straumanngroup

INSPIRATIONAL. CHALLENGING. INCLUSIVE.

ANNUAL REPORT 2022

CONTENTS

Straumann Group's Annual Reports for online users annualreport.straumann.com

ABOUT THIS REPORT

This report presents our financial and non-financial performance for 2022, using an integrated approach.

We have aligned our purpose, vision and mission as well as strategy within a comprehensive report which is vastly structured according to our sustainability framework. We report on our impacts and performance against the GRI Sustainability Reporting Standards, the Sustainability Accounting Standards Board (SASB) and the UN Sustainable Development Goals (SDGs). Since 2010, we have also been sharing our progress with CDP (formerly the Carbon Disclosure Project). Our report complies with the SIX Swiss Exchange Directive on Information relating to Corporate Governance.

MSCI rating
Top 19% within Health Care Equipment and Supplies peer group
A

ISS PRIME rating
within our industry peer group
Rank 2

Sustainalytics risk exposure
strong management
22.2 medium risk

CDP
B

HIGHLIGHTS

Revenue in CHF
2.3bn

Smiles impacted
4.4m

Employees
>10 400

Organic revenue growth
15.7%

Employee engagement score
81

Leadership positions
39% female

Core EBIT margin
26.0%

Employees say they have good opportunities to grow and learn
76%

Return on capital employed
35.1%

Dividend per share in CHF
0.80[1]

Renewable electricity
80%

GHG emissions (Scope 1 + 2) t CO_2e per employee
–24%

1 Following share split 1:10 in 2022, and subject to AGM approval

PERFORMANCE BY REGION

Performance across all regions was strong, with EMEA being the Group's largest revenue contributor. With more than 20% organic growth the region crossed the one billion Swiss franc mark in 2022.

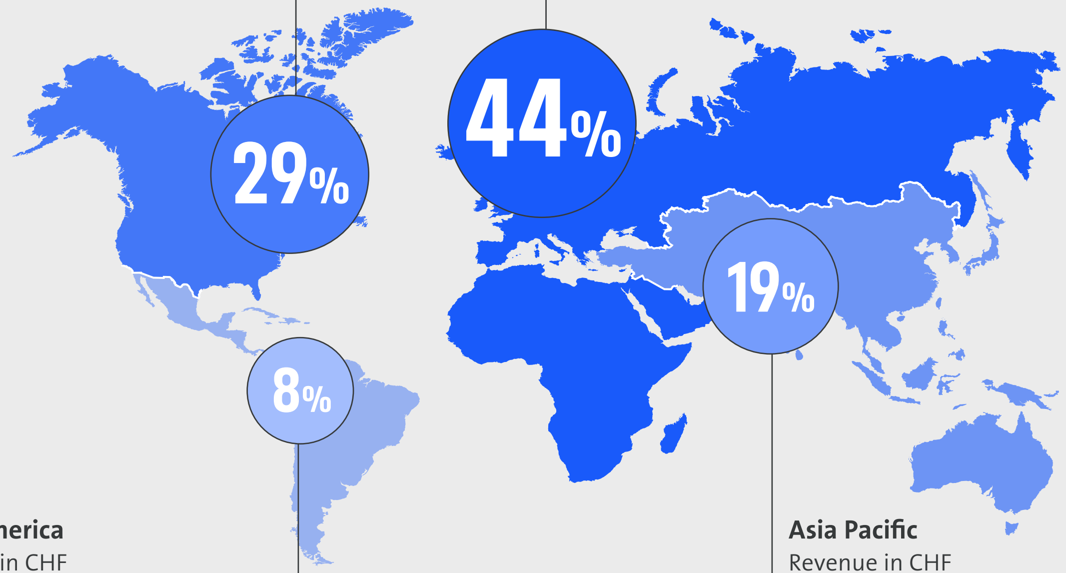
Asia Pacific also showed solid growth except for China, where patient flow was impacted by pandemic-related restrictions and the Chinese volume based procurement initiative (VBP) which caused treatment delays.

North America
Revenue in CHF
685m

Change in CHF **+16%** | Change organic **+12%**

Europe, Middle East, Africa
Revenue in CHF
1 017m

Change in CHF **+14%** | Change organic **+21%**



Latin America
Revenue in CHF
179m

Change in CHF **+38%** | Change organic **+30%**

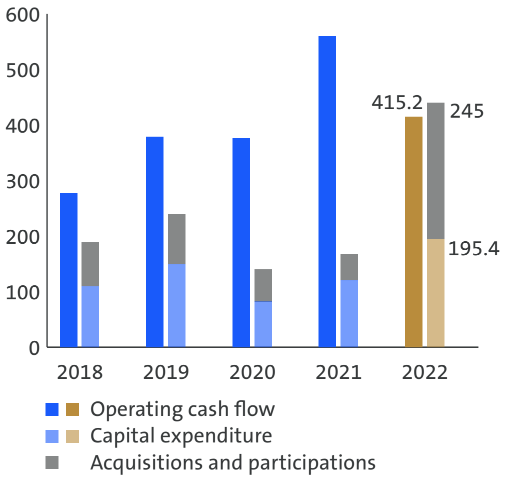
Asia Pacific
Revenue in CHF
441m

Change in CHF **+8%** | Change organic **+7%**

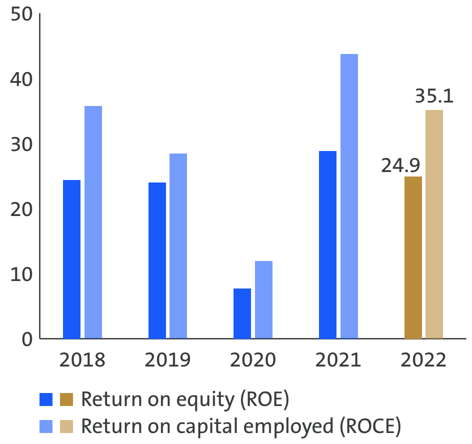
○ Group Revenue

KEY FINANCIAL PERFORMANCE

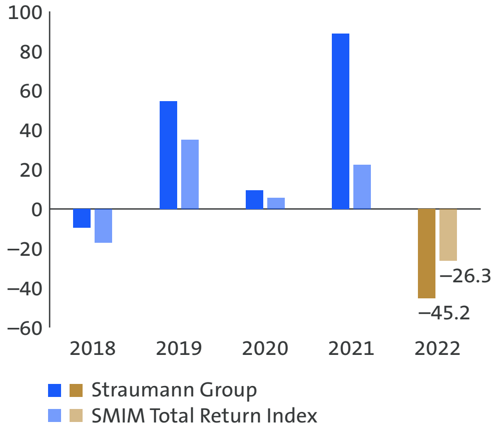
Cash flow and investments
more on p. 40
in CHF million



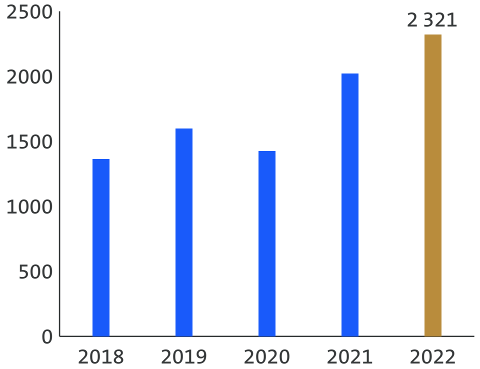
Return
more on p. 48
in %



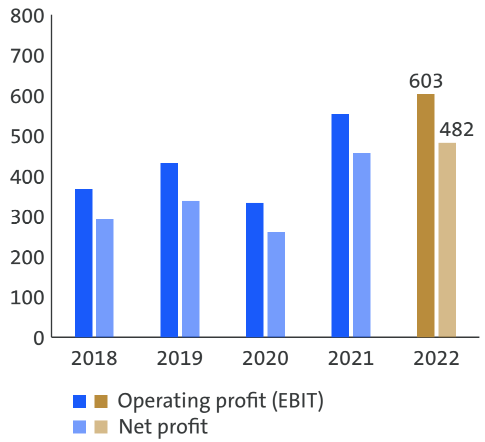
Total shareholder return
more on p. 49
in %



Revenue
more on p. 39
in CHF million



Operating and net profit
more on p. 39
in CHF million



Market capitalization in CHF

16.8bn

CHAIRMAN AND CEO LETTER

Dear Reader,

2022 was another successful, yet challenging, year. We continued to grow together as a team and made progress implementing our strategy by putting our customer at the center of everything we do while paving the way to become a digitally-powered oral care company. We are led by our purpose to unlock the potential of people's lives and are proud to have impacted more than 4.4 million smiles this year.

> "We helped more than 4.4 million smiles this year

This is a great achievement especially in light of the macroeconomic developments. War, unrests, inflation and the ongoing COVID-19 challenges in some regions are impacting our business. Once more, our culture has been key to our success. We performed, transformed and learned a lot together as a team while showing a high level of agility to adapt to new circumstances. This is important considering the changes in our business environment, which continue to accelerate with further consolidation of our customers, increasing digitalization and the uncertain geopolitical situation.

Gilbert Achermann, Chairman, and Guillaume Daniellot, Chief Executive Officer

> “Our strong teams are the engine of our continued positive performance and the foundation of our resilient organization

Following a strong start, the patient flow remained good throughout the year while slightly softening in the second half in some regions. In China, we saw treatment delays due to both the regional pandemic lockdowns and the tender process – the volume based procurement (VBP) – that the Chinese government announced in 2022 as part of the effort to make healthcare more affordable. Worldwide, the demand for dental treatment remains good, which enabled the Group to continue to grow. We keep on investing in education which remains the key lever for access to patients, expanding geographically and focusing on innovation to advance oral care.

> “We offered more than 9 780 educational activities globally, maintaining 35% in low- and middle-income countries

Overall in 2022, we gained market share by growing the current customer base, winning new customers and expanding geographically. We believe our market share in implantology increased from approximately 29% in 2021 to around 30% in 2022, further establishing us as a leader in the industry.

In 2022, we strengthened our core business implantology by continuing to invest in immediacy and edentulism solutions, expanding Straumann BLX and TLX in the premium segment and our Smile in a Box solution into new countries. In the challenger segment, we launched key innovations such as the Anthogyr Axiom X3 and Neodent Zi, a new Ceramic implant solution which is more affordable thanks to a new injection-molding manufacturing process.

Neodent Zi strengthens our position in the growing esthetics segment and presents a viable alternative to titanium. To ensure our solutions are robust, add value and are of long-lasting high quality, we kept on collaborating with world-leading academic experts to test innovative solutions in pre-clinical and clinical studies.

> “Our innovation pipeline remains key for growth

We had a close look at brand perception in light of customer centricity. Having spoken to customers, prospects and many key stakeholders, we found that the major guiding principles and expectations were customer experience, simplicity and efficiency. We concluded that to rise above implantology – our category of origin – and become the most customer-centric and innovative oral care company in the world, we needed to adapt our brand strategy.

> “A refreshed presence for Straumann Group and our Straumann implantology legacy brand to support customer loyalty

Consequently, we have refreshed our company branding structure, focusing on the Group and implantology. The structure is optimized according to the imperatives of our strategic compass and will help differentiate the brands, with a refreshed presence for Straumann Group and our Straumann implantology legacy brand as a premium customer-facing brand. For more details on the Group branding, see page 16.

> “Consolidation of our customer groups is continuing

Consolidation of our customer groups is continuing, and dental service organizations (DSOs) are becoming more important. They provide business management and support to dental practices, including non-clinical operations. DSOs therefore enable dental professionals to devote more of their time to patient care. In 2022, our DSO business made significant progress by adding more than 120 DSOs, comprising more than 1 400 practices globally. This was complemented by an additional 40 DSOs focusing on orthodontics only, which will provide an excellent basis to grow in this space in the future. 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 DSOs.

In 2022, we have made great progress in strengthening our orthodontics value proposition with ClearCorrect by launching a series of features to support the orthodontist specialists' day-to-day requirements to achieve the best possible treatment outcome for the patient.

> "Great progress in further building the value proposition in orthodontics

To further build medical expertise in orthodontics, we established a global clinical advisory board this year and started to collect study results to strengthen our value proposition. In addition, we are very pleased to have received the regulatory approval for ClearCorrect in China and also finalized a new clear aligner manufacturing site in Beijing in 2022.

Building our consumer presence, Jason Forbes took up the position of Chief Consumer Officer in April, becoming responsible for all consumer presence initiatives across the Group. This includes DrSmile, Smilink, and Nihon Implant, which we acquired at the beginning of 2022.

> "The strategic move to build a consumer presence starts to gain momentum

In addition, we acquired PlusDental in summer and positioned DrSmile, our doctor-led direct-to-consumer marketing aligner business, as the Group's main orthodontics consumer brand in Europe.

Another highlight was our intraoral scanner business – the entry point for customers – which was highly successful thanks to Virtuo Vivo. We also started to connect the intraoral scanners with our ClearCorrect solutions, unifying Straumann products and services. In addition, we launched the high-volume Rapid Shape P50 3D printer device (see innovation chapter on p. 67).

> "We build our digital transformation journey along the customer and patient journey

With our ambition to become a digitally powered oral care company, we are constantly investing in the digital transformation of our customer solutions to improve the user experience for clinicians.

The approach we took this year was to identify gaps along the customer and patient journey and use the insights to build our innovation roadmap as we advance. The aim is to boost the use of digital innovation to increase practice productivity, treatment efficiencies and improve outcomes for the benefit of patients, dentists and technicians across all business areas. One step into this direction was the acquisition of a strategic minority stake in CareStack at the beginning of 2022. Combining Straumann Group's clinical solutions with CareStack's advanced business intelligence and comprehensive practice operations will offer clinicians a seamless, end-to-end treatment management experience. CareStack's practice management software is suitable for individual practices, groups and DSOs. This partnership will support dental practices in simplifying treatment planning, scheduling and payment, thereby helping Straumann Group clients to provide high-quality care in a more efficient way. As a starting point to build a new online customer portal that provides the core of our dental platform activities under one roof, we launched the Straumann AXS Practice Module in the North America region. In May, the launch started with our existing Smile in a Box customers, which we managed to successfully convert to the new platform. In a second step, we will further develop the applications for clinicians. In September, Straumann Group entered into a partnership with SmileCloud, a digital smile design and collaboration platform developed by dentists for dental professionals which will also be integrated into Straumann AXS. SmileCloud allows clinicians to design virtual mock-up smiles for patients with the help of a 3D biometric library using AI technology to support the best possible treatment outcome for patients. This customer-centric platform will provide best-in-class functionalities for optimal user experience and treatment guidance, based on one core infrastructure.

> "We continue to invest in our manufacturing capacity

The global market for clear aligners and implantology continues to offer strong growth opportunities and building manufacturing capacity is one of our main strategic priorities. Sébastien Roche joined the Group as Chief Operating Officer in April. His role encompasses all

Straumann Group production sites involved in implants, orthodontics and biomaterials manufacturing. In 2022, we continued to expand our manufacturing capacity significantly to support the expansion of the business. In Curitiba, Brazil, we heavily invested in the production capacity for implants, resins and clear aligners. Medentika and Anthogyr increased their manufacturing capacity and the Straumann premium implant production facility in Villeret, Switzerland, doubled its floor space, allowing for future growth. In addition to the new clear aligner production site in Beijing, capacities in the US and Germany were further ramped up. In Mansfield TX (US) a new CADCAM milling center started its production in the first half of 2022, doubling the capacity of the current site in Arlington TX (US). For an overview of our global Group presence, see the visualization on page 14.

> "In 2022, we invested significantly more than in previous years in capacity building, reaching CHF 195 million

Currently, we are working on building our China Campus in Shanghai and a new Group Technology and Innovation Center in Arlesheim near Basel, Switzerland.

Culture remains our main asset and we will keep on investing in our employees. In 2022, an incredible 91% of our employees responded to our weEngage survey. The Group-wide engagement score is at 81 and 76% of the colleagues reported they have good opportunities to learn and grow which is two points higher compared to 2021.

> “Our employee engagement score is at 81 and 76% of colleagues reported they have good opportunities to learn and grow

In 2022, we continued to strengthen our high-performance player learner culture by implementing new programs for employees, leadership development as well as new joiners onboarding (see p. 85). Another important priority is to ensure we will have 50% females holding leadership positions within the Group by 2026. In 2023, we plan to look into how we can set up programs to foster a balanced leadership development, ensure a strong pipeline and explore the main reasons for career development barriers.

In 2022, we intensively worked on our environmental footprint by assessing the basis of our CO_2 emissions and setting the goal to achieve net zero emissions by 2040.

> “We set our goal to achieve net zero emissions by 2040

Our procurement team has made great progress in digitalizing the procurement process which will also help assess our Scope 3 emissions in the future. Furthermore, we are using 80% electricity from renewable sources, coming closer to our goal of 100% by 2024.

Straumann Group’s charitable and social engagement programs around the world are an important aspect of our culture. They are typically managed by the teams located in each region where we do business. When war erupted in Ukraine in February, we were all shocked to see the distressing scenes in Ukraine. The Group strongly condemns the invasion of and violence towards Ukraine. As an immediate response, Straumann Group decided to donate to the International Committee of the Red Cross organizations to support humanitarian relief efforts. As a Group, we are increasingly building community engagement into our business because we strongly believe that together we can make a bigger difference. In 2022, our commitment encompassed more than 60 charitable projects worldwide, offering dental care and humanitarian relief (see p. 105).

> “Living sustainability means integrating it into our strategy

Following the share split in 2022, we were pleased to see that our shareholder basis increased considerably. In 2021, we broke through the CHF 2 billion turnover threshold for the first time and we are building on this growth journey. Investing in sustainable growth remains one of our priorities, which is reflected in our operating margin of 26% as expected. Reasons are investment in the growing operation and increased travel and marketing expenses following the uptake of more intense business activities following the COVID-19 slowdown. Due to the macroeconomic environment and stock market re-rating, our market capitalization dropped to CHF 16.8 billion in 2022 (see p. 49).

As announced, our long-standing Board member and current Vice-Chairman Beat Lüthi has decided to step down at the Annual General Meeting 2023. The Board proposes Olivier Filliol, former CEO of Mettler Toledo, as a new Board member. Olivier brings a depth of knowledge in precision engineering and international business strategy and will also be able to contribute a point of view forged outside of Straumann Group. We would like to express our sincere thanks to Beat Lüthi for his dedication and enormous contribution to Straumann Group during his thirteen-year tenure.

> “Further strengthening the independence of the Board

Based on the 2022 results, the Board of Directors proposes to increase the dividend to CHF 0.80 per share, payable on 13 April 2023. We intend to continue increasing the dividend in the future, subject to further good performance.

Long-term growth ambition (Barring unforeseen circumstances)

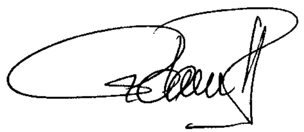
We have evolved as a company and today, the Straumann Group is more resilient than it was years ago. Our geographical revenue growth is much more balanced, our business is more diversified having added orthodontics, digital solutions and a consumer presence business unit and our implantology offering covers all price points – not being fully dependent on the premium implant business as before. Today, the Group operates in a potential CHF 19 billion market. We feel confident that we are more strongly positioned and diversified today, which will help us navigate through challenging times. We also strongly believe in our high-performance player learner culture, as our people are the key to success. Today, our market position, balance sheet and business model are strong and even if we face uncertainties in the short or medium term, the company is well positioned to achieve its long-term ambition of CHF 5 billion revenue by 2030, which requires an average organic growth rate of at least 10% annually. The strategy needs to be supported by continued investment in growth leading to a core EBIT margin in the range of 25–30% (at constant FX rates) in the coming years, depending on the size of the investments. In general, the Group will continue to provide guidance on a yearly basis and aims to continuously increase its gross dividend.

We would like to thank all our employees who were 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.

On behalf of the Board, our sincere thanks also go to you, our partners and shareholders, for your ongoing support and confidence in our company.

Yours sincerely,

Gilbert Achermann
Chairman

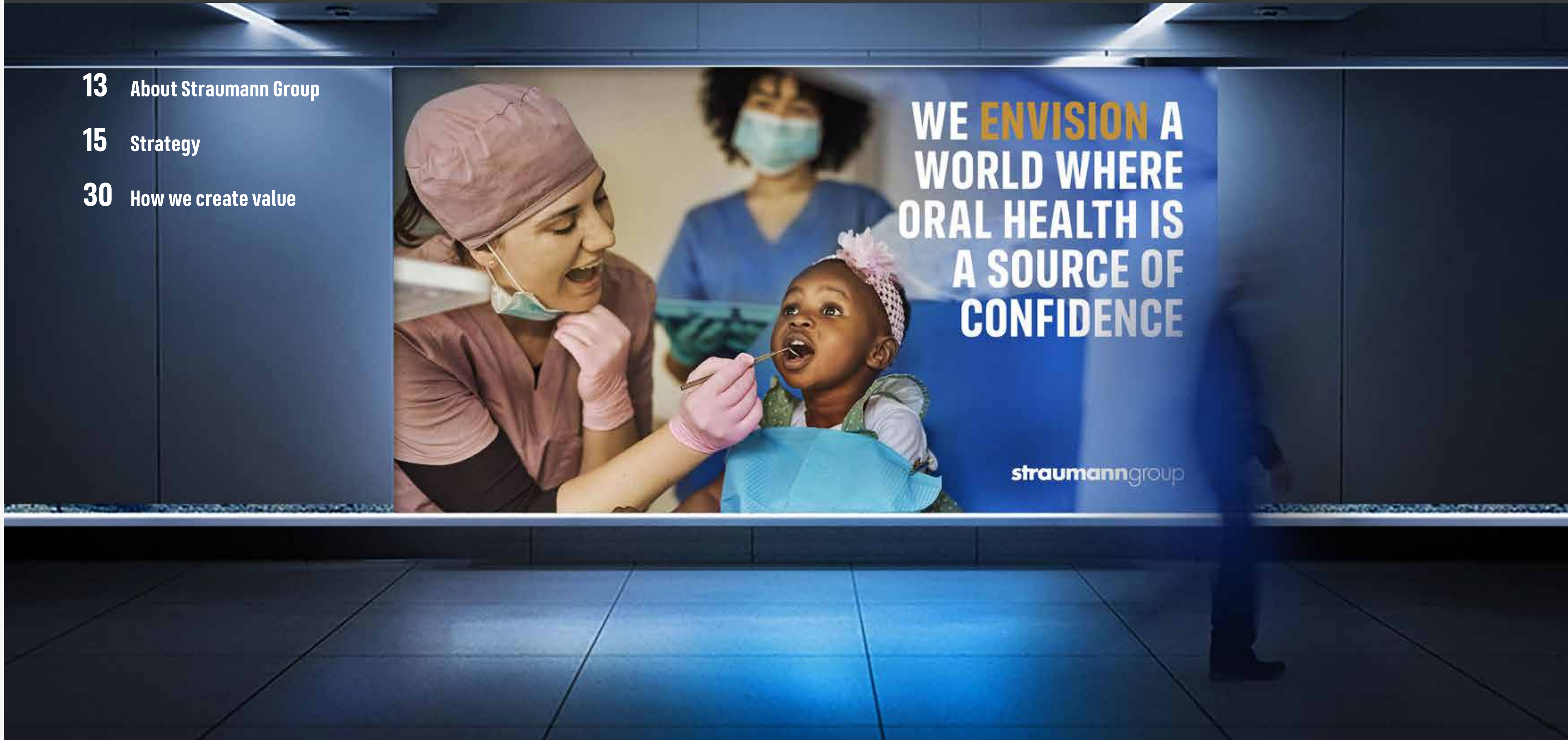


Guillaume Daniellot
Chief Executive Officer

21 February 2023

straumanngroup

OUR PURPOSE, BUSINESS AND CONTRIBUTION



ABOUT STRAUMANN GROUP

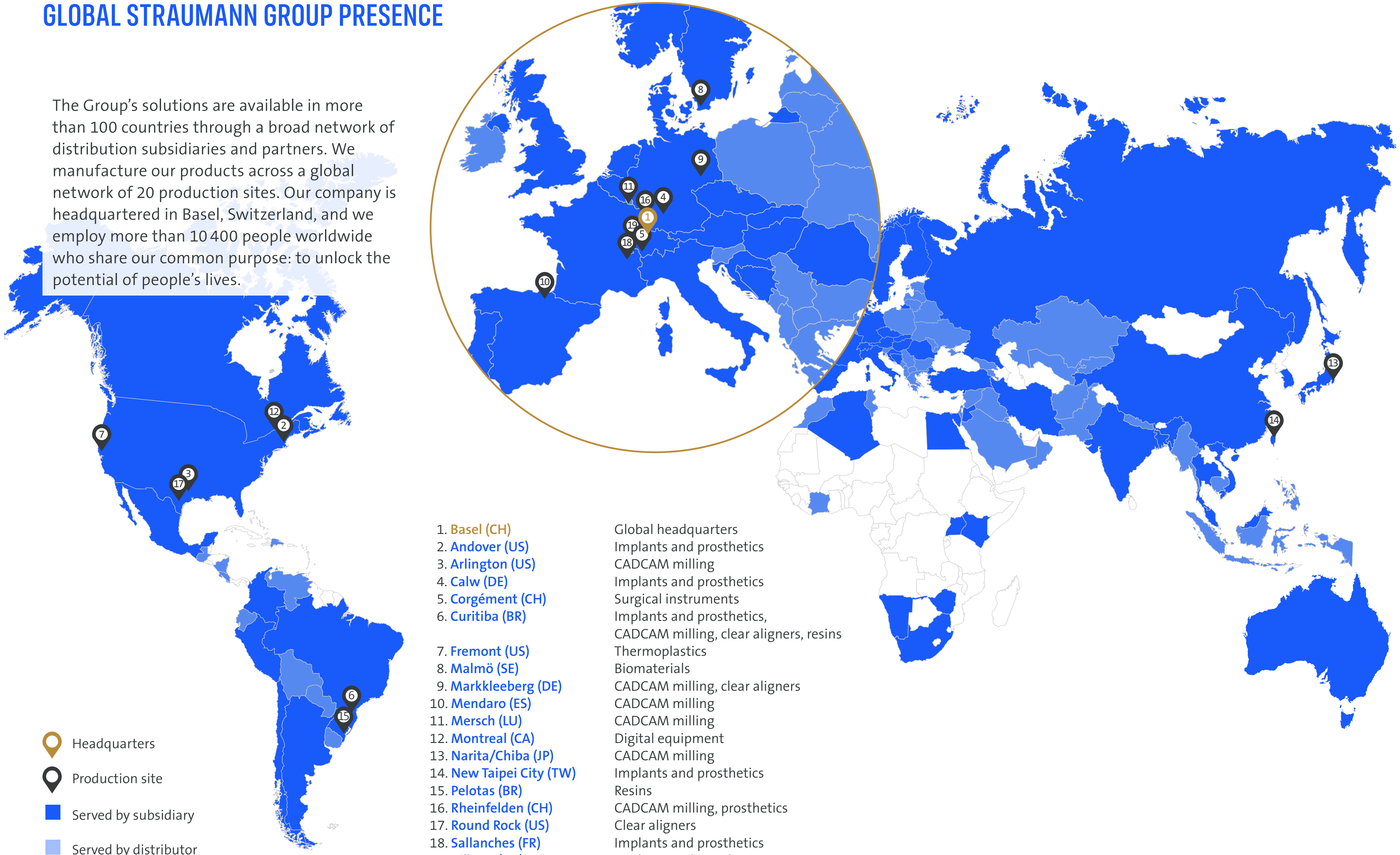
Straumann's heritage stretches back to the early 1950s, and we have been focused on dentistry for the past 30 years. As a global leader in tooth replacement and orthodontic solutions, we have always strived to improve people's lives. By harnessing cutting-edge science and fusing passion with expertise, we have transformed millions of lives through solutions that give patients back more than just their smiles. 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.

The Group takes a holistic approach to dentistry. We provide training, support and a wide range of services for dental practitioners, clinics and laboratories worldwide. Straumann Group is recognized as a leading innovator, working with universities, clinics, research institutes, networks and communities to enhance patient care standards. Through our collaborations with academic networks 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), we support pioneering research and offer training and education to dental professionals worldwide.

GRI disclosure: 2-1

GLOBAL STRAUMANN GROUP PRESENCE

The Group's solutions are available in more than 100 countries through a broad network of distribution subsidiaries and partners. We manufacture our products across a global network of 20 production sites. Our company is headquartered in Basel, Switzerland, and we employ more than 10 400 people worldwide who share our common purpose: to unlock the potential of people's lives.



Headquarters
Production site
Served by subsidiary
Served by distributor

1. Basel (CH)	Global headquarters
2. Andover (US)	Implants and prosthetics
3. Arlington (US)	CADCAM milling
4. Calw (DE)	Implants and prosthetics
5. Corgémont (CH)	Surgical instruments
6. Curitiba (BR)	Implants and prosthetics, CADCAM milling, clear aligners, resins
7. Fremont (US)	Thermoplastics
8. Malmö (SE)	Biomaterials
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

OUR STRATEGY FOR LONG-TERM, SUSTAINABLE GROWTH

Straumann Group has significantly expanded its addressable market to about CHF 19 billion by offering solutions that were added to the Group's portfolio through internal development, acquisitions, investments and partnerships.

Our future revenues depend on market reach and expansion. We must defend and increase our business with existing customers, enlarge our customer base, and continue developing innovative solutions that meet customers' needs.

We will focus on sustainable future growth and continue to create opportunities that are aligned with our strategic priorities and enablers while remaining vigilant and agile to adapt to our fast-changing environment.

In 2021, we conducted a thorough internal and external assessment centering on the four Ps (people, purpose, planet and performance), to identify major trends. Digitalization and technology continue to disrupt our world. New players and models are evolving the game and the rules by which we play. Formerly independent customers are consolidating into larger groups. Patients – especially younger generations – are becoming increasingly demanding health consumers who expect faster and more personalized oral care solutions.

To continue our success and seize the opportunities, three strategic shifts need to happen simultaneously:

- evolve from being product-centric to customer-centric in everything we do
- 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

Our strategic compass defines the everyday priorities of all our people towards our growth and revenue ambition of CHF 5 billion and our goal of impacting 10 million smiles each year in a sustainable manner by 2030.

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

MISSION: OUR GOAL IS TO BE...

THE MOST CUSTOMER-FOCUSED AND INNOVATIVE ORAL CARE COMPANY IN THE WORLD

Our brands – more than logos

Straumann Group unites global and international brands that stand for excellence, innovation and quality across replacement, corrective and digital dentistry. In 2021 we reviewed our purpose, mission, vision, strategic compass and sustainability framework. In 2022, we had a close look at brand perception in light of customer centricity. Having spoken to customers and many key stakeholders, we found that the major guiding principles and expectations were customer experience, simplicity and efficiency. Our research also confirmed that our multi-brand approach in implantology successfully supports our business strategy and boosts growth, with each brand having a strong community with its own identity and positioning. Furthermore, we gained valuable insights on how to improve customer experience, build loyalty, enhance consistency, and ensure clarity. Finally, we concluded that to rise above implantology – our category of origin – we needed to adapt our brand strategy.

Consequently, we have refreshed our company branding structure, focusing on the Group and implantology. Keeping our target audiences in mind, the new structure is optimized around the imperatives of our strategic compass. It is brought to life in a clear and logical brand architecture that helps differentiate the corporate brand of the Straumann Group on the one side and the Straumann brand on the other side, with a refreshed presence for Straumann Group and the Straumann implantology legacy brand as a premium customer-facing brand.

Customer-centric brand architecture

Our brand architecture reflects our customer-centric approach. Alongside the premium flagship brand Straumann, our global and regional implantology brands Anthogyr, Medentika, Neodent and Nuvo represent more affordable solutions for the wider population.

To complement our offer to dental professionals, we also provide clear aligner orthodontics solutions through ClearCorrect. In addition, the Group has begun establishing a doctor-led direct-to-consumer marketing business model and is home to the DrSmile, Smilink and Anshin brands.

	GLOBAL	
CORPORATE BRAND	straumanngroup	
PREMIUM LINE Implantology | Prosthetics | Bio	straumann	PREMIUM
DIGITAL SOLUTIONS Hardware | Software | Connectivity	straumann	PREMIUM

	GLOBAL	REGIONAL	LOCAL
ORTHODONTICS	clearcorrect		
CHALLENGER LINES Implantology	NEODENT	MEDENTiKA Anthogyr	nuvo T-PLUS Dental Implant
CONSUMER Implantology | Orthodontics		DR SMILE	あんしん インプラント smilink

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 page 70.

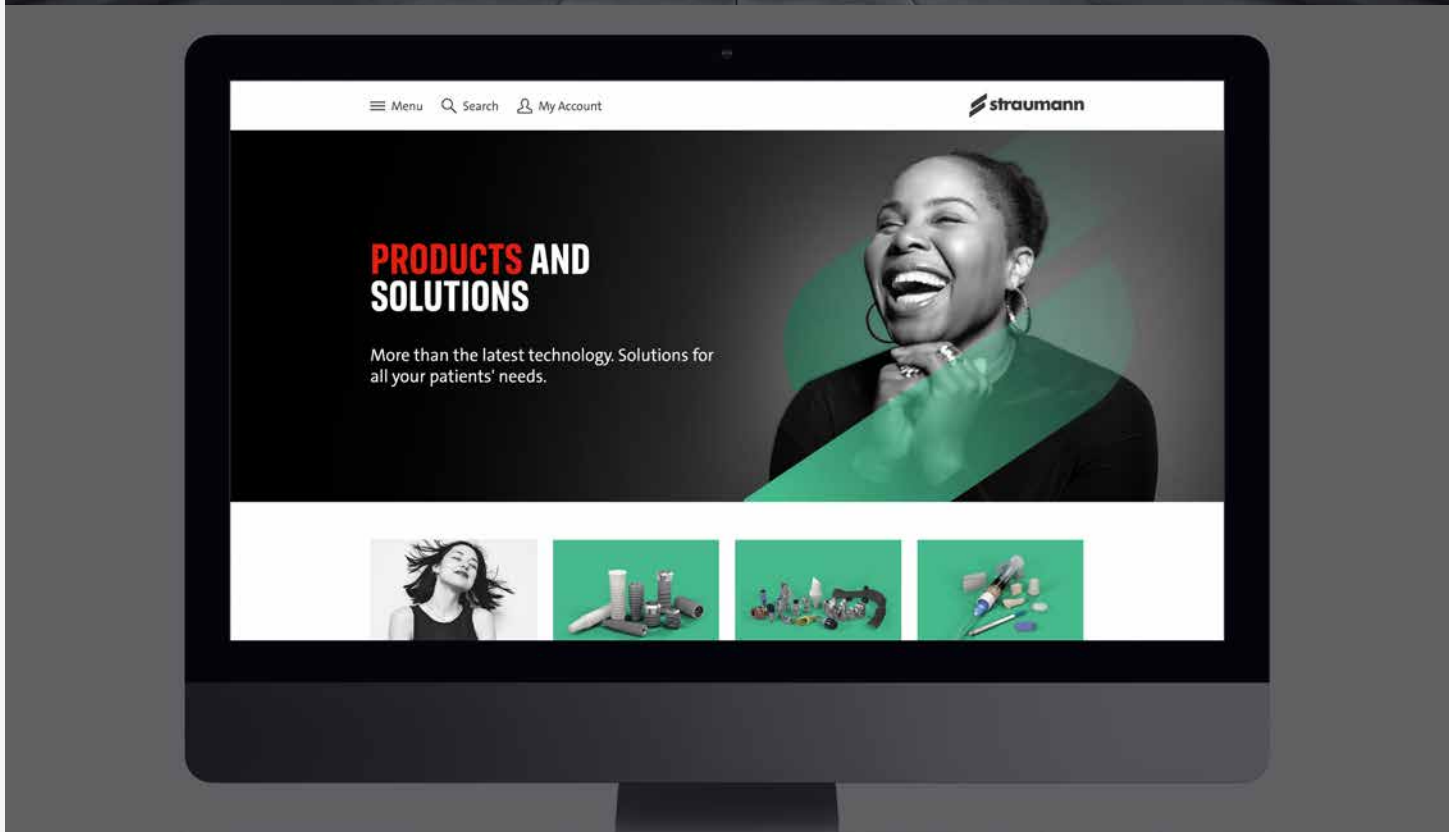
Straumann Group – home of all brands

Straumann Group's positioning as a corporate brand reflects who we want to be, our identity and character, and the purpose which unites everyone who works for us. First and foremost, the Group intends to inspire and empower existing and future employees, partners, investors, and the public.

We embrace constant transformation to ensure that we continually challenge the status quo and never become complacent. We aspire to be a brand that empowers people to constantly move and flow towards improvement.

Straumann Group intends to be the home of entrepreneurial minds and powerful brands, offering the most innovative and customer-centric oral care solutions in the world. Our brand identity has been developed to reflect this empowering spirit and energy. It combines a distinctive color palette, impactful messaging and imagery that powerfully expresses the attributes of our brand personality across our key pillars; People, Performance and Planet.

To add impact and distinction across our brand's communications, we have introduced a more confident and vibrant blue, which provides a sense of energy and modernity whilst differentiating from our competition and our category brands. We also use a graphic device which builds on the notion of water and our aspiration to create a ripple of positive transformation that unlocks the potential of people's lives.



Straumann – driven to excel

Straumann is a premium customer-facing brand. As the leading pioneer of specialty dentistry, we want to push boundaries to offer constantly evolving best-in-class solutions and support to progressive dental professionals. We relentlessly innovate to advance growth in specialty dental practices and labs through treatment concepts on integrated open digital platforms. Patient confidence, convenience and predictable outcomes are based on material quality in implants, biomaterials, prosthetics and consumables and on our uncompromising service, solutions and education concepts.

The existing Straumann brand has such substantial equity that we concluded it should become the brand for all premium solutions. Therefore, the Straumann premium category brand will transform beyond implantology into other key business areas. The complete digital range of our portfolio, workflows, platforms, equipment, biomaterials and consumables will be branded as Straumann solutions, underlining our commitment to driving digital transformation across dentistry. This will help to strengthen our positioning, ensure coherent branding, streamline the portfolio, and build customer loyalty while providing a future-proof, cost-efficient and scalable branding strategy.

As with the Straumann Group branding, we have refreshed the graphics, imagery, colors and other elements. Straumann's new brand identity retains our uniquely identifiable logotype, enabling us to leverage the brand's heritage, elevate our legacy and cement our association with excellently engineered products. The logo symbol also plays a pivotal role in harmonizing our brand architecture, acting as a bold and confident signature that supports our brand storytelling and adds energy and dynamism to reflect our restless and pioneering spirit.

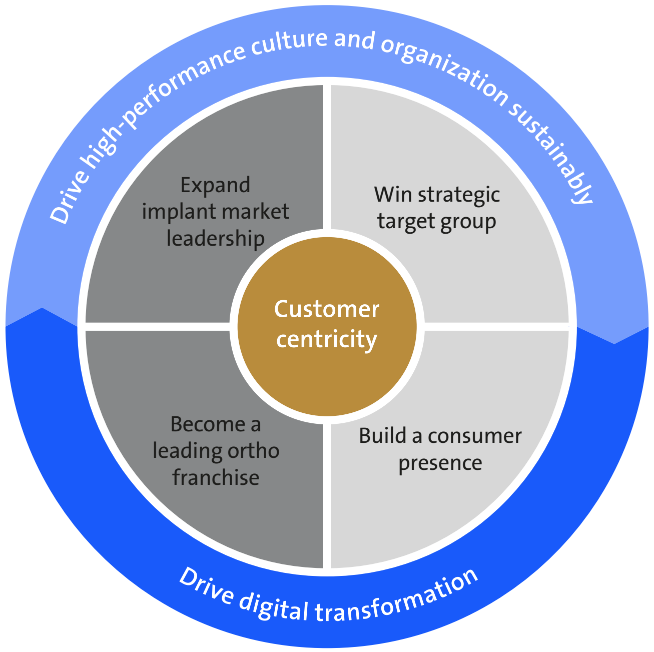
The Straumann Group strategic compass

Straumann Group has significantly expanded its addressable market to about CHF 19 billion by offering solutions that were added to the Group's portfolio through internal development, acquisitions, investments and partnerships. The Group's activities encompass implantology, CADCAM prosthetics, orthodontics, digital equipment, solutions and services. Our positioning and diversification will ensure future growth and help us navigate challenging times.

We are convinced that our industry will continue to offer attractive growth prospects in the long-term. Our industry's principle 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.

Our Group strategy is illustrated in the strategic compass showing our business priorities with customer centricity at the heart of what we do. On one side, we need to grow the core, which we will do by expanding leadership in the implant market and becoming a leading orthodontic franchise. To reflect the changing environment, on the other side, we create the new by winning strategic target groups and building a consumer presence.

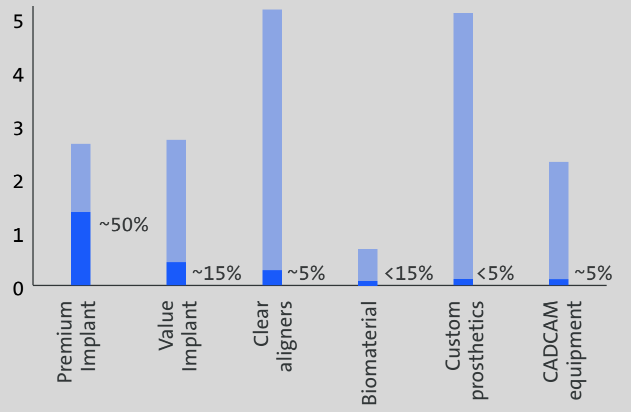
The enablers surrounding the compass impact all business priorities and represent the mindset we aspire to remain vigilant and agile to ensure we can adapt to the fast-changing environment to shape our future.



THE PRINCIPLE 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

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



Market share Market opportunity

1 Straumann Group estimates implant dentistry, custom-made prosthetics markets both include computer-aided design of manufacturing (CADCAM) abutments

Enablers represent our mindset to support growth and progress

Our culture and beliefs have always led us, leading to the company's success is the result of that. The purpose to unlock the potential of people's lives unifies us and we strongly believe progress is about expertise and adapting or changing how things are done for the better.

The mindset to push boundaries, a high-performing productive organization that frees up resources to enable and invest in progress and our sustainable approach to build a long-lasting business have helped us develop and transform the company in the past – and will continue to do so in the future. Constant transformation is crucial to build a long-lasting, sustainable, growing business. In today's world, technologies are a vital part of the disruption transforming all aspects of the industry from patient communication and practice management to diagnostics and the treatment itself. The ability to transform sustainably with the right mindset will impact our future success and help us achieve our 2030 ambition. By driving digital transformation, high-performance culture and organization sustainably, we aim to become the most customer-focused and innovative oral care company in the world.

Driving digital transformation

Digital disruption and transformation are happening everywhere, accelerated by COVID-19. In dentistry, digital technologies transform all aspects of the industry from patient communication and practice management to diagnostics and treatment. We are adopting digital innovation to increase treatment efficiencies and improve outcomes for the benefit of patients, dentists and technicians.

Straumann Group is making strong inroads in digitizing treatment workflows for tooth replacement and teeth straightening. Today, our active markets include CADCAM equipment[1] (a market of approximately CHF 2 billion) as well as consumables and services (including CADCAM abutments, crowns and bridges as well as 3D printing materials). The Group provides a broad offering of CADCAM equipment that targets different segments. However, we estimate our market share in CADCAM equipment to be just about 5%. Our strategy relies on open systems and connectivity, instead of closed platforms (see p. 75).

Overall, digital transformation is one of our strategic enablers, alongside driving our high-performance culture and organization sustainably. A key pillar of Straumann's digital transformation strategy is to strengthen customer loyalty and deliver frictionless customer experiences through a comprehensive platform approach, offering a single digital platform for the Group and our partners. The aim is to use digital innovation to increase practice productivity, boost treatment efficiencies and improve outcomes for the benefit of patients, dentists and technicians in implantology and orthodontics. For more information see page 75 in the innovation chapter. Technology advancements such as artificial intelligence, augmented reality, virtual reality and a stronger focus on software and data strategy will contribute to the development of new service offerings and open up exciting ways of interacting with customers and consumers. In addition, we are taking steps to optimize and digitize internal processes.

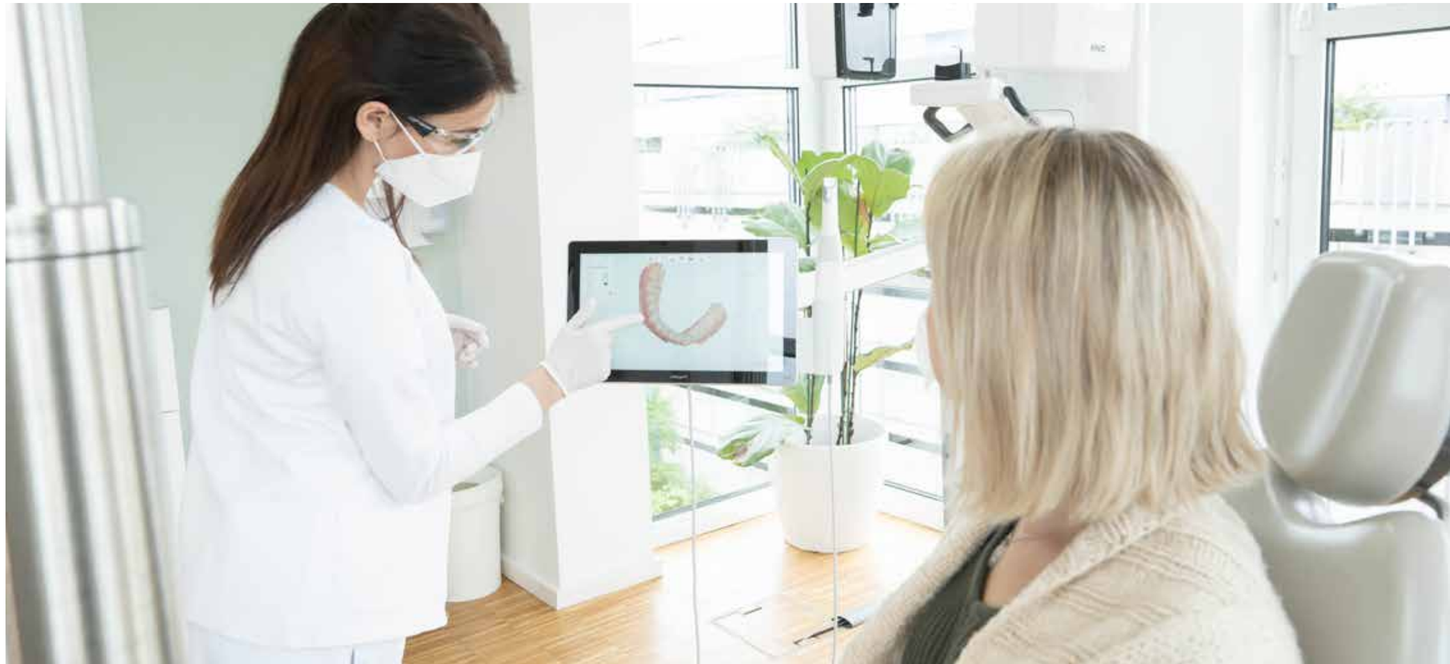
To shift from a total solution provider for esthetic dentistry to a digitally-powered oral care company, we underwent an extensive exercise in 2022 to determine the pain points across the customer and patient journey to define the way forward to drive digital transformation. The outcome was the definition of our digital ambition which seeks to deliver a unique customer experience and a highly sustainable performance with the objectives to:

- enhance customer experience by providing seamless, digital end-to-end customer solutions
- grow the business by exploring new customer and consumer digital business models that raise awareness
- transform core operational processes digitally

We intend to achieve this by focusing on our culture and building a long-lasting sustainable business which will:

- support our employees with learning sessions to inspire and foster digital skills and mindset
- build scalable data and analytics capabilities to gather insights
- further leverage and improve internal e-commerce capabilities to increase business impact
- create awareness of and advantages for our dental platforms with customers
- ensure technology enablement by implementing a data strategy and robust cybersecurity program

To secure the prioritization and execution of all the digital transformation activities, a digital acceleration board will be established. Due to the focus and importance of digital transformation, a Chief Technology Officer position was established in September.



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

Driving high-performance culture and organization sustainably

Our high-performance player-learner culture

We are constantly evolving our culture: a journey inspired by our heritage, grounded in the here and now, defining our future. The Group continuously builds its cultural journey to support future growth centering around our player-learner mindset. In 2021, we evolved our core behaviors into core beliefs that create shared value for our patients, customers and employees.

We believe that our core beliefs ...

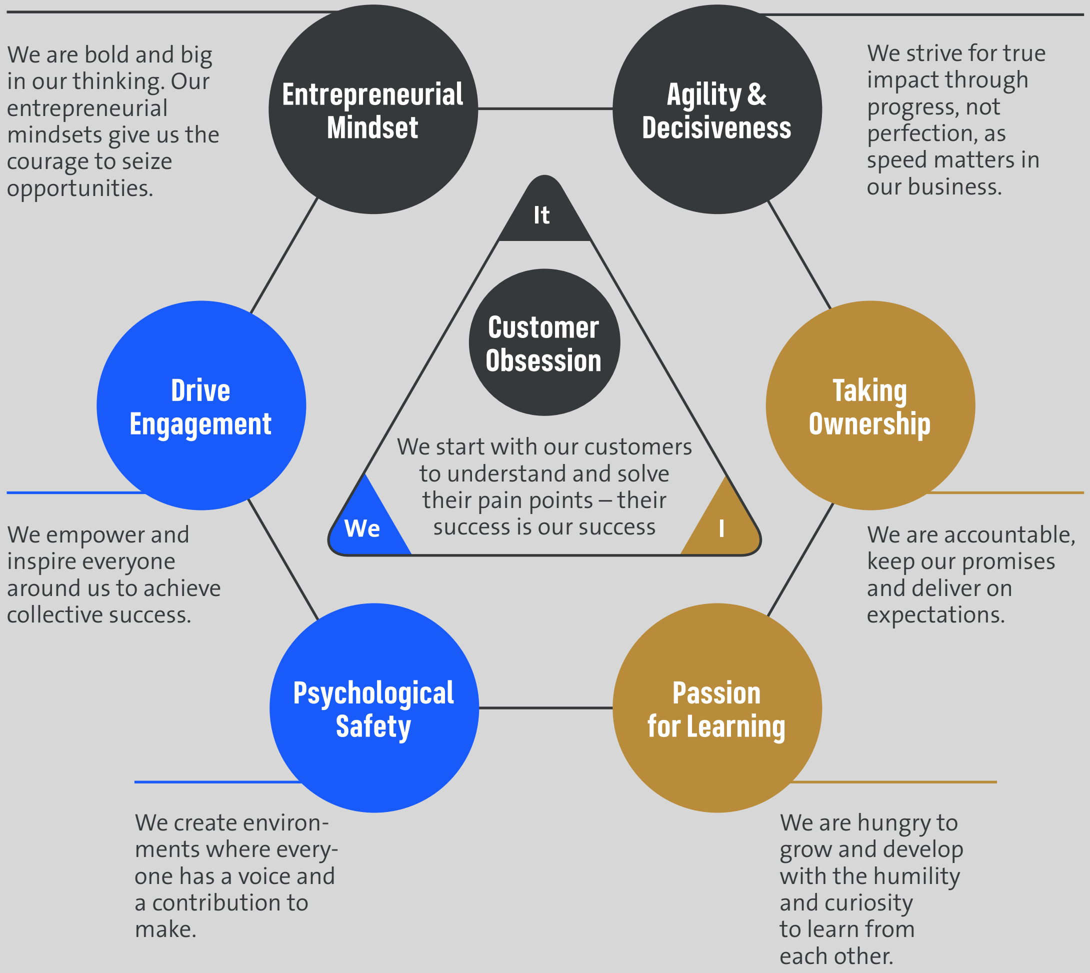
- bring our purpose to life and continually shape our culture, reflecting our identity, our DNA and what we stand for as Straumann Group
- are reflected in everything we do and how we engage with each other, customers and other stakeholders
- create a common language and understanding across the entire Group
- help to guide our decisions and shape processes throughout the company

More information about our high-performance culture can be found in the empowering people chapter on page 85.

Sustainability to build a long-lasting business

Our mindset and commitment to create long-term value for all stakeholders is reflected in the strategy compass and the sustainability framework developed in 2021. We act sustainably to improve the quality of life today and for future generations. More information can be found in the sustainability section of this report (see p. 51).

Our core beliefs



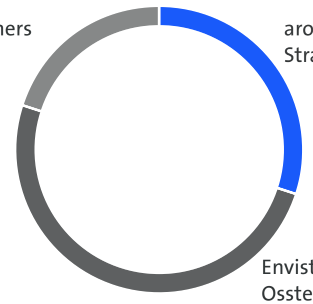
Expanding implant market leadership

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 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, biomaterials and custom-made prosthetics) represents in our view a potential CHF 11 billion opportunity. Following a strong bounce back in 2021 with 25–30% growth, implant dentistry – a market of approximately CHF 5.4 billion – grew mid-single digit in 2022. While the patient flow was not as dynamic towards the end of the year compared to previous quarters in some regions, the demand for dental treatments is good.

Implantology, our heritage and largest franchise, remains at the core of the Group's business. We estimate that our overall implantology value market share increased from 29% in 2021 to around 30% in 2022. Consolidation is ongoing and today about 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 2022



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

Straumann BLX and TLX

Innovation to drive implantology

Innovation remains a strong driver, particularly in the immediacy apically and fully tapered segments. Our 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 this field are immediacy solutions, which allow an implant to be placed immediately in a tooth extraction socket and/or for a prosthesis to be mounted on an implant immediately after its placement. This allows for 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.

With a strong pipeline in place, the Straumann Group is confident that we are keeping innovation at the forefront of our market strategy, remaining a leader in this field (see innovation on p. 67).

