Acce//eron

Annual Report 2024

Key figures at a glance

1,023 USD million Revenues

262 USD million Operational EBITA[1]

99.1% Free cash flow conversion[1]

25.6% Operational EBITA margin[1]

1 Certain alternative performance measures are used by the Company to evaluate performance. Refer to "Supplemental information" section of this report for a detailed description.

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Company overview

Dear Shareholders,

2024 was a landmark year for Accelleron as it celebrated the 100-year anniversary of the turbocharger. It was also the year in which Accelleron concluded all build-up activities related to its operation as an independent listed company. And what a successful year it was. Accelleron broke through the USD 1 billion revenue mark, with key figures improving across the board. The foundation for sustainable growth and the baseline for future profitability have been established.

Strong financial results

Revenues in 2024 reached USD 1.023 billion, increasing by 11.8% year-on-year (12.9% in constant currency, 7.3% organic). Accelleron's growth last year was driven by the Medium & Low Speed segment, which capitalized on opportunities in new-fuel applications and servicing activities. The High Speed segment declined slightly due to a temporary slowdown in the gas compression market, which was partially compensated by the expansion in emergency power for data centers.

Net income increased by 63%

Accelleron's operational EBITA was up by USD 38.8 million, or 17.4%, to USD 261.9 million. The operational EBITA margin increased by 1.2 percentage points to 25.6%, thanks to the strong topline growth and operating leverage. In 2024, we concluded all build-up activities, incurring non-operational costs of USD 15.8 million, down from USD 77.4 million in 2023. Net income increased by USD 69.4 million, or 63.1%, to USD 179.4 million. Free cashflow conversion stood at 99.1% (99.2% FY 2023). The net leverage came in at 0.7, despite M&A-related investments of USD 56 million in 2024. Accelleron's highly successful first bond issuance, with proceeds of CHF 180 million, reflected the capital market's confidence in us. Accelleron's strong profitability allows us to propose an increased dividend of CHF 1.25 per share for 2024.

Contribution from both segments

Medium & Low Speed growth driven organically and inorganically

The Medium & Low Speed segment generates around three quarters of its revenues in the marine industry, and the remainder is mostly linked to power generation.

Strong shipping demand, paired with geopolitical tensions, led to high ship utilization. The company further grew its service business, supplemented by the selling of retrofit solutions that provide tangible fuel savings and emissions reductions for marine customers.

The LNG carrier market, where Accelleron has a very strong position, and the tanker market saw increases in ship orders, driven by a rise in global energy trade by sea.

Demand for advanced dual fuel injection systems increased significantly in 2024. Last year's investments in the manufacturing capacity of the previously acquired Italian company OMT, as well as the hiring and training of people, enabled a double-digit increase in output.

In the power plant market, new-build activity for medium-speed power generation remained subdued in 2024, but services performed well.

High Speed delivered twice as many turbochargers for emergency power

The High Speed segment generates more than 90% of its revenues in the energy industry, with the remainder coming from the marine industry.

While turbocharger demand in the gas compression market temporarily slowed as customers reduced their inventories, demand for turbocharged emergency generators continued to grow in 2024.

Accelleron's high-speed turbochargers were highly sought after, especially among customers looking to protect data centers and other critical infrastructure with emergency power solutions. Deliveries in what is still a relatively new business for Accelleron doubled from 1,300 units in 2023 to 2,600 units in 2024, with an installed capacity of 1.9 GW.

High-speed power generation in gas applications also saw good momentum and healthy servicing levels.

Positive outlook and continued focus

Growing demand in marine and energy

As we look ahead to 2025, we are optimistic about the positive market momentum, driven by growing demand in the marine and energy industries.

In the merchant marine industry, shipyards' order books are full for the coming years, and the share of new-builds for dual fuel capable vessels is high. We expect a continuation of the positive dynamic for services in the medium-speed marine market and increasing market interest in retrofits. We see our full-cover service agreements and retrofit solutions for decarbonization as the main growth drivers. We will also leverage our unique service network and customer relationships to offer additional digital services.

