves	(478 224)	(373 175)	(350 012)
Retained earnings	2 312 808	2 223 178	1 843 820
Non-controlling interests	2 427	2 247	5 048
Ordinary share capital (fully paid in)	1 595	1 595	1 592
Conditional share capital	22	22	24
Authorized share capital	0	0	0
Number of registered shares	159 455 239[1]	159 455 239[1]	15 921 369
Treasury shares (% of total)	0.01	0.06	0.04
Nominal value per share (in CHF)	0.01	0.01	0.10
Registration restrictions	None	None	None
Voting restrictions/privileges	None	None	None
Opting-out/up	None	None	None

1 Following share split 1:10 in 2022

Board of Directors

Gilbert Achermann

- Non-executive member, independent
- Swiss (born 1964)
- Chair of the Board since 2010
- Board member since 2009

Other main activities: President at Ypsomed (listed, Compensation Committee), member of the Boards of Julius Bär Group (listed, Nomination and Compensation Committee), Unilabs (Chair), Swiss Medtech Association, Basel Chamber of Commerce (HKBB), International Team for Implantology (ITI)[1], Supervisory Board member of IMD (Audit Committee Chair).
Career highlights: From 2002 to 2010, Gilbert Achermann was CEO of Straumann, which he joined as CFO in 1998. Later he served as member of the Board of Vifor Pharma, Chair and Co-CEO of the Vitra Group, Chair of the Siegfried Group and Vice Chair of the Moser Group. He started his professional life at UBS in Investment Banking in 1988.
Qualifications: Executive MBA from IMD; Bachelor's degree from the University of Applied Science (HWV) in St. Gallen.
Key attributes for the Board: Gilbert Achermann represents continuity, stability and credibility among the various stakeholders. The Board benefits from his extensive knowledge of the dental industry as well as the deep experience and insight gained from directorships in other industries.

Gilbert Achermann has decided not to stand for re-election to the Board at the 2024 AGM.

1 For relationship to Straumann see note 9.4 of the financial report on p. 224

Petra Rumpf

- Non-executive member, non-independent
- Swiss and German (born 1967)
- Vice Chair of the Board since 2023
- Chair of the Sustainability, Technology & Innovation Committee
- Board member since 2021

Other main activities: Member of the Board of V-Zug Holding (listed, Chair of Digital Advisory Board), SHL-Medical (Chair of the Audit Committee), Vimian (listed), and Lima Corporate.
Career highlights: Petra Rumpf joined Straumann in 2015 as member of the Executive Management Board. As Head Instradent & Strategic Alliances she led the successful global expansion of the value brands and subsequently became Global Head Dental Service Organizations in 2017. Before joining Straumann, she served on the Executive Committee of Nobel Biocare from 2007 to 2014, where she held several global leadership positions. During her 13 years as member of Executive Boards in the dental industry, she incubated and managed global business units, defined and implemented digitally driven business models, provided strategic leadership and successfully delivered M&A and organic growth. Before joining the dental industry, she worked for 16 years at Capgemini Consulting across several continents and served as Vice President Strategy & Transformation in the life science and high-tech sectors.
Qualifications: Bachelor's degree in economics from Trier University; MBA from Clark University, USA.
Key attributes for the Board: Petra Rumpf is an exceptional industry insider and has a great network. Her understanding of digital transformation journeys, changing consumer choices and emerging business models make her a great asset for the company.

Dr Olivier Filliol

- Non-executive member, independent
- Swiss (born 1967)
- Member of the Sustainability, Technology & Innovation Committee
- Board member since 2023

Other main activities: Member of the Board of Givaudan S.A. (listed) since 2020, active investment partner in more than 20 venture capital funded startups with a focus on the life science tools, MedTech and digital tech spaces.
Career highlights: At Mettler-Toledo International Inc. – a leading manufacturer and marketer of precision instruments for laboratory and industrial applications – Olivier Filliol served as President and Chief Executive Officer from 2008 to 2021.
Qualifications: Olivier Filliol holds a Master's degree and a Ph.D. in Business Administration (Dr. oec.) from the University of St. Gallen, Switzerland, and has completed executive education at the Business School of Stanford University.
Key attributes for the Board: The Group benefits from Olivier's expertise, entrepreneurship and corporate experience, which make him a valuable contributor to strategic as well as operational matters.
His experiences as a CEO and as a Board member are of further benefit.

Marco Gadola

- Non-executive member, independent
- Swiss (born 1963)
- Chair of the Human Resources & Compensation Committee
- Board member since 2020

Other main activities: Chair of the Boards of DKSH Holding AG (listed), Medartis Holding AG[1] (listed) and WS Audiology Ltd, Vice Chair of the MCH Group (listed), Board member of Bühler Group and AVAG as well as Operating Partner of Endeavour Vision Ltd. He also runs his own company focusing on cultural transformation support and executive coaching.
Career highlights: During his tenure as CEO from 2013 to 2019, the Straumann Group doubled its revenue, more than doubled its profits and more than tripled its workforce. He rejoined Straumann in 2013 as CEO, having previously served as CFO and EVP Operations from 2006 to 2008. He spent the interim years at Panalpina, as CFO and Regional CEO Asia Pacific. Prior to his first term at Straumann, he spent five years at Hero, where he was CFO and responsible for IT and Operations. Previously, he spent nine years at Hilti in senior commercial, sales and finance positions. Earlier in his career, he worked for Sandoz International Ltd as an Audit Manager and Swiss Bank Corporation in Corporate Finance. Previously, he served as Chair and Vice Chair of the Calida Group.
Qualifications: Master´s degree from Basel University in business administration and economics and INSEAD in Paris in Executive Coaching and Change Management; various programs at the London School of Economics and IMD in Lausanne.
Key attributes to the Board: Having served many years as CEO and formerly as CFO of Straumann, Marco Gadola has in-depth knowledge of the company, the industry and its competitors. Marco also brings a wealth of experience from other companies and industries and has worked in many different geographies around the world, all of which is highly valuable.

1 For relationship to Straumann see note 9.4 of the financial report on p. 224

Juan José Gonzalez

- Non-executive member, independent
- Peruvian/US citizen (born 1972)
- Member of the Audit & Risk Committee
- Board member since 2019

Career highlights: CEO at PolyPeptide Group AG (listed) since April 2023, previously he served as CEO at AMBU A/S, as President of Johnson & Johnson's orthopedic business, DePuy Synthes in the US and Chair of the Orthopedics Sector of AdvaMed in the US. Prior to this, he headed DePuy Synthes EMEA and was Vice President of J&J's Enterprise Program Office. He held positions in global/regional management in J&J's consumer health business. He joined J&J in 2007 having worked for Pfizer, McKinsey and Procter & Gamble across various continents.
Qualifications: MBA from Notre Dame University, US; Master's degree in Technology Management from Columbia University, New York, US; Bachelor's degree in Industrial Engineering from Lima University, Peru.
Key attributes for the Board: Juan José Gonzalez is an expert in the medtech and consumer-health sectors with a deep knowledge of global markets, health care systems and technology. He has multinational experience and is skilled in strategy, execution, talent development and mentoring.

Dr h.c. Thomas Straumann

- Non-executive member, independent
- Swiss (born 1963)
- Member of the Sustainability, Technology & Innovation Committee
- Board member since 1990

Other main activities: Board memberships: centerVision AG (Chair), CHI Classics Basel Ltd (Chair) and Medartis Holding AG[1] (listed, Vice Chair).
Career highlights: Thomas Straumann was responsible for establishing the new Institut Straumann AG in 1990 and was both CEO (–1994) and Chair (–2002). Further examples of his success as an entrepreneur and businessman are the medical device company Medartis AG, of which he is the founder, majority owner and Vice Chair; the Grand Hotel Les Trois Rois, Basel, of which he is the owner and the equestrian event company CHI Classics Basel Ltd, of which he is Chair. He has a diverse portfolio of interests, including not-for-profit activities.
Qualifications: Trained in precision engineering; studies at Basel Management School and the Management & Commercial School of Baselland; honorary doctorate from the Medical Faculty of the University of Basel.
Key attributes for the Board: Major shareholder of Straumann Holding AG and the Board's longest-serving member. He complements the Board with his understanding of the dental and medical device industries through personal management experience and various shareholdings.

1 For relationship to Straumann see note 9.4 of the financial report on p. 224

Nadia Tarolli Schmidt

- Non-executive member, independent
- Swiss and Italian (born 1973)
- Member of the Audit & Risk Committee, member of the Human Resources & Compensation Committee
- Board member since 2022

Other main activities: Member of the Board of EGK Group Companies (Head Corporate Governance Committee), Medartis Holding AG[1] (listed), Parkresort Rheinfelden Holding AG; Supervisory Board member of Basellandschaftliche Kantonalbank (State Bank), EGK Group Companies, IKEA Personalvorsorgestiftung Pension Fund (member of the Investment Committee) and the Nordic Cultural and Educational Foundation. Partner of VISCHER AG.

Career highlights: Since 2010, Nadia Tarolli Schmidt has been partner at the business law firm VISCHER AG where she is Co-Head of the Tax Team and Head of Social Security Group. From 2017 to 2022 she was judge at the Tax Court of Canton Basel City. From 2005 to 2010 she was an employee at VISCHER AG, specialized in the fields of taxation, corporate law and M&A. Previously, she was legal secretary of the Tax Court of the Canton of Zurich and in-house counsel at Clima-Suisse and Holcim AG.

Qualifications: Studied Law at University of Basel, member of the Bar of Switzerland, Swiss certified tax expert and studies at Swiss Board School of the University of St. Gallen.

Key attributes for the Board: Nadia Tarolli Schmidt is an expert independent lawyer with in-depth know-how in tax and social security matters as well as with respect to the structuring of mergers and acquisitions. She has special knowledge in legal and financial matters and experience on several other corporate boards.

1 For relationship to Straumann see note 9.4 of the financial report on p. 224

Regula Wallimann

- Non-executive member, independent
- Swiss (born 1967)
- Chair of the Audit & Risk Committee, member of the Human Resources & Compensation Committee
- Board member since 2017

Other main activities: Member of the Board of Adecco Group AG (listed, Audit Committee Chair), Helvetia Holding AG (listed), Swissgrid AG (Finance & Audit Committee Chair), Swissport International AG (Audit Committee Chair); Supervisory Board member of the Institute for Accounting, Control and Auditing at St. Gallen University.

Career highlights: Regula Wallimann worked for KPMG AG from 1993 to 2017. As a Global Lead Partner from 2003 on, she was responsible for several global companies. She was a member of the strategic partners committee of KPMG Switzerland from 2012 to 2014. In 2017, she started a new career as an independent financial expert and Board member.

Qualifications: Degree in Business Administration, Economics and Accounting from St. Gallen University, management studies at INSEAD, Certified Public Accountant in the US and in Switzerland.

Key attributes for the Board: Regula Wallimann is an expert in multinational group auditing, international financial and non-financial reporting, risk management and corporate governance.

Highlights
Letter from the Chair and CEO
Company profile
Business development
Feature story
Customers are our inspiration
Sustainability report
Corporate governance report
Letter from the Chair of the Board
Principles
Group structure and shareholders
Capital structure
Board of Directors
Executive Management Board
Shareholders' participation rights
Compensation, shareholdings and loans
Changes of control and defense measures
External auditors
Information policy
Quiet periods
Compensation report
Financial report Straumann Group
Financial report Straumann Holding
Appendix

Board of Directors – competence matrix

	Executive experience	Finance, audit, risk management	Compliance, regulatory, legal	Capital markets, M&A	Core industry experience (dental)	Transferable expertise in related industries	International business experience	Digitalization, technology	Strategy, business transfor-mation	HR, compensation	Board governance	Sustainability
G. Achermann	✓	✓		✓	✓	✓	✓		✓	✓	✓	
O. Filliol	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓
M. Gadola	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	
J.J. Gonzalez	✓		✓	✓		✓	✓	✓	✓			✓
P. Rumpf	✓			✓	✓	✓	✓	✓	✓		✓	✓
T. Straumann	✓			✓	✓	✓	✓			✓	✓	✓
N. Tarolli Schmidt	✓	✓	✓	✓						✓	✓	✓
R. Wallimann	✓	✓	✓	✓		✓	✓			✓	✓	✓

The Board comprised eight non-executive members in 2023. Having served on the Board since 2010, Dr Beat Lüthi decided not to stand for re-election in 2023. To fill the gap left by his departure, Dr Olivier Filliol was elected to the Board at the 2023 Shareholders' General Meeting and Petra Rumpf became Vice Chair. Apart from this, the composition of the Board of Directors remained unchanged in 2023.

Petra Rumpf served as the Group's Head Dental Service Organizations until the end of 2020. None of the other current members has been a member of the Executive Management of any of the Group's companies during the preceding three business years or had any significant business connections with Straumann Holding AG or any of its subsidiaries in 2023.

The Directors are all Swiss citizens with the exception of Juan José Gonzalez, who has Peruvian and US citizenship. Petra Rumpf also has German and Nadia Tarolli Schmidt Italian citizenship in addition to their Swiss citizenship. The average age of the Board members at year-end was 56.

Independence, diversity and competences of Board members

The Board strongly believes that its independence is important and in the best interest of all stakeholders. Having Board members with industry experience, who are familiar with stakeholder engagement, is an important ingredient for Straumann Group's success. Being a predictable operator and a reliable business partner is key.

The Human Resources & Compensation Committee (HRCC) reviews the independence of the Board members. The evaluation also takes into account the interests of the anchor shareholders.

For the Straumann Group, a candidate for the Board of Directors is considered independent if the candidate:

- Is not, and has not been for the prior three years, employed as an Executive Management Board member in the Group or any of its subsidiaries
- Is not, and has not been for the prior three years, an employee or affiliated with the elected external auditor
- Does not maintain a material direct or indirect business relationship with the Group or any of its subsidiaries

The Board aims for a healthy average tenure by having a mix of long-term and newer Board members and does not impose an arbitrary end to membership after a certain length of service. The age of a Board member or length of tenure are not criteria for independence. Furthermore, significant shareholder status is also not considered a criterion for independence.

In that respect, Straumann Group follows the Swiss Code of Best Practice for Corporate Governance as published by economiesuisse. Accordingly, all Board members are independent except for Petra Rumpf.

Three out of eight Board members are women.

Elections and term of office

The members of the Board, the Chairperson and the members of the Human Resources & Compensation Committee are all elected individually by the Shareholders' General Meeting for a term of one year. Re-election is permitted until the age of 70.

If the position of the Chairperson or a position in the Human Resources & Compensation Committee falls vacant, the Board appoints a replacement from among its own members for the remaining term of office.

Permitted mandates outside Straumann Group (pursuant to art. 626 II CO)

Art. 4.4 of Straumann's Articles of Association states that no member of the Board may perform more than 15 additional mandates in comparable functions in other companies with economic purpose of which no more than five may be in listed companies.

The following are exempt from these restrictions:

- Mandates in enterprises that are controlled by the Group
- Mandates in enterprises that are performed at the instruction of the Group
- Mandates in associations, organizations, foundations, trusts and employee pension funds; no member of the Board of Directors may perform more than ten such mandates

Mandates in several legal entities under common control or under the same economic authority are deemed as one mandate.

Straumann Group Board of Directors – memberships on other Boards

Member	Listed companies	Private companies	Not-for-profit organizations	Location	Function
Gilbert Achermann	Julius Bär Group AG/ Bank Julius Bär & Co. AG			CH	Board member
	Ypsomed AG			CH	Chair
		Unilabs		DK	Chair
		GreenTEG		CH	Board member
			International Institute for Management Development (IMD)	CH	Supervisory Board member
			Basel Chamber of Commerce	CH	Board member
			International Team for Implantology (ITI)	CH	Board member
			Swiss Medtech	CH	Board member
Olivier Filliol	Givaudan			CH	Board member
Marco Gadola	DKSH			CH	Chair
	MCH Group			CH	Vice Chair
	Medartis Holding AG			CH	Chair
		Bühler Group		CH	Board member
		AVAG Anlage und Verwaltungs AG		CH	Board member
		WS Audiology Ltd		DK	Chair
			Schweizerische Management Gesellschaft	CH	Advisory Board member
			Swiss American Chamber of Commerce	CH	Advisory Board member
			Basel Chamber of Commerce	CH	Board member
			Society of Political Economy and Statistics, Basel	CH	Chair
Petra Rumpf	V-Zug Holding			CH	Board member
	Vimian Group			SE	Board member
		LimaCorporate		IT	Board member (until 3.1.2024)
		SHL-Medical		CH	Board member (Chair Audit Committee)

Member	Listed companies	Private companies	Not-for-profit organizations	Location	Function
Thomas Straumann	Medartis Holding AG			CH	Vice Chair
		Centervision AG		CH	Chair
		CHI Classics Basel Ltd		CH	Chair
Nadia Tarolli Schmidt	Basellandschaftliche Kantonalbank (State Bank)			CH	Supervisory Board member
	Medartis Holding AG			CH	Board member
		EGK Group Companies		CH	Board member
		Parkresort Rheinfelden Holding AG		CH	Board member
		IKEA Pension Fund		CH	Supervisory Board member
		Genossenschaft Stadion St. Jakob-Park		CH	Board member
		BiomedVC AG		CH	Board member
		VISCHER AG		CH	Board member
			Nordic Cultural and Educational Foundation	CH	Supervisory Board member
Regula Wallimann	Adecco Group AG			CH	Board member
	Helvetia Holding AG			CH	Board member
		Swissgrid AG		CH	Board member
		Radar Topco S.à.r.l, (including Swissport Group, Opfikon, Switzerland)		LU	Board member
			University of St. Gallen, Institute of Accounting, Control and Auditing (ACA-HSG)	CH	Supervisory Board member

Working methods and allocation of tasks

The Board of Directors meets for one-day meetings at least five times a year and as often as business requires. In 2023, the full Board held nine meetings including three resolutions taken in online meetings. The Audit & Risk Committee held five meetings, the Human Resources & Compensation Committee met five times and the Sustainability, Technology & Innovation Committee met three times. The CEO and CFO generally participate in Board meetings and are occasionally supported by other members of the Executive Management Board (EMB). Dr Andreas Meier, Chief Legal Officer of the Group, acts as secretary of the Board. The Board of Directors consults external experts on specific topics where necessary.

Each physical Board of Directors meeting that took place in 2023 lasted eight hours on average, whereas the online meetings lasted approximately one hour, as they were convened for discussing and approving specific agenda items. Each Committee meeting that took place in 2023 lasted three hours on average. These figures indicate the actual length of meetings and do not include the Directors' extensive pre-meeting preparations and post-meeting follow-up activities. The participation rate for the physical meetings of the Board of Directors and the Committee meetings in 2023 was 100%. The online meetings of the Board of Directors were attended by more than 90%.

The Board of Directors usually also participates in workshops, conferences and trade shows, co-travel and site visits to have first-hand insights into the business and interact or meet with customers.

The Board conducts an annual self-evaluation as well as an evaluation of the performance of the EMB. It also provides mentoring to the EMB, with the aim of providing executives with an experienced sparring partner, coach and sounding board for testing ideas and seeking qualified independent opinions.

The Board of Directors has a quorum if a majority of its members is present. This does not apply to resolutions that require public notarization. Valid resolutions require a majority of the votes cast. In the event of a tie, the Chairperson of the meeting has the decisive vote. The Board is responsible for the overall strategic direction of the Group and its management, the supervision of the EMB and financial control. It reviews the company's objectives and identifies opportunities and risks. In addition, it appoints and dismisses the CEO and members of the EMB. The tasks and duties of the Board, as well as those of the Chairperson and Vice Chair, are listed in sections 4.2 and 4.3 of the Organizational Regulations.

Committees of the Board of Directors

The Board of Directors has an Audit & Risk Committee, a Human Resources & Compensation Committee and a Sustainability, Technology & Innovation Committee, each consisting of no fewer than three Board members with relevant background and experience.

Audit & Risk Committee

Members: Regula Wallimann (Chair), Nadia Tarolli Schmidt and Juan José Gonzalez

Human Resources & Compensation Committee

Members: Marco Gadola (Chair), Nadia Tarolli Schmidt and Regula Wallimann

Sustainability, Technology & Innovation Committee

Members: Petra Rumpf (Chair), Dr Olivier Filliol, Dr h.c. Thomas Straumann

The members of the Human Resources & Compensation Committee are elected by the General Meeting for a term of one year. In the event of a vacancy in the Human Resources & Compensation Committee, the Board of Directors appoints the replacement from among its own members for the remaining term of office. The members and the Chairs of both the Audit & Risk Committee and the Sustainability, Technology & Innovation Committee are appointed by the Board of Directors. The Human Resources & Compensation Committee constitutes itself.

The tasks of each of these committees as well as the indication on the decision powers of such committees and tasks are listed in their respective charters, which are attached to the Organizational Regulations. The Board of Directors may establish further committees or appoint individual members for specific tasks.

Assignment of responsibilities to the Executive Management Board

The Board of Directors has delegated responsibility for the operational management and sustainable development of the Group to the Chief Executive Officer (CEO) and the other members of the EMB. For their specific responsibilities, see the chart on p. 150 and section 5 of the Organizational Regulations. The Board may revoke delegated duties at any time.

The Board of Directors has not delegated any management tasks to companies or persons outside the Group.

Board committees

	Audit & Risk Committee	Human Resources & Compensation Committee	Sustainability, Technology & Innovation Committee
G. Achermann, Chair			
Dr O. Filliol			Member
M. Gadola		Chair	
J. J. Gonzalez	Member		
P. Rumpf			Chair
Dr h.c. T. Straumann			Member
N. Tarolli Schmidt	Member	Member	
R. Wallimann	Chair	Member	

Board and committee meetings 2023

Meetings	Board (incl. 3 online meetings)	Audit & Risk Committee	Human Resources & Compensation Committee	Sustainability, Technology & Innovation Committee
G. Achermann, Chair	9 (9)	4 (5) as guest	5 (5) as guest	3 (3) as guest
Dr O. Filliol (since April 2023)	6 (6)			1 (1)
Dr B. Lüthi, Vice Chair (until April 2023)	3 (3)		2 (2)	2 (2)
M. Gadola	9 (9)		3 (3)	
J.J. Gonzalez	9 (9)	5(5)	2 (2)	
P. Rumpf	9 (9)			3 (3)
Dr h.c. T. Straumann	8 (9)			3 (3)
N. Tarolli Schmidt	9 (9)	5 (5)	5(5)	
R. Wallimann	9 (9)	5 (5)	5 (5)	

Numbers in brackets show meetings held during individual's term of office whereas numbers without brackets show meetings attended

Information and control instruments vis-à-vis the Executive Management

Management Information System

The Group's Management Information System includes management, business, and financial reporting. The information is presented to the Executive Management Board on a monthly basis, and to the Board of Directors both as a monthly summary and in detail on a quarterly basis.

The Straumann Group operates a state-of-the-art SAP enterprise resource planning system, overseeing more than 90% of all business transactions across its fully consolidated entities. This system seamlessly integrates the Group's headquarters with crucial subsidiary companies and production sites, recently extending its capabilities to encompass newly established entities in Costa Rica and Spain. A notable stride in this technological journey occurred in 2023 when the US-based subsidiary, Bay Materials, specializing in orthodontic thermoplastics, transitioned to the SAP platform. This move not only exemplified the Group's commitment to cutting-edge operations but also significantly bolstered cohesion and operational efficiency. The momentum continues into 2024 with an upcoming wave of SAP implementations. These include strategic rollouts for the Group's Campus in China, incorporating a comprehensive manufacturing, education, and innovation center. Additionally, Createch Medical, the Spanish solution provider in CADCAM prosthetics, and all DrSmile entities outside Germany are to integrate SAP solutions into their operations. Beyond streamlining processes, this ERP system serves as a robust safeguard against potential errors or fraudulent activities. Notably, it empowers the Executive and senior management to directly monitor local processes and associated figures in real time, marking a pivotal advancement in the Group's operational oversight and decision-making capabilities.

Furthermore, the Board of Directors cultivates close ties with the Executive Management, actively acquiring first-hand insights through workshops, joint travel, on-site visits, and active participation in staff meetings.

Internal control system

The Group's internal control system (ICS) is a key instrument for designing business processes, measuring progress towards financial goals and addressing potential financial issues before they occur. It also supports the design of business processes in order to achieve the desired level of control in terms of efficiency and effectiveness.

The company's approach is to ensure that internal controls are accurate, timely, robust and receive appropriate management attention in each respect. To achieve this, dedicated control templates are used for each business process to address major risks. The templates are continuously improved.

In addition, each entity (sales affiliate, production site or global function) has a designated, trained person or team that is ultimately accountable for the assessment undertaken and the decisions arising from it. Clear benefits of the ICS include enhanced segregation of duties, increased control consciousness and higher awareness of potential risks and their consequences.

The ICS program is coordinated by the Head of Internal Audit, who meets with the external auditors on a regular basis to discuss the status of internal control issues and the status of remediation of control deficiencies.

Internal controls are evaluated annually by the external auditors and by internal audit according to an agreed program.

Internal audit

The role of the Group's internal audit function is to provide independent assurance to the Board of Directors that the key risks of the organization are under control and to support Management in ensuring compliance, operational efficiency and control effectiveness across the Group. The Head of Internal Audit collaborates with KPMG in a co-sourcing model.

In 2023, eight internal audits were performed according to the audit program approved by the Audit & Risk Committee of the Board of Directors.

Corporate risk management

The Board of Directors is responsible for the overall supervision of risk management and uses the internal audit function to this end. The Board has delegated the task of risk management to the Chief Risk Officer (CRO), who is also the CFO. Through its Audit & Risk Committee, the Board assesses and discusses risks on a regular basis in consultation with the CRO and/or the relevant members of senior management. More information about risk management of the Group can be found on p. 55.

Executive Management Board

Guillaume Daniellot

- French (born 1970)
- Chief Executive Officer
- Head Dental Service Organizations ad interim

Career highlights: Guillaume Daniellot's career began in hospital product management – initially at Coloplast and then at B. Braun, as an international business unit manager. He switched to the dental industry in 2001, joining Dentsply France, where he became Sales & Marketing Director. He joined Straumann in 2007 as Managing Director of Straumann France. Two years later, he transferred to Group Headquarters to become Head of Global Sales Digital Dentistry. Shortly afterwards he took over responsibility for Straumann's Prosthetic Laboratory Business Group, including global management of sales, marketing, product development, training and education. In both these roles, he was a member of the Corporate Management Group. He joined Straumann's Executive Management Board in 2013 serving as Head Sales Western Europe in 2013–15 and Head North America (2016–19). He took on his current role as CEO of the Straumann Group on 1 January 2020.
Qualifications: Bachelor's degree in Physics from the University of Dijon; Master's in Marketing from FGE in Tours; Master's in Business Administration from ESC European School of Management, Paris.
Other activities: Member of the Advisory Board of Rodenstock GmbH.

Yang Xu

- French (born 1979)
- Chief Financial Officer

Career highlights: Yang Xu joined Straumann in August 2023 from The Kraft Heinz Company, a publicly listed US-American food company. She was Senior Vice President, Head of Corporate Development and Global Treasurer and a member of the company's Executive Committee. She has more than 20 years of experience in finance, strategy, operational and commercial functions. Her career started with General Electric Healthcare in Europe. She then worked for Whirlpool Corporation rising through various financial roles of increasing responsibility across corporate functions, business units and regions. Her experience was further enhanced by leading commercial and operational functions outside of finance. During her career, Yang has worked in many countries across Europe, North America and Asia Pacific.
Qualifications: Master's degree in management from HEC Paris; MBA programs at London Business School and Stanford University.
Other activities: Member of the Board of Gamestop Corp. (listed).

Wolfgang Becker

- German (born 1966)
- Regional Head Europe, Middle East & Africa

Career highlights: Wolfgang Becker began his professional career at Straumann in 1986 and held a series of managerial positions of increasing responsibility in the company's German subsidiary, becoming Head of Human Resources in 1991, Head of Marketing in 2000, and General Manager of Straumann Germany in 2001. He served on Straumann's Executive Committee as Head of Sales Europe from 2005 to 2006. His responsibilities then focused on the company's business in Central and Eastern Europe and distributor markets. In 2013, he rejoined the Group's Executive Management Board as Head Sales Central Europe & Distributors EMEA.
Qualifications: Wolfgang Becker holds a number of business school diplomas including that of the St. Gallen Management Center.

Jason Forbes

- Irish (born 1973)
- Chief Consumer Officer

Career highlights: Jason joins Straumann Group from Hilding Anders, a global mattress and sleep company, where he was President, Online Brands and Group Chief Digital Officer. There, he successfully built out a new set of consumer-centric capabilities, launched their direct-to-consumer (DTC) brands during the Covid-19 pandemic and was instrumental in driving digital transformation across marketing, product innovation and supply chain. Prior to this, Jason was at beauty company Coty, where in his capacity as Global Chief Digital & Media Officer, he led their global digital transformation. Jason joined Coty via their acquisition of Beamly, an award winning MarTech company where Jason was CEO. Jason has worked across multiple industries, from media to beverages to retail, but with common threads of driving digital capability building and business impact, in both DTC and business to business.
Qualifications: Jason holds qualifications including an MBA from IMD in Lausanne, a Master's degree and BBS in International Business and Economics from Trinity College, Dublin and certificates from INSEAD and Harvard Business School.

Holger Haderer

- German (born 1969)
- Head Implantology Business Unit

Career highlights: Prior to joining the EMB at the beginning of 2020, Holger Haderer very successfully managed the Group's largest European business, in Germany, for three years. He spent the previous seven years as Head Marketing & Sales Western Europe, including an ad-interim stint of 14 months as Country Manager of Straumann France. He joined Straumann in 2006 as Head of Marketing & Education in Germany and became Head of Market Management Dental Labs in 2008. He began his career in 1991 at Sulzer Medica in product management, marketing and sales.
Qualifications: Holger Haderer received a degree in Economics from Baden-Wuerttemberg Cooperative State University (DHBW).

Florian Kirsch

- German (born 1982)
- Head Connected Customer Solutions and Orthodontics Business Unit

Career highlights: Florian joined Straumann Group in 2010 and held several positions within the company, including Head of Portfolio Management in Basel and at Neodent in Brazil, where he served as the Regional Finance Officer and Chief Operating Officer. He was responsible for building up the ClearCorrect production in Brazil along with managing the resin production in Curitiba. In addition to his core responsibilities, he focused on regional and local business development and technology-led customer experience optimization. Since 2022, Florian has been leading Connected Customer Solutions, and in 2023, he was appointed to lead the Orthodontics division alongside his existing role in the Digital Solutions business unit. Florian has a track record of driving innovation, people development and customer centricity.
Qualifications: Florian holds a Master's degree in finance, banking and controlling from the University of Basel. In addition, he completed advanced management programs at Standford University and IESE Business School.

Patrick Loh

- Malaysian (born 1967)
- Regional Head Asia Pacific

Career highlights: Patrick Loh joined the Straumann Group in his current role in 2017, having spent the previous three years with Haemonetics Corporation, a global provider of blood/plasma supplies and services, where he was President of the Asia/Pacific region and a member of the Corporate Operating Committee. His career spans 30 years in the medical device, biotech and pharmaceutical sectors with multinationals including Thermo Fisher Scientific, Kinetics Concepts and B. Braun. Starting in product management, he rose through general country management to regional leadership, establishing a strong track record of commercial success and strategic business growth. He has spent most of his career based in China and Hong Kong.
Qualifications: Studies in marketing in Malaysia; Executive MBA from Olin Business School, Washington University, USA; Executive Programs at INSEAD, Singapore and Babson College, USA.
Other activities: Chair of the Essence & DM Dental Industry Investment Partnership, a private equity fund addressing the dental sector in China.

Alastair Robertson

- British (born 1960)
- Chief People Officer

Career highlights: Before taking on his current role at Straumann in mid-2019, Alastair Robertson served as Chief HR/People Officer and member of the Executive Board in each of his three previous companies: Kingfisher Plc (2016–19), C&A (2014–16) and Panalpina (2007–14). In his last role at Kingfisher, he also held overall commercial responsibility for their Spanish business, Brico Depot. Prior to this, he spent 11 years with Tetra Pak in senior HR positions and in line management, and then training and development with W.H. Smith and Graham Builders Merchants in the UK. He has considerable international experience, having lived and worked extensively on all continents. He began his professional career in the British Military Forces gaining his Officer's Commission at the Royal Military Academy Sandhurst before serving in the Royal Engineers including in the Falklands as Head of the Joint Services Bomb Disposal Unit.
Qualifications: MBA from Huddersfield University; Commendation from IMD, Lausanne; Chartered Fellow of the Institute of Personnel and Development (FCIPD).

Sébastien Roche

- French/Swiss (born 1972)
- Chief Operations Officer

Career highlights: Sébastien Roche joined Straumann Group in 2022 and has extensive experience in the pharmaceutical and manufacturing industries. Sébastien joined from TEVA, the pharmaceutical company, where he served latterly as Senior Vice President and was responsible for up to 28 manufacturing sites across the US, Latin America, Europe, and Asia. Sébastien oversees Straumann Group's manufacturing, supply chain, Quality and Regulatory affairs.
Qualifications: Sébastien holds a Master's degree in Aeronautics and Space from Institut Supérieur de l'Aéronautique et de l'Espace in Toulouse, France.

Aurelio Sahagun

- Spanish/US citizen (born 1973)
- Regional Head North America

Career highlights: Aurelio Sahagun joined Straumann in 2021 having most recently served as President of the Orthopedics Division for the multinational medtech firm Microport Scientific. Before joining them in 2014, he spent seven years at Wright Medical Technology in the Netherlands, initially in finance and subsequently in senior sales and regional management positions. Prior to his medtech career, he spent six years in the finance and banking industry.
Qualifications: Bachelors' degree in Economics from the Autonomous University of Madrid; MBA from HEC School of Management in France.
Other activities: Member of the Board of Fellows of Harvard Dental School.