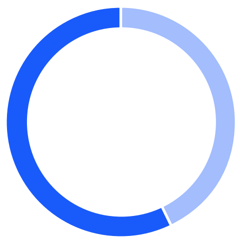
Innovations to capture opportunities in the growing tapered implant segment by volume (immediacy protocols)

Global market | Group's market share | Examples of Straumann Group solutions

Parallel-walled implants

<20%
of implant market

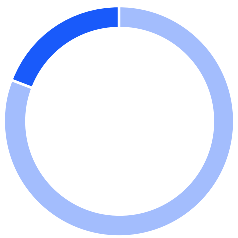
Valued for their periodontal performance, documented for more than 30 years



Tapered implants

>80%
of implant market

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



Straumann Group share
Market opportunity

Multi-brand approach

Another key pillar in implant dentistry 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 us to meet dentist and patient needs across different price points, digitization and service levels as well as serving regional brand preferences. In the current macroeconomic environment, our geographical expansion and broad implantology offering covers all price points, ensuring we are not fully dependent on the premium implant business as before.

Challenger brands to drive geographical expansion

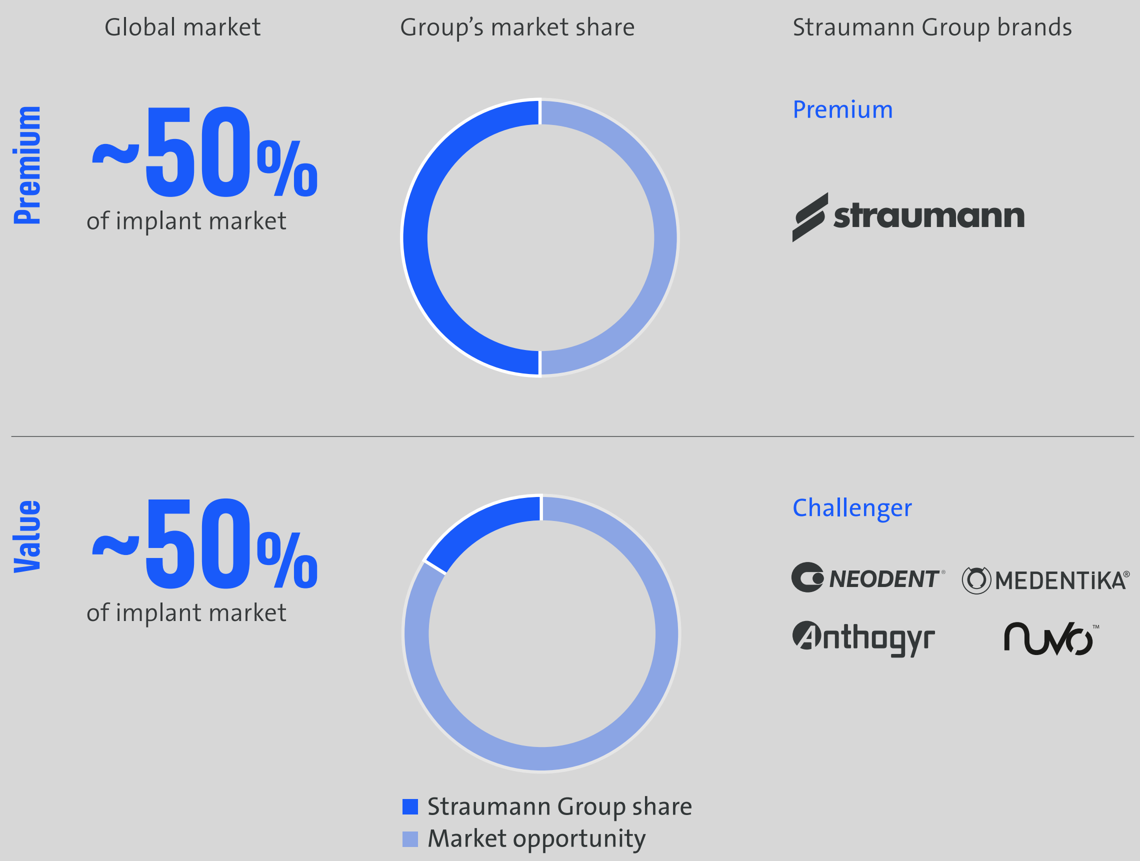
Implant dentistry is an elective procedure and is rarely reimbursed. It relies on disposable income and consumer confidence. Long-term growth drivers (see p. 19) and low penetration rates in major developed as well as emerging markets offer significant opportunities in implant dentistry in the coming years.

In the future, we are seeking to further leverage the portfolio and synergies of the Group through continued geographic expansion. This will be the most important growth driver for the challenger brands 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 healthcare consumers (see education on p. 79).

Brand portfolio to target different pricing tiers (in value)



Becoming a leading orthodontic franchise

Perfect, straight, 'pearly white' teeth are a new symbol of social status. People regularly seeing themselves on screen in online meetings has accelerated this trend. Clear aligners are discreet and can limit practice visits due to the high degree of digitization of the treatment. They therefore open up the market for treating adults who typically shy away from conventional brackets and wires. Clear aligners have also become a strong alternative for treating teens with misaligned teeth.

Today, the total clear aligner market, worth approximately CHF 5 billion according to our estimate, is expected to be one of the fastest-growing markets in dentistry. After a tremendous 50% growth bounce back in 2021 due to the COVID-19 effect, we believe the market saw a low single-digit contraction this year. In the mid-and long-term, we believe the market is growing at about 20% per year.

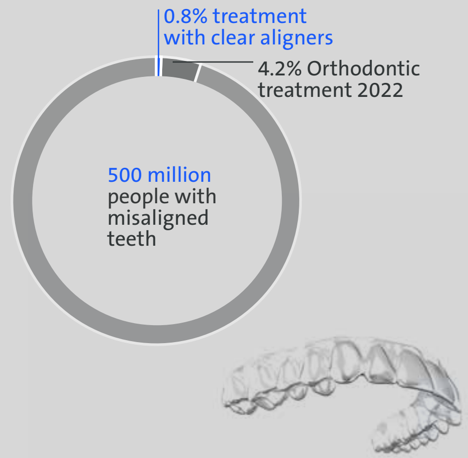
While about 500 million people globally have misaligned teeth, only about 21 million started an orthodontic treatment in 2022. Of those about 4 million started a treatment with clear aligners. All figures are Straumann Group estimates.

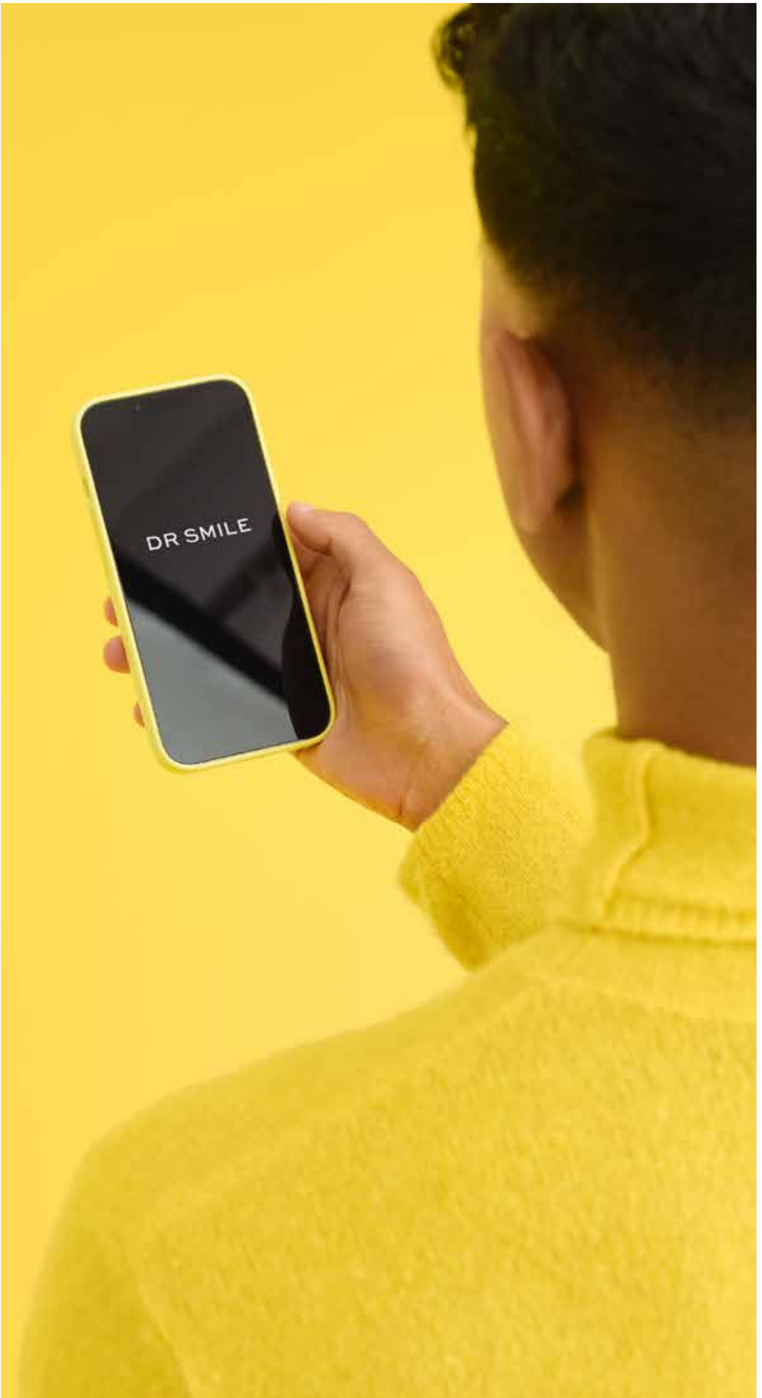
The Group started to establish its orthodontic business in 2017 with the acquisition of the US company ClearCorrect. Since then, there have been significant investments to sharpen its value proposition by strengthening the product and digital offering including faster service as well as international expansion. Having a mid-single-digit market share, the upside potential is high – indeed, we believe 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 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 50 markets in 2022 and established a global manufacturing footprint for clear aligners (US, Germany, Brazil and recently China). To further expand this position, our priority is building ClearCorrect into a strong brand through education and delivering clinical innovation (e.g. treatment software, aligner material) to sharpen its value proposition (see innovation on p. 67).

A strong base of key opinion leaders helps increase usage by clinicians and scale our footprint worldwide in both the adult and teen segments. The orthodontics business also started to drive complementary business models like the direct-to-consumer presence.

Orthodontic treatment penetration





Building our consumer presence

Health consumers are educating themselves, demanding more and taking ownership of healthcare decisions. Digital touchpoints and the patient 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 direct-to-consumer (D2C) 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 emerged as the preferred choice in the market in 2022.

Consumer activities are considered a significant lever to unlock 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 direct-to-consumer presence through the acquisitions of DrSmile in 2020, Smilink in 2021 and PlusDental in 2022. Their business models are 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 in 2022, a leading implant treatment concierge in 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 we have taken to 'play and learn' are helping us to transform and build the new.

Our new Chief Consumer Officer, Jason Forbes, joined us in April 2022 to build our consumer insights capabilities and drive our consumer presence businesses.

Winning strategic target groups

Consolidation is a key trend in oral healthcare. Today, there are fewer single, independent practices. Dental service organizations (DSOs) are on the rise, particularly in North America, Europe and China. 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 approx. 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]

The needs of DSOs go beyond those of smaller practices or labs. Dental companies need to offer more than products and solutions to win this strategic target group. They need to provide additional services, such as supporting a seamless patient experience, practice digitization, workforce training and continuous education on business process optimization.

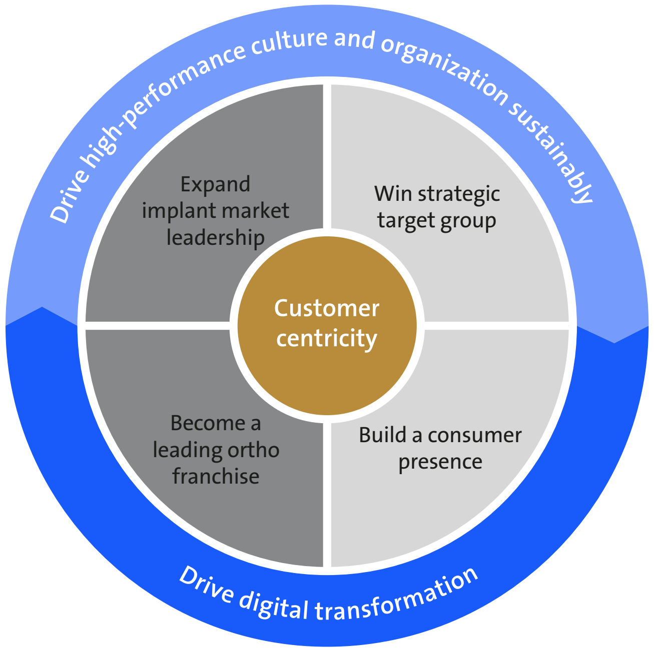
Straumann Group's palette of services can be tailored to support each DSO. This includes orthodontics and implantology, digital solutions, customer success management, strategic account development, training and education. In 2022, we acquired a minority stake and partnered with CareStack. Through their all-in-one cloud-based dental practice management software, we can support dental practices in simplifying treatment planning, scheduling and payment, enabling our customers to provide high-quality care more efficiently to their patients.

Our goal is to become the business partner of choice for DSOs by expanding and reshaping our value proposition, building integrated, end-to-end solutions and establishing additional business models. We will do this by piloting, learning, scaling and constantly enhancing our offering. Our clinical and business expertise and the depth and breadth of our Group solutions are strong assets in this journey.

1 Straumann Group estimates

Examples of strategy in action in 2022

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, please also see value creation model on page 30.



Drive high-performance culture and organization sustainably

- Outstanding financial performance, outperformed peers
- Above average employee engagement further increased with a score of 81, response rate of the third weEngage employee survey at 91%
- 76% of colleagues reported they have good opportunities to learn and grow, which is up two points compared to last year
- Continued to invest in production sites incl. China Campus, Straumann in Switzerland, ClearCorrect and Neodent in Brazil
- Goal set to achieve net zero emissions by 2040

Expand implant market leadership

- Recently launched immediacy solutions contribute to customer conversions
- Anthogyr Axiom X3 fully tapered implant launched in several European countries
- Neodent Zi ceramic implant launched for highly esthetic results and helping dentists to differentiate

Become a leading orthodontic franchise

- New ClearPilot software releases to improve customer experience and treat more complex cases
- Introduction of the ClearCorrect Clinic App for patient communication – reducing chair time and increasing conversion
- ClearCorrect expanding global footprint (available in more than 50 countries; manufacturing sites on 4 continents; FDA China approval)
- Clinical advisory board established
- ClearCorrect partnered with major intraoral scanner players to develop new direct integrations

Build a consumer presence

- Jason Forbes joined as Chief Consumer Officer
- Expansion of doctor-led clear aligner treatment solutions through the acquisition of PlusDental
- DrSmile becomes Group's doctor-led direct-to-consumer marketing aligner brand in Europe

Win strategic target groups

- Strengthened end-to-end oral health enablement by expanding customer base with DSOs
- Investment in CareStack to offer all-in-one, cloud-based practice management software
- Global DSO CEO Summit uniting more than 70 influential executives and industry experts who are shaping transformation of oral health within DSOs
- More than 120 new DSOs with a network of over 1 400 practices

Drive digital transformation

- Multitier strategy for IO scanners (incl. relaunched Virtuo Vivo) delivering strong growth
- Investment in SmileCloud, a smile design and collaboration platform
- Straumann AXS – a portal to give customers easy access to all Straumann Group solutions and enabling seamless digital workflows – successfully launched in NAM

HOW WE CREATE VALUE

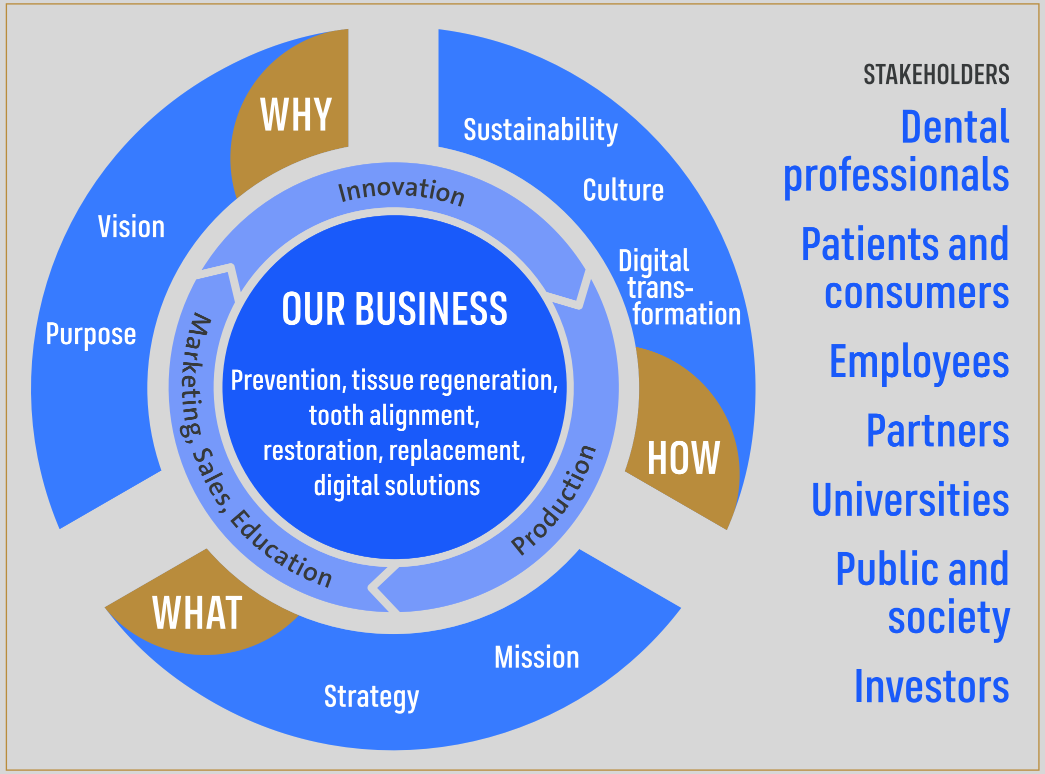
Guided by our purpose and vision, we aim to pursue a holistic approach to generate lasting value, especially for the millions of patients who are treated with our solutions each year, but also for our customers, employees, shareholders and the communities in which we live and operate.

We consider the interconnectivity and dependencies between our business activities, our strategy and the various inputs. Positioning the business in the middle of this model, we closely connect everything we do with our stakeholders' needs, which reflects our strategic compass and focus on customer centricity. This understanding follows the value creation concept proposed by the International Integrated Reporting (<IR>) Framework.

> “Customer centricity drives our value creation

Besides financial capital, we rely on other input capital such as human and natural resources, manufacturing capital and immaterial resources such as relationships.

Our strategy is set out to use and develop these resources responsibly in order to achieve output and outcomes that generate sustainable value for all our stakeholders.



INPUT

Financial capital
- Equity of CHF 1 854m
- Cash and cash equivalents of CHF 696m
- Capital expenditures of CHF 195m

Human capital
- > 10 400 talented, motivated employees in > 100 countries at year end, diversity of skills, backgrounds, experience
- Investment in staff learning of CHF > 4m

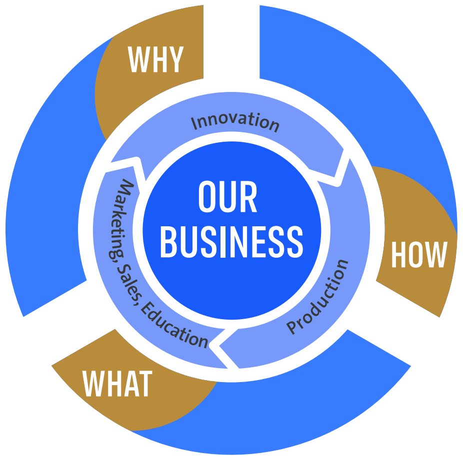
Intellectual capital
- 9 brands
- > 1 270 active patents
- Intangible investments 33.8m
- Investment in R&D of CHF 105m
- Distribution rights for 3rd party products

Natural capital
- Raw materials 1 000 tons
- Energy 85 546 MWh
- Operating materials 531 tons

Infrastructure capital
- Buildings and infrastructure
- Production sites
- Distribution and selling sites

Social & relationship capital
- Customer base of dentists and laboratories in > 100 countries
- Supplier network
- Communities

OUR BUSINESS MODEL



OUTPUT

Advancing oral care
page 61
- Restored dental function and esthetics; enhanced quality of life
- Educated clinicians
- Enhancing treatment solutions
- Patents

Empowering people
page 85
- Balanced male/female ratio within leadership positions
- Engaged employees
- Learning opportunities for employees
- Leadership development

Caring for the planet and society
page 92
- Renewable resources
- Reducing electricity
- Support communities
- Reducing CO_2 emissions

Acting with responsibility
page 112
- Sales of solutions for prevention, tissue regeneration, tooth alignment, restoration, replacement and digital solutions
- Share split
- Compliance trainings
- Cybersecurity and data protection trainings

OUTCOME

Advancing oral care
- 4.4 m patients treated
- 9 780 educational activities in 2022
- Over 25 solutions launched
- 85 patents granted in 2022

Empowering people
- 39% women in leadership positions
- Employee engagement score of 81
- 76% employees reported on having good opportunities to learn and grow
- > 170 leaders participated during leadership academy

Caring for the planet and society
- 80% renewable electricity
- Energy consumption reduced by 2% per employee
- More than 60 charitable projects sponsored
- CO_2 emissions (Scope 1+2) t CO_2e per employee reduced by 24%
- Waste landfill rate 6% (–76%)
- Waste recycling rate 64%

Acting with responsibility
- CHF 2 321m revenue
- CHF 603m core operating profit
- Increased number of shareholders by 40%
- Compliant e-training rolled out in 17 countries with more than 90% completion
- No recorded or detected data or cybersecurity control breach

FEATURE STORY

WE EMBRACE DIGITAL SOLUTIONS

The periodontist and implantologist Laurence Adriaens stands for empowerment and is more than ready to tackle not only digitalization but also the status quo of dentistry.

Although she comes from a long line of dentists, Laurence Adriaens originally had other career aspirations. “I studied Greek and Latin at school and thought I would do something with languages – or history,” she recalls. But when she was 18 and helped out in her father’s practice during the summer holidays, she came into close contact with the world of dentists for the first time. And soon she was fascinated by her father’s work. “I liked that it was about helping people. And besides, in this profession you can work with your hands.”

> “If you want a healthy smile, you have to take care of the underlying tissue

> “It is important that female students who want to go into surgery see that there are other women who have already made a name for themselves in the field

As a result, the Belgian native decided to study dentistry at the University of Ghent, from which she graduated in 2002. For the next two years, she worked as a general dentist in Belgium as well as in the Netherlands and Italy. “After that, I got to a point where I realized that if you want a healthy smile, you have to take care of the underlying tissue” Laurence says. So she turned to periodontology, which was also her father’s field of expertise.

Nowadays Laurence lives in Palma de Mallorca, where since 2008 she shares a practice in the city center with her husband, Dr. Fernando Franch, also a successful periodontist and implantologist. “We complement each other very well and are a superb team.” The couple’s working day begins every morning with looking after their two sons and taking them to school. Afterwards, they both head to their practice, where they start work at 9.30 am. “We offer the best treatment possible – and we are able to guide our patients through this process efficiently”, Laurence explains. As the practice has proven to be very successful, the couple have had to expand and now work with three more dentists who with their expertise are an additional value to their practice.

On most days, Laurence and Fernando are not home until 8 pm, which means it is almost bedtime for the children. “Accordingly, we want to use the little time we have with them as wisely as possible,” Laurence emphasizes. “On the weekends, we try to relax and want to be with our children.” But the fact is that the couple works hard and their job is very demanding. “There are always moments in our children’s lives when one of us is missing,” Fernando admits. “We often have to make one compromise or another.”

When Laurence started her career in this field, there were still very few female dentists. “It wasn’t until I specialized in periodontics and implant dentistry, had my own

> “After all a smile is basically a person’s business card

practice and was invited to give lectures that I realized there weren’t really that many female dentists in this field. Or at least they are far less visible,” she explains. Despite the fact that more women than men study dentistry these days, women are still underrepresented in the field of implantology. Laurence attributes this not least to the lack of role models. “We actually discussed this topic at a recent meeting of the ‘Women in Implantology Network’ (WIN), founded by Straumann in 2016. I think it is important that female students who want to go into surgery see that there are other women who have already made a name for themselves in the field.”

And what would Laurence recommend to young women who want to pursue a career in dentistry? “They should go for what they really want. If they want to go into surgery, they should not let it stop them because they assume they are not capable of it,” she urges. Through her involvement with WIN, Laurence also tries to be a role model for other women who show an interest in dental surgery. “This way I can show them: You can do it too. But the path requires a lot of energy and some sacrifices, which is not everyone’s cup of tea.”

Laurence is convinced that it takes a lot of empathy to be a good dentist. “There are surgeons who are extremely capable and deliver perfect results but are not really able to connect with their patients. I am convinced that we need to build a relationship with them first – with the aim that they not only return to our practice, but that we can also take care of them as if they were part of our extended family.” This includes making sure that every patient feels comfortable with his or her smile. “After all a smile is basically a person’s business card. And the teeth are an important part of that smile,” Laurence says. “Accordingly, our job is to make sure that our patients keep their smile – or we give them back their smile.”

> “Dental surgery has now become very predictable and much more efficient

As in so many other areas of life, digitalization is becoming increasingly important for dental practices. “What has really changed is that, thanks to digitalization, we can now show the patient what should be done and what the final result will look like,” Laurence points out. By digitizing the patient’s mouth, the practice can now

ABOUT LAURENCE

- Graduated from University of Bern, with a Master Degree of Advanced Studies in Periodontology
- Specialist in Periodontology recognized by the European Federation of Periodontology (EFP)
- ITI Fellow since 2008 and ITI Study Club Director since 2009 in Palma de Mallorca. Publications in national and international dental journals
- Founding member of WIN (Women Implantology Network) since 2016
- Owner of a private practice in Palma de Mallorca and working as a specialist in Periodontology and Implantology
- Passionate about art, pilates and traveling

reproduce its shape – including the teeth – on a computer. "This is a breakthrough technology that allows the patient to see exactly what their new smile will look like," Fernando enthuses. According to Laurence, developments such as the intraoral scanner have transformed dentistry in recent years. "Planning treatments using 3D radiographs combined with intraoral scanning helps us not only with restorations, but also with how implants should be placed. And from there, we can now control the surgical part much more easily," she explains. In other words: dental surgery has now become very predictable and much more efficient.

> "We're evolving and you're evolving with us

But the road to digitalization is not always easy: "There was a dentist who worked for us and was not really willing to use the intraoral scanner. So we told him, 'We're evolving and you're evolving with us.' We showed him how to use the intraoral scanner. And lo and behold, he was ready to change after all," Laurence recalls. For her and Fernando, this episode makes it clear that new programs and tools need to be as easy to use as possible. "That way we do not lose too much time during the learning process," Fernando adds. In his opinion, digitalization is still a new topic, but it is here to stay. Laurence: "At a meeting with Straumann, I was advised to start with one product, master it and only then move on to the next tool – so it's one small step at a time." She and Fernando agree that their digital learning curve is rather slow, but technological change is rapid. "It is a challenging process, but as world-class professionals, we have every intention of adopting digital solutions.

Digital tools not only facilitate patient communication, they are also strong tools to improve treatment workflow efficiency and multidisciplinary collaboration as well as communication to achieve better treatment outcomes", they say in unison.

Part of that process even includes expanding the Instagram account of their practice, being more active and visible. "This allows people to follow us and see what can be achieved with periodontics and implantology," Laurence is convinced. "In addition, social media is of course also an excellent tool to show that Fernando and I are still very much committed to education and also participate in continuing education programs. After all, we want to stay up to date with the latest developments in dentistry."

BUSINESS DEVELOPMENT

BUSINESS PERFORMANCE

Outstanding results across the business

Straumann Group posted organic full-year revenue growth of 15.7% or CHF 2.3 billion in revenue. While the year was characterized by challenging macroeconomic developments, patient demand remained good throughout the year while softening in the second half. The Group advanced significantly in all strategic areas led by innovation in the core business, implantology and orthodontics, as well as by geographical expansion. Further investments in new areas were made to become a leading digitally-powered oral care company by entering a new partnership with SmileCloud, starting to build the new Straumann AXS customer platform and expanding the Group's value proposition through CareStack. In 2022, the strategic priority to build a consumer presence was further developed by strengthening the DrSmile brand and acquiring PlusDental and Nihon Implant. This led to a market share gain for the Group and an overall market growth from CHF 18 to 19 billion in 2022.

Despite the ongoing macroeconomic uncertainties, the Group continued to grow while helping 4.4 million smiles globally, improving access to treatment, expanding the business globally and progressing in sustainability.

Throughout 2022, the Group gained market share through new customer acquisitions with both premium and challenger brands expanding geographically. The Group estimates that its market share in implantology increased from approximately 29% in 2021 to around 30% in 2022.

Operations and finances

To facilitate a like-for-like comparison, the Group presents 'core' results in addition to the results reported under IFRS. In 2022, the following effects (after tax) were defined as non-core items:

- Amortization of acquisition-related intangible assets amounting to CHF 38 million (mainly related to the accelerated amortization of the PlusDental brand)
- The accelerated amortization of the PlusDental brand as well as the restructuring costs amount to CHF 9 million and were triggered by the Group's brand conclusion to run its direct-to-consumer clear aligner marketing business in Europe exclusively under the DrSmile brand

A reconciliation table and detailed information are provided on page 136 of the Group's annual report.

Core gross profit stable at 76% despite raw material cost surge

Continued strong volume growth in all businesses allowed core gross profit to increase by CHF 216 million to CHF 1.76 billion. High utilization rates in our production facility combined with continued efficiency improvements to minimize cost increases resulted in a stable core gross profit margin at 76% with only a slight decrease of 50 base points versus 2021.

Core EBIT margin at 26%

Core EBIT increased by CHF 49 million to CHF 603 million driven by the topline growth and despite investments in expansion and the return of normal levels of promotion and travel activities after the second quarter. Core EBIT margin reached 26.0% which is 140 basis points lower than in 2021 which was lifted by a low activity level

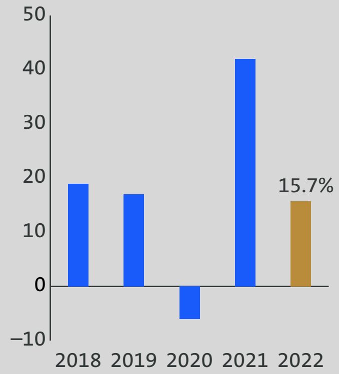
Key performance figures

	2022 Core[1]	2021 Core[1]
Revenue (CHF m)	**2 321**	2 022
Gross profit margin (%)	**75.7**	76.2
EBIT margin (%)	**26.0**	27.4
Net profit margin (%)	**20.8**	22.6

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

Organic revenue growth

in %



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during the pandemic.

The Group's investments in growth and its geographic expansion led to an increase of core distribution expenses (salesforce salaries, commissions and logistics costs) by CHF 57 million to CHF 433 million. Despite these considerable investments, distribution costs remained almost unchanged with a slight increase of 5 basis points relative to sales.

Core administrative expenses, which include research and development as well as marketing, sales and general overhead costs, increased by CHF 109 million to CHF 725 million. This was mainly due to new product launches, the geographical expansion of brands and the integration of acquisitions. As a percentage of revenue, administrative expenses increased by 76 basis points.

Core net profit margin at 21%

Net financial expenses amounted to CHF 30 million, reflecting interest on lease liabilities and payments as well as currency-related losses. After income taxes of CHF 84 million, net profit increased by 6% to CHF 482 million, resulting in a margin of 21%. Basic core earnings per share increased by 6% to CHF 3.03.

Free cash flow at CHF 221 million

Cash flow from operations amounted to CHF 415 million, which is 145 million lower than in 2021, mainly driven by a negative change in net working capital of CHF 191 million. Days of sales outstanding increased to 63 while days of supplies increased to 191.

The Group's production expansion, acquisition initiatives and strategic digital transformation activities, total cash outflow for investing activities amounted to CHF 435 million, almost one and a half times higher than in 2021 mainly driven by the acquisition of PlusDental and operational expansions. Despite the significant investment levels, the cash position on 31 December 2022 remained strong at CHF 696 million, which exceeds the Group's interest-bearing liabilities by CHF 208 million (2021: CHF 376 million). The Group's balance sheet amounted to CHF 3.4 billion versus CHF 3.0 billion at the end of 2021.

Proposal to the Annual General Meeting to increase dividend

Based on the 2022 results, the Board of Directors proposes a dividend of CHF 0.80 per share which is subject to shareholder approval and payable on April 13, 2023. In 2022, the Group undertook a share split, followed by a 40% shareholder increase, providing a wider population the opportunity to become shareholders of Straumann Group.

Summary of main investments

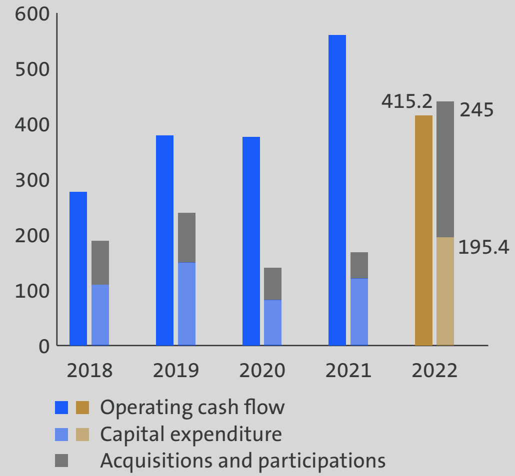
Investments in consumer presence

In early 2022, the Group acquired Nihon Implant, a leading implant treatment concierge in Japan. Nihon Implant connects patients with clinicians, referring patients for implant treatment to specialty clinics. In July 2022, PlusDental, a doctor-led clear aligner treatment solutions provider in Europe, joined the Group. Following the successful completion of the acquisition and the review of the future brand strategy, the Group concluded it will run its direct-to-consumer marketing clear aligner business in Europe exclusively under the DrSmile brand. Both investments collectively amounted to CHF 164 million. For Nihon Implant, further payments are expected to follow in the coming years.

Investments in technology partners

In March 2022, the Group acquired a 30% minority stake in CareStack, a cloud-based practice management software provider. Later in the year, the minority stake was increased to 36%. In May 2022, the Group increased its ownership in Promaton to 70% (non-controlling). Just

Cash flow and investments
in CHF million



before year-end, the Group also invested a minority stake in 3D Diagnostic, which provides digital support services to dentists. Those investments collectively amounted to CHF 87 million.

Investments in infrastructure

In the period under review, the Group invested CHF 127 million in land, buildings and machinery, mainly to increase production capacity in Switzerland (Villeret), Brazil (Curitiba), the US (Mansfield and Andover) and China (Shanghai). Together with investments in IT hard and software and in other fixed assets, capital expenditures reached CHF 195 million.

Other investments

Information on investments in distribution (including selling activities, research and development) as well as tangible and intangible assets are presented in the financial report. Investments in people are covered in the sections on Employees and Compensation (see p. 157).

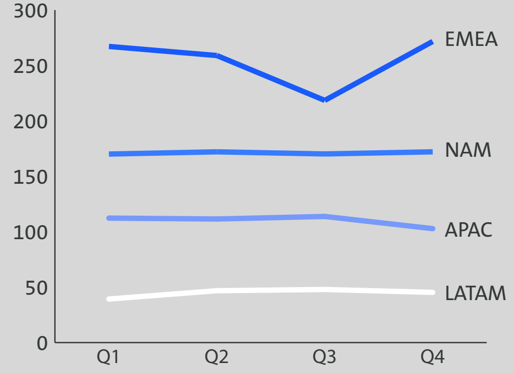
BUSINESS PERFORMANCE – REGIONS

Despite the global macroeconomic uncertainties, performance across all the regions was strong and our ability to adapt to the changing environment and our innovative solutions supported us in our performance. EMEA grew more than 20% organically and crossed the one billion Swiss franc mark. Dental practices operated on good levels, except for China, where patient flow was impacted by pandemic-related restrictions and the Chinese volume based procurement initiative (VBP) which caused treatment delays.

Regional sales performance by quarter
in CHF million

	Q1	Q2	Q3	Q4	Total 2022	Total 2021
Europe, Middle East & Africa	267.2	259.0	218.5	271.7	1 016.5	891.9
Change in CHF %	+24.7	+12.9	+7.0	+11.3	+14.0	+45.1
Change (organic) in %	+33.0	+21.0	+15.1	+13.7	+20.5	+41.3
North America	170.1	172.1	170.2	172.1	684.5	590.8
Change in CHF %	+23.2	+13.0	+14.2	+13.7	+15.9	+36.7
Change (organic) in %	+20.7	+8.0	+9.1	+9.4	+11.6	+40.0
Asia Pacific	112.3	111.5	113.8	102.8	440.5	408.8
Change in CHF %	+21.7	+8.5	+8.4	–5.5	+7.7	+41.7
Change (organic) in %	+18.4	+5.9	+8.6	–2.9	+7.2	+40.6
Latin America	39.3	46.8	47.9	45.3	179.3	130.4
Change in CHF %	+56.1	+49.5	+25.9	+26.2	+37.5	+44.4
Change (organic) in %	+48.8	+40.3	+20.9	+18.9	+30.4	+56.8
Total	588.9	589.4	550.5	592.0	2 320.8	2 021.9
Change in CHF %	+25.4	+14.3	+10.9	+9.6	+14.8	+41.8
Change (local currencies) in %	+27.9	+16.0	+14.5	+11.9	+17.3	+43.8
Change (organic) in %	+27.2	+15.1	+12.2	+9.6	+15.7	+41.7

Regional sales performance by quarter
in CHF million



Europe, Middle East & Africa (EMEA)

Strong demand in Europe, Middle East and Africa, reaching one billion Swiss Franc mark

The Group's largest region, Europe, the Middle East and Africa, was the strongest revenue contributor throughout all quarters, despite a negative currency effect. The growth was driven by all segments with particularly strong contributions from orthodontics and implants. The premium and challenger implant sales remained high.

The dental service organization (DSO) segment enjoyed very strong growth and helped increase revenues in the region. The digital solutions business was very successful, mainly driven by the relaunch of Virtuo Vivo intraoral scanners. Iberia showed highly impressive results, driven by intraoral scanner sales, premium and challenger implants, while emerging markets strongly contributed to growth. Germany, being the largest country, drove revenue in absolute terms, and Turkey and Romania showed very strong growth. Throughout 2022, the DrSmile and ClearCorrect orthodontics businesses strongly contributed to growth in EMEA.

Overall growth in the region was driven by Germany, Turkey, and Iberia. Premium and challenger implant sales remained high, and the digital business was remarkably successful, mainly driven by intraoral scanners. In addition, the fast-growing DSO business helped increase revenues in the region.

Largest regional markets

1. Germany
2. France
3. Spain

Change organic
+21%

Change in CHF
+14%

EMEA contribution of Group revenue
44%

Revenue in CHF
1017m

North America

North America continues its growth path

Both Canada and the US were driven by strong demand across all major franchises in the first quarter of 2022. Within premium implants, the BLT, BLX and TLX lines all grew very strongly reflecting the focus on immediacy. In the challenger segment, Neodent performed very well, lifted by a strong performance in the DSO segment and the region's focus on competitive conversions. A strong performance for implants overall also drove our restorative business in abutments and guided surgery. In digital solutions, intraoral scanners were a key driver for growth, with a strong first quarter.

In the second half of 2022, the macroeconomic effects such as inflation started to have an impact on patient flow and on the demand for clear aligners. The implant business continued to be the main growth driver, led by the Straumann and Neodent brands. In the second quarter, Straumann Group successfully introduced the new Straumann AXS customer platform which aims to unite existing and new digital service solutions.

Throughout the year the implant business remained the main growth driver, led by the Straumann and Neodent brands, as well as the digital solutions business which grew strongly with intraoral scanners. In addition, the Group successfully launched CareStack, a cloud-based practice management software which offers clinicians a seamless, end-to-end treatment management experience.

Overall, the performance was driven by premium implantology, the Neodent challenger brand which grew very strongly and was supported by the clear aligner business. Digital solutions delivered the highest revenue growth.

Macroeconomic developments in the region continued to influence patient demand for aligners throughout the year, although the effects had a lower impact in the second half of 2022.

Largest regional markets

1. US
2. Canada

Change organic
+12%

Change in CHF
+16%

NAM contribution of Group revenue
29%

Revenue in CHF
685m

Asia Pacific

Asia Pacific growing steadily with some disruptions in China

The Asia Pacific region remained a large and growing market, however, the growth dynamic was impacted by several local COVID-19 lockdowns in China. Some impact was also observed from treatments being deferred because of the Chinese volume based procurement initiative (VBP). These impacts were partially compensated by other markets in the region, such as Japan and Australia which saw strong growth. The established subsidiary in Malaysia performed very well and introduced ClearCorrect in the first quarter.
The Group also expanded further within India, opening an office near Delhi. Across the region, premium implants and orthodontics contributed strongly to the overall performance.

During the Group's second quarter, the performance in Japan and Australia remained very strong and India doubled its business. The pandemic lockdowns continued to impact growth in China until pent-up demand resulted in increased performance following the bounce-back when restrictions were lifted. The Anthogyr challenger brand has been successfully launched in South Korea. A new subsidiary has been established in Vietnam and the opening of the office in Malaysia as well as a second office in India were the Group's achievements in the second quarter within the Asia Pacific region. Australia, Taiwan and Japan strongly contributed to the regional growth in 2022 and largely offset the slower growth in China.
Digital solutions and implantology, premium as well as challenger brands, successfully contributed to regional growth. Our orthodontic business ClearCorrect received regulatory approval in China.

For the first time, the Asia Pacific region registered a negative trend due to the strong COVID-19 impact in China throughout the year and the VPB process which delayed treatments in China. In the first two weeks of 2023, the VBP has been finalized and the Group's submission was accepted. All other countries in the Asia Pacific region grew significantly, in particular Japan and Australia were the region's biggest growth drivers.

Largest regional markets

1. China
2. Japan
3. Australia

Change organic
+7%

Change in CHF
+8%

APAC contribution of Group revenue
19%

Revenue in CHF
441m

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Latin America

Latin America posts significant growth despite difficult global environment

The Latin American region performed strongly, particularly in digital solutions where the Virtuo Vivo intraoral scanner drove strong revenue. The orthodontics business grew very rapidly throughout the year in the whole region. In the premium implant segment, BLT implants significantly contributed to the strong results, in turn driving solid performances for abutments and restorative materials. Our 'World Class Doctor' campaign and ITI educational program had a very strong impact. Neodent continued to grow very strongly in the region and the new educational resource, Neodent Campus, was rolled out during the first quarter. In addition, the orthodontics business contributed well to the regional performance throughout 2022, expanding to Mexico, Colombia and Chile.

In both the premium and value implant segments, the Group gained market share in all countries, thanks to the direct local footprint in Latin America. The biggest market, Brazil grew robustly, and other countries such as Mexico and Argentina grew even faster. The region onboarded new customers through nationwide educational events and patient marketing activities. Digital solutions performed very well, with the Virtuo Vivo intraoral scanner being the largest growth contributor to digital solutions in the Latin American region.

Overall in 2022, Brazil remains the biggest revenue contributor in Latin America, with robust demand, notably for its leading implantology brand Neodent which continued with its strong presence in LATAM. In addition to Brazil, Mexico, Colombia and Peru showed good growth. As a highlight of the year, the new Neodent Zi implant was launched in Brazil and the Virtuo Vivo intraoral scanner remained the largest growth contributor to digital solutions.

Largest regional markets

1. Brazil
2. Mexico
3. Colombia

Change organic
+30%

Change in CHF
+38%

LATAM contribution of Group revenue
8%

Revenue in CHF
179m

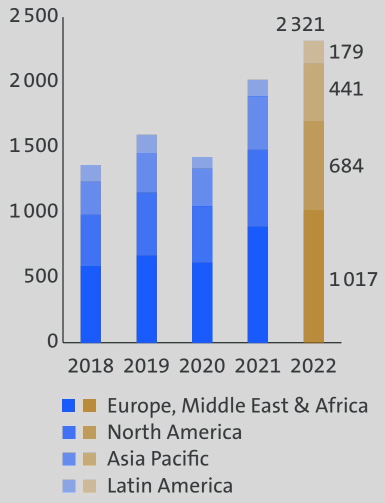
BUSINESS PERFORMANCE – FINANCIALS

Five-year overview – operating performance
in CHF million

	2018	2019	2020	2021	2022
Net revenue	1 363.6	1 596.2	1 425.9	2 021.9	2 320.8
Growth in %	22.6	17.1	(10.7)	41.8	14.8
Gross profit	1 019.2	1 200.5	1 029.8	1 540.0	1 754.7
Margin in %	74.7	75.2	72.2	76.2	75.6
Operating result before depreciation and amortization (EBITDA)	395.0	480.6	406.0	652.4	701.8
Margin in %	29.0	30.1	28.5	32.3	30.2
Growth in %	22.1	21.7	(15.5)	60.7	7.6
Operating profit (EBIT)	342.6	387.1	156.5	542.6	535.3
Margin in %	25.1	24.3	11.0	26.8	23.1
Growth in %	21.0	13.0	(59.6)	246.6	(1.3)
Net profit	277.8	308.0	92.3	399.3	434.8
Margin in %	20.4	19.3	6.5	19.7	18.7
Growth in %	(1.6)	10.9	(70.0)	332.7	8.9
Basic earnings per share (in CHF)[1]	1.72	1.93	0.57	2.49	2.73
Value added / economic profit[1]	189.6	208.6	(30.6)	250.3	258.6
Change in value added	(24.8)	18.9	(239.1)	280.9	8.3
Change in value added in %	(11.6)	10.0	(114.7)	919.0	3.3
as a % of net revenue	13.9	13.1	(2.1)	12.4	11.1
Number of employees (year-end)	5 954	7 590	7 340	9 054	10 478
Number of employees (average)	5 580	6 837	7 409	8 256	10 203
Sales per employee (average) in CHF 1 000	244	233	192	245	227

1 Figures as reported in the financial reports

Regional sales performance by year
in CHF million



Five-year overview – financial performance
in CHF million

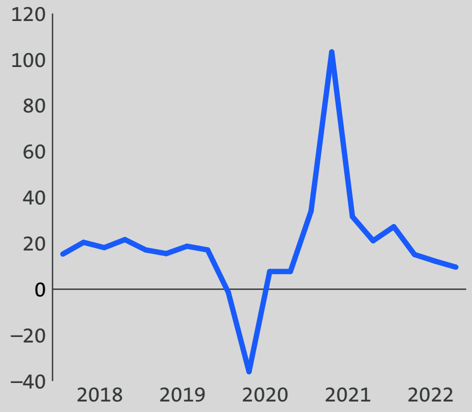
	2018	2019	2020	2021	2022
Cash and cash equivalents	278.7	260.2	632.2	880.4	696.1
Net cash (net debt)	16.8	20.2	116.2	376.1	207.5
Net working capital (net of cash)	233.0	265.6	168.0	124.0	229.3
as a % of revenue	17.3	16.6	11.8	6.1	9.9
Inventories	182.1	234.6	216.6	249.2	321.2
Days of supplies	165	175	160	166	191
Trade receivables	231.3	281.2	236.0	287.3	416.4
Days of sales outstanding	56	57	47	48	63
Balance sheet total	1 864.6	2 390.0	2 548.6	2 968.0	3 373.4
Return on assets in % (ROA)	15.6	13.6	3.9	14.3	13.6
Equity	1 204.3	1 367.2	1 209.9	1 500.4	1 853.8
Equity ratio in %	64.6	57.2	47.5	50.6	55.0
Return on equity in % (ROE)	24.4	24.0	7.7	28.8	24.9
Capital employed	1 011.6	1 455.0	1 190.3	1 174.6	1 600.5
Return on capital employed in % (ROCE)	35.7	28.4	11.9	43.7	35.1
Cash generated from operating activities	277.1	378.5	376.6	560.3	415.2
as a % of revenue	20.3	23.7	26.4	27.7	17.9
Investments	(188.2)	(239.3)	(140.4)	(167.8)	(440.4)
as a % of revenue	13.8	15.0	9.8	8.3	19.0
thereof capital expenditures	(109.7)	(149.9)	(82.1)	(121.0)	(195.4)
thereof business combinations related	(22.2)	(77.1)	(55.1)	(39.7)	(157.6)
thereof investments in associates	(56.3)	(12.3)	(3.2)	(7.1)	(87.3)
Free cash flow	169.4	229.6	295.2	440.6	220.8
as a % of revenue	12.4	14.4	20.7	21.8	9.5
Dividend	83.1	91.2	91.3	107.4	127.5[2]
Dividend per share (in CHF)	5.25	5.75	5.75	6.75	0.80[1,2]
Pay-out ratio in % (core results)	28.9	27.1	35.5	23.7	26.4

1 Following 1:10 share split in 2022
2 To be proposed to the shareholders' AGM in 2023

Investments 2022
in CHF

195m

Five-year quarterly revenue growth (organic)
in %



SHARE PERFORMANCE

A year of economic challenges

After a volatile 2021, the year 2022 continued with high market uncertainties and strong fluctuations. While the impact of COVID-19 on global supply chains was mitigated more and more, geopolitical disruptions and rapidly increasing energy prices fueled markets with new uncertainties. With inflation turning into a global macroeconomic shock, central banks were forced to end the cycle of low interest rates at an unprecedented pace. As a result, growth expectations were dampened, which weighed on valuations of equities, in particular growth stocks. Yet, there were some positive signals towards year-end. The labor market proved to be resilient and there were indications that inflation might have peaked in the fourth quarter of 2022.

Straumann stocks were caught up in the above-mentioned market challenges. After an increase of 87.8% in 2021, the share price fell 45.5% to CHF 105.60 by the end of 2022. The Group closed the year at a market capitalization of CHF 16.8 billion and a core P/E ratio of 35. 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 lower at 28% and 21%, respectively.

In April 2022 the Annual General Meeting (AGM) approved a 1:10 share split which was executed on April 20, 2022.

Following its intention to pay a gradually increasing gross dividend over time, the Group decided in 2022 to distribute a gross dividend amount of CHF 0.80 per share, which is an increase of 17% from the previous year. The payout ratio of the dividend distributed in 2022 was 26%.

Pre-tax shareholder return after dividend reinvestment amounted to −45.2% or CHF −87.57 per share.

With increasing market uncertainties, the one-year stock volatility climbed gradually from 28% to 47% by end of 2022. The average daily trading turnover of Straumann shares declined by 28% from CHF 57 million in 2021 to CHF 41 million in 2022.