In the energy industry, we will capitalize on the opportunities for decentralized power generation where we see a trend toward more flexibility and resilience. We also expect continued strong demand from data centers. The gas compression market will remain volatile, but more LNG carrier capacity could drive demand and export business for US gas.

Unparalleled R&D and long-term perspective for acquired companies

Our unparalleled investment in research and development ensures that we remain at the forefront of industry advancements. We will continue to invest substantially in R&D, particularly in solutions for CO_2-neutral fuels and digital innovations, because we are convinced that decarbonization will continue. The maritime industry is sticking to its path to decarbonization, driven by regulation from the United Nations' International Maritime Organization (IMO) and the EU.

By acquiring Italy's OMC2 and Canada's True North Marine (TNM) in 2024, Accelleron expanded its capacities in fuel injection and capabilities in marine digital solutions. OMC2 production capacity will support OMT in addressing the significantly increased demand for advanced fuel injection systems, while TNM's digital solutions will complement Accelleron's Tekomar offering.

These acquisitions have once again demonstrated our ability to identify, successfully integrate, and develop companies in adjacent markets. Importantly, the acquisitions have shifted the market perception of Accelleron as a technology leader beyond turbocharging, providing a long-term growth perspective linked to decarbonization.

Economically and environmentally sustainable growth

Decarbonization is a demanding, complex, and costly effort that cannot be managed by one player or even individual industries alone. While we are reducing our Scope 1 & 2 CO_2 emissions, Scope 3 emissions from transport and purchased goods are harder to abate. They account for 90% of our CO_2 footprint.

The key question is how companies can achieve sustainability goals while maintaining international competitiveness. Consequently, we are also testing the extent to which market segments and regions will pay for products and services that reduce CO_2. We will be setting sustainability goals aligned with the Science Based Targets initiative (SBTi) that are ambitious yet achievable, market-appropriate, and commercially viable.

Striking a balance between ESG criteria, the geopolitical climate, and trade complexities will determine how we align and make our supply chains and footprint more resilient in the next two to three years. Last year, we reduced lead times and transportation costs for customers in Asia, which represents the world's largest share of shipyards for merchant marine, through a strategic contract manufacturing agreement with South Korea's HD Hyundai Marine Engine.

Baseline for future growth and profitability established

Of course, geopolitical uncertainties and their potential impact on our markets and businesses make any forecast difficult. But with build-up costs a thing of the past, we are confident that we have established a solid baseline for future growth and profitability. We reaffirm our commitment to delivering shareholder value through attractive dividends and selective, disciplined M&A activities that align with our long-term value creation strategy.

We are grateful for the dedication and hard work of our colleagues, and for the trust of our customers and shareholders throughout 2024. Reflecting on our century-long heritage of innovation and market leadership, we look forward to achieving further milestones in 2025 as Accelleron continues to lead in the marine and energy industries. We have come a very long way since the first turbocharger – and we have already come a long way as an independent company.