Matthias Schupp

- German (born 1964)
- Regional Head Latin America, CEO of Neodent

Career highlights: Matthias Schupp joined Straumann from Procter & Gamble in 2007 as Regional Manager, Western Europe. In 2013, he was appointed Head of Sales LATAM and joined the management of Neodent, of which he became CEO early in 2015. He joined Straumann's Executive Management Board at the beginning of 2016. He began his career in marketing and customer service with Merck KGaA, the German pharmaceutical, fine chemicals and diagnostics company, and rose through country management to the position of Regional Manager Latin America and USA. He moved to Wella in 2000 as Managing Director of the business in Russia and became Managing Director Professional Care Portugal in 2004, following the acquisition of Wella by P&G.
Qualifications: Graduated from the German/Brazilian High School in Rio de Janeiro; on-the-job training in management and business administration through professional development programs at Merck and P&G.

Dr Christian Ullrich

- German (born 1972)
- Chief Information Officer

Career highlights: Christian Ullrich joined Straumann in 2021 from Bayer, a life science company with core competencies in the fields of health care and agriculture, where he was Senior Vice President, Global Chief Information Officer at Bayer Consumer Health. Christian Ullrich was instrumental in shaping the digital agenda of the Consumer Health Division and accelerating the business transformation with digital technology and data analytics across the entire value chain. He began his career at the company in 2006 and rose through a series of managerial positions with increasing responsibility, including Divisional Head of Accounting and Controlling, Head of Post-Merger Integration United States as well as Vice President, Global Head of Marketing and Sales IT. Prior to joining Bayer, Christian worked for Deloitte, a professional services company providing consulting, audit, advisory, and tax services.
Qualifications: Christian Ullrich holds a Master's Degree in Business Administration and Mechanical Engineering from the Technical University of Darmstadt, Germany, and a PhD in Economics from the University of Lüneburg, Germany.

Changes in 2023

CFO Peter Hackel left the company after eight years of service at the end of January 2023. Marc-Alain Weder took over as ad interim CFO in February 2023 until Yang Xu joined the Group in August as the new CFO. Rahma Samow, Head of Dental Service Organizations (DSO), left the Group in August and joined one of Straumann Group's main business partners. Guillaume Daniellot took over as ad interim and the hiring process for a new DSO Head is still ongoing.

In October, Florian Kirsch was appointed to lead Orthodontics in addition to the Digital Solutions unit and joined the EMB as Head Connected Customer Solutions and Orthodontics Business Unit, taking over from Camila Finzi.

Executive Management Board

CHIEF EXECUTIVE OFFICER
Guillaume Daniellot

- REGION EUROPE, MIDDLE EAST & AFRICA
  Wolfgang Becker
- REGION NORTH AMERICA
  Aurelio Sahagun
- REGION ASIA PACIFIC
  Patrick Loh
- REGION LATIN AMERICA & CEO NEODENT
  Matthias Schupp
- DENTAL SERVICE ORGANIZATIONS
  Guillaume Daniellot a.i.

CHIEF FINANCIAL OFFICER
Yang Xu

IMPLANTOLOGY BUSINESS UNIT
Holger Haderer

CHIEF OPERATIONS OFFICER
Sébastien Roche

CHIEF CONSUMER OFFICER
Jason Forbes

CONNECTED CUSTOMER SOLUTIONS AND ORTHODONTICS BUSINESS UNIT
Florian Kirsch

CHIEF INFORMATION OFFICER
Dr Christian Ullrich

CHIEF PEOPLE OFFICER
Alastair Robertson

Former members of the Executive Management Board in 2023

The company and the Board of Directors would like to thank Peter Hackel, Marc-Alain Weder, Camila Finzi and Rahma Samow for their valuable contributions and dedication to the Straumann Group over the past years and wish them all the best for the future.

Dr Peter Hackel

- Swiss (born 1969)
- Chief Financial Officer

Career highlights: Peter Hackel rejoined Straumann Group as CFO in 2014 after three years at Oerlikon Industrial Group, where he was CFO of the global segment Oerlikon Drive Systems. He first joined Straumann Group in 2004 in a project management and business development role and rose to become Head of Group Controlling and member of the Corporate Management Group. Prior to his first tenure at Straumann Group, he spent three years at Geistlich Biomaterials as Director of Marketing & Sales Orthopedics and two years at McKinsey & Company as a consultant. He was awarded Switzerland's CFO of the year 2020. After 8 years as its CFO, Peter Hackel left Straumann Group in January 2023 to join the Syntegon Group, a worldwide leader of process and packaging technology, as its CFO.
Qualifications: PhD in Biochemistry and Molecular Biology from the Swiss Federal Institute of Technology (ETH) in Zurich; studies in Business Administration at the University of Hagen in Germany.

Camila Finzi

- Brazilian (born 1972)
- Head Orthodontics Business Unit

Career highlights: Camila Finzi joined Straumann Group in January 2020 from Alcon, the world's largest eye-care device company, where she was responsible for the Latin America and Caribbean Region. From 2004 to 2013, she worked for Alcon's parent company, Novartis, rising through managerial positions of increasing responsibility in Marketing and Sales to Business Unit and Regional leadership. Prior to joining Novartis, she spent four years at Pfizer – initially in Finance and subsequently in senior pharmaceutical product management. The first six years of her career were in Finance at Cargill and Arthur Andersen.
Qualifications: Bachelors' degree in Economics from Fundação Armando Álvares Penteado University, São Paulo. MBA from Fundação Dom Cabral Business School. Executive Education program at Harvard University.

Rahma Samow

- German (born 1979)
- Head Dental Service Organizations

Career highlights: Rahma Samow joined Straumann in 2021 from the global medical technology company Siemens Healthineers, where she was Senior Vice President, Global Head of Marketing, Sales & Communications at Digital Health Services. She began her career at that company in 2006 and rose through a series of managerial positions with increasing responsibility, including Head of Business Management Imaging IT Middle East & Africa, and Vice President, Head of Global Sales, Digital Health Services. Prior to joining Siemens Healthineers, she worked for Parexel International, a global clinical research organization and biopharmaceutical services company.
Qualifications: Diploma in Medical Radiology, Radiation Therapy and Nuclear Medicine Technology from the Medical University of Bonn, Germany.

Marc-Alain Weder

- Swiss (born 1966)
- Chief Financial Officer ad interim

Career highlights: Marc-Alain joined from The Adecco Group, where he was Group SVP Finance for the Adecco Global Business Unit, acting as the Chief Financial Officer for the largest division of The Adecco Group. Marc-Alain began his career at Philip Morris International and rose through a series of managerial positions holding several CFO roles also leading global transformation initiatives. Before joining Adecco, he worked at MAP, a boutique consulting firm, where he advised senior management of mid- and large-sized international companies and government organizations to drive better alignment between visions, strategies, objectives, and efficient day-to-day business operations. Throughout his career he was based in the US, Europe and Asia.
Qualifications: Marc-Alain holds a master's degree in economics from the University of Lausanne.

Permitted mandates outside Straumann Group (pursuant to art. 626 II CO)

Art. 4.4 of Straumann's Articles of Association states that no member of the EMB may perform more than five mandates in comparable functions in other companies with economic purpose, of which no more than one may be in listed companies. The number of permitted mandates outside Straumann in listed companies for the EMB was reduced by the AGM 2023 from two to one. This ensures that the members of the EMB have sufficient time available to perform their duties for the Group.

The following are exempt from these restrictions:
- Mandates in enterprises that control the Group or are controlled by the same
- Mandates in enterprises that are performed at the instruction of the Group
- Mandates in associations, organizations, foundations, trusts and employee pension funds; no member of the Executive Management may perform more than three such mandates

Mandates in several legal entities under common control or under the same economic authority are deemed as one mandate.

Management contracts

The Board of Directors and the EMB have not delegated any managerial powers to persons or companies outside the Group.

Shareholders' participation rights

Each share duly entered in the share register with voting rights entitles the shareholder to one vote, except for resolutions regarding the discharge of the Board of Directors or the Executive Management, where shareholders who have participated in any way in the management of the company have no voting rights. On 31 December 2023, approximately 65.2% (2022: 70.3%) of the issued capital was registered in the share register.

All shareholders may be represented at the General Meeting by a proxy. Proxies and directives issued to the independent voting representative may be given either in writing or online. Other voting representatives must have a proxy signed by hand by the shareholder. The Board of Directors decides whether proxies shall be recognized.

The independent voting representative is elected by the General Meeting for a term of office until the end of the next AGM and can be re-elected. In the case of a vacancy, the Board of Directors shall designate an independent voting representative for the next General Meeting.

Votes on resolutions and elections are held electronically. In case of technical difficulties, the meeting chair may order an open or written ballot.

Quorums

The General Meeting adopts its resolutions and holds its ballots by a majority of votes cast. Abstentions and invalid ballots are not taken into account. The legal provisions (in particular section 704 of the Swiss Code of Obligations) that stipulate a different majority are reserved.

Convocation of General Meetings, agenda proposals

The Shareholders' General Meeting is convened by the Board of Directors within six months of the end of the business year. The Meeting may be held physically, by electronic means without a venue or as a hybrid meeting, provided that shareholders who are not present at the venue of the General Meeting may exercise their rights by electronic means. The 2024 meeting will be held on 12 April in Basel as a pure physical meeting.

Shareholders individually or jointly representing at least 5% of the share capital may request an extraordinary General Meeting. The request must be made to the Board of Directors in writing, stating the agenda items and proposals, and in the case of elections, the names of the proposed candidates.

Invitations to the General Meeting are to be sent out at least 20 days before the General Meeting either through publication in the Swiss Official Gazette of Commerce or in any form which allows proof by text. The date, beginning, type and place of the General Meeting, the name and address of the independent voting representative as well as the agenda items and proposals (including brief explanations) by the Board of Directors and, if the case may be, by shareholders who have requested the General Meeting, must be announced in the notice convening the General Meeting.

Shareholders who individually or jointly represent at least 0.5% of the share capital may ask for an item to be included in the agenda. If the notice of items to be included in the agenda fails to mention any deadline or if the Company waives publication of a notice of items to be included in the agenda, then such a request must be made in writing at least 45 days before the General Meeting and must indicate the agenda items and the proposal or the proposals of the shareholder(s).

Entries in the share register

Share purchasers are entered in the share register as shareholders with voting rights if they have provided notice of their name and surname (for legal entities the company name), nationality, and address (for legal entities the registered office) and declared that the shares were acquired in their own name and for their own account and that there is no agreement on the redemption or return of corresponding shares and that the purchaser bears the economic risk associated with the shares. Purchasers who are not willing to make such declarations are registered as shareholders without voting rights. Nominees approved by the Board of Directors are recorded in the share register as shareholders with voting rights if such nominee has entered into an agreement with the company concerning their position and is subject to recognized banking or financial supervision. As of 31 December 2023, no nominee had asked for registration and voting rights.

There are no statutory rules concerning deadlines for entry in the share register. However, for organizational reasons, the share register is closed several days before the General Meeting. The cut-off date for inscriptions is announced in the invitation to the General Meeting.

Compensation, shareholdings and loans

The compensation and equity holdings of the Board of Directors and the EMB and their related parties are disclosed in the compensation report on p. 158 and in the audited financial statements in notes 3.3 on p. 236 and 9.4 on p. 224.

Changes of control and defense measures

The Articles of Association of Straumann Holding AG do not contain provisions for opting out or opting up. There are no change-of-control clauses included in agreements and schemes benefiting members of the Board of Directors or the Executive Management Board or other management staff.

External auditors

The Shareholders' General Meeting elects and appoints the Group's external auditors on an annual basis. In April 2023, Ernst & Young AG, Basel (EY), was re-elected as auditor of Straumann Holding AG for a tenth term of one year. The auditor in charge is Fabian Meier, Swiss Certified Public Accountant, who took over the mandate from Martin Mattes in 2023.

Information instruments pertaining to the external audit

EY presents to the Audit & Risk Committee a detailed report on the conduct of the Financial Statements audit, the findings on significant financial accounting and reporting issues together with the findings on the internal control system. In 2023, EY participated in two Audit & Risk Committee meetings including sessions with the Audit & Risk Committee without the Group's management being present. The Audit & Risk Committee assesses the effectiveness of the work of the external auditors in accordance with Swiss law, based on their understanding of the Group's business, control, accounting and reporting issues, together with the way in which matters significant at Group level or in the statutory accounts are identified and resolved. The Audit & Risk Committee is also informed on the work of the external auditors through regular briefing of its Chair. Audit fees are ultimately approved by the Audit & Risk Committee. EY's independence is ensured by limiting EY from providing certain non-audit services. The Group has a formal policy governing the engagement of the external auditors for non-audit services of which limits for certain permitted other services are agreed by the Audit & Risk Committee. Each potential non-audit service engagement is reviewed against this policy before any authority to proceed is given.

The worldwide fees paid to the auditors are outlined in the table below.

Worldwide fees

in CHF 1 000

	31 Dec 2023	31 Dec 2022
Total audit fees	1 636	1 471
Tax consultancy	52	16
Transaction services	0	116
Other services	87	0
Total non-audit fees	139	132
Total	1 775	1 603

Information policy

Straumann Group is committed to a policy of open, transparent and continuous information. In accordance with the rules of the SIX Swiss Exchange, the Group publishes detailed sales figures on a quarterly basis as well as annual and half-yearly profitability reports. Detailed information is provided at the AGM and the minutes are published on the company's website. Where necessary or appropriate, the Group also publishes additional information on significant events. The CEO, CFO and the Heads of Investor Relations and Corporate Communication are responsible for communication with investors and representatives of the financial community, media and other external stakeholders.

In addition to the Group's double materiality assessment (see p. 53), personal contacts, discussions and presentations online, the Group held four quarterly financial results online conferences for the media and analysts in 2023. On average, each event was attended by approximately 200 participants by webcast or by conference call. In March 2023, a press conference, attended by more than 55 journalists in person and online, and an in-person investors' and analysts conference with 40 participants were held at the International Dental Show. In addition, Straumann's CEO, CFO and Head of Investor Relations attended eight equity conferences. They also spent a total of 16 days (whereof 14 physically) at roadshow events to meet with investors.

Besides these previously-mentioned events, top management remained in very close contact with its investors and the company organized 11 investor meetings focusing on corporate governance topics with the Chair and the Head of the Human Resources & Compensation Committee.

Research analysts from 18 banks/brokers cover developments at the Straumann Group and are listed online. This figure represents four more analysts than in the previous year.

The Group frequently publishes media releases, briefing documents and other materials, which are archived and available online. The company offers a media release subscription service via its website and takes care to ensure that investor-relevant releases are circulated broadly and in a timely manner according to the rules of the SIX Swiss Exchange and with due regard for the principles of fair disclosure. The company does not update its releases, reports and presentations, which means that the information they contain is only valid at the time of publication. The Group advises against relying on past publications for current information.

Annual report

The Group's annual report, including the compensation report and the non-financial report according to art. 964b CO, is an important instrument for communicating with various stakeholder groups. It is published electronically in English on the company's website.

Media used for reporting purposes

The company's website is www.straumann-group.com. The company's journal of record is the Swiss Official Gazette of Commerce SOGC (Schweizerisches Handelsamtsblatt SHAB).
Subscriptions to the email distribution service (according to Art. 8 of the Directive Ad hoc Publicity, DAH) can be made here. Information according to Art. 9 DAH can be found online.

Further information requests should be addressed to:

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Calendar

Straumann's calendar of planned reporting dates is updated on the company's website.

Quiet periods

The Group's Regulation on Insider Trading shall ensure compliance with insider trading laws and other applicable regulations. All members of the Board of Directors, all members of the EMB and any further Executive Vice Presidents of the Group, the heads of the corporate communications department and of the investor relations department as well as all members of the finance department with access to consolidated accounts of the Group were identified as the persons primarily concerned with insider trading matters.

For all such persons, trading with (as well as issuing recommendations with regard to) Straumann Securities is prohibited during the following regular blocked periods:

a) Between 31 March and the subsequent announcement of the quarterly results
b) Between 30 June and the subsequent announcement of the half-year results
c) Between 30 September and the subsequent announcement of the quarterly results
d) Between 31 December and the subsequent announcement of the annual results

Employees of the Group who temporarily have access to relevant inside information shall also observe the regular blocked periods for as long as they have access to inside information.

The following exceptions allow trading during the regular blocked periods:

- If at a time when a person other than a member of the Board of Directors or the Executive Management Board did not possess inside information, such person entered into a binding contract, provided instructions, or was subject to a written plan (such as an employee incentive plan) for trading securities and the contract, instruction or plan does not allow to exercise any subsequent alteration and influence over when, whether or at what price the purchases or sales of securities shall be executed
- The sale of shares vested under the Straumann Long Term Incentive Plan (see p. 169 for details) under the conditions that (i) such sale of Straumann securities has been irrevocably declared not later than by December 30 of the preceding year and (ii) the plan participant does not temporarily have access to relevant inside information at the time of the declaration
- The purchase of employee shares under the Straumann Employee Share Participation Plan (see p. 167 for details)

COMPENSATION REPORT

Letter from the Chair of the Human Resources & Compensation Committee (HRCC)

Dear Reader,

As Chair of the Human Resources and Compensation Committee, I am pleased to present the compensation report 2023.

In 2023, the Group had a successful year with strong financial results, continued growth and value creation while dealing with the challenges of global geopolitical and macroeconomic uncertainties. Despite these challenges, our people continued to persevere and serve our customers and stakeholders through relentless dedication and commitment that helped create 5.6 million smiles and continue our journey further towards becoming the most customer-focused and innovative oral care company in the world.

> A talent mindset is crucial to achieving sustained value creation

During 2023, the HRCC reviewed and focused on supporting management with initiatives that will continue to build the foundation for sustainable growth and customer driven products and services that shape our continued success today, and in the future. The key initiative that the HRCC focused on during 2023, and will continue to invest in, is reviewing and balancing the talent pipeline. Performing for today and transforming for tomorrow requires a diverse talent landscape, and as our customer needs continuously evolve so do the development and growth needs of the people of the Straumann Group. Care and attention to our talent and growth will ensure that we are developing our people stride by stride with our customers which will strengthen this customer partnership for a sustainable future. The HRCC is convinced that this investment in a talent mindset is crucial to achieving sustained value creation and growth.

Strongly linked to the talent mindset, the HRCC prioritizes recognition as an Employer of Choice. To this end the HRCC continued to review the effectiveness of management in developing people towards new growth opportunities, and ensuring that attractive rewards and connections to opportunities are linked with customer growth and development, both of which are critical for the company's success.

Throughout 2023, the HRCC supported various initiatives targeted at strengthening the Group's high-performance culture through leadership and people development programs. These initiatives are directly at the core of our Group strategy and will embed a group-wide foundational focus on connections to opportunities for our people and customers, propelling the Group to outpace the competition and further establish the Straumann Group as a leader in the oral care space.

Marco Gadola
Chair of the Human Resources & Compensation Committee

A key activity for the HRCC, CEO and the Group at year-end is to review the results of the 2023 engagement survey which showed, similar to the past, a very high level of engagement with a score of 81, and a 91% response rate. The results are consistently higher than the third quartile benchmark yet again, emphasizing the commitment and belief of our people to our purpose. The people feedback element of our high-performance culture is critical to understanding how well we are supporting each other in continued success, and how we can learn from each other in order to energize everyone towards a continued successful and sustainable future that will create millions of new smiles around the world.

> We strive to maintain best practice compensation approaches for our employees

In line with the responsibilities assigned to the HRCC by our shareholders, the HRCC each year reviews best-practice compensation approaches in our Group compensation frameworks to ensure they are competitive, rewarding and relevant to our people. During 2023, the HRCC reviewed the EMB compensation framework against the external benchmark (SMIM companies) using the services of Mercer to understand if we are maintaining best practice and competitive levels in how we remunerate and reward the EMB.

The results indicated that our at-target compensation offering for the EMB needs an adjustment to ensure that the total compensation level and mix are appropriate in driving our strategic initiatives and retaining our talent over the long term. These adjustments will be proposed to the AGM 2024 for approval by the shareholders.

Looking ahead

Our Total Rewards offering follows our pay-for-performance philosophy and is designed to be robust, competitive and to reward successful outcomes. Beyond the 2024 EMB compensation adjustments that will be proposed, the HRCC supported a continued review of the target total reward offering for all levels of the organization to ensure our growth and organizational changes maintain competitiveness with the companies and industries in which we compete for the talent of today, and the talent we will need for the future.

Additionally, the HRCC reviewed the current setup of the performance metrics driving our long-term incentive plan against the Group strategy and concluded that the performance metrics should be modified slightly to incorporate an internal performance metric of EBIT growth, to ensure management focus on internal performance, and are rewarded when achieving it in line with our high-performance culture expectations and outcomes.

The HRCC also focused on cultural initiatives and plans in addition to ensure EMB and senior management focus on inclusion & diversity and the overall 'empowering people' commitment of our sustainability framework. The Group continued to reinforce and make visible the importance of non-discrimination practices, equity and inclusiveness into daily business practices, in addition to a continued focus on workplace flexibility, measures to communicate and collaborate towards increased engagement and expand channels to connect people to opportunities that provide a meaningful experience. The HRCC reviews the progress and compliance of organizational leaders in respect of all of these topics and remains convinced that they are fundamental triggers to the success of our high-performance culture, which consistently helps us to attract and retain talent from around the world, and will continue this focus during 2024 and beyond.

To this end, we will use these foundational elements, in addition to listening to our customers and other key stakeholders to continue driving commitment to the talent agenda of the Group over the short and long term. We remain convinced that the people development agenda, focused on a talent mindset, will continue to provide connections to opportunities and ensure our people continue to grow with our customers' needs.

As the new Chair of the HRCC, I would like to thank all Straumann Group people for their commitment and achievements during 2023. I would also like to express my specific gratitude to the EMB for their continued efforts, as well as to the Board of Directors and to our shareholders, for their confidence and trust in the HRCC as well as their valued input. It has been an exciting first year in this role and I am looking forward to our future initiatives and advancements.

Marco Gadola
Chair of the Human Resources & Compensation Committee

Compensation governance and regulations

This report is prepared in line with Swiss laws and regulations, including the Swiss Code of Obligations and considers the Directive on Information relating to Corporate Governance of SIX as well as the Guidelines of the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

The baseline for the compensation framework in place at Straumann is anchored in the Articles of Association (AoA). At the AGM 2023, shareholders approved the proposed amendments to the Straumann Group Articles of Association to reflect the new provisions of the Swiss Corporate law and to further strengthen shareholder rights.

Article 4.1	**Compensation of the members of the Board of Directors** Compensation of members of the Board of Directors is made up of a fixed base compensation paid out in cash and/or in the form of shares and may include other compensation components and benefits.
Article 4.2	**Compensation of the members of the Executive Management** Compensation of members of Executive Management is made up of fixed (base salary and may include additional compensation components and benefits) and variable compensation components (may include short- and long-term compensation elements). Payouts under the variable short-term compensation components depend on the achievement of annual performance targets. Payouts under the variable long-term compensation components are share-based and adjusted to objective, multi-year performance targets.
Article 4.3	**Supplement to compensation in case of changes in the Executive Management** A supplementary amount is available for any member who joins the Executive Management after the approval of the compensation by the AGM. The additional amount may not exceed in total 30% of the respective last approved total amounts of the (maximum) fixed and variable compensation of the Executive Management.
Article 4.5	**Agreements and non-compete clauses** Employment agreements with the members of the Executive Management can be of temporary or permanent nature whereas the latter have a notice period of no more than twelve months. Non-compete clauses may be agreed upon, whereas the amount of compensation shall not exceed the average of the compensation of the three last business years paid to the relevant member before the separation and may be paid for a period not to exceed one year.

Human Resources & Compensation Committee (HRCC)

The Board of Directors nominates the members of the HRCC for individual election by the Annual General Meeting (AGM) on an annual basis; re-election is possible. In 2023, the committee consisted of three members, Marco Gadola, Regula Wallimann, and Nadia Tarolli Schmidt. Further information on the HRCC can be found on p. 141 of the corporate governance report. Additionally, a list of external mandates of all members of the HRCC, as well as of the EMB can be found at the end of this report.

The Committee is entrusted with the design of the fee structure for the Board of Directors and the total rewards framework for the Executive Management Board (EMB), in addition to the review of the total rewards framework for all employees and other key people programs. The Committee reports its views on these programs to the Board of Directors at least once a year and proposes changes when necessary.

The Chair of the Board of Directors and the CEO participated in all the meetings, except during discussions concerning the evaluation and determination of their own compensation, as guests without voting rights. The HRCC has the right to invite other internal as well as external guests without voting rights to their meetings.

Additional information can be found in the Charter of the Human Resources & Compensation Committee, available in the Organizational Regulations of the company.

Topics addressed by the HRCC in 2023	Feb	Apr	Aug	Oct	Nov
Culture & leadership	✓	✓	✓	✓	✓
Diversity, equity and inclusion	✓			✓	
Initiatives & programs	✓	✓	✓	✓	
Talent management & employee engagement	✓	✓	✓	✓	✓
Rewards	✓	✓	✓	✓	✓
STI: Performance targets framework, etc.	✓	✓		✓	✓
LTI: Grant, vesting, framework, etc.	✓	✓	✓	✓	✓
EMB compensation	✓			✓	
Pension	✓				
Global compensation framework	✓	✓	✓	✓	✓
Global pay equity		✓		✓	✓
ESG	✓	✓	✓	✓	✓
Succession	✓	✓	✓	✓	✓
Key personnel changes	✓	✓	✓	✓	
BoD & EMB succession	✓		✓	✓	✓
Compensation report	✓		✓	✓	✓

The HRCC met five times in 2023 and all its members were present. The Committee spends significant time on high performance culture and leadership-related components in its meetings, specifically during 2023, talent management remained a key focus, particularly at the EMB and senior management level. In addition to a thorough review of key development programs, significant time was spent on ensuring the effectiveness of people managers. In addition, the HRCC assumed a key role in acting as sounding board for empowering equality and inclusion programs at Straumann.

Attention was increasingly given to widened sustainability topics in 2023 by focusing on the sustainability framework. This multifaceted review approach provides a holistic basis for the HRCC to be able to give directional input related to people topics.

Regulations

The Group's compensation schemes for its executives and directors as well as its Articles of Association (AoA) reflect the relevant sections of the Swiss Code of Obligations ('Obligationenrecht'), particularly articles 732 – 735. The AoA do not allow for loans, advances, or credits to any current or former members of the EMB, the Board of Directors, or related parties. In addition, notice periods for the EMB are restricted to a maximum of 12 months. The compensation schemes and AoA are available to the public here as well as the Organizational Regulations of the Board of Directors and the EMB here.

Agreements with the Board of Directors and the Executive Management Board

Agreements are concluded with members of the Board of Directors regarding the payments for their mandate (members are elected for a term of one year) and with members of the EMB regarding their employment. Non-compete clauses are permissible, and compensation may be paid as indemnity where it is determined necessary. In such cases, the compensation must not exceed the average of the compensation of the three last business years paid to the individual and may not be paid for more than one year, as referenced in the AoA.

Compensation

Recommendations and decisions

Recipient	Compensation recommended by	Compensation decided by
Chair of the Board	Human Resources & Compensation Committee/Board of Directors	AGM
Board members		
CEO	Chair of the Board/HRCC	Board of Directors
Executive Management	CEO/HRCC	Board of Directors
Senior management	EMB	CEO
Management and staff	Line Management	EMB

Termination provisions

Variable compensation components are subject to forfeiture clauses that allow for partial or total forfeiture if the individual leaves the Group before the vesting date, subject to the Board of Directors' assessment of the reasons for departure. Further, the agreements with the members of the Board of Directors as well as the EMB do not contain any severance provisions from which a benefit could be obtained in the event of a change of control.

Further, the agreements with the members of the Board of Directors as well as the EMB do not contain any severance provisions from which a benefit could be obtained in the event of a change of control. The AoA do not contain provisions for opting out or opting up. Upon a change of control event, unvested equity-based long-term variable compensation awards vest with the number of the awards being adjusted on a pro-rata basis and the value per award being determined by the Board of Directors. These procedures apply to all recipients of long-term variable compensation awards irrespective of whether they belong to the EMB or not.

Compensation principles

The compensation principles outlined below are valid for everyone working for wholly owned Straumann Group companies.

Ethical, fair standards

The Group seeks to be in full compliance with international labor standards and, as an equal opportunity employer, is committed to treating all its employees fairly and equally. Compensation and access to rewards programs are prohibited from being discriminatory under local regulations. Local minimum wage regulations have no bearing on the remuneration policy, as the compensation surpasses them. The Group's commitment to remain competitive and live up to these standards is reflected in its use of benchmark data for periodic reviews to ensure compliance and internal standards. It is further anchored in the Group's culture of equity and inclusion, under which the aim is to foster an environment of mutual respect, transparency and recognition. Collective bargaining agreements and freedom of association may exist throughout the Group in compliance with laws and regulations.

Value creation drives total rewards

The Group's view is that success depends largely on value creation for all stakeholders by its employees, which should be recognized and rewarded. A modern compensation system and access to competitive rewards are an important instrument for attracting, retaining, motivating, and developing people. Therefore, we conduct regular benchmarking to ensure internal and external fairness, to incentivize sustainable growth and to provide benefits that recognize diverse lifestyles and interests.

Furthermore, our principles are founded on the belief that empowered and engaged employees help drive positive performance and ensure the resilience of our organization. Having an engaging culture energizes our colleagues, helps us attract new talent, increases commitment to purpose and helps us create our future. By giving our employees fulfilling work in a supportive environment that appreciates their wellbeing, we provide our team with the opportunity to fully explore their potential.

This is also reflected in our clearly outlined commitment to the broader societal agenda through the lens of the UN Sustainable Development Goals (SDGs). The UN SDGs are designed to be a 'blueprint to achieve a better and more sustainable future for all'. This commitment contributes to the following UN SDGs: 5 – Gender Equality and 8 – Decent Work and Economic Growth.

Pay for performance

The total compensation of most of our employees includes a balance of fixed and variable elements. With regards to the variable compensation elements, the Group fosters a performance culture that focuses both on what was achieved and how it was achieved. This is done by setting relevant and challenging yet realistic performance ambitions thereby promoting accountability among employees for their performance, aligned to our core beliefs.

The goal of the variable elements is to reward employees for high performance while at the same time effectively addressing underperformance. In combination with share-based long-term compensation elements, the focus of our senior management and particularly the EMB are strongly aligned with the experience and interests of our shareholders.

Comprehensive benchmarking

We seek to attract and retain top talents coming from various industries, with unique and relevant experiences, across many locations. As a result, our compensation benchmarking approach considers various contextual factors such as growth and future aspirations, business complexity, global footprint and geographical competitors and industry considerations.

Benchmark reviews for all Group employees are supported using external surveys which include data from relevant companies in local markets. Our approach is to provide fixed compensation that is competitive with comparable companies. In addition, we set our variable compensation levels to enable total compensation to move towards the upper quartile for sustained outstanding performance.

For the EMB, the external benchmark data includes data from available companies in the SMIM index, which comprises the 30 largest midcap companies in Switzerland. The benchmarking approach considers organizational factors such as market capitalization, headcount and revenue in the context of an individual's roles and responsibilities from a current and aspirational perspective.

The most recent review of the EMB compensation was conducted during 2023 and took a holistic view of the framework and values of compensation positioning of the Executive Board members, as well as a review of the structure and pay-mix of each EMB member. The results indicated that competitive target compensation requires an adjustment to maintain competitive levels based on organizational strategy. A performance based adjustment will be proposed to the AGM for EMB members who were not in a competitive range that reflected their performance. When approved in the 2024 AGM, the adjustment will increase the EMB total compensation by 8.6% for business year 2024.

For the Board of Directors, the most recent external benchmark was conducted in 2021 and no changes were made to the framework or amounts to be delivered to individual members. The Board regularly conducts reviews of prevalent market practices to assess whether a new benchmark exercise would be necessary and will review the need to update it during 2024.

Principles of compensation for the Board of Directors

The compensation of the Board of Directors is subject to the approval of the AGM and consists of fixed compensation components paid in cash and shares in accordance with the AoA. The Board of Directors establishes the compensation payable to its members based on the recommendations of the HRCC and within the limits approved by the AGM. The principles remain unchanged in 2023.

Irrespective of role, all Board members are entitled to reimbursement from the company for their reasonable expenses for travel to and from Board meetings, travel on behalf of the Board and other related incidental expenses, in accordance with the expense regulations for Members of the Board of Directors of Straumann Holding AG.

The Chair of the Board of Directors, who was previously a member of the EMB and served as CEO, participates in the Swiss pension plan, which is a fully funded defined contribution plan. Such coverage is necessary as he does not occupy any other executive function and therefore would otherwise not be covered by any occupational pension scheme.

Board of Directors compensation framework

in CHF 1 000

Recipient	Cash	Equity allocation
Chair	400	300
Board Committee Chair	150	100
Other Board of Directors members	100	100

Furthermore, members of the Board of Directors are provided an opportunity to participate in a Board version of the Straumann pension plan. The Board pension plan mirrors all conditions of the Straumann plan with the exception that all contributions, including the employer portion, are to be funded by the respective members of the Board of Directors themselves without incurring any additional costs to the company.

Members of the Board of Directors are required to hold two years' annual fees in Straumann's shares. Newly elected members must build up the required ownership within two years of their election to the Board of Directors. The HRCC reviews the holdings of the Board members on an annual basis. All applicable members were in compliance with the requirements. The numbers of shares in Straumann Holding AG held by the members of the Board of Directors in office at the end of 2023 are shown in the table on the following page.