Share information

in CHF

	2022[4]	2021	2020	2019	2018
Earnings per share (EPS)	**3.03**[1]	28.45[1]	16.20[1]	21.21[1]	18.16[2]
Ordinary dividend per share	**0.80**[3]	6.75	5.75	5.75	5.25
Payout ratio	**26%**[1]	24%[1]	36%[1]	27%[1]	29%[2]
Share price at year end	**105.60**	1937.00	1031.50	950.40	618.00

1 Based on core results
2 Based on results excluding exceptionals
3 Payable in April 2023 subject to shareholder approval
4 Following share split 1:10 in 2022

Stock exchange information

Listing	SIX Swiss Exchange (STMN)
Bloomberg	STMN SW
Reuters	STMN.S
Investdata	STMN
Ex date	11 April 2022
Payment date	13 April 2022
Security ID	001 228 007
ISIN	CH 1175 448 666

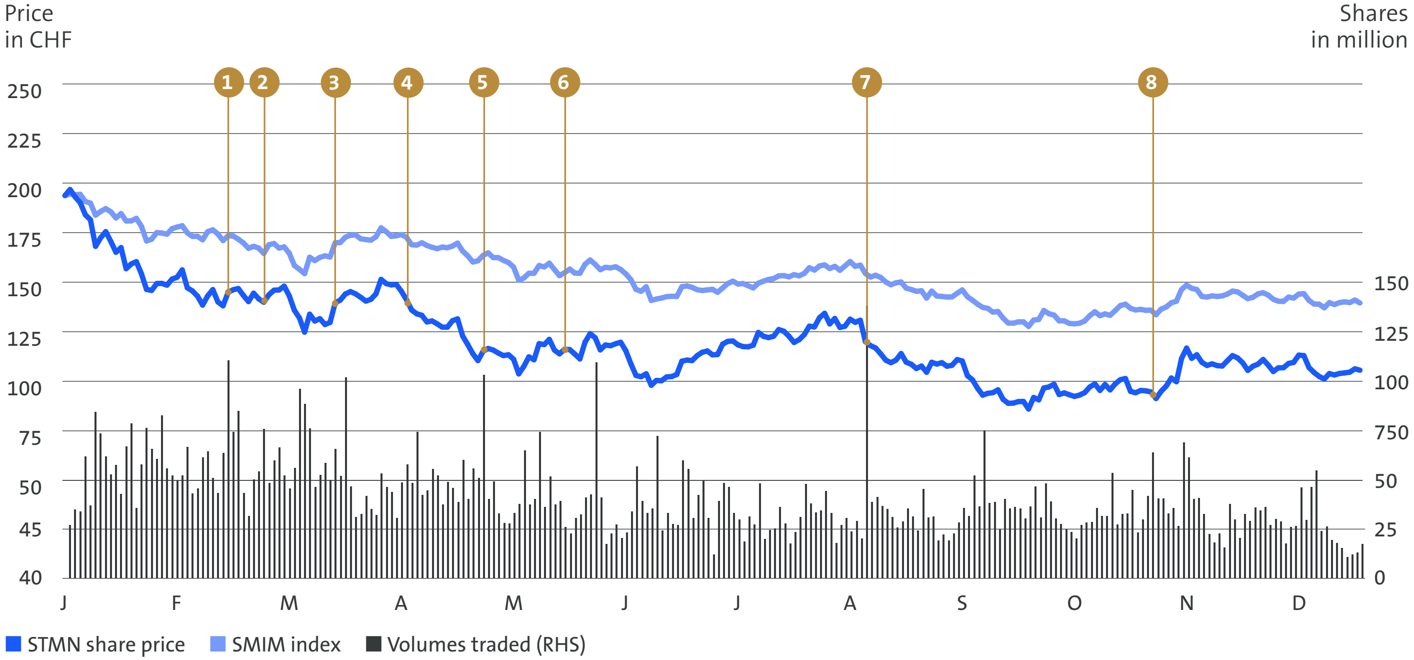
Share price data

in CHF

	2022[2]		2021	
	Value	Date	Value	Date
First trading day	**196.75**	**3 Jan**	1 035.00	4 Jan
Lowest[1]	**86.02**	**29 Sept**	970.00	28 Jan
Highest[1]	**196.75**	**3 Jan**	2 108.00	5 Nov
Last trading day	**105.60**	**30 Dec**	1 937.00	30 Dec
Average	**120.72**		1 513.46	
Tax value	**105.60**		1 937.00	
Total shareholder return, gross of tax	**−45.2%**		88.7%	
Share price performance	**−45.5%**		87.8%	
Market capitalization at year end (CHF million)	**16 838**		30 840	

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

Share price development



1 15 Feb 2021 results: organic growth of 41.7% with revenue exceeding CHF 2 billion

2 24 Feb Russia's invasion of the Ukraine

3 16 Mar The Federal Reserve lifts its policy interest rate by 0.25% (first raise since 2018)

4 5 Apr AGM resolves 1:10 share split to be effected on April 20, 2022

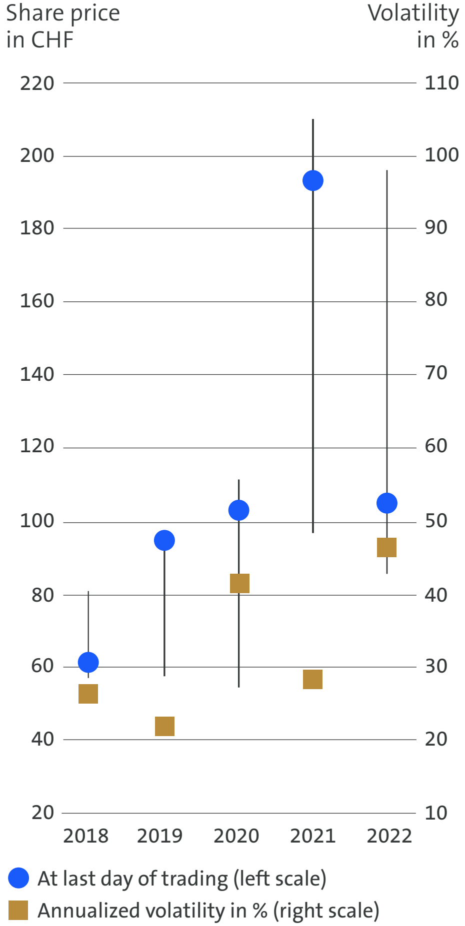
5 28 Apr Q1 results: very strong results with revenue of CHF 589 million and 27% organic growth

6 20 May The Group announces acquisition of PlusDental, a doctor-led clear aligner treatment solutions provider in Europe

7 16 Aug HY1 results: CHF 1.2 billion revenue and 21% organic growth; the Group aims to achieve net-zero carbon emissions by 2040

8 2 Nov Q3 results: CHF 1.7 billion revenue year-to-date; the Group announces investment in SmileCloud, a smile design and collaboration platform

Trading information



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SUSTAINABILITY REPORT

OUR AIM IS
TO HELP 10 MILLION SMILES PER YEAR BY 2030

INTRODUCTION AND SUSTAINABILITY FRAMEWORK

Rooted in our heritage of creating long-term value, we aim to create a long-lasting positive impact for all our stakeholders. Sustainability is embedded in the way we do business. It is a strategic priority for the Group, and together we aspire to become a role model for our industry.

Our success is built on a sustainable business model, and it is our role to play our part – today and for future generations. We act sustainably to improve the quality of life and advance oral care. Sustainability at Straumann Group focuses on efficient use of resources and responsible business practices as well as attracting and retaining the best talent. We strategically prioritize our activities through engagement with all our stakeholders across the value chain, ensuring we continue to drive responsible business practices and deliver positive social and environmental impact.

Our approach to sustainability

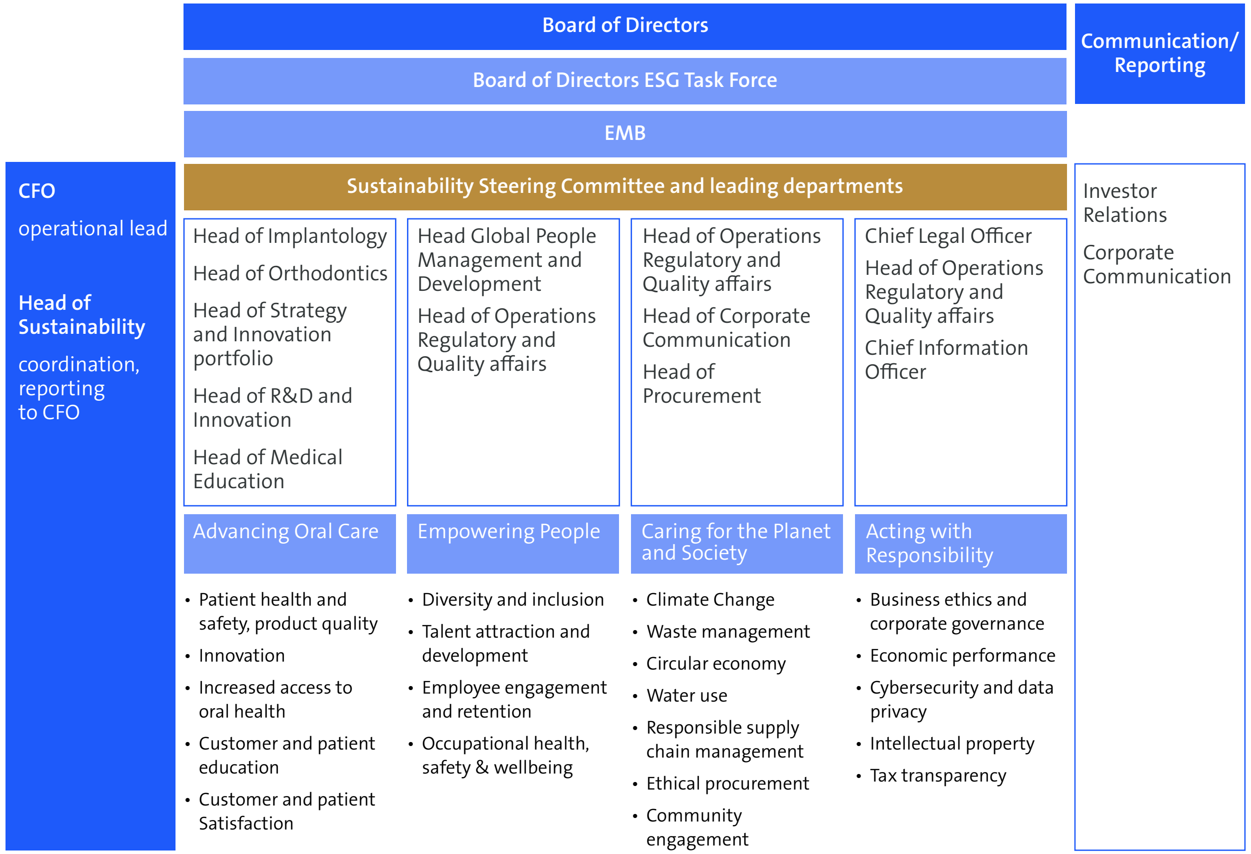
By embedding sustainability into the way we do business, we ensure that we keep delivering a positive impact for our stakeholders and become a role model for our industry. This report presents the progress and performance we have made over the last year through our four strategic commitments: advancing oral care, empowering people, caring for the planet and society and acting with responsibility.

We are led by the sustainability framework that we developed in 2021 to enable us to capture and address our social and environmental impacts. We recognize that accountability for sustainability must be led from the top. In March 2021, the ESG (environmental, social and governance) Task Force – led by Straumann Group's Board of Directors – was established to accelerate the process to define our sustainability framework, targets and roadmap. The ESG Task Force is chaired by our Board member Petra Rumpf, led by our Chief Financial Officer with support from the Head of Sustainability and attended by cross-functional senior management team members. Regular ESG Task Force meetings ensure that the collective knowledge, skills and experience related to sustainable development are shared at the Board level. The Board of Directors is responsible for approving the annual report containing our sustainability approach. Our Corporate Communications team prepares the annual report and sustainability report.

The chart on the right shows the allocation of sustainability responsibilities at Board and Management levels in 2022. Our Group Code of Conduct assigns personal responsibility for environmental protection and proper social conduct to all line managers and employees.

Following the completion of the sustainability framework, the setting of targets and the definition of roadmaps in each area, key roles of the task force will be

Sustainability corporate governance 2022



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.

GRI disclosures: 2-2, 2-3

transitioned into the new Sustainability, Technology and Innovation Committee (STIC) in 2023. The STIC will continue to provide overall governance on sustainability while also ensuring the relevant involvement of the Audit and Risk Committee (ARC) and the Human Resources and Compensation Committee (HRCC). In addition, the STIC will be responsible for reviewing new technologies and innovations in the area of sustainability together with the management for possible implementation.

Reporting disclosure

Straumann Group has reported in accordance with the GRI Standards for the period January 1 to December 31, 2022. This report was submitted to the GRI Content Index – Essentials Service in February 2023.

GRI is an independent and globally operating non-profit foundation providing sustainability reporting standards for addressing impacts on the economy, environment and people. Thus it helps businesses and other organizations take responsibility for their impacts. We have applied the GRI Standards in our annual report since 2004.

Furthermore, since 2021, we have expanded our disclosure to include the Sustainability Accountant Standards Board (SASB) metrics (see p. 237), and will start to report according to the Taskforce for Climate-Related Financial Disclosures (TCFD) in 2023 to further align with wider global frameworks on sustainability and to make sure the organization will be prepared for future regulations.

Significant sustainability aspects material to the Group are reviewed regularly and at least once annually, with input from internal and external stakeholders.

GRI disclosure: 3-1

Materiality assessment refresh

Our framework was founded through our comprehensive materiality assessment conducted in 2021. To ensure we align with global emerging trends and capture any changes, we review our material topics annually and perform a bi-annual refresh of our materiality assessment. We will look to extend our reporting to address both financial implications of sustainability issues on our company and the impacts of Straumann Group on the environment and people (double materiality as recommended by the corporate sustainability reporting directive (CSRD) of the EU).

In 2022, we carried out a refresh of our materiality assessment involving a review of our reporting metrics and topics against global standards – conducting an industry peer review and interviewing thirteen of our stakeholders, split between internal and external. We aimed to understand each participant's perspective on the social, environmental and governance impacts that could affect the Group's continued business success. We also tried to understand in which areas we as a company have the biggest impact on society and whether there were any additional topics that should be added.

Our internal stakeholder interviews consisted of selected Executive Management Board members and members of the Board of Directors.

Externally, we conducted interviews with key stakeholders, including investors and supply chain partners to ensure we gathered insights from different perspectives. The refresh assessment has been very much appreciated by the stakeholders and taken as a signal that we take sustainability seriously.

The results of the materiality assessment refresh were presented and discussed with the Board and the Group's senior management team.

Results and observations

In general, there was alignment between internal and external stakeholders' priorities. There were no significant changes, with only a few topics being elevated in their importance and others becoming consolidated. Our stakeholders stressed the increased importance of all these strategic sustainability commitments.

All our stakeholders agreed on the importance of digitalization and are aligned that it is inherent as an enabler in our current business model and part of all aspects of our business. Of our 23 original material topics, we have refreshed our matrix to focus on 20. Based on the feedback of our stakeholders, topics have been merged or added.

The main topics discussed included: diversity and inclusion, talent attraction and retention arising from a 'war on talent', product quality for health and safety, traceability, patients' knowledge of our products, digitalization as a business enabler and driver for innovation, wider impacts of climate change, sustainable materials through waste management and circularity, business ethics and good corporate governance including tax transparency and cybersecurity.

These emergent themes result in slight shifts with an increase in stakeholder concerns that was proportional to the impacts on our business. They are identified in the framework and re-listed alongside the adjusted matrix on the next page.

Due to these emerging concerns from stakeholders, we saw a preference to add clarity through globally aligned language and thematic areas for our stakeholders that ultimately will have an impact on the business if not addressed.

The feedback is reflected in our 2022 materiality matrix (see p. 56) and the language has been updated to align with global frameworks and standards. Sustainability is covered within the annual report, structured according to the materiality topics and categorized in line with our strategic sustainability commitments, reflecting the impact and importance of these topics.

Importance of the materiality topics for the Group

The materiality topics are important to Straumann Group and if not considered, they could influence our brand reputation, deter future employees and have financial implications on our operations, shareholders, and ultimately our business success. Furthermore, economic, social and environmental topics are also relevant for the communities in which we operate, as those stakeholders expect us to have a positive impact. Regulators and investors, alongside communities, are concerned for our planet and desire transparency and a reduction in our environmental impacts.

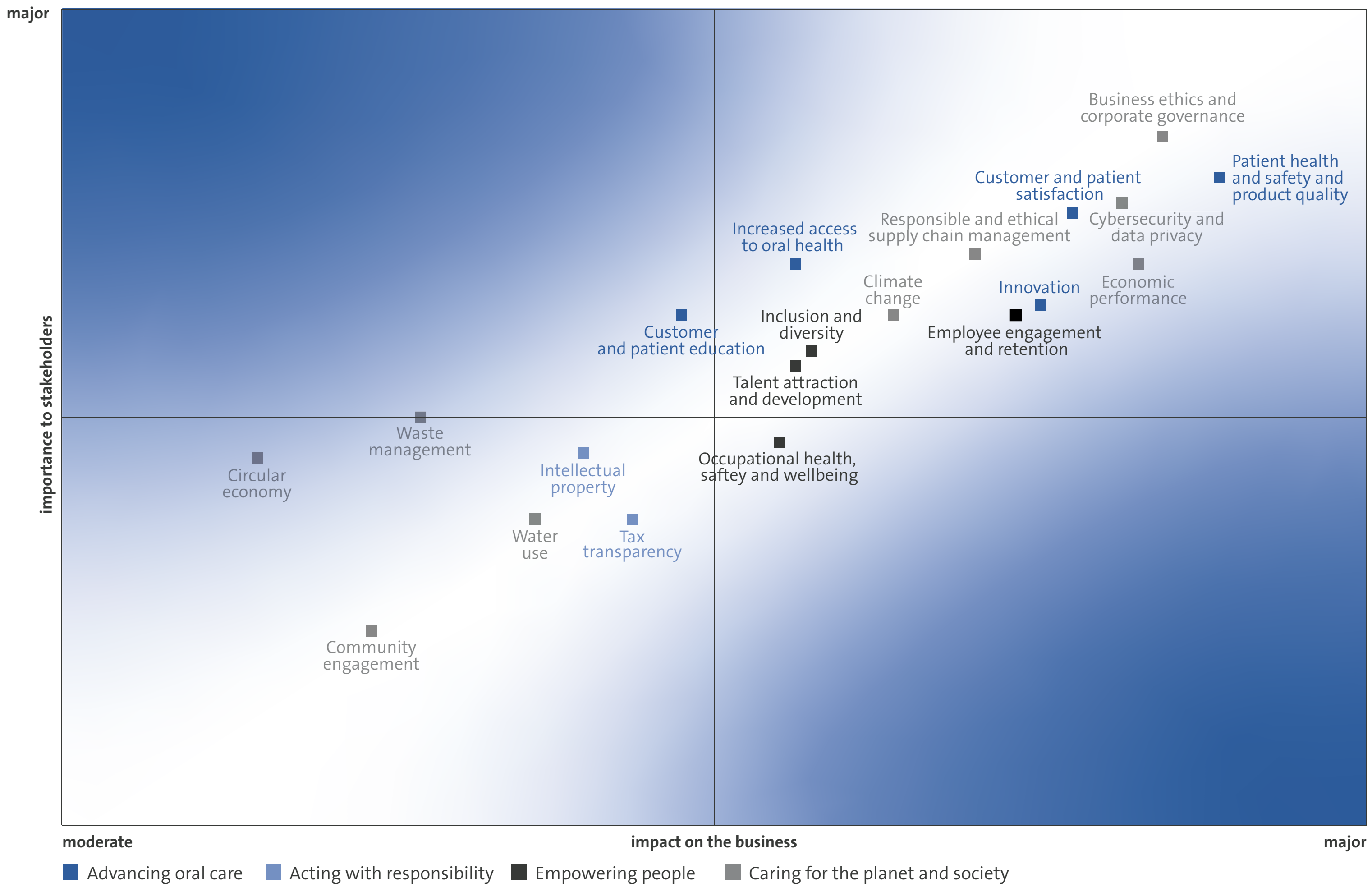
Our products have social as well as environmental implications and undergo the utmost scrutiny to ensure the ethical, sustainable, quality products that our customers and patients rely on. Lastly, our employees are critical to our success and therefore ensuring we have a good culture that inspires them will continue to drive innovation and growth.

GRI disclosures: 3-1, 3-2

Summary of changes:

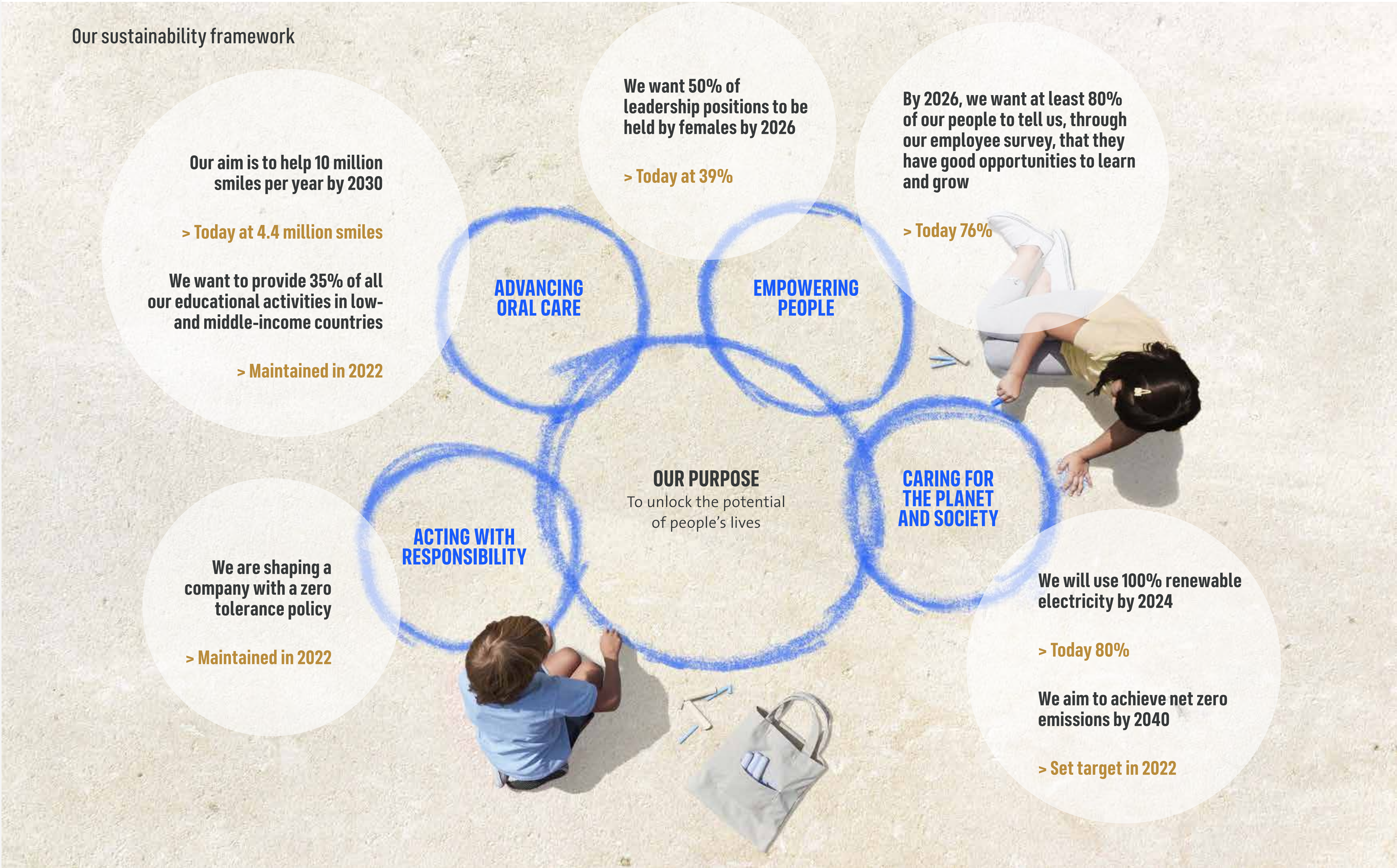
- patient health and safety and product quality was combined and now includes labelling and traceability
- the patient dimension is becoming increasingly important which is now captured within patient satisfaction and education
- talent and development increased in importance
- climate-related topics were consolidated under climate change to align with key global taxonomy
- materials and recyclability is consolidated under waste management
- in the acting with responsibility commitment, corporate governance, cybersecurity and tax transparency were added to highlight their importance

Sustainability materiality matrix



Alignment between internal and external priorities (white diagonal area in graph). Rating on importance to stakeholders and impact on business. Each topic was ranked on a scale from 1–5, 1 being low impact and 5 being major impact.

Our sustainability framework



Our aim is to help 10 million smiles per year by 2030

> Today at 4.4 million smiles

We want to provide 35% of all our educational activities in low- and middle-income countries

> Maintained in 2022

We want 50% of leadership positions to be held by females by 2026

> Today at 39%

By 2026, we want at least 80% of our people to tell us, through our employee survey, that they have good opportunities to learn and grow

> Today 76%

ADVANCING ORAL CARE

EMPOWERING PEOPLE

OUR PURPOSE
To unlock the potential of people's lives

CARING FOR THE PLANET AND SOCIETY

ACTING WITH RESPONSIBILITY

We are shaping a company with a zero tolerance policy

> Maintained in 2022

We will use 100% renewable electricity by 2024

> Today 80%

We aim to achieve net zero emissions by 2040

> Set target in 2022

RISK MANAGEMENT

Risk management approach

An integrated control framework for sustainability

The Straumann Group fosters a culture of seizing opportunities and entrepreneurism, balanced by risk management. We are committed to implementing appropriate controls, processes and strategies to identify, assess and manage risks associated with our activities in order to prevent or minimize the impact of unexpected events on our business and on our ability to create long-term value for all our stakeholders.

Responsibilities and organization

The Straumann Group applies a globally standardized process for identifying and managing possible developments within and outside the Group that could jeopardize its sustained growth, profitability and strategic objectives. Risk monitoring and control are management objectives. The Group's Chief Financial Officer (CFO) is also the Chief Risk Officer (CRO) and is responsible for the Group's risk plan. The Board of Directors is ultimately responsible for the risk management of the company.

Our risk assessment and management are embedded in a comprehensive internal control framework, which we address through a holistic, disciplined and deliberate approach. It matches that of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is one of the most widely used (see corporate governance p. 140).

For identified risks that become evident in accounting and financial reporting, relevant control measures are defined throughout our internal control system (ICS) framework. Various tools and aids are used to assess and manage risks. For instance, foreign exchange risks are managed with a Treasury Management system, while external consultants are used on a regular basis to assess tax and insurance coverage risks.

Risk reporting

We produce a comprehensive corporate risk assessment report annually (and ad hoc if necessary), which serves as a working document for the coming year and includes key risks that are critical for the Group's business. A specific scenario is developed for each risk topic, including existing and new measures and controls. The risks are ranked and prioritized. Action plans are defined and the implementation of measures to reduce risk is monitored. The significance of a risk scenario is estimated in terms of effect on profit cumulated over three years. Certain risks are assessed according to qualitative criteria, e.g. risks to the Group's reputation or taxes. The reporting of key risks is based on fixed value limits. Pressing risks that emerge very rapidly are discussed by the Board at short notice.

Internal audit

The tasks of internal audit are:

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

Risk management approach

Straumann's risk assessment takes into account

- Operational risks
- Strategic risks
- Compliance-related risks
- Financial market risks
- Other internal risk factors
- Other external risk factors

Corporate risk assessment report

The report covers the following topics

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

In a consulting role, its main tasks are:
- to assess internal processes and controls
- to propose recommendations and improvements

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

After several years of successfully outsourcing the internal audit function to KPMG, the Board of Directors has decided to insource the internal audit role as of January 1, 2022, to build an organization and to continue collaborating with KPMG in a co-sourcing model. The new Head of Internal Audit directly reports to the Head of Audit and Risk Committee and administratively to the CFO.

Risk assessment and mitigation

As outlined in the introduction of the sustainability chapter, our framework was founded on a comprehensive materiality assessment to ensure we align with emerging global trends. The materiality matrix includes essential topics for our stakeholders and the business as well as their potential impact. Whilst the risk assessment is a different perspective, the major risks are congruent with some of the topics on the matrix. The following text highlights major risks that were relevant in 2022. The Group's comprehensive risk assessment and mitigation can be found throughout the annual report and is referenced in the table on page 60.

Cyber risk

As we become a more digitally-focused business, cybersecurity is essential. We are therefore constantly working on strengthening our 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. The Group's Data&Tech department has further extended a cybersecurity function as well as a cybersecurity strategy (see cybersecurity on p. 119).

China volume based procurement

In China, the government has implemented a tender process in the public sector for implants and potentially for clear aligners – the volume based procurement (VBP). This system is part of the country's effort to make healthcare more affordable. Consequently, we have already seen treatment delays in the public sector due to the tender process. The process has been finalized at the beginning of 2023 and the Group's proposal was accepted. While we are in transition phase, we expect pressure on prices in the short-term and higher volumes in the mid-term.

Personnel expense increase

Due to the ongoing macroeconomic developments, the inflation rates are increasing and talent attraction is a challenge. In 2023, the average salary will substantially increase for the Group, depending on the country.

Raw material & Energy cost increases

Another consequence of the inflation and/or shortages are increasing prices for raw material and energy. In 2022, the Group introduced an inflation task force to closely monitor the situation and take countermeasures, such as price increases or the implementation of efficiency gain programs if needed. In 2023, our procurement function will further investigate if and to what extend potential savings can be generated and compensated (see responsible and ethical supply chain management on p. 102).

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

Talent attraction and retention

Talent attraction and employee retention are two material topics for the company. The Group's strategy and growth ambition require specialized capabilities. In the Empowering People section you can find more information about how we address the 'war for talent'.

Political conflicts

The Group operates in many countries around the globe and is exposed, directly or indirectly, to the effects of economic, political and social instability such as trade protectionism, foreign exchange volatility, war and unrest. These developments can impact our people, environment, assets and business as well as our reputation. That impact may be direct (e.g. security consequences) or indirect (e.g. economic uncertainty) and might also increase our 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. 118.

Public health

Although some regions are still battling COVID-19 challenges, the Group believes the business interruption risk is decreasing.

Outlook

Climate change is a major global issue, and our business has already begun to align to the climate change agenda (see p. 93). As a next step, the Group will conduct a climate risk assessment and plans to start reporting according to the Taskforce for Climate-Related Financial Disclosures (TCFD) in the future to further align with wider global reporting frameworks.

The following table gives an overview of the main risks we identify. It references further information on how we prepare for them strategically before they materialize, to mitigate the risks and seize opportunities.

Risk Type		Mitigation/opportunities
Strategic	Market environment risk	→ 'Strategy' p. 15
	Political conflicts	→ 'Economic performance' p. 118
Operational	Intellectual property risk	→ 'Intellectual property' p. 120
	Cybersecurity risk	→ 'Cybersecurity and data privacy' p. 119
	Manufacturing and supplier risk	→ 'Responsible and ethical supply chain management' p. 102 and 'Business ethics and corporate governance' p. 113
	Product risk and treatment outcome	→ 'Patient health and safety, product quality' p. 62
Financial	Liquidity risk	→ 'Economic performance' p. 118
	Foreign currency risk	→ 'Economic performance' p. 119
	Credit risk	→ 'Economic performance' p. 119
	Miscellaneous business risks	→ 'Economic performance' p. 119
	Pension liability risk	→ 'Compensation report' p. 169
Compliance	Compliance risk	→ 'Business ethics and corporate governance' p. 113
	Legal compliance	→ 'Business ethics and corporate governance' p. 113
	Regulatory and quality compliance	→ 'Patient health and safety, product quality' p. 64
	Reputation risk	→ 'Acting with responsibility' p. 113
Culture	Talent attraction and retention	→ 'Empowering people' p. 89

ADVANCING ORAL CARE

Material topics

- Patient health and safety, product quality
- Innovation
- Increased access to oral health
- Customer and patient education
- Customer and patient satisfaction

This commitment contributes to the following UN SDGs:

Highlights
Chairman and CEO Letter
Our purpose, business and contribution
Business development
Sustainability report
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Risk management
Advancing oral care
Empowering people
Caring for the planet and society
Acting with responsibility
Corporate governance report
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Appendix

Our approach to advancing oral care

Good oral care is more than the solutions we provide; it is vital to patients' overall health and well-being. This is why we are focused on advancing oral care. We aim to innovate oral care solutions that serve the patient's health and safety. Together with our strategic partners, we improve access to oral care for people all over the world. We believe in fostering customer learning and education for the benefit of patients.

During the materiality refresh (see p. 55), the stakeholders identified fewer changes for this commitment and focused more on consolidation. Product quality was added to product health and safety as they are interconnected. In addition, product quality now includes the focus on traceability, labelling and provision of services, which was important to our stakeholders. Following the merge, the topic is called 'Patient health and safety and product quality'. It also saw a slight repositioning on the matrix and is now on top of the list. If our products fail, we fail – patient safety is of utmost importance. Furthermore, customer education and satisfaction were also expanded to include patients due to our increased exposure to end consumers and the importance of them trusting our brands. As we grow our business, we want to do more around educating, not only our customers but also our patients. Patients with better knowledge about our solutions and services will drive demand for our products going forward.

Patient health and safety and product quality

Ensuring product integrity for patient health and safety

The integrity of our products and the health and safety of patients are paramount. Products are developed and maintained on the market with patient safety and efficacy in mind.

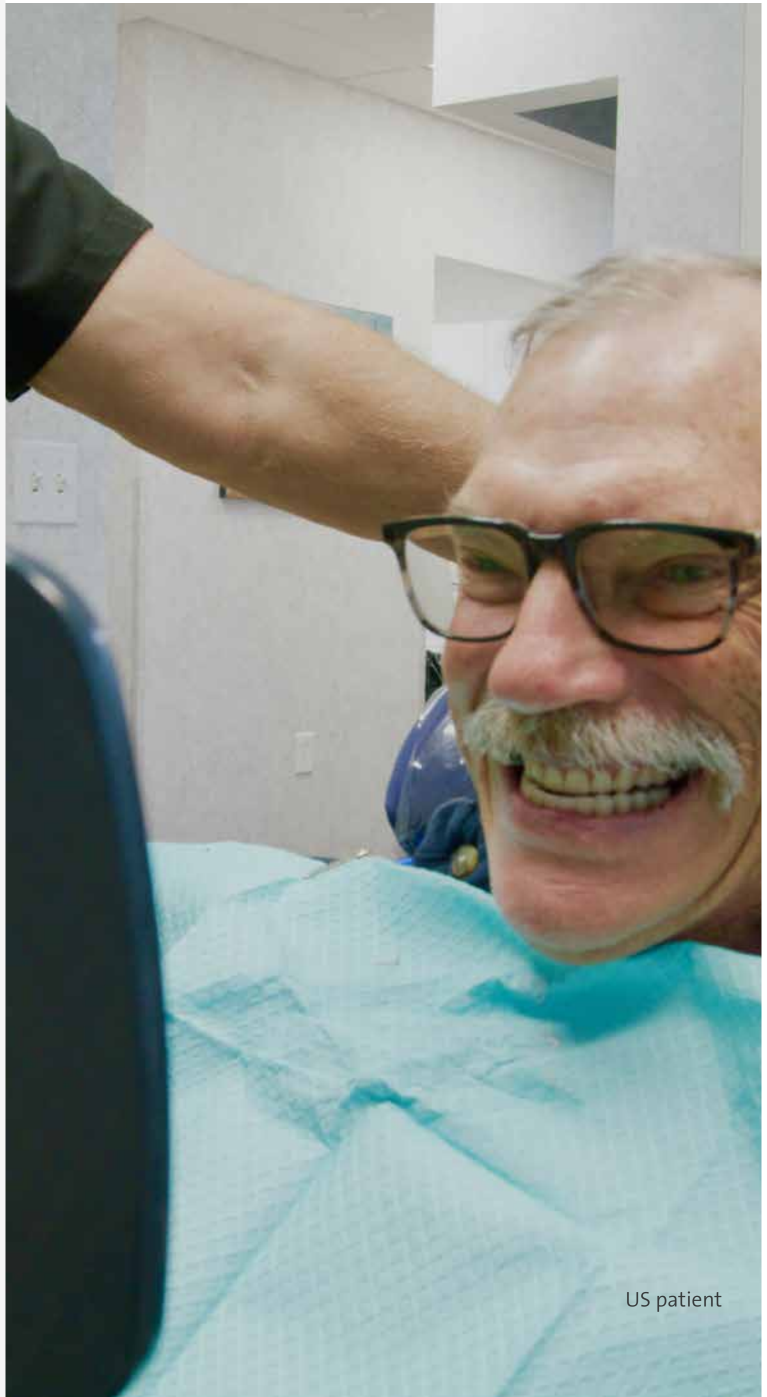
This is supported by a state-of-the-art quality management system according to ISO 13485 (see list of certified production sites on p. 65) to design, develop, manufacture and distribute the Group's products, also complying with any other applicable country-specific standards. The vast majority of Straumann Group products are defined as medical devices which undergo a compliance assessment by authorities or notified bodies when applicable.

Global clinical trial program

The Straumann brand sponsors a global clinical trial program to assess and confirm the safety, efficacy and effectiveness of implantable devices and solutions. Clinical studies are conducted by dental professionals who are experienced experts in their respective fields. Our 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 to ensure 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.

> "Since many years we conduct clinical trials which highlights our commitment to science

International Esthetic Days 2022



US patient

All clinical studies require regulatory authorization (if applicable) and ethical approval by an independent institutional review board (IRB) or ethical committee (EC). This authorization should be given 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. Study participants are insured against potential harm, if applicable.

The results of our clinical studies are published in credible 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 science webpage (studies sponsored by Straumann).

Post-marketing activities

Strict post-market activities are well established within Group companies. Furthermore, the new Medical Device Regulation for Europe (MDR) mandates increased scrutiny of post-market surveillance (PMS) processes by the notified body.

In 2022, 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. 242). In 2022 there were no patient safety and health incidents reported to Straumann Group regarding conducted field actions. We conduct long-term monitoring of the performance of products and services according to the applicable regulatory requirements (EU MDR. 21 CFR.). These processes are frequently reviewed by regulatory agencies to confirm that internationally recognized standards are met. Furthermore, we conduct pre-clinical and clinical trials, followed by controlled, selective introductions where appropriate. We also offer a comprehensive range of educational courses (see p. 79) at all levels and in all countries where our products are available.

The Group companies have escalation processes in place to review and evaluate these events to determine the need for corrective and preventive actions in a timely and consistent manner. Our approach towards customer health and safety, as well as compliance of our products and services, includes an immediate escalation process when potential safety and compliance issues arise. In the rare case of a potentially serious safety or compliance issue, our appointed Product Safety Officer is authorized to convene a safety board meeting at very short notice to analyze and initiate corrective actions. This includes implementing product recalls and reporting to worldwide health authorities when applicable.

We continue to maintain accessibility to our products worldwide despite of supply chain turbulences. In support of environmental considerations, Straumann Group obtained approval for x-ray sterilization for our medical devices and aims to introduce this as an alternative to gamma sterilization.

In addition to product traceability and validated processes for any medical devices and non-medical devices, the Group companies maintain post-market surveillance processes by collecting and analyzing events relating to products from our worldwide distribution network and markets.

Product quality

Regulatory requirements and medical device regulations

Straumann Group includes several companies with products classified as medical devices, custom-made devices and non-medical devices. These products are related to the dental implant system (implant, abutment, final restoration, instruments and auxiliaries), aligners and accessories, intraoral scanners, dental planning software and biomaterial products.

The product classification for medical devices is Class I, IIa, IIb and III (according to European classification) and 510k and PMA (according to US classification). Straumann Group follows all regulations in the countries where we operate. Europe and the US are our main markets, but we also follow medical device regulations for many more countries, including Australia, Brazil, Canada, China, South Korea, Japan, Russia and in the regions of Southeast Asia, the Middle East or Latin America.

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 we continue to meet regulatory compliance regulations and standards, and to protect customers and patients around the world, we rely on our teams of skilled people in regulatory and quality assurance.

Since the entry into force of the Medical Device Regulation (MDR – Regulation EU 2017/745) on May 26th, 2017, Straumann Group has worked on gathering and establishing evidence of compliance for its legacy devices, which are still marketed under the old European MDD (Medical Device Directive).

All devices on the market need to undergo a new and complete conformity assessment under the new ruling, at the latest by May 2024 according to the current legislation. Some Straumann Group companies have already shifted towards the new regulation. A program is established to monitor progress toward compliance to MDR for legacy devices, and no risk of shortfall has been identified.

In addition to the product conformity assessment by regulators, focused quality objectives for compliance and key performance indicators together with comprehensive audit programs, both internal and for suppliers, are used at Straumann Group to assure compliance and to identify opportunities for improvement. The Group also has an ongoing training program to ensure continuity in compliance with new and existing standards and regulations. Mock MDR audits have been set up to evaluate the readiness of Straumann Group companies.

> “Group members, Straumann, Anthogyr and Neodent have already received their MDR certificates covering various types of products and manufacturing processes

In 2022, local authorities inspected Straumann Group subsidiaries regarding storage and distribution of medical devices with no major findings. Our Group design centers and manufacturing facilities passed all notified body audits, which are required to maintain the certification of quality and environmental management systems. The Group's global regulatory team coordinates and supports

Straumann Group design and production sites in 2022

Products	Location	Markets	Certifications, USFDA Establishment Registration (FEI)
Biomaterials	Malmö, Sweden (Straumann)	Global	ISO 13485, MDSAP[1]; FEI 3002806508
CADCAM prosthetics	Arlington, US (Straumann)	US	Dental licence 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 (Dental Wings)	Global	ISO 13485, FEI 3008770646
	New Taipei City, Taiwan (T-Plus)	Taiwan, China, US	ISO 13485
	Renningen/Calw, Germany (Medentika)	Global	ISO 13485; FEI 3013232153
	Rheinfelden, Switzerland (Valoc)	Global	ISO 13485; FEI 3011787401
	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 United States and Japan

all our brands in the area of international quality compliance and regulatory affairs. The notified bodies and Health authorities' audits were mainly conducted on-site and confirmed the robust deployment of compliance from design to production to distribution.

Several of our design and manufacturing Group companies use the Medical Device Single Audit Program (MDSAP), a global approach to auditing and monitoring the manufacture of medical devices. This 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:

- Therapeutic Goods Administration of Australia
- Brazil's Agência Nacional de Vigilância Sanitária
- Health Canada
- Japan's Ministry of Health, Labor and Welfare, as well as 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)

Institut Straumann, Neodent, Anthogyr, Dental Wings and ClearCorrect maintained their MDSAP certificate.

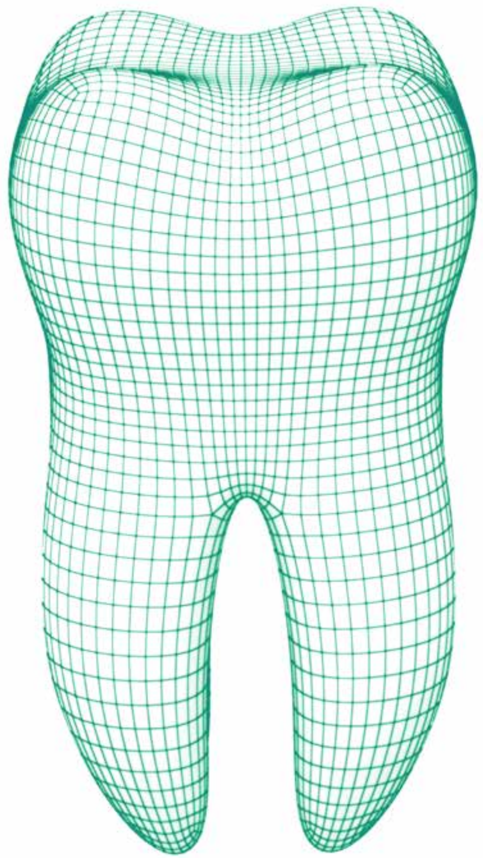
In 2022, a total of twelve regulatory agency inspections were performed for design, manufacturing and distribution. A medical device audit is a systematic, documented process that seeks to obtain evidence and evaluate if products and processes are created in compliance with regulatory requirements.

Implementing an effective internal audit framework and following applicable standards and regulations are crucial for the Straumann Group compliance. We also conducted unannounced internal audits and dedicated audits of our product technical files. With a proactive audit management program, Straumann Group has established measures to ensure that the actions taken by the Management are based on facts and actual results.

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

The EU MDR is the set of regulations that governs the production and distribution of medical devices in Europe. Compliance with this regulation is mandatory for medical device companies (i.e. legal manufacturers) that want to market or sell their products in the EEA (European Economic Area).

The EU MDR means greater surveillance, higher need for more and stronger clinical data, more involvement of competent authorities 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 need for enhanced compliance and safe, effective products. To ensure continued access to European markets under MDR, planning for adaptation is essential. Across Straumann Group, projects to comply with the new European Regulation for Medical Devices are well underway via transition plans. Detailed plannings for each product family are reviewed with our notified bodies to define timelines and the compliance review process.



straumanngroup

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Innovation

Innovation is at the core of what we do, is the basis of our success and instrumental to ensure we have an impact on advancing oral care. Driven by our mission to become the most customer-focused and innovative oral care company, our research and development capabilities have a two-fold approach:

- sustain innovation as a priority to remain competitive and perform in our core businesses
- create an organization and capabilities to incubate disruptive innovation, providing the Group with the chance to be part of the digital oral health transformation

The Group develops smart, sustainable solutions that aim to offer seamless workflows, improve practice efficiency, and deliver an exceptional customer experience by helping to reduce time to teeth. Simplification, education, offering different types of solutions for a diverse range of patients and expanding the geographical reach are important factors to stay relevant as a business and ultimately increases access to treatment. Our goal is to enhance the customer experience to improve the oral care of patients in a sustainable manner along the customer and patient journey.

> “Our aim is to help 10 million smiles per year by 2030 and today we are at 4.4 million

At Straumann Group we have a broad definition of innovation that includes not only product innovation but also manufacturing and other process innovation and optimization and business model and service innovation.

Therefore, all departments and teams contribute to the Group's innovation activities and capabilities. A great example of how innovation goes beyond products and impacts other strategic focus areas is our recently introduced sustainable packaging solution.

The Group works closely with key experts and partners to ensure that continuous innovation is enriched by internal and external knowledge. For more information on our partnerships, see education on p. 79.

Novel products and solutions are developed and tested together with end users during all stages of development to address customer and consumer needs from initial concept to final design. Customer and market feedback often turn into new ideas. We believe good ideas can originate from anywhere, inside or outside the Group. Therefore, we see open innovation as a key factor for our success and we actively promote and seek collaboration with people and organizations outside the company.

Anyone with an innovative idea can submit it via our Straumann Group Innovation Portal. We also regularly use our Innovation Portal to run both internal and external ideation campaigns to find new ideas and solutions addressing critical, unmet needs.

> “Good ideas can come from anywhere, inside or outside the Group

Streamlined and lean processes are critical to ensure efficient innovation portfolio management. For this purpose, we established the innovation screening meeting to review and rate all internal and external ideas on a global basis and to monitor the progress of strategic innovation projects. Outcomes of this governance forum

Innovation along the customer journey

Patient acquisition → Improve speed and accuracy of diagnosis → Increase conversion → Meeting clinician’s requirements → Treatment Monitoring and follow-up

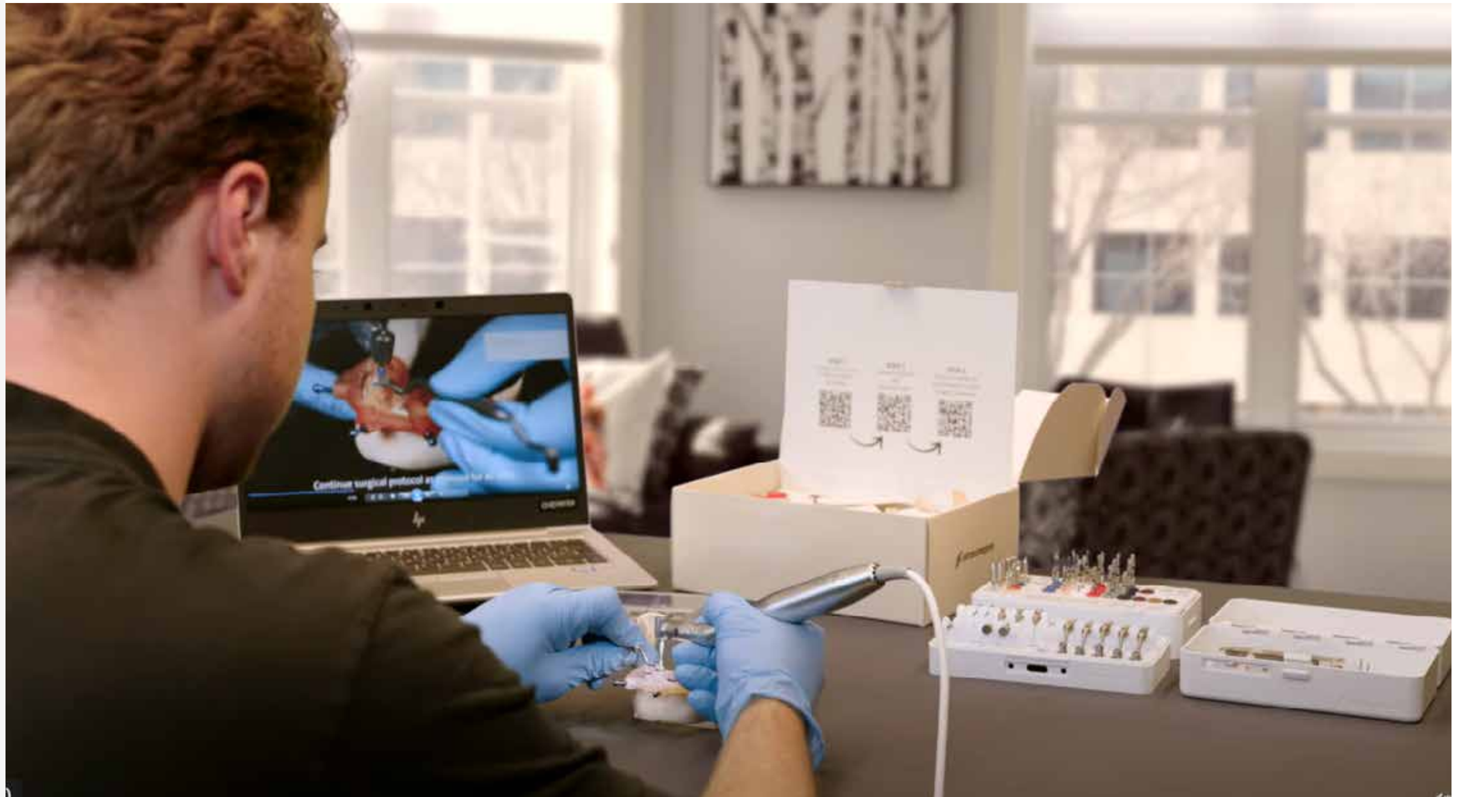
Innovation along the patient treatment journey

Untreated	Pre-Treatment	Treatment			Post-Treatment
1. Engage	2. Diagnose	3. Plan	4. Treat	5. Monitor	6. Grow

feed into quarterly strategic reviews in which the innovation and technology roadmaps are discussed and aligned between the brands, business units and departments. Moreover, at board level, the Technology and Innovation Committee (TIC) provides strategic direction to our innovation efforts and is responsible for technology assessments and evaluating new company partnerships and potential acquisitions. The TIC takes place quarterly (see corporate governance on p. 122). The foundation for all our innovation activities and efforts is our innovation culture. To foster collaboration, an innovation mindset and inspiration across the organization, we host an internal Straumann Group innovation day every year. Besides an insightful overview about ongoing innovation in our strategic focus areas, we had the pleasure to have inspiring guest speakers with us this year, sharing their industry insights about innovation and digital transformation. More than 1 100 colleagues across the globe followed the broadcast of this event, including the annual Straumann Group innovation awards.

Another indicator of our strong innovation culture is the increase in patent filings this year. Partially, this can be attributed to the roll-out of internal incentive programs and the optimization of teams and departments that together led to patent filings and granted patents in 2022.

Learn in a Box



INNOVATION IN PACKAGING – GRASS CARDBOARD AT STRAUMANN

Straumann introduced a box made from grass cardboard for its Learn in a Box concept. This cardboard contains up to 25 percent grass fibers and is processed by our partner, the printing company Gantenbein (part of the Bloch Group) in Arlesheim just outside Basel, close to Straumann's HQ.

The grass fibers are made from 100% virgin fibers and contain no allergens. The patented process integrated in the product used by Straumann involves purely mechanical processing with a small amount of lignin. The energy consumed is reduced by 97% compared to conventional methods, and the process requires very little water and no chemicals. The raw material starts with hay harvested from regional compensation areas within a radius of 100 kilometers, and the CO_2 reduction can be as high as 75%.

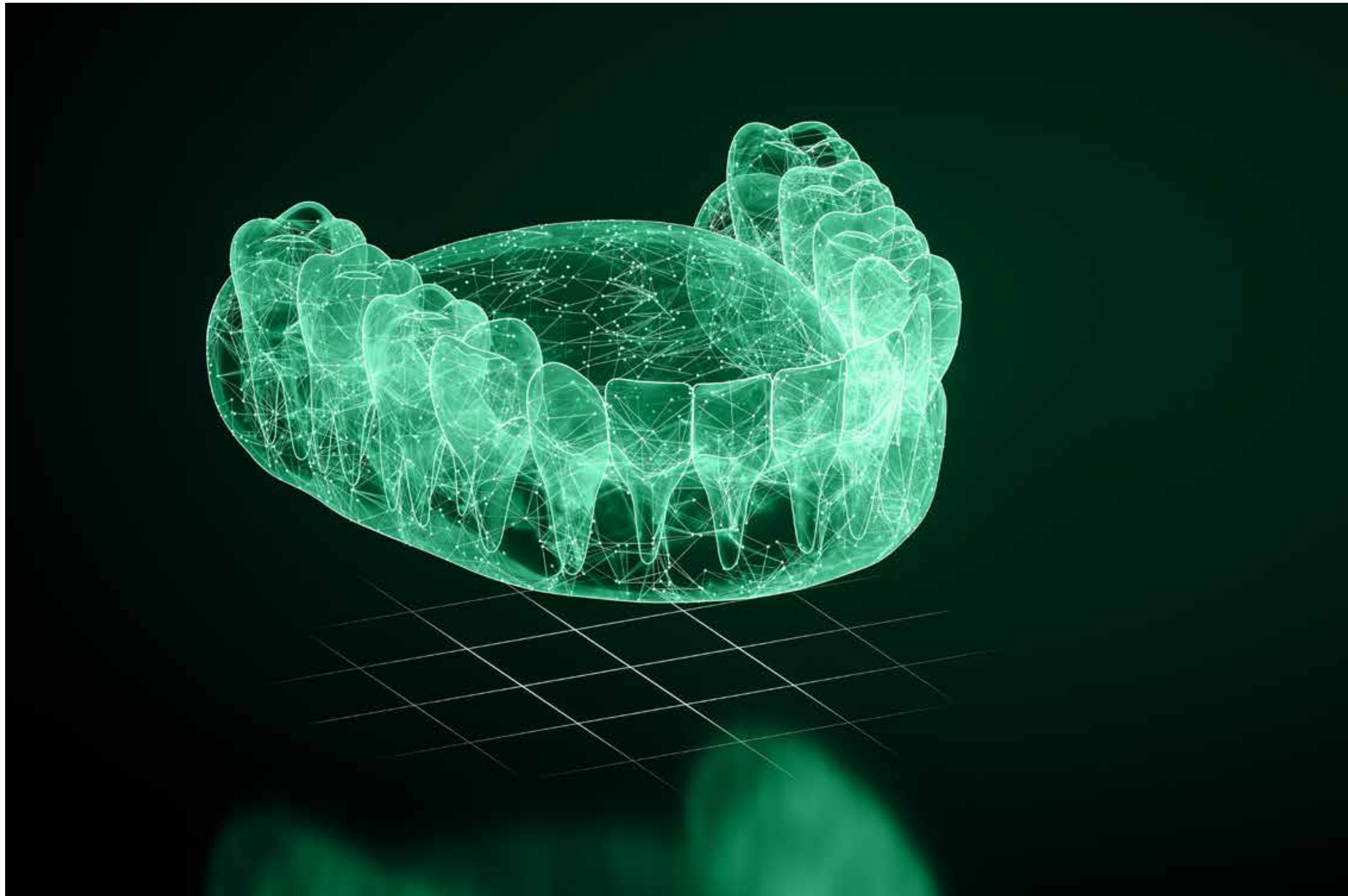
Investment in innovation capabilities

In 2022, we created the Straumann Group prosthetic innovation team with a dedicated mandate to create restorative solutions by rapid iterations with customers. We reinforced the Straumann Group innovation LAB to incubate further ideas solving tomorrow's digital oral health challenges. The innovation LAB is forging collaborations with start-ups, universities, and other companies to extend our technological capabilities and to foster diversity in thinking. To further fuel open innovation and to support our digital transformation we partnered with Plug and Play, one of the world's leading innovation platforms capable of connecting corporations with the start-ups across the globe. Plug and Play has a network that consists of 50 000+ startups, 500+ world-leading corporations, and hundreds of venture capital firms, universities and government agencies across multiple industries.