Yours sincerely,

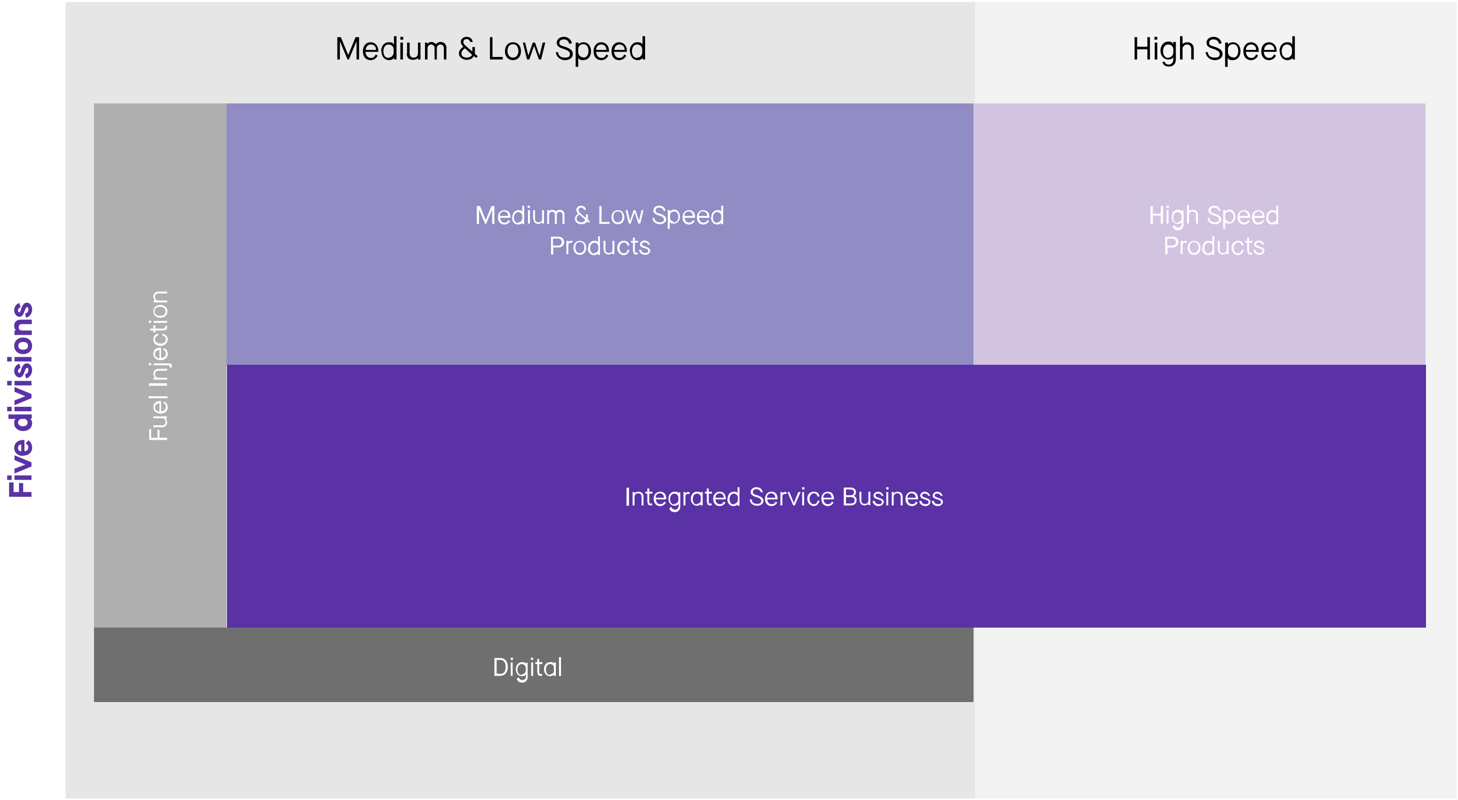
Oliver Riemenschneider
Chairman of the Board of Directors

Daniel Bischofberger
Chief Executive Officer

Accelleron at a glance

Accelleron's technology gives engines an extra boost in performance to improve their fuel efficiency. By burning less fuel, the engines release fewer emissions. The Company designs, manufactures, sells, and services highly customized turbochargers and fuel injection equipment for heavy-duty applications.

Two reporting segments



Accelleron reports its business into two segments: Medium & Low Speed and High Speed. They both cover product business as well as the integrated service business.The service business relies on the value chain of the respective segment's product business, while operating as an overarching global service network. From an operating perspective, the business is organized in five operating divisions: two product divisions, one service division, one Digital division and the latest addition, Fuel Injection. Digital and Fuel Injection are reported in the Medium & Low Speed segment as their application is primarily related to the Medium & Low Speed segment.

As a focused specialist with a comprehensive product and service range, Accelleron produces heavy-duty turbochargers ranging from 100 kg to 10 metric tons and from 500 kW to 30,000 kW as well as fuel injection equipment for large medium- and low-speed engines. All main markets from marine and energy to off-highway vehicles are exposed to the megatrends of decarbonization and digitalization, both of which provide vast opportunities.