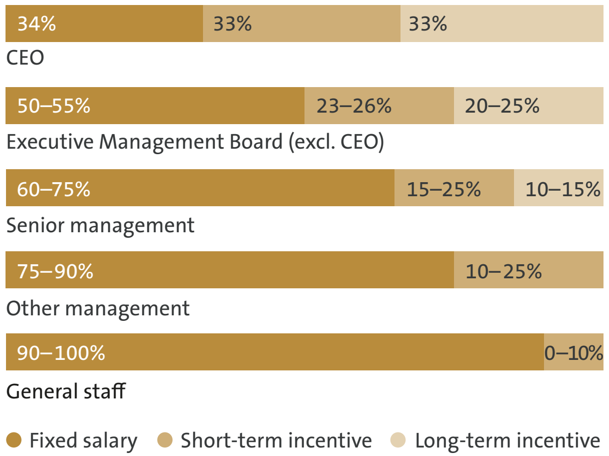
Principles of compensation for the Executive Management Board

The principles for the compensation of the EMB specify both a fixed cash component, which includes base salary and other fixed compensation items, and a variable component in accordance with the AoA, which includes a short-term and a long-term component as well as access to benefits that make up their total rewards. The compensation levels for each EMB member are determined according to the role's responsibilities and are reviewed based on external benchmarks as described in the section entitled comprehensive benchmarking.

The collective financial rewards of the EMB, including the CEO, are subject to approval by the shareholders at the AGM. If there are changes in the EMB after the AGM, the compensation of a new CEO or any other incoming member of the EMB will be determined in accordance with the AoA, which includes stipulations regarding total compensation to be offered and any supplementary compensation to offset losses of rights associated with giving up prior activities.

To demonstrate their commitment to the Group's value creation, EMB members are required to hold Straumann Group equity in a value corresponding at least to the aggregate of their individual annual base salary and short-term incentive at target. The requirement for the CEO is at least the aggregate of the annual base salary, short-term incentive at target and long-term incentive grant value. Incoming EMB members are expected to build up the required equity within five years. The HRCC reviews the holdings of the EMB members on an annual basis. In 2023, all applicable members were in compliance with the requirements and surpassed them in most cases. The numbers of shares in Straumann Holding AG held by the members of the EMB in office at the end of 2023 are shown in the table on the right.

Group pay mix corridor (at-target achievement)



Equity instruments of the Board of Directors and Executive Management (audited table)

2023

	Shares	Performance share units		
		20 Apr 2024	21 Apr 2025	20 April 2026
Board of Directors				
Gilbert Achermann	310 919	0	0	0
Petra Rumpf	30 606	0	0	0
Dr. Olivier Filliol	30 728	0	0	0
Marco Gadola	62 336	0	0	0
Juan José Gonzalez	4 306	0	0	0
Dr h.c. Thomas Straumann	25 044 026	0	0	0
Nadia Tarolli Schmidt	1 496	0	0	0
Regula Wallimann	11 726	0	0	0
Total	25 496 143	0	0	0
Executive Management Board				
Guillaume Daniellot	30 756	9 170	8 961	8 497
Wolfgang Becker	11 212	2 050	1 946	1 943
Jason Forbes	1 647	0	3 073	2 428
Holger Haderer	9 180	1 890	1 946	1 846
Florian Kirsch	3 508	360	512	1 457
Patrick Loh	0	2 210	2 151	2 040
Alastair Robertson	6 534	2 160	2 151	2 040
Sébastien Roche	750	0	2 612	2 137
Aurelio Sahagun	870	3 370	2 560	2 185
Matthias Schupp	4 785	1 400	1 536	1 457
Dr. Christian Ullrich	1 369	1 940	1 844	1 748
Yang Xu	0	0	0	4 856
Total	70 611	24 550	29 292	32 634
Total	**25 566 754**	**24 550**	**29 292**	**32 634**

Group compensation framework

The compensation framework for the Group remained the same in 2023 as in 2022.

Compensation framework

Element	Type	Delivery	Description
Fixed components	Base salary	Cash	• For all employees (including EMB) a fixed compensation, determined by scope and complexity of the role • Generally, within 80–120% of relevant market positioning
Variable components	Short-term incentive	Cash	For senior management and a broad group of employees, paid annually: • Maximum payout potential: 165%, 180% or 190% of target, depending on hierarchy level. Performance measured against business results and financial targets
	Long-term incentive	Performance share units (PSUs)	For the EMB and a defined senior management group: • Two independent performance criteria: absolute TSR, relative TSR (SMIM) • PSUs to shares performance conversion factor: 0 to maximum of 1 share per PSU, per performance condition (maximum overall 2 shares per PSU for both conditions combined) • Three-year vesting period
Benefits	Pension plans		In line with local statutory guidelines and under consideration of the notions of equity and inclusion • Pension plans are de-risked in line with Group guidelines
	Other benefits		In line with local market practices • Benefits are positioned towards relevant market medians where meaningful and necessary
	Employee share participation plan (ESPP)	Blocked shares	• For Swiss-based employees: purchase of Straumann shares up to a maximum of 35% of their annual base salary at a discount of 35% • For senior management, the purchase cap is 25% of annual base salary with a discount of 25% • The shares are blocked for two years

Employee share participation plan

	2023	2022[1]	2021
Employees participating	398	480	299
Shares issued	98 619	103 526	9 014
Discount share price at issue	CHF 102.98[2] CHF 89.25[3]	CHF 97.64[2] CHF 84.62[3]	CHF 927[2] CHF 803[3]
End of blocking period	April 2025	April 2024	April 2023

1 Share split 2022 – 1:10
2 25% discount
3 35% discount

Fixed components

Fixed compensation includes base salary and may include additional cash elements depending on local practice and regulation and is set through the previously described benchmarking practice.

Variable components

Throughout the year in 2023, the HRCC continued their discussions in consideration of the compensation framework and the introduction of ESG targets, specifically in variable elements. The Group continues to focus on ESG both in the day to day business operations, as well as key strategic initiatives, and it has been decided to not yet integrate these criteria directly into compensation frameworks within the Group at this point. We expect continued dialogue within the HRCC, our stakeholders and the Board of Directors on this topic in the future.

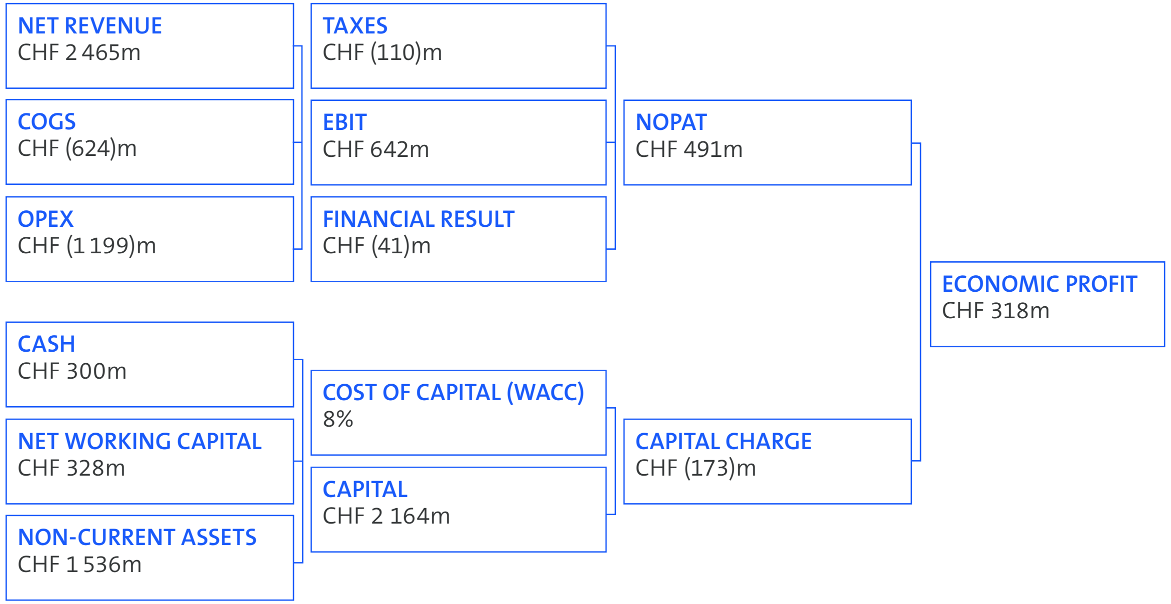
Short-term incentive (STI)

Our STI scheme focuses on rewarding all participating individuals, based on company and team performance, incentivizing growth and value creation, and is weighted as shown in the table below. Our STI scheme focuses on rewarding all participating individuals equally based on company and team performance and incentivizes growth and value creation. The payout is capped at 165%, 180% or 190% of the target, depending on the participant's managerial level and organizational unit focus.

Company performance

Economic profit (EP) is the key performance indicator of company performance, which applies to all STI participants. EP is calculated by deducting a capital charge from the net operating profit after tax (NOPAT). The Board of

2023 EP Core result, FX adjusted



NOPAT = Net operating profit after taxes; COGS = Cost of goods sold; OPEX = Operating expenses;
EBIT = Earnings before interest and taxes.

STI performance criteria weighting 2022 and 2023

Management level	Company performance (economic profit)	Organizational unit performance (financial targets)
Chief Executive Officer	100%	
Executive Management Board	100%	
Senior management	40–100%	0–60%
Management	20–100%	0–80%
Staff	20–100%	0–80%

Targets and weighting by the hierarchical levels.

Directors may exclude extraordinary elements from the calculation. The capital charge represents the cost of capital calculated based on an average equity return expected by investors. The Board of Directors sets the absolute target for EP generation in Swiss francs annually prior to the respective performance cycle. The target is based on medium-term business plans as well as the defined budget for the performance year and is commercially sensitive so that disclosure of such may provide an unfair advantage to Straumann Group's competitors. However, to increase transparency on the compensation decisions, EP performance realized during the respective performance cycle (see p. 168) as well as achievement against the target (see 'realized compensation of the CEO', p. 174) are disclosed.

Organizational unit performance

Specific financial targets are applicable in addition to EP for participants in the majority of our organizational units. These targets are derived from annual budgets and are set by the CEO and CFO together with the member of the EMB responsible for the respective organizational unit. These targets include for example organizational unit performance, sales country/hub/region financial contribution to the group etc.

Long-term incentive (LTI)

The LTI program is designed for the EMB, senior management and other key employees depending on role, responsibility, location, strategic impact and market practice. Participation is determined by the Board of Directors. The plan was introduced in 2012 and is designed to offer an attractive variable compensation element that aligns participants' interests with those of the shareholders and other key stakeholders. The plan uses performance share units (PSU), which are granted to eligible personnel with specific performance conditions that result in a potential vesting into Straumann shares after three years.

Performance share unit grant 2023

PSUs are granted once a year after the AGM and no cash investment is required from the participants. The number of PSUs granted is equal to the participant's LTI contractual grant value divided by the reference value of one PSU at the grant date. The LTI grant value is a percentage of the total target compensation and is determined in accordance with the participant's role in the organization. In 2023, 84 283 PSUs were granted.

Performance share unit value at grant 2023

The value of the PSUs granted is determined based on the notion that it should accurately reflect the inherent risk of the underlying instrument. Under this assumption, for the 2023 grant and in line with previous years, the Group estimates the PSU reference value to be at 25% below the share price at the time of grant, based on historical values where the fair value calculated by external professionals resulted in a range of 20–30% below market prices.

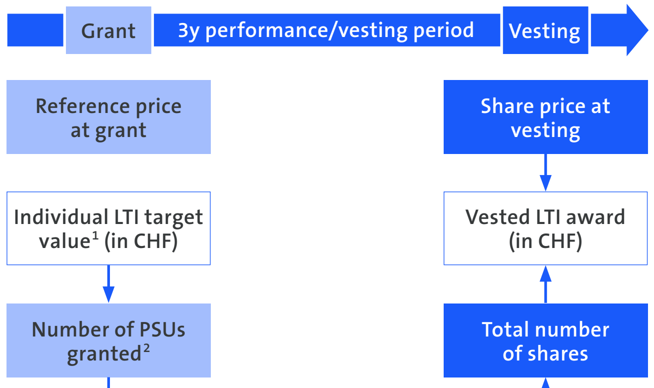
The LTI design includes the possibility for the PSU value at vesting to be higher or lower than the value at grant (or even zero). It is important to consider this potential for fluctuation when linking grant values to total target compensation in order to manage expected compensation with share volatility in the individual's earning potential performance conditions that result in a potential vesting into Straumann shares after three years.

Conversion of PSUs into shares (vesting in 2026)

The 2023 PSU grant will vest at the end of the performance period and will be converted into shares. The number of shares allocated per PSU depends on the achievement of the performance conditions, both directly reflecting the shareholder experience and considered essential for sustaining shareholder value creation:

- Absolute TSR aims to link the LTI value at vesting directly with the absolute value created by the company for its shareholders

Straumann 2023–2026 LTI program



KPIs (equally weighted)				# of shares per PSU
Absolute TSR	Floor	Target	Cap	
Number of shares per PSU	0.0	0.5	1.0	0.0–2.0
Relative TSR	Floor	Target	Cap	
Number of shares per PSU	0.0	0.5	1.0	

1 Grant value is defined as a percentage of the total target compensation taking into account participant's role in the organization
2 Results from division of the individual LTI grant value by the reference price of one PSU

- Relative TSR shows the Group's share performance in the context of the market and in comparison with peer companies (SMIM index)

The performance conditions are weighted equally and vest independently of each other. For each performance condition, the maximum conversion factor is 1 share per PSU, leading to a total maximum conversion factor for the LTI for 2 shares per PSU.

Total shareholder return (TSR)

TSR is the profit (or loss) realized by an investment at the end of a year or specific period. It includes capital gains or losses from changes in the share price as well as gross dividends. Capital gain is calculated using the average of the closing share prices over the period of seven trading days starting on the ex-dividend date in the year of grant and in the year of vesting.

When determining the vesting curves, the Board considers ambitious yet realizable target performance levels to establish a statistically reasonable chance for target achievement. The vesting curves are chosen to warrant an overall more robust LTI program, whereby any decreases or improvements in performance are proportionately reflected in the number of vested PSUs. The Group believes that the overall approach to target setting adds to the competitiveness of its reward system for its executive and senior management and limits the possibility of excessive risk taking.

Absolute total shareholder return

The absolute TSR symmetrical vesting curve is parametrized around the target of 7.0%, whereby the conversion rate of PSUs into shares ranges from 0% to 100%. The target is derived both under consideration of the internally applied cost of capital for the determination of economic profit as well as analyst estimates. Target achievement will result in a conversion rate of half a share per PSU, with any achievements below target achieving a conversion rate on a linear basis down to zero for any result below the minimum threshold. If the absolute TSR CAGR amounts to 14.0% or more, the conversion rate of one PSU amounts to a full share. Maximum achievement of a full share by design must be challenging and this target shall be maintained for the foreseeable future.

Outstanding PSU grants

Group view, including EMB

	2023 (post-split)	2022 (post-split)	2021 (pre-split)
Grant date	20.04.2023	20.04.2022	21.04.2021
Vesting date[1]	20.04.2026	21.04.2025	20.04.2024
Share price at grant	CHF 137.31	CHF 130.18	CHF 1 235.50
PSU reference value[2]	CHF 102.98	CHF 97.64	CHF 926.63
Granted PSUs	84 283	90 390	8 766

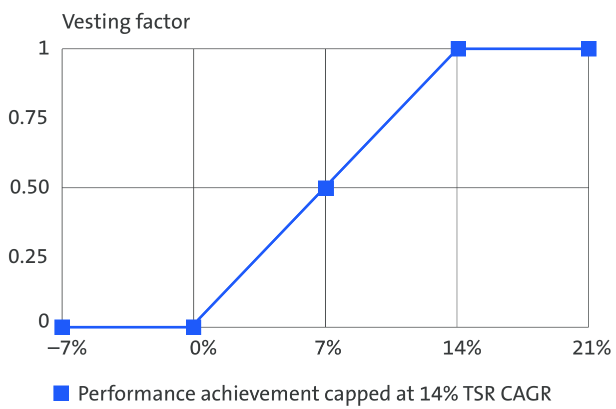
1 Seven trading days after the ex-dividend date
2 Average closing share price of 7 days ex-dividend less 25% discount

Outstanding PSUs as of 31 December 2023

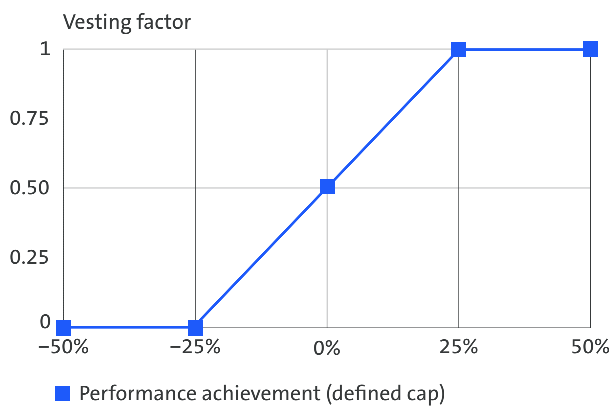
Group view, including EMB

	2023 (post-split)	2022 (post-split)	2021 (pre-split)
As of 1 January	249 891	262 270	29 854
Granted PSUs	84 283	90 390	8 766
Vested PSUs	–90 561	–77 360	–10 299
Forfeited PSUs	–22 004	–25 409	–2 094
As of 31 December	221 609	249 891	26 227

Absolute TSR – CAGR over 3 years



3-year relative TSR versus SMIM in percentage points



Over the past three years the share price has been subject to high market volatility yet still demonstrating a solid growth; however, as the company continues to mature and expand and the overall business environment remains exposed to the ever-increasing risk, the probability of achieving the TSR CAGR returns is expected to be very challenging.

Relative total shareholder return

The relative TSR symmetrical vesting curve allows for no payout in the case of below-pre-defined threshold performance (SMIM performance alignment) and limits the maximum payout to a conversion rate of 100% in case of above-target performance.

No shares are allocated if the Group underperforms the SMIM by 25% points or more (i.e. conversion rate of zero). However, each PSU converts into one share (i.e. conversion rate of 100%) if the Group outperforms the SMIM by 25% points or more. Performance in line with the SMIM results in each PSU converting into half a share as shown in the vesting curves in the chart on p. 170. Relative TSR is calculated by taking the percentage points difference between the TSR of Straumann and that of the SMIM (Swiss Market Index Mid) index.

Performance share unit grant 2024

For the grant year 2024, an additional KPI of absolute EBIT growth (EGA) will be introduced for assessing the performance-related vesting in 2027 for the LTI program. This KPI will be weighted at 50%, with TSR remaining as the other KPI, split between absolute (25%) and relative (25%) with the same thresholds as in previous years. The addition of this KPI reinforces our commitment to the strategic longer term objectives of continued growth value creation and profitability. The Company views the EBIT targets to be of strategic importance and will therefore not disclose the targets and thresholds for this KPI.

Benefits

Pension plans

Internal analysis carried out in recent years showed that Straumann and its subsidiaries fulfil and, in some respects, exceed local legal requirements relating to pension plans. In most cases, pension obligations are fully funded; where this is not the case, liabilities are reported in the annual report following actuarial rules. Further information on pension plans is provided in note 8.2 to the audited consolidated financial statements on p. 219. The pension funds are managed locally and invested through independent financial institutions. For example, the investment strategy of the Swiss pension fund, which represents the largest pension plan of the Group, is determined by the Group's Pension Fund Commission and executed by its Investment Committee. The pension funds publish regular reports for all members.

Other benefits

Straumann Group's benefit programs are designed to support our employees' professional, personal wellbeing and enable the Group to attract and retain talent. Programs are structured to support our overall business strategy and are aligned with local practices and legislation. Examples of benefits include, depending on location, public transport passes, lunch vouchers, the use of company cars, mobile phones and discounts on Straumann products. A global review of the competitiveness and market practice of the benefit plans took place during 2021 and 2022.

Specific to the EMB, according to article 4.3 of the Group's Articles of Association, new members joining the EMB may be eligible to receive compensation for losses incurred because of the change of position. Such lost compensation is replaced on a like-for-like basis (i.e. no increase to the replacement value) and is reported under 'Other compensation and benefits' in the compensation table for the financial year in question.

2023 Board of Directors and Executive Management Board compensation

Compensation for the Board of Directors

The AGM 2023 approved a maximum total compensation for the Board of Directors of CHF 2.7 million for the term of office ending at the AGM 2024. It consists of a fixed fee paid in cash and shares, and includes social security.

In 2023, none of the Board members received any compensation from the Straumann Group other than that disclosed in this report. No compensation was paid to related parties of members of the Board of Directors and no payments were made to former members of the Board of Directors or related parties.

Shareholdings of the Board of Directors

The number of shares in Straumann Holding AG held by the members of the Board of Directors in office at the end of 2023 are shown in the table on p. 166.

Board of Directors compensation (audited table)

in CHF 1 000

2023 2022	Fixed cash compensation	Fixed share compensation	Social security	Other benefits	Pension	Total[1]
Gilbert Achermann (Chair of the Board)	400 400	300 300	48 45	31 31	127 127	**906** **903**
Petra Rumpf (Vice Chair of the Board, Chair of the Sustainability, Innovation & Technology Committee)	140 100	100 100	14 14	0 0	0 0	**253** **214**
Oliver Filliol (from April 2023)	76 0	100 0	10 0	0 0	0 0	**186** **0**
Marco Gadola (Chair of the Human Resources & Compensation Committee)	150 150	100 100	17 17	0 0	0 0	**267** **267**
Juan Jose Gonzalez	100 100	100 100	13 14	0 0	0 0	**213** **214**
Thomas Straumann	100 100	100 100	14 14	0 0	0 0	**214** **214**
Nadia Tarolli Schmidt	100 74	100 100	13 10	0 0	0 0	**213** **184**
Regula Wallimann (Chair of the Audit & Risk Committee)	150 150	100 100	17 17	0 0	0 0	**267** **267**
Beat Lüthi (until April 2023)	38 150	0 100	2 17	0 0	0 0	**40** **267**
Sebastian Burckhardt (until April 2022)	0 26	0 0	0 2	0 0	0 0	**0** **28**
Total	1 254 1 250	1 000 1 000	148 150	31 31	127 127	**2 560** **2 563**

1 Includes employer pension contribution funded by the eligible Board members through a reduction to paid base fees

Compensation of the Executive Management Board

At the AGM 2023, the shareholders prospectively approved a fixed compensation of CHF 9.3 million for the collective EMB (as composed in April 2023) for the period between 1 April 2023 and 31 March 2024. The shareholders also approved a maximum budget of CHF 3.8 million for the collective long-term variable compensation of the EMB for the 2023-2024 grant cycle. The variable STI for the business year ending 31 December 2023 will be submitted for approval by the shareholders at the AGM in 2024 based on the financial achievement of the Group using the economic profit target established in January of each year.

Changes to the EMB

At the end of 2023 the EMB comprised 12 members, compared to 13 members in 2022.

The following EMB appointments and changes were made in 2023:

With effect as of 1 January 2023:
- Marc-Alain Weder joined the Group as Chief Financial Officer ad-interim

With effect as of 21 August 2023:
- Yang Xu was appointed Chief Financial Officer

With effect as of 1 October 2023:
- Rahma Samow left her role as Head Dental Service Organizations (DSO)
- Florian Kirsch was appointed Head of Orthodontics Business Unit in addition to his role as Head of Connected Customer Solutions (CCS)

With effect as of 1 November 2023:
- Camila Finzi left her role as Head of Orthodontics Business Unit
- Marc-Alain Weder's fixed term contract as Chief Financial Officer ad-interim came to an end

In 2023, a replacement award was granted to Yang Xu, who joined the company during the year, to compensate her for lost awards when she resigned from her previous employer, replaced on a like-for-like basis in two installments. The first installment was made in financial year 2023 (CHF 550 000 in cash and equity grants) and an additional final installment of CHF 500 000 in a one-time performance based equity grant in 2024 that will vest in 2027.

2023 fixed compensation

In 2023, no changes were made to the CEO's fixed compensation. In addition, two EMB members received a performance-related compensation adjustment, which on average increased the total EMB compensation by 0.3%.

2023 short-term incentive

The target level of the STI corresponds to 97% of paid base salary for the CEO and between 43–70% of the base salary for the other EMB members. For all EMB members, the payout is capped at 190% of the target. The STI for the 2023 business year resulted in maximum achievement, therefore leading to a payout of 190% of target for all EMB members. This will be paid in April 2024, subject to AGM approval.

Executive Management Board compensation (audited table)

in CHF 1 000

12 members 2023 13 members 2022	Annual base salary	Realized-short-term incentive	Performance share units (grant value)	ESPP discount	Social security & pension[1]	Other compensation & benefits[2]	Total
Guillaume Daniellot (CEO)	900[4]	1 663	875	37	442	61	3 978
	863	1 639	875	35	370	71	3 853
Other members[3]	5 292	5 441	2 685	28	1 711	1 872	17 029
	5 323	4 420	2 535	40	1 720	1 928	15 965
Total	6 192	7 104	3 560	65	2 153	1 933	21 007
	6 185	6 059	3 410	75	2 090	1 999	19 818

1 This amount includes estimated social security contributions related to PSU grants to align the timing of social security reporting with the compensation element that creates it
2 Other compensation includes automobile lease for EMB members on Swiss contracts in addition to local benefits for EMB members in LATAM, APAC and CHF 550 000 for the 2023 replacement award for Yang Xu, CFO
3 Includes members residing outside of Switzerland who receive their compensation in local currency, converted into CHF for reporting purposes
4 Reflects the annualized effect adjustment to base salary of CHF 900k in April 2022

2023 long-term incentive

The target value of the CEO's LTI contractual grant value corresponds to 97% of annual base salary, while the target value of the respective LTI contractual grant values for other EMB members varies between 40–77% of base salary. In total, 34 577 PSUs were granted to EMB members in 2023, thereof 8 497 for the CEO and in total 26 080 for the other members of the EMB.

With reference to the 2020 grant that vested in April 2023, seven EMB members including the CEO were eligibile for vesting as the others had left the company prior to vesting. The maximum vesting factor of 2 shares per PSU granted resulted in a combined vested value of CHF 8.1 million for 2023. The vesting value represents a realized value of 298% of the 2020 grant through the maximum vesting factor of 2 shares per PSU and share price accretion during the three-year period. Additionally the CEO realized vesting in 2023 was the first CEO related LTI grant from 2020, which was higher than in his previous EMB role in North America.

The LTI performance between the grant in April 2020 and vesting in April 2023 exceeded the maximum performance thresholds, thus resulting in maximum vesting achieved.

Compensation ratios

In 2023, the average fixed compensation of all employees in the Group amounted to CHF 75 378 per person (not including Executive Management). Compared to 2022 the average has dropped by 5.8% due to our growth into locations where the compensation standards are lower than the 2022 global average, and the strength of the Swiss franc reporting currency in adjusting local compensation in countries outside Switzerland for reporting purposes.

The ratio of the annual total compensation for the CEO compared to the median annual total compensation for all employees in 2023 (excluding the CEO) is 43:1. The CEO did not receive an increase during 2023, therefore all employees receiving an increase in 2023 would be a higher percentage. All employees of the Straumann Group were included in this analysis, using full-time equivalent compensation amounts. Compensation elements included in the analysis were annual base salary, target bonus and cash benefits for the calendar year.

2023 Realized compensation of the CEO

in CHF 1 000

Fixed compensation	Contractual 12 month salary	Annualized effect	ESPP discount	Realized social security and pension	Other compensation and benefits	Realized fixed compensation
	900	900	37	442	61	1 440

Variable compensation

STI-related	LTI-related[1]	Quantitative measures and their contribution to variable compensation		Realized performance	Realized vs target performance	Target/granted compensation[2]	Realized variable compensation[2]
✓		Economic Profit 2023	100%	Max. achievement	190%	875	1 663
	✓	Absolute total shareholder return (TSR) Apr 2020 to Apr 2023	50%	Max. achievement	1 share per PSU	600	2 915 (includes conversion of 2 shares per PSU for max KPI achievement + share price accretion between grant and realization date)
	✓	Relative total thareholder return (TSR) Apr 2020 to Apr 2023	50%	Max. achievement	1 share per PSU		

1 2020 grant which vested in 2023
2 Amounts shown in CHF 1 000

Approval of compensation

Compensation approved and dispensed

in CHF 1 000

	Board of Directors	Executive Management Board
Compensation earned during the financial year 2023 (A)	2 560	12 710[1]
Compensation earned for the period 1 January to 31 March 2023 (3 months) (B)	377	2 112
Compensation to be earned for the period from 1 January to 31 March 2024 (3 months) (C)	400	2 400[1]
Total compensation earned from 1 April 2023 to 31 March 2024 (A)–(B)+(C)	2 582	12 998
Amount approved by shareholders at the AGM 2023	2 700	13 100[1]
Compensation dispensed by the company within approved amount	yes	yes

1 Does not include the STI for performance year 2023 in the amount of TCHF 7 104 to be paid in 2024 and the compensation awarded to the CFO, who joined after the AGM approval of respective compensation (in the amount of TCHF 1 193)

The Board of Directors determines the compensation of the individual members of the Board and the EMB based on the recommendations of the HRCC and within the limits set by the AGM. The relevant criteria are explained on p. 165 and the compensation awarded to the Board of Directors and the EMB is disclosed in the tables on p. 172 and on p. 173.

The AGM approves the maximum compensation payable to the Board of Directors and the EMB. At the 2024 AGM, the shareholders will be asked to approve:

- The total compensation of the Board of Directors from 1 April 2024 to 31 March 2025
- The total fixed compensation of the EMB from 1 April 2024 to 31 March 2025
- The short-term incentive (STI) of the EMB for the 2023 business year
- The total long-term incentive (LTI) for the 2024 grant including grant-related social security for the EMB

The approved STI of the EMB for the 2022 performance year was paid in April 2023 as approved by the AGM.

The reconciliation of approved and dispensed compensation for the 2023–2024 AGM period is shown in the table on the right.

A part of the compensation of the new member of the EMB, Yang Xu, CFO, was funded by the allowable supplemental compensation that is available in such cases based on Article 4.3 of the AoA.

Other mandates of Board of Directors and Executive Management Board members

The following table includes external mandates of the member of the EMB and the Board of Directors at other companies with an economic purpose in line with the disclosure requirement under Article 734e OR in the compensation report, as well as all activities and positions of the respective members in line with requirements under Section 3.2 and Section 4.2 of the Annex to Directive on Information relating to Corporate Governance of SIX.

Straumann Group Executive Management Board – memberships on other Boards (audited table)

EMB member	Company	Position
Guillaume Daniellot	Rodenstock GmbH	Member of the Advisory Board
Yang Xu	Gamestop Corp. (listed)	Member of the Board
Patrick Loh	Essence & DM Dental Industry Investment Partnership	Chair
Aurelio Sahagun	Harvard Dental School	Member of the Board of Fellows

Straumann Group Board of Directors – memberships on other Boards (audited table)

Member	Listed companies	Private companies	Not-for-profit organizations	Location	Function
Gilbert Achermann	Julius Bär Group AG/ Bank Julius Bär & Co. AG			CH	Board member
	Ypsomed AG			CH	Chair
		Unilabs		DK	Chair
		GreenTEG		CH	Board member
			International Institute for Management Development (IMD)	CH	Supervisory Board member
			Basel Chamber of Commerce	CH	Board member
			International Team for Implantology (ITI)	CH	Board member
			Swiss Medtech	CH	Board member
Olivier Filliol	Givaudan			CH	Board member
Marco Gadola	DKSH			CH	Chair
	MCH Group			CH	Vice Chair
	Medartis Holding AG			CH	Chair
		Bühler Group		CH	Board member
		AVAG Anlage und Verwaltungs AG		CH	Board member
		WS Audiology Ltd		DK	Chair
			Schweizerische Management Gesellschaft	CH	Advisory Board member
			Swiss American Chamber of Commerce	CH	Advisory Board member
			Basel Chamber of Commerce	CH	Board member
			Society of Political Economy and Statistics, Basel	CH	Chair
Petra Rumpf	V-Zug Holding			CH	Board member
	Vimian Group			SE	Board member
		LimaCorporate		IT	Board member (until 3.1.2024)
		SHL-Medical		CH	Board member (Chair Audit Committee)
Thomas Straumann	Medartis Holding AG			CH	Vice Chair
		Centervision AG		CH	Chair
		CHI Classics Basel Ltd		CH	Chair

Member	Listed companies	Private companies	Not-for-profit organizations	Location	Function
Nadia Tarolli Schmidt	Basellandschaftliche Kantonalbank (State Bank)			CH	Supervisory Board member
	Medartis Holding AG			CH	Board member
		EGK Group Companies		CH	Board member
		Parkresort Rheinfelden Holding AG		CH	Board member
		IKEA Pension Fund		CH	Supervisory Board member
		Genossenschaft Stadion St. Jakob-Park		CH	Board member
		BiomedVC AG		CH	Board member
		VISCHER AG		CH	Board member
			Nordic Cultural and Educational Foundation	CH	Supervisory Board member
Regula Wallimann	Adecco Group AG			CH	Board member
	Helvetia Holding AG			CH	Board member
		Swissgrid AG		CH	Board member
		Radar Topco S.à.r.l, (including Swissport Group, Opfikon, Switzerland)		LU	Board member
			University of St. Gallen, Institute of Accounting, Control and Auditing (ACA-HSG)	CH	Supervisory Board member

EY
Building a better working world

To the General Meeting of
Straumann Holding AG, Basel

Basel, 26 February 2024

Report of the Statutory auditor on the audit of the compensation report

Opinion
We have audited the compensation report of Straumann Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked 'audited' on pages 166, 172, 173 and 176 to 178 of the compensation report.