To ensure future innovation, we are investing in several innovation centers on different continents. The China Campus will be our first innovation center in China. By 2029 the Campus will provide educational programs as well as solutions from the Group's implant and orthodontics portfolio for China. Based in the Xin Zhuang Industrial Park, a technology cluster in Shanghai, it will open opportunities for future collaborations with local partners and help to accelerate digitalization within our Group.

The planning of our new technology and innovation center near Basel, Switzerland has further progressed. This spacious new >22 000 m^2 site offers a unique opportunity to facilitate customer interactions and bring together R&D teams from different locations. Besides the development teams, it will host a highly advanced rapid prototyping and testing facility, the innovation LAB, a co-creating workspace, labs for start-ups and a training facility with an interactive showroom for dental professionals.

In 2023, another innovation center in our new CADCAM milling center in Mansfield (US) will take up its work. These innovation centers spread across three continents will contribute to an inclusive and diverse innovation department.



straumanngroup

	Main brands	Digital solutions	Tooth alignment	Prevention and tissue regeneration	Tooth replacement and restoration
Controlled by Straumann Group	Anthogyr	✓			✓
	Bay Materials		✓		
	ClearCorrect	✓	✓		
	Createch				✓
	Dental Wings	✓			
	DrSmile		✓		
	Medentika	✓			✓
	Neodent	✓			✓
	Nihon Implant			✓	
	NUVO				✓
	Smilink		✓		
	Straumann	✓		✓	✓
	T-Plus				✓
	Yller	✓			✓
Partially owned by Straumann Group	botiss biomaterials			✓	
	CareStack	✓			
	Dental Monitoring	✓	✓		
	maxon dental				✓
	mininavident	✓			✓
	Promaton	✓			
	Rapid Shape	✓			✓
	SmileCloud[1]	✓			
	Warantec				✓
	Z-Systems				✓
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. Following the acquisition of PlusDental the Group concluded it will run its consumer clear aligner business in Europe exclusively under the DrSmile brand.

1 Closed as of February 2023

Click here for more product information.

Pre-clinical and clinical research as a driver for innovation

Innovation also includes pre-clinical and clinical studies and gathering data to ensure our solutions are robust, add value and are of long-lasting high quality. Undertaking clinical studies has also become more and more important with respect to new or updated regulations such as the E.U. Medical Device Regulation (MDR) (see product quality on p. 64).

Pre-clinical studies are conducted in collaboration with world leading academic experts to test innovative products and solutions. Standardized investigations allow benchmarking to select products of outstanding performance for our customers.

A global clinical research program is maintained to confirm the effectiveness and safety of innovative products and solutions in patients. Therefore, renowned clinical specialists are conducting approximately 150 clinical studies on a global basis, with an annual output of approximately 30 scientific articles that are published in international, peer-reviewed scientific journals. The clinical research program generates relevant customer feedback and high-level scientific evidence, which is used as a source for further product and workflow innovation. Straumann selects global research applications according to the highest quality criteria to support investigator-initiated studies in the fields of pre-clinical and clinical research. Our partner, the International Team for Implantology (ITI) (see education on p. 80) has been supporting research into implant dentistry since 1988 with the goal of advancing knowledge and making the results available to professionals all over the world. Straumann together with the ITI are key drivers for generating scientific evidence in dental implantology.

Expanding our implant market leadership

Implantology remains our core business and is critical for the overall success of the company (see strategy on p. 15). In 2022, we continued to invest in immediacy and edentulism solutions, expanding Straumann TLX in the premium segment into new countries and launching Anthogyr Axiom X3 in the challenger segment.

Additionally, to strengthen our position in the growing esthetics segment, we launched Neodent Zi, a new Zirconia implant solution which is more affordable thanks to a new injection-molding manufacturing process. Neodent Zi also represents an additional solution for everyone who does not want an implant made of titanium.

Anthogyr Axiom X3

Neodent Zi

Most important tooth replacement and restoration launches in 2022

Brand	Solution name	Benefit and added value for customers and their patients
Straumann Dental Implant system	TLX implant system	Fully-tapered soft-tissue level implant system for immediate protocols and all other indications: • Enables Straumann tissue level customers to enter the field of immediate protocols • Provides the advantages of the tissue level concept to clinicians already engaged in immediacy Continuous global rollout into new countries
MEDENTiKA	Multi-Platform and Implant System	Continuous global rollout into new countries upon regulatory clearance and extension of MPS offering
Anthogyr	Axiom X3	The new implant generation Axiom X3 is the direct opportunity to unlock the Upper Value Segment with a solution designed as a direct answer to evolving customers' needs and profiles. The market needs we will address are: • Unique patented design implant for all clinical challenges, including the immediate ones • Universal anchorage and bone-saving oriented protocol answering to the demand for shorter, less invasive treatments with increasing efficiency gains • Frictionless solution that fits into the Axiom ecosystem and digital workflows, while benefiting from the same clinical and prosthetic benefits
Neodent	Zi – Zirconia Implant System	Zi gives a new mindset in esthetic, flexibility and stability by offering a comprehensive Zirconia prosthetic portfolio with a unique 2-piece screw retained zirconia-zirconia connection, with a naturally tapered design. This new mindset is also reflected in the manufacturing technology which is ceramic injection molding (CIM), assuring a high precision of all elements.
Neodent	Helix GM Narrow	Designed to provides an immediate, small diameter solution with a simple treatment protocol. Flexibility for immediate esthetic outcomes in limited interdental spaces. Indicated for limited bone availability and interdental spaces for upper lateral incisors and lower incisors region.
Prevention and tissue regeneration		
Straumann Biomaterials	Straumann Membrane Plus	Launch in UAE and Malaysia. Bovine collagen membrane with good feedback received from early marketing in US. Suitable for patients who want a non-porcine resorbable membrane due to cultural and dietary preferences.
Straumann Biomaterials	Straumann Emdogain	Global roll-out of the latest indication extensions: flapless approach and use in the peri-implant therapy. These indications enable GPs to offer a solution for maintaining implant health. Emdogain FL allows the product to be applied in a flapless approach with the scope of treating pockets, which is the starting point of the non-surgical phase of the peri-implantitis treatment.
Straumann Biomaterials	cerabone plus	First launch of bovine bone grafts with hyaluronate in DACH and Nordics. This product provides customers with improved application comfort and allows contouring.

Orthodontics

Strengthening our value proposition and becoming a leader in orthodontics has been a major focus (see p. 26).

A series of new software has been launched to improve clinical features that help clinicians treat more complex cases and have more control over their treatment plans. ClearCorrect launched three major versions of the ClearPilot treatment software, introduced Collaborator 3.0 and Clinical Preferences in the Doctor Portal, which make it easier for doctors to collaborate on cases. Additionally, ClearCorrect introduced new clinical features, such as anterior bite ramps and cutouts for elastics, which are designed to provide clinicians with greater control over their cases. To further build medical expertise in orthodontics, the Group established a global clinical advisory board in 2022 and started to release a series of new scientific studies demonstrating the benefits of our aligner material and design.

In addition, ClearCorrect partnered with major intraoral scanner players to develop new direct integrations with scanners such as 3Shape TRIOS, Medit, and Virtuo Vivo. These releases were important steps toward addressing both dentists' and orthodontists' needs in their daily work.

To drive doctor confidence and practice capabilities, new educational resources were developed for Ortho Campus, which include the ClearCorrect Clinic App, an in-office patient education tool, and three new Learning Pathways, which can guide doctors and their staff to expand their expertise in clear aligner therapy. Further enhancing our treatment planning capabilities was also a major focus in 2022. In addition to our digital enhancements, we hosted the first global orthodontics clinical advisory board, which will help to strengthen our medical network and expertise in this field.

Tooth alignment solution launches in 2022

Brand	Solution name	Benefit and added value for customers and their patients
ClearCorrect	ClearPilot 3.0	ClearPilot 3.0 offers powerful digital treatment planning with new features like individual tooth adjustments, new engager customizations and an improved user interface. This new release gives customers more control over their treatment plans – a feature that is especially important to the Ortho segment.
	Virtuo Vivo IOS Integration	Upgrade to API connection for a more seamless experience when submitting ClearCorrect cases directly through the scanner.
	ClearPilot 3.1	Providers can now provide real-time feedback on each treatment setup with a quick rating. This helps us to continually improve our treatment offers.
	Doctor Portal Clinical Preferences	Providers can add their treatment preferences directly into the Doctor Portal, allowing them to easily communicate their preferred treatment planning approach.
	ClearPilot 4.0	Key features include augmented 3D controls (doctors can add or customize engagers, cutouts and bite ramps themselves) and in-app translations of technician comments (EN, ES, FR, IT, DE).
	ClearPilot 5.0	This update introduces analysis tools including Bolton Analysis and Collision Management as well as enhanced 3D controls, including compass editing and group tooth movements. These intuitive tools give doctors more control, flexibility and insight over their treatment plans, helping them achieve the best possible occlusal outcomes with more accuracy.
	ClearCorrect Clinic App	An easy-to-use educational support tool for patient education and patient conversion. The App features a patient case type assessment, education on malocclusion, patient educational videos and more.
	Collaborator 3.0	Release includes the new Collaborator Chat and Status Visualization features. These enhancements help to streamline practice workflows and improve communication and collaboration on clinical cases between doctors, mentors and treatment planning services.

ClearCorrect clear aligner and ClearPilot digital treatment planning tool

Digital oral health solutions

As outlined in the strategy chapter, digital transformation is an instrumental enabler across the entire business and includes hardware, software and connectivity (see p. 21).

Dental practices are looking for seamless workflows. In this effort, we offer integrated software and scanners for orthodontics, implantology and CADCAM restoration. Furthermore, our 2021 investment in Mininavident, a miniaturized guided navigation system, will enable more dentists entering implantology, thus improving process and access for patients.

In 2022, we had a software update in our Virtuo Vivo intraoral scanner (IOS). Virtuo Vivo is Straumann's own entry to the digital ecosystem of software, services and consumables. A key differentiator from other IOS providers and resellers. The update included numerous scanning and workflow improvements.

Artificial intelligence (AI) driven predictive diagnostics can provide advanced opportunities. We are active in this area due to the great potential, including accelerated detection of complications either pre- or post-implant therapy or during an orthodontic treatment.

In 2019 we invested in Promaton to develop capabilities in AI technology which have been integrated into our coDiagnostiX treatment planning software to automate implantology treatment planning, helping customers to save time and plan more predictably.

Straumann coDiagnostiX
software for implant planning

AI assistant automates the data preparation workflow including patient coordinate system alignment, panoramic curve definition, CBCT segmentation and nerve canal detection. The coDiagnostiX AI assistant will be made available to all cDX users globally in 2023.

Until recently, nonclinical data preparation had to be performed by hand when preparing a treatment with coDiagnostiX – and some particularly important steps were often skipped by users to save time.

The AI assistant now helps them to significantly improve their productivity and the quality of their planning.

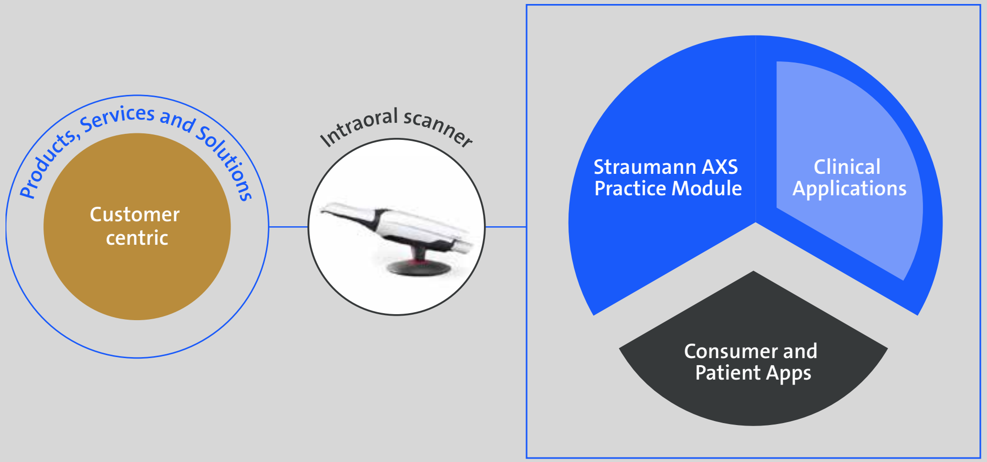
Furthermore, augmented and virtual reality technology can bring more confidence to new dentists as they practice their treatment skills. Another digital solution is 3D printing, which offers the possibility to provide temporary or final restorations chairside.

With our ambition of becoming a digitally-powered oral care company, we put relentless effort to bring into life an integrated dental platform that enables customer and consumer journeys. In NAM in May of 2022, we've launched Straumann AXS – our new customer online portal providing the core of our dental platform activities, bringing all Straumann solutions under one roof. The launch started with the existing Smile in a Box customers.

Additionally, we entered a partnership with SmileCloud, a digital smile design and collaboration platform developed by dentists for dental professionals. As part of the partnership, the Group will take a minority stake in SmileCloud enabling the company to further invest in its innovative technologies and improve the clinician and patient treatment journeys.

Accelerate the digital transformation by reimagining clinical and patient treatment journies

Straumann AXS supports the customer and patient journey



Straumann AXS solution as of 2022

Untreated	Pre-Treatment	Treatment			Post-Treatment
1. Engage	2. Diagnose	3. Plan	4. Treat	5. Monitor	6. Grow
	IO scanner integration	Smile in a Box		Implant registry	
		ClearCorrect bridge			

As outlined in the strategy chapter (see p. 15), the dental industry is consolidating and trying to keep pace with rapid technological changes.

Offering end-to-end oral health enablement can be the pathway to increased patient experience and outcomes. This partnership will support dental practices in simplifying treatment planning, scheduling and payment, thereby helping Straumann Group clients to provide high-quality care in a more efficient way to their patients.

Digital solutions – hardware, software and connectivity

Brand	Solution name	Benefit and added value for customers and their patients
Straumann Group	Straumann P50+ (3D printing solutions)	New high volume 3D printer for large, high production labs and DSOs. The Straumann P50+ transforms lab production with its ease of use, intelligent connectivity, large volume capacity and automation features such as automatic resin refill and automatic separation module for efficiency
	N!ce milling material portfolio	Straumann Group will launch a new portfolio of milling materials for centralized as well as in-house milling unified under the Straumann N!ce brand. Customers will benefit from a new, simplified portfolio of milling materials including the latest generation of N!ce zirconia
	MEDIT i700 Wireless	The evolution of the MEDIT i700, now wireless. Free from wires, scanning is comfortable at any angle for our customers, without constraints in movement. The patient experience is also improved with an easier access to proximal areas. The software running the scanner is the same (MEDIT Link), enabling seamless integration of Straumann connected workflows, like ClearCorrect
	TRIOS 5	The fifth generation of TRIOS IOS, a completely wireless solution. The main new features are focused on three pillars: ergonomic, effortless, and hygienic. This improves the entire user and patient experience in the practice compared to the previous generations. Our customers can continue to benefit from seamless integration of Straumann connected workflows, like ClearCorrect
	Virtuo Vivo software updates	Major software updates, significantly increasing the performance of Virtuo Vivo. Key highlights are scanning performance, quicker to reconnect and faster postprocessing to allow a more efficient scanning workflow. The quality and optics of the scan, especially around scanbodies have been enhanced.
	Straumann Pro Resins – Model X	Premium 3D printing resin for dental models under the new Straumann Pro Resin brand. Model X is optimized to deliver higher stability, accuracy, and enhanced texture with ultra-smooth surfaces. The Pro resins are optimized for Straumann P series 3D printing solutions for a simple and validated digital workflow experience
	Smile in a Box – Digital Cockpit	Smile in a Box customers will enjoy more convenience and control of their cases with the new digital cockpit for Smile in a Box. The Digital Cockpit will include a dashboard to view, track and manage their cases for a convenient and frictionless customer experience
Cosmos resins	Universal Prototype	Flexibility in 3D models and prototyping
	Universal Castable	Easiness in casting process
	Universal Dental Model	High-detail 3D printed models with Cosmos Dental Model
	Cosmos colors Kit	Creative models and prototypes in different colors with resin pigments
	Universal Gingiva Mask	Confidence on implant and prosthetics checking in 3D printed model

Examples of development projects scheduled for introduction or rollout starting in 2023

Brand	Solution category	Solution name	Benefit and added value for customers and their patients
Anthogyr	Tooth replacement and restoration	Axiom X3 tissue level implant	New level of X3 implant, all modern treatment techniques will be available at the classical tissue level
Straumann Dental Implant system	Tooth replacement and restoration	Extension of the implant system	The BLX and TLX implant family will be extended with two new implant lines, increasing the versatility of our system while gaining simplicity and efficiency by using the same prosthetic components and surgical instruments for all implant family members
Straumann Dental Implant system	Tooth replacement and restoration	New VarioBase abutment family	Perfecting the offering of our key abutment family with products to shorten lab and chairside workflows
Straumann Dental Implant system	Tooth replacement and restoration	Edentulous portfolio	Commercial push of unique Straumann edentulous solutions portfolio from Mini to Zygomatic implants, which allows clinicians to meet expectations of different patient groups. Main focus on training and promotion, as well as on portfolio enhancement. Several new product launches with focus on driving digital workflows for fixed and removable rehabilitations.
Neodent	Tooth replacement and restoration	Zygoma-S	Implant design indicated to all Zaga techniques with a smooth surface, small diameter and single GM connection to simplify the surgical procedure and avoid periimplantitis
Neodent	Tooth replacement and restoration	Easypack Wide	All-in-one set addressed to general practices, offering everything needed to grow while performing dental implant therapy with confidence, convenience and guidance
ClearCorrect	Tooth alignment	Pontics, bars and eruption guides	Enhanced end-to-end workflow to allow providers to more efficiently treat patients who have missing or erupting teeth with pontics, bars and eruption bubbles
ClearCorrect	Tooth alignment	Enhanced Integration with Virtuo Vivo: Fast Scan	Includes a new ‘fast scan’ mode available for the ClearCorrect workflow, significantly speeding up the scanning process to increase efficiency
ClearCorrect	Tooth alignment	ClearPilot 6.0	ClearPilot 6.0 introduces a series of upgrades designed to give providers a more intuitive and user-friendly treatment planning experience
MEDENTiKA	Implantology instruments	Drill stop-tray for Microcone & Quattrocone	Drill stop trays for storing, cleaning and sterilization of the drill stops
Cosmos	Digital solutions	Shades for temporary restorations	Natural-looking with 3D printed temporary restorations
Cosmos	Digital solutions	Cosmos glaze	Shiney temporary 3D printed restorations
Straumann Biomaterials	Prevention and tissue regeneration	Labrida BioClean	Launch in the US. Labrida BioClean™ is a dental brush that mechanically removes soft biofilm from dental implants and teeth to prevent serious complications such as implant and tooth loss. It can be used by any dental specialist for the treatment and maintenance of mucositis, peri-implantitis, gingivitis, periodontitis cases
Straumann Biomaterials	Prevention and tissue regeneration	Cerabone plus	Continuous global roll-out of bovine bone grafts with hyaluronate, further strengthening Straumann's biomaterials portfolio for tissue regeneration and benefiting wider bases of customers globally
SmileCloud	Digital solutions	SmileCloud	A Smile design and centralized collaboration platform that provides a new level of collaboration between dental professionals

Increased access to oral health

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. We estimate that 30 billion teeth are missing worldwide, presenting a large potential for improving oral health. In addition, we believe that up to 500 million people with misaligned teeth could benefit from a clear aligner.

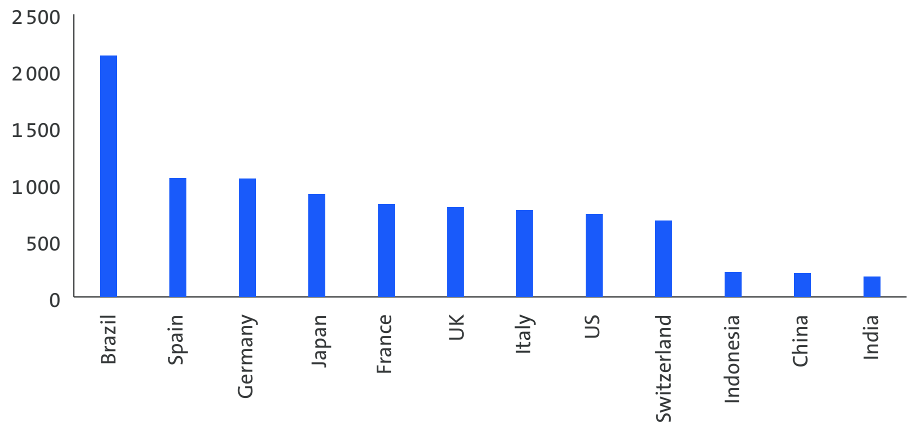
Access to quality dental treatment remains an issue, particularly in low and middle-income countries with few trained dentists. Education and innovation in product solutions will play a key role in improving access. By training more dentists and making our solutions available internationally, Straumann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

Pricing approach to ensure access

The Group's pricing approach aims to ensure most people can have access to oral care. In 2022 vs 2021, the weighted average net price of our solutions remained stable, when in parallel the US consumer price index rose by 6,3% (Dec 2022). While some limited increases were observed on the Straumann brand portfolio, the development of value brands Neodent, Anthogyr and Medentika, as well as the broader launch of Nuvo, highlight Straumann Group's commitment to broaden access to oral care. For 2023, price adjustments aligned with inflation forecasts which are significantly higher than in the past. The price adjustments were communicated to customers through the annual price catalogue available in each country. These adjustments reflect the global increase in raw materials and energy costs. Pricing of products and services are in general determined by contracts. Price discounts to customers are generally linked to the volume of purchases by customers. If within a contract buying period certain thresholds are met by the customer, price discounts may be granted.

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

Dentists per million population in 2022



Customer and patient education

Putting patients first

We are committed to offering world-class education through constant innovation and product excellence to meet patients' needs, demands and well-being. Innovation in education, enablement and raising awareness around oral health is a continuous journey. As we grow our business, education, not only for our customers but also our patients and health consumers will be critical. As outlined in the strategy chapter, health consumers are educating themselves, demanding more and taking ownership of healthcare decisions. Digital touchpoints and the patient experience throughout the treatment journey are becoming increasingly important. To ensure we can deliver on this demand, we have to involve professionals as well as health consumers.

Customer education

Overall, we offered nearly 9 800 educational activities, reaching more than 394 000 participants worldwide across our Group. In 2022, 35% of our educational activities were carried out in low- and middle-income countries.

Innovation in education

Education and enablement are also a continuous journey, requiring flexible solutions. We have all experienced disruptions amongst relationships as a result of physical distancing due to the pandemic. A vast offering of online and in-person formats have become crucial in maintaining and further developing customer relationships. Physical meetings have been possible again since 2022. We have therefore organized several events, such as the Straumann World Class Cup to foster collaboration on research projects this year. The event included presentations from 80 key opinion leaders in dentistry, more than 5 000 online participants and 1 000 professionals that attended the International Esthetic Days Congress in Palma de Mallorca.

In addition to on-site events, we leveraged our hybrid educational offering together with our academic partners. To meet the different needs of dental professionals and dental organizations we continued to explore new technologies, modern tools and platforms that will strengthen the dissemination of knowledge as well as latest clinical and scientific evidence globally. We are constantly offering our customers webinars, virtual events, access to lectures on demand, and also attractive content on our customer online magazine youTooth.com. All these efforts showed that education does not need to be paused during the restrictions of the pandemic, on the contrary, it allowed professionals to adapt to the challenging situation, to evolve, and participate in education without the need for travel and helped us expand our education offering to more professionals everywhere including low-to middle income countries.

We recognize that a variety of tailored and technically advanced training and education offerings have to be developed for different professional target groups, depending on their needs and individual stage of the career path.

One example of tailored content is our curricula within Straumann® Smart, tailored to general practitioners that are starting to place implants. The Straumann® Smart programs are developed and endorsed by renowned professors and universities, which highlights the quality of the content and the learning outcomes.

Education technologies outlook

We continue to enrich our educational opportunities through immersive experiences, such as virtual reality and assisted reality with smart glasses, as well as gamification and precision-enablement solutions. Such education technologies activate learning experiences, which is well established as a key enabler of improved knowledge retention and learning outcomes. Through

WE WANT TO

MAINTAIN 35% OF ALL OUR EDUCATIONAL ACTIVITIES IN LOW- AND MIDDLE-INCOME COUNTRIES

Dental volunteer treating patient in Nepal

better knowledge retention, we support our customers with greater confidence when transforming their learnings into clinical practice. We explore various ways to leverage these technologies in more affordable, scalable and effective ways. We also continue to collect feedback to validate and refine the core values of EdTech investments beyond 'Edutainment'. EdTech, short for education technology, refers to new technological solutions in the classroom. The goal of EdTech is to use available resources to enhance the individual and educational experience, facilitate learning and ultimately support students and educators in lifelong learning. In 2022, we piloted a global mentorship program enhanced by these technologies. We also initiated a global multi-center study together with the ITI and 11 renowned universities where we will test our hypotheses that EdTech solutions improve learning outcomes and increase learner confidence. These activities serve as a step forward in digitally transforming learning pathways, through which we have the potential to support undergraduate learners to start implantology in a more systematic manner, as well as post-graduate dental professionals who aim to deepen their implantology skills.

Supporting different customer groups

We offer a variety of learning and networking programs, tailored to the needs of different customers:

- Straumann Smart Implantology is for beginners in implantology
- Straumann Smart Immediacy supports general practitioners to implement immediate protocols
- Straumann® Smart offers the opportunity for supervised training by an experienced mentor to help successfully dive into the world of implant dentistry
- The Straumann Young Professional Program supports newly certified dentists and students
- Learn in a Box™ was launched in 2021 and rolled-out in 2022
- Our online communities enable specialists to connect and access free content and our practice development tools help them grow their business
- Rollout of Ortho Campus, a comprehensive education tool
- With more than 5 000 members, the Women Implantology Network (WIN) enables female dental professionals to enter the field of implantology and lifts barriers to advance to leadership roles

> "To foster research and innovation, we are collaborating with renowned universities, clinics, research institutes and academic networks

Woman implantology network (WIN)

Women made up 56% of first-year dental students in 2021 — the highest rate ever, according to the ADA Health Policy Institute (source: ADA News in June). However, the same report showed that the number of females owning their own practice is decreasing over time. In the implantology field the predominant gender is still men, as for example published in an observational study for Spain: only 27.7% of the surgeons placing implants were women (source: J Clin Exp Dent. 2022 February). For these and other reasons, WIN was created within the Straumann Group in 2016.

WIN is a global program to engage and empower woman in implantology to follow their ambitions, advance in their leadership roles and to serve as role models for future generations in dentistry. In 2022, our community grew from 4 000 to 5 000+ members, with a presence in 20 countries that actively pursued the goals of the community. The program offers events, WIN circles, get-togethers at national and international congresses, as well as a constant presence through social media and online events and webinars, providing a platform for a variety of female speakers.

Partnerships to foster education – Centers of Dental Education (CoDE) and International Team for Implantology (ITI)

We maintain close and long-term collaborations with leading clinics, research institutes, universities, networks and communities to foster research and innovation. One example is our Centers of Dental Education (CoDE). CoDE is a group of independent dental centers run by selected experts all over the world that offer the most advanced treatment procedures, based on the best available literature and the latest technology. The CoDEs are the enablers for testing and implementing cutting-edge technology like virtual reality, supporting and mentoring starters in implantology. The CoDEs form a community of experts where science meets practice in real-world clinical environments.

To continuously improve our products and services, we have been building a strong and fruitful alliance with our scientific partner, the International Team for Implantology Foundation (ITI), since 1980. The ITI stands for excellence in implant dentistry education and research. The ITI Study Club (ITI SC) is the most relevant and valuable offering to the more than 20 000 ITI members and as of today, there are 842 Study Clubs worldwide, mapped out in almost 80 countries. 81% of the ITI members are part of the ITI SC. Each ITI SC organizes three to four events annually, and in 2022 there were around 2 800 ITI SC events – more than seven events per day.

Instituto latino americano de pesquisa ensino odontológico (ILAPEO)

Another important Straumann Group partner is the Instituto Latino Americano de Pesquisa e Ensino Odontológico (ILAPEO). For more than 16 years Neodent and ILAPEO have partnered in educational and scientific studies. ILAPEO holds courses that enable broadening of implant therapy access to patients. It provides an education based on the latest scientific evidence and differentiates itself by offering clinicians a practical experience with patients. This combination helps our customers to achieve a higher level of expertise and confidence. In 2022, Neodent held 54 courses at ILAPEO, in which nearly 510 worldwide customers were trained.

Patient education

At Straumann Group, our vision is a world where oral health is a source of confidence. This goes beyond any provided solutions – it is a vital part of the patient's overall health and wellbeing. Therefore, we are developing oral care by strongly focusing on the patient's needs. Together with our strategic partners, we aim to improve access to oral care for people all over the world, and we believe that fostering customer learning and education is crucial.

In 2022, the Smile Award collected hundreds of patient testimonials, which demonstrates our impact on changing patients' lives by giving smiles back with our implants and clear aligner solutions.

Another activity was the development of the book 'Patient centered' which was created in collaboration with our CoDEs or the ITI World Symposium. In the book patient scenarios and stories showcase how clinicians can put patients first. With such initiatives and by providing patient education material to our customers, we aim to intensify the health consumer focus. Since our patient-centered approach goes beyond medical education, we are working on improving our patient website and in the US we launched the website TeethToday.com, educating patients and raising awareness for the importance of oral care and dental procedures.

To improve our understanding of health consumers' and patients' needs, we undertook a survey with more than 4 500 health consumers across three countries – Germany, the United Kingdom and the US. The results showed that consumers are not aware of treatment options, are uncertain about the right treatment option or are not connected with the appropriate clinics. Another interesting finding is that nearly half of the participants reported they would seek a second opinion before undergoing a treatment. Based on this feedback, we are planning to run a pilot in 2023 to improve patient education together with professionals by sharing these insights to evaluate next steps and will also improve our online patient education material.

While patients are increasingly becoming health consumers, we strongly believe that the direct involvement of medical experts in treatments will continue to be success-critical. We are committed to share health consumer learnings with dental professionals which helps them to better understand the health consumer journey and their patient's changing expectations.

The need for orthodontic treatment is estimated to be approximately 500 million orthodontic cases worldwide. Only an estimated 21 million are actually treated and thereof 4 million with clear aligners. Examples of health consumer learning outcomes include tooth misalignment being a widespread problem, often undermining oral health and leading to tooth decay and gum disease in many cases. This brings substantial secondary impact on societies and their healthcare systems. Raising awareness through education is important as patients also have an

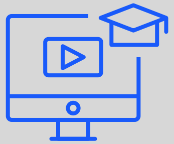
An online Smile profile where they can monitor and manage gum and teeth health over time

76%

A Smile tribe where they can learn and gain insights from people with similar profiles

63%

Access to an online library with before and after images/videos of patients with identical profiles who've completed the same treatment



67%

Consumers across three countries – Germany, the United Kingdom and the US increasing wish for esthetics but are often unaware of alternative solutions such as aligner therapy. To enable partnership and deepen the understanding in orthodontics, a global clinical advisory board for dentists and orthodontists was established in 2022. The aim is to build a community of professionals to benefit from an ongoing knowledge exchange, fulfilling our customers' needs.

Clear aligners play an important role in addressing this widespread and largely still unaddressed problem: the direct-to-consumer marketing model of our subsidiary DrSmile is significantly raising the awareness amongst patients on the importance of treating malocclusion, and the new solutions which are available for treatment. Consequently more patients, including the ones who would not have visited a dentist on a regular basis, are starting to choose consulting dental professionals, growing the entire market not just for aligners but for recurring dental services from professionals.

Customer and patient satisfaction

Customer satisfaction is critical for our success as a company as well as patient satisfaction which is why we added patient satisfaction to our materiality matrix in 2022. Traditionally and still today customers are our main business partners. In 2020, we started to enter doctor-led direct-to-consumer marketing business models with the acquisition of DrSmile and added Anshin in 2022. We have also established the consumer presence business unit on a global level. Patient or health consumer satisfaction is becoming increasingly important for our company.

Customer satisfaction

Serving customers directly

We serve customers directly through our teams of sales and marketing professionals, most of whom are highly trained sales representatives or service staff. This adds value for customers and helps us to identify, manage and learn from their needs.

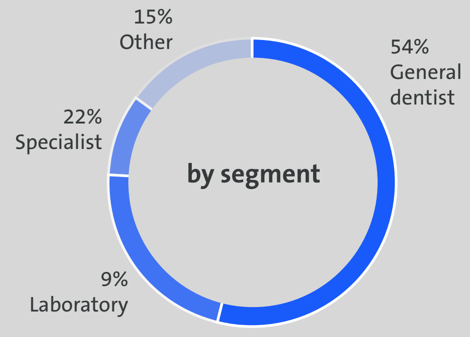
We continue to evolve the tools we provide our sales teams to support a mix of in-person and online activities for customer acquisition, sales and support. We continuously refine this multi-channel approach to increase the efficiency and impact of our sales interactions and to generate more leads.

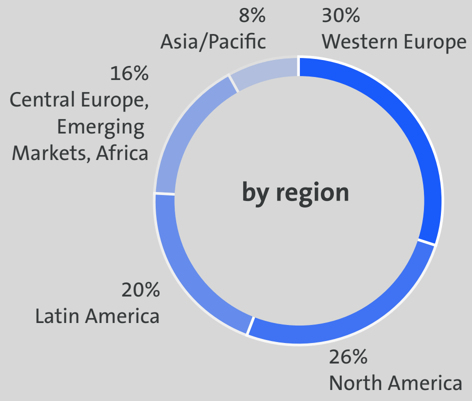
Customer dialogue

Our primary customer activities include:

- direct personal and remote contact through our sales force
- diligent complaint management, evaluation and reporting (see patient health and safety, p. 62)
- active involvement during product development, market acceptance tests and limited market releases to obtain customer feedback prior to launch

Straumann's active customers 2022





In 2022, we went live with a new customer feedback program. It is designed to measure, understand and give us the opportunity to act on customer feedback globally. Automated Net-Promotor-Score (NPS) surveys across all global implantology brands and Customer Satisfaction (CSAT) surveys on key customer touchpoints is rolled out in more than 20 countries, covering the majority of our customer base worldwide. We receive feedback on our customers' daily pain points which help us develop digital touchpoints, improve customer support and react to daily operational feedback on topics such as backorders. In the future, we will also focus on systematically collecting feedback related to product quality and reliability. Detractor feedback is locally followed up and systemic issues get prioritized and improved across the organization. Receiving customer feedback at scale is instrumental to ensure we become even more customer-centric in everything we do. We also intend to share these findings with our employees in the future to foster customer-centricity across the company.

In 2022 we also started to build this program for our orthodontics business and plan to roll it out in 2023.

> “Our new global customer feedback program helps us to become even more customer centric

Digital transformation

Customers have significantly evolved over the past few years. They are empowered by technology, they have higher expectations than ever and remote engagement is an important part of our ‘new normal’.

We continuously invest in our Group-wide digital customer engagement capabilities such as the eShop, multi-channel automation and customer identity management. They are essential for this digital transformation. The eShop alone carries more than a third of our business, in addition to increasing self-service efficiency for our customers through customer profile management, communication preferences, eReturns, eComplaints and eConsignment.

The Group serves customers across more than 100 countries. This includes general dentists, specialists, dental technicians and laboratories. In 2022, there were no significant shifts in the specialization and geographic distribution of our customers. The respective proportions of general dentists and specialists increased and decreased slightly, reflecting a continuation of the trend we have observed in recent years and other factors, such as the growth in our 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. 67 and education on p. 79).

In the chart on page 82, you will see the breakdown of our customer base, 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.

Of consumers asked for online booking and scheduling

71%

Consumer demand for new digital dental services that can be enabled via their smartphone

66%

Consumer demand for new digital dental services provided via their dentist

79%

Consumers across three countries – Germany, the United Kingdom and the US

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, but 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', Straumann strongly believes that the direct involvement of medical experts in treatments, will continue to be success-critical.

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

The success of our treatment concept is demonstrated by high success rates and tens of thousands of patients treated to their satisfaction.

US patient

EMPOWERING PEOPLE

Material topics

- Diversity and inclusion
- Talent attraction and development
- Employee engagement and retention
- Occupational health, safety and wellbeing

This commitment contributes to the following UN SDGs:

WE WANT

50% OF LEADERSHIP POSITIONS TO BE HELD BY FEMALES BY 2026

BY 2026, WE WANT

AT LEAST 80% OF OUR PEOPLE TO TELL US, THAT THEY HAVE GOOD OPPORTUNITIES TO LEARN AND GROW

Empowered employees help drive positive performance and ensure the resilience of our organization in times of crisis. Having an engaging culture energizes our colleagues and helps us to attract new talent, increase loyalty and create our future. By giving our employees fulfilling work in a supportive environment that maximizes their wellbeing, we provide our teams with the opportunity to fully explore their potential. We believe having an inclusive, diverse, and empowering culture is at the heart of a successful company. Our employees' wellbeing, their continuous learning and growth and the highest standards of occupational health and safety are instrumental for making Straumann Group a place where people want to work.

Evidence based research has continued to highlight the importance and positive impacts of diversity in the workplace. Both internal and external stakeholders have continued to raise awareness and understanding around the 'war for talent' during the materiality assessment refresh (see p. 55 and risk management on p. 58). Since COVID-19 we have seen a change in the global workforce, with an emphasis on ensuring companies are invested in their employees through creating a culture where they feel valued and can see paths for personal growth and development. A positive progressive culture therefore impacts our attractiveness as a business, and therefore our ability to retain the best talent.

By taking actions to enable and encourage individuals' growth, we secure our ability to sustain our organizational growth and remain an attractive employer to our employees and to potential external recruits.

Culture in focus

In 2022, we strengthened the operationalization of our high-performance player learner culture, which is inspired by our heritage, grounded in the here and now and defines our future. We reconfirmed the strength of our two foundational pillars of player-learner and the 'It/We' and 'I' that sit at the heart of our core beliefs.

During 2022 several programs, both in-person and remote, further strengthened the understanding of and inclusion in our culture. Our culture journey continues every day, embedded in all that we do.

We aspire that every new hire undergoes a global culture onboarding program, and 1 249 new joiners were able to experience our culture firsthand within days of joining our company. Another 1 563 employees participated in our player-learner program within 3 months of joining the company or joined if they had not been through the program before.

Our high-performance player-learner culture creates a shared organizational understanding of what we need to do to achieve our results collectively. A total of 254 managers and individual contributors participated in the 'It, We & I' programs which encourage the individual and the team to reflect on the different dimensions of our high performance culture.

Colleague leading a team at Neodent in Brazil

Human resources key figures

Parameter		Unit	2022	2021	2020
Staff size	Employees	Total headcount	10 478[5]	9 054[1]	7 340[1]
		Full-time equivalents	10 333[5]	8 918[1]	7 230[1]
Employment type	Part-time employees	% of headcount	4	4	4
Female population	Women in general staff (excl. Mgmt)	%	44	45	44
	Women in leadership positions[2]	%	39	40	35
Training and education	Investment in staff learning[3]	CHF million	4	3.0	3.1
	Average annual training and learning	Days/employee	5	3	3
Turnover and absence	Staff turnover[4]	%	15	15	19
	Absence rate due to workplace accidents	%	0	0	0
	Work-related fatalities	Number	0	0	0
Employee protection	Reported cases of discrimination/ harassment	Number	3	2	1

Staff structure by category and age group[5]

in %

Age	<30	30–50	>50	Unit	2022
General staff (excl. Management)	16	57	11	% of headcount	83
Management[6]	0	12	4	% of headcount	17
Total	16	69	15		100

1 Including DrSmile
2 Position levels: CEO-1, CEO-2, CEO-3
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 Including DrSmile, PlusDental & Nihon Implant
6 Job position 'Manager' and levels above

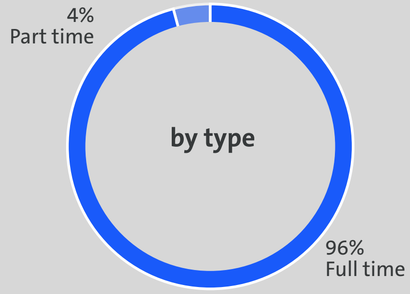
Employee Age

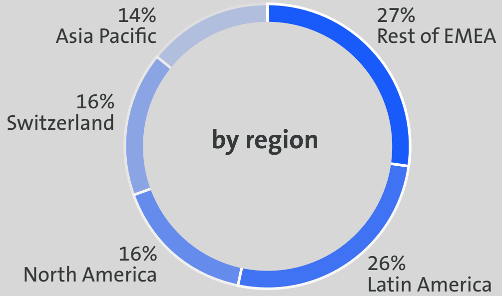
16% <30 years

69% 30–50 years

15% >50 years

Employment





Diversity and inclusion

We know our employees are proud to work with us and committed to our purpose of making a meaningful difference to our customers and patients. Our culture has been instrumental in our success and has helped us to be able to attract new and diverse talent to the organization.

At Straumann Group, we celebrate our differences in who we are, how we think and what we've experienced. Our inclusive culture makes each of us feel valued and heard and unites us to create more smiles every day. We know that diversity is not a given despite our scale and the geographic spread of our colleagues, which is why we pursue a mindset of being intentional about diversity and inclusion in all our daily decisions and actions.

As stated in our Code of Conduct, we do 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 (for more details, see p. 78 of the Group Code of Conduct).

In 2022, there were three incidents of discrimination and corrective actions were taken.

In addition, our core beliefs in action program is aimed at all teams through a cascade across the organization and a new program, choose inclusion builds on our aspirations. Programs are supplemented with our programs where identified female talent is mentored by the Executive Management Board and other senior managers throughout the organization. We don't leave it to chance to develop and build leadership talent. We believe in our people and we are constantly looking at 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 also geared at ensuring we will have the opportunity to foster future female leaders to reach our 2026 goal of 50% female leaders. Today, we show a representation of 39% of leadership positions held by females.

General staff[1]
2021: 44% female and 56% male

44% female

56% male

Leadership positions[1]
2021: 40% female and 60% male

39% female

61% male

1 Excluding DrSmile, PlusDental & Nihon Implant

Talent attraction and development

Hiring our future workforce

As we enter new markets, develop new capabilities, establish new global functions and continue our growth, we have had to ensure our attraction and hiring activities are fully in-tune with future needs. We have invested in more targeted recruitment strategies, ensuring that our potential talent population is attracted by our employer brand and expanded capability needs. We have introduced new languages on our career sites, offering personalized, chatbot and AI driven suggestions for job seekers. In 2023 we will launch an updated employer value proposition (EVP) increasing our presence across external job boards, employee review sites, social media, and career websites. We aim to give external candidates a meaningful insight into our culture, people, and growth opportunities by seeing our employees spotlighted in engaging personal stories.

Our expectations of our colleagues in relation to their work and the expectations our colleagues in turn have of the organization continue to evolve, and we are therefore constantly reviewing the impact of this evolution on our recruitment and employment practices.

To foster a stronger employee and candidate experience, in 2022 we evolved our recruitment technology ecosystem to offer a new global internal career website with AI suggested career recommendations for employees and new global internal talent guidelines standardizing our employee recruitment experience and promoting internal talent movement and hence individual growth.

Open house at headquarters in Basel, Switzerland

Talent development

2022 has seen a strengthening of how we support learning and development in our global organization. With our leaders as role-models of our culture, the following expectations form the backbone of how we think about leadership: creating impact, leading change, developing people, building teams and relationships, growing self-awareness and pursuing a passion for learning. More than 170 global leaders have completed or are on the leadership academy journey, an intense 6–12 month experience with 360 degree feedback and focus on strengths and development opportunities. The global roll-out of the academy modules will continue into our organization. We are also now developing and piloting a more foundational program aimed at new or first-line managers, also intended to cascade world-wide.

This year we launched our International Leadership Program (ILP), a new talent program partnering with IMD Lausanne to focus on digital leadership capabilities for a select senior leader group who underwent a rigorous application and selection process for the program. We also launched a new 18-month rotational global graduates program, with 12 Masters level graduates joining in China, North America, Germany, and Basel.

Employee engagement and retention

We prioritize 'moments that matter' for the manager and the employee, impacting engagement, inclusion, innovation and productivity. We enable people to take accountability, perform, prioritize and lead, continually learning new skills and capabilities that broaden their experience to create meaningful, rewarding career opportunities.

The response rate of the third weEngage annual employee survey was 91% (+4% more than 2021 and +16% over the top 25th Benchmark for response rates of 75).

Our continued focus on leadership and culture resulted in a Group-wide employee engagement score of 81 in 2022 (up 1 from 2021). This ranks 2 points above a global benchmark which places the Group in the top 25% of companies worldwide. 14 questions' scores increased and there were over 9 600 comments.

> “76% of colleagues reported they have good opportunities to learn and grow, which is up two points compared to last year

We believe that open, honest, and confidential feedback about what it's like to work at Straumann Group from our people is critical to continuously improve ourselves and to live our culture. We strongly advocate that every manager discuss the engagement survey results with their team and determine together focus areas for action and follow-up during the year. We want every one of our people to share their ideas about solutions that will fuel progress over time – this is true culture in action.

Retention

Our strategic management development process continues to mature, increasing our ability to connect people with opportunities world-wide. Creating succession plans and developing the skills of our people continues to take center stage. Our learning platform weLearn offers over 2000 curated learning resources for all our people to pursue their passion for learning, and our Talk Forward performance process emphasizes frequent performance and development conversations to really unlock the performance and potential of our

Global staff survey 2022

Good opportunities to learn and grow
2021: 74%
76%

Response rate
2021: 87%
91%

Comments
2021: >7 300
>9 600

Engagement score
2021: score 80
81

Employees
2022
10 478

2021: 9 054[1]
2020: 7 340[1]

1 Including DrSmile

people. We also actively support apprenticeships around the world with further development certification and educational assistance on a local basis.

Being digitally ready for the future

We are also upgrading our HR core data platform. Core HR processes will be standardized, creating a single source of master data. This new global master data core will be integrated to most supporting HR technologies offering reliable, rich lag and lead data and predictive analytics. The Global People Organization is evolving to offer new service deliverables, scalability, and efficiency. Managers will gain self-service capabilities and will be empowered through real time data access. Employees will be able to conduct basic employee activities anytime, anywhere via self-service.

Occupational health, safety & wellbeing

Employee health and safety is a top priority for the Group. We strive for zero work-related accidents. Thus, our approach focuses on prevention through specific training and awareness programs. We have implemented management systems for occupational health and safety at all of our production sites globally. Our employees contribute to developing these management systems. In 2022, we created a position in operations dedicated to build and manage the health and safety management system which ensures we will be in line with international standards. We regularly monitor work related hazards and incidents.

In 2022, we reported no work related fatalities, and absence rate due to work place accidents was 0%. We base our approach to employment 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 we have a predominance of regular individual employee dialogue and hence most labor contracts are negotiated individually rather than by collective bargaining. To foster our people's professional and personal wellbeing, the Group offers numerous benefit programs.

During 2022, the Group launched a global review of benefits and workplace flexibility practices, including non-salary benefits. Depending on the location, these benefits include public transport passes, lunch vouchers, the use of company cars, mobile phones and discounts on Straumann products. The review covered key benefit programs like pensions and insurance coverage, in addition to parental leave and employee assistance programs. It also includes other local plans that are considered to be competitive drivers in attracting or retaining talent, such as the employee share participation plan (for more details, see compensation report, p. 157).

We have implemented a flexible work framework globally which has been adapted into local policies where applicable and appropriate. It is also worth noting that in the second half of 2022, we conducted the Equal Pay Analysis for our Switzerland-based entities. Results of the analysis showed no statistically significant effect of gender on pay in our Switzerland-based entities overall, which we believe reflects our culture and practices of fair and equal treatment of our employees.

CARING FOR THE PLANET AND SOCIETY

Material topics

- Climate change
- Waste management
- Water use
- Circular economy
- Responsible and ethical supply chain management
- Community engagement

This commitment contributes to the following UN SDGs: 7 Affordable and clean energy, 12 Responsible consumption and production, 13 Climate action

GRI disclosure: 2-2

Our approach to caring for the planet and society

We are safeguarding the environment by minimizing our emissions, managing our waste and reducing our use of materials, energy and water. We responsibly manage our supply chain relationships and contribute to our local communities' development.

Following the materiality refresh assessment (see p. 55), we consolidated and enhanced clarity around key topics that have grown more emergent. Our climate-related topics such as greenhouse gas (GHG) emissions and energy use, merge into climate change to grasp the wider urgency from the global community and stakeholders.

Waste management, materials use and recycling have been consolidated into overall waste management based on the stakeholders' feedback. The importance of using sustainable materials for our products was discussed amongst our stakeholders and is key to our approaches around waste management and circularity. We have expanded our waste topic to include managing sustainable materials, ensuring we reduce our waste in the long term.

Lastly, the importance of ethics was identified not only for governance but also within our supply chain. An unethical supply chain could harm our current business relationship and have a financial impact. As a business, we need to ensure that we integrate ethical behavior throughout our value chain (see responsible and ethical suuply chain management on p. 102).

All of these topics have grown in importance on the materiality matrix (see p. 56).

As outlined in the introduction of the sustainability section, we have a clear allocation of responsibilities at all management levels to oversee, measure, and manage positive and negative impacts on the environment in accordance with the targets (see sustainability corporate governance on p. 53).

> "Our CDP score has improved again in 2022, from B– to B

We have been participating in CDP's Climate Change program (formerly known as the Carbon Disclosure Project) since 2010. In 2022, we reached the 'Management' level of disclosure again and further improved our rating (score: B). This rating score is awarded to companies taking coordinated action on climate issues. Our result places us well above the medical equipment and supplies sector and the global average score: C.

Furthermore, a climate risk assessment is planned for 2023.

Climate change
Committed to reduce emissions

Climate change is a major global issue, and we have aligned our mitigation efforts with the climate change agenda of the Paris Agreement by setting our greenhouse gas emissions targets in line with climate science. We support the worldwide transition to a zero-carbon economy and equitable future. The Group has been taking action for a long time to mitigate its environmental footprint by using energy and natural

THE KEY FIGURES REPORTED ON PAGE 100 INCLUDE

- our headquarters in Basel, Switzerland; subsidiaries and logistics centers in Freiburg, Germany, Neodent in Curitiba, Brazil

and our production/logistics sites in:

- Andover, Arlington, 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) and
- Villeret and Corgémont (Switzerland)

resources efficiently. After joining the Science Based Targets initiative (SBTi[1]) in 2021, we took the next big step and developed an ambitious net zero emissions reduction target – in line with climate science. Our target will comprise a near-term emission reduction pathway and an overall long-term trajectory to reduce emissions to a net zero state by 2040. The net zero target was submitted to the SBTi in 2022 and is expected to be validated in the first half of 2023.

> "We submitted our 2040 net zero emissions target for validation to the SBTi

Our science-based emissions reduction target (net zero SBT) means full decarbonization of Straumann Group's operations and value chain. This mandates an emissions reduction of 90% compared to the base year (2021), with any residual emissions neutralized through carbon removals.

The SBTi's rigorous criteria require the inclusion of GHG emission sources from own operations (Scope 1 and 2). In addition, emissions associated with upstream and downstream processes in a company's value chain for which there is no direct control (Scope 3, e.g. suppliers, transportation, employee commuting etc.) must also be covered. To improve our coverage in line with the SBTi's requirements, we have further extended and refined the environmental data collection process. After the successful inclusion of additional reporting sites and data categories in 2021, we established our Scope 3 baseline in 2022. The results are presented on the following page.

We have been disclosing direct GHG emissions from the burning of heating and vehicle fuels, as well as from refrigerants (Scope 1), and indirect emissions associated with purchased electricity and district heat (Scope 2). These emissions categories are the main contributors to climate change in the context of our own operations. They are primarily associated with our production facilities and vehicle fleet, as well as the use of office buildings.

> "We will use 100% electricity from renewable sources by 2024, with 80% already achieved by the end of 2022

In Scope 1 and 2, nearly 72% of the total energy we consumed in 2022 was electricity, followed by vehicle fuels, which comprised nearly 18%. The remainder were fuels for heating or manufacturing and district heat. Close to 58% of the energy we consumed originated from renewable sources, which is an increase of 15% compared to 2021. The share of electricity from renewable sources increased from 69% to 80% over the same period, as more sites switched to certified green power in 2022. The amount of electricity from renewable sources generated and consumed on site has more than doubled (+138%). Additional facilities are investigating or planning the installation of solar photovoltaic systems to reduce their reliance on purchased electricity and fossil fuel sources. Our goal is to use 100% electricity from renewable

1 The SBTi is the world's first standardized, science-based certification of the corporate net zero targets in line with the Paris Agreement's goal of keeping planetary warming to 1.5°C.