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

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

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

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' on pages 166, 172, 173 and 176 to 178 in the compensation report, the consolidated financial statements, the stand-alone 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 financial statements
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 financial statements
Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Fabian Meier
Licensed audit expert
(Auditor in charge)

Adrian Hottinger
Licensed audit expert

FINANCIAL REPORT STRAUMANN GROUP

Alternative performance measures

The financial information in this annual report release includes certain alternative performance measures (APMs), which are not accounting measures defined by IFRS® Accounting Standards.

CORE FINANCIAL MEASURES are non-IFRS Accounting Standards measures because they cannot be derived directly from Group consolidated financial statements. Management believes that these measures, when provided in combination with reported results, will provide readers with helpful supplementary information to better understand the financial performance and position of the Group on a comparable basis from period to period. These core financial measures are not a substitute for, or superior to, financial measures prepared in accordance with IFRS Accounting Standards. In the periods under review, core financial measures are adjusted to exclude the following significant items:

- PPA amortization: Special items and amortization of intangible assets that result from the purchase price allocation (PPA) following acquisitions.
- Impairments: Impairment write-offs of financial or non-financial assets as a result of unusual or one-time events in legal or economic conditions, change in consumer demands or damage that impacts the asset. The amount disclosed in 2023 mainly represents the goodwill impairment charge recognized in the CGU 'DrSmile Business' (Note 4.4).
- Restructuring: One-off costs resulting from major restructuring exercises. The amount disclosed in 2023 represents restructuring costs incurred in LATAM, APAC and EMEA sales regions. The amount disclosed in 2022 represents the costs incurred following the acquisition of PlusDental and the Group's conclusion to run its direct-to-consumer clear aligner business in Europe exclusively under the DrSmile brand.
- Legal cases: Non-recurring and significant litigation charges. Expenses related to legal disputes in the course of the Group's ordinary business activities are not adjusted.
- Pension plan: One-time settlements, plan amendment gains or losses stemming from pension accounting.
- Consolidation result of former associates: Revaluation gains and losses as a result of obtaining control over former associates.
- Other: Non-recurring, unusual and infrequent incidents that cannot be allocated to any of the preceding categories.

A reconciliation of IFRS Accounting Standards to core measures is disclosed in the table at the end of this section.

Further, the Group discloses VARIOUS KEY PERFORMANCE INDICATORS (KPI). Unless otherwise stated, the following KPI are based on IFRS Accounting Standards figures, as disclosed in the consolidated financial statements:

Organic revenue growth

Revenue growth excluding the revenue contribution from business combinations (calculated by adding pre-acquisition revenues of the prior period to the existing revenue growth base) and currency effects.

Revenue growth in local currencies

Revenue growth excluding currency effects. Those effects are calculated using a simulation by reconsolidating the prior period revenues with the current year foreign exchange translation rates.

Net cash (net debt)

Net debt is an indicator of the Group's ability to meet financial commitments, to pay dividends and to undertake acquisitions. The KPI is calculated by subtracting financial liabilities (excluding lease liabilities) and retirement benefit obligations from cash and cash equivalents.

Net working capital (net of cash)

Working capital is capital invested in the Group's operating activities. It is a driver for cash flow and an indicator of operational efficiency. Net working capital combines the subtotals of current assets and current liabilities, excluding the lines cash and cash equivalents, current financial assets and current financial liabilities.

Days of supplies (DOS)

The days of supplies indicate the average time in days that the Group takes to turn its inventory. The numerator is the balance sheet position 'inventories' at year-end and the denominator is the 'cost of goods sold' of the past three months, multiplied by 90 days.

Days of sales outstanding (DSO)

The days of sales outstanding indicate the average number of days the Group takes to collect its receivables. The numerator is the balance sheet position 'trade receivables' at year-end and the denominator is the 'net revenues' of the past three months, multiplied by 90 days.

Return on assets (ROA)
Return on assets expresses the earning power of the Group's assets. The numerator is the profit for the period of the past 12 months and the denominator is the average balance sheet total for the same period.

Equity ratio
The equity ratio is calculated by dividing total equity by total assets.

Return on equity (ROE)
Return on equity compares profitability of the Group in relation to the equity invested. The numerator is the profit for the period of the past twelve months and the denominator is the average equity for the same period.

Capital employed
Capital employed equals current assets, property, plant and equipment, right-of-use assets, intangible assets minus cash and cash equivalents and non-interest-bearing liabilities.

Return on capital employed (ROCE)
Return on capital employed expresses the earning power of the Group's invested capital. The numerator is the operating profit (EBIT) of the past twelve months and the denominator is the average capital employed for the same period.

Free cash flow
Free cash flow represents the cash-generating capability of the Group to conduct and maintain its operations, to finance dividend payments, to repay debt and to undertake acquisitions. Free cash flow equals net cash from operating activities less purchase of property, plant and equipment, less purchase of intangible assets, plus net proceeds from property, plant and equipment.

Dividend payout ratio
A dividend payout ratio is the percentage of earnings paid to shareholders of Straumann Holding AG: the proposed dividend payout in the following year divided by the Group's core net profit of the past 12 months.

Core result reconciliation 2023

(in CHF 1 000)	IFRS 2023	PPA amortization	Restructuring	Impairments	CORE 2023
Revenue	2 411 819				2 411 819
Cost of goods sold	(624 554)	4 502	1 143		(618 909)
Gross profit	1 787 265	4 502	1 143	0	1 792 910
Other income	7 075		(10)		7 066
Distribution expense	(452 036)	5 443			(446 593)
Administrative expense	(931 332)	4 264	27 202	152 906	(746 960)
Operating profit	410 973	14 208	28 336	152 906	606 422
Finance income	110 890				110 890
Finance expense	(167 173)		1 930		(165 244)
Share of results of associates	(9 068)				(9 068)
Profit before income tax	345 621	14 208	30 265	152 906	543 000
Income tax expense	(98 811)	(3 101)	482	(331)	(101 761)
NET PROFIT	246 810	11 107	30 747	152 575	441 239
Attributable to:					
Shareholders of the parent company	246 072	11 011	30 747	152 575	440 405
Non-controlling interests	738	95			833
Basic earnings per share (in CHF)	1.54				2.76
Diluted earnings per share (in CHF)	1.54				2.76
Operating profit	410 973	14 208	28 336	152 906	606 422
Depreciation & amortization	289 550	(9 834)	(6 020)	(152 906)	120 790
EBITDA	700 523	4 374	22 316	0	727 212

Core result reconciliation 2022

(in CHF 1 000)	IFRS 2022	PPA amortization	Restructuring	Impairments	CORE 2022
Revenue	2 320 785				2 320 785
Cost of goods sold	(566 049)	132	1 303		(564 615)
Gross profit	1 754 736	132	1 303		1 756 170
Other income	4 856				4 856
Distribution expense	(442 976)	6 198	3 397		(433 382)
Administrative expense	(781 266)	47 123	9 051		(725 093)
Operating profit	535 350	53 452	13 750		602 553
Finance income	107 187				107 187
Finance expense	(136 892)				(136 892)
Share of results of associates	(7 210)				(7 210)
Profit before income tax	498 435	53 452	13 750		565 638
Income tax expense	(63 655)	(15 537)	(4 400)		(83 592)
NET PROFIT	434 780	37 915	9 350		482 046
Attributable to:					
Shareholders of the parent company	434 789	37 811	9 350		481 950
Non-controlling interests	(9)	105			96
Basic earnings per share (in CHF)	2.73				3.03
Diluted earnings per share (in CHF)	2.72				3.02
Operating profit	535 350	53 452	13 750		602 553
Depreciation & amortization	166 499	(53 452)	(3 519)		109 528
EBITDA	701 849	0	10 231		712 081

Consolidated statement of financial position

Assets

(in CHF 1 000)	Notes	31 Dec 2023	31 Dec 2022
Property, plant and equipment	4.1	503 875	448 463
Right-of-use assets	4.2	204 521	215 030
Intangible assets	4.3	907 696	777 950
Investments in associates	2.2	163 136	172 172
Financial assets	7.1	19 488	40 303
Other receivables		26 035	21 402
Deferred income tax assets	7.7	106 951	104 900
Total non-current assets		1 931 702	1 780 220
Inventories	5.1	366 912	321 172
Trade and other receivables	5.2	580 638	544 842
Financial assets	7.1	8 974	2 858
Income tax receivables		23 443	28 240
Cash and cash equivalents	5.3	410 310	696 103
Total current assets		1 390 277	1 593 215
TOTAL ASSETS		3 321 979	3 373 435

Equity and liabilities

(in CHF 1 000)	Notes	31 Dec 2023	31 Dec 2022
Share capital	7.5	1 595	1 595
Retained earnings and reserves		1 834 584	1 850 003
Total equity attributable to the shareholders of the parent company		1 836 179	1 851 598
Non-controlling interests		2 427	2 247
Total equity		1 838 606	1 853 845
Other liabilities	6.2	213 368	43 093
Income tax liabilities		15 232	13 756
Financial liabilities	7.2	420 196	403 117
Provisions	6.1	27 253	22 438
Retirement benefit obligations	8.2	33 644	12 386
Deferred income tax liabilities	7.7	59 503	52 696
Total non-current liabilities		769 196	547 486
Trade and other payables	5.4	588 317	574 107
Financial liabilities	7.2	30 239	307 198
Income tax liabilities		91 400	79 826
Provisions	6.1	4 221	10 973
Total current liabilities		714 177	972 104
Total liabilities		1 483 373	1 519 590
TOTAL EQUITY AND LIABILITIES		3 321 979	3 373 435

Consolidated income statement

(in CHF 1 000)	Notes	2023	2022
Revenue	3.1	2 411 819	2 320 785
Cost of goods sold		(624 554)	(566 049)
Gross profit		1 787 265	1 754 736
Other income		7 075	4 856
Distribution expense		(452 036)	(442 976)
Administrative expense		(931 332)	(781 266)
Operating profit		410 973	535 350
Finance income	7.4	110 890	107 187
Finance expense	7.4	(167 173)	(136 892)
Share of results of associates	2.2	(9 068)	(7 210)
Profit before income tax		345 621	498 435
Income tax expense	7.7	(98 811)	(63 655)
NET PROFIT		246 810	434 780
Attributable to:			
Shareholders of the parent company		246 072	434 789
Non-controlling interests		738	(9)
Basic earnings per share attributable to ordinary shareholders of the parent company (in CHF)	3.2	1.54	2.73
Diluted earnings per share attributable to ordinary shareholders of the parent company (in CHF)	3.2	1.54	2.72

Consolidated statement of comprehensive income

(in CHF 1 000)	2023	2022
Net profit	246 810	434 780
Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods:		
Net foreign exchange result on net investment loans	(49 408)	(27 015)
Exchange differences on translation of foreign operations	(65 507)	(22 757)
Share of other comprehensive income / (loss) of associates accounted for using the equity method	(24)	(2)
Income tax effect	6 450	3 554
Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods	(108 490)	(46 220)
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods:		
Change in fair value of financial instruments designated through other comprehensive income	(1 622)	13 962
Remeasurements of retirement benefit obligations	(24 002)	51 139
Income tax effect	2 745	(8 074)
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods	(22 879)	57 027
Other comprehensive income / (loss), net of tax	(131 369)	10 807
TOTAL COMPREHENSIVE INCOME / (LOSS), NET OF TAX	115 442	445 587
Attributable to:		
Shareholders of the parent company	114 847	446 379
Non-controlling interests	595	(792)

Consolidated cash flow statement

(in CHF 1 000)	Notes	2023	2022
Net profit		246 810	434 780
Adjustments for:			
Income tax	7.7	98 811	63 655
Net interest result		11 535	14 612
Financial impairment expense	7.4	1 922	0
Share of results of associates	2.2	9 068	7 210
Share-based payments expense	8.1, 8.3	13 934	14 051
Other non-cash items		25 771	9 134
Depreciation and amortization	4.5	130 233	162 705
Impairment	4.5	159 317	3 794
Change in provisions, retirement benefit obligations and other liabilities		(25 980)	(1 842)
Change in long-term assets		(4 032)	(3 342)
Working capital adjustments:			
Change in inventories		(84 132)	(90 847)
Change in trade and other receivables		(76 011)	(174 711)
Change in trade and other payables		85 111	91 654
Interest paid on lease liabilities	7.2	(7 789)	(6 627)
Interest paid		(7 885)	(7 557)
Interest received		6 794	3 550
Income tax paid		(79 527)	(105 064)
Cash flows from operating activities		503 950	415 155

(in CHF 1 000)	Notes	2023	2022
Purchase of financial assets		(65)	(1 489)
Proceeds from sale of financial assets		18 658	1 783
Purchase of property, plant and equipment		(153 770)	(161 605)
Purchase of intangible assets		(35 663)	(33 829)
Purchase of investments in associates		(10 600)	(87 350)
Disposal of investments in associates		1 885	0
Acquisition of a business, net of cash acquired	2.1	(116 767)	(150 488)
Contingent consideration paid		(54 847)	(7 151)
Proceeds from loans		79	4 058
Disbursement of loans		(1 126)	(866)
Dividends received from associates		1 882	1 224
Net proceeds from sale of non-current assets		1 001	1 054
Cash flows from investing activities		(349 332)	(434 659)
Purchase of non-controlling interests	7.2, 7.3	0	(13 955)
Repayment of non-current financial debts	7.2	(1 332)	(5 672)
Increase in non-current financial debts	7.2	32 369	0
Repayment of current financial debts	7.2	(281 045)	(169)
Dividends paid to the equity holders of the parent	7.6	(127 445)	(107 432)
Dividends paid to non-controlling interests		(466)	(590)
Payment of lease liabilities	7.2	(28 169)	(28 585)
Capital increase		0	8 956
Sale of treasury shares		9 025	0
Purchase of treasury shares		(27 336)	(6 862)
Cash flows from financing activities		(424 398)	(154 309)
Exchange rate differences on cash held		(16 013)	(10 507)
Net change in cash and cash equivalents		(285 793)	(184 320)
Cash and cash equivalents at 1 January	5.3	696 103	880 423
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5.3	410 310	696 103

Consolidated statement of changes in equity

2023

(in CHF 1 000)	Notes	Attributable to the shareholders of the parent company Share capital	Share premium	Treasury shares	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2023		1 595	102 012	(11 080)	(464 107)	2 223 178	1 851 598	2 247	1 853 845
Net profit						246 072	246 072	738	246 810
Other comprehensive income / (loss)					(114 772)	(16 453)	(131 225)	(143)	(131 369)
Total comprehensive income / (loss)		0	0	0	(114 772)	229 619	114 847	595	115 442
Dividends to equity holders of the parent	7.6					(127 445)	(127 445)		(127 445)
Dividends to non-controlling interests							0	(466)	(466)
Share-based payment transactions						15 392	15 392		15 392
Purchase of treasury shares				(27 336)			(27 336)		(27 336)
Usage of treasury shares				37 059		(28 034)	9 025		9 025
Changes in consolidation group							0	51	51
Put options to non-controlling interests						97	97	0	97
AT 31 DECEMBER 2023		1 595	102 012	(1 357)	(578 879)	2 312 808	1 836 179	2 427	1 838 606

2022

(in CHF 1 000)	Notes	Attributable to the shareholders of the parent company Share capital	Share premium	Treasury shares	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2022		1 592	70 567	(5 462)	(415 118)	1 843 821	1 495 400	5 048	1 500 448
Net profit						434 789	434 789	(9)	434 780
Other comprehensive income / (loss)					(48 989)	60 579	11 590	(783)	10 807
Total comprehensive income / (loss)		0	0	0	(48 989)	495 368	446 379	(792)	445 587
Issue of share capital	7.5	2	31 445			(22 491)	8 956		8 956
Dividends to equity holders of the parent	7.6					(107 432)	(107 432)		(107 432)
Dividends to non-controlling interests							0	(590)	(590)
Share-based payment transactions						13 416	13 416		13 416
Purchase of treasury shares				(6 862)			(6 862)		(6 862)
Usage of treasury shares				1 244		(1 244)	(0)		(0)
Put options to non-controlling interests						1 741	1 741	(1 419)	322
AT 31 DECEMBER 2022		1 595	102 012	(11 080)	(464 107)	2 223 178	1 851 598	2 247	1 853 845

Notes to the consolidated financial statements

1 General information and accounting policies

1.1 Corporate information

The Straumann Group (SIX: STMN) is a global leader in tooth replacement and orthodontic solutions that restore smiles and confidence. It unites global and international brands that stand for excellence, innovation and quality in restorative, prosthetic, corrective and digital dentistry, including Anthogyr, ClearCorrect, Dental Wings, Medentika, Neodent, NUVO, Straumann and other fully or partly owned companies and partners.

In collaboration with leading clinics, institutes and universities, the Group researches, develops, manufactures and supplies dental implants, instruments, CADCAM prosthetics, orthodontic aligners, biomaterials and digital solutions for use in tooth correction, replacement and restoration or to prevent tooth loss.

Headquartered in Basel, Switzerland, the Group currently employs more than 11 100 people worldwide. Its products, solutions and services are available in more than 100 countries through a broad network of distribution subsidiaries and partners.

The consolidated financial statements of the Straumann Group for the year ended 31 December 2023 were authorized for issue in accordance with a resolution of the Board of Directors on 26 February 2024 and are subject to approval by the annual general meeting on 12 April 2024.

1.2 Basis of preparation

Statement of compliance

The consolidated financial statements of the Group were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

They were prepared on a historical cost basis except certain financial assets and financial liabilities (including derivative financial instruments), which were measured at fair value. The consolidated financial statements are presented in Swiss francs (CHF) and all values are rounded to the nearest thousand except where otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Straumann Holding AG and its subsidiaries as at 31 December 2023.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as for the parent company, using consistent accounting policies. All intra-Group balances, income and expenses as well as unrealized gains and losses resulting from intra-Group transactions are eliminated in full.

Changes in equity interests in Group subsidiaries that reduce or increase the Group's percentage ownership without loss of control are accounted for as an equity transaction between owners.

Associates

Associates are those entities over which the Group has significant influence, but neither control nor joint control. Significant influence is the power to participate in the financial and operating policy decisions. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of changes in equity of the investee after the date of acquisition. The Group's share of results of operations is recognized in profit or loss, while any change in other comprehensive income of the associates is presented as part of the Group's other comprehensive income.

1.3 Changes in accounting policies

Amendments effective in 2023

The following amendments apply for the first time in 2023 but do not have a material impact on the consolidated financial statements of the Group:

- IAS 1 (Amendments) and IFRS Practice statement 2 'Disclosure of Accounting Policies' (effective 1 January 2023)
- IAS 8 (Amendments) 'Definition of Accounting Estimates' (effective 1 January 2023)
- IAS 12 (Amendments) 'Deferred tax related to assets and liabilities arising from a single transaction' (effective 1 January 2023)
- IAS 12 (Amendments) 'International Tax Reform—Pillar Two Model Rules' (effective 1 January 2023)

Standards, amendments and interpretations that are not yet effective and have not been adopted early by the Group

The following standards and amendments to existing standards, which are relevant to the Group, have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2024 or later periods and the Group has not adopted them early:

- IAS 1 (Amendments) 'Classification of liabilities as current or non-current' (effective 1 January 2024)
- IAS 7 and IFRS 7 (Amendments) 'Disclosures: Supplier Finance Arrangements' (effective 1 January 2024)
- IFRS 16 (Amendments) 'Lease Liability in a Sale and Leaseback' (effective 1 January 2024)
- IAS 21 (Amendments) 'Lack of exchangeability' (effective 1 January 2025)

The Group currently assumes that the applications of these standards and amendments will not have a material impact on the presentation of the consolidated financial statements.

1.4 Critical accounting estimates, assumptions and judgments

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of the asset or liability affected in the future. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are stated below.

Contingent considerations

The Group has entered into several contingent consideration arrangements arising from business combinations. Those arrangements are structured either as deferred purchase price payments or as contingent payments on the achievement of measure of profits or milestone targets. The fair values of the financial liabilities arising from those arrangements are based on the expected payment amounts and are discounted to present value using a risk-adjusted rate. The significant unobservable inputs and their sensitivity to the fair values are disclosed in Note 7.3.

Impairment of non-financial assets

Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable or when an annual impairment test is required, which is applicable for goodwill and the brands with an indefinite useful life (Neodent, Medentika, ClearCorrect, Anthogyr and DrSmile).

When value-in-use calculations are undertaken, management has to estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases

Critical judgments relating to lease terms are required for lease accounting. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Management judgment is required in determining the worldwide liabilities for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. When the final tax outcome differs from the amounts that were initially recognized, the difference impacts current earnings. Uncertain tax positions are included in current and non-current income tax liabilities.

Pension and other employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations, which involve making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The net employee retirement benefit obligation at 31 December 2023 was CHF 33.6 million (2022: CHF 12.4 million). Further details are given in Note 8.2.

1.5 Summary of material accounting policies

Foreign currency translation

The consolidated financial statements are presented in Swiss francs (CHF), which is Straumann Holding AG's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using this functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency exchange rate on the balance sheet date. All differences are taken to profit or loss with the exception of differences arising on monetary items that in substance form part of an entity's net investment in a foreign operation. Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Any goodwill arising from the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The assets and liabilities of foreign operations are translated into Swiss francs at the exchange rate on the balance sheet date and their income statements are translated at the average exchange rates for the year. The exchange differences arising from the translation are taken directly to a separate component of other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the plant and equipment when that cost is incurred. Repair and maintenance costs are recognized in profit or loss as incurred.

A straight-line method of depreciation is applied over the estimated useful life. Estimated useful lives of major classes of depreciable assets are:

- buildings: 20– 30 years
- plant, machinery and other equipment: 3–10 years

Leasehold improvements are depreciated over the lease term including optional extension of the lease period but not exceeding its economic life. The residual values, useful lives and methods of depreciation of assets are reviewed and adjusted, if appropriate, at the end of each financial year.

Leases

The Group leases land, various buildings, plant and machinery and other equipment. Rental contracts are typically made for fixed periods but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
Leases are recognized as a right-of-use asset and a corresponding liability (included in financial liabilities) at the commencement of the lease. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets

Right-of-use assets are measured at cost and comprise the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities

Liabilities arising from a lease are initially measured on a present value basis, using country-specific incremental borrowing rates. This rate is calculated based on the risk-free rate of the country plus a premium considering the Group's risk premium. The following lease payments are included in the net present value:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mainly comprise IT equipment.

Extension and termination options are included in a number of lease contracts across the Group. These terms are used to maximize operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects the assessment and is within the control of the lessee. Lease liabilities are disclosed as part of the current and non-current financial liabilities in the statement of financial position.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the acquisition date, irrespective of any non-controlling interests. The excess of the costs of the acquisition above the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill is initially measured at cost. If the costs of the acquisition are less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in profit or loss.
After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring the specific software into use. Intangible assets acquired in a business combination are identified separately and recognized at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost, less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding development costs and software, are not capitalized and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or in the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible asset.

The amortization methods applied to the Group's intangible assets are summarized as follows:

	Customer & distribution relationships	Technology	Brands & trademarks	Development costs	Software
Useful life	Finite	Finite	Finite/infinite	Finite	Finite
Amortization method	Straight-line basis	Straight-line basis	Straight-line basis/none	Straight-line basis	Straight-line basis
Time period	Usually 7–15 years	Over estimated useful life but not exceeding 10 years	Usually 20 years/ not applicable	Over period of expected sales from the related project but not exceeding 3 years	Over estimated useful life but not exceeding 5 years
Internally generated or acquired	Acquired	Acquired	Acquired	Internally generated/ acquired	Internally generated/ acquired

The acquired brands Neodent, Medentika, ClearCorrect, Anthogyr and DrSmile play key roles in the Group's strategic priorities to accelerate growth in core markets and strategic segments. The useful lives of these brands are determined to be indefinite based on the successful and continuing internationalization through the Group's own network of country organizations and third-party distributors, and cash flows are expected to continue indefinitely.

The Group further determines the indefinite useful lives on the following significant factors:

- The brand's indefinite life assessment is based on the business fundamentals, industry and underlying products with a track record of stability and high barrier to market entry. Management is strongly committed to continuing to invest for the long term to extend the period over which the brands will contribute to the Group's profitable revenue.
- There are no indications of any commercial obsolescence of the brands. The recognition of these brands has increased permanently since the acquisition date.
- There are no indications of declining market demand in the respective industry.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries, or other available fair value indicators.

Impairment losses of continuing operations are recognized in the income statement in the expense categories consistent with the function of the impaired asset. For assets excluding goodwill and intangible assets with indefinite life, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If there is such an indication, the Group makes an estimate of the recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount.

Goodwill and intangible assets with indefinite life are tested annually for impairment or whenever there are impairment indicators. Impairment is determined by assessing the recoverable amount of the cash-generating units to which the goodwill and intangible assets with indefinite life relate. Where the recoverable amount of the cash-generating units is less than their carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill and intangible assets with indefinite life on 30 November.

Financial assets

The Group recognizes a financial asset on the trade date at which it becomes a party to the contractual obligations of the instrument. Financial assets are initially measured at fair value. Acquisition-related costs are to be included, unless the financial asset is measured at fair value in subsequent periods. The Group subsequently measures financial assets at either amortized cost or fair value.
The Group has the following categories of financial assets:

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest

Financial assets measured at fair value through profit or loss

Financial assets other than those classified as measured at amortized cost are subsequently measured at fair value with all changes in fair value recognized in profit or loss.

Financial assets measured at fair value through OCI

For investments in equity instruments that are not held for trading, the Group elected at initial recognition to present gains and losses in other comprehensive income. Gains and losses are never reclassified to the income statement and no impairments are recognized in profit or loss. Dividends earned from such investments are recognized in the income statement unless the dividend clearly represents a repayment of part of the cost of the investment.

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. In the case of financial instruments for which there is no active market, fair value is determined using valuation techniques such as recent arm's length market transactions, the current market value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Trade and other receivables

Trade and other receivables are measured at amortized cost using the effective interest method less any impairment losses. Non-interest receivables are discounted by applying rates that match their maturity upon first-time recognition. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Impairment of financial assets

At each balance sheet date, the Group assesses whether a financial asset or group of financial assets is impaired.

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. A provision matrix is established that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Inventories

Inventories are valued at the lower of cost or net realizable value. Raw material costs are determined by using the weighted average cost method. The cost of finished goods and work in progress comprises direct materials and labor and a proportion of manufacturing overhead, valued at standard cost. Standard costs are regularly reviewed and, if necessary, revised to reflect current conditions.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. Work in progress and finished goods are valued at manufacturing cost, including the cost of materials, labor and production overheads. Inventory write-downs are recorded in the case of slow-moving or obsolete stock.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of short-term bank overdrafts.

Put options to non-controlling interests

It is common practice for the Group to write put options and acquire call options in connection with the remaining shares held by the non-controlling shareholders mainly as part of a business combination. If the Group has acquired a present ownership interest as part of a business combination, the present value of the redemption amount of the put option is recognized as a financial liability with any excess over the carrying amount of the non-controlling interest recognized as goodwill. In such a case, the non-controlling interest is deemed to have been acquired at the acquisition date and therefore any excess arising should follow the accounting treatment as in a business combination. All subsequent changes in the redemption value of the financial liability are recognized in the income statement and no earnings are attributed to the non-controlling interest.

However, where the Group has not acquired a present ownership interest as part of a business combination, the non-controlling interest continues to receive an allocation of profit or loss and is reclassified as a financial liability at each reporting date as if the acquisition took place at that date. Any excess over the reclassified carrying amount of the non-controlling interest and all subsequent changes in the redemption value of the financial liability are recognized directly in retained earnings.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Financial liabilities

Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs and have not been designated as at fair value through profit or loss. After initial recognition, interest-bearing loans and borrowings are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading as well as financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derivative financial instruments and hedging

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its risks associated with fluctuations in interest rates and foreign currencies. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Derivative instruments that do not qualify for hedge accounting are classified as financial assets at fair value through profit or loss (if positive), or as financial liabilities at fair value through profit or loss (if negative). Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the income statement.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges – when hedging the exposure to changes in the fair value of a recognized asset, or liability, or an unrecognized firm commitment (except for foreign currency risk)
- cash flow hedges – when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability, or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting, the risk management objective and the strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) resulting from a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement, net of any reimbursement. If the effect of the time-value of money is material, provisions are discounted. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense.

Employee benefits

Pension obligations

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in the income statement.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term employee benefits – bonuses

As part of the annual compensation, most employees receive a bonus which depends on the course of business. The individual bonus is calculated by multiplying an individual base amount with a mix of financial, functional and individual target achievements which varies by hierarchical level and function. The bonus is usually settled in cash during the first quarter of the subsequent year.

The Group recognizes a liability and an expense for these bonuses based on calculations which adequately consider all these parameters.

Share-based compensation

The Board of Directors, Executive and senior management receive part of their remuneration in the form of share-based payment transactions, whereby these individuals render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is measured with reference to the fair value at the date on which they are granted. The fair value is determined either based on observable market prices or by external valuation experts using an appropriate pricing model, further details of which are given in Note 8.3.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the Board of Directors, Executive Management and senior management become fully entitled to the award (the vesting date).

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized at the beginning and end of that period.

The dilutive effect of outstanding performance share units (PSUs) is reflected as additional share dilution in the computation of earnings per share (Note 3.2).

Selected employees have the right to buy Straumann shares. The difference between the fair value at grant and the cash consideration paid by the employees is immediately recognized as personnel expense.

Revenue recognition

Revenues generated with implant and restorative solutions as well as simple orthodontic treatments are generally recognized at the point in time of shipment to, or receipt by, the customer, or when the services are performed. Revenues stemming from complex and prolonged orthodontic treatments are recognized over time. The Group measures and allocates revenues according to the output method and considers the relevant factors such as expected treatment duration and invoiced amounts. Those factors may vary over time depending upon the unique facts and circumstances related to each performance obligation in making these estimates.

The amount of revenue to be recognized is based on the consideration the Group expects to receive in exchange for its goods and services. If products are sold with a right of return and future returns can be reasonably estimated, a refund liability (included in trade and other payables) and a right of return asset (included in trade and other receivables) are recognized. In doing so, the estimated rate of return is applied, determined based on historical experience of customer returns and considering any other relevant factors. This is applied to the amounts invoiced, also considering the amount of returned products to be destroyed versus products that can be placed back in inventory for resale. The Group's obligation to provide a refund for faulty products under the warranty terms is recognized as a provision.

Disaggregation of revenue from contracts with customers

The Group derives revenue from contracts with customers in the geographical regions disclosed in Note 3.1.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods represents the best estimate of the tax amount expected to be paid or received and reflects uncertainty related to income taxes, if any. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred income tax

Deferred income tax is determined using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect to taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future

Deferred income tax assets are recognized for all deductible temporary differences and carry-forwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forwards of unused tax credits and unused tax losses can be utilized, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect to deductible temporary differences associated with investments in subsidiaries and associates. Deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the deferred income tax assets can be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply for the year in which the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set current income tax assets off against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2 Investments

2.1 Business combinations

Transactions in 2023

ALLIEDSTAR

On 22 November 2023, the Group acquired Alliedstar Medical Technology Co., Ltd (AlliedStar), based in China. AlliedStar, an intraoral scanner manufacturer, will enable the Group to offer customers in China a competitive intraoral scanner solution and to address additional price-sensitive markets and customer segments in the future.

The Group acquired 51% of the issued shares for a cash consideration and acquired the remaining 49% through forward purchase arrangements (FPA) until the end of 2029 with the minority shareholders of AlliedStar. The net assets recognized as part of this acquisition, except of cash and cash equivalents, are provisional, as the purchase price allocation had not been finalized by the date of approval of these financial statements by the Board of Directors. The deferred consideration consists of several components such as fixed payments, commerical and technical milestone achievements and cash payments linked to the share price development of Straumann Holding AG. On 31 December 2023, the provisional fair value of the contingent consideration payments amounted to CHF 151.7 million.

GALVOSURGE DENTAL AG

On 1 June 2023, the Group acquired 100% of GalvoSurge Dental AG (GalvoSurge), privately owned and based in Switzerland for a total cash consideration of CHF 31.8 million. GalvoSurge is a manufacturer of dental devices and equipment and has developed a dental implant cleaning system to remove microorganisms from exposed, electrically conductive dental implants anchored in the jawbone. The acquisition enables the Group to meet the increasing demand for peri-implantitis treatments and protect patients from implant loss. Contingent consideration payments depend on the performance of the business as well as technical milestones. On 31 December 2023, the fair value of the contingent consideration payments amounted to CHF 33.8 million.

BALTIC DISTRIBUTORS

On 30 September 2023, the Group acquired 100% of four legal entities in the Baltic market based in Lithuania, Estonia and Latvia for a total cash consideration of CHF 17.2 million. The investment enables the Group to supply customers directly and to invest in the development of the market. Contingent consideration payments depend on the performance of the business. On 31 December 2023, the fair value of the contingent consideration payments amounted to CHF 14.5 million.

OTHER BUSINESS COMBINATION

On 1 January 2023, the Group acquired OxiMaTec GmbH, a German company that specializes in ceramics. The total purchase price amounted to CHF 2.0 million of which CHF 0.5 million was paid in cash in 2023. The business combination had no material impact on the Group's revenues or net profit.

The fair values of the identifiable assets and liabilities at the respective business combination dates are as follows:

(in CHF 1 000)	AlliedStar (provisional)	GalvoSurge	Baltic distributors	OxiMaTec
Assets				
Property, plant and equipment	874	303	306	185
Right-of-use assets	923	171	1 778	0
Intangible assets:				
Brand	4 023	1 536	0	0
Technology	58 513	11 918	0	0
Customer relationship	1 360	0	11 657	0
Other intangible assets	0	0	2	34
Inventories	1 614	208	5 249	62
Trade and other receivables	5 643	21	5 752	23
Cash and cash equivalents	2 073	489	695	182
Total assets	75 022	14 646	25 439	485
Liabilities				
Financial liabilities	923	849	1 778	0
Deferred income tax liabilities	9 584	2 506	1 803	13
Provisions and other long term liabilities	865	0	0	0
Trade and other payables	1 739	195	7 017	204
Total liabilities	13 112	3 549	10 598	217
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	61 910	11 096	14 841	269
Goodwill	162 153	54 238	17 196	1 700
Net assets aquired	224 063	65 334	32 037	1 969
Satisfied in cash	70 706	31 800	17 207	492
Contingent consideration	153 357	33 534	14 829	0
Satisfied in prior periods				1 477
Total	224 063	65 334	32 037	1 969
Cash flow				
Net cash acquired	2 073	489	695	182
Cash paid	(70 706)	(31 800)	(17 207)	(492)
NET CASH FLOW	(68 633)	(31 311)	(16 512)	(311)

The fair value of intangible assets related to brand are determined using the relief-from-royalty method (AlliedStar and GalvoSurge). The fair value of the intangible assets related to technology (Allied Star and GalvoSurge) and customer relationships (Baltic distributors) are determined using the excess earnings method. The fair value of the intangible assets related to customer relationships for AlliedStar is determined using the replacement cost approach. The methods are based on management business plans, observable market data for risk-adjusted discount rates, tax rates and foreign exchange rates. Goodwill, which is not deductible for tax purposes, comprises intangible assets that are not separable such as expected synergy effects and employee know-how.

At the date of the business combination, the fair value of the trade receivables amounted to CHF 0.6 million for AlliedStar and CHF 5.0 million for the Baltic distributors. The gross contractual amount for the trade receivables of the Baltic distributors is CHF 5.4 million, of which CHF 0.4 million is expected to be uncollectable. For AlliedStar the fair values did not materially differ from the contractual gross amount.

The business combinations had no material impact on the Group's revenues or net profit, neither from the acquisition date, nor when considering an inclusion of the acquisition as of 1 January 2023.

Transactions in 2022

NIHON IMPLANT CO. LTD

On 20 January 2022, the Group acquired 85% of the issued shares in Nihon Implant Co., Ltd. (Nihon), privately owned and based in Japan, for a total cash consideration of CHF 30.4 million. Nihon is a leading national implant referral service provider and offers consultancy services related to implant treatment, dental clinics and technicians and laboratory products. The acquisition enables the Group to communicate directly with health consumers which will help to raise awareness of the advantages of implants.
The Group also entered into a forward purchase arrangement (FPA) with the minority shareholders of Nihon to gradually acquire the remaining 15% equity until the end of 2026 for a consideration based on Nihon's average financial performance over the same period. As the Group has acquired a present ownership interest in the shares and considering the contractual obligation to purchase the remaining shares, those remaining shares are accounted for as acquired.
On 31 December 2022, the fair value of the contingent consideration payments amounted to CHF 10.6 million.

The business combination had no material impact on the Group's revenues or net profit, neither from the acquisition date, nor when considering an inclusion of the acquisition as of 1 January 2022.

SUNSHINE SMILE GMBH

On 1 July 2022, the Group acquired 100% of the issued shares in Sunshine Smile GmbH (PlusDental), privately owned and based in Germany, for a total cash consideration of CHF 119.1 million. PlusDental is a provider of orthodontic treatment solutions in Europe.

From the acquisition date, PlusDental contributed a loss of CHF 52.5 million. The business combination had no material impact on the Group's revenues neither from the acquisition date, nor when considering an inclusion of the acquisition as of 1 January 2022.
The fair values of the identifiable assets and liabilities at the respective business combination dates are as follows:

(in CHF 1 000)	Nihon	PlusDental
Assets		
Property, plant and equipment	69	4 161
Right-of-use assets	4 196	3 996
Intangible assets:		
Brand	21 210	43 511
Distribution relationships	19 607	0
Other intangible assets	22	685
Deferred tax assets	2 943	0
Inventories	0	252
Trade and other receivables	1 888	6 916
Cash and cash equivalents	5 119	8 632
Total assets	55 054	68 153
Liabilities		
Financial liabilities	9 340	18 801
Deferred income tax liabilities	13 878	13 053
Trade and other payables	1 993	13 555
Total liabilities	25 211	45 409
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	29 843	22 744
Goodwill	12 256	96 327
Consideration	42 099	119 071
Satisfied in cash	30 363	119 071
Contingent consideration	11 736	0
Settlement of assumed financial liabilities	0	14 805
Total	42 099	133 876
Cash flow		
Net cash acquired	5 119	8 632
Cash paid	(30 363)	(133 876)
NET CASH FLOW	(25 244)	(125 244)

The fair value of intangible assets related to brand are determined using a relief-from-royalty method. The fair value of the intangible assets related to the distribution relationships is determined using an excess earnings method. The methods are based on management business plans, observable market data for risk-adjusted discount rates, tax rates and foreign exchange rates. Goodwill, which is not deductible for tax purposes, comprises intangible assets that are not separable such as expected synergy effects and employee know-how.

At the date of the business combination, the fair value of the trade receivables for Nihon amounted to CHF 1.4 million and for PlusDental CHF 1.8 million. The gross contractual amount for the trade receivables of PlusDental is CHF 2.8 million, of which CHF 1.0 million is expected to be uncollectable. For Nihon the fair values did not materially differ from the contractual gross amount.

Contingent consideration payments for Nihon depend on the performance of the business. At the balance-sheet date, the fair value of the financial liability amounted to CHF 10.6 million.

2.2 Investments in associates

The Group has investments which are accounted for as associated companies. From a Group perspective, the following associates are material at the reporting date:

(in CHF 1 000)	2023		2022	
	Balance sheet value	Net income statement effect	Balance sheet value	Net income statement effect
CareStack, USA	62 143	(6 220)	74 473	(3 504)
botiss medical AG, Germany	35 137	932	36 715	900
Rapid Shape GmbH, Germany	18 992	779	19 246	(241)
Others	46 864	(4 559)	41 738	(4 365)
TOTAL	163 136	(9 068)	172 172	(7 210)

CareStack

CareStack is a US-based company offering a cloud-based dental software solution designed for dental practices. It is a private entity that is not listed on any public exchange. The Group has an interest of 36.3% in the entity. Management has assessed the level of influence that the Group has on CareStack and determined that it has significant influence and therefore applies the equity method of accounting.

botiss medical AG

botiss medical AG is a leading international supplier of oral tissue regeneration products. It is a private entity that is not listed on any public exchange. The Group has an interest of 30% in the entity. Management has assessed the level of influence that the Group has on botiss medical AG and determined that it has significant influence and therefore applies the equity method of accounting.

Rapid Shape GmbH

Rapid Shape GmbH specializes in the development and manufacture of high-end 3D printing systems for additive manufacturing. It is a private entity that is not listed on any public exchange. The Group has an interest of 35% in the entity. Management has assessed the level of influence that the Group has on Rapid Shape GmbH and determined that it has significant influence and therefore applies the equity method of accounting.

The tables below provide summarized financial information for CareStack, botiss medical AG and Rapid Shape GmbH. The information disclosed reflects the amounts presented in the financial statements of these companies and not the Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and modifications for differences in accounting policies.

(in CHF 1 000)	2023			2022		
	CareStack	botiss medical AG	Rapid Shape GmbH	CareStack	botiss medical AG	Rapid Shape GmbH
Current assets	50 493	23 221	24 873	74 687	18 080	21 027
Non-current assets	27 595	30 922	6 957	27 852	34 503	7 885
Current liabilities	(1 186)	(11 661)	(16 592)	(467)	(8 488)	(14 070)
Non-current liabilities	(6 480)	(7 489)	(2 122)	(7 307)	(8 347)	(3 257)
Net assets	70 423	34 993	13 116	94 766	35 748	11 584
RECONCILIATION TO CARRYING AMOUNT						
Opening / acquired net assets	94 766	35 748	11 584	73 011	38 595	12 876
Result for the period	(17 116)	3 107	2 225	(11 151)	3 002	(691)
Other comprehensive income	(62)	(10)	0	(1)	(9)	0
Dividends declared	0	(1 864)	0	0	(3 935)	0
Capital increase	0	0	0	33 376	0	0
Currency translation adjustments	(7 166)	(1 987)	(693)	(469)	(1 904)	(602)
Closing net assets at 31 December	70 423	34 993	13 116	94 766	35 748	11 584
Group's share in %	36.3	30.0	35.0	36.3	30.0	35.0
Group's share	25 592	10 498	4 591	34 438	10 724	4 055
Goodwill	40 225	30 557	17 682	40 225	30 557	17 682
Currency translation adjustments on goodwill	(3 674)	(5 918)	(3 281)	(190)	(4 567)	(2 490)
CARRYING AMOUNT	62 143	35 137	18 992	74 473	36 715	19 246

Summarized comprehensive income statements of CareStack, botiss medical AG and Rapid Shape GmbH for the period, where the Group has significant influence:

(in CHF 1 000)	2023			2022		
	CareStack	botiss medical AG	Rapid Shape GmbH	CareStack	botiss medical AG	Rapid Shape GmbH
Revenue	9 769	30 978	29 414	4 425	30 954	29 387
Result from continuing operations	(17 116)	3 107	2 225	(11 151)	3 002	(691)
RESULT FOR THE PERIOD	(17 116)	3 107	2 225	(11 151)	3 002	(691)
Other comprehensive income / (loss)	(62)	(10)	0	(1)	(9)	0
TOTAL COMPREHENSIVE INCOME / (LOSS)	(17 178)	3 097	2 225	(11 152)	2 993	(691)

Other investments

In addition to the investments in CareStack, botiss medical AG and Rapid Shape GmbH disclosed above, the Group also has investments in other associates that are accounted for using the equity method. Considered individually they are immaterial for the presentation of the Group's financial statements. In 2023, the Group invested CHF 10.4 million in the associate Smilecloud S.R.L. (2022: CHF 6.1 million in 3D Diagnostix, Inc. and Digital Design Solutions S.A.E.).

The following table shows aggregated financial information about the other investments in associates:

(in CHF 1 000)	2023	2022
Aggregate carrying amount of individually immaterial associates	46 864	41 738
AGGREGATE AMOUNT OF GROUP'S SHARE OF:		
Result from continuing operations	(4 559)	(4 365)
RESULT FOR THE PERIOD	(4 559)	(4 365)
TOTAL COMPREHENSIVE INCOME / (LOSS)	(4 559)	(4 365)

3 Operating performance

3.1 Operating segments

Operating segments for reporting purposes are determined based on the Group's management approach. The external segment reporting aligns with the internal organizational and management structure used within the Group and the financial reporting to the chief operating decision maker (CODM), identified as the Executive Management Board (EMB). The EMB is responsible for the Group's operational management, following the guidance of the Board of Directors. Additionally, it oversees global strategy and stakeholder management.

The reporting segments are presented consistently with the internal reporting to the CODM. The centralized headquarter support functions (e.g. finance, information technology, human resources) and business units such as 'Customer Solutions & Education' and 'Research & Development' are not considered operating segments, as they do not generate separate revenues. Instead, these functions are grouped under the column 'Not allocated items'.

Starting from 1 January 2023, the Group implemented an organizational change to optimize its operations. As part of this strategic decision, the previous operating segments, namely 'Sales Central Eastern Europe, Middle East and Africa' (Sales CEEMEA) and 'Sales Western Europe' (Sales WE), were merged into a new unified operating segment called 'Sales Europe, Middle East and Africa' (Sales EMEA).

The change was reflected in the comparative information to ensure consistency and accuracy in reporting, aligning it with the structure in place at the balance sheet date.

Sales Europe, Middle East and Africa

'Sales EMEA' comprises the Group's own distribution businesses in the EMEA region, as well as the business with EMEA distributors. The segment also includes the production facility of Medentika in Germany, which manufactures implants and prosthetic components, the implant-supported prosthetics business of Createch and the production facilities of Anthogyr, a French company that develops and manufactures dental implant systems and CADCAM solutions, as well as the DrSmile entities. It comprises segment-related management functions inside and outside Switzerland.

Sales North America

'Sales NAM' comprises the Group's own distribution businesses in the United States and Canada. It also includes the development and production activities of ClearCorrect in the USA and US-based Bay Materials, a company specializing in the design, development and supply of high-performance thermoplastics for orthodontic applications. The segment also includes the development and production activities of Dental Wing in Canada. It comprises segment-related management functions within and outside Switzerland.

Sales Asia Pacific

'Sales APAC' comprises the Group's own distribution businesses in the Asia pacific region, as well as the business with Asian distributors. It includes AlliedStar, a manufacturer of intraoral scanners (IOS) in China, the business of T-Plus, a Taiwanese company that develops and manufactures dental implant systems and has distribution channels in Taiwan and China, and Nihon, a Japanese provider of implant referrals. It comprises segment-related management functions inside and outside Switzerland.

Sales Latin America

'Sales LATAM' comprises the Group's own distribution businesses in Middle and South America as well as the business with Latin American distributors. It includes the production sites of Neodent in Brazil (which manufactures implants, biomaterials, CADCAM products and clear aligners) and Yller Biomateriais, a Brazilian company specializing in the development and manufacture of high-tech materials for 3D printing. It comprises segment-related management functions in Switzerland and abroad.

Operations

'Operations' acts as the principal towards all distribution businesses of the Group. It comprises the main production facilities for implant components and instruments in Switzerland, France and the United States, the CADCAM milling centers in Germany, Japan and the United States, the production facility in Sweden for biomaterials and sterile-packaged products and GalvoSurge Dental, a Swiss company specializing in state-of-the-art solutions for dental implants and care. The segment also includes all of the company's logistics functions. It does not include the production facilities of Neodent, Medentika, ClearCorrect, AlliedStar, Dental Wings, Createch, T-Plus, Anthogyr, Bay Materials and Yller Biomateriais.

Information about profit or loss, assets and liabilities

2023

(in CHF 1 000)	Sales EMEA	Sales NAM	Sales APAC	Sales LATAM	Operations	Not allocated items	Eliminations	Group
Revenue third party	1 053 547	699 629	451 181	207 462	0	0	0	2 411 819
Revenue inter-segment	116 317	93 424	87	58 361	1 204 896	0	(1 473 085)	0
Total revenue	1 169 864	793 053	451 268	265 823	1 204 896	0	(1 473 085)	2 411 819
Depreciation and amortization	(30 182)	(13 156)	(12 755)	(18 106)	(32 524)	(23 510)	0	(130 233)
Impairment	(149 941)	(3 051)	0	(5 485)	(679)	(161)	0	(159 317)
Other expenses / income	(1 076 643)	(732 385)	(437 998)	(208 259)	(424 280)	(191 276)	1 359 545	(1 711 296)
Operating result	(86 902)	44 461	515	33 973	747 413	(214 947)	(113 540)	410 973
Finance income and expense								(56 284)
Share of result of associates								(9 068)
Income tax expense								(98 811)
NET RESULT								246 810
Segment assets	838 502	421 044	554 334	514 642	578 561	179 172	(473 136)	2 613 119
Unallocated assets, thereof:								
Cash and cash equivalents								410 310
Deferred income tax assets								106 951
Financial assets								28 463
Investments in associates								163 136
GROUP								3 321 979
Segment liabilities	379 008	108 856	120 795	85 943	215 594	347 088	(283 849)	973 435
Unallocated liabilities, thereof:								
Deferred income tax liabilities								59 503
Financial liabilities								450 435
GROUP								1 483 373
Addition in non-current assets	51 922	10 397	8 023	57 809	64 736			192 887

Transfers between the segments are generally executed at adjusted market-based prices, taking into account the higher cost efficiency and lower risk of intragroup transactions.

Transactions between the segments are eliminated in the course of consolidation and the eliminated amounts are shown in 'Eliminations'. The remaining operating profit under 'Eliminations' represents the net change in inter-segment elimination of unrealized profits from the transfer of goods between Group companies. Addition in non-current assets consists of additions of property, plant and equipment, right-of-use assets and intangible assets.

2022

(in CHF 1 000)	Sales EMEA[1]	Sales NAM	Sales APAC	Sales LATAM	Operations	Not allocated items	Eliminations	Group
Revenue third party	1 016 913	702 573	422 595	178 704	0	0		2 320 785
Revenue inter-segment	105 924	92 714	204	44 387	1 187 346	0	(1 430 575)	0
Total revenue	1 122 837	795 287	422 799	223 091	1 187 346	0	(1 430 575)	2 320 785
Depreciation and amortization	(72 809)	(14 243)	(14 428)	(14 437)	(27 661)	(19 127)	0	(162 705)
Impairment	(3 526)	0	0	0	(245)	(23)	0	(3 794)
Other expenses / income	(1 017 609)	(739 095)	(409 012)	(176 441)	(381 193)	(190 371)	1 294 785	(1 618 936)
Operating result	28 893	41 949	(641)	32 213	778 247	(209 521)	(135 790)	535 350
Finance income and expense								(29 705)
Share of result of associates								(7 210)
Income tax expense								(63 655)
NET RESULT								434 780
Segment assets	966 780	412 504	287 211	434 634	632 578	54 061	(430 669)	2 357 099
Unallocated assets, thereof:								
Cash and cash equivalents								696 103
Deferred income tax assets								104 900
Financial assets								43 161
Investments in associates								172 172
GROUP								3 373 435
Segment liabilities	314 190	127 553	136 755	70 180	151 004	211 818	(254 921)	756 579
Unallocated liabilities, thereof:								
Deferred income tax liabilities								52 696
Financial liabilities								710 315
GROUP								1 519 590
Addition in non-current assets	40 867	13 279	14 334	45 868	96 128			210 476

1 Restated to conform to the 2023 segment reporting format

Non-current assets by location

(in CHF 1 000)	2023	2022[1]
Switzerland	417 551	357 483
China	274 623	33 112
US	272 264	305 863
Brazil	257 243	226 907
Germany	257 170	413 579
Other	300 377	276 671
GROUP	1 779 228	1 613 615

1 Prior year's presentation has been adapted to the current year format.

Non-current assets include property, plant and equipment, right-of-use assets, investments in associates and intangible assets.

Revenues with external parties

(in CHF 1 000)	2023	2022
BY PRODUCT CATEGORY		
Implant solutions	1 320 565	1 221 695
Restorative solutions	542 055	550 309
Other	549 199	548 781
GROUP	2 411 819	2 320 785
BY LOCATION OF CUSTOMER		
Switzerland	39 918	39 236
US	618 940	608 630
China	258 553	243 502
Germany	242 413	237 854
Brazil	153 452	134 951
France	125 337	112 107
Japan	109 056	112 015
Other	864 150	832 490
GROUP	2 411 819	2 320 785

- The product category implant solutions comprises primarily implants and related instruments.
- The product category restorative solutions comprises abutments and related parts as well as milling elements.
- Other comprises scanner hardware, software licenses, orthodontics, biomaterials, customer training and other miscellaneous products.

Revenues are allocated to countries based on the location of customers. The Group has a diverse and geographically widely spread customer base. No single customer accounts for 10% or more of total Group revenues.

3.2 Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of Straumann Holding AG by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

	2023	2022
Net profit attributable to shareholders (in CHF 1 000)	246 072	434 789
Weighted average number of ordinary shares outstanding	159 396 811	159 314 481
BASIC EARNINGS PER SHARE (IN CHF)	1.54	2.73

Diluted earnings per share

Diluted earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of Straumann Holding AG by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential of outstanding equity instruments into ordinary shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the performance share units.

	2023	2022
Net profit used to determine diluted earnings per share (in CHF 1 000)	246 072	434 789
Weighted average number of ordinary shares outstanding	159 396 811	159 314 481
Adjustments for instruments issued	206 503	257 031
Weighted average number of ordinary shares for diluted earnings per share	159 603 314	159 571 512
DILUTED EARNINGS PER SHARE (IN CHF)	1.54	2.72

There were no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

4 Tangible and intangible assets

4.1 Property, plant and equipment

2023

(in CHF 1 000)	Land	Buildings	Plant and machinery	Other	Total
COST					
At 1 January	22 173	264 570	441 763	168 332	896 838
Change in consolidation scope (Note 2.1)	0	5	527	1 136	1 668
Additions	205	48 027	74 896	30 641	153 770
Disposals	0	(3 115)	(10 977)	(11 090)	(25 183)
Currency translation adjustments	(784)	(11 844)	(17 204)	(8 995)	(38 827)
At 31 December	21 595	297 643	489 005	180 024	988 266
ACCUMULATED DEPRECIATION					
At 1 January	0	(114 757)	(226 411)	(107 207)	(448 375)
Depreciation charge (Note 4.5)	0	(10 196)	(36 047)	(25 815)	(72 057)
Impairment (Note 4.5)	0	(51)	(679)	(62)	(792)
Disposals	0	2 121	9 466	10 181	21 768
Currency translation adjustments	0	2 689	7 901	4 475	15 065
At 31 December	0	(120 194)	(245 770)	(118 427)	(484 392)
NET BOOK VALUE	21 595	177 449	243 235	61 596	503 875

2022

(in CHF 1 000)	Land	Buildings	Plant and machinery	Other	Total
COST					
At 1 January	20 578	224 654	363 242	150 319	758 794
Change in consolidation scope (Note 2.1)	0	59	3 139	1 031	4 230
Additions	21	45 873	81 289	34 422	161 605
Disposals	0	(221)	(2 386)	(16 357)	(18 964)
Currency translation adjustments	1 575	(5 796)	(3 520)	(1 084)	(8 826)
At 31 December	22 173	264 570	441 763	168 332	896 838
ACCUMULATED DEPRECIATION					
At 1 January	(104)	(105 334)	(195 380)	(100 429)	(401 248)
Depreciation charge (Note 4.5)	0	(10 427)	(31 522)	(22 077)	(64 027)
Impairment (Note 4.5)	0	0	(2 449)	(434)	(2 883)
Disposals	0	(4)	1 464	13 940	15 400
Currency translation adjustments	104	1 008	1 477	1 794	4 383
At 31 December	0	(114 757)	(226 411)	(107 207)	(448 375)
NET BOOK VALUE	22 173	149 812	215 353	61 125	448 463

Repair and maintenance expenses for property, plant and equipment for the business year 2023 amounted to CHF 18.5 million (2022: CHF 15.1 million).

4.2 Right-of-use assets

2023

(in CHF 1 000)	Land	Buildings	Plant and machinery	Other	Total
COST					
At 1 January	3 079	269 290	1 719	20 148	294 235
Change in consolidation scope (Note 2.1)	0	2 301	0	571	2 872
Additions	0	39 921	0	10 346	50 267
Disposals	0	(28 944)	0	(5 464)	(34 408)
Currency translation adjustments	(328)	(16 637)	(122)	(2 017)	(19 104)
At 31 December	2 750	265 931	1 597	23 582	293 861
ACCUMULATED DEPRECIATION					
At 1 January	(62)	(68 111)	(1 053)	(9 978)	(79 205)
Depreciation charge (Note 4.5)	(59)	(22 355)	(312)	(6 725)	(29 451)
Disposals	0	9 332	0	4 843	14 174
Currency translation adjustments	10	4 164	96	871	5 141
At 31 December	(110)	(76 971)	(1 269)	(10 990)	(89 340)
NET BOOK VALUE	2 640	188 960	328	12 592	204 521

2022

(in CHF 1 000)	Land	Buildings	Plant and machinery	Other	Total
COST					
At 1 January	3 222	259 671	2 684	20 120	285 697
Change in consolidation scope (Note 2.1)	0	5 438	0	2 754	8 192
Additions	95	34 898	0	6 766	41 760
Disposals	0	(20 974)	(949)	(8 063)	(29 986)
Currency translation adjustments	(239)	(9 744)	(16)	(1 429)	(11 428)
At 31 December	3 079	269 290	1 719	20 148	294 235
ACCUMULATED DEPRECIATION					
At 1 January	0	(53 243)	(1 514)	(9 616)	(64 373)
Depreciation charge (Note 4.5)	(65)	(23 497)	(514)	(5 930)	(30 006)
Disposals	0	6 408	949	4 883	12 240
Currency translation adjustments	4	2 221	26	684	2 935
At 31 December	(62)	(68 111)	(1 053)	(9 978)	(79 205)
NET BOOK VALUE	3 017	201 178	665	10 170	215 030

Beside the lease contracts recognized as right-of-use assets, the Group entered into lease contracts with terms of 12 months or less and leases of low value. In 2023, the Group recognized expenses of CHF 12.0 million related to short-term leases (2022: CHF 8.6 million) and CHF 1.4 million related to low value leases (2022: CHF 5.4 million).

The Group recognized a total cash outflow for leases of CHF 36.0 million in 2023 (2022: CHF 35.2 million). The maturity analysis of lease liabilities is disclosed in Note 9.2.

4.3 Intangible assets

2023

(in CHF 1 000)	Goodwill	Brands	Technology	Software	Customer & distribution relationships	Other intangibles	Total
COST							
At 1 January	715 599	202 958	73 911	116 958	175 906	33 913	1 319 245
Change in consolidation scope (Note 2.1)	235 286	5 559	70 430	0	13 018	36	324 329
Additions	0	0	1 245	32 936	0	1 482	35 663
Disposals	0	0	0	(6 813)	0	(559)	(7 372)
Currency translation adjustments	(46 977)	(12 130)	(5 286)	2 771	(16 329)	(2 690)	(80 640)
At 31 December	903 908	196 386	140 301	145 853	172 595	32 182	1 591 225
ACCUMULATED AMORTIZATION AND IMPAIRMENT							
At 1 January	(191 288)	(53 672)	(62 592)	(76 432)	(129 568)	(27 744)	(541 295)
Amortization charge (Note 4.5)	0	(1 148)	(3 501)	(16 780)	(5 608)	(1 687)	(28 724)
Impairment (Note 4.5)	(155 390)	0	0	(3 135)	0	0	(158 525)
Disposals	0	0	0	6 100	0	527	6 628
Currency translation adjustments	17 271	3 014	3 258	1 192	11 313	2 341	38 388
At 31 December	(329 407)	(51 806)	(62 836)	(89 054)	(123 864)	(26 562)	(683 529)
NET BOOK VALUE	574 501	144 580	77 465	56 799	48 731	5 620	907 696

2022

(in CHF 1 000)	Goodwill	Brands	Technology	Software	Customer & distribution relationships	Other intangibles	Total [1]
COST							
At 1 January	628 689	142 768	77 302	85 703	167 173	37 547	1 139 182
Change in consolidation scope (Note 2.1)	108 583	64 721	0	277	19 607	430	193 618
Additions	0	0	0	33 300	0	529	33 829
Disposals	0	0	0	(3 352)	0	(19)	(3 371)
Currency translation adjustments	(21 673)	(4 532)	(3 391)	1 031	(10 874)	(4 574)	(44 013)
At 31 December	715 599	202 958	73 911	116 958	175 906	33 913	1 319 245
ACCUMULATED AMORTIZATION AND IMPAIRMENT							
At 1 January	(203 339)	(10 060)	(64 186)	(65 650)	(128 776)	(28 284)	(500 295)
Amortization charge (Note 4.5)	0	(45 028)	(2 758)	(11 038)	(6 368)	(3 480)	(68 672)
Impairment (Note 4.5)	0	0	0	(607)	0	(304)	(911)
Disposals	0	0	0	439	0	19	457
Currency translation adjustments	12 051	1 417	4 352	425	5 575	4 306	28 125
At 31 December	(191 288)	(53 672)	(62 592)	(76 432)	(129 568)	(27 744)	(541 295)
NET BOOK VALUE	524 311	149 286	11 319	40 527	46 338	6 170	777 950

1 Prior year's presentation has been adapted to the current year format.

Other intangibles mainly include development costs and patents.

In 2023, the Group spent CHF 111.1 million (2022: CHF 104.6 million) on research and development. The amount is included in 'Administrative expense' in the consolidated income statement.

4.4 Impairment test for non-financial assets

Annual impairment test for goodwill and indefinite life intangible assets

Goodwill and indefinite life intangible assets are allocated to cash-generating units (CGU) for the purpose of impairment testing. A summary of goodwill and indefinite life intangibles allocation per CGU is presented below:

(in CHF 1 000)	2023		2022	
	Goodwill	Brand with indefinite life	Goodwill	Brand with indefinite life
AlliedStar business	158 853	0		
Global premium implant business	124 164	0	59 259	0
ClearCorrect business	89 715	28 798	99 407	31 542
Neodent business	68 044	32 681	68 405	32 854
Medentika business	36 373	16 453	38 369	17 356
Anthogyr business	21 471	11 228	22 649	11 844
DrSmile business	18 272	32 997	170 976	34 808
Other	57 609	0	65 246	0
TOTAL	574 501	122 157	524 311	128 404

AlliedStar business

The CGU AlliedStar business (which is part of the operating segment Sales APAC) contains the manufacturing plant and the related sales activities for AlliedStar intraoral scanner solutions. The goodwill was recognized as part of the acquisition of AlliedStar in 2023.

Global premium implant business

The CGU global premium implant business (which is part of the operating segment Operations) is the principal towards all distribution businesses of the Group for premium implant, restorative and implant maintenance solutions and contains the goodwill allocated to the principal recognized in acquisitions of companies distributing such products on local markets. In 2023, the increase in goodwill mainly relates to the acquisitions of GalvoSurge Dental AG and the Group's former distributor in the Baltic countries.

ClearCorrect business

The CGU ClearCorrect business (which is part of the operating segment Sales NAM) contains the manufacturing plant and the related sales activities for ClearCorrect products. The goodwill and the ClearCorrect brand were recognized as part of the acquisition of ClearCorrect in 2017.

Neodent business

The CGU Neodent business (which is part of the operating segment Sales LATAM) contains the manufacturing plant for Neodent products, the related sales activities in the Brazilian market and the export business towards the Group's distribution principal and to third party distributors. Both goodwill and the Neodent brand were recognized as part of the acquisition of Neodent in 2015.

Medentika business

The CGU Medentika business (which is part of the operating segment Sales EMEA) contains the manufacturing plant for Medentika products, the related sales activities in the German market and the export business towards the Group's distribution principal and to third party distributors. Both goodwill and the Medentika brand were recognized as part of the acquisition of Medentika in 2017.

Anthogyr business

The CGU Anthogyr business (which is part of the operating segment Sales EMEA) contains the manufacturing plant for Anthogyr products, the related sales activities in the European market as well as the export business towards the Group's distribution principal and to third party distributors. Both goodwill and the Anthogyr brand were recognized as part of the acquisition of Anthogyr in 2019.

DrSmile business

The CGU DrSmile business (which is part of the operating segment Sales EMEA) contains the orthodontics business of DrSmile in the European market. The goodwill and the DrSmile brand were recognized as part of the acquisitions of DrSmile in 2020 and PlusDental in 2022.

Goodwill and indefinite life intangibles were tested for impairment. The recoverable amount of a group of CGUs is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by Management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the dental implant, restoration and orthodontics sector.

Key assumptions for the most material CGUs are as follows:

(in %)	2023	2022
ALLIEDSTAR BUSINESS		
Gross profit margin of the CGU[1]	83.9	
Terminal growth rate[2]	2.2	
Weighted average cost of capital (WACC)[3]	14.3	
GLOBAL PREMIUM IMPLANT BUSINESS		
Gross profit margin of the CGU[1]	75.9	73.5
Terminal growth rate[2]	1.5	1.5
Weighted average cost of capital (WACC)[3]	8.7	8.8
CLEARCORRECT BUSINESS		
Gross profit margin of the CGU[1]	69.0	66.0
Terminal growth rate[2]	2.1	2.0
Weighted average cost of capital (WACC)[3]	15.4	14.2
NEODENT BUSINESS		
Gross profit margin of the CGU[1]	69.3	71.9
Terminal growth rate[2]	3.5	3.5
Weighted average cost of capital (WACC)[3]	18.8	15.3
MEDENTIKA BUSINESS		
Gross profit margin of the CGU[1]	58.4	63.4
Terminal growth rate[2]	2.0	2.0
Weighted average cost of capital (WACC)[3]	13.1	12.8
ANTHOGYR BUSINESS		
Gross profit margin of the CGU[1, 4]	71.6	68.0
Terminal growth rate[2]	1.6	1.6
Weighted average cost of capital (WACC)[3]	13.7	13.9
DRSMILE BUSINESS		
Gross profit margin of the CGU[1]	72.0	74.9
Terminal growth rate[2]	2.0	2.0
Weighted average cost of capital (WACC)[3]	12.1	14.6

1 Budgeted gross profit margin
2 Used for calculating the terminal value
3 Pre-tax discount rate applied to the cash flow projections
4 Prior year's presentation has been restated due to a misstated gross profit margin

Gross profit margin was determined by management based on past performance and its expectations for market development. The WACCs used are pre-tax and reflect specific risks relating to the relevant CGUs. The Group believes that no changes in key assumptions which can rationally be expected would cause the carrying amount of any CGU to exceed its recoverable amount.

In 2023, the Group recognized a goodwill impairment of CHF 149.9 million in conjunction with its DrSmile business. The key assumptions used in the impairment test are disclosed in the preceding table. The impairment is mainly caused by a reduced sales growth rate forecast, owing to the macroeconomic environment of inflationary pressure and softer private consumption. The impairment charge is recognized in 'Administrative expense' in the consolidated income statement.