THE FOLLOWING OFFICE LOCATIONS WERE INTEGRATED

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

straumanngroup

Highlights
Chairman and CEO Letter
Our purpose, business and contribution
Business development
Sustainability report
Introduction
Risk management
Advancing oral care
Empowering people
Caring for the planet and society
Acting with responsibility
Corporate governance report
Compensation report
Financial report Straumann Group
Financial report Straumann Holding
Appendix

sources by 2024. We will continue to work diligently to source renewable electricity or generate our own renewable energy wherever feasible.

Overall, GHG emissions from our own operations significantly decreased compared to 2021 (–12%), primarily due to our sustained switch to energy from renewable sources. Absolute energy consumption increased due to strong growth and increased production (+13%). In relative terms, measured per full time equivalent (FTE), energy consumption decreased by 2%. In 2022, there was also a notable increase due to vehicle utilization and increased business activities after the COVID-19 restrictions were lifted, which led to a corresponding rise in Scope 1 emissions. Our 2022 energy and greenhouse gas emissions efforts are displayed in the table on page 96.

> “Thanks to our initiatives, we avoided approximately 2 250 tons of greenhouse gas emissions

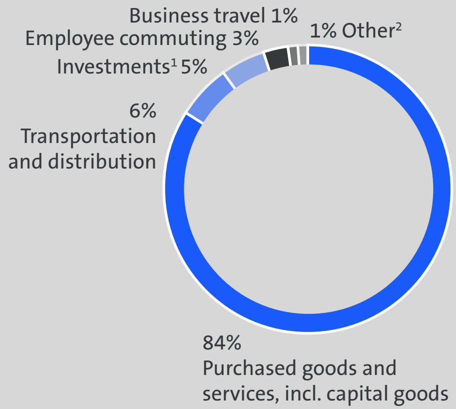
In 2022, we established our GHG emissions baseline associated with our value chain (Scope 3) and calculated our 2021 base year footprint. Like most organizations, the majority of our carbon footprint is attributed to Scope 3 emissions, which occur as a result of our activities but are beyond our direct control. Assessing, monitoring and reporting these emissions is a challenging and resource-intensive endeavor. While the categories and boundaries of Scope 3 emissions are well-defined, obtaining comprehensive and reliable source data remains a challenge. As a first step, we conducted an assessment to identify the relative importance of the 15 categories of Scope 3[1] emissions for the Group. We then estimated the respective emissions in each relevant category for the financial year 2021, which is our base year. We will further develop our Scope 3 assessment approach and establish a time series in our reporting endeavors in 2023. The results for the base year 2021 were derived following a hybrid approach, which involves calculations and estimations based on activity as well as monetary (expense) data. The data displayed on the right shows that the main proportion of our value-chain emissions comes from materials, services and capital goods that we purchase (84% of total Scope 3 emissions), followed by logistics processes and economic activities not captured under Scope 1 and 2.

We will use the results as a basis for identifying hotspots, key suppliers and levers, with the aim of continuously reducing our footprint also in this area (see responsible and ethical supply chain management on p. 102).

Our principal products, dental implants and abutments, are produced on turning and milling machines from metal rods or discs and ceramic discs or blanks. In the manufacturing process, we use cutting oil and other coolants and lubricants. Implant manufacture includes sandblasting, acid etching, cleaning, packaging and sterilization. We have also started to produce implant system components by ceramic injection molding. We do not work with significant amounts of heavy metals, such as mercury, lead, or manganese.

Scope 3 relevant categories for the Group	2021 (t CO_2e)
Purchased goods and services, incl. capital goods	363 300
Transportation and distribution	25 000
Investments[2]	21 700
Employee commuting	15 400
Business travel	3 400
Other[3]	3 800
Total	432 600

Share of Scope 3 emissions per category (2021)



1 They are defined by the Greenhouse Gas Protocol, a globally recognized accounting and reporting standard for greenhouse gas emissions
2 Associates and equity investments
3 Fuel- and energy-related activities, use of sold products, waste generated in operations, end-of-life treatment of sold products

2022 initiatives

Efforts to reduce energy consumption and avoid greenhouse gas emissions

Switzerland	In Basel, additional lights were replaced by efficient LED fittings in corridors, toilets, and wardrobes. The overall reduction in electricity consumption amounts to 25% compared to the conventional lighting system. In addition, heating, ventilation and hot water systems were revised to increase overall building energy efficiencies.
	In Villeret, natural gas was fully replaced by district heating from 100% renewable sources (wood from local forests) at the end of October. The project to move away from fossil energy sources was initiated in 2021. As a result, 26 t CO_2e of greenhouse gas emissions were avoided in 2022. In addition, our new solar photovoltaic system has been fully operational since February and generated 84 MWh of renewable electricity in 2022. Sustainable employee mobility is another important topic for us: together with other local companies, we are co-financing the pilot operation of a public bus line between Villeret and the railway station in St. Imier. We also promote carpooling and have been participating in the Arc Jurassien Carpooling Challenge, where our Corgémont site came in second.
Germany	Calw has been using 100% green electricity since September 2021, resulting in an annual reduction of greenhouse gas emissions of nearly 447 t CO_2e. Their own solar photovoltaic system covered 21% of the modern plant's electricity demand in 2022.
	Hügelsheim has been using 100% green electricity since September 2021, resulting in an annual reduction of greenhouse gas emissions of nearly 23 t CO_2e. In addition, the installation of a solar photovoltaic system was commissioned to decrease the dependency on electricity from the grid. It is expected to be fully operational in 2023.
	Freiburg started a pilot test in summer 2022 to investigate the use of electric vehicles as an alternative to conventional cars. In addition, the business travel policy was adapted. Flights within Germany are now replaced with railway trips.
	Markkleeberg made changes to their nitrogen supply system, moving from a delivery of nitrogen bundles every three days to a stationary liquid gas tank with monthly deliveries, resulting in a reduction of transportation needs.
Japan	In Narita, changes to the operating procedure for the HVAC system as well as adjusted production machine parameters led to an annual reduction of greenhouse gas emissions of approximately 1 t CO_2e.
Luxembourg	At our Mersch facility, we took steps to improve energy efficiency and reduce our environmental impact. This includes shutting off machinery when not in use and optimizing tool consumption. We also adjusted the air conditioning system. Starting with our finishing department, traditional halogen lighting in our office spaces have been replaced with energy-efficient LED lamps. This change will also be extended to the laboratory sector in 2023. To further promote sustainability, we encourage carpooling by adjusting work schedules, and we educate our employees on the efficient use of lights in our factory corridors, workshops, and offices. Additionally, we are planning to replace two out of three company cars with electric vehicles, and are looking into installing solar panels to generate our own power. To effectively reduce travel, we introduced a remote work policy. We also took the initiative to shut down the gas boiler during warm periods and commissioned an analysis to detect and fix leaks in our compressed air system.
France	An energy audit was conducted at our production site in Sallanches to identify efficiency improvement hotspots and suitable measures. A catalog of prioritized initiatives was established, which will be implemented in the future.
	In Fontenay-sous-Bois, hybrid electric vehicles now make up mor than one third of the fleet.
UK	Crawley added an app to the building management system to ensure that plant rooms are shut every night and that the air conditioning system works in a more energy efficient temperature range. They also replaced the chiller on the building roof with a more energy-efficient appliance. In addition, the car fleet increasingly consists of hybrid vehicles.
US	Andover increased the use of electricity from renewable sources to 70%, resulting in an annual reduction of greenhouse gas emissions of nearly 1 750 t CO_2e. In addition, efforts continued to replace fluorescent lamps with more energy-efficient LED fittings.
Pakistan	Lahore commissioned a feasibility study on the installation of a solar photovoltaic system for the generation of their own renewable energy.
Sweden	Our site in Malmö is committed to reducing the environmental impact of its employees' commutes by promoting the use of public transportation and electric cars. Additionally, for business travel, we evaluate options such as taking the bus or train instead of cars or flights and evaluate travel by train to Basel. We also consider virtual meetings as an alternative to traveling.

Waste management

As a supplier of medical devices, we have broadened both our business scope and our product portfolio over the years. Our growing operations and associated activities in the value chain led to increased resource consumption and waste generation. We continuously refine our products and processes to improve the conservation of those resources, and to reduce waste. Care for the environment is included in our Code of Conduct for all employees. We are aware that our supply chain also influences our environmental impact, and we strive for an environmental assessment of suppliers focusing on climate change-related impacts (Scope 3) as well as on waste- and water-related aspects (see p. 102).

We certify the environmental management systems at our three principal manufacturing sites to ISO 14001 and we communicate our progress over time. The management systems also support ways to approach circular economy and industrial sustainability.

At Straumann, our approach to waste management and materials use is proactive and integral to our overall sustainability strategy. We conduct regular evaluations of our practices to identify opportunities for improvement and have implemented strategies to reduce, reuse and recycle waste. We track our progress towards our waste management goals with a robust monitoring and reporting system that includes metrics such as waste generated, types of waste, recycling rate, and diversion from landfill (see table on p. 100). We remain committed to continuously evaluating and improving our waste management approach to decrease our environmental footprint and improve resource efficiency.

Curitiba

We have been tracking the consumption of our main raw and operating materials, which are drivers of our Scope 3 footprint. Both our business scope and our product portfolio have broadened significantly in recent years. Our product portfolio currently includes:

- dental implants and components made from pure titanium, titanium alloy and ceramic
- prosthetic elements made of ceramic, 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

“Our landfill rate significantly decreased from 26% to 6%

In 2022, we continued to track production and office waste volumes by category and treatment path. This enables us to systematically gauge our waste recycling and landfill diversion performance, as well as to identify adequate improvement measures. The separation of waste fractions and the diversion of waste from landfill was again a top priority in 2022. Compared to 2021, the overall waste volume increased by 22%, mostly due to our business development and sales growth. Our total recycling rate improved from 57% to 64%. Due to a variety of measures, our landfill rate significantly decreased from 26% to 6%. Virtually all our metal waste is being recycled and we are actively working to increase the recycling rates of other scrap materials, too. Another focus area is our growing clear aligner business, where we are actively looking for ways to reduce photopolymer and thermoplastic scrap, increase recycling and recovery rates, and achieve zero waste to landfill.

Water use

Straumann Group operates in a sector that does not heavily rely on water. Nevertheless, we recognize the precious and scarce nature of water, especially in some areas of the world. As such, we are aware that water constraints can pose a growing challenge for our business operations. To address this, we proactively evaluate and monitor potential water-related risks at our production sites. This includes following local laws and regulations and collaborating with stakeholders such as local communities, water and wastewater authorities, and other official bodies. We also conduct a situational analysis of water stress levels at our major production

2022 initiatives

Efforts to minimize waste, save water and increase circularity	
US	Our site in Andover has effectively achieved zero waste to landfill status in alignment with specialized waste handling partners and the state of Massachusetts. The only remaining waste streams reaching local landfills are certain components of construction or demolition debris associated with site expansions or modifications, and ash generated by our waste-to-energy partner.
Switzerland	In Villeret, coffee capsules have been systematically collected and recycled since June 2022. The aluminum and coffee grounds are separated in the recycling process. Aluminum can be melted time and again and reshaped into in many different forms, while the organic material is transformed into biogas and fertilizer.
Germany	In Freiburg, four bee colonies (approximately 110 000 bees) were settled on the green roof of our logistics building. The idea behind the urban beekeeping project is to contribute to the local ecosystem. In return to a secure location with unobstructed flight paths and water during the summer months, we get to harvest our own honey.
	Markkleeberg implemented initial optimizations in their 3D printing process that will result in a significant reduction in resin consumption, set to take effect in 2023. Additionally, we are currently working on a project with colleagues in Basel and a university in Hannover, to explore and implement ways of reusing resins and thermoplastics, rather than recycling them through industrial waste, as is currently being done.
France	In Fontenay-sous-Bois, we replaced disposable cups with reusable drinking glasses which are automatically and quickly cleaned, dried and disinfected using only 2 cl of water and no chemicals.
Luxembourg	Our site in Mersch has implemented several measures, which include the elimination of a liquid zircon coloring containing hydrochloric acid, the use of pre-colored zircon discs, the recycling of printed model scraps with the help of a certified local organization and the optimization of packaging for our zircon block supplier. We also strive to optimize production launches of zircon ovens, have eliminated paper invoice printing by implementing an SAP system, and reduced water consumption by changing faucet and shower heads.
Brazil	Our Neodent factory in Curitiba received a certificate confirming zero waste to landfill status. Process and other solid residues, as well as production rejects, are either recycled or sent to incineration with energy recovery.
	At our ClearCorrect factory in Curitiba, an on-site water treatment process has conserved 11 000 cubic meters of potable water since its implementation in 2021. The highly efficient reuse water system currently reduces the need for potable freshwater by 60%. Treated water is used in factory toilets.
Sweden	In Malmö, we decreased the usage of disinfection agents in cleanroom areas by one-third. Additionally, we will be monitoring and analyzing our material flows and electricity as well as water consumption to identify areas for improvement and further optimization.

sites to identify specific risks related to water stress, which can occur when demand exceeds supply or when water quality is poor. In this way, we aim to ensure that our operations are sustainable and responsible in their use of water resources.

> “Water consumption per full time equivalent (FTE) declined by 1%

With the expansion of our business and production, we have seen an increase in our water usage. Compared to 2021, absolute freshwater consumption increased by 14%, while water use per FTE decreased by 1%. Most of our total water consumption is municipal water or comes from our own wells, and is used for manufacturing processes (parts cleaning, product packaging and storage), sanitary purposes, facility services (kitchen, cleaning, irrigation), as well as cooling. Wastewater is mainly discharged via the local municipal sewerage system, in compliance with local requirements, and is treated in-house or by third-party companies where necessary. We treat and reuse water internally in some of our facilities to reduce freshwater consumption and our environmental impact beyond regulatory requirements. Our factory in Curitiba is leading the way in this regard (see p . 98).

Circular economy

Straumann strives to contribute to the transition from a linear to a circular economy, shifting away from using raw materials, making products and generating waste as well as unused recyclables, to an approach where waste and pollution are eventually eliminated, products and materials circulated, and ecosystems restored. An important step is a switch to renewable energy and materials, which facilitates the decoupling of economic activity from the consumption of finite resources. We have been applying circularity principles by reusing water, diverting waste from landfill and switching to renewable energy. We have recently started to conduct life-cycle analyses (LCA) to measure the environmental performance of products and their supply chain aspects, to identify circular strategies and ensure a positive environmental balance from the design of products. LCA helps us to evaluate options and define targets that foster circularity over time.

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Appendix

Environmental key performance indicators

as of 12 January 2023

		Performance indicator	Unit	2022[1]	2021
Energy	Energy consumption	Total energy consumption	MWh	85 584	75 709
		Total energy consumption per FTE[2]	MWh/FTE	11.0	11.2
	Electricity	Total consumption	MWh	61 196	53 984
		• of which purchased (renewable)	MWh	48 330	37 024
		• of which own production (renewable)	MWh	387	163
		• of which diesel generators	MWh	310	118
		• of which electric vehicles	MWh	38	3
	Heating	Total heating energy	MWh	9 380	10 573
		• Natural gas	MWh	6 730	7 894
		• LPG	MWh	1 153	1 127
		• District heat	MWh	1 497	1 552
	Vehicles	Total vehicle fuels	MWh	15 007	11 152
		• Diesel	MWh	11 870	8 596
		• Petrol	MWh	2 981	2 297
		• Bioethanol	MWh	156	259
Emissions	GHG emissions (own operations)	Total emissions	tons CO_2e	9 462	10 804
		• Direct (Scope 1)[3]	tons CO_2e	5 885	4 988
		• Indirect (Scope 2)[4, 5]	tons CO_2e	3 577	5 816
		Total emissions per FTE[2]	tons CO_2e/FTE	1.2	1.6
Materials	Raw materials	Titanium	tons	79.2	66.2
		Cobalt chrome	tons	7.5	8.0
		Thermoplastics	tons	725.0	667.6
		Photopolymers	tons	197.8	158.5

Energy consumption
MWh per employee (FTE)
2021: 11.2; 2022: 11.0

–2%

Renewable electricity
2021: 69%
2022: change +16%

80%

GHG emissions (Scope 1 + 2)
t CO_2e per employee (FTE)
2021: 1.6; 2022: 1.2

–24%

Environmental key performance indicators

as of 12 January 2023

		Performance indicator	Unit	2022[1]	2021
Materials	Operating materials	Various oils	tons	280.6	196.2
		Cleaning solvents	tons	90.3	88.5
		Acids	tons	159.8	130.7
Water	Freshwater	Consumption[6]	m^3	109 013	95 273
	Freshwater use intensity	Per FTE[2]	m^3/FTE	14.0	14.1
	Wastewater requiring special treatment	Disposal	m^3	2 973	3 220
Waste	Total waste	Non-hazardous and hazardous waste	tons	1 847	1 519
	Total waste intensity	Per FTE[2]	kg/FTE	237	225
	Non-hazardous waste	Recycling	tons	861	549
		Incineration	tons	421	213
		Landfill	tons	111	356
	Hazardous waste	Recycling	tons	312	312
		Incineration	tons	135	47
		Landfill	tons	6.7	42.8
	Hazardous waste intensity	Per FTE[2]	kg/FTE	58	59

1 Data coverage: December 2021 to November 2022. The sites covered are listed on page 93.
2 Relative figures refer to the number of employees, expressed in full-time equivalent (FTE), per end of year at relevant sites only.
3 Scope 1 emissions comprise greenhouse gases emitted by sources owned or controlled by the Group, such as heating units.
4 Scope 2 emissions comprise greenhouse gases emitted in the production of electricity and district heat the Group consumes.
5 Greenhouse gas emissions associated with electricity consumption of 3 498 t CO_2e (2021: 5 683 t CO_2e) were calculated according to the market-based approach, as defined in the GHG Protocol Scope 2 Standard. When reported according to the location-based approach, the emissions totaled 9 388 t CO_2e (2021: 9 003 t CO_2e).
6 Water was withdrawn from the following sources: municipal water supplies (freshwater) = 85 218 m³ (2021: 69 917 m³), groundwater (freshwater) = 23 795 m³ (2021: 25 355 m³).

Waste recycling rate
2021: 57%
2022: change +12%

64%

Waste landfill rate
2021: 26%
2022: change –76%

6%

Responsible and ethical supply chain management

Creating value along the entire Straumann Group supply chain

Our supply chain has a global footprint. It spans our suppliers, production sites, warehouses in headquarters and in the subsidiaries and our customers. We source from suppliers all around the world and pursue a multiple source strategy for key materials and components. For critical raw materials such as titanium, agreements are maintained at the Group level to assure inventories and supply for all brands and franchises globally. The Group continually assesses supply and manufacturing risks and implements appropriate mitigations that include multiple sources for manufactured and purchased components and products, long-term supply agreements, redundant manufacturing locations and capacity, multiple global inventory points with adequate stock levels and site-level systems to reduce risk of loss due to natural or accidental events.

With regard to supply chain administration, our global procurement team handles direct and indirect spend categories. The direct spend team is responsible for procuring material (e.g. titanium) relating to the manufacture of a product. This includes tools, semi-finished goods, operating supplies, production machines and other equipment. The indirect purchasing team is responsible for non-manufacturing expenditures associated with goods and services, including marketing materials, translation services, documentation, travel and accommodation, consultancy services, marketing and promotion, recruitment, and other HR services.

We manage the supply chain by combining the needs of our customers with procurement and production. A portion of our products (e.g. implants, instruments, stock abutments and biomaterials) are made to stock, meaning they can be produced before being ordered, allowing us to build up stock to buffer fluctuations in demand. Products that are patient-specific and must be manufactured to order, such as CADCAM prosthetics and clear aligners, are becoming increasingly important in our portfolio.

> “By standardizing production management systems in 2022, we substantially improved business continuity

To efficiently process customized manufacturing, Straumann Group invested in upgrading our digital production system to further improve our supply network and standardize the production processes within all orthodontic sites. With the addition of our aligner production in China (Beijing), increasing capacity in Europe, Brazil, and the US we believe we maintain one of the fastest industry turn-around time while delivering on Straumann's reputation for high-quality products. Our data centers are processing patient specific cases fully automated, capable of data repair and file conversion into manufacturing files while keeping all patient data at the highest level of security.

In 2022, we continued to expand our production facilities significantly. In Villeret, Switzerland, an extension doubling the floor space was taken into operation increasing the capacity and allowing room for future growth. In Curitiba, additional CNC machine lines were added in implant production, the clear aligner production was expanded, and a new resin production line was established. Medentika's production moved to a new building at the end of 2020. Since then, capacity at the new location has already been increased while Anthogyr ramped up its production capacity in Sallanches, France. Our clear aligner production capacities in the US and Germany were further ramped up. In Mansfield TX (US) a new CADCAM milling center started its production in the first half of 2022. The production site doubles the capacity of the current site in Arlington TX (US). These expansions were carefully planned and managed by our senior leadership with the support of a constant dialogue between the machine manufacturers and our global procurement organization, as well as extensive efforts in recruiting new staff for production around the globe (see p. 89).

> “We introduced a new approach for forecasting and orchestrating future demand in a robust and efficient way

Following the launch of the integrated planning software in 2021, the supply and operations process has been improved with system-based forecast numbers based on the business requirements and portfolio properties. In 2022 the scope was scaled to additional implant brands and is tracking more products. To further expand the forecasting system, we will integrate relevant information, such as capacity information.

Ethical supply chain

We are responsibly managing our supplier relationships and logistics operations to meet our social and environmental responsibilities. Straumann expects external business partners (ExBP) to comply with the provisions laid out in the Group Code of Conduct for ExBP. These include compliance with law and regulations, ethical business practices, fair and safe working conditions, environmental protection, and safeguarding privacy through proper use of confidential information. Major suppliers are required to sign the ExBP Code periodically as a written confirmation of their commitment to abide by its provisions. Straumann may monitor certain ExBPs to evaluate their compliance with the Code. Any non-compliance with the provisions and requirements is treated as a violation of substantial contractual obligations. If the ExBP fails to correct the infringement, Straumann Group is committed to seeking an alternative ExBP who is willing and able to comply with the Code.

We are aware that our supply chain also influences our environmental impact and we strive for a thorough environmental assessment of suppliers. Our expectations regarding environmental protection in the supply chain are clearly specified in our Group ExBPs. We report about our own operations' environmental impact in detail as well as energy indirect emissions associated with purchased electricity and district heat (Scope 2) suppliers. In 2022, we kept on expanding our emissions reporting along our supply chain and include supplier emissions.

> "In 2022, we launched a supplier portal which will also help us to improve emissions reporting

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 a robust risk evaluation process in place. Risks inherent to materials and components procured by Straumann Group which are critical for our operations are assessed by cross-functional teams. Strategies and countermeasures are put in place to mitigate the risk on a long and medium-short term.

Straumann implant manufacturing site in Villeret, Switzerland

Constant efforts are deployed to diversify our supplier base, together with a regular review of inventory management policies to avoid supply disruptions and impact on patients.

The challenging supply situation in 2022 was mitigated with a close follow up within operations to bundle the forces and dedicate the resources on the priorities. That means the provided materials did not only serve our customers' needs and we achieved the capacity to globally respond to the strong demand for dental products.

Supplier portal

Within the scope of its Procurement Digitalization roadmap, Straumann Group leverages technology to support its supply risk management processes. In 2022, we launched a supplier portal to tighten the relationship between the supplier and the buying organization. To further improve our targeted supplier onboarding process the supplier portal will facilitate financial health checks and screening on social responsibility and environmental aspects to ensure compliance with our External Business Partner Code of Conduct (see p. 114) as well as laws and regulations.

Procurement

The procurement teams at global and local levels took care to secure products and supply across our complex global supply chain, addressing disruptions linked to COVID-19 lockdowns in some regions as well as the war in Ukraine which brought further disruptions and scarcity on some key global goods.

Thanks to our solid partnerships with suppliers, Straumann Group was able to navigate through these disruptions without severe impact to our operations. The Group also follows a cautious policy of sufficient stock holding for critical materials and components which helped absorb delay faced across the global supply chain.

The procurement and supply chain teams will continue to monitor the global situation and adjust their stocks as needed to ensure the timely delivery of products to our operation sites, warehouses, and customers.

The global procurement team also embarked on a progressive digital transformation this year with the selection, testing and implementation of two digital platforms which will dramatically change the way Straumann Group will engage with their suppliers.

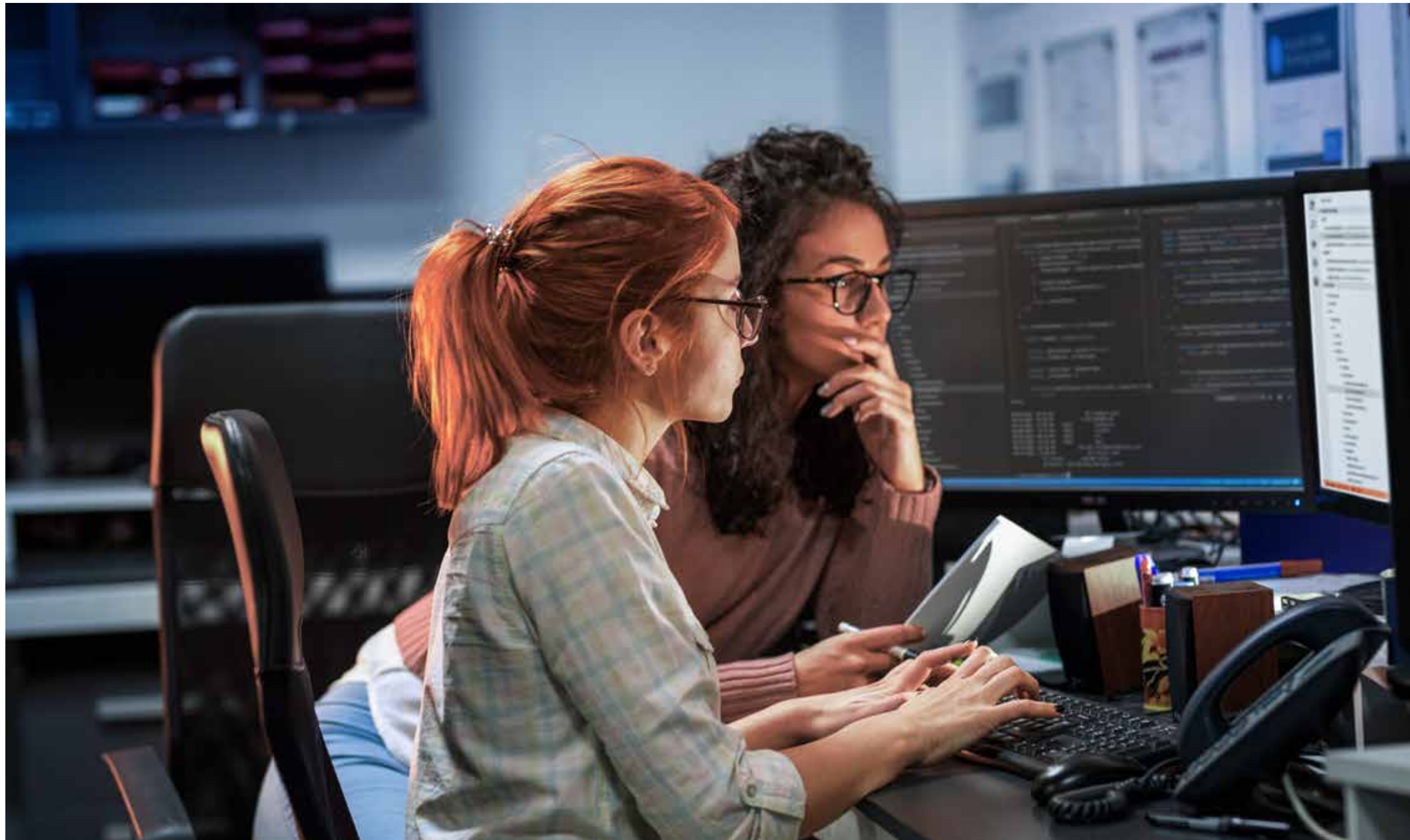
The first platform is a supplier portal for Source to Contract (S2C), a process where procurement identifies and creates value for their organization which enables the Group to drive activities digitally for sourcing, contracting and driving supplier relationship management with existing and new suppliers.

The second platform permits the screening, data building and monitoring of current and future sustainability criteria aspects that are relevant to the Straumann Group.

Those two portals are now live and the first wave of suppliers at a global level is already registered.

In the coming months, the procurement teams will accelerate the rollout of the platforms across our affiliates and regions, as the goal is to have all suppliers of the Straumann Group registered on both platforms (please find more information on the website: Procurement and Suppliers).

> “In 2022, we launched two digital platforms which will change the way we will engage with suppliers



Community engagement

Giving back is a topic of increasing importance in an unsettled world. Our dedication to improving peoples' lives through excellent dental care carries over into our commitment to communities.

Macroeconomic developments like war, political unrest, inflation and ongoing COVID-19 challenges impact people and our business worldwide. Our materiality refresh (see p. 55) revealed that employees, customers, and health consumers alike expressed heightened interest in the subject.

Straumann's charitable and social engagement programs around the world are an important aspect of our culture. They are typically managed by regional teams where we do business. The Corporate Charity Sponsoring department evaluates global project requests with specific criteria to maximize reach, impact, continuity, good stewardship and accountability in our charitable efforts and partners. The final selection of grants is made in collaboration with the compliance department, the respective regional or local team, and the Executive Management Board on larger donations.

As a Group, we are expanding engagement in communities, believing that together we can make a worthwhile difference. In 2022 for example, customers and employees participated directly by donating prize money to our charities. The Straumann World Class Cup and the Innovation Award recognized excellence in customer treatment and innovation.

> "We reached out through 43 charities, on 66 projects, in 27 countries

As a global provider of complete dental solutions, we call on our international network of clinicians, technicians, and academics, along with our skilled and committed employees, to offer profound help which impacts communities worldwide. From Brazil to Cambodia, and Australia to Ukraine, we teamed up with charities, customers and dental students to bring life-changing, lasting help to our patients and neighbors.

Group supports humanitarian relief efforts in Ukraine

When Russia invaded Ukraine in February 2022, the Group responded with help through a donation of CHF 100 000 to the International Committee of the Red Cross. The humanitarian relief effort gave immediate assistance to the Ukrainian people with water, food, shelter, clothing and medical support from Red Cross personnel on the ground. The Group also donated implants with a market value of EUR 1 million to existing customers in Ukraine and supported the facilitation and access to the appropriate expertise with its partners through education sessions on war injury treatments.

In June, the Group hosted the symposium 'Rehabilitation as a sign of hope' for 83 dentists, donating the entire proceeds to the Basel charity, GGG, which offers essential services to Ukrainian refugees, including immigration and accommodation assistance.

International Committee of the Red Cross in Ukraine

Straumann employees follow suit

Group employees made significant personal contributions, joining a vast variety of activities to offer support. Straumann Germany donated funds for the purchase of emergency medical aid for hospitals in Ukraine, while employees quickly made top-up donations and provided 150 care packages with essential foodstuffs. The team's gifts funded a power generator, rescue blankets, hygiene articles and medicines. In total 40 helpers from the Straumann Germany team participated.

Delivering help where it's needed

The Group's UK employees took to their cycles for a 500-mile ride and raised enough funds to launch the 6th mobile dental unit in the fleet of **DENTAID**. The UK-based charity provides free dental care for homeless and vulnerable people. Their mobile dental units visit hostels, day centers and night shelters providing emergency treatment for people without access to dental care. They also run local dental clinics for refugees, cancer patients, veterans, children in underdeveloped areas and victims of domestic violence. Their BrightBites oral health education program operates in schools across the UK.

Sustainable contribution to communities globally

Millions lack access to basic dental care. Addressing this issue is the motivation behind our charitable activities, which focus on dentistry where we can make a meaningful difference. Concentrating on our area of expertise, we aim for continuity as well as sustainability in the projects we support. This is reflected in our long-standing and fruitful relationships with strong partners. (see table on p. 110).

Straumann AID (Access to Implant Dentistry) is a global program that helps underprivileged, and often medically-compromised patients who cannot afford critically needed treatment. Since 2007, the program has relied on the generosity of dental professionals who provide free treatment, using products donated by the Straumann Group.

Launched in the US in 2020, **LetThemShine** provides free dental implant treatment to those who need it most. Edentulous patients and others with severe conditions who lack financial means receive transformative treatment from volunteer dentists and lab clinicians using supplies donated by the Straumann Group and funded by Group employees in North America.

Novos Sorrisos (New Smiles) is an ambitious project on wheels, delivering dental care across Brazil. Staffed by two hundred rotating volunteer dental professionals the new expanded mobile dental office travelled 1 500 km to 6 cities and 2 states in 2022, serving over 2 300 people with screening, education, and treatment.

Image above: Novos Sorrisos Mobile Dental Clinic Brazil

Image below: LetThemShine patient

Making a difference together with long-standing partners

The Group favors projects that will continue to bear fruit in the future. Our major partners have worked with us for years to improve and expand the aid they offer.

Since 2004, Straumann has partnered with the **National Foundation for Ectodermal Dysplasia** (NFED), a US-based non-profit organization that helps Ectodermal Dysplasia (ED) patients and their families. ED patients are typically born with missing or severely malformed teeth requiring expensive full-mouth restorations. We provide free implants and prosthetics to our affiliate dentists, who in turn offer pro bono implant therapy. Our financial support funds family programs, advocacy and research, including an annual conference of scientists and medical professionals on developing new treatments.

Since 2017, funding from the Straumann Group has supported **The Australian Dental Association's Rebuilding Smiles** to provide free dental reconstruction and new self-confidence to women and children who have suffered from domestic violence. 150 patients are currently receiving treatment.

With the Group's support, **NOIVA**, a Swiss humanitarian foundation, has been operating a mobile dental clinic for Syrian refugees in Jordan since 2018. They provide the only dental care available to the thousands living in the camps. To address the great need, we helped them build a second unit in 2021.

From top left to bottom right:
1. NFED helps children with unformed teeth,
2. NOIVA mobile dental clinic in Jordan,
3. Dharma Wulan Docs Team 2022 in Indonesia,
4. Cleft patient with Dharma Wulan clinican

In Indonesia, the **Dharma Wulan Foundation** team of volunteer surgeons performs more than 100 surgeries annually to correct cleft palate deformities, mostly in babies. These birth defects are socially devastating to both child and family, causing many to forego treatment if it requires travel in public. The foundation overcame the problem this year with a mobile clinic allowing them to go into remote villages and reach children where they live. The team has expanded their services to include post-op speech therapy and orthodontics. We have supported this organization since 2018.

Drawing Alegría is an ambitious mobile surgical project in Colombia, staffed by an army of volunteer dental and medical professionals devoted to helping children with oral facial deformities. In 2022, they completed 19 medical missions over a vast geographical area and completed corrective surgery on 778 patients.

Supporting education to expand access to treatment

Since 2006, we have partnered with the **Sonrisa Foundation**, which provides free dental treatment to orphaned children and others in Nicaragua. Investing in their future, we offered a training scholarship for a young dentist from the community who has returned to the clinic, practicing regularly with a new dentist recruited from school. This year we helped purchase and equip a mobile unit to provide treatment and education in the most underdeveloped and remote areas.

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 which provides 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.

From top to bottom:
1. Patients at mobile surgical project Drawing Alegria,
2. Sonrisa Foundation in Nicaragua

A big part of our annual effort and funding goes into training dental students through overseas projects organized by the German aid organization, **Dental Volunteers**. In 2022, six teams, made up of 25 students supervised by six dentists were funded, and served in Ghana, Tanzania, Nepal and Uganda. These projects are challenging in every way, requiring students to improvise in situations without water or electricity. All these projects focus on dentistry and are part of our efforts to offer essential care for those to whom it is unaffordable or unavailable.

From top left to bottom right:
1. Children with Dental Volunteers in Uganda,
2. Patients treated by Dental Volunteers in Nepal,
3. School children during Dental Volunteers examination

Main initiatives and projects sponsored by Straumann in 2022

Region	Lead partner	Objective/Service	Status
Global	Straumann AID	Free implants and materials for individuals in need, supporting volunteer dentists	Ongoing since 2017
Australia	Australian Dental Association Rebuilding Smiles	Pro bono dental treatment for women and children affected by domestic violence	Ongoing since 2017
Brazil	Children & Adolescent Fund	Programs supporting general and oral health of children and adolescents compromised by cancer treatment	Ongoing since 2011
	Curitiba Hospitals	Donation of digital thermometers, face shields and isothermal panels	Ongoing since 2020
	Elderly Fund	Supports hospitals in oral and general health treatment of the most vulnerable elderly patients	Ongoing since 2011
	Doe Sorrisos	Company funded, employee led community initiatives to serve underprivileged local area including food & clothing drives, job fair, kids' sports clinic, and neighborhood construction projects	Ongoing since 2021
	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
Colombia	Dibujando Sonrisas	Corrective surgical care for children with cleft palates from low-income families	Completed
France	A chacun son Everest	Supports women and children suffering from cancer during and after treatment	Ongoing since 2019
	Vaincres les Maladies Lysosomales	Leading research on lysosomal (metabolic) diseases	Ongoing since 2014
	French National Foodbank (Banque Alimentaires)	Employees participated in mass food collection to support individuals and single-parent families experiencing financial hardships	Ongoing since 2020
	Sur un lit de couleur	Supports hospital patients psychologically through art therapy workshops	Ongoing since 2015
	Centre Léon Bérard, Lyon	Support for prominent oncology hospital network in research and patient care	Completed
Germany	Elternhilfe für Krebskranke Kinder e.V.	Fundraiser to support 'Parents Aid for Children with Cancer' at the University of Leipzig	Completed
Ghana	Dental Volunteers Students from Bonn, Munich & Münster Universities	Aid mission treated patients, including perio, fillings, extractions and education	Completed
Indonesia	Dharma Wulan Foundation	Free Surgical treatment for children suffering from cleft palate and other dento-facial abnormalities	Ongoing since 2018
Iran	Tehran University of Medical Sciences Faculty of Dentistry	Implant treatment of Epidermolysis bullosa (EB) patients who are difficult to treat and require special surgical care due to rare skin disorder	Completed
Italy	Un Sorriso Vale Doppio (A Smile is worth twice as much)	Wellness program serving children with disabilities in hospitals and care homes across Italy	Completed
Jordan	NOIVA Foundation	Mobile dental clinics treating Syrian refugee population in border camps	Ongoing since 2018
Nepal	Dental Volunteers Students from Univ of Regensburg & Köln	Two teams treated patients, completing fillings and extractions in remote locations without water or power, plus preventative education in schools	Completed
Nicaragua	Sonrisa Foundation	Clinic offering free dental care in impoverished community; preventative care and education in local schools; mobilized new vehicle to remote areas	Ongoing since 2006

Region	Lead partner	Objective/Service	Status
Spain	Fundación Aladina	Juvenile cancer research	Completed
	Pharmacists Bank (Banco de Farmacéuticos)	Provide basic dental hygiene kits to Ukrainian refugees	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
	GGG Basel	Relocation and immigration support services for Ukrainian refugees in Basel region	Completed
Tanzania	Dental Volunteers Students from Univ. Eberhard-Karls & Regensburg	Two teams delivered basic dental treatments and prevention instruction in very remote areas to adults, school children and an orphanage	Completed
Uganda	Dental Volunteers Students from Univ of Regensburg	A team of 7 students working in several schools treated students, teachers, nuns, guards and cooks with fillings and extractions plus preventative education	Completed
UK	Dentaid	Employee bike ride fundraiser to fund mobile dental unit which serves the homeless and vulnerable	Ongoing since 2012
Ukraine	International Committee of the Red Cross	Donation toward emergency services of food, shelter, water and medical services	Completed
	University Hospital Freiburg	Joint donation by Straumann Germany and their employees to fund emergency medical aid to Ukrainian hospitals	Completed
	Ukraine Relief Project	Joint employee and company initiative to support the people of Ukraine with 150 care packages assembled and shipped by 40 Straumann employees	Completed
US	National Foundation for Ectodermal Dysplasia NFED	Restorative implants and prosthetics for ectodermal dysplasia patients in addition to research, conferences, patient education, and advocacy	Ongoing since 2004
	Let Them Shine Foundation	Transformative dental restorations for underprivileged patients with critical cases	Ongoing since 2019
	Run/Walk for the Troops 5K	Housing construction for severely injured 9/11 veterans. Funds raised by employees nationwide	Completed
	Foster Kids of Merrimack Valley	Holiday clothing and toy drive to benefit foster kids of Merrimack Valley led by employees	Completed
	Bread and Roses Kitchen	Food distribution by employees to underserved seniors, veterans, immigrants and low-income families	Completed

ACTING WITH RESPONSIBILITY

Material topics

- Business ethics and corporate governance
- Economic performance
- Cybersecurity and data privacy
- Intellectual property
- Tax transparency

This commitment contributes to the following UN SDGs:

We believe acting responsibly is key to the success and longevity of our business. As a global business, we are seeking to lead by example through our ethical approach and sound governance, carefully managing our risks and ensuring that every aspect of our business complies with relevant standards and regulations.

Acting with responsibility is a key commitment to protect the Group's reputation. It describes how we do business. Trust is our license to operate and like other leading manufacturers, the Group is exposed to the risk of damaged public perception. 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 continually earns the trust of its partners, customers and their patients by shaping a company with the highest standards of integrity and fostering a culture of transparent communication with all stakeholders.
We are committed to implementing appropriate controls, processes and strategies to identify, assess and manage risks associated with our activities in order to prevent or minimize the impact of unexpected events on our business.

In the materiality refresh (see p. 55) corporate governance stood out as a strong sustainability theme that should be added to the matrix within our business ethics approach in addition to the separate Group Corporate Governance report we publish. Based on the new laws effective January 2023, we improved the transparency on human rights, absence of child labor as well as minerals and metals from conflict areas in this report.

As we are a more digitally-focused business, cybersecurity is essential as breaches could harm stakeholder relationships and lead to financial impact. We have added it as a material topic and combined it with data privacy as the two topics are closely linked.

Lastly, alongside our emphasis on good corporate governance and ensuring we deliver on economic performance and impact in communities, we have added the new topic of tax transparency. We aim to be more transparent in what we do, and to be a good corporate citizen – driving economic impact for communities and business.

This refresh reflects the increasing importance of these key topics. As a business we will continue to enhance and evolve our sustainability approach to address these key stakeholder topics.

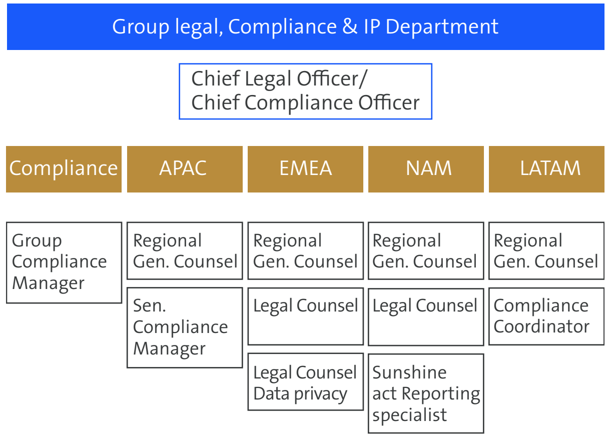
Business ethics and corporate governance

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 governance, see corporate governance on page 122.

The Group regularly monitors legal and regulatory developments and their implications for the Group on a global level. Based on these developments, we implement changes in our 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.

Dedicated organization to support business compliance



> "Acting with responsibility is a key commitment to protect the Group's reputation

Our Group Code of Conduct

Our overarching governing document is the Straumann Group Code of Conduct which summarizes and promotes the core principles of ethical business behavior and good corporate citizenship including respect for human rights, 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 and every employee.

Our compliance management system is built on three pillars:

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

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

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**.

> "Our Group Code of Conduct is now available in 19 languages

Our External Business Partner Code of Conduct

Our external business partners (e.g. suppliers and distributors) are an integral part of our international value chain and our Straumann Group Code of Conduct for External Business Partner (ExBP CoC) requests a clear anti-corruption commitment. This reflects our strong commitment to responsible and ethical supply chain management (see p. 102).

Our ExBP CoC covers broader business ethics, compliance with laws and regulations, free competition, truthful marketing, intellectual property (IP) and confidential information protection, compliance with government investigations, fair and safe working conditions (such as protection from discrimination, sexual harassment, respect for human rights, exclusion of child and forced labor, modern slavery and human trafficking), respect for rights of free association, adequate remuneration, safe workplaces, whistleblower protection and environmental compliance.

With regards to human rights this code refers to the following as a basis:

- 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 Labor 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 Labor (DDTrO), 2022

The Ordinance on Due Diligence and Transparency in relation to **Minerals and Metals** from Conflict-Affected Areas and Child Labor, became effective on the first of January 2022 in Switzerland. On minerals and metals Straumann scrutinized its exposure and came to the conclusion that it is not applicable for the Straumann business, as none of the critical metals and minerals are used in a sufficient quantity by Straumann. Such assessment will be repeated on an annual basis to observe the evolution of the business.

Overall, we assessed our company's business as low risk with regards to child labor. As of December 2022, we started to document that we have no reason to believe that our products and services were supported by child labor.

Healthcare technology associations memberships

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

The overview of entities and their membership with national healthcare technology associations is presented in the chart on the right.

Tackling bribery and corruption

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. In addition, 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 to the Chief Compliance Officer or require an approval prior to accepting. As a result of legal proceedings associated with bribery or corruption, the Straumann Group reported zero losses in 2022.

Our **Sales Compliance Policy** defines the minimum global standard, with a focus on interactions with healthcare professionals and interactions with healthcare organizations. This procedure gives more detailed guidance on permissible invitations, which must be modest and have a clear business focus.

Operating globally and knowing that many countries have specific laws, rules and regulations with regards to interactions with healthcare professionals, we have 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 we meet and adhere to local rules and regulations. Currently Straumann Group has 34 country versions of this policy.

Country	Entity	Healthcare Technology Association Membership
Switzerland	Institut Straumann AG	Swiss Medtech
Germany	Straumann GmbH	Verband der Deutschen Dental Industrie e.V. (VDDI)
Spain	Manohay Dental S.A.	Federación Española de Empresas de Tecnología Sanitaria (FENIN)
Australia	Straumann Pty. Ltd.	Australian Dental Industry Association (ADIA)
Republic of Korea	Straumann Dental Korea Inc.	Korea Medical Device Association
Russia	Straumann LLC.	Russian trade association of the medical technology industry (IMEDA)
Malaysia	Straumann Group SDN. BHD.	Malaysia Dental Medicine Association
Brazil	JJGC Indústria e Comércio de Materiais Dentários S.A.	• Associação Brasileira da Indústria de Dispositivos Médicos – (ABIMO) (Brazilian Association of the Medical Device Industry) and • Associação Brasileira da Indústria de Tecnologia para Saúde – (ABIMED) (Brazilian Association of the Health Technology Industry).

In 2022, we established the policies for Australia, India, Malaysia, Vietnam and LATAM.

Straumann Group has also established a Corporate Procedure on **Interactions with Government Officials**. We reject any form of corruption or granting of inappropriate advantages which might influence government officials. This is important, as in certain legislations a healthcare professional also holds the office of a government official.

With regards to Transparency Reporting on payments made to healthcare professionals and organizations, we comply specifically with:

- the US Sunshine Act
- the French Loi Bertrand
- requirements of the medical devices act and the Code of the Ministry of Health (GMH) in the Netherlands
- the Belgium Sunshine Act
- Swiss transparency guidelines of Swiss Medtech

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

“ Zero losses as result of legal proceedings associated with bribery and corruption

Ethical marketing practices

Our **Corporate Marketing Material Drafting Guidelines** (MMDG) govern the lawful promotion of our medical devices and services, supporting the authors of marketing material to create promotional messages (claims) that fully comply with the laws and regulations that govern our industry.

Marketing materials must be precise, honest, substantiated, balanced, up-to-date and always in line with the product's labelling and may not promote any unapproved use of a product. An unapproved use of a product is a 'use' which (a) has not been approved by the relevant regulatory body and (b) is not permitted under the Instruction for Use.

Our **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.

As result of legal proceedings associated with false marketing claims the Straumann Group lost EUR 2 029.56 (CHF 2 003.77) in 2022.

We also have 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 reoccurrence and decides on a marketing material recall if required.

Fair competition

Antitrust laws are designed to ensure free and open competition. In this respect, employees are prohibited from collaborating with competitors or from taking any action that could have an improper anti-competitive effect. To ensure awareness around Antitrust principles, we globally established an e-training and trained all Senior Management in 2022.

Straumann (Beijing) Medical Devices Trading Co., Ltd., a subsidiary of Straumann Holding AG, was fined CNY 34.38 million in December 2022 by the Beijing Administration for Market Regulation due to violation of the Antitrust Laws. Straumann Group took appropriate measures to prevent any re-occurrence, which include hiring a Senior Compliance manager in China and training all relevant functions in China on antitrust compliance.

Employee training

Our corporate procedure on **Mandatory Global Compliance e-training** defines the mandatory e-trainings and target groups to be trained. We onboard new employees monthly and monitor completion regularly. Non-completions are followed up. Refresher trainings are mandated every second year.

2022 KEY COMPLIANCE E-TRAINING ACHIEVEMENTS

Prevention of bribery and improper advantages (sales compliance):
- Rolled out in 17 countries
- Mean completion rate: 94.8%

Prevention of unlawful promotion (Marketing Material Drafting guideline):
- Rolled out in 16 countries
- Mean completion rate: 92.3%

Antitrust:
- Rolled out Group wide to all senior management and relevant staff in China
- Mean completion rate: 94.8%

Another goal is to train all employees who interact with dental professionals, healthcare organizations and/or government officials on bribery and improper advantages. By the end of 2022, we had rolled out this sales compliance e-training in 17 countries, with a mean completion rate of 94.8%. Seven countries were onboarded in 2022.

As part of the onboarding program at headquarters for new employees, we hold quarterly legal basics trainings, which also cover the Group Code of Conduct and Compliance. 135 employees were trained in virtual classroom sessions.

Following the headquarter launch of the new Marketing Material Drafting Guideline e-training on the prevention of unlawful promotion in October 2021, we localized this e-training module in 2022 and it is now rolled out in 16 countries. The mean completion rate is 92.3%.

In 2022, we established an Antitrust e-training, which was launched globally to senior management of the Straumann Group.

In the United States, we launched an Antidiscrimination/Antiharassment e-training and achieved a mean completion rate of 85%. In addition, the HIPAA[1] e-training was launched in October 2022.

> “More than 90% of the assigned compliance trainings have been completed by our employees

For all compliance e-trainings regular completion monitoring and reminding of non-completers is established.

SpeakUp[2] line/whistleblowing line

Our Code of Conduct compliance is supported by the SpeakUp line across the Group. Operated by an independent third party, this whistleblower line also allows employees to report concerns anonymously on potential violations of the Group Code of Conduct. It is available in 42 countries and 36 languages, 24/7 and 365 days a year. In 2022, we onboarded two new subsidiaries, Malaysia and Vietnam, to our SpeakUp line.

We introduced the SpeakUp line in 2019 at global and local townhall meetings and created posters presenting local access details. Communicating about this hotline is now an integral part of the onboarding process for new employees and full details – including its purpose and how to access it and the related SpeakUp procedure – are available on our intranet.

> “In 2022 two new subsidiaries: Malaysia and Vietnam were onboarded to our SpeakUp line

KEY FIGURES 2022 ON ALLEGED VIOLATIONS OF OUR CODE OF CONDUCT

95 concerns on a potential Code of Conduct violation were raised in 2022.

- 61 concerns were received through our SpeakUp[1]/ whistleblower line
- 34 concerns were received outside the SpeakUp line

84 concerns – investigation completed in 2022.

11 concerns of alleged violations are still under investigation.

1 Health Insurance Portability and Accountability Act (HIPAA)
2 SpeakUp is a registered trademark by People in Touch B.V.

We investigate any concerns raised through the SpeakUp line promptly and efficiently. Straumann does not tolerate any kind of retaliation against any employee who, in good faith, has reported suspected or observed wrongdoing, or violations of the Group Code of Conduct.

The Audit and Risk Committee of the Board of Directors is informed annually about concerns received from across the Group through the SpeakUp line as well as other compliance channels.

The Chief Compliance Officer determines whether and how non-compliance cases are to be reported to the Executive Management Board, the Straumann Board of Directors, and other parties. Our SpeakUp procedure defines the process and roles and responsibilities of our compliance hotline, while the Corporate Procedure on Disciplinary Measures for violations of the Code of Conduct assists management to determine appropriate sanctions in case of misconduct.

Economic performance

Sustainability is one of the strategic enablers that drive our success. Strong economic performance is the basis of the Group's long-term viability and part of our commitment to acting with responsibility. Our financial and non-financial targets go hand-in-hand. We are committed to ensuring that our business is financially sustainable both in the short and the long term. Strategic oversight of our financial performance is ensured by the Board of Directors. The operational responsibilities are delegated to the Executive Management Board. For details of our economic performance in 2022, see business performance (p. 39) and financial report (p. 176).

For the benefit of all stakeholders, the Group has various mechanisms in place to monitor financial risks. The aim is to keep key risks at appropriate, predefined levels to ensure the economic performance at all times.
In doing so, we involve the perspective of multiple stakeholders such as customers and suppliers in our risk management considerations.