In 2022, no impairments were recognized.

4.5 Depreciation, amortization and impairments

(in CHF 1 000)	2023	2022
Depreciation of property, plant and equipment	(72 057)	(64 027)
Depreciation of right-of-use assets	(29 451)	(30 006)
Amortization of intangible assets	(28 724)	(68 672)
Impairment of property, plant and equipment	(792)	(2 883)
Impairment of intangible assets	(158 525)	(911)
TOTAL DEPRECIATION, AMORTIZATION AND IMPAIRMENTS	(289 550)	(166 499)

The impairment of intangible assets in 2023 mainly relates to the goodwill impairment charge described in Note 4.4. The amortization of intangible assets of CHF 68.7 million in 2022 mainly relates to an acquired brand of CHF 43.5 million due to the Group's conclusion to run its direct-to-consumer clear aligner business in Europe exclusively under the DrSmile brand.

5 Net working capital

5.1 Inventories

(in CHF 1 000)	2023	2022
Raw materials and supplies	76 641	51 654
Work in progress	92 381	79 185
Finished goods	197 890	190 333
TOTAL INVENTORIES	366 912	321 172
Inventories recognized as an expense in cost of goods sold	(548 104)	(526 941)
Obsolete inventories written down and recognized as an expense	(9 160)	(5 993)

5.2 Trade and other receivables

(in CHF 1 000)	2023	2022
Trade receivables, net	466 491	416 366
Other receivables, thereof:	114 146	128 476
Prepayments	65 171	63 491
VAT and other non-income taxes	35 171	50 162
Sales & service related	9 564	9 773
Other	4 240	5 050
TOTAL TRADE AND OTHER RECEIVABLES	580 638	544 842
thereof: Financial assets as defined by IFRS 7[1]	476 055	426 139
thereof:		
CHF	15 719	22 469
EUR	226 228	200 912
BRL	90 947	75 468
USD	78 751	86 517
CNY	53 290	42 045
TRY	12 642	17 628
GBP	10 118	9 226
MXN	9 403	6 684
SEK	7 227	5 153
CAD	6 674	8 351
RUB	6 100	6 044
Other	63 540	64 345

1 Prior year's presentation has been restated due to a misstated classification of the financial assets as defined by IFRS 7.

Trade receivables are non-interest bearing. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers who are dispersed internationally.

The carrying amount of trade receivables transferred in recourse factoring arrangements, but not derecognized, is CHF 91.9 million (2022: CHF 80.0 million).

Movements in the provision for impairment of trade receivables were as follows:

(in CHF 1 000)	2023	2022
At 1 January	(45 208)	(30 087)
Charge for the year	(23 038)	(22 438)
Utilized	6 711	2 477
Unused amounts reversed	3 763	4 263
Currency translation adjustments	2 359	577
AT 31 DECEMBER	(55 414)	(45 208)

The charge for the year in 2023 and 2022 is mainly related to increased default risks due to the current market conditions as well as business expansion.

There is no provision on other receivables.

The analysis of overdue trade receivables is as follows:

	2023		2022	
(in CHF 1 000)	Gross	Allowance	Gross	Allowance
Not past due	396 392	(5 635)	356 301	(5 790)
Past due, thereof:	125 513	(49 779)	105 274	(39 419)
< 30 days	29 272	(2 831)	35 661	(2 041)
31–60 days	20 045	(2 572)	15 858	(1 151)
61–90 days	11 091	(3 707)	9 409	(2 356)
91–120 days	8 432	(3 896)	7 215	(3 407)
> 120 days	56 673	(36 773)	37 130	(30 463)
TOTAL	521 905	(55 414)	461 575	(45 208)

5.3 Cash and cash equivalents

(in CHF 1 000)	2023	2022
Cash at banks and on hand, thereof:	294 571	381 133
CHF	142 715	219 310
EUR	45 099	64 739
USD	31 066	35 576
CNY	28 289	7 326
JPY	11 150	10 498
PLN	5 440	869
RUB	4 386	2 487
CAD	3 931	9 592
AUD	3 724	7 105
SEK	2 588	3 329
SGD	1 544	2 243
IRR	1 359	2 305
Other	13 280	15 756
Short-term bank deposits, thereof:	14 014	314 970
CHF	0	300 000
BRL	6 631	8 451
GBP	4 337	2 926
Other	3 046	3 592
Money market fund, thereof:	101 725	0
CHF	101 725	0
TOTAL CASH AND CASH EQUIVALENTS	410 310	696 103

Cash at banks earns interest at floating rates based on daily bank deposit rates in the respective currency. The money market fund is classified as cash and cash equivalents and is measured at fair value.

5.4 Trade and other payables

(in CHF 1 000)	2023	2022
Trade payables	93 619	83 229
Other payables, thereof:	494 698	490 879
Accrued liabilities	231 606	176 307
Recourse factoring liability	91 879	80 013
Sales related	55 643	55 033
Deferred revenue	29 679	30 565
VAT and other non-income taxes	25 874	36 473
Refund liability	17 699	8 989
Contingent consideration	18 362	82 352
Salary and social security	14 132	13 779
Other	9 825	7 368
TOTAL TRADE AND OTHER PAYABLES	588 317	574 107
thereof: Financial liabilities as defined by IFRS 7[1]	491 109	476 933

1 Prior year's presentation has been restated due to a misstated classification of the financial liabilities as defined by IFRS 7.

The increase of accrued liabilities is mainly attributable to the higher revenue generated within the Chinese market. The majority of contingent consideration liability relates to the business combinations of Digital Planning Service Private Limited (CHF 4.5 million) and AlliedStar (CHF 3.8 million). In 2022, the majority of contingent consideration liability related to the DrSmile business combination and amounts to CHF 76.0 million. Further details are given in Note 7.3.

6 Provisions, other non-current liabilities, contingencies and commitments

6.1 Provisions

(in CHF 1 000)	Sales-related	Legal	Other	Total 2023	Total 2022
At 1 January	1 332	27 743	4 336	33 411	32 216
Change in consolidation scope	0	865	0	865	1 293
Additions	1 114	6 678	3 623	11 415	9 157
Utilization	(81)	(8 905)	(480)	(9 466)	(2 148)
Reversal	(449)	(2 804)	(415)	(3 668)	(6 837)
Currency translation adjustments	(110)	(816)	(157)	(1 083)	(270)
At 31 December	1 806	22 761	6 907	31 474	33 411
Non-current 2023	680	19 677	6 896	27 253	
Current 2023	1 126	3 084	11	4 221	
TOTAL PROVISIONS 2023	1 806	22 761	6 907	31 474	
Non-current 2022	1 112	17 243	4 083		22 438
Current 2022	220	10 500	253		10 973
TOTAL PROVISIONS 2022	1 332	27 743	4 336		33 411

Sales related
Provisions are made for expected product assurance-type warranties and similar items based on contractual arrangements. The amounts of the provision are determined on the basis of experience and are therefore subject to a degree of uncertainty. The outflow of funds depends on the timing of the filing and conclusion of warranty claims.

Legal
Legal provisions have been set up to cover legal and administrative settlements that arise in the ordinary course of business. They cover numerous separate cases whose detailed disclosure could be detrimental to Group interests. The timing of outflows is uncertain as it depends upon the outcome of the cases. Group Management does not believe it is possible to make assumptions on the evolution of the cases beyond the balance sheet date.

Other
The composition of these items is manifold and comprises, among other things, provisions for sales agents' indemnities and provisions related to sales and other taxes. The expected timing of the future cash outflows is uncertain.

6.2 Other non-current liabilities

(in CHF 1 000)	2023	2022
Contingent consideration	196 642	29 486
Other long-term employee benefits	9 792	9 312
Other	6 933	4 295
TOTAL OTHER LIABILITIES	213 368	43 093
thereof: Non-current financial liabilities as defined by IFRS 7	196 642	33 226

In 2023, the contingent considerations mainly include the financial liability in relation to the business combinations of AlliedStar (CHF 147.9 million), GalvoSurge (CHF 31.2 million) and the Baltic Distributors (CHF 12.9 million). Further details are given in Note 7.3. In 2022, the contingent consideration mainly included the Nihon business combination with a liability of CHF 10.6 million and the DrSmile business combination with a liability of CHF 8.8 million.

6.3 Contingencies and commitments

Contingent assets and liabilities
The Group has guarantee obligations with a maximum of CHF 70.1 million (2022: CHF 64.2 million). The guarantee obligations increased mainly due to the business model of DrSmile and the related business expansion. Some Group companies are involved in litigations arising from the normal course of their business and might be liable to pay compensation. The costs relating to these lawsuits may not be partially or fully covered by insurance. However, it is the view of the management that the outcome of such litigations will not significantly affect the Group's financial position over and above the provisions already recognized in the statement of financial position.

Contingent liabilities

(in CHF 1 000)	2023	2022
Guarantee obligations	70 052	64 245
Purchase commitments	14 659	1 053
TOTAL	84 712	65 298

7 Financing, capital and tax

7.1 Financial assets

(in CHF 1 000)	2023	2022
Financial assets at fair value through other comprehensive income	15 619	35 118
Loans and other receivables	3 870	4 283
Financial assets at fair value through profit or loss	0	902
TOTAL NON-CURRENT FINANCIAL ASSETS	19 488	40 303
Financial assets at fair value through profit or loss	3 227	1 010
Loans and other receivables	5 748	1 849
TOTAL CURRENT FINANCIAL ASSETS	8 974	2 858

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income represent equity instruments in the medical device sector and an investment in a fund. The Group did not recognize any dividend income relating to these instruments during the periods under review.

Loans and other receivables

This position includes various non-derivative financial assets carried at amortized cost which generate interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

Financial assets at fair value through profit or loss

This category mainly includes derivative financial instruments used by the Group to hedge its foreign currency risk.

7.2 Financial liabilities

(in CHF 1 000)	2023	2022
Straight bond	199 944	199 901
Lease liabilities	183 466	195 087
Financial liabilities at amortized costs	31 764	3 012
Put options to non-controlling interests	5 022	5 117
TOTAL NON-CURRENT FINANCIAL LIABILITIES	420 196	403 117
Lease liabilities	28 943	26 599
Financial liabilities at fair value through profit or loss	1 120	160
Financial liabilities at amortized costs	176	430
Straight bond	0	280 009
TOTAL CURRENT FINANCIAL LIABILITIES	30 239	307 198

Movements in liabilities arising from financing activities are as follows:

(in CHF 1 000)	2023	2022
At 1 January	710 315	731 050
Repayment of current financial debts	(281 045)	(169)
Change in lease liabilities	38 189	30 414
Increase in non-current financial debt	32 369	0
Payment of lease liabilities	(28 169)	(28 585)
Currency translation adjustments	(15 112)	(9 691)
Interest paid on lease liabilities	(7 789)	(6 627)
Change in consolidation scope	3 550	28 142
Repayment in non-current financial debts	(1 332)	(5 672)
Change in fair values	865	(500)
Purchase of non-controlling interests	0	(13 955)
Payment of debt assumption (Note 2.1)	0	(14 805)
Other changes	(1 406)	713
AT 31 DECEMBER	450 435	710 315

The repayment of current financial debts mainly relates to the repayment of the straight bond in 2023. The change in consolidation scope in 2023 mainly relates to the business combination of AlliedStar, the Baltic Distributors and GalvoSurge and in 2022 to the business combination of Nihon and PlusDental (Note 2.1). In 2022 the payment of the debt assumption related to the business combination of PlusDental, the purchase of non-controlling interest related to the share acquisition from minority shareholders of Medentika GmbH.

Straight bonds

On 3 October 2023 the Group repaid its CHF-denominated domestic straight bond of CHF 280 million which was issued in April 2020.

In July 2020, the Group placed an additional CHF-denominated domestic straight bond for an aggregate amount of CHF 200 million, with issue date 15 July 2020 and an interest rate of 0.55% p.a., payable annually in arrears on 3 October. The bond is due for repayment on 3 October 2025.

Denomination of the bond is CHF 5 000 nominal and multiples thereof. The bond was admitted to trading on the SIX Swiss Exchange with effect from 10 June 2020 until 3 October 2025. The bond is listed in accordance with the Standard for Bonds on the SIX Swiss Exchange.

The interest-bearing borrowings recognized in the financial position are calculated as follows:

(in CHF 1 000)	2023	2022
Straight bonds at 1 January	479 910	479 841
Repayment	(280 000)	0
Interest expense	3 303	4 016
Redemption (coupon)	(3 269)	(3 947)
thereof:		
Recognized in trade and other payables (Note 5.4)	(280)	(987)
Disbursement	(2 989)	(2 960)
STRAIGHT BONDS AT 31 DECEMBER	199 944	479 910

7.3 Financial instruments

Fair values

The carrying amount of cash and cash equivalents, trade and other receivables and trade and other payables with a remaining term of up to twelve months, as well as other current financial assets and liabilities, represent a reasonable approximation of their fair values due to the short-term maturities of these instruments.

The fair value of equity instruments quoted in an active market is based on price quotations at the period-end date. For the domestic bond listed on the SIX Swiss Exchange, the fair value is derived from quoted market prices.

The fair value of the put options granted to non-controlling interests relates to the business combination of Abutment Direct Inc in 2019.

The fair value of derivatives is determined on the basis of input factors observed directly or indirectly on the market. The fair value of foreign exchange forward contracts and non-deliverable forwards are based on forward exchange rates.

The unquoted equity instruments allocated to Level 3 hierarchy mainly relate to investments in an Irish-based development and manufacturing company in the biomaterials sector, a non-listed US consumer health company in the dental sector, as well as a fund that is dedicated exclusively to investments in dental-related opportunities in China. As the market for these investments is not active or no market is available, fair value is determined based on best information available to the Group, such as the net asset value reports of the instruments.

Other financial liabilities allocated to Level 3 hierarchy mainly include the contingent considerations in relation to the business combinations of AlliedStar in China, GalvoSurge in Switzerland, the Baltic Distributors and Digital Planning Service Private Limited in Pakistan. The fair value of the contingent considerations is based on several components such as profitability targets (AlliedStar, Baltic Distributors and GalvoSurge) company and product related milestone achievements (AlliedStar, GalvoSurge and Digital Planning Service) as well as the share price of Straumann Holding AG shares (AlliedStar). The fair value of investments in Level 3 is reviewed regularly for a possible diminution in value.

Fair value hierarchy

The Group uses the following hierarchy for disclosure of the fair values of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which predominantly use input data which is not based on observable market data

At 31 December 2023 and 2022 the Group held the following financial instruments:

2023 (in CHF 1 000)	Carrying amount (by measurement basis)					Fair value
	Amortized cost	Level 1	Level 2	Level 3	Total carrying amount	
FINANCIAL ASSETS (NOTE 7.1)						
Derivative financial assets			3 227		3 227	
Equity instruments				15 619	15 619	
Loans and other financial receivables	9 617				9 617	
FINANCIAL ASSETS (NOTE 5.2)						
Trade and other receivables	476 055				476 055	
FINANCIAL ASSETS (NOTE 5.3)						
Cash and cash equivalents	308 585	101 725			410 310	
FINANCIAL LIABILITIES (NOTE 7.2)						
Straight bonds	199 944				199 944	196 600
Derivative financial liabilities			1 120		1 120	
Put options to non-controlling interests				5 022	5 022	
Lease liabilities	212 409				212 409	
Other financial liabilities	31 940				31 940	
FINANCIAL LIABILITIES (NOTE 5.4 AND 6.2)						
Trade and other liabilities	472 747			215 004	687 751	

2022 (in CHF 1 000)	Carrying amount (by measurement basis)					Fair value
	Amortized cost	Level 1	Level 2	Level 3	Total carrying amount	
FINANCIAL ASSETS (NOTE 7.1)						
Derivative financial assets			1 010		1 010	
Equity instruments		15 068		20 952	36 020	
Loans and other financial receivables	6 131				6 131	
FINANCIAL ASSETS (NOTE 5.2)						
Trade and other receivables[1]	426 139				426 139	
FINANCIAL ASSETS (NOTE 5.3)						
Cash and cash equivalents	696 103				696 103	
FINANCIAL LIABILITIES (NOTE 7.2)						
Straight bonds	479 910				479 910	489 564
Derivative financial liabilities			160		160	
Put options to non-controlling interests				5 117	5 117	
Lease liabilities	221 686				221 686	
Other financial liabilities	3 442				3 442	
FINANCIAL LIABILITIES (NOTE 5.4 AND 6.2)						
Trade and other liabilities[1]	398 322			111 838	510 160	

1 Prior year's presentation has been restated due to a misstated classification of the financial assets and liabilities as defined by IFRS 7.

The changes in carrying values associated with Level 3 financial instruments are set as follows:

(in CHF 1 000)	2023		2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
At 1 January	20 952	116 954	21 303	131 985
Remeasurement recognized in OCI	(5 333)	(22)	11 883	358
Additions	0	205 295	1 617	11 737
Settlements	0	(86 724)	(1 763)	(21 954)
Remeasurement recognized in profit or loss	0	(15 382)	0	(4 850)
Remeasurement recognized in equity	0	(95)	0	(322)
Transfer into Level 1	0	0	(12 088)	0
AT 31 DECEMBER	15 619	220 026	20 952	116 954

Additions to Level 3 financial liabilities mainly relate to the contingent consideration payable in conjunction with the AlliedStar (CHF 153.4 million), the GalvoSurge (CHF 33.5 million) and the Baltic Distributors (CHF 14.8 million) business combinations. In 2022, additions to Level 3 financial liabilities related to the contingent consideration payable of CHF 11.7 million in conjunction with the Nihon business combination.

Settlement of Level 3 financial liabilities mainly relate to the contingent consideration payment in conjunction with the DrSmile business combination (CHF 80.9 million). In 2022, settlement of Level 3 financial liabilities mainly related to the contingent consideration payment in conjunction with the Bay Materials (CHF 2.1 million) and Medical Technologies 21 LLC (CHF 2.3 million) business combinations as well as to the purchase of non-controlling interests from the minority shareholders of Medentika (CHF 14.0 million).

Financial liabilities remeasured in profit or loss mainly related to the fair value adjustment of the contingent consideration liability in conjunction with the DrSmile (CHF 3.8 million) and Nihon (CHF 7.7 million) business combinations.

The Group invested in equity shares of a medical device company whose shares were suspended from trading from the end of 2021 until April 2022. In 2021, the investment was transferred into Level 3, as the market of this investment became inactive due to the suspension. After the shares resumed trading and current published price quotations were available again, the investment was transferred back into Level 1 in April 2022 (CHF 12.1 million).

Besides the transfer into Level 1 in 2022 described above, there were no further transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements in 2023 and 2022.

The significant unobservable inputs for material financial instruments within Level 3 of the fair value hierarchy and their quantitative sensitivity analysis at 31 December 2023 are as follows:

Instrument	Valuation technique	Significant unobservable input	Sensitivity of the input to fair value
Contingent consideration AlliedStar	Present value of the estimated redemption value	Units sold	1 000 base-point increase (decrease) in units sold would result in an increase (decrease) in fair value of CHF 4.2 million, resp. CHF -4.2 million.
		Share price	1 000 base-point increase (decrease) in share price would result in an increase (decrease) in fair value of CHF 3.8 million, resp. CHF -3.8 million.
		Interest rate	100 base-point increase (decrease) in the interest rate would result in a decrease (increase) in fair value of CHF -5.1 million, resp. CHF 5.4 million.
Contingent consideration GalvoSurge	Present value of the estimated redemption value	Gross profit	1 000 base-point increase (decrease) in gross profit would result in an increase (decrease) in fair value of CHF 3.0 million, resp. CHF -3.0 million.
		Interest rate	100 base-point increase (decrease) in the interest rate would result in a decrease (increase) in fair value of CHF -1.8 million, resp. CHF 1.9 million.

The fair value of the contingent consideration for AlliedStar depends on technical and commercial milestone achievements, the share price development of Straumann Holding AG shares and the interest rate prevailing at the balance sheet date. For commercial milestone achievements, the expected redemption value is mainly dependent on the number of scanners sold, while for cash payments linked to the share price of Straumann Holding AG it is dependent on its share performance. The expected achievements have been assessed and result in a fair value of the contingent consideration of CHF 151.7 million at 31 December 2023.

The fair value of the contingent consideration for GalvoSurge mainly depends on commercial and technical milestones which are mainly sensitive to the gross profit of Galvosurge products and the interest rate prevailing at the balance sheet date. The expected achievements have been assessed and result in a fair value of the contingent consideration of CHF 33.8 million at 31 December 2023.

The Group did not disclose further sensitivity analysis at 31 December 2023 for the remaining Level 3 financial instruments, as their quantitative sensitivity is not material to the Group.

Hedges

On 31 December 2023, the Group had forward exchange contracts for net CHF 166.1 million (2022: CHF 145.8 million) and non-deliverable foreign exchange forward contracts (NDF) for CHF 10.6 million (2022: CHF 4.1 million).

7.4 Finance income and expense

(in CHF 1 000)	2023	2022
FINANCE INCOME	110 890	107 187
Interest income:		
from financial instruments at amortized cost	6 783	2 577
Fair value and other financial income	22 470	7 963
Foreign exchange gains	81 637	96 648
FINANCE EXPENSE	(167 173)	(136 892)
Interest expense:		
from financial instruments at amortized cost	(10 157)	(10 397)
on defined benefit obligation (net)	(372)	(165)
from lease liabilities	(7 789)	(6 627)
Fair value and other financial expense	(23 469)	(9 071)
Financial impairment expense	(1 922)	0
Foreign exchange losses	(123 464)	(110 633)
TOTAL FINANCE EXPENSE NET	(56 283)	(29 705)

7.5 Share capital

On 20 April 2022, the Group's shares were split one share into ten (1:10) based on the decision of the annual general meeting on 5 April 2022. Hence, the par value of the shares decreased from CHF 0.10 to CHF 0.01 each.

The share capital is represented by 159 455 239 issued shares (2022: 159 455 239) of CHF 0.01 par value, fully paid in.

The conditional share capital was approved for an unlimited period at an extraordinary annual general meeting in 1998 for use in equity participation plans for employees and management and was increased in 2016. As of 31 December 2023, the conditional share capital amounted to CHF 21 741.51 (2022: CHF 21 741.51).

Treasury shares are valued at weighted average cost and have been deducted from equity. The fair value of the treasury shares at 31 December 2023 amounted to CHF 1.6 million (2022: CHF 10.6 million).

As of 31 December 2023, the number of outstanding shares amounted to 159 443 481 (2022: 159 354 617) and the number of treasury shares amounted to 11 758 (2022: 100 622).

The number of shares outstanding developed as follows:

	2023	2022
At 1 January	159 354 617	159 157 110
Performance share plan – PSU	0	138 330
Employee share participation plan – ESPP	0	103 219
Treasury shares		
Purchased	(202 073)	(60 758)
Used	290 937	16 716
AT 31 DECEMBER	159 443 481	159 354 617

7.6 Dividends per share

The dividend paid in 2023 was CHF 0.80 per share (2022: CHF 0.68 per share). The total payout amounted to CHF 127.4 million in 2023 and CHF 107.4 million in 2022. A dividend for the year ended 31 December 2023 of CHF 0.85 per share, amounting to a total dividend of CHF 135.5 million, will be proposed at the shareholders' general meeting on 12 April 2024. These financial statements do not reflect this payable dividend.

7.7 Income tax

Income tax expense

(in CHF 1 000)	2023	2022
Income taxes from current period	(105 013)	(97 417)
Income taxes from other periods	(2 164)	(4 256)
Deferred	8 366	38 018
Total income tax expense	(98 811)	(63 655)
EFFECTIVE INCOME TAX RATE (IN %)	28.6	12.8

For 2023, the expected tax rate was changed from the weighted average tax rate – calculated by multiplying the accounting profits (or losses) of each Group company by the respective statutory tax rate over the total pre-tax profit of the Group – to the domestic tax rate of Straumann Holding AG in the amount of 13.04%. The Group believes that the use of a weighted average tax rate is not leading to a meaningful expected tax rate given the current profit allocation among the various Group entities.

The following elements explain the difference between the income tax expense at the domestic tax rate of Straumann Holding AG and the effective Group income tax expense:

(in CHF 1 000)	2023	2022[1]
Profit before tax	345 621	498 435
Domestic tax rate	13.0 %	13.0 %
Income tax at domestic tax rate	(45 069)	(64 996)
Effect of tax rates in foreign jurisdictions	27 398	14 177
Non-tax-deductible expense	(48 632)	(6 790)
Non-taxable income	3 963	8 237
Changes in recognition of tax assets from losses or tax credits (and their expiry)	(6 078)	(548)
Utilization of previously unrecognized tax losses or tax credits to offset current taxes	373	21
Tax losses or tax credits from current year that are not recognized	(28 361)	(9 569)
Effect of changes in tax rates or imposition of new taxes	(699)	89
Current taxes from other periods	(2 164)	(4 256)
Other	457	(19)
EFFECTIVE INCOME TAX EXPENSE	(98 811)	(63 655)

[1] Comparative figures have been restated to the current year format.

AVAILABLE TAX LOSS CARRY-FORWARDS AND TAX CREDITS

(in CHF 1 000)	2023	2022
At 1 January	344 792	196 731
Adjustments of tax loss carry-forwards on opening balance	4 535	(5 512)
Change in consolidation scope	7 679	80 422
Tax losses and credits arising from current year	91 271	106 514
Tax losses and credits expired (not used) during current year	(16 139)	(1 767)
Tax losses and credits utilized against current year profits	(12 716)	(24 638)
Currency translation adjustments	(19 395)	(6 958)
AT 31 DECEMBER	400 026	344 792

Deferred income tax assets of CHF 53.2 million (2022: CHF 62.8 million) were recorded in respect of available tax loss carry-forwards and tax credits of CHF 173.0 million (2022: CHF 194.7 million). Deferred income tax assets for unused tax losses and tax credits are recognized to the extent that it is probable that future taxable profits will be available, against which the unused tax losses and tax credits can be utilized in the respective countries, or to the extent that the individual companies have sufficient taxable temporary differences. Further, deferred income tax assets in Germany in the amount of CHF 15.2 million are recognized to the extent of their utilization due to contemplated restructuring measures.

In 2012, the Group acquired 49% of Neodent through a fully owned subsidiary and subsequently conducted a downstream merger into Neodent. This transaction led to recognition of tax deductible goodwill and a capitalization of a deferred tax asset in Neodent's financial statements. In 2015, the Group obtained control over Neodent and started to consolidate Neodent in its financial statements. At 1 March 2015, the tax deductible goodwill amounted to CHF 124.9 million and the carrying amount of the respective deferred tax assets amounted to CHF 42.5 million. Effective as of 1 January 2016, Straumann Brasil Ltda was merged into Neodent. As a result of the merger, Neodent will benefit from future tax savings and has consequently recognized a deferred tax asset of CHF 38.7 million in respect of the tax credit of CHF 113.7 million. At the balance sheet date, the remaining deferred tax asset and tax credit amounted to CHF 11.9 million (2022: CHF 13.6 million) and CHF 34.9 million (2022: CHF 40.0 million).

Unused tax loss carry-forwards for which no deferred tax has been recognized will expire as follows:

(in CHF 1 000)	2023	2022
Expiry in next business year (current year +1)	670	1 352
Expiry current year +2	1 603	2 711
Expiry current year +3	23 579	2 320
Expiry current year +4	2 958	22 552
Expiry current year +5 and later	198 201	121 176
UNUSED TAX LOSS CARRY-FORWARDS AT 31 DECEMBER	227 012	150 111

Pillar Two model rules

The Group falls under the scope of the OECD Pillar Two model rules, which are enacted as of 31 December 2023 or are expected to be enacted in the near future in the jurisdictions where the Group is operating. As at the reporting date, the Pillar Two legislation was not yet effective, resulting in no additional current income taxes for the Group. The Group has elected not to recognize additional deferred tax assets/liabilities related to Pillar Two income taxes.

Under the legislation, the Group is liable to pay a top-up tax for the difference between their GloBE (Global Anti-Base Erosion) effective tax rate per jurisdiction and the minimum tax rate of 15%. The Group is currently assessing its exposure to the Pillar Two legislation when it becomes effective.

The Group believes that it is not practicable at this point to quantify the potential impact on the Group's income tax expense, considering – inter alia – changing tax laws, pending additional guidance as well as the revised version of GloBE commentary which were announced by the OECD for 2024 and the ongoing need to interpret the Pillar Two rules. It is however expected that most countries in which the Group operates will be able to benefit from the temporary safe harbor rules. The main tax exposure will relate to Switzerland. Local compliance requirements based on Pillar Two legislation are being monitored and taken into consideration.

Deferred income taxes

The movement in deferred income tax assets and liabilities is as follows:

2023

(in CHF 1 000)	PPE & leasing	Intangible assets	Inventory valuation	Tax loss carry-forwards, tax credits	Other	Total
Net deferred tax balance at 1 January	(3 600)	(57 477)	42 337	62 786	8 158	52 205
Change in consolidation scope – additions	0	(13 851)	(55)	0	0	(13 906)
(Charged) / credited to income statement	(202)	3 959	(959)	(6 655)	12 224	8 366
Credited to statement of comprehensive income	0	0	0	0	2 678	2 678
Charged to statement of changes in equity	0	0	0	0	(83)	(83)
Currency translation adjustments	211	4 221	(106)	(2 910)	(3 228)	(1 812)
NET DEFERRED TAX BALANCE AT 31 DECEMBER	(3 591)	(63 149)	41 217	53 221	19 749	47 447
Deferred tax assets at 31 December	49 338	5 130	46 862	53 221	25 726	180 276
Deferred tax assets after offset at 31 December						106 951
Deferred tax liabilities at 31 December	(52 929)	(68 279)	(5 644)	0	(5 976)	(132 829)
Deferred tax liabilities after offset at 31 December						(59 503)

2022

(in CHF 1 000)	PPE & leasing	Intangible assets	Inventory valuation	Tax loss carry-forwards, tax credits	Other	Total
Net deferred tax balance at 1 January	(7 078)	(47 181)	34 242	47 429	17 357	44 769
Change in consolidation scope – additions	0	(23 988)	0	0	0	(23 988)
(Charged) / credited to income statement	3 552	13 260	8 029	16 245	(3 069)	38 018
Charged to statement of comprehensive income	0	0	0	0	(6 046)	(6 046)
Charged to statement of changes in equity	0	0	0	0	(1 998)	(1 998)
Currency translation adjustments	(74)	432	66	(888)	1 913	1 450
NET DEFERRED TAX BALANCE AT 31 DECEMBER	(3 600)	(57 477)	42 337	62 786	8 158	52 205
Deferred tax assets at 31 December	49 677	5 543	47 143	62 786	20 582	185 732
Deferred tax assets after offset at 31 December						104 900
Deferred tax liabilities at 31 December	(53 277)	(63 020)	(4 806)	0	(12 425)	(133 528)
Deferred tax liabilities after offset at 31 December						(52 696)

At 31 December 2023, there was no recognized deferred tax liability (2022: CHF nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries. The Group does not expect significant income tax liabilities from the distribution of retained earnings to the parent company.

8 Personnel

8.1 Employee benefits expense

(in CHF 1 000)	2023	2022
Wages and salaries	(704 948)	(653 260)
Share-based payments (Note 8.3)	(13 934)	(14 051)
Social security cost	(91 438)	(84 567)
Pension costs and other personnel expense	(59 738)	(65 417)
TOTAL EMPLOYEE BENEFIT EXPENSE	(870 058)	(817 295)

8.2 Retirement benefit obligations

Apart from the legally required social security schemes, the Group has several independent pension plans. In most cases these plans are externally funded in vehicles which are legally separate from the Group. For certain Group companies, however, no independent plan assets exist for the pension plan of subsidiaries. In these cases the related unfunded liability is included in the statement of financial position. The defined benefit obligations and related plan assets are reappraised annually by independent actuaries.

The Swiss pension plan represents the most significant portion of the Group's total defined benefit obligation and plan assets. Current pension arrangements for employees in Switzerland are made through plans governed by the Swiss Federal Occupational Old Age, Survivors and Disability Pension Act (BVG). The plan is funded by regular employer and employee contributions. The final benefit is contribution-based with certain minimum guarantees. Due to these minimum guarantees, the Swiss plan is treated as a defined benefit plan for the purposes of the Group's financial statements, although the plan has many of the characteristics of a defined contribution plan.

The amounts for the Group's pension plans recognized in the statement of financial position are as follows:

Movements of net liabilities recognized in statement of financial position

(in CHF 1 000)	2023	2022
Net liabilities at 1 January	(12 386)	(61 739)
Currency translation adjustments	421	186
Expense recognized in consolidated income statement	(13 695)	(16 319)
Employer contributions	15 890	14 297
Benefits paid	128	50
Remeasurements	(24 002)	51 139
NET LIABILITIES AT 31 DECEMBER	(33 644)	(12 386)

BALANCE SHEET

(in CHF 1 000)	2023	2022
Fair value of plan assets	295 475	285 390
Present value of funded benefit obligations	(325 410)	(294 501)
Deficit in the plan	(29 935)	(9 111)
Present value of unfunded benefit obligations	(3 709)	(3 275)
TOTAL RETIREMENT BENEFIT OBLIGATIONS	(33 644)	(12 386)

The net periodic benefit costs recorded in the income statement consist of the following components:

(in CHF 1 000)	2023	2022
Current service cost	(12 849)	(15 542)
Past service cost	109	(57)
Interest expense on defined benefit obligation	(7 308)	(774)
Interest income on plan assets	6 936	609
Administration costs	(583)	(555)
EXPENSE RECOGNIZED IN THE CONSOLIDATED INCOME STATEMENT	(13 695)	(16 319)

The defined benefit obligation of the Swiss pension plan amounts to CHF 324.1 million (2022: CHF 293.0 million), the plan assets are CHF 294.1 million (2022: CHF 284.1 million) and current service costs are CHF 12.1 million (2022: CHF 14.8 million).