Liquidity risk

Liquidity risk refers to the possible inability to meet short-term debt obligations due to the lack of liquid assets. The Group closely monitors its liquidity risk through prudent asset and liability management. This includes a recurring liquidity planning approach throughout the Group. The Group's objective is to maintain an adequate funding structure by using bank overdrafts, bank loans, bonds, and finance leases. In accordance with the policy, the Corporate Treasury ensures a permanently accessible cash stock, as well as flexible short-term funding possibility through committed and uncommitted credit lines, involving a prospective approach.

Foreign currency risk

Foreign exchange risk arises when future transactions or recognized assets or liabilities are denominated in a currency other than the entity's functional one. As the majority of the Group's business is international and since the Group's financial statements are prepared in Swiss francs, fluctuations in exchange rates 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 general efforts to reduce currency exposures naturally, the Group's foreign currency risk management policy aims to concentrate exposures centrally and subsequently manage them through a selective hedging approach. The Group CEO continuously reviews and approves the policy for managing these risks and the Audit and Risk Committee is informed about all changes.

Credit risk

Credit risk refers to the risk that counterparties will not meet their obligations, leading to a financial loss for the creditor. The Group is exposed to credit risk from its operating activities, primarily trade receivables and loan notes, as well as financing activities, primarily financial instruments such as foreign exchange derivatives and cash deposits with financial institutions. Exposure to these is closely monitored and kept within predetermined parameters for the concerned counterparty type. Further information on financial risk management is provided in Note 9.2 of the financial report (see p. 218).

Miscellaneous business risks

The Group covers its inherent key business risks in the same way it covers product or employer liability risks and property loss: through corresponding insurance policies held with reputable insurance companies.

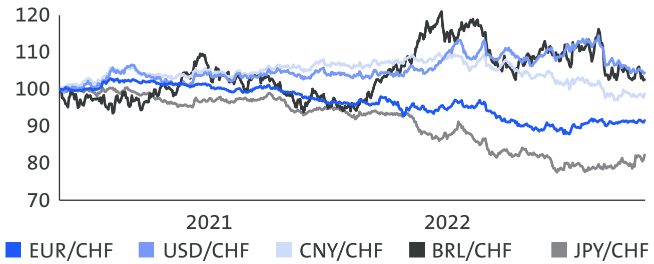
Cybersecurity and data privacy

Straumann Group continues to see an increase in digital service and product sales with a robust roadmap supported by our 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 our 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). Whilst this data requires compliance with consumer privacy regulations, it also makes us a target of cybersecurity and business email attacks by third parties. In addition to maintaining infrastructures that protect customer and patient data, our 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 our facilities, applications or networks could disrupt our operations, impair our ability to protect customer data, and compromise our confidential business information. A failure to prevent, mitigate or detect security breaches or improper access to our business or customer information or comply with consumer privacy regulations could disrupt our operations, cause significant penalties and harm consumer confidence in the Group.

The Group has implemented IT infrastructure controls across the company to protect our customer data and to comply with data privacy and healthcare regulations in the countries in which we operate. We have significantly increased cybersecurity and data protection training programs for all employees, communicating their role in protecting and preventing unauthorized access to sensitive data. Our information security management system is evolving to ensure the efficacy of the controls and risk

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



Group currency breakdown
in %

	Sales	Cost
CHF	2	16
EUR	30	27
USD/CAD/AUD	33	34
BRL	5	7
CNY	11	11
JPY	6	2
Others	13	11

reduction efforts and to provide continuous visibility across all our operations and third-party suppliers.

Except for a notable increase in business email compromise attacks through third-party suppliers, which has impacted fraudulent payment requests, we have not recorded or detected a data or cybersecurity control breach in 2022.

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. We continue to be diligent in evaluating and implementing enhanced techniques to protect our systems and data from threats.

Data protection

Processing personal data in a compliant and secure manner is a vital aspect of our business and our focus on customers and patients. It also plays a key role in our 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 (CCCPA).

The Straumann Group continues to be committed to protecting the data of individuals held by it from any misuse or loss. It's a key management responsibility implemented across the Group with the support of the legal and information technology departments worldwide. We strive to collect, process and store personal data in compliance with all applicable data protection and privacy laws. To achieve this, we have implemented privacy procedures and measures across the Straumann Group. These include access and information rights procedures, data breach measures, consent management as well as data collection, processing and usage guidelines. We also raise awareness by providing guidance and training on privacy matters to our employees. In 2022 there were no reportable data breaches or material privacy complaints.

Intellectual property

The Straumann Group manages its intellectual property (IP), taking into account the environmental and social benefits of our offerings when obtaining and maintaining our IP rights. Part of the legal department at Straumann

Group headquarters, our IP department is responsible for IP matters of the Straumann Group. In addition to protecting the Group's IP embedded in our product and service offerings by obtaining patent and design rights, the IP department ensures that valid IP rights of third parties are respected. We also protect intellectual property under trade secret and copyright laws.

We operate in a competitive market, in which legal compliance, agreements and intellectual property rights are of significant importance. We have and will continue to protect our investment in intellectual property through litigation and other adversarial proceedings when strategically necessary.

2022 resulted in a 30% increase of initial priority filings compared to the last 3 years, which is a clear indicator that Straumann's Inventor Reward and Recognition Universal System (SIR2UP) has increased the motivation of the R&D community to discuss new developments with IP at early stage.

Since the beginning of 2022, the IP department also works with in-house attorneys in the US, which increased interaction with research teams that contribute to higher filing numbers and efficient prosecution.

A fully digitalized payment system including automatic archiving of proof of yearly maintenance payments is in place as the final step of digitalization.

Quarterly exchanges with upper management in the different entities of Straumann Group and the in-house IP attorney further enhance the customer focus of our own IP. Cross-organizational development and use of customer focused proprietary products and workflows will be a key aspect of the strategy of the future.

Tax transparency

As a Swiss-based multinational Group, we operate in more than 100 countries. To date, the products are mainly developed and manufactured in Switzerland, Brazil, France, Germany, the US, Canada and Spain. The products are distributed and marketed under multiple brands in most of the countries by our own distribution subsidiaries as well as by third-party distributors. The operating business of the Group requires a robust supply chain for cross-border transactions with prices and documentation in accordance with local laws and regulations for income tax, value added tax and customs duties.

The tax strategy of the Straumann Group, which is approved by the Board of Directors, includes paying a fair share of taxes in the countries where we operate. We do not undertake artificial tax planning with the intention of avoiding taxes using so-called 'tax haven' arrangements. To this end, the Group has a tax policy as well as a transfer pricing policy in place across the Group that is based on OECD Transfer Pricing Guidelines and regulations to prevent Base Erosion and Profit Shifting (BEPS).

The Group follows the principle that profits should accrue where economic value is created and the corporate structure is aligned with the Group business purposes and operations. The Straumann Group is committed in its tax policy to a collaborative and transparent approach to tax compliance and tax planning, including the relationships with tax authorities.

The responsibility for tax compliance lies with the Corporate Tax team, located in Switzerland. This central function coordinates, educates and supports local finance in all Group companies to ensure that they achieve tax compliance in line with local laws, regulations, reporting, filing and disclosure requirements, as well as standards and policies. Tax matters are regularly discussed at the Audit and Risk Committee of the Board of Directors.

As a minimum standard, the OECD requires countries to request multinational enterprises to prepare and file a country-by-country report (CbCR) containing aggregate tax information per country relating to the global allocation of the income, the taxes paid and certain other indicators. The Straumann Group has prepared and filed a CbCR with the Swiss Federal Tax Administration since 2016.

Recent developments at the OECD and G20 indicate that they strive to achieve a global minimum tax rate of 15% ('BEPS Pillar II') for all companies. The Organization for Economic Cooperation and Development (OECD)'s Base Erosion and Profit Shifting (BEPS) initiative seeks to close gaps in international taxation for companies that allegedly avoid taxation or reduce tax burden in their home country by engaging in tax inversions (moving operations) or by migrating intangibles to lower tax jurisdictions. Switzerland is perceived as a low tax jurisdiction under Pillar II due to the fact that tax rates can be below 15%. At the moment, Switzerland is working towards implementing a Qualified Domestic Top-up Tax to raise the tax rate to 15%. Following the implementation of this top-up tax, Switzerland would not be classified as a low tax jurisdiction anymore and therefore Straumann Group would not be present in any low tax jurisdiction.

In our first tax transparency report for the annual report 2022 we disclose our global tax footprint on a regional level as well as insights into our economic activities.

CORPORATE GOVERNANCE REPORT

LETTER FROM THE CHAIRMAN OF THE BOARD

Dear Reader,

Straumann Group is committed to sound corporate governance, and on taking our business decisions from a long-term perspective. As Chairman of the Board of Directors of the Straumann Group, I am pleased to update you on the concrete steps we have taken to ensure our stewardship supports decision-making which is needed to build a long-lasting company.

Shareholder basis increased considerably

As a company with a strong focus on corporate culture and social responsibility, we split one share into ten this year, to allow a wider population the opportunity to become shareholders in Straumann Group. We were pleased to see that since then our shareholder basis increased considerably. Thank you very much for your confidence in our company.

> "The Board believes that independence and continuity are crucial

Stewardship and independence

The Board values its stewardship on behalf of its shareholders and believes that board independence is critical. In our opinion, it is also crucial to ensure continuity by including deep industry and company insights for effective Board work. We also want to keep an entrepreneurial mindset and retain Board members with a proven track record. Moreover three out of eight Board Members are women.

As announced, our long-standing board member and current Vice-Chairman Beat Lüthi will step down at the Annual General Meeting (AGM) 2023. The Board proposes Olivier Filliol, former CEO of Mettler Toledo, as new Board member. Olivier brings a depth of knowledge in precision engineering and international business strategy and will also be able to contribute a point of view forged outside of Straumann Group. As an independent Board member, he would add a valuable perspective in addition to Nadia Tarolli Schmidt who was elected as a new Board member at the AGM 2022. We would like to express our sincere thanks to Beat Lüthi for his dedication and enormous contribution to Straumann Group during his thirteen-year tenure.

As Beat Lüthi leaves the Board, Petra Rumpf would become the new Vice-Chairwoman of the board following her re-election and we propose Marco Gadola to chair the Human Resources & Compensation Committee (HRCC) together with Regula Wallimann and Nadia Tarolli Schmidt. Marco Gadola strongly believes in and drives our company culture and has a broad network allowing him to have insights into other companies. This makes him our preferred candidate to chair the HRCC.

Sustainability task force to transition into the Sustainability, Technology and Innovation Committee (STIC)

For Straumann, it has always been important to build a strategy which 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.

In March 2021 the ESG Task Force was established to accelerate the process, led by Straumann Group's Board of Directors. Following the completion of the sustainability framework, the setting of targets and the definition of roadmaps in each area, key roles of the task force will now be transitioned into the Sustainability, Technology and Innovation Committee (STIC) in 2023. The STIC will continue to provide the overall governance to sustainability while also ensuring the relevant involvement of the Audit & Risk Committee (ARC) and the HRCC. In addition to taking on the former role of the Task Force, the STIC will be responsible for reviewing, together with management, new technologies and innovations together with the management in the area of sustainability for possible implementation.

> “Sustainability to be an integral part across all Board Committees

Amendment of articles of association

At the AGM 2023, we will propose to amend the Straumann Group Articles of Association to reflect the new provisions of the Swiss Corporate law and to further strengthen shareholder rights. The Board decided to take the opportunity of this broad revision, to implement in the purpose of Straumann Holding AG, the need for a sustainable business.

Conclusion

Our mandate on behalf of our shareholders and our own aspiration is to strengthen our clear purpose and support our coherent strategy by having a long-term view in mind. The approach to governance, the dedication and engagement of our board members and above all, the devotion and hard work of all our employees, ensures that the interests of our stakeholders are taken seriously.

On behalf of the Board, I would like to thank you for the trust and confidence you have placed in our company and the Board.

Sincerely,

Gilbert Achermann
Chairman of the Board of Directors

GRI disclosure: 2-1

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	50670046ML5FIM60Z37
Market capitalization	CHF 16.8bn

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 page 196.

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 2022 can be found in Note 9.5 of the audited consolidated financial statements on page 221.

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GRI disclosure: 2-1

Significant shareholders

The major shareholders on 31 December 2022 are listed in the table on the right, which is based on shareholdings recorded in the share register and notifications on the SIX Swiss Exchange online reporting platform. In 2022, 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).

Cross-shareholdings

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

Major shareholders
in %

	31 Dec 2022[1]	31 Dec 2021[1]
Dr h.c. Thomas Straumann	16.3	16.3
Dr h.c. Rudolf Maag	10.2	10.3
BlackRock Inc. (Group)[2]	7.3	7.3
Simone Maag de Moura Cunha	3.5	3.5
Gabriella Straumann	3.0	3.0
Total	40.3	40.4

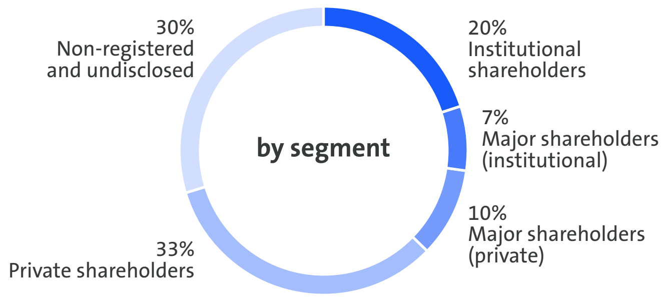
1 Or at last reported date if shareholdings are not registered in the share register
2 Not or only partially registered in the share register

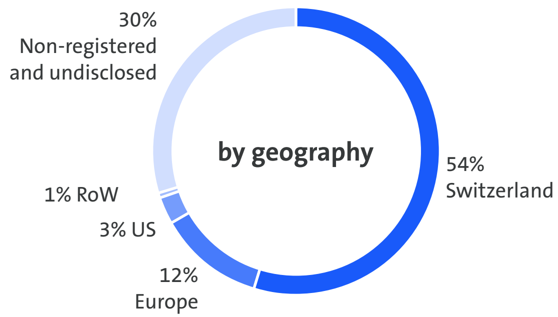
Shareholders by volume of shares held[1]
absolute number

	31 Dec 2022	31 Dec 2021
1–100 shares	9 860	15 825
101–1 000	13 673	2 303
1 001–10 000	2 732	326
10 001–100 000	346	61
100 001 and more	76	10
Total	26 687	18 525

1 Non-registered shareholders are not considered in this table

Shareholdings on 31 December 2022





CAPITAL STRUCTURE

On 31 December 2022, 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 21 741 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 and 2020, the figures for the conversion of conditional capital to ordinary shares were 14 545 and 27 840 respectively (pre-split). 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 (see compensation report p. 157 and Note 8.3 of the financial report on p. 217). Straumann Holding AG has 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 restrictions on the transferability of the shares.

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. 167 for details), a CHF 280 million domestic straight bond issued in 2020 due on 3 October 2023 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. 218).

Capital structure
in CHF 1 000

	31 Dec 2022	31 Dec 2021	31 Dec 2020
Equity	1 853 845	1 500 448	1 209 943
Reserves	(373 175)	(350 012)	(333 346)
Retained earnings	2 223 178	1 843 820	1 536 490
Non-controlling interests	2 247	5 048	5 209
Ordinary share capital (fully paid in)	1 595	1 592	1 591
Conditional share capital	22	24	26
Authorized share capital	0	0	0
Number of registered shares	159 455 239[1]	15 921 369	15 906 824
Treasury shares (% of total)	0.06	0.04	0.09
Nominal value per share (in CHF)	0.01	0.10	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)
- Chairman of the Board since 2010, Member of the ESG Task Force
- 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, Swiss Medtech Association, Basel Chamber of Commerce (HKBB), International Team for Implantology (ITI)[1], Basel, Supervisory Board Member of IMD (Audit Committee Chair), Lausanne, GreenTEG.
Career highlights: From 2002 to 2010, Gilbert Achermann was CEO of Straumann Group, which he joined as CFO in 1998. Later he served as Member of the Board of Vifor Pharma, Chairman and Co-CEO of the Vitra Group, Chairman of the Siegfried Group and Vice Chairman 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: Mr 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.

1 For relationship to Straumann see Note 9.4 of the financial report on page 220

Dr Beat Lüthi

- Non-executive member, independent
- Swiss (born 1962)
- Chair of the Human Resources & Compensation Committee, Member of the Technology & Innovation Committee
- Board Member since 2010

Other main activities: Managing Director of CTC Analytics AG, Zwingen; Member of the Boards of Inficon AG (listed, Chairman); Skan AG (listed) and Apaco AG.
Career highlights: Beat Lüthi began his career with Zellweger Uster AG, a leading manufacturer of quality control equipment in textile production. In 1990, he moved to Mettler-Toledo International Inc and rose to the position of General Manager of the Swiss affiliate. He joined the Feintool Group in 1998 and was its CEO for four years. In 2003, he returned to Mettler-Toledo as Head of the Laboratory Division. At the end of 2007, he joined CTC Analytics to lead and further develop the company as an entrepreneur.
Qualifications: PhD in Engineering from the Swiss Federal Institute of Technology (ETH), Zurich; executive program at INSEAD.
Key attributes for the Board: Beat Lüthi combines entrepreneurship and corporate experience in different industries, which makes him a valuable contributor to strategic and operational matters. His scientific background and experience as a CEO, Chairman and Board member are of further benefit.

Dr Beat Lüthi has decided not to stand for re-election to the Board at the 2023 AGM.

Marco Gadola

- Non-executive member, independent
- Swiss (born 1963)
- Chair of the Technology & Innovation Committee
- Board member since 2020

Other main activities: Chairman of the Boards of DKSH Holding AG (listed), Medartis Holding AG[1] (listed) and WS Audiology Ltd, Vice Chairman of the MCH Group, Board member of Tally Weijl and AVAG. 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. Marco 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 Chairman and Vice Chairman of the Calida Group.
Qualifications: Degrees 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 for 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. He 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 page 220

Juan José Gonzalez

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

Career highlights: Previously, Juan José Gonzalez served as Chief Executive Officer at Ambu A/S, as President of Johnson & Johnson's orthopedic business, DePuy Synthes in the US and as 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 is an expert in the medtech and consumer-health sectors with a deep knowledge of global markets, healthcare systems and technology. He has multinational experience and is skilled in strategy, execution, talent development and mentoring.

Petra Rumpf

- Non-executive member, non-independent
- Swiss and German (born 1967)
- Member of the Technology & Innovation Committee, Chair of the ESG Task Force
- Board member since 2021

Other main activities: Member of the Boards of V-Zug Holding, Switzerland (listed, Chair of Digital Advisory Board), SHL-Medical in Zug, Switzerland; Lima Corporate in Italy and Vimian Group, Sweden.
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 Group, she served in 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 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, US.
Key attributes for the Board: Petra Rumpf is an exceptional industry insider in combination with 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 h.c. Thomas Straumann

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

Other main activities: Board memberships: centerVision AG (Chairman), CHI Classics Basel Ltd (Chairman), Medartis Holding AG[1] (listed, Vice Chairman) and Grand Hotel Les Trois Rois, Basel (owner and Board member).
Career highlights: Thomas Straumann was responsible for establishing the new Institut Straumann AG in 1990 and was both CEO (–1994) and Chairman (–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 Chairman; the Grand Hotel Les Trois Rois, Basel, of which he is the owner and a Board Member and the equestrian event company CHI Classics Basel Ltd, of which he is Chairman. 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 page 220

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 BiomedVC AG, EGK Group Companies (Head Corporate Governance Committee) and Medartis AG and Medartis Holding AG[1] (Head FAC), Parkresort Rheinfelden Holding AG, Supervisory Board member of Basellandschaftliche Kantonalbank (State Bank), IKEA Personalvorsorgestiftung Pension Fund (Member of the Investment Committee) and the Nordic Cultural and Educational Foundation.
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 the 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 and IMD in Lausanne.
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 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 page 220

Regula Wallimann

- Non-executive member, independent
- Swiss (born 1967)
- Chair of the Audit & Risk Committee, Member of the Human Resources & Compensation Committee, Member of the ESG Task Force
- 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), Radar Topco Sarl Luxembourg (including Swissport Group) (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 has expertise in financing, in multinational group auditing, international financial and non-financial reporting, risk management and corporate governance.

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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	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	
M. Gadola	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	
J.J. Gonzalez	✓		✓	✓		✓	✓	✓	✓			✓
B. Lüthi	✓			✓		✓	✓	✓	✓	✓	✓	
P. Rumpf	✓			✓	✓	✓	✓	✓	✓		✓	✓
T. Straumann	✓			✓	✓	✓	✓			✓	✓	✓
N. Tarolli Schmidt	✓	✓	✓	✓						✓	✓	✓
R. Wallimann	✓	✓	✓	✓		✓	✓			✓	✓	✓

The Board comprised eight non-executive members in 2022. Having served on the Board since 2002, Dr Sebastian Burckhardt decided not to stand for re-election in 2022. To fill the gap left by his departure, Nadia Tarolli Schmidt was elected to the Board at the 2022 Shareholders' General Meeting. Apart from this, the composition of the Board of Directors remained unchanged in 2022.

Petra Rumpf served as the Group's Head Dental Service Organizations until the end of 2020. None of the other current members have been a member of the executive management of any of the Group's companies during the past three years nor had any significant business connections with Straumann Holding AG or any of its subsidiaries in 2022.

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 founding Straumann family, in their capacity as the company's largest shareholder, as well as the Maag family as the second largest. These interests must be respected and preserved.

For the Straumann Group Board, a candidate for the Board of Director 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.

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

Since the AGM 2022 three out of eight Board members are women.

Elections and term of office

The members of the Board, the Chairman and the members of the Human Resources and 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 Chairman 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 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 and legal entities with a public or charitable purpose and in 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	President
		Unilabs		DK	Board member
		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
Beat Lüthi	INFICON Holding AG			CH	Chairman
	Skan AG			CH	Board member
		CTC Analytics AG		CH	CEO, Board member
Marco Gadola	DKSH Holding AG			CH	Chairman
	MCH Group			CH	Vice Chairman
	Medartis Holding AG			CH	Chairman
		Tally Weijl		CH	Board member
		AVAG Anlage und Verwaltungs AG		CH	Board member
		WS Audiology Ltd		DK	Chairman
			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	Chairman
Petra Rumpf	V-Zug Holding			CH	Board member
	Vimian Group			SE	Board member
		LimaCorporate		IT	Board member
		SHL-Medical		CH	Board member

Member	Listed companies	Private companies	Not-for-profit organizations	Location	Function
Thomas Straumann	Medartis Holding AG			CH	Vice Chairman
		Centervision AG		CH	Chairman
		CHI Classics Basel Ltd		CH	Chairman
		Grand Hotel Les Trois Rois		CH	Board member
Nadia Tarolli Schmidt	Basellandschaftliche Kantonalbank (State Bank)			CH	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	Supervisory 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 2022, the full Board held nine meetings including one Cultural Workshop. The Audit & Risk Committee held seven meetings, the Human Resources & Compensation Committee met five times, the Technology & Innovation Committee met three times and the ESG Task Force met four 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 Board of Directors meeting that took place in 2022 lasted six hours on average. Each Board committee and Task Force meeting that took place in 2022 lasted two and a half 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 meetings of the Board of Directors in 2022 was 96%. For Committee Meetings in 2022 it was 98%.

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, which started again after the COVID-19 restrictions have been mostly ended.

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 Chairman 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 Chairperson, are listed in sections 4.2 and 4.3 of the Organizational Regulations.

Committees and Task Forces of the Board of Directors

The Board of Directors has an Audit & Risk Committee, a Human Resources & Compensation Committee and a 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: Dr Beat Lüthi (Chair), Juan José Gonzalez, Nadia Tarolli Schmidt and Regula Wallimann.

Technology & Innovation Committee (as of AGM 2023: Sustainability, Technology & Innovation Committee)

Members: Marco Gadola (Chair), Dr Beat Lüthi, Petra Rumpf, 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 Chairpersons of both the Audit & Risk Committee and the Technology & Innovation Committee are appointed by the Board of Directors. The Human Resources and Compensation Committee constitutes itself.

The tasks of each of these committees 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.

Environmental, Social, Corporate Governance (ESG) Task Force (until 31 December 2022)

In addition to the above committees, the Board established an Environmental, Social, Corporate Governance (ESG) Task Force under the leadership of Petra Rumpf with members of the Board of Directors (Gilbert Achermann and Regula Wallimann) and the Executive Management Board, as well as employees (see p. 53 for details). In 2022 the Audit & Risk Committee and the Human Resources & Compensation Committee (with focus on Social) have included some of the ESG topics into their responsibility.

As of April 2023 the Technology & Innovation Committee shall assume the overall governance for the sustainability progress and therefore be renamed in Sustainability, Technology & Innovation Committee ('STIC'). Besides the overall sustainability responsibility, the STIC shall focus on the environmental targets and the advancement of oral care. The HRCC will focus on social aspects of the sustainability framework, such as employee engagement

Board committees

	Audit & Risk Committee	Human Resources & Compensation Committee	Technology & Innovation Committee
G. Achermann, Chairman			
Dr B. Lüthi, Vice Chairman		Chair	Member
M. Gadola			Chair
J. J. Gonzalez	Member	Member	
P. Rumpf			Member
Dr h.c. T. Straumann			Member
N. Tarolli Schmidt	Member	Member	
R. Wallimann	Chair	Member	

Board and committee meetings 2022

Meetings	Board (incl. one Cultural Workshop)	Audit & Risk Committee	Human Resources & Compensation Committee	Technology & Innovation Committee
G. Achermann, Chairman	9 (9)	6 (7) as guest	5 (5) as guest	3 (3) as guest
Dr B. Lüthi, Vice Chairman	9 (9)		5 (5)	3 (3)
Dr S. Burckhardt (until April 2022)	1 (1)	1 (1)		
M. Gadola	9 (9)			3 (3)
J.J. Gonzalez	9 (9)	6 (7)	5 (5)	
P. Rumpf	9 (9)			3 (3)
Dr h.c. T. Straumann	8 (9)			3 (3)
N. Tarolli Schmidt (since April 2022)	7 (8)	6 (6)	3 (3)	
R. Wallimann	8 (9)	7 (7)	5 (5)	

Numbers in brackets show meetings held during individual's term of office whereas numbers without brackets show meetings attended.

and retention, talent attraction and development, inclusion and diversity as well as occupational health, safety and wellbeing. The Audit & Risk Committee's focus will be on non-financial reporting as well as business ethics, corporate governance and tax transparency.

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 page 149 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.

Proposed new Board Member

At the Annual General Meeting of the shareholders on 5 April 2023, the Board of Directors will propose the election of Olivier Filliol as a new independent Board member. 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. He has also been a Member of the Board of Directors at Mettler-Toledo since 2009, a Member of the Board of Givaudan S.A. since 2020 and is an active investment partner in more than 20 venture capital funded startups, with a focus on the life science tools, MedTech and digital tech spaces.

Dr Olivier Filliol

- Swiss (born 1967)
- Proposed for election as a Member of the Sustainability, Technology & Innovation Committee

Olivier Filliol holds a Master's degree and a Ph.D. in Business Administration from the University of St. Gallen, Switzerland, and has completed executive education at the Business School of Stanford University.

The Group will benefit 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. As a new non-executive and independent Board Member, the election of Olivier Filliol will further contribute to the balance of competencies of the board.

Information and Control Instruments vis-à-vis the executive management

Management Information System

The Group's Management Information System encompasses management, business and financial reporting. The information is provided to the Executive Management Board once a month and to the Board of Directors as a monthly summary and in detail on a quarterly basis.

Straumann Group operates a state-of-the-art SAP enterprise resource planning system, which covers 90% of all business transactions of the Group's fully consolidated entities. The system links Group headquarters directly with all major subsidiary companies and production sites, including Anthogyr, Turkey and Mansfield (new CADCAM production) which switched to SAP in 2022. The implementation of SAP in Russia scheduled for the end of 2022 had to be postponed and instead Dental Wings (only Accounting) was switched to SAP in 2022 as well. This system greatly reduces the potential for error or fraud and enables the Executive and Senior Management to monitor local processes and related figures directly, in detail and in real time.

In addition, the Board of Directors maintains close contact with the Executive Management and gains further first-hand information through workshops, co-travel, site visits and 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 2022, seven 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 (see p. 58).

EXECUTIVE MANAGEMENT BOARD

Guillaume Daniellot

- French (born 1970)
- Chief Executive Officer

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 2013–16 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 Board of the ITI[1] and Member of the Advisory Board of Rodenstock GmbH.

1 For relationship to Straumann see Note 9.4 of the financial report on page 220

Dr Peter Hackel

- Swiss (born 1969)
- Chief Financial Officer (until 31 January 2023)

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.
Other activities: Member of the Board of Directors of Georg Fischer AG (listed), and Member of the Board of the Swiss Association of Chief Finance Officers.

Wolfgang Becker

- German (born 1966)
- Regional Head Central Eastern Europe, Middle East & Africa (as of 1 January 2023 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 Regional Head Central Europe & Distributors EMEA. As of 1 January he assumed the responsibility for the entire Europe, Middle East & Africa region.
Qualifications: Wolfgang Becker holds a number of business school diplomas including that of the St. Gallen Management Center.

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.

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. 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.
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).

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 and plasma supplies and services, where he was President of the Asia Pacific region and a member of the Corporate Operating Committee. His career spans thirty 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, US; Executive Programs at INSEAD, Singapore and Babson College, US.
Other activities: Chairman 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 (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 as Senior Vice President and was responsible for up to 28 manufacturing sites across the US, Latin America, Europe, and Asia. Sébastien started his career gaining significant operations experience in the automotive industry working for PSA Peugeot Citroen – including a joint venture with Toyota – across France, Czech Republic and China. He then joined McKinsey's operations practice in Switzerland where he supported customers on improving their operations, mainly in the healthcare and pharmaceutical industry. Eventually joining TEVA, he was CTO in a joint venture with Procter and Gamble based in Geneva as well as leading manufacturing operations in Croatia before his last global assignment. 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.

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.
Other activities: Board member of the non-profit organization Local Start Dental, US, Board Member of A.T. Still University Arizona School of Dentistry & Oral Health (ATSUASDOH)

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 US. 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 2022

In April 2022 Sébastien Roche joined from TEVA as new Chief Operations (COO), an expanded role, taking over from Mark Johnson. Jason Forbes joined from Hilding Anders to the new role of Chief Consumer Officer. Dirk Reznik left the company at the end of April 2022 and the EMB no longer includes the role of Head of Digital Business Unit.

Changes in 2023

As of a January 2023 the CEEMEA and Western Europe sales regions were merged to create one sole EMEA region led by Wolfgang Becker. In August 2022 the Group announced that CFO Peter Hackel will leave the company after eight years of service by January 2023. Marc-Alain Weder joined the Group in January and took over as ad interim CFO in February 2023. The recruitment process for a new CFO is ongoing.

Marc-Alain Weder

Swiss (born 1966)
Chief Financial Officer ad interim (as of February 2023)

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.

Executive Management Board

- CHIEF EXECUTIVE OFFICER
  Guillaume Daniellot
  - REGION CENTRAL EASTERN 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
    Rahma Samow
- CHIEF FINANCIAL OFFICER
  Dr Peter Hackel
- IMPLANTOLOGY BUSINESS UNIT
  Holger Haderer
- CHIEF OPERATIONS OFFICER
  Sébastien Roche
- CHIEF CONSUMER OFFICER
  Jason Forbes
- ORTHODONTICS BUSINESS UNIT
  Camila Finzi
- CHIEF INFORMATION OFFICER
  Dr Christian Ullrich
- CHIEF PEOPLE OFFICER
  Alastair Robertson

EXECUTIVE MANAGEMENT BOARD (FORMER MEMBERS IN 2022)

The company and the Board of Directors would like to thank Mark Johnson and Dirk Reznik for their valuable contributions and dedication to the Straumann Group over the past years and wish them all the best for the future.

Mark Johnson

- US citizen (born 1958)
- Head Operations, Regulatory and Quality Affairs

Career highlights: Mark Johnson joined Straumann Group on 1 May 2020 from Epredia (a former division of Thermo Fisher Scientific that was acquired by KKR in a carve-out transaction), where he was responsible for global operations since 2016. He spent the previous ten years with Medtronic with responsibility for Operations and Supply Chain. From 2003 to 2006, he worked for Philips Oral Healthcare (Sonicare), prior to which he held senior managerial positions in two manufacturing firms serving the medical device and computer industries.
Qualifications: BSc in Mechanical Engineering from the University of Washington, graduated in the Management Program at Foster School of Business at the same university, Six Sigma Green Belt and Certified Lean Expert.

Dirk Reznik

- German/Swiss (born 1966)
- Head Digital Business Unit

Career highlights: Dirk Reznik joined Straumann Group in 2020. He is an experienced executive with a proven international track record in electronic consumer products and digital ecosystems. He joined Straumann from the Vorwerk Group, where he was CEO of its largest division, Thermomix, for 9 years. Mr Reznik began his career at Vorwerk in 1993 and progressed through positions of increasing responsibility in marketing, business development, country management and divisional leadership.
Qualifications: Degree in Business Administration from the University of Paderborn, Germany, CAS HSG (Certified Director for Board Effectiveness); University of St. Gallen.

Permitted mandates outside Straumann Group (pursuant to art. 626 li co)

Art. 4.4 of Straumann's Articles of Association states that no member of the EMB may perform more than five mandates in companies with economic purpose, of which no more than two may be in listed companies.

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 and legal entities with a public or charitable purpose and in 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.

The Group proposes to the shareholders at its 2023 Annual General Meeting to reduce the number of permitted mandates outside Straumann in listed companies for the EMB from two to one. This ensures that the members of the EMB have sufficient time available to perform their duties for the Group.

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 entitles the shareholder to one vote. On 31 December 2022, approximately 70.3% (2021: 70.9%) 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.

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 2023 meeting will be held on 5 April in Basel.

Shareholders individually or jointly representing at least 10% 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 motions.

Invitations to the General Meeting are issued in writing and are delivered via ordinary mail to the address recorded in the share register at least 20 days before the General Meeting and are published on the company's website. If shareholders agree to the electronic delivery of notices, the invitation is also sent by email. All agenda items and proposals by the Board of Directors and by shareholders who have requested the General Meeting must be announced in the notice convening the General Meeting.

Shareholders who individually or jointly represent shares with a par value of at least CHF 15 000 may ask for an item to be included in the agenda. The request shall be in writing at least 45 days before the General Meeting and must set forth the agenda items and 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 expressly declare that they have acquired the registered shares in their own name and for their own account. Purchasers who are not willing to make such declarations are registered as shareholders without voting rights. Proof of acquisition of title in the shares is a prerequisite for entry in the share register. Nominees approved by the Board of Directors are recorded in the share register as shareholders with voting rights. Nominees who have not been approved by the Board of Directors may be refused recognition as shareholders if they do not disclose the beneficiary. In such cases, the nominees will be recorded in the share register as shareholders without voting rights. As of 31 December 2022, 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.

Proposed changes to the Articles of Association at the 2023 AGM

The Group will propose to the AGM 2023 the revision of the Articles of Association to implement among other changes two key aspects of the revised Swiss Corporate Law

- Strengthening of shareholder rights
- Digitalization of the Annual General Meetings

In addition, Straumann proposes an amended wording to its purpose to reflect the need for a sustainable business.

The proposed changes will be further specified and explained in the AGM invitation.

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 page 157 and in the audited financial statements in Notes 3.3 on page 231 and 9.4 on page 220.

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 2022, Ernst & Young AG, Basel (EY), was re-elected as auditor of Straumann Holding AG for a ninth term of one year. Since 2021 the auditor in charge is Martin Mattes, Swiss Certified Public Accountant.

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 2022, 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 Chairperson. 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 2022	31 Dec 2021
Total audit fees	1 471	1 288
Tax consultancy	16	191
Transaction services	116	55
Other services	0	15
Total non-audit fees	132	261
Total	1 603	1 550

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 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 materiality assessment (see p. 55 for details), personal contacts, discussions and presentations online, the Group held four quarterly financial results online conferences for the media and analysts in 2022. On average, each event was attended by approximately 200 participants by webcast or by conference call. In addition, Straumann's CEO, CFO and Head of Investor Relations attended 9 equity conferences. They also spent a total of 16 days (whereof 13 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 16 investor meetings focusing on corporate governance topics with the Chairman & the Head of Human Resources and Compensation Committee.

Research analysts from 14 banks/brokers cover developments at the Straumann Group and are listed online. This figure represents one less analyst 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 & compensation report

The Group's annual report is an important instrument for communicating with various stakeholder groups. It is published electronically in English on the company's website. In addition, the compensation report is issued as part of the annual report and can be downloaded here in English.

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 have temporarily access to relevant inside information shall as well 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. 167 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 has not temporarily 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. 165 for details).

COMPENSATION REPORT

LETTER FROM THE CHAIRMAN 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 2022.

In 2022, the Group had a successful year with strong financial results across all strategic objectives, despite facing headwinds. Thanks to our people, the Group was able to navigate these challenges successfully, underlying the importance of our high-performance culture.

> "With the right talents on board we will continue to progress towards becoming the most customer-focused and innovative oral care company in the world

With the customer consistently at the center, the HRCC focused heavily on working with the leadership to enable continued connections to customer journeys and enabling growth through new opportunities for our people in the Straumann Group. These HRCC activities are conducted to ensure we strike the right balance of new innovation, value-added services and solutions for our customers.

A standard activity for the HRCC at year-end is to review the results of the 2022 engagement survey which showed, similar to the past, a very high level of engagement with a score of 81 and a 91 percent response rate. The results exceeded previous years in almost every category – and many categories were above the upper quartiles of the benchmark. When coupled with the uncertainties during the year, it is clear that our people are the engine that drive our strategic compass and steer our company into a sustainable future.

> "We follow a pay-for-performance philosophy

Our strategy requires us to perform and transform and to support our growth. In that context the Group remains focused on finding the right talent and skill sets which challenges us to ensure we remain an attractive employer. During 2022, we dedicated a significant amount of time to review our Total Rewards framework to ensure it addresses the changing needs of our people and remains agile for the future. Specifically, we continued to focus on equity and inclusion initiatives, competitive benefits that contribute to a foundation of well-being and reviewed our base salary levels and bonus programs to ensure our offering to employees remains competitive. The results showed that our Total Rewards offering continues to be robust, competitive and leans directly on rewarding successful outcomes, which follows our pay-for-performance philosophy.

In 2022, the HRCC continued a holistic approach to the people experiences at Straumann beyond talent and rewards. Therefore, the HRCC routinely focuses on cultural initiatives and their progress, diversity & inclusion and the overall 'Empowering people' commitment of our sustainability framework. We further embedded our non-discrimination policies into daily business practices, continued to focus on workplace flexibility to enable leadership, increase engagement and expand channels to connect people to opportunities that provide a meaningful experience. All these topics help us to attract and retain talent from around the world.

Looking ahead

Developing people for the future will empower everyone to make a meaningful impact and unlock critical skills that will allow the organization to drive growth in new geographies and customer segments over the long term. In this respect, we have committed to review the Group talent strategy within the HRCC and the Board of Directors during 2023 and will involve key stakeholders in this dialogue to build a robust decision-making process that enables a strong impact. As the Group continues to grow it is critical that we provide opportunities for people to learn and grow to ensure success for a sustainable future for the Group.

> “The Empowering people commitment from our sustainability framework will be completely embedded in the HRCC responsibilities

To this end, and more broadly, the 2023 HRCC will take over the responsibility of the ‘Empowering people’ commitment of the sustainability framework following the dissolvement of the ESG Task Force on the Board level. The HRCC is committed to focusing on these strategic elements that maintain the attractiveness of the Group and that motivate and retain our people to create millions more smiles for a sustainable future. In 2023, the HRCC has ‘Empowering people’ as a recurring agenda item to ensure it reflects the commitment of the Group to focus on sustainability.

As Chair of the HRCC, I would like to thank all Straumann Group employees for their commitment and achievements over the years. I would also like to express my specific gratitude to CEO Guillaume Daniellot and his EMB team 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 the valued input during my time as a Chair of the HRCC. I have informed the Chairman of my wish to step down in April 2023 from this role and from the Board of Directors. I wish my successor and the other HRCC members every success for the future.

Beat Lüthi
Chairman 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, we will propose to amend the Straumann Group Articles of Association to reflect the new provisions of the Swiss Corporate law and to further strengthen shareholder rights.

The key elements of the AoA 2022 relating to compensation are summarized on the right.

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.

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.

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 diverse, typically annual, performance. Payouts under the variable long-term compensation components are share-based and adjusted to objective, multi-year performance targets and may occur in cash, or share(-based) instruments.
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 or is promoted after the approval of the compensation by the AGM. The supplement for the CEO shall not exceed 140% of the last compensation paid to the departing Chief Executive Officer; the supplement for another member of the Executive Management shall not exceed 140% of average compensation of a member of the Executive Management (excluding the CEO).
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 last annual compensation paid to relevant member and may be paid for a period not exceeding 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 2022, the committee consisted of four members, Dr Beat Lüthi, Regula Wallimann, Juan José Gonzalez and Nadia Tarolli Schmidt who are all considered independent members. The Committee is entrusted with the design of the fee structure for the Board of Directors and the total rewards 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 and the rewards and compensation of the EMB to the Board of Directors at least once a year and proposes changes when necessary. Additional information can be found in the Charter of the Human Resources & Compensation Committee, available in the Organizational Regulations of the Company.

Further information on the HRCC, including a list of external mandates at other companies, can be found on page 133 of the corporate governance report.

The HRCC met 5 times in 2022 and all its members were present. Constantly seeking a broader view, the Committee spends significant time on the non-monetary components in its meetings and other dialogue throughout the year. For instance, in 2022 talent management was a key focus in addition to sustainability, diversity, inclusion and belonging initiatives. Other benefits such as work-life balance, pay equality, workplace flexibility, dependent care and special leave, as well as other activities that contribute to people development that lead to job enrichment. Beyond these standing agenda topics, a significant initiative of the HRCC will be to reshape the discussions around talent, engagement and a sustainable future.

Topics addressed by the HRCC in 2022	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					
Cooperation with ESG Task Force & external feedback		✓	✓		✓
Succession					
Key personnel changes	✓	✓	✓	✓	
BoD & EMB succession			✓	✓	✓
Governance					
Compensation report	✓		✓	✓	✓
HRCC objectives	✓		✓		✓
AGM: Process, feedback, etc.			✓		

Attention was increasingly given to widened sustainability topics in 2022 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.

The Chairman 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.

Regulations

The Group's compensation schemes for its executives and directors as well as its Articles of Association (AoA) fully reflect the Swiss Ordinance against Excessive Compensation (OaEC). 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 last annual total compensation 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
Chairman of the Board	Human Resources & Compensation Committee/Board of Directors	AGM
Board Members		
CEO	Chairman 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.

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 well-being, 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 (see next page). 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 and aligned to our core beliefs.

The goal of the variable elements is to reward employees for outperformance 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, backgrounds and locations. As a result our compensation benchmarking approach considers various contextual factors such as growth and future aspirations, business complexity, global footprint and market positioning, using a size-adjusted approach.

Benchmark reviews for all Group employees are supported using external surveys which include data from many companies in relevant 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 outstanding performance.

For the EMB, the external benchmark data includes companies (and comparable 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 at the end of 2021 and was reported in the prior year's report.

For the Board of Directors, the external benchmark was conducted in 2021 and no changes were made to the framework or amounts to be delivered to individual members.

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 2022.

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 Chairman 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. This is disclosed accordingly in the compensation tables below.

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.

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.

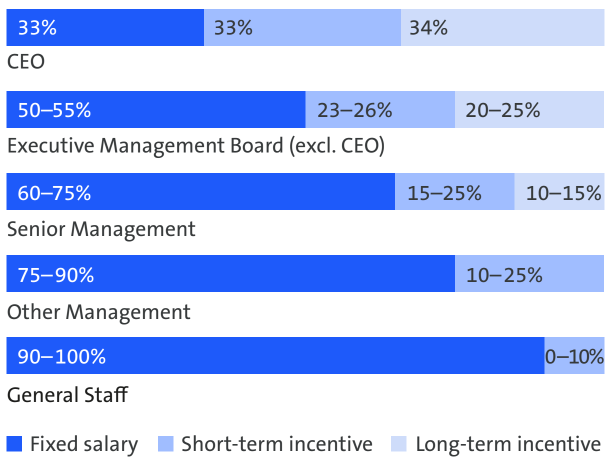
The HRCC reviews the holdings of the EMB members throughout the year, and all applicable members were in compliance with the requirements and surpassed them in most cases.

Board of Directors compensation framework
in CHF 1 000

Recipient	Cash	Equity allocation
Chairman	400	300
Board Committee Chair	150	100
Other Board of Directors members	100	100

Board members are required to hold two years' annual compensation in shares.

Group Pay mix corridor (at-target achievement)



The numbers of shares in Straumann Holding AG held by the members of the EMB in office at the end of 2022 are shown in the table on page 231.

GROUP COMPENSATION FRAMEWORK

The compensation framework for the Group remained the same in 2022 as in 2021.

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 median
Variable components	Short-term incentive	Cash	For Senior Management and a broad group of employees, paid annually: • Maximum payout potential: 165%, 180% or 190%, 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: • 2 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) • 3-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)[1]	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

1 During 2022, analysis of extending the ESPP into key locations continues to be reviewed

Employee share participation plan

	2022[1]	2021	2020[2]
Employees participating	480	299	-
Shares issued	103 526	9 014	-
Discount share price at issue	CHF 97.64[3] CHF 84.62[4]	CHF 927[3] CHF 803[4]	-
End of blocking period	April 2025	April 2023	-

1 Share split 2022 – 1:10
2 ESPP cancelled as part of COVID-19 cost-saving measures
3 25% discount
4 35% discount

Fixed components

Fixed compensation includes base salary and may include additional cash elements depending on local practice and regulation and are set through the previously described benchmarking practice. In 2022 the average fixed compensation of all employees in the Group amounted to CHF 80 154 per person (not including Executive Management). Compared to the 2021 the average has dropped by 2.9% due to our growth into locations where the compensation standards are lower than the 2021 global average.

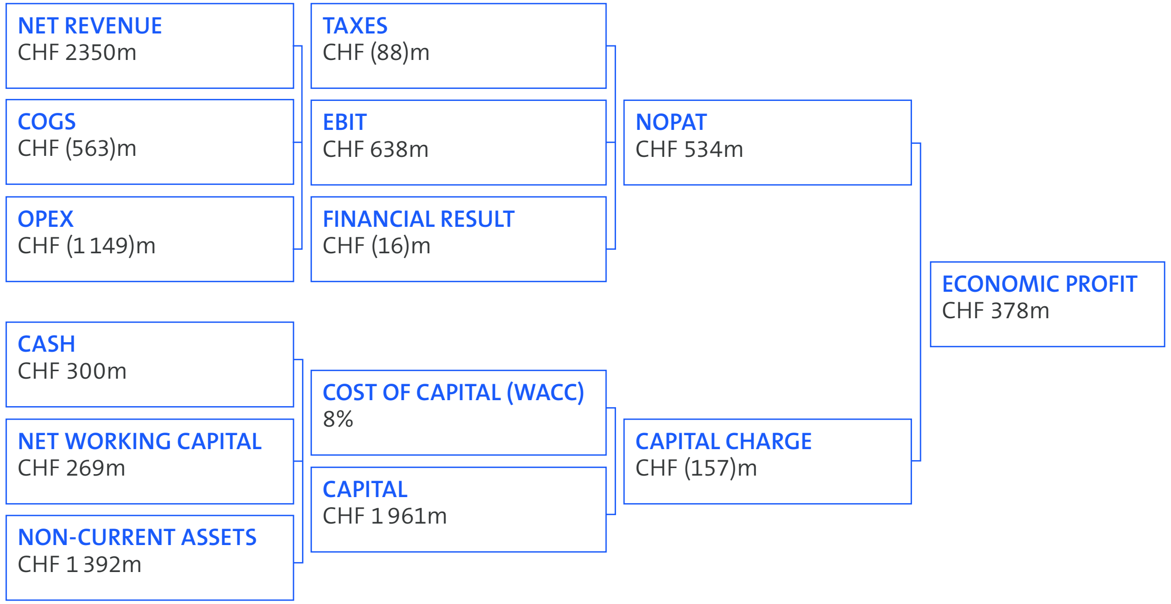
Variable components

During 2022, the HRCC has intensively discussed the introduction of ESG considerations in compensation decisions and specifically within variable pay. Despite the Group's strong focus on ESG both in its day-to-day business operations as well as from a strategic point of view, it was decided to not yet integrate these criteria directly into compensation decisions at an EMB or non EMB level. We will continue to have ongoing discussions in the HRCC.

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 are weighted as shown in the table on the right. 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.

2022 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

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. For the CEO the target level of the STI corresponds to 103% of the base salary and between 43-51% for the EMB members. For all EMB members, the payout is capped at 190% of the target

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 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. 166) as well as achievement against the target (see 'Realized CEO compensation', p. 172) 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.

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 2022

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 2022, 90 390 (adjusted to reflect the share split 10:1) PSUs were granted.

Performance share unit value at grant 2022

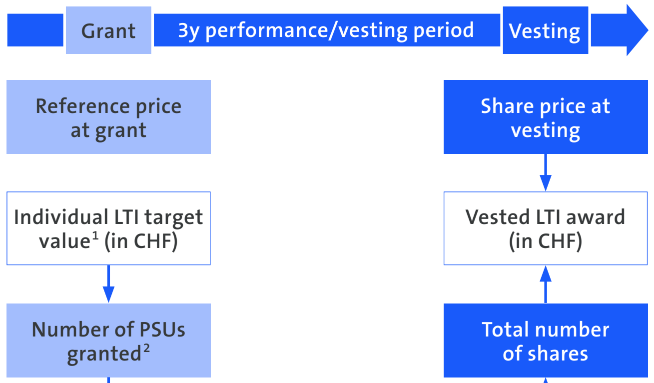
The value of the PSUs granted is determined based on the notion that it should accurately reflect the inherent risk of the underlying instrument. Under this assumption, for the 2022 grant and the foreseeable future, the Group estimates the PSU reference value to be at 25% below the share price at the 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 2025)

The 2022 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

Straumann 2022–2025 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

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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
- 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

Outstanding PSU Grants
Group view, including EMB

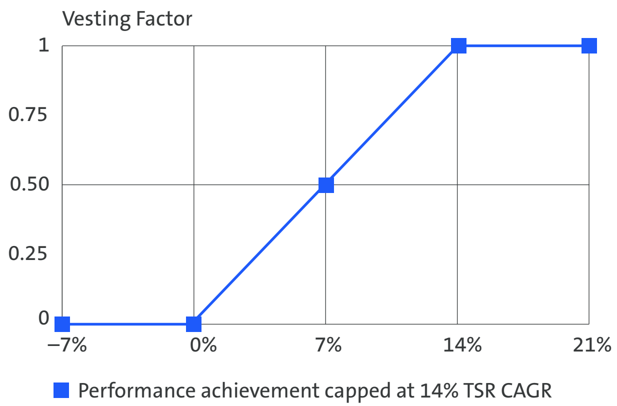
	2022[1]	2021	2020
Grant date	20.04.2022	21.04.2021	30.04.2020
Vesting date[2]	21.04.2025	20.04.2024	20.04.2023
Share price at grant	CHF 130.18	CHF 1 235.50	CHF 753.51
PSU reference value[3]	CHF 97.64	CHF 926.63	CHF 565.13
Granted PSUs	90 390	8 766	12 198

1 For 2022 the values reflect the share split of 1:10
2 Seven trading days after the ex-dividend date
3 Average closing share price of 7 days ex-dividend less 25% discount

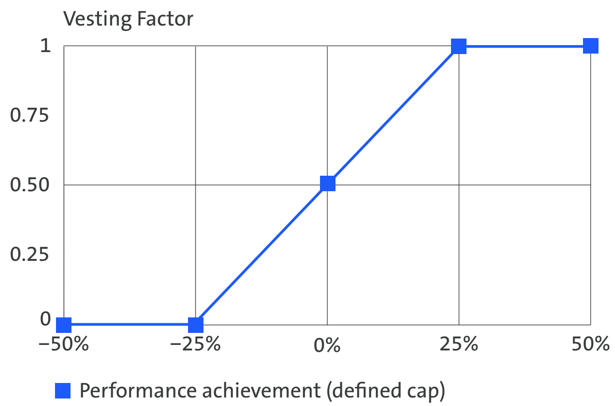
Outstanding PSUs as of 31 December 2022
Group view, including EMB

	2022[1]	2021	2020
As of 1 January	262 270	29 854	34 771
Granted PSUs	90 390	8 766	12 198
Vested PSUs	–77 360	–10 299	–14 927
Forfeited PSUs	–25 409	–2 094	–2 818
As of 31 December	249 891	26 227	29 854

Absolute TSR – CAGR over 3 years



3-Year Relative TSR vs SMIM in percentage points



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. Over the past three years the share price has climbed from CHF 700 (70 post-split) to over CHF 2 000 (200 post-split) at times during 2022 as a result of strong growth; however, as the company continues to mature and expand, the probability of achieving the above-target TSR CAGR returns is expected to be very challenging.

Relative total shareholder return

The relative TSR symmetrical vesting curve allows for no payout in 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). Contrarily, 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 page 168. 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.

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 page 215. 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 well-being 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 extended into 2022 and were found to be aligned with local practices.

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.

2022 BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT BOARD COMPENSATION

Compensation for the Board of Directors

The 2022 AGM approved a maximum total compensation for the Board of Directors of CHF 2.7 million for the term of office ending at the 2023 AGM. It consists of a fixed fee paid in cash and shares and includes social security.

In 2022 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 numbers of shares in Straumann Holding AG held by the members of the Board of Directors in office at the end of 2022 are shown in the table on the right.