The movement in the Group's defined benefit obligation over the year is as follows:

(in CHF 1 000)	2023	2022
Present value of benefit obligation at 1 January	(297 776)	(343 040)
Current service cost	(12 849)	(15 542)
Interest expense on defined benefit obligation	(7 308)	(774)
Past service cost	109	(57)
Employee contributions	(9 610)	(8 719)
Experience losses on defined benefit obligation	6 373	(11 130)
Benefits paid / transferred in	20 636	3 591
Actuarial results arising from change in financial assumptions	(28 907)	77 487
Actuarial results arising from change in demographic assumptions	(358)	156
Currency translation adjustments	571	252
PRESENT VALUE OF BENEFIT OBLIGATION AT 31 DECEMBER	(329 119)	(297 776)
thereof due to active members	(278 236)	(256 746)
thereof due to pensioners	(50 883)	(41 030)

On 31 December 2023, the weighted-average duration of the defined benefit obligation was 15 years (2022: 14 years).

The calculation of defined benefit obligation is based on actuarial assumptions. The principal actuarial assumptions for the plans, which are determined with respect to local conditions, were as follows:

	2023		2022	
	Switzerland	Other	Switzerland	Other
Discount rate	1.50 %	3.36 % - 22.45 %	2.40 %	3.00 % - 5.23 %
Future salary increases	1.50 %	1.00 % - 20.60 %	1.50 %	1.00 % - 5.00 %

Generational mortality tables are used where this data is available. In both years under review, the mortality assumptions used for the Swiss pension plan were based on the BVG 2020 applying the 'continuous mortality investigation' (CIM) model. A long-term rate of 1.5% was used for longevity improvements. The actuarial loss from financial assumptions is mainly due to the decrease in the discount rate.

The defined benefit pension obligation is significantly impacted by assumptions regarding the discount rate. Furthermore, the rate of future salary increases significantly affects the value of the plans.

A quantitative sensitivity analysis for significant assumptions is shown below:

(in CHF 1 000)	2023		2022	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.25 % movement)	8 732	(9 299)	7 078	(7 498)
Future salary growth (0.25 % movement)	(1 992)	1 164	(965)	937

The sensitivity analysis above was determined based on a method that extrapolates the impact on net defined obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The movement in the fair value of plan assets over the year is as follows:

(in CHF 1 000)	2023	2022
Fair value of plan assets at 1 January	285 390	281 301
Interest income	6 936	609
Employer contributions	15 890	14 297
Employee contributions	9 610	8 719
Benefits paid / transferred in	(20 508)	(3 541)
Return on plan assets	(1 110)	(15 374)
Administration costs	(583)	(555)
Currency translation adjustments	(150)	(66)
FAIR VALUE OF PLAN ASSETS AT 31 DECEMBER	295 475	285 390

Plan assets are comprised as follows:

(in CHF 1 000)	2023		2022	
Cash and cash equivalents	7 647	2.6 %	13 920	4.9 %
Debt instruments	57 352	19.4 %	48 295	16.9 %
Equity instruments	85 882	29.1 %	82 385	28.9 %
Real estate	86 176	29.1 %	83 805	29.3 %
Other	58 418	19.8 %	56 985	20.0 %
TOTAL PLAN ASSETS	295 475	100.0 %	285 390	100.0 %

Cash and cash equivalents, as well as the largest part of the debt, equity instruments and other (mainly consisting of insurance-linked securities and investments in infrastructure funds) have a quoted market price and are tradeable in liquid markets. In 2023, 12% (2022: 12%) of the real estate investments have a quoted market price, while the rest is mainly invested in common investment foundations.

The strategic allocation of assets is determined with the objective of achieving an investment return which, together with the employer and employee contributions, is sufficient to maintain reasonable control over the various funding risks of the plan. The aim is to ensure that plan assets and liabilities are aligned in the medium and long term.

The Group's defined benefit plans are administered by independent foundations. The Board of Trustees, which is constituted by an equal number of representatives of the employer and employees, is responsible for the management of the plans. The Board of Trustees determines the investment strategy within the framework of the legal provisions taking into consideration the plans' risk objectives, benefit obligations and risk capacity. The Board of Trustees uses external actuarial reports to estimate the risk capacity.

Each year, the level of funding is reviewed as required by legislation. The duties of the Board of Trustees are laid down in the BVG and the pension fund regulations. In accordance with the BVG, a temporary shortfall is permitted. The Board of Trustees must take appropriate measures in order to solve the shortfall within a reasonable time. Pursuant to the BVG, additional employer and employee contributions may be incurred whenever a significant shortfall arises in accordance with the BVG.

The expected amount of contribution to post-employment benefit plans for 2024 is CHF 16.0 million.

Apart from the defined benefit plans, the Group also operates several defined contribution plans which receive fixed contributions from Group companies. The Group's legal or constructive obligation for these plans is limited to the contributions. The expense recognized in the current period in relation to these contributions was CHF 12.6 million (2022: CHF 15.0 million).

8.3 Share-based payments

The Group currently uses three different compensation plans involving share-based payment components:

- Long-term incentive (LTI)
- Board of Directors remuneration
- Employee share participation plan (ESPP)

Long-term incentive (LTI)

The LTI program is designed for Executive Management Board, senior management and other key employees. The plan uses performance share units (PSU), which are granted to eligible personnel with specific performance conditions that result in a potential vesting into Straumann shares after three years. The number of shares allocated per PSU depends on the achievement of the performance conditions, both directly reflecting the shareholder experience and considered essential for sustaining shareholder value creation.

- Absolute total shareholder return (aTSR) aims to link the LTI value at vesting directly with the absolute value created by the company for its shareholders.
- Relative total shareholder return (rTSR) shows the Group's share performance in the context of the market and in comparison with peer companies of the SMIM (Swiss Market Index Mid).

The performance conditions are weighted equally and vest independently of each other. For each performance condition, the maximum conversion factor is one share per PSU, leading to a total maximum conversion factor for the LTI for two shares per PSU. The valuation is performed by independent specialists applying the following significant inputs into the model: grant date, vesting date, average reference price, performance target including 'cap' and 'floor', share price at issue, risk-free interest rate, expected volatility, expected correlation and expected dividend yield.

aTSR – CAGR over three years

The aTSR symmetrical vesting curve is parametrized around the target of 7.0%, whereby the conversion rate of PSUs into shares ranges from 0% to 100%. Target achievement will result in a conversion rate of half a share per PSU, with any achievements below target achieving a conversion rate on a linear basis down to zero for any result below the minimum threshold. If the aTSR CAGR amounts to 14.0% or more, the conversion rate of one PSU amounts to a full share.

Three-year rTSR versus SMIM in percentage points

The rTSR symmetrical vesting curve allows for no payout in the case of below-pre-defined threshold performance (SMIM performance alignment) and limits the maximum payout to a conversion rate of 100% in case of above-target performance. No shares are allocated if the Group underperforms the SMIM by 25 percentage points or more (i.e. conversion rate of zero). However, each PSU converts into one share (i.e. conversion rate of 100%) if the Group outperforms the SMIM by 25 percentage points or more. Performance in line with the SMIM results in each PSU converting into half a share.

Board of Directors remuneration

The compensation of the Board of Directors consists of a fixed compensation component paid in cash and undiscounted shares. The shares allocated to the members of the Board of Directors are blocked for two years. The value of shares allocated is calculated using the average closing price of the shares over the seven trading days following the ex-dividend day.

Employee share participation plan

Eligible employees in Switzerland are able to purchase Straumann shares up to a maximum of 25% or 35% of their annual base salary at a discount of 25% or 35%, respectively, depending on hierarchical level and respective LTI eligibility. The grant value is based on the average share price over the seven-trading-day period following the ex-dividend day. The shares are blocked for two years. During the reporting period, employees subscribed to 98 619 (2022: 103 348) of those shares.

The expense recognized for share-based payments during the year is shown in the following table:

(in CHF 1 000)	2023	2022
Long-term incentive (LTI)	9 908	10 032
Board of Directors remuneration	1 000	1 000
Employee share participation plan (ESPP)	3 026	3 019
TOTAL SHARE-BASED PAYMENTS (NOTE 8.1)	13 934	14 051

There were no cancellations or modifications to the PSU awards in 2023 or 2022.

Movements in the number of performance share units are as follows:

RECONCILIATION OF OUTSTANDING PERFORMANCE SHARE UNITS

	2023	2022
At 1 January	249 891	262 270
Granted	84 283	90 390
Exercised	(90 561)	(77 360)
Forfeited	(22 004)	(25 409)
TOTAL AT 31 DECEMBER	221 609	249 891
Exercisable at 31 December	0	0

In 2023, 84 283 PSUs were granted under the LTI (2022: 90 390). The total fair value was determined using a Monte Carlo simulation algorithm and amounts to CHF 153.78 (2022: CHF 140.42).

Underlying assumptions for the fair value of the PSUs are presented below:

INPUTS TO THE MODELS

	2023	2022
	PSU	PSU
Dividend yield (in %)	0.00	0.00
Expected volatility (in %)	37.31	33.39
Risk-free interest rate (in %)	1.94	0.58
Expected life of PSUs (in years)	3	3
Share price (in CHF) at grant date in April	136.95	130.55
Fair value (in CHF)	153.78	140.42

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the instruments is indicative of future trends, which may not necessarily be the actual outcome.

9 Other disclosures

9.1 Events after the balance sheet date

On 3 January 2024, the Group acquired 100% of the issued shares in Schmidt Dental, a Polish distributor that sells various Group brand and third-party products. The company was subsequently renamed Straumann Polska Sp. z.o.o. The provisional consideration for this acquisition amounts to CHF 21.9 million. While the upfront amount of CHF 9.6 million will be paid in 2024, an amount of CHF 12.3 million is expected to be paid based on performance achievements over the next three years.

The financial effects of this transaction were not recognized at 31 December 2023. The operating results and assets and liabilities of the acquired company will be consolidated from 1 January 2024. On the date the Group obtained control over Schmidt Dental, the Group's share of identifiable net assets had not yet been elaborated. Details of the assets taken over and the liabilities assumed, the future revenue and profit contribution of Schmidt Dental and the effect on the cash flow for the Group are not disclosed, as the accounting for the transaction was still incomplete at the time these consolidated financial statements were authorized for issue.

9.2 Financial risk management

The Group's principal financial liabilities comprise trade payables, finance leases, overdrafts, bank loans, contingent considerations and straight bonds issued in Switzerland. The Group has various financial assets such as trade receivables, cash, cash equivalents and short-term deposits.

The main risks arising from the Group's financial assets and liabilities are related to interest rate changes, foreign currency fluctuations, possible credit defaults and liquidity shortage. The Audit and Risk Committee agrees and reviews policies for managing these risks, which are summarized below. The risk management execution is carried out by specialist teams that have the appropriate skills, experience and supervision.

Market risk

Market risk refers to the risk that the fair value of future cash flows of financial assets and liabilities will fluctuate because of external changes in the markets involved. This systemic risk mainly affects the Group's interest rate risk, foreign currency risk, credit risk and liquidity risk. The subsequent sections provide insights into the management of the various risks, including major exposures and their potential effects on the Group's profitability. Such financial impacts are demonstrated in sensitivity analyses, which relate to the Group's net financial positions at 31 December 2023 and 2022. Excluded from the sensitivity calculations are changes in the carrying value of post-retirement obligations, provisions, non-financial assets and liabilities of foreign operations.

Interest rate risk

Interest rate risk refers to the risk that the fair value of future cash flows of financial assets and liabilities will fluctuate because of changes in market interest rates. The Group's exposure to this risk arises primarily from short-term interest-bearing assets and short-term debt obligations. The Group is primarily exposed to interest rate risks in the Swiss, EU and US markets. The Group's policy is to closely monitor interest rate risks and manage them using variable and fixed rates or financial derivatives. No material hedging activities, such as interest rate swaps, were conducted during the period under review.

Interest rate risk sensitivity

The following table demonstrates the impact of reasonably possible interest rate changes on the Group's profit before tax, with all other variables held constant. The sensitivity analysis considers major interest rate risk exposures. The method considers fair value changes of interest-bearing assets and borrowings. There is no material impact on the Group's equity.

(in CHF 1 000)	2023		2022	
CURRENCY	Increase / decrease (in base points)	Effect on profit before tax	Increase / decrease (in base points)	Effect on profit before tax
CHF	30	733	30	1 558
EUR	50	203	50	325
USD	50	165	50	200
CHF	(30)	(733)	(30)	(1 558)
EUR	(50)	(203)	(50)	(325)
USD	(50)	(165)	(50)	(200)

Foreign currency risk

Foreign exchange risk occurs when future transactions or recognized assets or liabilities are denominated in a currency that differs from the entity's functional currency. As most of the Group's business is international and its financial statements are prepared in Swiss francs, exchange rate fluctuations can affect both the Group's operating results and the reported values of the assets and liabilities. The Group is primarily exposed to the euro, the US dollar, the Brazilian real, the Chinese renminbi and the Japanese yen.
In addition to naturally reducing currency exposures, the Group's foreign currency risk management policy aims to centralize exposures and subsequently manage them through a selective hedging approach. Managed exposures comprise recognized and anticipated transactions over a maximum of 12 months. The Group uses derivative instruments, primarily forward currency contracts, non-deliverable foreign exchange forwards (NDF) and plain vanilla options. Hedging decisions are taken and, if possible, executed by Group Treasury. Speculative trading is forbidden.

At 31 December 2023, the Group had economically hedged 77% (2022: 67%) of its booked foreign currency exposure.

The Group has investments in foreign operations whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's long-term investments in foreign operations is not hedged.

Foreign currency risk sensitivity

The following table demonstrates the impact (below operating profit) of reasonably possible currency rate changes on the Group's profit before tax (for fair value changes of financial assets and liabilities including fair value hedge derivatives) and the Group's equity (for fair value changes of currency derivatives designated as cash flow hedges), with all other variables held constant. The sensitivity analysis considers major foreign currency risk exposures.

(in CHF 1 000)	2023			2022		
CURRENCY	Increase / decrease (in %)	Effect on profit before tax	Effect on equity	Increase / decrease (in %)	Effect on profit before tax	Effect on equity
CNY / CHF	10	0	0	10	655	0
USD / CHF	10	(3 683)	0	10	2 484	0
BRL / CHF	10	0	0	10	(7)	0
EUR / CHF	10	2 296	0	10	519	0
JPY / CHF	10	0	0	10	0	0
CNY / CHF	(10)	0	0	(10)	(655)	0
USD / CHF	(10)	3 683	0	(10)	(2 484)	0
BRL / CHF	(10)	0	0	(10)	7	0
EUR / CHF	(10)	(2 296)	0	(10)	(519)	0
JPY / CHF	(10)	0	0	(10)	0	0

Credit risk

Credit risk is the potential for financial loss when counterparties fail to fulfill their obligations. The Group is exposed to credit risk through its operating activities, primarily through trade receivables and loan notes, and its financing activities, primarily through financial instruments such as foreign exchange derivatives and cash deposits with financial institutions.

Trade receivables

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, maturing and overdue receivable balances are monitored on an ongoing basis. The Group continuously reviews its provision for impairment. The maximum exposure is the carrying amount as disclosed in Note 5.2. In 2023, 96% of the transactions and 95% in 2022 respectively occurred in the country of the respective operating unit. There are no significant concentrations of customer credit risk within the Group.

Financial instruments and cash deposits

Credit risk from balances with banks and other financial institutions is managed by Group Treasury in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties. The Group's exposure to credit risk arises from the potential default of a counterparty, with a maximum exposure equal to the carrying amount of these assets.

The table below shows the major cash balances held with financial institutions at the balance sheet date.

(in CHF 1 000)	2023		2022	
BANK	Rating	Balance	Rating	Balance
Bank A	A+	102 920	A+	131 308
Bank B	A	98 433	A-	68 021
Bank C	A-	18 010	A-	28 436
Bank D	A	6 071	A	1 223
Bank E	A+	1 392	A-	5 132
Bank F	AAA	29	AAA	129 026
Bank G	AA+	7	AA+	121 205
Bank H	AA+	7	AA+	100 458
Other banks		81 716		111 294
Money market fund	A-1+[1]	101 725		0
TOTAL		410 310		696 103

1 Average rating of investments according to short-term rating methodology of S&P

Liquidity risk

Liquidity risk refers to the potential inability to meet short-term debt obligations due to a shortage of liquid assets. The Group carefully monitors its liquidity risk through diligent asset and liability management.

This includes a regular liquidity planning approach throughout the Group. The Group aims to maintain an adequate funding structure using bank overdrafts, bank loans, bonds and finance leases. Following its policy, Group Treasury ensures a permanently accessible cash reserve and flexible short-term funding options through committed or uncommitted credit lines, using a forward-looking approach.

The following table reflects all undiscounted contractually agreed payments for repayments and interest resulting from recognized financial liabilities at 31 December 2023 and 31 December 2022.

(in CHF 1 000)	2023			2022		
	< 1 year	1–5 years	> 5 years	< 1 year	1–5 years	> 5 years
Straight bonds	1 120	201 140	0	283 976	202 260	0
Lease liabilities	34 404	94 884	148 308	33 892	91 328	155 636
Other financial liabilities	1 296	18 403	18 383	591	8 129	0
Trade and other payables[1]	491 109	196 642	0	476 933	33 226	0
TOTAL	527 929	511 069	166 690	795 392	334 943	155 636

1 Prior year's presentation has been restated due to a misstated classification of the financial liabilities as defined by IFRS 7.

Capital management

The Group's capital management primarily aims to enable investments in business growth and ensure a strong credit rating and healthy capital ratios in order to support its business and secure shareholder investments. The Group manages its capital structure and makes adjustments when necessary. These can also involve changing the dividend payment to shareholders, returning capital to shareholders through share buy-backs, or issuing new shares.

As the Group operates in a fast-moving industry, its policy is to maintain a high degree of flexibility in its capital structure through a high availability of liquid funds. The Group monitors its capital base using the equity ratio. In the medium and long term, the Group strives to maintain an equity ratio of around 50% or higher.

Equity ratio

(in CHF 1 000)	2023	2022
Total assets	3 321 979	3 373 435
Equity	1 838 606	1 853 845
EQUITY RATIO	55.3 %	55.0 %

9.3 Principal currency translation rates

CURRENCY	Unit	31 Dec 2023	Average 2023	31 Dec 2022	Average 2022
Brazilian real (BRL)	100	17.36	17.97	17.46	18.39
Canadian dollar (CAD)	1	0.64	0.67	0.68	0.73
Chinese renminbi (CNY)	100	11.88	12.71	13.30	14.14
Euro (EUR)	1	0.93	0.97	0.98	1.00
Japanese yen (JPY)	100	0.60	0.64	0.70	0.73
Turkish lira (TRY)	1	0.03	0.04	0.05	0.06
US dollar (USD)	1	0.84	0.90	0.92	0.95

9.4 Related-party disclosure

Besides the associates and the key management personnel, the Group has identified the following related parties:

- the International Team for Implantology (ITI) Foundation
- Medartis AG

In the period under review, the following related-party transactions were made:

(in CHF 1 000)	2023	2022
PURCHASE OF GOODS FROM:		
Associates	(11 517)	(10 668)
Medartis AG	(2)	(28)
SALE OF GOODS TO:		
Associates	3 343	3 852
SERVICES RENDERED TO:		
Associates	1 571	864
ITI Foundation	1 258	773
SERVICES RECEIVED FROM:		
Associates	(1 742)	(2 485)
CONTRIBUTIONS PAID TO:		
ITI Foundation	(11 200)	(10 601)
TOTAL	(18 290)	(18 294)

Payments to the ITI Foundation are based on a collaboration agreement between the Group and the ITI.

The payments received for the rendering of services as well as the purchases of goods as stated above are carried out under normal commercial terms and conditions.

GRI disclosure: 2-2

The following open balances due to/from related parties are recognized in the statement of financial position:

(in CHF 1 000)	2023	2022
Associates loans receivables	2 993	2 422
Associates (payables) / receivables	(371)	1 879
ITI Foundation (payables) / receivables	(2 244)	(2 522)
TOTAL	377	1 779

Key management personnel compensation

Key management personnel comprises the Board of Directors and the Executive Management Board (EMB).

The Board of Directors is entitled to a fixed compensation, which is paid out in cash and shares. The shares allocated to the members of the Board of Directors are blocked for 2 years.

The compensation of the EMB consists of a fixed portion and variable portion, which depends on the course of business and individual performance. In addition, Executive Management Board members participate in the LTI program (Note 8.3).

Compensation

The following table shows the compensation of key management personnel recognized in profit or loss in line with the Group's accounting policies.

(in CHF 1 000)	2023	2022
Salaries and other short-term employee benefits	16 454	15 355
Post-employment benefits	2 420	2 537
Share-based payments	5 101	4 498
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION RECOGNIZED IN THE INCOME STATEMENT	23 975	22 390

9.5 Subsidiaries and associates

The consolidated financial statements of the Group include:

NAME	City	Country of incorporation	Interest and voting rights 2023 (in %)	Share capital 31 Dec 2023	
SUBSIDIARIES:					
Anthogyr SAS	Sallanches	France	100.00	EUR	1 254 040
Anthogyr S.A.	Mersch	Luxembourg	100.00	EUR	400 100
Batigroup Dental Diş Ürünleri Ticaret AŞ	Ankara	Türkiye	100.00	TRY	340 400 000
Biora AB	Malmö	Sweden	100.00	SEK	950 152
Dental Wings Inc.	Montreal	Canada	100.00	CAD	24 648 923
Dental Wings GmbH	Chemnitz	Germany	100.00	EUR	25 000
Dental Wings HK Limited	Hong Kong	China	100.00	RMB	4 000 000
DW Manufacturing Inc.	Montreal	Canada	100.00	CAD	1
Equinox Dental AG	Basel	Switzerland	100.00	CHF	100 000
etkon (Schweiz) AG	Rheinfelden	Switzerland	100.00	CHF	100 000
GalvoSurge Dental AG	Widnau	Switzerland	100.00	CHF	500 000
Institut Straumann AG	Basel	Switzerland	100.00	CHF	100 000
Straumann Software Centre India LLP	Mumbai	India	100.00	INR	400 000 000
Straumann Italia Srl	Milan	Italy	100.00	EUR	270 000
Instradent AG	Basel	Switzerland	100.00	CHF	100 000
Createch Medical S.L.U.	Mendaro	Spain	100.00	EUR	1 334 784
Createch Institute A.E.I.E.	Mendaro	Spain	100.00	EUR	880 000
Straumann Middle East PJS	Tehran	Iran	100.00	IRR	40 000 000
T-Plus Implant Tech. Co. Ltd.	New Taipei City	Taiwan	58.06	TWD	154 901 960
Instradent LLC	Moscow	Russia	100.00	RUB	17 250 000
Manohay Argentina SA	Buenos Aires	Argentina	100.00	ARS	19 000 000
Manohay Chile SPA	Santiago	Chile	100.00	CLP	1 863 200 000
Manohay Colombia SAS	Bogotá	Colombia	100.00	COP	14 100 062 000
Manohay Dental SA	Madrid	Spain	100.00	EUR	60 200
Manohay México SA de CV	México DF	Mexico	100.00	MXN	41 892 615
Medical Technologies 21 LLC	Moscow	Russia	100.00	RUB	10 000
Nihon Implant Co., Ltd	Kyoto	Japan	85.00	JPY	50 000 000
SmileCo GmbH	Berlin	Germany	100.00	EUR	25 000
DrSmile BeNeLux B.V.	Den Haag	Netherlands	100.00	EUR	10
DrSmile Iberia S.L.	Madrid	Spain	100.00	EUR	3 000
DrSmile Polska sp. z o.o.	Warsaw	Poland	100.00	PLN	505 000
PlusDental Poland sp. z o.o.	Wrocław	Poland	100.00	PLN	5 000
DrSmile Sverige AB	Stockholm	Sweden	100.00	SEK	25 000

NAME	City	Country of incorporation	Interest and voting rights 2023 (in %)	Share capital 31 Dec 2023	
DZK Deutsche Zahnklinik GmbH	Düsseldorf	Germany	100.00	EUR	25 000
SmileCo Austria GmbH	Linz	Austria	100.00	EUR	35 000
SSS Services UK Limited	London	UK	100.00	GBP	1 000
Sunshine Smile GmbH	Berlin	Germany	100.00	EUR	72 600
Sunshine Smile Dental Technologies GmbH	Berlin	Germany	100.00	EUR	25 000
Sunshine Smile Patient Care & Services GmbH	Berlin	Germany	100.00	EUR	25 000
PlusDental Netherlands B.V.	Amsterdam	Netherlands	100.00	EUR	10
Urban Technology GmbH	Berlin	Germany	100.00	EUR	25 000
DrSmile France SAS	Marseille	France	100.00	EUR	10 000
DrSmile Italia srl	Milano	Italy	100.00	EUR	10 000
Straumann (Beijing) Medical Device Trading Co Ltd	Beijing	China	100.00	CNY	70 290 000
Straumann (China) Investment Company Limited	Shanghai	China	100.00	USD	60 000 000
Ziyang Alliedstar Medical Equipment Co., Ltd.	Ziyang	China	51.00	CNY	255 102
Shanghai Alliedstar Medical Technology Co., Ltd	Shanghai	China	51.00	CNY	10 000 000
Shanghai Shizhuolian Business Consulting Co., Ltd.	Shanghai	China	100.00	CNY	100 000
Straumann (Shanghai) Medical Device Co., Ltd.	Shanghai	China	100.00	USD	30 000 000
Lirui Medical Technology (Shanghai) Company Limited	Shanghai	China	100.00	CNY	50 000 000
3D ADD Medical Technology (Beijing) Co. Ltd.	Beijing	China	100.00	CNY	31 285 714
Straumann AB	Mölndal	Sweden	100.00	SEK	100 000
Straumann AS	Oslo	Norway	100.00	NOK	1 000 000
Straumann BV	Ijsselstein	Netherlands	100.00	EUR	18 151
JJGC Indústria e Comércio de Materiais Dentários S.A.	Curitiba	Brazil	100.00	BRL	1 152 621 860
Smile factory S I e P LTDA.	Curitiba	Brazil	100.00	BRL	2 945 390
Smilink Serviços Ortodônticos Ltda.	São Paulo	Brazil	100.00	BLR	123 010 095
Yller Biomateriais S / A	Pelotas	Brazil	100.00	BRL	19 984
Straumann Canada Ltd	Burlington	Canada	100.00	CAD	2 100 000
Straumann Danmark Aps	Brøndby	Denmark	100.00	DKK	125 000
Straumann Dental India LLP	Mumbai	India	100.00	INR	1 766 000 000
Straumann Dental Korea Inc	Seoul	Republic of Korea	100.00	KRW	2 300 000 000
Straumann Dental s.r.l.	Bucharest	Romania	100.00	RON	4 050 000
Straumann Digital Planning Services (Private) Ltd	Lahore	Pakistan	100.00	PKR	12 000 000
Straumann GmbH	Vienna	Austria	100.00	EUR	40 000
Straumann Group & Clear Correct Singapore Pte Ltd.	Singapore	Singapore	100.00	SGD	10 000
Straumann Group (Taiwan) Co. Ltd.	Taipei	Taiwan	75.00	TWD	13 333 333
Straumann Group (Thailand) Limited	Bangkok	Thailand	100.00	THB	120 000 000
Straumann Group Adriatic d.o.o.	Zagreb	Croatia	100.00	EUR	3 320
Straumann Group Costa Rica S.A.	San José	Costa Rica	100.00	CRC	500 000
Manohay Costa Rica Servicios y Exportación S.R.L.	San José	Costa Rica	100.00	CRC	109 800 000
Straumann Group Peru SA	Lima	Peru	100.00	PEN	8 402 500
Straumann Group SDN. BHD.	Kuala Lumpur	Malaysia	100.00	MYR	1 055 000
Straumann Group South Africa (PTY) LTD	Somerset West	South Africa	100.00	ZAR	1 000
Straumann Holding Deutschland GmbH	Freiburg	Germany	100.00	EUR	25 000
etkon GmbH	Gräfelfing	Germany	100.00	EUR	326 000
Medentika GmbH	Hügelsheim	Germany	100.00	EUR	275 000
Abutment Direct Inc.	Markham	Canada	50.00	CAD	0
OxiMaTec GmbH	Hochdorf	Germany	100.00	EUR	52 000
Straumann GmbH	Freiburg	Germany	100.00	EUR	200 000
Straumann Services AG & Co. KG	Freiburg	Germany	100.00	EUR	10 000
Straumann Indochina Co. Ltd.	Hanoi	Vietnam	100.00	VND	6 975 000 000
Straumann Japan KK	Tokyo	Japan	100.00	JPY	490 000 000
etkon Japan KK	Shibayama	Japan	100.00	JPY	10 000 000
Straumann Jordan PSC	Amman	Jordan	49.00	JOD	50 000
Straumann Lithuania UAB	Vilnius	Lithuania	100.00	EUR	10 000
Straumann Estonia OÜ	Tallinn	Estonia	100.00	EUR	2 500
Straumann Latvia SIA	Riga	Latvia	100.00	EUR	2 800
Straumann LLC	Moscow	Russia	100.00	RUB	21 000 000
Straumann Ltd	Crawley	UK	100.00	GBP	300 000
Straumann Manufacturing, Inc.	Andover	USA	100.00	USD	1
Bay Materials LLC	Fremont	USA	100.00	USD	0
ClearCorrect Holdings, Inc.	Round Rock	USA	100.00	USD	1
ClearCorrect Operating, LLC	Round Rock	USA	100.00	USD	1 000
Straumann USA, LLC	Andover	USA	100.00	USD	1
Straumann Oy	Helsinki	Finland	100.00	EUR	32 000
Straumann Pty Ltd	Port Melbourne	Australia	100.00	AUD	100
Straumann New Zealand Ltd	Napier	New Zealand	100.00	NZD	0

NAME	City	Country of incorporation	Interest and voting rights 2023 (in %)	Share capital 31 Dec 2023	
Straumann SA / NV	Zaventem	Belgium	100.00	EUR	2 565 021
Straumann SAS	Fontenay-sous-Bois	France	100.00	EUR	287 472
SCI Alpina Immobilière	Fontenay-sous-Bois	France	100.00	EUR	50 000
Straumann Services Spain SL	Madrid	Spain	100.00	EUR	3 000
Straumann SRO	Prague	Czech Republic	100.00	CZK	200 000
Straumann Villeret SA	Villeret	Switzerland	100.00	CHF	9 000 000
Straumann Manufacturing Pars PJS	Tehran	Iran	100.00	IRR	40 000 000
Gravitonas UAB	Vilnius	Lithuania	100.00	EUR	2 500

The next senior and ultimate holding company of the Straumann Group is Straumann Holding AG which is based and listed in Switzerland.

NAME	City	Country of incorporation	Interest and voting rights 2023 (in %)
ASSOCIATES:			
botiss medical AG	Berlin	Germany	30.00
Dental Monitoring SAS	Paris	France	6.11
Good Methods Global Inc.	Celebration	USA	36.34
maxon dental GmbH	Kenzingen	Germany	49.00
MiniNaviDent AG	Liestal	Switzerland	39.12
Rodo Medical Inc.	San Jose	USA	23.16
Rapid Shape GmbH	Heimsheim	Germany	35.00
Promaton Holding B.V.	Amsterdam	Netherlands	88.11
Smilecloud S.R.L.	Timișoara	Romania	30.00
STM Digital Dentistry Holding Ltd.	Hong Kong	China	49.00
Peak Dental Solutions HK Ltd.	Hong Kong	China	40.00
Warantec Co., Ltd.	Seongnam-si	Republic of Korea	33.50
3D Diagnostix Inc.	Boston	USA	30.00
Digital Design Solutions S.A.E.	Cairo	Egypt	30.00

To the General Meeting of
Straumann Holding AG, Basel

Basel, 26 February 2024

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Straumann Holding AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information (pages 184 to 227).

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Valuation of goodwill and brands with indefinite useful life

Area of focus

Goodwill and brands with indefinite useful life stemming from the various acquisitions represent 21% of the Group's total assets and 38% of the Group's equity as of 31 December 2023. In 2023 total impairment charges of CHF 155.4 million were recognized (see Group's disclosures Note 4.3).

There is a risk of limited recoverability of these assets, in case the planned growth and margins for the domestic or international business are not realized as budgeted or forecasted by management. Indicators of impairment are assessed at each reporting date and an impairment test is performed at least annually. In determining the value in use of cash-generating units, management applies judgment in estimating – amongst other factors – future revenues and margins, long-term growth and discount rates. Such assumptions are affected by expected future market or economic conditions.

Due to the significance of the carrying amount of the goodwill and brands with indefinite useful life and the judgment involved in performing the impairment test, this matter was considered significant to our audit.

Our audit response

We gained an understanding of the impairment process and confirmed the existence of key controls. We evaluated the Group's valuation model for the impairment test of goodwill and brands with indefinite useful life. We reviewed the historical accuracy of the Group's estimates.
With the assistance of our valuation specialists, we independently derived the weighted average cost of capital (WACC) and compared these to those calculated by the Group. Where the financial information differed from the forecasts, we also discussed with management and obtained supporting explanation about the assumptions regarding future revenues, margins and long-term growth rates.
We further evaluated the sensitivity in the valuation resulting from reasonable changes applied to the key assumptions discount rates, long-term growth and margins.
We assessed the adequacy of the disclosure provided in Note 4.4 of the consolidated financial statements in relation to the relevant accounting standards.