Compensation of the Executive Management Board

At the 2022 AGM, the shareholders prospectively approved a fixed compensation of CHF 9.7 million for the collective EMB (as composed in April 2022) for the period between 1 April 2021 and 31 March 2023. The shareholders also approved a maximum budget of CHF 3.8 million for the collective long-term variable compensation of the EMB for the 2022 business year. The variable STI for the business year ending 31 December 2022 will be submitted for approval by the shareholders at the AGM in 2023 based on the financial achievement of the Group using the economic profit target established in January of each year.

Board of Directors compensation (audited table)

in CHF 1 000

2022 2021	Fixed cash compensation	Fixed share compensation	Social security	Other benefits	Pension	Total[1]
Gilbert Achermann (Chairman of the Board)	400 400	300 300	45 51	31 31	127 127	**903** **909**
Marco Gadola (Chair of the Innovation & Technology Committee)	150 150	100 100	17 17	0 0	0 0	**267** **267**
Juan Jose Gonzalez	100 100	100 100	14 14	0 0	0 0	**214** **214**
Beat Lüthi (Chair of the Human Resources & Compensation Committee)	150 150	100 100	17 17	0 0	0 0	**267** **267**
Petra Rumpf (from April 2021)	100 75	100 100	14 10	0 0	0 0	**214** **185**
Nadia Tarolli Schmidt (from April 2022)	74 0	100 0	10 0	0 0	0 0	**184** **0**
Thomas Straumann	100 100	100 100	14 14	0 0	0 0	**214** **214**
Regula Wallimann (Chair of the Audit & Risk Committee)	150 150	100 100	17 17	0 0	0 0	**267** **267**
Monique Bourquin (until April 2021)	0 27	0 0	0 2	0 0	0 0	**0** **29**
Sebastian Burckhardt (until April 2022)	26 100	0 100	2 11	0 0	0 0	**28** **211**
Total	1 250 1 252	1 000 1 000	150 153	31 31	127 127	**2 558** **2 563**

1 Includes employer pension contribution in the amount of CHF 202 000 funded by the eligible Board members through a reduction to paid base fees

2022 Short-term incentive

The target level of the STI corresponds to 100% of paid base salary for the CEO and between 43–51% 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 2022 business year resulted in maximum achievement, therefore leading to a payout of 190% of target for all EMB members. This will be paid in 2023, subject to AGM approval.

2022 Long-term incentive

With reference to the 2019 grant that vested in April 2022, the EMB collectively received a vested value of CHF 4.5 million. Due to changes in the EMB from 2019 to 2022, 7 out of 13 EMB members vested in the LTI program in 2022 and the six members who departed the organization forfeited their outstanding grants. This resulted in a realized vesting value that represents 138% of the total grant in 2019.

In total, 34 925 (post-split volume) PSUs were granted in 2022, thereof 8 961 for the CEO and in total 25 964 for the other members of the EMB.

The target value of the CEO's LTI contractual grant value corresponds to 103% of annual base salary, while the target value of the respective LTI contractual grant values for other EMB members varies between 40–55% of base salary.

EMB averaged fixed compensation 2022

In 2022, as disclosed in the 2021 compensation report, the CEO total compensation was increased to reflect performance and remain competitive using the fundamentals described in the comprehensive benchmarking section. In addition, several other members of the EMB received performance-related adjustments, as approved in 2022 AGM. These increases resulted in a collective EMB and CEO increase of 4.3% when removing the impact of the replacement awards to the new EMB members. In the 2023 AGM the overall average compensation of the EMB is forecasted to remain unchanged.

The ratio of the annual total compensation for the CEO compared to the median annual total compensation for all employees in 2022 (excluding the CEO) is 44:1.

The ratio of the percentage increase for the CEO to the median percentage increase for all employees in 2022 was 2:1. In 2022 the CEO received a market adjustment to compensation to recognize the company growth and competitiveness in the industry.

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.

Executive Management Board compensation (audited table)

in CHF 1 000

13 members 2022 14 members 2021	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)	863 738	1 639 1 354	875 850	35 28	370 310	71 75	**3 853** **3 354**
Other members[3]	5 323 5 090	4 420 3 894	2 535 2 333	40 77	1 720 1 472	1 928 1 782	**15 965** **14 648**
Total	6 185 5 828	6 059 5 248	3 410 3 183	75 105	2 090 1 782	1 999 1 857	**19 818** **18 002**

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 the US as well as replacement awards for 2 new members who joined during the year and relocation costs to move them to their respective locations of employment
3 Includes members residing outside of Switzerland who receive their compensation in local currency, converted into CHF for reporting purposes

Changes to the EMB

In 2022 the EMB was comprised of 13 members, compared to 14 members in 2021.

The Head of Western Europe and Digital Business Unit role were removed as Executive Management Board roles at the start of 2022.

The following EMB appointments and changes were made in 2022:
With effect as of April 2022:
- Jason Forbes joined the Group as Chief Consumer Officer, a newly created function of the EMB
- Sébastien Roche took over as Chief Operations and Supply Chain Officer, succeeding Mark Johnson who leaves the Group after navigating his team through the challenging pandemic period.

In 2022, replacement awards were granted to Jason Forbes and Sébastien Roche, who joined the company during the year, to compensate them for lost awards when they resigned from their former employers and one member received a second installment of the replacement award agreed in 2021, but deferred until 2022 to respect a blocking period requirement.

Overall, the lost compensation is replaced on a like-for-like basis (i.e., no increase to the replacement value) and reported under 'other compensation and benefits' in the compensation table for the financial year in question. The amount spent of CHF 954 016 was within the permissible supplementary amount under Article 4.3 of the AoA.

2022 Realized compensation of the CEO
in CHF 1 000

Fixed compensation	Contractual 12 month salary	Annual-ized effect	ESPP discount	Realized social security and pension	other compensation and benefits	Realized fixed compensation
	900	863	35	370	71	1 339

Variable compensation

STI-related	LTI-related[1]	Quantitative measures and their contribution to variable compensation		Realized performance	Realized vs target performance	Target/granted compensation	Realized variable compensation
✓		Economic Profit 2022	100%	Max. achievement	190%	863 (100% of annual base salary)	1 639
	✓	Absolute Total Shareholder Return (TSR) Apr 2019 to Apr 2022	50%	Max. achievement	1 share per PSU	160 (40% of annual base salary)[2]	655 (incl. 17% annual share price apprecia-tion between grant and realization dates and 25% valuation discount at grant)[3]
	✓	Relative Total Shareholder Return (TSR) Apr 2019 to Apr 2022	50%	Max. achievement	1 share per PSU		

1 2019 grant which vested in 2022
2 Grant before Guillaume Daniellot was appointed CEO reflects % of base salary at the time of grant
3 Grant reference value was determined by the closing share price average of 7 days ex-dividend less 25% discount

APPROVAL OF COMPENSATION

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 page 162 and the compensation awarded to the Board of Directors and the EMB is disclosed in the tables on page 170 and page 171.

The AGM approves the maximum compensation payable to the Board of Directors and the EMB. At the 2023 AGM, the shareholders will be asked to approve:

- The total compensation of the Board of Directors from 1 April 2023 to 31 March 2024
- The total fixed compensation of the EMB from 1 April 2023 to 31 March 2024
- The short-term incentive (STI) of the EMB for the 2022 business year
- The total long-term incentive (LTI) for the 2023 grant including grant-related social security for the EMB
- The approved STI of the EMB for the 2021 performance year was paid in April 2022 as approved by the AGM in the amount of CHF 5.6 million (including social benefits)

The reconciliation of approved and dispensed compensation for the 2022–2023 AGM period is shown in the table on the right.

Compensation approved and dispensed
in CHF 1 000

	Board of Directors	Executive Management Board
Compensation earned during the financial year 2022 (A)	2 559	12 803[1]
Compensation earned for the period 1 January to 31 March 2022 (3 months) (B)	377	2 045
Compensation to be earned for the period from 1 January to 31 March 2023 (3 months) (C)	400	2 400[1]
Total compensation earned from 1 April 2022 to 31 March 2023 (A)–(B)+(C)	2 582	13 157
Amount approved by shareholders at the 2022 AGM	2 700	13 500[1]
Compensation dispensed by the company within approved amount	yes	yes

1 Does not include the following: STI 6 496 (including social security costs) to be paid in 2023 for 2022 performance year. Replacement awards for members who joined during 2022 (CHF 954)

REPORT OF THE STATUTORY AUDITOR ON THE AUDIT OF THE COMPENSATION REPORT

TO THE GENERAL MEETING OF STRAUMANN HOLDING AG, BASEL

Opinion

We have audited the compensation report of Straumann Holding AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables labelled "audited" on page 170 and page 171 of the compensation report.

In our opinion, the information on remuneration, loans and advances in the compensation report (page 170 and page 171) complies with Swiss law and Art. 14-16 VegüV.

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 labelled "audited" on page 170 and page 171 of 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 compensation report

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

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV 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

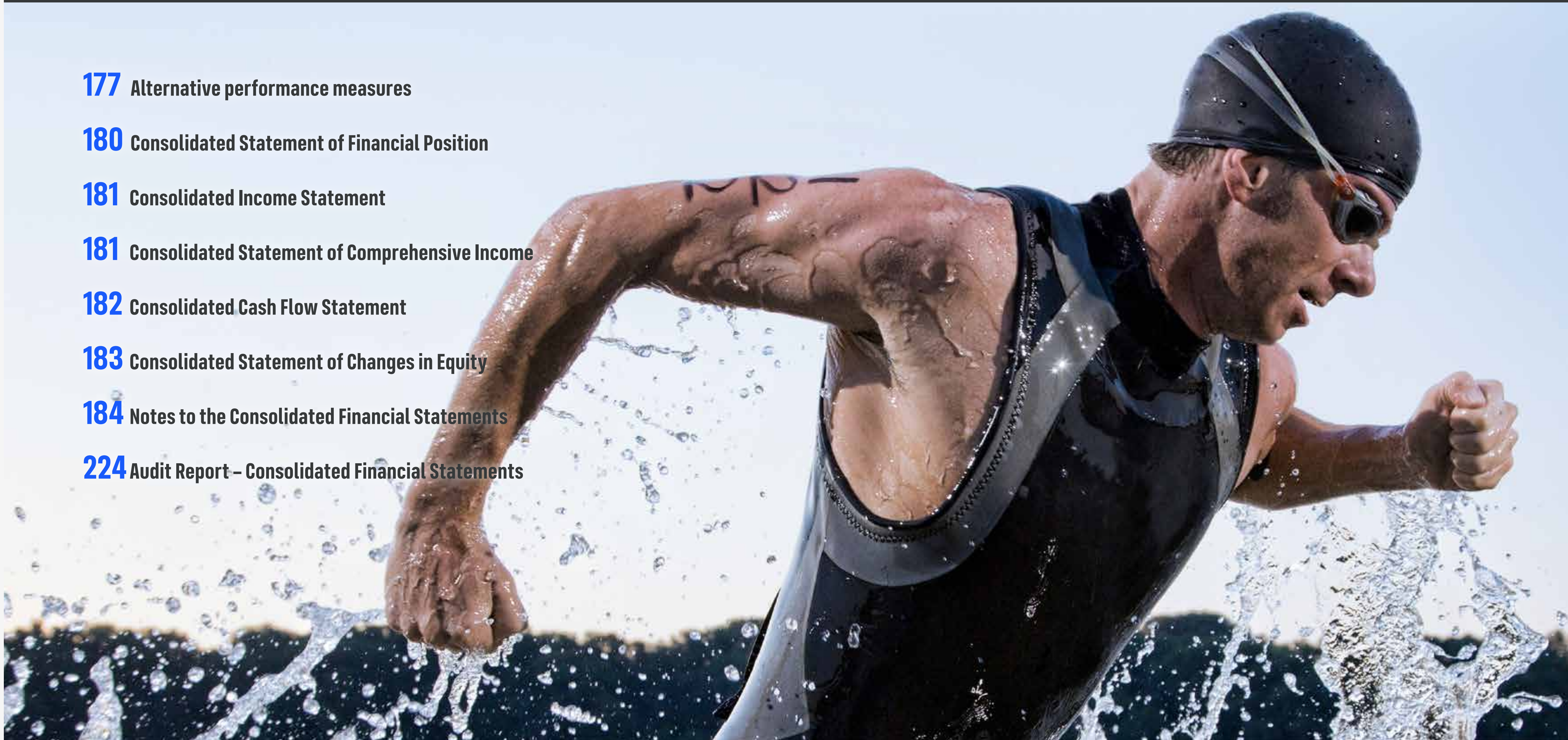
Martin Mattes
Licensed audit expert
(Auditor in charge)

Fabian Meier
Licensed audit expert

Basel, 20 February 2023

EY
Building a better working world

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.

CORE FINANCIAL MEASURES are non-IFRS financial measures because they cannot be derived directly from Group consolidated financial statements. Management believes that these non-IFRS financial 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 non-IFRS financial measures are not a substitute for, or superior to, financial measures prepared in accordance with IFRS. 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.
- Restructuring: One-off costs resulting from major restructuring exercises. 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 (Note 2.1).
- 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. In 2021, the Group increased its estimate on the contingent consideration payable to the sellers of DrSmile by CHF 49.0 million.

A reconciliation of IFRS 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 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 twelve 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.

DIVDEND PAY-OUT RATIO
A dividend payout ratio is the percentage of earnings paid to shareholders of Straumann Holding AG: the proposed dividend pay-out in the following year divided by the Group's CORE net profit of the past twelve months.

Core result reconciliation 2022

(in CHF 1 000)	IFRS 2022	PPA amortization	Restructuring	Other	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

Core result reconciliation 2021

(in CHF 1 000)	IFRS 2021	PPA amortization	Restructuring	Other	CORE 2021
Revenue	2 021 903				2 021 903
Cost of goods sold	(481 880)	142			(481 738)
Gross profit	1 540 023	142			1 540 165
Other income	6 072				6 072
Distribution expense	(384 897)	8 324			(376 574)
Administrative expense	(618 618)	2 293			(616 325)
Operating profit	542 579	10 758			553 338
Finance income	89 414				89 414
Finance expense	(160 668)			48 951	(111 717)
Share of results of associates	6 059				6 059
Profit before income tax	477 385	10 758		48 951	537 094
Income tax expense	(78 099)	(3 008)		0	(81 107)
Net profit	399 286	7 750		48 951	455 987
Attributable to:					
Shareholders of the parent company	396 079	7 545		48 951	452 576
Non-controlling interests	3 206	205			3 411
Basic earnings per share (in CHF)[1]	2.49				2.85
Diluted earnings per share (in CHF)[1]	2.48				2.84
Operating profit	542 579	10 758			553 338
Depreciation & amortization	109 843	(10 758)			99 084
EBITDA	652 422	0			652 422

1 Prior year figures have been adjusted due to the share split in 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in CHF 1 000)	Notes	31 Dec 2022	31 Dec 2021
Property, plant and equipment	4.1	448 463	357 546
Right-of-use assets	4.2	215 030	221 324
Intangible assets	4.3	777 950	638 887
Investments in associates	2.2	172 172	98 183
Financial assets	7.1	40 303	31 186
Other receivables		21 402	16 430
Deferred income tax assets	7.7	104 900	75 809
Total non-current assets		1 780 220	1 439 366
Inventories	5.1	321 172	249 227
Trade and other receivables	5.2	544 842	380 607
Financial assets	7.1	2 858	2 351
Income tax receivables		28 240	16 064
Cash and cash equivalents	5.3	696 103	880 423
Total current assets		1 593 215	1 528 672
TOTAL ASSETS		3 373 435	2 968 038

Equity and liabilities

(in CHF 1 000)	Notes	31 Dec 2022	31 Dec 2021
Share capital	7.5	1 595	1 592
Retained earnings and reserves		1 850 003	1 493 808
Total equity attributable to the shareholders of the parent company		1 851 598	1 495 400
Non-controlling interests		2 247	5 048
Total equity		1 853 845	1 500 448
Other liabilities	6.2	43 093	85 590
Income tax liabilities		13 756	12 612
Financial liabilities	7.2	403 117	690 299
Provisions	6.1	22 438	23 681
Retirement benefit obligations	8.2	12 386	61 739
Deferred income tax liabilities	7.7	52 696	31 040
Total non-current liabilities		547 486	904 962
Trade and other payables	5.4	574 107	439 725
Financial liabilities	7.2	307 198	40 751
Income tax liabilities		79 826	73 616
Provisions	6.1	10 973	8 535
Total current liabilities		972 104	562 628
Total liabilities		1 519 590	1 467 590
TOTAL EQUITY AND LIABILITIES		3 373 435	2 968 038

CONSOLIDATED INCOME STATEMENT

(in CHF 1 000)	Notes	2022	2021
Revenue	3.1	2 320 785	2 021 903
Cost of goods sold		(566 049)	(481 880)
Gross profit		1 754 736	1 540 023
Other income		4 856	6 072
Distribution expense		(442 976)	(384 897)
Administrative expense		(781 266)	(618 618)
Operating profit		535 350	542 579
Finance income	7.4	107 187	89 414
Finance expense	7.4	(136 892)	(160 668)
Share of results of associates	2.2	(7 210)	6 059
Profit before income tax		498 435	477 385
Income tax expense	7.7	(63 655)	(78 099)
NET PROFIT		434 780	399 286
Attributable to:			
Shareholders of the parent company		434 789	396 079
Non-controlling interests		(9)	3 206
Basic earnings per share attributable to ordinary shareholders of the parent company (in CHF)[1]	3.2	2.73	2.49
Diluted earnings per share attributable to ordinary shareholders of the parent company (in CHF)[1]	3.2	2.72	2.48

1 Prior year figures have been adjusted due to the share split in 2022.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in CHF 1 000)	2022	2021
Net profit	434 780	399 286
Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods:		
Net foreign exchange result on net investment loans	(27 015)	(16 816)
Exchange differences on translation of foreign operations	(22 757)	(23 619)
Share of other comprehensive income / (loss) of associates accounted for using the equity method	(2)	20
Income tax effect	3 554	197
Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods	(46 220)	(40 219)
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	13 962	(3 853)
Remeasurements of retirement benefit obligations	51 139	14 863
Income tax effect	(8 074)	(1 654)
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods	57 027	9 356
Other comprehensive income / (loss), net of tax	10 807	(30 862)
TOTAL COMPREHENSIVE INCOME / (LOSS), NET OF TAX	445 587	368 423
Attributable to:		
Shareholders of the parent company	446 379	365 410
Non-controlling interests	(792)	3 013

CONSOLIDATED CASH FLOW STATEMENT

(in CHF 1 000)	Notes	2022	2021
Net profit		434 780	399 286
Adjustments for:			
Income tax	7.7	63 655	78 099
Net interest result		14 612	14 778
Financial impairment expense	7.4	(0)	878
Share of results of associates	2.2	7 210	(6 059)
Share-based payments expense	8.1, 8.3	14 051	9 364
Other non-cash items		9 134	498
Depreciation and amortization	4.5	162 705	103 206
Impairment	4.5	3 794	6 637
Change in provisions, retirement benefit obligations and other liabilities		(1 842)	17 541
Change in long-term assets		(3 342)	(8 451)
Working capital adjustments:			
Change in inventories		(90 847)	(36 939)
Change in trade and other receivables		(174 711)	(104 626)
Change in trade and other payables		91 654	158 962
Interest paid on lease liabilities	7.2	(6 627)	(6 912)
Interest paid		(7 557)	(6 840)
Interest received		3 550	2 131
Income tax paid		(105 064)	(61 250)
Cash flows from operating activities		415 155	560 303

(in CHF 1 000)	Notes	2022	2021
Purchase of financial assets		(1 489)	(9 883)
Proceeds from sale of financial assets		1 783	1 404
Purchase of property, plant and equipment		(161 605)	(105 128)
Purchase of intangible assets		(33 829)	(15 842)
Purchase of investments in associates		(87 350)	(7 107)
Acquisition of a business, net of cash acquired	2.1	(150 488)	(4 753)
Contingent consideration paid		(7 151)	(34 995)
Proceeds from loans		4 058	0
Disbursement of loans		(866)	(1 824)
Dividends received from associates		1 224	1 641
Net proceeds from sale of non-current assets		1 054	1 271
Cash flows from investing activities		(434 659)	(175 216)
Purchase of non-controlling interests	7.2, 7.3	(13 955)	(8 343)
Repayment of non-current financial debts	7.2	(5 672)	(4 742)
Increase in non-current financial debts	7.2	0	1 320
Repayment of current financial debts	7.2	(169)	(309)
Dividends paid to the equity holders of the parent	7.6	(107 432)	(91 381)
Dividends paid to non-controlling interests		(590)	(1 967)
Payment of lease liabilities	7.2	(28 585)	(29 897)
Capital increase		8 956	0
Sale of treasury shares		0	7 581
Purchase of treasury shares		(6 862)	(3 503)
Cash flows from financing activities		(154 309)	(131 240)
Exchange rate differences on cash held		(10 507)	(5 625)
Net change in cash and cash equivalents		(184 320)	248 222
Cash and cash equivalents at 1 January	5.3	880 423	632 201
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5.3	696 103	880 423

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

2021

(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 2021		1 591	52 599	(11 070)	(374 875)	1 536 490	1 204 734	5 209	1 209 943
Net profit						396 079	396 079	3 206	399 286
Other comprehensive income / (loss)					(40 243)	9 574	(30 669)	(194)	(30 863)
Total comprehensive income / (loss)		0	0	0	(40 243)	405 654	365 411	3 013	368 423
Issue of share capital	7.5	1	17 969			(17 970)	0		0
Dividends to equity holders of the parent	7.6					(91 381)	(91 381)		(91 381)
Dividends to non-controlling interests							0	(1 967)	(1 967)
Share-based payment transactions						12 489	12 489		12 489
Purchase of treasury shares				(3 503)			(3 503)		(3 503)
Usage of treasury shares				9 110		(1 529)	7 581		7 581
Put options to non-controlling interests						71	71	(1 207)	(1 136)
AT 31 DECEMBER 2021		1 592	70 567	(5 462)	(415 118)	1 843 821	1 495 400	5 048	1 500 448

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GRI disclosure: 2-1

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 replacement, 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 10 000 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 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 20 February 2023 and are subject to approval by the Annual General Meeting on 5 April 2023.

1.2 Basis of preparation

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

They have been prepared on a historical cost basis except certain financial assets and financial liabilities (including derivative financial instruments), which have been 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 of 31 December 2022.

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 and 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 2022

The following amendments apply for the first time in 2022 but do not have a material impact on the consolidated financial statements of the Group:

- IFRS 3 (Amendments) 'Reference to the Conceptual Framework' (effective 1 January 2022)
- IAS 16 (Amendments) 'Proceeds before intended use' (effective 1 January 2022)
- IAS 37 (Amendments) 'Onerous contracts – cost of fulfilling a contract' (effective 1 January 2022)
- Annual Improvements 2018-2020 (Amendments effective 1 January 2022)

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 2023 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 1 and IFRS Practice statement 2 (Amendments) '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)
- IFRS 16 (Amendments) 'Lease Liability in a Sale and Leaseback' (effective 1 January 2024)

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 put options granted to non-controlling interests. 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 are the forecasted performance targets (sales and/or profitability measures) and the risk-adjusted discount rate. The sensitivity of the fair values to those unobservable inputs is 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 judgements 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 2022 was CHF 12.4 million (2021: CHF 61.7 million). Further details are given in Note 8.2.

1.5 Summary of significant 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

Land is not depreciated as it is deemed to have an indefinite life. Leasehold improvements are depreciated over the lease term including optional extension of the lease period but not exceeding its economic life.

An item of property, plant and equipment is derecognized when it is abandoned, removed or classified as 'held for sale'. For assets that are abandoned or removed, any remaining net carrying value is charged to profit or loss. 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 that 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 continue 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. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

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 based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

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 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.

No expense is recognized for awards that do not ultimately vest. Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense if the terms had not been modified. An additional expense is recognized for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date of grant, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

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.

Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other income on a systematic basis over the periods that the related costs for which it is intended to compensate are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual installments.

Revenue recognition

Revenues on the sale of the Group's products and services are recognized when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over the promised goods and services to the customer.

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.

Related parties

A party is related to an entity if the party directly or indirectly controls, is controlled by or is under common control with the entity; or if it has an interest in the entity that gives it significant influence over the entity; or if it has joint control over the entity or is an associate or a joint venture of the entity. In addition, members and dependents of the Key Management Personnel of the entity (Board of Directors and Executive Management Board) are also considered related parties.

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.

Sales taxes

Revenues, expenses and assets are recognized net of the amount of sales tax, except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item
- in the case of receivables and payables that are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2 Investments

2.1 Business combinations

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 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
Net assets aquired	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.

Transactions in 2021

In 2021 the Group conducted three business combinations:
- Medical Technologies 21 LLC
- Smilink Serviços Ortodônticos Ltda.
- Straumann Group Jordan PSC

These 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 these acquisitions as of 1 January 2021.

The combined fair values of the identifiable assets and liabilities at the respective business combination dates are as follows:

(in CHF 1 000)	2021
Assets	
Property, plant and equipment	908
Right-of-use assets	38
Intangible assets:	
Distribution relationships	2 773
Other intangible assets	22
Inventories	2 331
Trade and other receivables	1 497
Cash and cash equivalents	668
Total assets	8 237
Liabilities	
Financial liabilities	359
Deferred income tax liabilities	555
Provisions and other long term liabilities	273
Trade and other payables	6 498
Total liabilities	7 685
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	552
Goodwill	13 090
Consideration	13 642
Satisfied in cash	5 421
Contingent consideration	8 221
Consideration	13 642
Cash flow	
Net cash acquired	668
Cash paid	(5 421)
NET CASH FLOW	(4 753)

At the date of the business combination, the fair values of trade receivables amounted to CHF 1.0 million. The fair values did not materially differ from the contractual gross amounts. Contingent consideration payments depend on the performance of the acquired businesses. At the balance-sheet date, the fair value of these financial liabilities collectively amounted to CHF 8.3 million.

2.2 Investments in associates

The Group has investments which are accounted for as associated companies. In 2022, the Group invested in additional associated companies, notably Good Methods Global Inc. ('CareStack'), a provider of a cloud-based dental software solution.

From a Group perspective, the associates CareStack, US, botiss medical AG, Germany and Rapid Shape GmbH, Germany are material at the reporting date.

(in CHF 1 000)	2022		2021	
	Balance sheet value	Net income statement effect	Balance sheet value	Net income statement effect
CareStack, US	74 473	(3 504)		
botiss medical AG, Germany	36 715	900	38 874	789
Rapid Shape GmbH, Germany	19 246	(241)	20 460	803
Others	41 738	(4 365)	38 848	4 467
TOTAL	172 172	(7 210)	98 183	6 059

CareStack

CareStack is an 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 acquired an interest of 29.6% in February 2022 and gradually increased its stake in the entity to 36.3% until the balance sheet date. 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)	2022			2021	
	CareStack	botiss medical AG	Rapid Shape GmbH	botiss medical AG	Rapid Shape GmbH
Current assets	74 687	18 080	21 027	20 248	19 153
Non-current assets	27 852	34 503	7 885	38 522	10 109
Current liabilities	(467)	(8 488)	(14 070)	(11 043)	(13 441)
Non-current liabilities	(7 307)	(8 347)	(3 257)	(9 131)	(2 946)
Net assets	94 766	35 748	11 584	38 595	12 876
RECONCILIATION TO CARRYING AMOUNT					
Opening / acquired net assets	73 011	38 595	12 876	43 163	11 193
Result for the period	(11 151)	3 002	(691)	2 629	2 296
Other comprehensive income	(1)	(9)	0	67	0
Dividends declared	0	(3 935)	0	(5 172)	0
Capital increase	33 376	0	0	0	0
Currency translation adjustments	(469)	(1 904)	(602)	(2 093)	(612)
Closing net assets at 31 December	94 766	35 748	11 584	38 595	12 876
Group's share in %	36.3	30.0	35.0	30.0	35.0
Group's share	34 438	10 724	4 055	11 579	4 507
Goodwill	40 225	30 557	17 682	30 557	17 682
Currency translation adjustments on goodwill	(190)	(4 567)	(2 490)	(3 261)	(1 729)
CARRYING AMOUNT	74 473	36 715	19 246	38 874	20 460

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)	2022			2021	
	CareStack	botiss medical AG	Rapid Shape GmbH	botiss medical AG	Rapid Shape GmbH
Revenue	4 425	30 954	29 387	28 783	23 652
Result from continuing operations	(11 151)	3 002	(691)	2 629	2 296
RESULT FOR THE PERIOD	(11 151)	3 002	(691)	2 629	2 296
Other comprehensive income / (loss)	(1)	(9)	0	67	0
TOTAL COMPREHENSIVE INCOME / (LOSS)	(11 152)	2 993	(691)	2 696	2 296

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. The Group invested in associated companies in 2022 (3D Diagnostix, Inc. and Digital Design Solutions S.A.E.) and in 2021 (MiniNaviDent AG).

The following table shows aggregated financial information about the other investments in associates:

(in CHF 1 000)	2022	2021
Aggregate carrying amount of individually immaterial associates	41 738	38 848
AGGREGATE AMOUNT OF GROUP'S SHARE OF:		
Result from continuing operations	(4 365)	4 467
RESULT FOR THE PERIOD	(4 365)	4 467
TOTAL COMPREHENSIVE INCOME / (LOSS)	(4 365)	4 467

3 Operating performance

3.1 Operating segments

Operating segments requiring to be reported are determined based on the management approach. Accordingly, external segment reporting reflects the internal organizational and management structure used within the Group as well as the internal financial reporting to the Chief Operating Decision Maker (CODM), which has been identified as the Executive Management Board (EMB). The EMB is responsible for the operational management of the Group, in line with the instructions issued by the Board of Directors. It is also responsible for global strategy and stakeholder management.

The reporting segments are presented in a manner consistent with the internal reporting to the CODM. The centralized headquarter support functions (e.g. finance, information technology, human resources) as well as the functions 'Customer Solutions & Education' and 'Research & Development' are not operating segments, as they do not earn separate revenues. These functions are grouped in the column 'Not allocated items'.

Sales Western Europe

'Sales WE' comprises the Group's distribution businesses in Scandinavia, the UK, France, the Benelux countries, Iberia and Italy. The segment further includes the implant-borne prosthetics business of Createch as well as the manufacturing plants of Anthogyr, a French company that develops and manufactures dental-implant systems and CADCAM solutions. It includes segment-related management functions located inside and outside Switzerland.

Sales Central Eastern Europe, Middle East and Africa

'Sales CEEMEA' comprises the Group's distribution businesses mainly in Germany, Switzerland, Austria, Hungary, the Czech Republic, Russia, Turkey, Croatia, Jordan and South Africa, as well as the business with European, African and Middle Eastern distributors. It also includes Medentika's manufacturing plant in Germany, which produces implants and prosthetic components. The segment also incorporates DrSmile entities. It includes segment-related management functions located inside and outside Switzerland.

Sales North America

'Sales NAM' comprises the Group's distribution businesses in the United States and Canada. It also includes ClearCorrect's clear aligner development and production activities in the United States and the US-based Bay Materials, a company specializing in the design, development and supply of high-performance thermoplastics for orthodontics applications. The segment also incorporates Dental Wing's development and production activities in Canada. It includes segment-related management functions located inside and outside Switzerland.

Sales Asia Pacific

'Sales APAC' comprises the Group's distribution businesses in the Asia pacific region, as well as the business with Asian distributors. It further incorporates the business of T-Plus, a Taiwanese company that develops and manufactures dental implant systems with distribution channels in Taiwan and China. The segment also incorporates Nihon, a Japanese provider of implant referral services. It includes segment-related management functions located inside and outside Switzerland.

Sales Latin America

'Sales LATAM' comprises the Group's distribution businesses in Middle and South America as well as the business with Latin American distributors. It contains Neodent's manufacturing plants in Brazil (which produce implants, biomaterials, CADCAM products and clear aligners). The segment also incorporates Yller Biomateriais, a Brazilian company specialized in developing and manufacturing high-tech materials for 3D printing and Smilink, a provider of orthodontics solutions in Brazil. It includes segment-related management functions located inside and outside Switzerland.

Operations

'Operations' acts as the principal towards all distribution businesses of the Group. It includes the principal production sites for implant components and instruments in Switzerland, France and the United States, the CADCAM milling centers in Germany, Japan and the United States and the production site in Sweden for biomaterials and sterile packed products. The segment also incorporates all corporate logistics functions. It does not include the manufacturing sites of Neodent, Medentika, ClearCorrect, Dental Wings, Createch, T-Plus, Anthogyr, Bay Materials and Yller Biomateriais.

Information about Profit or Loss, Assets and Liabilities

2022

(in CHF 1 000)	Sales WE	Sales CEEMEA	Sales NAM	Sales APAC	Sales LATAM	Operations	Not allo-cated items	Eliminations	Group
Revenue third party	465 879	551 034	702 573	422 595	178 704	0	0		2 320 785
Revenue inter-segment	33 528	72 396	92 714	204	44 387	1 187 346	0	(1 430 575)	0
Total revenue	499 407	623 430	795 287	422 799	223 091	1 187 346	0	(1 430 575)	2 320 785
Depreciation and amortization	(10 384)	(62 425)	(14 243)	(14 428)	(14 437)	(27 661)	(19 127)	0	(162 705)
Impairment	0	(3 526)	0	0	0	(245)	(23)	0	(3 794)
Other expenses / income	(464 129)	(553 480)	(739 095)	(409 012)	(176 441)	(381 193)	(190 371)	1 294 785	(1 618 936)
Operating result	24 894	3 999	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	334 324	632 456	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	135 708	178 482	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	10 826	30 041	13 279	14 334	45 868	96 128			210 476

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.

2021

(in CHF 1 000)	Sales WE	Sales CEEMEA	Sales NAM	Sales APAC	Sales LATAM	Operations	Not allocated items	Eliminations	Group
Revenue third party	394 417	495 350	613 634	388 800	129 702	0	0		2 021 903
Revenue inter-segment	30 491	89 565	47 387	0	27 409	1 043 038	0	(1 237 890)	0
Total revenue	424 908	584 915	661 021	388 800	157 111	1 043 038	0	(1 237 890)	2 021 903
Depreciation and amortization	(10 851)	(11 376)	(12 255)	(10 764)	(12 742)	(25 005)	(20 213)	0	(103 206)
Impairment	(63)	(2 835)	(2 015)	0	0	(615)	(1 109)	0	(6 637)
Other expenses / income	(412 828)	(500 715)	(633 314)	(383 903)	(134 037)	(295 480)	(140 602)	1 131 398	(1 369 481)
Operating result	1 166	69 989	13 437	(5 867)	10 332	721 938	(161 924)	(106 492)	542 579
Finance income and expense									(71 253)
Share of result of associates									6 059
Income tax expense									(78 099)
NET RESULT									399 286
Segment assets	283 461	494 043	396 672	192 755	312 446	516 045	161 530	(476 867)	1 880 085
Unallocated assets, thereof:									
Cash and cash equivalents									880 423
Deferred income tax assets									75 809
Financial assets									33 537
Investments in associates									98 183
GROUP									2 968 038
Segment liabilities	86 352	189 046	151 917	115 583	58 950	163 304	279 950	(339 601)	705 501
Unallocated liabilities, thereof:									
Deferred income tax liabilities									31 040
Financial liabilities									731 049
GROUP									1 467 590
Addition in non-current assets	4 985	21 871	5 881	7 401	25 887	67 084			133 109

Non-current assets by location

(in CHF 1 000)	2022	2021
Switzerland	357 483	260 654
Germany	413 579	333 541
United States of America	305 863	266 324
Brazil	226 907	185 050
Other	309 783	270 372
GROUP	1 613 615	1 315 941

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)	2022	2021
BY PRODUCT CATEGORY		
Implant solutions	1 221 695	1 089 759
Restorative solutions	550 309	498 365
Other	548 781	433 779
GROUP	2 320 785	2 021 903
BY LOCATION OF CUSTOMER		
Switzerland	39 236	39 101
United States of America	608 630	516 875
China	243 502	243 278
Germany	237 854	259 045
Brazil	134 951	96 688
France	112 107	104 054
Japan	112 015	95 917
Other	832 490	666 945
GROUP	2 320 785	2 021 903

- 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.

	2022	2021[1]
Net profit attributable to shareholders (in CHF 1 000)	434 789	396 079
Weighted average number of ordinary shares outstanding	159 314 481	159 067 733
BASIC EARNINGS PER SHARE (IN CHF)	2.73	2.49

1 Prior year basic earnings per share have been adjusted due to the share split in 2022

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.

	2022	2021[1]
Net profit used to determine diluted earnings per share (in CHF 1 000)	434 789	396 079
Weighted average number of ordinary shares outstanding	159 314 481	159 067 733
Adjustments for instruments issued	257 031	524 540
Weighted average number of ordinary shares for diluted earnings per share	159 571 512	159 592 273
DILUTED EARNINGS PER SHARE (IN CHF)	2.72	2.48

1 Prior year diluted earnings per share have been adjusted due to the share split in 2022

There have been 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

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 - additions (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

2021

(in CHF 1 000)	Land	Buildings	Plant and machinery	Other	Total
COST					
At 1 January	20 880	201 544	337 166	138 223	697 813
Change in consolidation scope - additions (Note 2.1)	0	114	388	406	908
Additions	377	25 980	45 659	33 112	105 128
Disposals	(399)	(1 718)	(17 601)	(19 443)	(39 161)
Currency translation adjustments	(280)	(1 266)	(2 370)	(1 978)	(5 894)
At 31 December	20 578	224 654	363 242	150 319	758 794
ACCUMULATED DEPRECIATION					
At 1 January	0	(98 576)	(182 516)	(103 174)	(384 266)
Depreciation charge (Note 4.5)	(399)	(8 671)	(25 825)	(16 243)	(51 137)
Impairment (Note 4.5)	0	(12)	(3 439)	(944)	(4 396)
Disposals	399	1 620	15 934	18 990	36 942
Currency translation adjustments	(104)	305	467	942	1 609
At 31 December	(104)	(105 334)	(195 380)	(100 429)	(401 248)
NET BOOK VALUE	20 474	119 320	167 862	49 890	357 546

Repair and maintenance expenses for property, plant and equipment for the business year 2022 amounted to CHF 15.1 million (2021: CHF 11.5 million).

4.2 Right-of-use assets

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 - additions (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

2021

(in CHF 1 000)	Land	Buildings	Plant and machinery	Other	Total
COST					
At 1 January	0	255 752	3 638	20 577	279 967
Change in consolidation scope - additions (Note 2.1)	0	38	0	0	38
Additions	3 175	18 525	0	5 579	27 278
Disposals	0	(11 322)	(972)	(4 783)	(17 077)
Currency translation adjustments	47	(3 322)	18	(1 253)	(4 509)
At 31 December	3 222	259 671	2 684	20 120	285 697
ACCUMULATED DEPRECIATION					
At 1 January	0	(34 283)	(1 713)	(8 388)	(44 384)
Depreciation charge (Note 4.5)	0	(21 664)	(781)	(6 068)	(28 513)
Disposals	0	2 388	970	4 239	7 597
Currency translation adjustments	0	317	10	600	927
At 31 December	0	(53 243)	(1 514)	(9 616)	(64 373)
NET BOOK VALUE	3 222	206 428	1 169	10 504	221 324

Beside the lease contracts recognized as right-of-use assets, the Group has entered into lease contracts with terms of 12 months or less and leases of low value. In 2022, the Group recognized expenses of CHF 8.6 million related to short-term leases (2021: CHF 6.9 million) and CHF 5.4 million related to low value leases (2021: CHF 1.4 million).

The Group recognized a total cash outflow for leases of CHF 35.2 million in 2022 (2021: CHF 36.8 million). The maturity analysis of lease liabilities is disclosed in Note 9.2.

4.3 Intangible assets

2022

(in CHF 1 000)	Goodwill	Brands	Customer & distribution relation-ships	Software	Other intangibles	Total
COST						
At 1 January	628 689	142 768	167 173	85 703	114 849	1 139 182
Change in consolidation scope - additions (Note 2.1)	108 583	64 721	19 607	277	430	193 618
Additions	0	0	0	33 300	529	33 829
Disposals	0	0	0	(3 352)	(19)	(3 371)
Currency translation adjustments	(21 673)	(4 532)	(10 874)	1 031	(7 965)	(44 013)
At 31 December	715 599	202 958	175 906	116 958	107 824	1 319 245
ACCUMULATED AMORTIZATION AND IMPAIRMENT						
At 1 January	(203 339)	(10 060)	(128 776)	(65 650)	(92 470)	(500 295)
Amortization charge (Note 4.5)	0	(45 028)	(6 368)	(11 038)	(6 238)	(68 672)
Impairment (Note 4.5)	0	0	0	(607)	(304)	(911)
Disposals	0	0	0	439	19	457
Currency translation adjustments	12 051	1 417	5 575	425	8 658	28 125
At 31 December	(191 288)	(53 672)	(129 568)	(76 432)	(90 335)	(541 295)
NET BOOK VALUE	524 311	149 286	46 338	40 527	17 489	777 950

2021

(in CHF 1 000)	Goodwill	Brands	Customer & distribution relation-ships	Software[1]	Other intangibles[1]	Total
COST						
At 1 January	634 471	146 161	173 759	76 569	112 569	1 143 529
Change in consolidation scope - additions (Note 2.1)	13 090	0	2 773	22	0	15 885
Additions	0	0	0	15 455	387	15 842
Disposals	(2 206)	(199)	(445)	(5 929)	(51)	(8 829)
Currency translation adjustments	(16 665)	(3 194)	(8 914)	(414)	1 943	(27 244)
At 31 December	628 689	142 768	167 173	85 703	114 849	1 139 182
ACCUMULATED AMORTIZATION AND IMPAIRMENT						
At 1 January	(210 213)	(10 120)	(128 666)	(60 577)	(83 667)	(493 243)
Amortization charge (Note 4.5)	0	(190)	(7 662)	(8 354)	(7 351)	(23 556)
Impairment (Note 4.5)	0	0	0	(2 241)	0	(2 241)
Disposals	2 206	199	445	5 351	0	8 200
Currency translation adjustments	4 668	51	7 107	171	(1 451)	10 545
At 31 December	(203 339)	(10 060)	(128 776)	(65 650)	(92 470)	(500 295)
NET BOOK VALUE	425 350	132 708	38 397	20 053	22 378	638 887

1 Prior year's presentation has been adapted to the current year format

Other intangibles include mainly technology, development costs and patents.

In 2022, the Group spent CHF 104.6 million (2021: CHF 96.0 million) for 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)	2022		2021	
	Goodwill	Brand with indefinite life	Goodwill	Brand with indefinite life
DrSmile Business	170 976	34 808	79 745	36 555
ClearCorrect Business	99 407	31 542	100 132	31 238
Neodent Business	68 405	32 854	64 278	30 872
Global Premium Implant Business	59 259	0	62 912	0
Medentika Business	38 369	17 356	40 295	18 227
Anthogyr Business	22 649	11 844	23 785	12 439
Other	65 246	0	54 202	0
TOTAL	524 311	128 404	425 350	129 331

DrSmile Business

The CGU DrSmile Business (which is part of the operating segment Sales CEEMEA) contains the orthodontics business of DrSmile in the European market. The goodwill and the DrSmile brand have been recognized as part of the acquisitions of DrSmile in 2020 and PlusDental in 2022, the latter acquisition explaining the increase in goodwill recognised in the period under review.

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 have been 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 the goodwill and the Neodent brand have been recognized as part of the acquisition of Neodent in 2015.

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 and restorative solutions and contains the goodwill allocated to the principal recognized in acquisitions of companies distributing such products on local markets.

Medentika Business

The CGU Medentika Business (which is part of the operating segment Sales CEEMEA) 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 the goodwill and the Medentika brand have been recognized as part of the acquisition of Medentika in 2017.

Anthogyr Business

The CGU Anthogyr Business (which is part of the operating segment Sales WE) 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 the goodwill and the Anthogyr brand have been recognized as part of the acquisition of Anthogyr in 2019.

Goodwill and indefinite life intangibles have been tested for impairment. The recoverable amount of a group of CGU's 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 %)	2022	2021
DRSMILE BUSINESS		
Gross profit margin of the CGU[1]	74.9	80.0
Terminal growth rate[2]	2.0	1.5
Weighted average cost of capital (WACC)[3]	14.6	16.0
CLEARCORRECT BUSINESS		
Gross profit margin of the CGU[1]	66.0	67.0
Terminal growth rate[2]	2.0	1.5
Weighted average cost of capital (WACC)[3]	14.2	13.2
NEODENT BUSINESS		
Gross profit margin of the CGU[1]	71.9	72.2
Terminal growth rate[2]	3.5	3.5
Weighted average cost of capital (WACC)[3]	15.3	13.2
GLOBAL PREMIUM IMPLANT BUSINESS		
Gross profit margin of the CGU[1]	73.5	77.7
Terminal growth rate[2]	1.5	1.5
Weighted average cost of capital (WACC)[3]	8.8	7.0
MEDENTIKA BUSINESS		
Gross profit margin of the CGU[1]	63.4	59.3
Terminal growth rate[2]	2.0	1.5
Weighted average cost of capital (WACC)[3]	12.8	11.5
ANTHOGYR BUSINESS		
Gross profit margin of the CGU[1]	45.9	47.0
Terminal growth rate[2]	1.6	1.5
Weighted average cost of capital (WACC)[3]	13.9	12.0

1 Budgeted gross profit margin
2 Used for calculating the terminal value
3 Pre-tax discount rate applied to the cash flow projections

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.

Based on the impairment tests conducted, no impairments or impairment reversals were recognized in both periods under review.

4.5 Depreciation and amortization

(in CHF 1 000)	2022	2021
Depreciation of property, plant and equipment	(64 027)	(51 137)
Depreciation of right-of-use assets	(30 006)	(28 513)
Amortization of intangible assets	(68 672)	(23 556)
Impairment of property, plant and equipment	(2 883)	(4 396)
Impairment of intangible assets	(911)	(2 241)
TOTAL DEPRECIATION AND AMORTIZATION	(166 499)	(109 843)

The 2022 amortization of intangible assets of CHF 68.7 million 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)	2022	2021
Raw materials and supplies	51 654	39 424
Work in progress	79 185	67 896
Finished goods	190 333	141 907
TOTAL INVENTORIES	321 172	249 227
Inventories recognized as an expense in cost of goods sold	(526 941)	(429 739)
Obsolete inventories written down and recognized as an expense	(5 993)	(5 585)

5.2 Trade and other receivables

(in CHF 1 000)	2022	2021
Trade receivables, net	416 366	287 269
Other receivables, thereof:	128 476	93 338
Sales related	64 549	49 628
VAT and other non-income taxes	50 162	34 703
Cash deposits	3 460	2 554
Salary and social security prepayments	2 962	3 430
Dividend receivable from financial assets	2 485	0
Prepaid rent	1 846	711
Right of return asset	1 148	1 032
Government grants	765	443
Interest	97	203
Other	1 002	633
TOTAL TRADE AND OTHER RECEIVABLES	544 842	380 607
thereof: Other financial assets as defined by IFRS 7	70 591	52 385
thereof:		
CHF	22 469	17 184
EUR	200 912	110 991
USD	86 517	67 767
BRL	75 468	47 545
CNY	42 045	49 823
TRY	17 628	18 064
GBP	9 226	8 783
CAD	8 351	7 524
RUB	6 044	8 108
Other	76 182	44 819

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 80.0 million (2021: CHF 20.6 million).

Movements in the provision for impairment of trade receivables were as follows:

(in CHF 1 000)	2022	2021
At 1 January	(30 087)	(32 996)
Charge for the year	(22 438)	(5 228)
Utilized	2 477	1 440
Unused amounts reversed	4 263	6 098
Currency translation adjustments	577	599
AT 31 DECEMBER	(45 208)	(30 087)

The charge for the year in 2022 is mainly related to increased default risks due to the current market conditions as well as the business expansion.

There is no provision on other receivables.

The analysis of overdue trade receivables is as follows:

(in CHF 1 000)	2022		2021	
	Gross	Allowance	Gross	Allowance
Not past due	356 301	(5 790)	237 606	(2 393)
Past due, thereof:	105 274	(39 419)	79 750	(27 694)
< 30 days	35 661	(2 041)	27 825	(880)
31–60 days	15 858	(1 151)	12 785	(731)
61–90 days	9 409	(2 356)	8 215	(1 585)
91–120 days	7 215	(3 407)	4 290	(1 791)
> 120 days	37 130	(30 463)	26 636	(22 706)
TOTAL	461 575	(45 208)	317 356	(30 087)

5.3 Cash and cash equivalents

(in CHF 1 000)	2022	2021
Cash at banks and on hand, thereof:	381 133	743 669
CHF	219 310	550 788
EUR	64 739	91 699
USD	35 576	36 493
CNY	7 326	20 533
JPY	10 498	8 476
CAD	9 592	3 750
SEK	3 329	3 516
RUB	2 487	2 976
IRR	2 305	6 574
SGD	2 243	1 444
Other	23 729	17 419
Short-term bank deposits, thereof:	314 970	136 754
CHF	300 000	70 000
BRL	8 451	9 674
USD	123	50 369
GBP	2 926	1 414
TRY	1 521	2 836
Other	1 949	2 461
TOTAL CASH AND CASH EQUIVALENTS	696 103	880 423

Cash at banks earns interest at floating rates based on daily bank deposit rates in the respective currency.

5.4 Trade and other payables

(in CHF 1 000)	2022	2021
Trade payables	83 229	74 832
Other payables, thereof:	490 879	364 894
Sales related	211 820	136 931
Salary and social security	134 939	131 248
Contingent consideration	82 352	42 064
VAT and other non-income taxes	36 473	25 990
Refund liability	8 989	18 549
Rent payable	1 483	2 048
Interest accrued on straight bond (Note 7.2)	987	987
Other	13 837	7 075
TOTAL TRADE AND OTHER PAYABLES	574 107	439 725
thereof: other financial liabilities as defined by IFRS 7	296 641	182 030

In 2022, the majority of contingent consideration liability relates to the DrSmile business combination and amounts to CHF 76.0 million (2021: CHF 36.6 million). Further details are given in Note 7.3. The increase of the sales related other payables is mainly related to the business expansion of DrSmile.

6 Provisions, other non-current liabilities, contingencies and commitments
6.1 Provisions

(in CHF 1 000)	Sales-related	Legal	Other	Total 2022	Total 2021
At 1 January	2 703	25 267	4 246	32 216	15 471
Change in consolidation scope	1 293	0	0	1 293	273
Utilization	(1 107)	(632)	(409)	(2 148)	(3 787)
Reversal	(1 568)	(4 924)	(345)	(6 837)	(1 255)
Additions	98	8 146	913	9 157	22 117
Currency translation adjustments	(87)	(114)	(69)	(270)	(603)
At 31 December	1 332	27 743	4 336	33 411	32 216
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	
Non-current 2021	2 703	16 787	4 191		23 681
Current 2021	0	8 480	55		8 535
TOTAL PROVISIONS 2021	2 703	25 267	4 246		32 216

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 the business. They cover numerous separate cases whose detailed disclosure could be detrimental to the 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 agent's 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)	2022	2021
Contingent consideration	29 486	70 527
Other long-term employee benefits	9 312	10 912
Rent payable	3 740	3 553
Non-income taxes	399	63
Other	156	536
TOTAL OTHER LIABILITIES	43 093	85 590
thereof: other financial liabilities as defined by IFRS 7	33 226	74 080

In 2022, the contingent consideration mainly includes 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 (2021: CHF 55.6 million). The decrease is mainly due to the reclassification to current other payables disclosed in Note 5.4.

6.3 Contingencies and commitments
Contingent assets and liabilities
The Group has guarantee obligations with a maximum of CHF 64.2 million (2021: CHF 46.6 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 compensations. 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)	2022	2021
Guarantee obligations	64 245	46 619
Purchase commitments	1 053	2 924
TOTAL	65 298	49 543

7 Financing, capital and tax

7.1 Financial assets

(in CHF 1 000)	2022	2021
Financial assets at fair value through other comprehensive income	35 118	21 303
Loans and other receivables	4 283	8 867
Financial assets at fair value through profit or loss	902	1 016
TOTAL NON-CURRENT FINANCIAL ASSETS	40 303	31 186
Loans and other receivables	1 849	1 276
Financial assets at fair value through profit or loss	1 010	1 075
TOTAL CURRENT FINANCIAL ASSETS	2 858	2 351

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)	2022	2021
Straight bonds	199 901	479 841
Lease liabilities	195 087	200 882
Put options to non-controlling interests	5 117	5 439
Financial liabilities at amortized costs	3 012	4 137
TOTAL NON-CURRENT FINANCIAL LIABILITIES	403 117	690 299
Straight bonds	280 009	0
Lease liabilities	26 599	25 846
Financial liabilities at amortized costs	430	612
Financial liabilities at fair value through profit or loss	160	338
Put options to non-controlling interests	0	13 955
TOTAL CURRENT FINANCIAL LIABILITIES	307 198	40 751

Movements in liabilities arising from financing activities are as follows:

(in CHF 1 000)	2022	2021
At 1 January	731 050	758 257
Change in lease liabilities	30 414	24 879
Change in consolidation scope	28 142	359
Payment of lease liabilities	(28 585)	(29 897)
Settlement of assumed financial liabilities (Note 2.1)	(14 805)	0
Purchase of non-controlling interests	(13 955)	(8 343)
Currency translation adjustments	(9 691)	(4 354)
Interest paid on lease liabilities	(6 627)	(6 912)
Repayment in non-current financial debts	(5 672)	(4 742)
Change in fair values	(500)	1 474
Repayment of current financial debts	(169)	(309)
Increase in non-current financial debt	0	1 320
Other changes	713	(682)
AT 31 DECEMBER	710 315	731 050

The change in consolidation scope in 2022 relates to the business combination of Nihon and PlusDental and in 2021 mainly to the business combination Smilink (Note 2.1). The payment of the debt assumption relates to the business combination of PlusDental. The purchase of non-controlling interest relates to the share acquisition from minority shareholders of Medentika GmbH in 2022 and of Valoc AG in 2021.

Straight bonds

The Group placed a CHF-denominated domestic straight bond issue for an aggregate amount of CHF 280 million with issue date 3 April 2020 and interest rate of 1.00% p.a., payable annually in arrears on 3 October. The bond is due for repayment on 3 October 2023.

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.

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 3 October 2023 and from 10 June 2020 until 3 October 2025 respectively. Both are 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)	2022	2021
Straight bonds at 1 January	479 841	479 819
Interest expense	4 016	4 016
Redemption (Coupon)	(3 947)	(3 993)
thereof:		
Recognized in trade and other payables (Note 5.4)	(987)	(987)
Disbursement	(2 960)	(3 006)
STRAIGHT BONDS AT 31 DECEMBER	479 910	479 841

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 domestic bonds 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 DrSmile in Germany, Nihon in Japan, Bay Materials in the US, Medical Technologies 21 LLC in Russia and Digital Planning Service Private Limited in Pakistan. The fair value of the contingent considerations is based on revenue (DrSmile and Medical Technologies 21 LLC) and profitability targets (DrSmile, Bay Materials and Nihon) as well as company and product related milestones (Digital Planning Service).

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 are not based on observable market data

At 31 December 2022 and 2021 the Group held the following financial instruments:

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 receivables	416 366				416 366	
Other receivables	70 591				70 591	
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 payables	83 229				83 229	
Other liabilities	218 029			111 838	329 867	

2021 (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			1 075		1 075	
Equity instruments		1 016		21 303	22 319	
Loans and other financial receivables	10 142				10 142	
FINANCIAL ASSETS (NOTE 5.2)						
Trade receivables	287 269				287 269	
Other receivables	52 385				52 385	
FINANCIAL ASSETS (NOTE 5.3)						
Cash and cash equivalents	880 423				880 423	
FINANCIAL LIABILITIES (NOTE 7.2)						
Straight bonds	479 841				479 841	489 564
Derivative financial liabilities			338		338	
Put options to non-controlling interests				19 394	19 394	
Lease liabilities	226 727				226 727	
Other financial liabilities	4 749				4 749	
FINANCIAL LIABILITIES (NOTE 5.4 AND 6.2)						
Trade payables	74 832				74 832	
Other liabilities	143 529			112 591	256 120	

The changes in carrying values associated with Level 3 financial instruments are set as follows:

(in CHF 1 000)	2022		2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
At 1 January	21 303	131 985	11 237	143 759
Transfer into Level 1	(12 088)	0	0	0
Settlements	(1 763)	(21 954)	(1 404)	(64 452)
Additions	1 617	11 737	9 728	8 157
Remeasurement recognized in OCI	11 883	358	(13 400)	(94)
Remeasurement recognized in profit or loss	0	(4 850)	(201)	43 479
Remeasurement recognized in equity	0	(322)	0	1 136
Transfer into Level 3	0	0	15 343	0
AT 31 DECEMBER	20 952	116 954	21 303	131 985

The Group is invested in equity shares of a medical device company whose shares have been suspended from trading from the end of 2021 until April 2022. In 2021, the investment was transferred into Level 3 (CHF 15.3 million), 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).

Settlement of Level 3 financial liabilities mainly relate 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). In 2021 settlements of Level 3 financial liabilities mainly related to the contingent consideration payment in conjunction with the DrSmile (CHF 33.2 million), Batigroup (CHF 9.7 million) and Zinedent (CHF 5.1 million) business combinations as well as to the purchase of non-controlling interests from the minority shareholders of Valoc AG (CHF 8.3 million).

Additions to Level 3 financial liabilities relate to the contingent consideration payable of CHF 11.7 million in conjunction with the Nihon business combination. In 2021, additions to Level 3 financial assets mainly related to an investment in an Irish-based development and manufacturing company in the biomaterials sector and an investment in a US-based digital treatment planning company.

In 2021, financial liabilities remeasured in profit or loss mainly related to the fair value adjustment of the contingent consideration liability in conjunction with the DrSmile business combination (CHF 48.7 million).

Besides the transfer into Level 1 in 2022 and into Level 3 in 2021 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.

The significant unobservable inputs for material financial instruments within Level 3 of the fair value hierarchy and their quantitative sensitivity analysis at 31 December 2022 are as follows:

Instrument	Valuation technique	Significant unobservable input	Sensitivity of the input to fair value
Contingent Consideration DrSmile	Present value of the estimated redemption value	Revenue	500 base-point increase (decrease) in revenue would result in an increase (decrease) in fair value of CHF 3.8 million, resp. CHF –2.7 million (2021: CHF 3.9 million, resp. CHF –3.9 million)
		EBITDA	1000 base-point increase (decrease) in EBITDA would result in an increase (decrease) in fair value of CHF 0.0 million, resp. CHF –0.9 million (2021: CHF 1.1 million, resp. CHF -1.1 million)
		Interest rate	100 base-point increase (decrease) in the interest rate would result in a decrease (increase) in fair value of CHF –0.5 million, resp. CHF 0.6 million (2021: CHF –1.4 million, resp. CHF 1.4 million)

The fair value of the contingent consideration for DrSmile depends on the expected revenue and EBITDA achievement, and the interest rate prevailing at the balance sheet date. A floor and cap were defined for both revenue and EBITDA achievements. As of 31 December 2022, the Group assesses that it is highly probable that DrSmile will achieve the targets due to expansion and the realization of synergies in the future. The fair value of the contingent consideration determined on 31 December 2022 reflects this development and is recorded at CHF 84.8 million (31 December 2021: CHF 90.2 million).

The Group did not disclose further sensitivity analysis at 31 December 2022 for the remaining Level 3 financial instruments, as their quantitative sensitivity is not material to the Group.

Hedges

On 31 December 2022, the Group had forward exchange contracts for net CHF 145.8 million (2021: CHF 105.1 million) and non-deliverable foreign exchange forward contracts (NDF) for CHF 4.1 million (2021: CHF 15.1 million).

7.4 Finance income and expense

(in CHF 1 000)	2022	2021
FINANCE INCOME	107 187	89 414
Interest income:		
from financial instruments at amortized cost	2 577	2 258
Fair value and other financial income	7 963	3 088
Foreign exchange gains	96 648	84 068
FINANCE EXPENSE	(136 892)	(160 668)
Interest expense:		
from financial instruments at amortized cost	(10 397)	(10 031)
on defined benefit obligation (net)	(165)	(94)
from lease liabilities	(6 627)	(6 912)
Fair value and other financial expense	(9 071)	(52 310)
Financial impairment expense	0	(878)
Foreign exchange losses	(110 633)	(90 444)
TOTAL FINANCE EXPENSE NET	(29 705)	(71 254)

In 2021, fair value and other financial expense includes CHF 48.7 million remeasurement expense for the contingent consideration payable to the sellers of DrSmile.

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 comparative reporting period was adjusted accordingly.

The share capital is represented by 159 455 239 issued shares (2021: 159 213 690) of CHF 0.01 par value, fully paid in. On 19 April 2022, conditional share capital was exercised to increase the share capital of Straumann Holding AG by 138 330 shares, or CHF 1 383.30 nominal value. The shares were used to serve vested performance share units as part of the share-based payment program 2019 – 2022. The fair value at vesting amounted to CHF 127.30 per share. On 29 April 2022, conditional share capital was exercised to increase the share capital of Straumann Holding AG by 103 219 shares, or CHF 1 032.19 nominal value. The shares were used to serve the employee share participation plan 2022. The fair value at vesting amounted to CHF 116.55 per share.

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 2022 the conditional share capital amounted to CHF 21 741.51 (2021: CHF 24 157.00).

Treasury shares are valued at weighted average cost and have been deducted from equity. The fair value of the treasury shares at 31 December 2022 amounted to CHF 10.6 million (2021: CHF 11.0 million).

As of 31 December 2022 the number of outstanding shares amounted to 159 354 617 (2021: 159 157 110) and the number of treasury shares amounted to 100 622 (2021: 56 580).

The number of shares outstanding developed as follows:

	2022	2021[1]
At 1 January	159 157 110	158 920 490
Performance share plan – PSU	138 330	145 450
Employee share participation plan – ESPP	103 219	0
Treasury shares		
Purchased	(60 758)	(28 700)
Used	16 716	119 870
AT 31 DECEMBER	159 354 617	159 157 110

1 Prior year figures have been adjusted due to the share split in 2022

7.6 Dividends per share

The dividend paid in 2022 was CHF 0.68 per share (2021: CHF 0.58 per share), both numbers reflecting the share split in 2022. The total payout amounted to CHF 107.4 million in 2022 and CHF 91.4 million in 2021. A dividend for the year ended 31 December 2022 of CHF 0.80 per share, amounting to a total dividend of CHF 127.5 million, will be proposed at the Shareholders' General Meeting on 5 April 2023. These financial statements do not reflect this payable dividend.

7.7 Income tax

Income tax expense

(in CHF 1 000)	2022	2021
Income taxes from current period	(97 417)	(100 117)
Income taxes from other periods	(4 256)	2 632
Deferred	38 018	19 386
Total income tax expense	(63 655)	(78 099)
EFFECTIVE INCOME TAX RATE (IN %)	12.8	16.4

For 2022 the applicable Group tax rate is 20.4% (2021: 16.0%), which represents the weighted 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.

The following elements explain the difference between the income tax expense at the applicable Group tax rate and the effective income tax expense:

(in CHF 1 000)	2022	2021
Profit before tax	498 435	477 385
Applicable Group tax rate	20.4 %	16.0 %
Income tax at the applicable Group tax rate	(101 569)	(76 149)
Non-tax-deductible expense	(6 790)	(14 990)
Non-taxable income	58 986	12 944
Changes in recognition of tax assets from losses or tax credits (and their expiry)	(548)	(1 971)
Utilization of previously unrecognized tax losses or tax credits to offset current taxes	21	296
Tax losses or tax credits from current year that are not recognized	(9 569)	(769)
Effect of changes in tax rates or imposition of new taxes	89	142
Current taxes from other periods	(4 256)	2 632
Other	(19)	(234)
EFFECTIVE INCOME TAX EXPENSE	(63 655)	(78 099)

AVAILABLE TAX LOSS CARRY-FORWARDS AND TAX CREDITS

(in CHF 1 000)	2022	2021
At 1 January	196 731	163 704
Adjustments of tax loss carry-forwards on opening balance	(5 512)	5 664
Change in consolidation scope - additions	80 422	0
Tax losses and credits arising from current year	106 514	85 673
Tax losses and credits expired (not used) during current year	(1 767)	(1 413)
Tax losses and credits utilized against current year profits	(24 638)	(54 677)
Currency translation adjustments	(6 958)	(2 220)
AT 31 DECEMBER	344 792	196 731

Deferred income tax assets of CHF 62.8 million (2021: CHF 47.4 million) were recorded in respect of available tax loss carry-forwards and tax credits of CHF 194.7 million (2021: CHF 170.0 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.

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 13.6 million (2021: CHF 17.1 million) and CHF 40.0 million (2021: CHF 50.2 million).

Unused tax loss carry-forwards for which no deferred tax has been recognized will expire as follows:

(in CHF 1 000)	2022	2021
Expiry in next business year (current year +1)	1 352	1 689
Expiry current year +2	2 711	471
Expiry current year +3	2 320	1 844
Expiry current year +4	22 552	71
Expiry current year +5 and later	121 176	22 669
UNUSED TAX LOSS CARRY-FORWARDS AT 31 DECEMBER	150 111	26 743

Deferred income taxes

The movement in deferred income tax assets and liabilities is as follows:

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)	-	-	-	(23 988)
(Charged) / credited to income statement	3 552	13 260	8 029	16 245	(3 069)	38 018
Credited 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)

2021

(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	1 110	(56 299)	28 057	40 407	12 487	25 762
Change in consolidation scope - additions	0	(555)	0	0	-	(555)
(Charged) / credited to income statement	(8 194)	8 105	6 226	7 963	5 286	19 386
Credited to statement of comprehensive income	0	0	0	0	(1 457)	(1 457)
Charged to statement of changes in equity	0	0	0	0	3 123	3 123
Currency translation adjustments	6	1 567	(41)	(940)	(2 082)	(1 490)
NET DEFERRED TAX BALANCE AT 31 DECEMBER	(7 078)	(47 181)	34 242	47 429	17 357	44 769
Deferred tax assets at 31 December	45 295	2 438	38 465	47 429	26 746	160 372
Deferred tax assets after offset at 31 December						75 809
Deferred tax liabilities at 31 December	(52 372)	(49 619)	(4 223)	0	(9 389)	(115 603)
Deferred tax liabilities after offset at 31 December						(31 040)

At 31 December 2022, there was no recognized deferred tax liability (2021: 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)	2022	2021
Wages and salaries	(653 260)	(570 927)
Share-based payments (Note 8.3)	(14 051)	(9 364)
Social security cost	(84 567)	(69 182)
Pension costs and other personnel expense	(65 417)	(55 191)
TOTAL EMPLOYEE BENEFIT EXPENSE	(817 295)	(704 664)

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)	2022	2021
Net liabilities at 1 January	(61 739)	(73 325)
Currency translation adjustments	186	193
Expense recognized in consolidated income statement	(16 319)	(16 008)
Employer contributions	14 297	12 538
Benefits paid	50	0
Remeasurements	51 139	14 863
NET LIABILITIES AT 31 DECEMBER	(12 386)	(61 739)

BALANCE SHEET

(in CHF 1 000)	2022	2021
Fair value of plan assets	285 390	281 301
Present value of funded benefit obligations	(294 501)	(339 429)
Deficit in the plan	(9 111)	(58 128)
Present value of unfunded benefit obligations	(3 275)	(3 611)
TOTAL RETIREMENT BENEFIT OBLIGATIONS	(12 386)	(61 739)

The net periodic benefit costs recorded in the income statement consist of the following components:

(in CHF 1 000)	2022	2021
Current service cost	(15 542)	(15 415)
Past service cost	(57)	0
Interest expense on defined benefit obligation	(774)	(358)
Interest income on plan assets	609	264
Administration costs	(555)	(499)
EXPENSE RECOGNIZED IN THE CONSOLIDATED INCOME STATEMENT	(16 319)	(16 008)

The defined benefit obligation of the Swiss pension plan amounts to CHF 293.0 million (2021: CHF 337.8 million), the plan assets are CHF 284.1 million (2021: CHF 280.1 million) and current service costs are CHF 14.8 million (2021: CHF 14.8 million).

The movement in the Group's defined benefit obligation over the year is as follows:

(in CHF 1 000)	2022	2021
Present value of benefit obligation at 1 January	(343 040)	(305 427)
Current service cost	(15 542)	(15 415)
Interest expense on defined benefit obligation	(774)	(358)
Past service cost	(57)	0
Employee contributions	(8 719)	(7 563)
Experience losses on defined benefit obligation	(11 130)	(39 351)
Benefits paid / transferred in	3 591	3 028
Actuarial results arising from change in financial assumptions	77 487	(944)
Actuarial results arising from change in demographic assumptions	156	22 733
Currency translation adjustments	252	257
PRESENT VALUE OF BENEFIT OBLIGATION AT 31 DECEMBER	(297 776)	(343 040)
whereof due to active members	(256 746)	(293 427)
whereof due to pensioners	(41 030)	(49 613)

On 31 December 2022, the weighted-average duration of the defined benefit obligation was 14 years (2021: 13 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:

	2022		2021	
	Switzerland	Other	Switzerland	Other
Discount rate	2.40 %	3.00 % – 5.23 %	0.20 %	0.87 % – 2.79 %
Future salary increases	1.50 %	1.00 % – 5.00 %	1.00 %	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 BVG 2020 applying the 'continuous mortality investigation' (CIM) model. A long-term rate of 1.5% was used for longevity improvements. The high amount of actuarial gains from financial assumptions is mainly due to the increased interest rate environment, affecting the discount rate applied.
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)	2022		2021	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.25 % movement)	7 078	(7 498)	10 349	(11 042)
Future salary growth (0.25 % movement)	(965)	937	(1 518)	1 476

The sensitivity analysis above has been 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)	2022	2021
Fair value of plan assets at 1 January	281 301	232 102
Interest income	609	264
Employer contributions	14 297	12 538
Employee contributions	8 719	7 563
Benefits paid / transferred in	(3 541)	(3 028)
Return on plan assets	(15 374)	32 425
Administration costs	(555)	(499)
Currency translation adjustments	(66)	(64)
FAIR VALUE OF PLAN ASSETS AT 31 DECEMBER	285 390	281 301

Plan assets are comprised as follows:

(in CHF 1 000)	2022		2021	
Cash and cash equivalents	13 920	4.9 %	8 963	3.2 %
Debt instruments	48 295	16.9 %	51 255	18.2 %
Equity instruments	82 385	28.9 %	89 346	31.8 %
Real estate	83 805	29.3 %	75 061	26.7 %
Other	56 985	20.0 %	56 676	20.1 %
TOTAL PLAN ASSETS	285 390	100.0 %	281 301	100.0 %

Cash and cash equivalents, as well 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 2022, 12% (2021: 16%) 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 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 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 2023 is CHF 14.2 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 15.0 million (2021: CHF 9.9 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 3 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.

3-year rTSR versus SMIM in percentage points

The rTSR symmetrical vesting curve allows for no payout in 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). Contrarily, 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.

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

Effective in 2022, eligible employees in Switzerland have been 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 103 348 (2021: 91 950, adjusted for share split 2022) of those shares.

The expense recognized for share-based payments during the year is shown in the following table:

(in CHF 1 000)	2022	2021
Long-term incentive (LTI)	10 032	5 737
Board of Directors remuneration	1 000	901
Employee share participation plan (ESPP)	3 019	2 726
TOTAL SHARE-BASED PAYMENTS (NOTE 8.1)	14 051	9 364

There were no cancellations or modifications to the PSU awards in 2022 or 2021.

Movements in the number of performance share units are as follows:

RECONCILIATION OF OUTSTANDING PERFORMANCE SHARE UNITS

	2022	2021[1]
At 1 January	262 270	298 540
Granted	90 390	87 660
Exercised	(77 360)	(102 990)
Forfeited	(25 409)	(20 940)
TOTAL AT 31 DECEMBER	249 891	262 270
Exercisable at 31 December	0	0

1 Prior year figures have been adjusted due to the share split in 2022

In 2022, 90 390 PSUs were granted under the LTI (2021: 87 660). The total fair value has been determined using a Monte Carlo simulation algorithm and amounts to CHF 140.42 (2021: CHF 126.56).

Underlying assumptions for the fair value of the PSUs are presented below:

INPUTS TO THE MODELS

	2022 PSU	2021 PSU
Dividend yield (in %)	0.00	0.00
Expected volatility (in %)	33.39	30.65
Risk-free interest rate (in %)	0.58	(0.56)
Expected life of PSUs (in years)	3	3
Share price (in CHF) at grant date in April[1]	130.55	124.65
Fair value (in CHF)[1]	140.42	126.56

1 Prior year share price and fair value have been adjusted due to the share split in 2022

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

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed in the consolidated financial statements.

9.2 Financial risk management

The Group's principal financial liabilities comprise trade payables, finance leases, overdrafts, bank loans 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 2022 and 2021. 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 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)	2022		2021	
CURRENCY	Increase / decrease (in base points)	Effect on profit before tax	Increase / decrease (in base points)	Effect on profit before tax
CHF	30	1 558	30	1 866
USD	50	200	50	427
CHF	(30)	(1 558)	(30)	(1 866)
USD	(50)	(200)	(50)	(427)

Foreign currency risk

Foreign exchange risk arises when future transactions or recognized assets or liabilities are denominated in a currency other than the entity's functional one. As the majority of the Group's business is international and since the Group's financial statements are prepared in Swiss francs, fluctuations in exchange rates 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 general efforts to reduce currency exposures naturally, the Group's foreign currency risk management policy aims to concentrate exposures centrally 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 Corporate Finance. Speculative trading is forbidden.

At 31 December 2022 the Group had economically hedged 67% (2021: 91%) of its booked foreign currency transaction 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 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)	2022			2021		
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	655	0	10	55	0
USD / CHF	10	2 484	0	10	0	0
BRL / CHF	10	(7)	0	10	33	0
EUR / CHF	10	519	0	10	(1 306)	0
JPY / CHF	10	0	0	10	(140)	0
CNY / CHF	(10)	(655)	0	(10)	(55)	0
USD / CHF	(10)	(2 484)	0	(10)	0	0
BRL / CHF	(10)	7	0	(10)	(33)	0
EUR / CHF	(10)	(519)	0	(10)	1 306	0
JPY / CHF	(10)	0	0	(10)	140	0

Credit risk

Credit risk refers to the risk that counterparties will not meet their obligations, leading to a financial loss for the creditor. The Group is exposed to credit risk from its operating activities, primarily trade receivables and loan notes, as well as from its financing activities, primarily 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 2022 95% of the transactions and 96% in 2021 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)	2022		2021	
BANK	Rating	Balance	Rating	Balance
Bank A	AAA	129 026	AAA	153 562
Bank B	AA+	121 205	AA+	218 013
Bank C	AA+	100 458	AA	450
Bank D	A+	131 308	A+	163 480
Bank E	A-	68 021	A-	80 029
Bank F	A-	5 132	A+	120 803
Bank G	A-	28 436	A-	33 327
Other banks		112 517		110 759
TOTAL		696 103		880 423

Liquidity risk

Liquidity risk refers to the possible inability to meet short-term debt obligations due to the lack of liquid assets. The Group closely monitors its liquidity risk through a prudent asset and liability management. This includes a recurring liquidity planning approach throughout the Group. The Group's objective is to maintain an adequate funding structure by using bank overdrafts, bank loans, bonds and finance leases. In accordance with the policy, Group Treasury maintains a permanently accessible cash stock as well as flexible short-term funding possibility through committed or uncommitted credit lines, involving a prospective approach.

The following table reflects all undiscounted contractually agreed payments for repayments and interest resulting from recognized financial liabilities at 31 December 2022 and 31 December 2021.

(in CHF 1 000)	2022			2021		
	< 1 year	1–5 years	> 5 years	< 1 year	1–5 years	> 5 years
Straight bonds	283 976	202 260	0	3 948	486 236	0
Lease liabilities	33 892	91 328	155 636	31 745	91 242	160 291
Other financial liabilities	591	8 129	0	951	9 060	516
Trade payables	83 229	0	0	74 832	0	0
Other payables	296 641	33 226	0	182 030	74 080	0
TOTAL	698 328	334 943	155 636	293 506	660 617	160 806

Capital management

The primary objective of the Group's capital management is to 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)	2022	2021
Total assets	3 373 435	2 968 038
Equity	1 853 845	1 500 448
EQUITY RATIO	55.0 %	50.6 %

9.3 Principal currency translation rates

CURRENCY	Unit	31 Dec 2022	Average 2022	31 Dec 2021	Average 2021
Brazilian real (BRL)	100	17.46	18.39	16.40	16.95
Canadian dollar (CAD)	1	0.68	0.73	0.72	0.73
Chinese renminbi (CNY)	100	13.30	14.14	14.34	14.13
euro (EUR)	1	0.98	1.00	1.03	1.08
Japanese yen (JPY)	100	0.70	0.73	0.79	0.83
Turkish lira (TRY)	1	0.05	0.06	0.07	0.10
US Dollar (USD)	1	0.92	0.95	0.91	0.91

9.4 Related-party disclosure

Besides the associates, the joint venture 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)	2022	2021
PURCHASE OF GOODS FROM:		
Associates	(10 668)	(9 893)
Medartis AG	(28)	(3)
SALE OF GOODS TO:		
Associates	3 852	2 881
SERVICES RENDERED TO:		
Associates	864	122
ITI Foundation	773	428
SERVICES RECEIVED FROM:		
Associates	(2 485)	(4 842)
ITI Foundation	(10 601)	(9 744)
TOTAL	(18 294)	(21 052)

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)	2022	2021
Associates loans receivables	2 422	2 431
Associates (payables) / receivables	1 879	(2 795)
ITI Foundation (payables) / receivables	(2 522)	(2 190)
TOTAL	1 779	(2 553)

Key management personnel compensation

Key Management Personnel comprises of 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)	2022	2021
Salaries and other short-term employee benefits	15 355	13 545
Post-employment benefits	2 537	2 101
Share-based payments	4 498	3 337
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION RECOGNIZED IN THE INCOME STATEMENT	22 390	18 983

9.5 Subsidiaries and associates

The consolidated financial statements of the Group include:

NAME	City	Country of incorporation	Interest and voting rights 2022 (in %)	Share capital 31.12.2022	
SUBSIDIARIES:					
Anthogyr SAS	Sallanches	France	100.00	EUR	1 254 040
Anthogyr Inc.	Orlando	US	100.00	USD	5 000
Anthogyr S.A.	Mersch	Luxembourg	100.00	EUR	400 100
Anthogyr Center Sarl	Mersch	Luxembourg	100.00	EUR	12 000
Batigroup Dental Diş Ürünleri Ticaret AŞ	Ankara	Turkey	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 Hong Kong Ltd	Hong Kong	China	100.00	HKD	4 635 044
Shenzhen Dental Wings Company Limited	Shenzhen	China	90.00	CNY	2 249 969
DW Manufacturing Inc.	Montreal	Canada	100.00	CAD	1
Straumann Digital Planning Services (Private) Ltd	Lahore	Pakistan	100.00	PKR	12 000 000
Equinox Dental AG	Basel	Switzerland	100.00	CHF	100 000
etkon (Schweiz) AG	Rheinfelden	Switzerland	100.00	CHF	100 000
Institut Straumann AG	Basel	Switzerland	100.00	CHF	100 000
Equinox Implants LLP	Mumbai	India	100.00	INR	360 000 000
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

GRI disclosure: 2-2

NAME	City	Country of incorporation	Interest and voting rights 2022 (in %)	Share capital 31.12.2022	
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
DZK Deutsche Zahnklinik GmbH	Düsseldorf	Germany	100.00	EUR	25 000
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 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
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	85 748 095
Yller Biomateriais S / A	Pelotas	Brazil	100.00	BRL	19 984
Northern Cross B.V.	Amsterdam	Netherlands	100.00	EUR	100
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 GmbH	Vienna	Austria	100.00	EUR	40 000
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	HRK	25 000

NAME	City	Country of incorporation	Interest and voting rights 2022 (in %)	Share capital 31.12.2022	
Straumann Group Peru SA	Lima	Peru	100.00	PEN	1 702 500
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
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 LLC	Moscow	Russia	100.00	RUB	21 000 000
Straumann Ltd	Crawley	UK	100.00	GBP	300 000
Straumann Manufacturing, Inc.	Andover	US	100.00	USD	1
Bay Materials LLC	Fremont	US	100.00	USD	0
ClearCorrect Holdings, Inc.	Round Rock	US	100.00	USD	1
ClearCorrect Operating, LLC	Round Rock	US	100.00	USD	1 000
Straumann US, LLC	Andover	US	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
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 Group & ClearCorrect Singapore Pte Ltd.	Singapore	Singapore	100.00	SGD	10 000
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

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 2022 (in %)
ASSOCIATES:			
botiss medical AG	Berlin	Germany	30.00
Dental Monitoring SAS	Paris	France	6.00
Geniova Technologies S.L.	Madrid	Spain	33.39
Good Methods Global Inc.	Celebration	US	36.34
maxon dental GmbH	Kenzingen	Germany	49.00
MiniNaviDent AG	Liestal	Switzerland	39.12
Rodo Medical Inc.	San Jose	US	23.16
Rapid Shape GmbH	Heimsheim	Germany	35.00
Promaton Holding B.V.	Amsterdam	Netherlands	70.00
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	US	30.00
Digital Design Solutions S.A.E.	Cairo	Egypt	30.00

AUDIT REPORT – CONSOLIDATED FINANCIAL STATEMENTS

TO THE GENERAL MEETING OF STRAUMANN HOLDING AG, BASEL

Statutory auditor's 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 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (pages 180 to 223).

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 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) 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 19% of the Group's total assets and 35% of the Group's equity as of 31 December 2022 (see Group's disclosures Note 4.4). 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. 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

Our procedures included, amongst others, evaluating the Group's valuation model for the impairment test of goodwill and brands with indefinite useful life including the review of 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 analyzed and discussed with management the assumptions regarding future revenues, margins and long-term growth rates. We further evaluated the sensitivity in the valuation resulting from changes to the key assumptions applied.

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 13.6 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

Our procedures included, amongst others, involving local Brazilian tax experts to assist in evaluating the Group's assessment regarding tax-deductibility of statutory goodwill and fair value step-ups.

Further, 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.

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 compensation report (pages 170 to 171) 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 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.

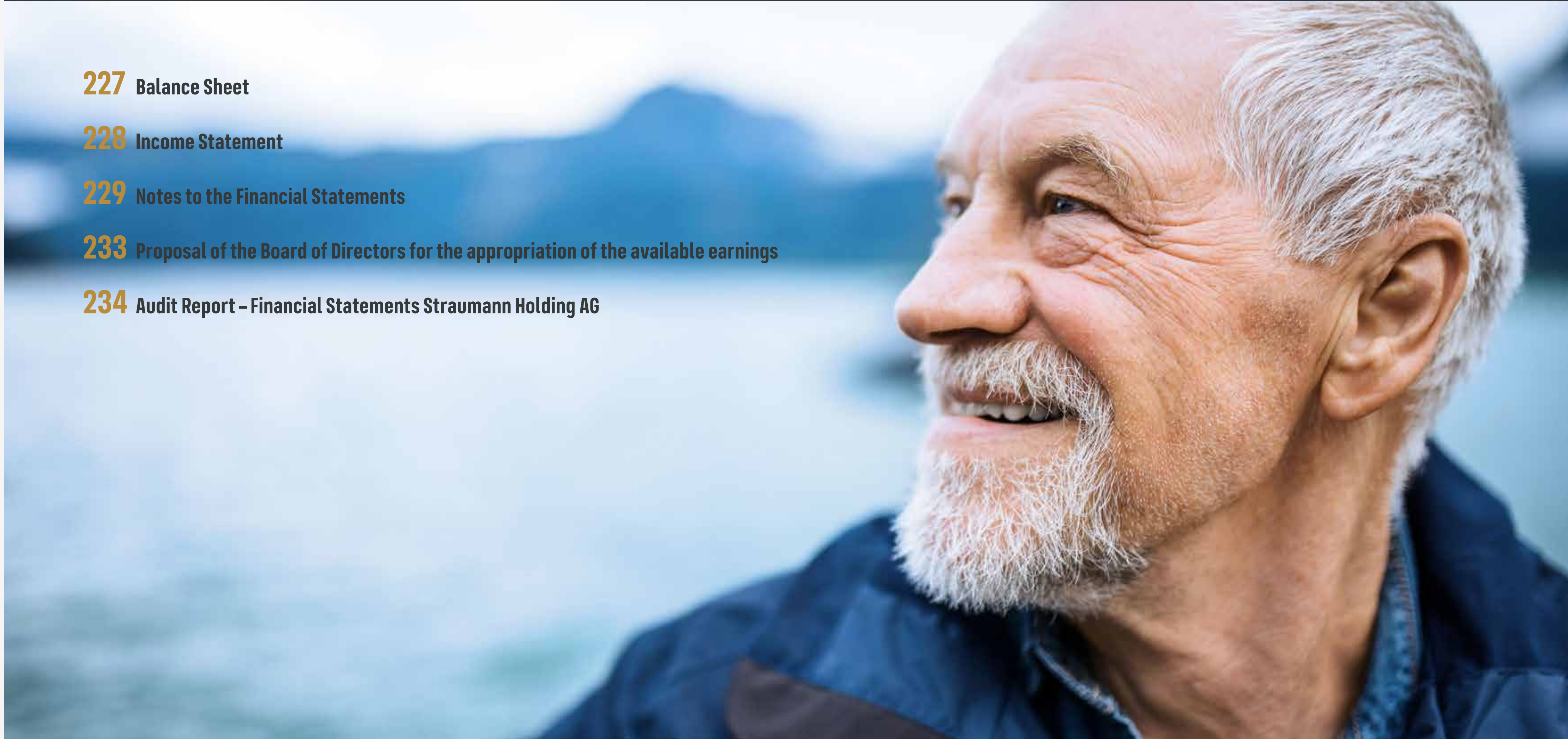
We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Martin Mattes	Fabian Meier
Licensed audit expert (Auditor in charge)	Licensed audit expert

Basel, 20 February 2023

FINANCIAL REPORT STRAUMANN HOLDING



BALANCE SHEET

ASSETS

(in CHF 1 000)	Notes	31 Dec 2022	31 Dec 2021
Cash and cash equivalents		206 460	508 226
Securities and short term deposits		300 000	120 270
Other short-term receivables		10 913	15 748
from third parties		2 748	214
from investments		8 165	15 534
Prepaid expenses		150	212
Total current assets		517 523	644 456
Other long-term receivables		0	1 034
Financial assets	2.1	926 748	810 821
Investments	2.2	1 232 423	962 655
Intangible assets		35	41
Total non-current assets		2 159 206	1 774 551
TOTAL ASSETS		2 676 729	2 419 007

EQUITY AND LIABILITIES

(in CHF 1 000)	Notes	31 Dec 2022	31 Dec 2021
Trade payables to third parties		169	13
Short-term interest-bearing liabilities to investments	2.3	102 290	182 544
Short-term interest-bearing liabilities to third parties	2.5	280 000	0
Other short-term liabilities to investments		24	1
Other short-term liabilities to third party		0	914
Short-term provisions	2.4	3 150	217
Deferred income		2 260	1 785
Total current liabilities		387 893	185 474
Long-term interest-bearing liabilities		409 400	667 469
to third parties	2.5	200 000	480 000
to investments		209 400	187 469
Long-term provisions		3 000	3 000
Total non-current liabilities		412 400	670 468
Total liabilities		800 293	855 942
Share capital	2.6	1 595	1 592
Reserves from capital contributions[1]	2.7	125 470	105 410
Share premium		9 281	9 281
Legal retained earnings		2 180	(14 206)
Reserves for treasury shares	2.8	10 626	5 625
Capital reserves	2.7	(11 986)	(23 371)
Statutory reserves		1 540	1 540
Extraordinary reserves		2 000	2 000
Voluntary retained earnings		1 737 910	1 460 988
Available earnings			
- Retained earnings		1 348 554	1 270 842
- Net result		389 356	190 146
Total equity		1 876 436	1 563 065
TOTAL EQUITY AND LIABILITIES		2 676 729	2 419 007

1 Thereof CHF 70 212 540 (2021: CHF 28 965 849) not yet finally confirmed by the Swiss Federal Tax Administration in 2022

INCOME STATEMENT

(in CHF 1 000)	Notes	2022	2021
Income from investments	2.10	391 941	203 376
Other financial income	2.11	21 941	21 071
Impairment reversal of investments	2.14	15 343	0
Total income		429 225	224 447
Other financial expense	2.12	(31 110)	(13 355)
Board compensation		(1 675)	(1 697)
Other operating expense	2.13	(4 255)	(3 000)
Impairment on investments	2.14	(3 000)	(16 243)
Amortization of intangible assets		(6)	(6)
Total expenses		(40 046)	(34 301)
Result before income tax		389 179	190 146
Direct taxes		177	0
NET RESULT		389 356	190 146

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), it has decided to forego presenting a cash flow statement 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 2022	31 Dec 2021
Loans to subsidiaries	899 400	797 120
Loans to third parties	27 348	13 702
TOTAL	926 748	810 821

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 23.9 million (2021: CHF 86.5 million) as well as earn-outs of CHF 78.4 million (2021: CHF 36.6 million). The increase in earn outs is due to the reclassification from long-term to short-term. In 2021, short-term interest-bearing liabilities to investments also included a short-term intercompany loan of CHF 59.4 million.

2.4 Short-term provisions

In 2022, short-term provisions mainly include provisions for unrealized foreign exchange gains (2021: CHF 0.2 million provisions for taxes).

2.5 Interest-bearing liabilities to third parties

(in CHF 1 000)	31 Dec 2022	31 Dec 2021
Bonds	480 000	480 000
TOTAL	480 000	480 000
BOND CONDITIONS		
Nominal value	280 000	280 000
Interest rate in %	1.00	1.00
Maturity / term in years	3.5	3.5
Due date / maturity	3 Oct 2023	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. In July 2020 the Group placed an additional CHF-denominated domestic straight bond for an aggregate amount of CHF 200.0 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 3 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

On 20 April 2022, the 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 comparative reporting period was adjusted accordingly.

The share capital is represented by 159 455 239 issued shares (2021: 159 213 690) of CHF 0.01 par value. On 19 April 2022, conditional share capital was exercised to increase the share capital of Straumann Holding AG by CHF 1 383.30. On 29 April 2022, conditional share capital was exercised to increase the share capital of Straumann Holding AG by CHF 1 032.19.

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 to Article 5 Paragraph 1 bis VStG.

The change in reserves from capital contribution is due to the two conditional capital increases explained in Note 2.6 which collectively amounted to CHF 31.4 million. Additionally, the change includes the reclass of CHF 11.4 million from reserves from capital contributions, that were 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 100 622 shares (2021: 56 580) with an average value of CHF 111.73 (2021: CHF 99.41), all numbers reflecting the share split in 2022. The treasury shares increased mainly due to the purchase of additional shares.

2.9 Treasury shares

Since 2017 all shares have been sold and no transactions regarding treasury shares occurred in 2022 and 2021.

2.10 Income from investments

In the reporting period the dividend income amounted to CHF 391.9 million (2021: CHF 203.4 million).

2.11 Other financial income

Other financial income amounts to CHF 21.9 million (2021: CHF 21.1 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 31.1 million (2021: CHF 13.4 million) and mostly consist of foreign exchange losses resulting from the valuation of loans and earn outs as well as interest expenses.

(in CHF 1 000)	2022	2021
Interest	9 574	9 096
Foreign exchange losses	21 008	4 198
Other financial expense	528	61
TOTAL	31 110	13 355

2.13 Other operating expense

(in CHF 1 000)	2022	2021
Administrative expense	358	490
Consulting expense	1 261	1 046
Sundry expense	2 636	1 464
TOTAL	4 255	3 000

2.14 Impairment on investments

In 2022, there were impairments on investments in the amount of CHF 3 million (2021: CHF 16.2 million) as well as a reversal of impairment of CHF 15.3 million (2021: nil).

The Group is invested in equity shares of a medical device company whose shares have been 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 reversed.

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 percent of voting rights are as follows:

(in %)	31 Dec 2022[1]	31 Dec 2021[1]
MAJOR SHAREHOLDERS		
Dr h.c. Thomas Straumann (Vice Chairman of the Board)	16.3	16.3
Dr h.c. Rudolf Maag	10.2	10.3
Black Rock Group[2]	7.3	7.3
Simone Maag de Moura Cunha	3.5	3.5
Gabriella Straumann	3.0	3.0
TOTAL MAJOR SHAREHOLDERS	40.3	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:

	2022		2021	
	Number	Value in CHF 1 000	Number[1]	Value in CHF 1 000
Allocated to the Board of Directors	7 680	1 000	8 100	1 001

1 Prior year figures have been adjusted due to the share split in 2022

3.4 Events after the balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed in these financial statements.

4 Equity instruments of the Board of Directors and executive management

The following tables disclose the number of vested and non-vested equity instruments (shares, options and Performance Share Units) held on 31 December 2022 and 2021 by the members of the Board of Directors, the Executive Management Board and individuals related to them.

2022

	Shares	Performance Share Units		
		20 Apr 2023	20 Apr 2024	21 Apr 2025
BOARD OF DIRECTORS				
Gilbert Achermann	334 144	0	0	0
Dr h.c. Thomas Straumann	26 009 628	0	0	0
Marco Gadola	61 608	0	0	0
Juan-José Gonzalez	3 578	0	0	0
Dr Beat Lüthi	42 968	0	0	0
Petra Rumpf	29 878	0	0	0
Nadia Tarolli Schmidt	768	0	0	0
Regula Wallimann	9 768	0	0	0
Total	26 492 340	0	0	0
EXECUTIVE MANAGEMENT BOARD				
Guillaume Daniellot	16 070	10 620	9 170	8 961
Wolfgang Becker	9 992	3 360	2 050	1 946
Camila Finzi	3 960	3 540	2 160	2 048
Jason Forbes	3 727	0	0	3 073
Dr Peter Hackel	12 390	3 630	0	0
Holger Haderer	6 530	2 650	1 890	1 946
Patrick Loh	0	3 630	2 210	2 151
Alastair Robertson	3 827	3 540	2 160	2 151
Sébastien Roche	750	0	0	2 612
Aurelio Sahagun	870	0	3 370	2 560
Rahma Samow	1 552	0	2 100	1 946
Matthias Schupp	4 254	2 300	1 400	1 536
Christian Ullrich	1 369	0	1 940	1 844
Total	65 291	33 270	28 450	32 774
TOTAL	26 557 631	33 270	28 450	32 774

2021

	Shares[1]	Performance Share Units[1]		
		20 Apr 2022	20 Apr 2023	20 Apr 2024
BOARD OF DIRECTORS				
Gilbert Achermann	331 840	0	0	0
Dr h.c. Thomas Straumann	26 003 960	0	0	0
Dr Sebastian Burckhardt	20 490	0	0	0
Marco Gadola	50 600	11 380	0	0
Juan-José Gonzalez	2 810	0	0	0
Dr Beat Lüthi	42 200	0	0	0
Petra Rumpf	29 110	0	0	0
Regula Wallimann	9 000	0	0	0
Total	26 490 010	11 380	0	0
EXECUTIVE MANAGEMENT BOARD				
Guillaume Daniellot	6 230	2 550	10 620	9 170
Wolfgang Becker	6 620	3 020	3 360	2 050
Camila Finzi	3 960	0	3 540	2 160
Dr Peter Hackel	9 870	3 260	3 630	2 210
Holger Haderer	4 930	800	2 650	1 890
Mark Johnson	1 500	0	2 480	1 510
Patrick Loh	0	3 260	3 630	2 210
Alastair Robertson	530	2 720	3 540	2 160
Dirk Reznik	1 770	0	3 540	2 160
Aurelio Sahagun	870	0	0	3 370
Rahma Samow	1 040	0	0	2 100
Matthias Schupp	3 690	2 070	2 300	1 400
Christian Ullrich	960	0	0	1 940
Robert Woolley	0	2 070	0	0
Total	41 970	19 750	39 290	34 330
Total	26 531 980	31 130	39 290	34 330

1 Prior year figures have been adjusted due to the share split in 2022

PROPOSAL OF THE BOARD OF DIRECTORS FOR THE APPROPRIATION OF THE AVAILABLE EARNINGS

(in CHF 1 000)	2022	2021
Net result	389 356	190 146
Carried forward from previous year	1 353 555	1 265 233
Change in reserves for treasury shares	(5 001)	5 607
Profit available to the Annual General Meeting	1 737 910	1 460 986
Dividend paid out of the available earnings (CHF 0.68 per share)		(107 431)
Proposed dividend to be paid out of the available earnings (CHF 0.80 per share)	(127 484)	
BALANCE CARRIED FORWARD	1 610 426	1 353 555

The Board of Directors proposes to the Shareholders' General Meeting that a total dividend of CHF 0.80 per share be distributed, payable as of 13 April 2023. Calculated based on the total number of outstanding shares of 159 354 617, this corresponds to a total amount of CHF 127.5 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.

AUDIT REPORT – FINANCIAL STATEMENTS STRAUMANN HOLDING AG

TO THE GENERAL MEETING OF STRAUMANN HOLDING AG, BASEL

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 2022 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (pages 227 to 233).

In our opinion, the financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

We have determined that there are no key audit matters to communicate in our report.

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 compensation report (pages 170 to 171) 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.

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.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Martin Mattes	Fabian Meier
Licensed audit expert (Auditor in charge)	Licensed audit expert

Basel, 20 February 2023

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APPENDIX

GRI AND SASB CONTENT INDEX

GRI CONTENT INDEX ESSENTIALS SERVICE 2023

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

General Disclosures

GRI 1: Foundation 2021

Straumann Holding AG has reported in accordance with the GRI Standards for the period January 1 to December 31, 2022

Reference	Disclosure	Page no./Information
GRI 2: General Disclosures 2021		
2-1	Organizational details	Straumann Holding AG, 14, 125–126, 185
2-2	Entities included in the organization's sustainability reporting	221–222, entities included in the environmental data: 93–94
2-3	Reporting period, frequency and contact point	54, 244; publication date: 21, February 2023
2-4	Restatements of information	None
2-5	External assurance	None
2-6	Activities, value chain and other business relationships	30–31, 70, 80–81, 223
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	125–126, 128–132
2-10	Nomination and selection of the highest governance body	133–134
2-11	Chair of the highest governance body	129
2-12	Role of the highest governance body in overseeing the management of impacts	53, 58, 113–121
2-13	Delegation of responsibility for managing impacts	53–54, 58–60, 102–104, 137–140
2-14	Role of the highest governance body in sustainability reporting	53–54
2-15	Conflicts of interest	133–136
2-16	Communication of critical concerns	118
2-17	Collective knowledge of the highest governance body	133
2-18	Evaluation of the performance of the highest governance body	137
2-19	Remuneration policies	160, 170–173
2-20	Process to determine remuneration	163–169
2-21	Annual total compensation ratio	171
2-22	Statement on sustainable development strategy	6–11, 30, 52–53
2-23	Policy commitments	113–121
2-24	Embedding policy commitments	113–121
2-25	Processes to remediate negative impacts	114
2-26	Mechanisms for seeking advice and raising concerns	114, 117–118
2-27	Compliance with laws and regulations	113–118
2-28	Membership associations	114–115
2-29	Approach to stakeholder engagement	54–55
2-30	Collective bargaining agreements	91
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	55–56
3-2	List of material topics	56

GRI and SASB Content Index
Topic Standards and Management of Material Topics

Reference	SASB Code	Disclosure	Page no.	Omissions
Economic Performance				
GRI 3 Material Topics 2021, 3-3		Management of material topics	114, 118–121	
GRI 201: Economic Performance 2016				
201-1		Direct economic value generated and distributed	179–180	
201-3		Defined benefit plan obligations and other retirement plans	169, 214–216	
201-4		Financial assistance received from government	205	
Indirect Economic Impacts (Increased Access to Oral Health, Community Engagement)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	78–82, 105–107	
GRI 203: Indirect Economic Impacts 2016				
203-1		Infrastructure investments and services supported: 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	78–82, 105–111	
	HC-MS-240a.1	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index	78	
	HC-MS-240a.2	Description of how price information for each product is disclosed to customers or to their agents	78	
Anti-corruption (Business Ethics and Corporate Governance)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	115	
GRI 205: Anti-corruption 2016				
205-1		Operations assessed for risks related to corruption	116	
205-2		Communication and training about anti-corruption policies and procedures	116	
205-3		Confirmed incidents of corruption and actions taken	117	
	HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	115	
	HC-MS-510a.2	Description of code of ethics governing interactions with health care professionals	115–116	
Tax Transparency				
GRI 3 Material Topics 2021, 3-3		Management of material topics	121	
GRI 207: Tax 2019				
207-1		Approach to tax	121	
Materials (Waste Management)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	93, 97	
GRI 301: Materials 2016				
301-1		Materials used by weight or volume	100–101	

GRI and SASB Content Index

Reference	SASB Code	Disclosure	Page no.	Omissions
Energy (Climate Change)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	93–95	
GRI 302: Energy 2016				
302-1		Energy consumption within the organization	100	
302-3		Energy intensity	100	
Water (Water Use, Circular Economy)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	93, 98–99	
GRI 303: Water and Effluents 2018				
303-1		Interactions with water as a shared resource	98–99	
303-2		Management of water discharge-related impacts	98–99	
303-3		Water withdrawal by source	101	
Greenhouse Gas Emissions (Climate Change)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	93–95	
GRI 305: Emissions 2016				
305-1		Direct (Scope 1) GHG emissions	100	
305-2		Energy indirect (Scope 2) GHG emissions	100	
305-3		Disclosure 305-3 Other indirect (Scope 3) GHG emissions	95	
305-4		GHG emissions intensity	100	
Waste (Waste Management, Circular Economy)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	93, 97–99	
GRI 306: Waste 2020				
306-3		Waste generated	101	
Supplier Environmental Assessment (Responsible and Ethical Supply Chain Management)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	102–103, 114	
GRI 308: Supplier Environmental Assessment 2016				
308-1		New suppliers that were screened using environmental criteria	114	
Employment (Employee Engagement and Retention)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	86–87	
GRI 401: Employment 2016				
401-1		New employee hires and employee turnover	87	

GRI and SASB Content Index

Reference	SASB Code	Disclosure	Page no.	Omissions
Occupational Health, Safety and Wellbeing				
GRI 3 Material Topics 2021, 3-3		Management of material topics	91	
GRI 403: Occupational Health and Safety 2018				
403-1		Occupational health and safety management system	91	
403-2		Hazard identification, risk assessment and incident investigation	91	
403-3		Occupational health services	91	
403-4		Worker participation, consultation and communication on occupational health and safety	91	
403-5		Worker training on occupational health and safety	91	
403-6		Promotion of worker health	91	
403-7		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	91	
403-9		Work-related injuries	91	
Talent Attraction and Development				
GRI 3 Material Topics 2021, 3-3		Management of material topics	89–91	
GRI 404: Training and Education 2016				
404-1		Average hours of training per year per employee	87	
Inclusion and Diversity				
GRI 3 Material Topics 2021, 3-3		Management of material topics	86–88,	
GRI 405: Diversity and Equal Opportunity 2016				
405-1		Diversity of governance bodies and employees	86–88, 133–134	
Non-discrimination (Business Ethics and Corporate Governance)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	113–114	
GRI 406: Non-discrimination 2016				
406-1		Incidents of discrimination and corrective actions taken	117	
Local Communities (Community Engagement, Increased Access to Oral Health)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	105	
GRI 413: Local Communities 2016				
413-1		Operations with local community engagement, impact assessments, and development programs	105–111	
Supplier Social Assessment (Responsible and Ethical Supply Chain Management)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	102–103, 114	
GRI 414: Supplier Social Assessment 2016				
414-2		Negative social impacts in the supply chain and actions taken	102–104	

GRI and SASB Content Index

Reference	SASB Code	Disclosure	Page no.	Omissions
Customer Health and Safety (Patient Health and Safety and Product Quality)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	62–66	
GRI 416: Customer Health and Safety 2016				
416-2		Incidents of non-compliance concerning the health and safety impacts of products and services	63	
	HC-MS-250a.1	Number of recalls issued, total units recalled	63	
	HC-MS-250a.2	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	63	
	HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	63	
	HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	63	
Marketing and Labeling (Patient Health and Safety and Product Quality; Business Ethics and Corporate Governance)				
GRI 3 Material Topics 2021, 3-3		Management of material topics	63, 116–117	
GRI 417: Marketing and Labeling 2016				
417-2		Incidents of non-compliance concerning products and service information and labeling	63, 116	
417-3		Incidents of non-compliance concerning marketing communications	63, 116	
	HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	116	
	HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	116–118	
Cybersecurity and Data Privacy				
GRI 3 Material Topics 2021, 3-3		Management of material topics	120	
GRI 418: Customer Privacy 2016				
418-1		Substantiated complaints concerning breaches of customer privacy and losses of customer data	120	
Additional Straumann-specific material topics				
Innovation		Investments in innovation centers and other research activities	67–71	
GRI 3 Material Topics 2021, 3-3		Management of material topics	67–68, 71	
Employee Engagement and Retention		Group-wide employee engagement score	90	
GRI 3 Material Topics 2021, 3-3		Management of material topics	90–91	
Customer and Patient Education		Description of educational activities, number of training participants, percentage of educational activities in low- or middle-income countries	79–82	
GRI 3 Material Topics 2021, 3-3		Management of material topics	79–82	
Customer and Patient Satisfaction		Description of customer engagement and activities to meet the patients' needs take more control of their health	82–84	
GRI 3 Material Topics 2021, 3-3		Management of material topics	82	
Intellectual Property		Number of initial priority IP filings	120–121	
GRI 3 Material Topics 2021, 3-3		Management of material topics	120–121	

SASB standard; Health Care; Medical Equipment and Supplies

Disclosure topic	SASB Code				Initiation recalls in %								
	HC-MS-250a.1	Metrics	Straumann Group company	Total Qty recall (both reported/ not reported)	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 articles	Corrective action implemented
Product safety	**HC-MS-250a.1**	**Number of recalls issued, total units recalled**	Straumann	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
			JJGC	3	100%	n/a	n/a	n/a	2 countries (not US)	5 articles/ 5 lots	1378	0.01%	Yes
			Anthogyr	0	n/a	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	n/a
			Dental Wings	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
			Medentika	1	100%	n/a	n/a	n/a	8 countries (not US)	3 articles/ 8 lots	422	9.00%	Yes

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 Experiencedatabase				
	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		
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

GRI disclosure: 2-3

POINTS TO NOTE

Forward-looking statements

The publication contains forward-looking statements that reflect the current views of management and which are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Straumann Group to differ materially from those expressed or implied in this document. Statements are made on the basis of management's views and assumptions regarding future events and business performance at the time the statements are made. They are subject to risks and uncertainties including, but not confined to, future global economic conditions, pandemics, exchange rates, legal provisions, market conditions, activities by competitors and other factors outside Straumann's control. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual outcomes may vary materially from those forecasted or expected. Straumann is providing the information in this release as of this date and does not undertake any obligation to update any statements contained in it as a result of new information, future events or otherwise. This publication constitutes neither an offer to sell nor a solicitation to buy any securities.

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Key dates in 2023

21 February	Full-year results conference
05 April	Annual General Meeting
11 April	Dividend ex date
13 April	Payment date
03 May	First-quarter results conference call
15 August	Half-year results conference
31 October	Third-quarter results conference call

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