Our audit procedures did not lead to any reservations concerning the valuation of goodwill and brands with indefinite useful life.

Uncertain tax position Neodent

Area of focus	At 1 March 2015, the tax-deductible goodwill amounted to CHF 124.9 million and the carrying amount of the respective deferred tax assets amounted to CHF 42.5 million. As of balance sheet date the recognized deferred tax assets relating to tax-deductible statutory goodwill and fair value step-ups amount to CHF 11.9 million. Such tax-deductible statutory goodwill and fair value step-ups originated from mergers subsequent to Neodent's acquisition through fully owned subsidiaries. The Group performs periodic assessments of the recoverability of deferred tax assets (see Group's disclosures Note 7.7). Brazilian tax authorities have challenged the legality of the tax-deductibility of the statutory goodwill and fair value step-ups. Due to the judgement involved in making an assessment on the final outcome of the case this matter was considered significant to our audit.
Our audit response	We involved local Brazilian tax experts to assist in evaluating the Group's assessment regarding tax-deductibility of statutory goodwill and fair value step-ups. We held discussions with group management to understand the current status of the court procedures. We analyzed the reassessment of the Group related to the decision of the Brazilian Administrative Court on the appropriateness of the deductibility of statutory goodwill and fair value step ups. Our audit procedures did not lead to any reservations concerning the valuation of the of the uncertain tax position Neodent.

Acquisition of AlliedStar

Area of focus	As described in the note 2.1 of the consolidated financial statements, the Group acquired 51% of the issued shares. The Group acquired the remaining 49% through forward purchase arrangements (FPA) until the end of 2029. These comprise various deferred considerations with a fixed exercise price and contingent considerations where the settlement amount is contingent upon a future event such as technical and commercial milestones which are described in note 7.3. The amount calculated by the Group for the deferred and contingent consideration amounts to CHF 151.7 million as of 31 December 2023. Following the acquisition of AlliedStar, management prepared a Purchase Price Allocation ('PPA'). The determination of identifiable and separate intangible assets acquired is exposed to risks given the large part of the transaction attributed to synergies and intangibles, with a total intangible and goodwill recognised as of 31 December 2023 of CHF 226 million. The determination of the contingent considerations is complex and requires a high degree of judgment in estimating the probability of occurrence of the commercial and technical milestones. We therefore deem this as a key audit matter for the year 2023.
Our audit response	In respect of the determination of identifiable and separable intangible assets acquired, we evaluated the valuation techniques adopted and tested the appropriateness of the underlying assumptions, and the mathematical accuracy of the valuation models with the support of our internal valuation specialists embedded in the engagement team. We corroborated management's assumptions relating to discount rate through benchmarking with available external data. We held discussions with experts employed by management to assist in the identification of separable intangible assets and the valuation thereof and evaluated the findings and conclusions in their report. We assessed the competence, capability and objectivity of experts employed by management. Our work was performed by the Group audit team and the valuation specialists embedded in the engagement team. In respect of the valuation of the contingent consideration related to the achievement of technical and commercial milestones, we obtained an understanding of the contractual terms and we held discussion with the management about the assessment of the probability of the technical milestones achievement based on the progress of the underlying projects, and of the commercial milestones analysing the underlying management estimates. We assessed the reasonableness and completeness of the disclosures made in note 2.1 of the consolidated financial statements. Our audit procedures did not lead to any reservations concerning the determination of the contingent consideration for the acquisition of AlliedStar.

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Ernst & Young Ltd

Fabian Meier Licensed audit expert (Auditor in charge)	Suvison Thanigasalam Licensed audit expert

FINANCIAL REPORT STRAUMANN HOLDING

Balance sheet

ASSETS

(in CHF 1 000)	Notes	31 Dec 2023	31 Dec 2022
Cash and cash equivalents		124 825	206 460
Securities and short term deposits		101 725	300 000
Other short-term receivables		103 103	10 913
from third parties		7 168	2 748
from investments		95 935	8 165
Prepaid expenses		97	150
Total current assets		329 750	517 523
Financial assets	2.1	986 500	926 748
Investments	2.2	1 137 002	1 232 423
Intangible assets		29	35
Total non-current assets		2 123 531	2 159 206
TOTAL ASSETS		2 453 281	2 676 729

EQUITY AND LIABILITIES

(in CHF 1 000)	Notes	31 Dec 2023	31 Dec 2022
Trade payables to third parties		163	169
Short-term interest-bearing liabilities to investments	2.3	30 636	102 290
Short-term interest-bearing liabilities to third parties	2.5	0	280 000
Other short-term liabilities to investments		1 114	24
Short-term provisions	2.4	3 419	3 150
Deferred income		1 379	2 260
Total current liabilities		36 711	387 893
Long-term interest-bearing liabilities		512 397	409 400
to third parties	2.5	200 000	200 000
to investments		312 397	209 400
Long-term provisions		3 000	3 000
Total non-current liabilities		515 397	412 400
Total liabilities		552 108	800 293
Share capital	2.6	1 595	1 595
Legal capital reserves		134 751	134 751
Reserves from capital contributions[1]	2.7	125 159	125 470
Share premium	2.7	9 592	9 281
Legal retained earnings		(6 927)	2 180
Reserves for treasury shares	2.8	1 519	10 626
Capital reserves		(11 986)	(11 986)
Statutory reserves		1 540	1 540
Extraordinary reserves		2 000	2 000
Voluntary retained earnings		1 771 754	1 737 910
Available earnings			
- Retained earnings		1 619 572	1 348 554
- Net result		152 182	389 356
Total equity		1 901 173	1 876 436
TOTAL EQUITY AND LIABILITIES		2 453 281	2 676 729

1 Thereof CHF 125 158 510 (2022: CHF 70 212 540) finally confirmed by the Swiss Federal Tax Administration in 2023.

Income statement

(in CHF 1 000)	Notes	2023	2022
Income from investments	2.10	412 650	391 941
Other financial income	2.11	56 123	21 941
Impairment reversal of investments	2.14	0	15 343
Total income		468 773	429 225
Other financial expense	2.12	(63 554)	(31 110)
Board compensation		(1 669)	(1 675)
Other operating expense	2.13	(4 262)	(4 255)
Impairment on investments	2.14	(247 134)	(3 000)
Amortization of intangible assets		(6)	(6)
Total expenses		(316 625)	(40 046)
Result before income tax		152 148	389 179
Direct taxes		34	177
NET RESULT		152 182	389 356

Notes to the financial statements

1 Principles

1.1 General

Straumann Holding AG is a public company whose shares are traded on the Swiss Exchange (SIX). As the parent company of the Straumann Group, the purpose of Straumann Holding AG is to acquire, dispose of and manage investments in the field of dental and medical technology.

These financial statements have been prepared in accordance with the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

As Straumann Holding AG has prepared consolidated financial statements in compliance with accepted international accounting standards (IFRS Accounting Standards), it has decided to forego presenting a cash flow statement as well as additional disclosures in the notes in accordance with the law.

Straumann Holding AG together with its subsidiaries Institut Straumann AG, Straumann Villeret SA and Instradent AG are treated as a VAT group by the Swiss Federal Tax Administration. Owing to this group taxation, Straumann Holding AG is liable to the Swiss Federal Tax Administration jointly and severally with all group members for any VAT.

1.2 Financial assets

Financial assets include long-term loans. Loans granted in foreign currencies are translated at the exchange rate at the balance sheet date, whereby unrealized losses are recorded but unrealized gains are not recognized.

1.3 Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expense.

1.4 Share-based payments

Should treasury shares be used for share-based payments for the Board members' compensation, the difference between the acquisition costs and any consideration paid is recognized as Board compensation.

1.5 Interest-bearing liabilities

Interest-bearing liabilities are recognized at nominal value. Discounts and issuing costs are recognized as prepaid expenses and amortized on a straight line basis over the term of the liability.

2 Information on balance sheet and income statement items

2.1 Financial assets

(in CHF 1 000)	31 Dec 2023	31 Dec 2022
Loans to subsidiaries	974 913	899 400
Loans to third parties	2 060	2 422
Other financial assets	9 528	24 926
TOTAL	986 500	926 748

2.2 Investments

The direct and major indirect investments of the company are listed in Note 9.5 of the Straumann Group Financial Statements. Ownership interests equal voting rights.

2.3 Short-term interest-bearing liabilities to investments

Short-term interest-bearing liabilities to investments consist of cash pool liabilities which add up to CHF 18.3 million (2022: CHF 23.9 million) as well as earnouts of CHF 12.3 million (2022: CHF 78.4 million). The decrease in earnouts is due to payouts and releases.

2.4 Short-term provisions

In 2023 and 2022, short-term provisions mainly include provisions for unrealized foreign exchange gains.

2.5 Interest-bearing liabilities to third parties

(in CHF 1 000)	31 Dec 2023	31 Dec 2022
Bonds	200 000	480 000
TOTAL	200 000	480 000
BOND CONDITIONS		
Nominal value	0	280 000
Interest rate in %		1.00
Maturity / term in years		3.5
Due date / maturity		3 Oct 2023
Nominal value	200 000	200 000
Interest rate in %	0.55	0.55
Maturity / term in years	5.2	5.2
Due date / maturity	3 Oct 2025	3 Oct 2025

The Group placed a CHF-denominated domestic straight bond issue for an aggregate amount of CHF 280 million with issue date 3 April 2020, payable annually in arrears on 3 October. On 3 October 2023 the Group repaid its CHF-denominated domestic straight bond of CHF 280 million which was issued in April 2020.

In July 2020 the Group placed an additional CHF-denominated domestic straight bond for an aggregate amount of CHF 200 million, with issue date 15 July 2020, payable annually in arrears on 3 October.

Denominations of the bonds are CHF 5 000 nominal and multiples thereof. The bonds have been admitted to trading on the SIX Swiss Exchange with effect from 27 March 2020 until 03 October 2023 respectively from 10 June 2020 until 3 October 2025 and are listed in accordance with the Standard for Bonds on the SIX Swiss Exchange.

2.6 Share capital

The share capital is represented by 159 455 239 issued shares (2022: 159 455 239) of CHF 0.01 par value.

2.7 Reserves from capital contribution

From a fiscal point of view, any distributions made from reserves from capital contributions are treated the same as a repayment of share capital. The Swiss Federal Tax Administration (ESTV) acknowledged the reported reserves for capital contribution as a capital contribution in accordance with Article 5 Paragraph 1bis Swiss Witholding Tax Act (VStG).

In 2023 the change in reserves from capital contribution includes the reclassification of CHF 0.3 million, which was not accepted by the Swiss Federal Tax Administration (including Swiss stamp duty), to share premium.

In 2022, the change included the reclassification of CHF 11.4 million from reserves from capital contributions, which was not accepted by the Swiss Federal Tax Administration (including Swiss stamp duty), to capital reserves.

2.8 Reserves for treasury shares

The shares of Straumann Holding AG on stock of Institut Straumann AG amount to 11 758 shares (2022: 100 622) with an average value of CHF 129.23 (2022: CHF 111.73). The treasury shares decreased mainly due to the vesting of performance share units and employee shares.

2.9 Treasury shares

Since 2017 all shares have been sold and no transactions regarding treasury shares occurred in 2023 or 2022.

2.10 Income from investments

In the reporting period, the dividend income amounted to CHF 412.7 million (2022: CHF 391.9 million).

2.11 Other financial income

Other financial income amounts to CHF 56.1 million (2022: CHF 21.9 million) and contains mainly the interest income from loans to subsidiaries and income from hedges on foreign currencies.

2.12 Other financial expense

Other financial expenses amount to CHF 63.6 million (2022: CHF 31.1 million) and consists mostly of foreign exchange losses resulting from the valuation of loans and earnouts, as well as interest expenses.

(in CHF 1 000)	2023	2022
Interest	10 400	9 574
Foreign exchange losses	52 311	21 008
Other financial expense	843	528
TOTAL	63 554	31 110

2.13 Other operating expense

(in CHF 1 000)	2023	2022
Administrative expense	470	358
Consulting expense	1 703	1 261
Sundry expense	2 089	2 636
TOTAL	4 262	4 255

2.14 Impairment on investments

In 2023, there were impairments on investments in the amount of CHF 247.1 million (2022: CHF 3.0 million. The impairment in 2023 is mainly related to the DrSmile business and is predominantly caused by a reduced sales growth rate forecast, owing to the macroeconomic environment of inflationary pressure and softer private consumption.

In 2022, the income statement showed a reversal of impairment of CHF 15.3 million. The Group had invested in equity shares of a medical device company, whose shares were suspended from trading from the end of 2021 until April 2022. In 2021, the investment was impaired (CHF 15.3 million) as the market of this investment became inactive due to the suspension. After the shares resumed trading in 2022 and current published price quotations were available again, the impairment was released.

3 Other information

3.1 Full time equivalents

Straumann Holding AG does not have any employees.

3.2 Major shareholders

Shareholders who own more than 3% of voting rights are as follows:

(in %)	31 Dec 2023[1]	31 Dec 2022[1]
MAJOR SHAREHOLDERS		
Dr h.c. Thomas Straumann (Vice Chair of the Board)	15.7	16.3
Dr h.c. Rudolf Maag	10.2	10.2
Black Rock Group[2]	7.2	7.3
Simone Maag de Moura Cunha	3.5	3.5
Gabriella Straumann	3.0	3.0
TOTAL MAJOR SHAREHOLDERS	39.6	40.3

1 Or at last reported date if shareholdings are not registered in the share register.
2 Not registered in Straumann's share register.

3.3 Allocation of equity instruments to the Board of Directors

According to the compensation plan, Board members' fees are paid in a fixed remuneration and shares. The number of shares is calculated based on the average price over the last seven days prior to the allocation.

The allocation was as follows:

	2023		2022	
	Number	Value in CHF 1 000		Value in CHF 1 000
Allocated to the Board of Directors	7 281	1 000	7 680	1 000

3.4 Events after the balance sheet date

On 3 January 2024, the Group acquired 100% of the issued shares in Schmidt Dental, a Polish distributor that sells various Group brand and third-party products. The company was subsequently renamed Straumann Polska Sp. z.o.o. The provisional consideration for this acquisition amounts to CHF 21.9 million. While the upfront amount of CHF 9.6 million will be paid in 2024, an amount of CHF 12.3 million is expected to be paid based on performance achievements over the next three years.

The financial effects of this transaction were not recognized at 31 December 2023. The operating results and assets and liabilities of the acquired company will be consolidated from 1 January 2024. On the date the Group obtained control over Schmidt Dental, the Group's share of identifiable net assets had not yet been elaborated. Details of the assets taken over and the liabilities assumed, the future revenue and profit contribution of Schmidt Dental and the effect on the cash flow for the Group are not disclosed, as the accounting for the transaction was still incomplete at the time these financial statements were authorized for issue.

Proposal of the Board of Directors for the appropriation of the available earnings

(in CHF 1 000)	2023	2022
Net result	152 182	389 356
Carried forward from previous year	1 610 466	1 353 555
Change in reserves for treasury shares	9 106	(5 001)
Profit available to the Annual General Meeting	1 771 754	1 737 910
Dividend paid out of the profit available (CHF 0.80 per share)		(127 445)
Proposed dividend distribution to be paid out of the profit available (CHF 0.45 per share)	(71 750)	
BALANCE CARRIED FORWARD	1 700 005	1 610 466
Available reserves from capital contributions before dividend distribution	125 159	
Proposed dividend to be paid out of the reserves from capital contributions (CHF 0.40 per share)	(63 777)	
AVAILABLE RESERVES FROM CAPITAL CONTRIBUTIONS AFTER DIVIDEND DISTRIBUTION	61 381	

The Board of Directors proposes to the shareholders' general meeting that a total dividend of CHF 0.85 per share be distributed, payable as of 18 April 2024. A gross dividend of CHF 0.45 is to be distributed from available earnings while CHF 0.40 is to be distributed out of 'reserves from capital contributions'. Calculated based on the total number of outstanding shares of 159 443 481, this corresponds to a total amount of CHF 135.5 million. In deciding on the appropriation of dividends, the shareholders' general meeting shall take into account that the Company will not pay a dividend on treasury shares held by the Company.

The remaining amount of the available earnings is to be carried forward.

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To the General Meeting of
Straumann Holding AG, Basel

Basel, 26 February 2024

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Straumann Holding AG (the Company), which comprise the balance sheet as at 31 December 2023 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (pages 232 to 237).

In our opinion, the financial statements comply with the Swiss law and the Company's articles of incorporation.

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

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

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

We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the financial statements.

Valuation of investments in and loans to subsidiaries

Area of focus	Investments in and loans to subsidiaries as at balance sheet date amount to CHF 2'111 million or 86% of total assets. An impairment of CHF 246 million has been booked on the investment SmileCo GmbH. The Company assesses the valuation of its investments and loans and determines potential impairments on an individual basis in accordance with Swiss Code of Obligations (see Company's disclosures Note 2.14). Due to the significance of the carrying amount of the investments and loans and the judgement involved in the determination of potential impairments, this matter was considered significant to our audit.
Our audit response	We assessed the valuation methodology, analysed the underlying key assumptions and tested the mathematical accuracy of the valuation model. With the assistance of our valuation specialists, we independently derived the weighted average cost of capital (WACC) and compared it to Company's calculation. Our audit procedures did not lead to any reservations concerning the valuation of investments in and loans to subsidiaries.

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 consolidated financial statements, the stand-alone financial statements, the audited tables in the compensation report and our auditor's reports thereon.

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

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

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

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

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

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Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

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

We further confirm that the proposed appropriation of available earnings and the proposed repayment of legal capital reserve comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Fabian Meier Licensed audit expert (Auditor in charge)	Suvison Thanigasalam Licensed audit expert

APPENDIX

GRI and SASB Content Index

GRI CONTENT INDEX ESSENTIALS SERVICE 2024

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

GRI 1: Foundation 2021

Straumann Holding AG has reported in accordance with the GRI Standards for the period January 1 to December 31, 2023

General Disclosures

GRI Standards	Disclosure	Page no./direct answer
GRI 2: General disclosures 2021		
	2-1 Organizational details	Straumann Holding AG, 14-15, 131, 189
	2-2 Entities included in the organization's sustainability reporting	225–227, entities included in the environmental data: 96
	2-3 Reporting period, frequency and contact point	51, 251; publication date: February 27, 2024
	2-4 Restatements of information	100, 104
	2-5 External assurance	51, 127-128
	2-6 Activities, value chain and other business relationships	15, 48-49, 65, 79-80, 227
	2-7 Employees	85, 87
	2-8 Workers who are not employees	There are no workers who are not employed but controlled by Straumann Group
	2-9 Governance structure and composition	131, 133-136
	2-10 Nomination and selection of the highest governance body	138
	2-11 Chair of the highest governance body	133
	2-12 Role of the highest governance body in overseeing the management of impacts	50-51, 55-56, 116-117
	2-13 Delegation of responsibility for managing impacts	50-51, 55-56, 116, 141-142
	2-14 Role of the highest governance body in sustainability reporting	50-51, 137
	2-15 Conflicts of interest	138-140
	2-16 Communication of critical concerns	122-123
	2-17 Collective knowledge of the highest governance body	133-137
	2-18 Evaluation of the performance of the highest governance body	141
	2-19 Remuneration policies	161-163, 172-175
	2-20 Process to determine remuneration	164-171
	2-21 Annual total compensation ratio	174
	2-22 Statement on sustainable development strategy	6-11, 45-46
	2-23 Policy commitments	116-117, 119-120, 123-126
	2-24 Embedding policy commitments	116-126
	2-25 Processes to remediate negative impacts	116-117
	2-26 Mechanisms for seeking advice and raising concerns	117, 122-123
	2-27 Compliance with laws and regulations	57, 60-62, 107, 116-123, 125-126
	2-28 Membership associations	118
	2-29 Approach to stakeholder engagement	52
	2-30 Collective bargaining agreements	86, 90
GRI 3: Material topics 2021		
	3-1 Process to determine material topics	53-54
	3-2 List of material topics	54

GRI and SASB Content Index
Topic Standards and Management of Material Topics

GRI Standards	SASB Code	Disclosure	Page no./ direct answer	Omissions
Economic performance				
GRI 3: Material topics 2021		3-3 Management of material topics	124	
GRI 201: Economic performance 2016				
		201-1 Direct economic value generated and distributed	183-185	
		201-3 Defined benefit plan obligations and other retirement plans	171, 218-220	
		201-4 Financial assistance received from government	none	
Indirect economic impacts (increased access to oral health and education, community engagement)				
GRI 3: Material topics 2021		3-3 Management of material topics	76-80, 108	
GRI 203: Indirect economic impacts 2016				
		203-1 Infrastructure investments and services supported	76-80, 108-114 Our main indirect economic impacts include the provision of jobs, our efforts to increase access to quality dental treatment internationally, our provision of extensive educational and mentoring programs and our charitable engagement initiatives evaluated by the Corporate Sponsoring Committee to make dental treatment affordable to those who are in need, e.g. the underprivileged, orphan children or refugees	
	HC-MS-240a.1	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the US Consumer Price Index	76	
	HC-MS-240a.2	Description of how price information for each product is disclosed to customers or to their agents	76	
Anti-corruption (business conduct)				
GRI 3: Material topics 2021		3-3 Management of material topics	116-117, 119	
GRI 205: Anti-corruption 2016				
		205-1 Operations assessed for risks related to corruption	119	
		205-2 Communication and training about anti-corruption policies and procedures	119	
		205-3 Confirmed incidents of corruption and actions taken	119	
	HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	119	
	HC-MS-510a.2	Description of code of ethics governing interactions with health care professionals	119	

GRI and SASB Content Index
Topic Standards and Management of Material Topics

GRI Standards	SASB Code	Disclosure	Page no./ direct answer	Omissions
Tax (business conduct, incl. tax transparency)				
GRI 3: Material topics 2021		3-3 Management of material topics	123	
GRI 207: Tax 2019				
		207-1 Approach to tax	123	
Materials (resource use and circular economy)				
GRI 3: Material topics 2021		3-3 Management of material topics	101-102	
GRI 301: Materials 2016				
		301-1 Materials used by weight or volume	104	
Energy (climate change)				
GRI 3: Material topics 2021		3-3 Management of material topics	93-98	
GRI 302: Energy 2016				
		302-1 Energy consumption within the organization	100	
		302-3 Energy intensity	100	
Greenhouse gas emissions (climate change)				
GRI 3: Material topics 2021		3-3 Management of material topics	93-98	
GRI 305: Emissions 2016				
		305-1 Direct (Scope 1) GHG emissions	100	
		305-2 Energy indirect (Scope 2) GHG emissions	100	
		305-3 Other indirect (Scope 3) GHG emissions	97, 100	
		305-4 GHG emissions intensity	100	
Waste (resource use and circular economy)				
GRI 3: Material topics 2021		3-3 Management of material topics	101-102	
GRI 306: Waste 2020				
		306-3 Waste generated	104	
Supplier environmental assessment (responsible and ethical supply chain management)				
GRI 3: Material topics 2021		3-3 Management of material topics	106-107, 117	
GRI 308: Supplier Environmental Assessment 2016				
		308-1 New suppliers that were screened using environmental criteria	107	
Employment (talent attraction and employee engagement, inclusion and diversity, business conduct)				
GRI 3: Material topics 2021		3-3 Management of material topics	84, 86, 116-117	
GRI 401: Employment 2016				
		401-1 New employee hires and employee turnover	85	

GRI and SASB Content Index
Topic Standards and Management of Material Topics

GRI Standards	SASB Code	Disclosure	Page no./ direct answer	Omissions
Occupational health and safety (occupational health, safety and wellbeing)				
GRI 3: Material topics 2021		3-3 Management of material topics	90	
GRI 403: Occupational health and safety 2018				
		403-1 Occupational health and safety management system	90	
		403-2 Hazard identification, risk assessment and incident investigation	90	
		403-3 Occupational health services	90	
		403-4 Worker participation, consultation and communication on occupational health and safety	90	
		403-5 Worker training on occupational health and safety	90	
		403-6 Promotion of worker health	90	
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	90	
		403-9 Work-related injuries	90	
Training and education (talent attraction and employee engagement)				
GRI 3: Material topics 2021		3-3 Management of material topics	84, 86, 88	
GRI 404: Training and Education 2016				
		404-1 Average hours of training per year per employee	85	
Diversity and equal opportunity (inclusion and diversity)				
GRI 3: Material topics 2021		3-3 Management of material topics	86-87	
GRI 405: Diversity and equal opportunity 2016				
		405-1 Diversity of governance bodies and employees	85, 87, 138	
Local communities (community engagement)				
GRI 3: Material topics 2021		3-3 Management of material topics	108	
GRI 413: Local communities 2016				
		413-1 Operations with local community engagement, impact assessments, and development programs	108-114	
Supplier social assessment (responsible and ethical supply chain management)				
GRI 3: Material topics 2021		3-3 Management of material topics	106-107, 117	
GRI 414: Supplier Social Assessment 2016				
		414-2 Negative social impacts in the supply chain and actions taken	106-107	

GRI and SASB Content Index
Topic Standards and Management of Material Topics

GRI Standards	SASB Code	Disclosure	Page no./ direct answer	Omissions
Customer health and safety (patient health and safety, product quality)				
GRI 3: Material topics 2021		3-3 Management of material topics	60-63	
GRI 416: Customer health and safety 2016				
		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	62	
	HC-MS-250a.1	Number of recalls issued, total units recalled	62	
	HC-MS-250a.2	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	62	
	HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	62	
	HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	62	
Marketing and labeling (patient health and safety, product quality, business conduct)				
GRI 3: Material topics 2021		3-3 Management of material topics	62, 120	
GRI 417: Marketing and labeling 2016				
		417-2 Incidents of non-compliance concerning products and service information and labeling	62	
		417-3 Incidents of non-compliance concerning marketing communications	120	
	HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	120	
	HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	120	
Customer privacy (cybersecurity and data privacy)				
GRI 3: Material topics 2021		3-3 Management of material topics	126	
GRI 418: Customer privacy 2016				
		418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	126	

GRI and SASB Content Index
Topic Standards and Management of Material Topics

GRI Standards	SASB Code	Disclosure	Page no./ direct answer	Omissions
Additional Straumann-specific material topics				
Innovation		Investments in innovation centers and other research activities	64-75	
GRI 3: Material topics 2021		3-3 Management of material topics	64, 66-67	
Talent attraction and employee engagement		Group-wide employee engagement score	88	
GRI 3: Material topics 2021		3-3 Management of material topics	88	
Increased access to oral health and education		Description of the pricing approach to help improve access to oral health, educational activities, number of training participants, percentage of educational activities worldwide	76-80	
GRI 3: Material topics 2021		3-3 Management of material topics	76-80	
Customer and patient satisfaction		Description of customer engagement and activities to meet the patients' needs take more control of their health	81-82	
GRI 3: Material topics 2021		3-3 Management of material topics	81	
Intellectual property		Number of initial priority IP filings	125	
GRI 3: Material topics 2021		3-3 Management of material topics	125	

SASB industry standard: healthcare, medical equipment and suppliers

Disclosure topic	SASB Code	Metrics	Straumann Group company	Total qty recall (both reported/ not reported)	Initiation recalls in % Company-initiated	FDA request	FDA mandated	Class of recall (applies to FDA mandated recalls only)	Qty countries impacted	Quantity articles/lots impacted	Qty units distributed	% of annual distribution of impacted article(s)
	HC-MS-250a.1											
Product safety	HC-MS-250a.1	Number of recalls issued, total units recalled	Straumann	1	100%	n/a	n/a	n/a	1 country (not USA)	2 articles / 1 lot each	20	0.03%
			JJGC	1	100%	n/a	n/a	n/a	3 countries (not USA)	1 article / 1 lot	888	2.18%
			Anthogyr	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
			ClearCorrect	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
			Dental Wings	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
			Medentika	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Disclosure topic	SASB Code	Metrics		
Product safety	**HC-MS-250a.2**	**List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database**		
	Straumann Group company	**Article**	**Date listed**	**Reason**
	Straumann	none listed	n/a	n/a
	JJGC	none listed	n/a	n/a
	Anthogyr	none listed	n/a	n/a
	ClearCorrect	none listed	n/a	n/a
	Dental Wings	none listed	n/a	n/a
	Medentika	none listed	n/a	n/a
Product safety	**HC-MS-250a.3**	**Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience database**		
	Straumann Group company		**Date listed**	**Reason**
	Straumann	0	n/a	n/a
	JJGC	0	n/a	n/a
	Anthogyr	0	n/a	n/a
	ClearCorrect	0	n/a	n/a
	Dental Wings	0	n/a	n/a
	Medentika	0	n/a	n/a

Disclosure topic	SASB Code	Metrics				
Product safety	**HC-MS-250a.4**	**Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type**				
	Straumann Group company	**Form 483**	**Warning letters**	**Seizures**	**Recalls**	**Consent decrees**
	Straumann	0	0	0	0	0
	JJGC	0	0	0	0	0
	Anthogyr	0	0	0	0	0
	ClearCorrect	0	0	0	0	0
	Dental Wings	0	0	0	0	0
	Medentika	0	0	0	0	0

Non-financial report sections according to art. 964b CO

Topic	Disclosure	Page no.
Business model	Description of the business model of Straumann Group	48
Environmental matters, and in particular CO_2 targets		50-51, 64
	Description of the policies adopted in relation to topic	50-51, 64, 92, 106, 117, 122
	Due diligence applied	50-51, 53, 54, 93
	Measures taken to implement	64, 93, 97, 101, 106, 107, 117, 122, 123
	Assessment of the effectiveness of the measures	64, 96, 97, 106
	Description of the main risk related to topic and how Straumann Group deals with these risks	53, 93
	a) risks that arise from Straumann Group's own business operations	53
	b) risks that arise from Straumann Group's business relationships, products or services, if relevant and proportionate	53, 55
	Main performance indicators	97, 98, 106
Social issues		60, 64, 67, 108
	Description of the policies adopted in relation to topic	60, 64, 66, 68, 77, 78, 106, 108, 110, 111, 117, 122
	Due diligence applied	53, 54, 60, 66, 108
	Measures taken to implement	60, 67, 70, 77, 78, 79, 80, 107, 108, 117, 122, 123
	Assessment of the effectiveness of the measures	60, 62, 77
	Description of the main risk related to topic and how Straumann Group deals with these risks	53, 62, 108
	a) risks that arise from Straumann Group's own business operations	53, 62
	b) risks that arise from Straumann Group's business relationships, products or services, if relevant and proportionate	53
	Main performance indicators	77
Employee-related issues		89
	Description of the policies adopted in relation to topic	86, 89, 90, 117, 122
	Due diligence applied	54, 86, 88, 89
	Measures taken to implement	84, 86, 87, 88, 89, 90, 117, 122, 123
	Assessment of the effectiveness of the measures	87, 90
	Description of the main risk related to topic and how Straumann Group deals with these risks	84, 90
	a) risks that arise from Straumann Group's own business operations	90
	b) risks that arise from Straumann Group's business relationships, products or services, if relevant and proportionate	118
	Main performance indicators	87, 90

Topic	Disclosure	Page no.
Respect for human rights		86, 90
	Description of the policies adopted in relation to topic	90, 106, 117, 118, 122
	Due diligence applied	118
	Measures taken to implement	107, 117, 118, 122, 123
	Assessment of the effectiveness of the measures	118
	Description of the main risk related to topic and how Straumann Group deals with these risks	118
	a) risks that arise from Straumann Group's own business operations	118
	b) risks that arise from Straumann Group's business relationships, products or services, if relevant and proportionate	118
	Main performance indicators	118
	If no policy is followed with respect to one or more of the topics it shall explain this clearly, stating the reasons.	
Combating corruption		57, 119
	Description of the policies adopted in relation to topic	57, 106, 117, 119, 121, 122
	Due diligence applied	54, 122
	Measures taken to implement	57, 107, 117, 119, 121, 122, 123
	Assessment of the effectiveness of the measures	121
	Description of the main risk related to topic and how Straumann Group deals with these risks	119
	a) risks that arise from Straumann Group's own business operations	119
	b) risks that arise from Straumann Group's business relationships, products or services, if relevant and proportionate	119
	Main performance indicators	121

Sections regarding the Report on Minerals and Metals from Conflict-Affected Areas and Child Labour pursuant to art. 964j et seq.		
	Due diligence applied	118
	Due diligence applied	118

TCFD Index

TCFD reference	Disclosure	Page no.
Governance	A. Board’s oversight of climate-related risks and opportunities	50-51
	B. Management’s role in assessing and managing climate-related risks and opportunities	50-51
Strategy	A. Climate-related risks and opportunities identified over the short, medium, and long term	93-95
	B. Impact of climate-related risks and opportunities on the businesses, strategy, and financial planning	56, 94-95
	C. Resilience of the strategy, considering different climate-related scenarios, including a 2°C or lower scenario	in progress
Risk management	A. Processes for identifying and assessing climate-related risks	55-56, 93
	B. Processes for managing climate-related risks	55-56, 58
	C. Integration of processes for identifying, assessing, and managing climate-related risks into the overall risk management	55-56
Metrics and targets	A. Metrics used to assess climate-related risks and opportunities in line with strategy and risk management process	96
	B. Scope 1, scope 2, and scope 3 greenhouse gas (GHG) emissions, and the related risks	96-97, 100
	C. Targets used to manage climate-related risks and opportunities, and performance against targets	97-98

Points to note

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Key dates in 2024

27 February	Full-year results conference
12 April	Annual General Meeting
16 April	Dividend ex date
18 April	Payment date
30 April	First-quarter results conference call
14 August	Half-year results conference
29 October	Third-quarter results conference call

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