With its products, Accelleron is the undisputed leader in turbocharging mission-critical applications. The Company's operations are based on a foundation of a century of making significant and continuous investments in technology, partnering with original equipment manufacturers (OEMs), end-users and an unrivalled global service network, and a unique service culture that will never let customers down.

Highlights

100-year anniversary
2024 marked the 100th anniversary of the world's first industrial turbocharger production, by Accelleron predecessor BBC, in Baden, Switzerland. Over the past century, the Company has remained at the forefront of innovation, becoming the global leader in turbocharging and fuel injection technologies, digital solutions and services to industries that form the backbone of modern life, as well as supporting decarbonization.

Digital partnerships
January saw HD Hyundai Marine Solution select Accelleron to deliver digital optimization solutions for its Smartship platform. This was followed by partnerships with Japanese maritime data platform provider BEMAC and marine systems provider Furuno Electric for digital cooperation.

Turbocharger supply agreements
In March, Japanese engine builder Makita chose Accelleron to supply low-speed turbochargers for its first small-bore two-stroke marine engine, while Rolls-Royce Power Systems ordered high-speed turbochargers for its new biogas gensets.

Fuel injection and digital solutions acquisitions to drive growth
In July, Accelleron subsidiary OMT announced an agreement to acquire OMC2, an Italian manufacturer of four-stroke fuel injection components. The acquisition enlarges OMT's manufacturing base while strengthening its position in alternative fuels. In August, the Company reported the acquisition of True North Marine, a Canadian firm specializing in digital weather routing and voyage optimization.

HD Hyundai contract manufacturing agreement

In September, Accelleron signed a contract agreement with HD Hyundai Marine Engine to manufacture medium-speed radial turbochargers in Korea. The agreement strengthens Accelleron's position in the Asian market, lowering lead times and transportation costs for customers in the region. It also marked a significant milestone: the 40th anniversary of Accelleron's two-stroke turbocharger license agreement with HD Hyundai.

Somas partnership

Somas, a leading valve manufacturer, signed a servicing partnership with Accelleron in September. Through this partnership, Somas marine customers gain access to Accelleron's global network of service engineers.

CHF 180 million bond issuance

In October, the Company successfully launched its CHF 180 million bond with a six-year maturity and a 1.375 percent coupon. Proceeds will be used for general corporate purposes.

Service agreements

Accelleron entered into several service agreements, including with Italian shipping company Grandi Navi Veloci, covering more than 100 turbochargers across GNV's fleet of 28 ships.

EPLO upgrades

Following the launch of the Engine Part-Load Optimization (EPLO) service, the partners Accelleron and HD Hyundai Marine Solution signed a respective service agreement with Greek operator Neptune Lines Shipping, covering four car carriers. Further EPLO agreements followed with Wallenius Wilhelmsen and Höegh Autoliners.

Higher efficiency, lower emissions, and best power density – with today's and tomorrow's fuels

Accelleron's success builds on two mainstays. With best-in-class technology and a global service footprint, the Company cares for its customers by providing the optimal solution 24/7 all around the world.

Exceptional customer care

Accelleron's customer care and focus are exceptional. It starts with designing turbochargers in close coordination with engine OEMs to develop the best-performing combustion engines. The Company's application engineering experts also collaborate closely with OEMs to tailor turbocharger specifications to every single installation. Furthermore, they work to optimize end users' cost of ownership by offering upgrades and lifetime extensions. Digitalization encompasses all steps of a turbocharger's lifecycle, improving transparency and effectiveness both for Accelleron and its customers.

In the service business, Accelleron's market-leading global sales and service network sets the Company apart from its peers. The mission is to offer turbocharging services and solutions that help the customers succeed in business. Accelleron provides turbocharger services and spare parts from a single source through its own network.

This approach offers customers a "full cover" service model, including lifetime service and paid-by-the-hour service agreements and digital offerings.

Accelerating innovation

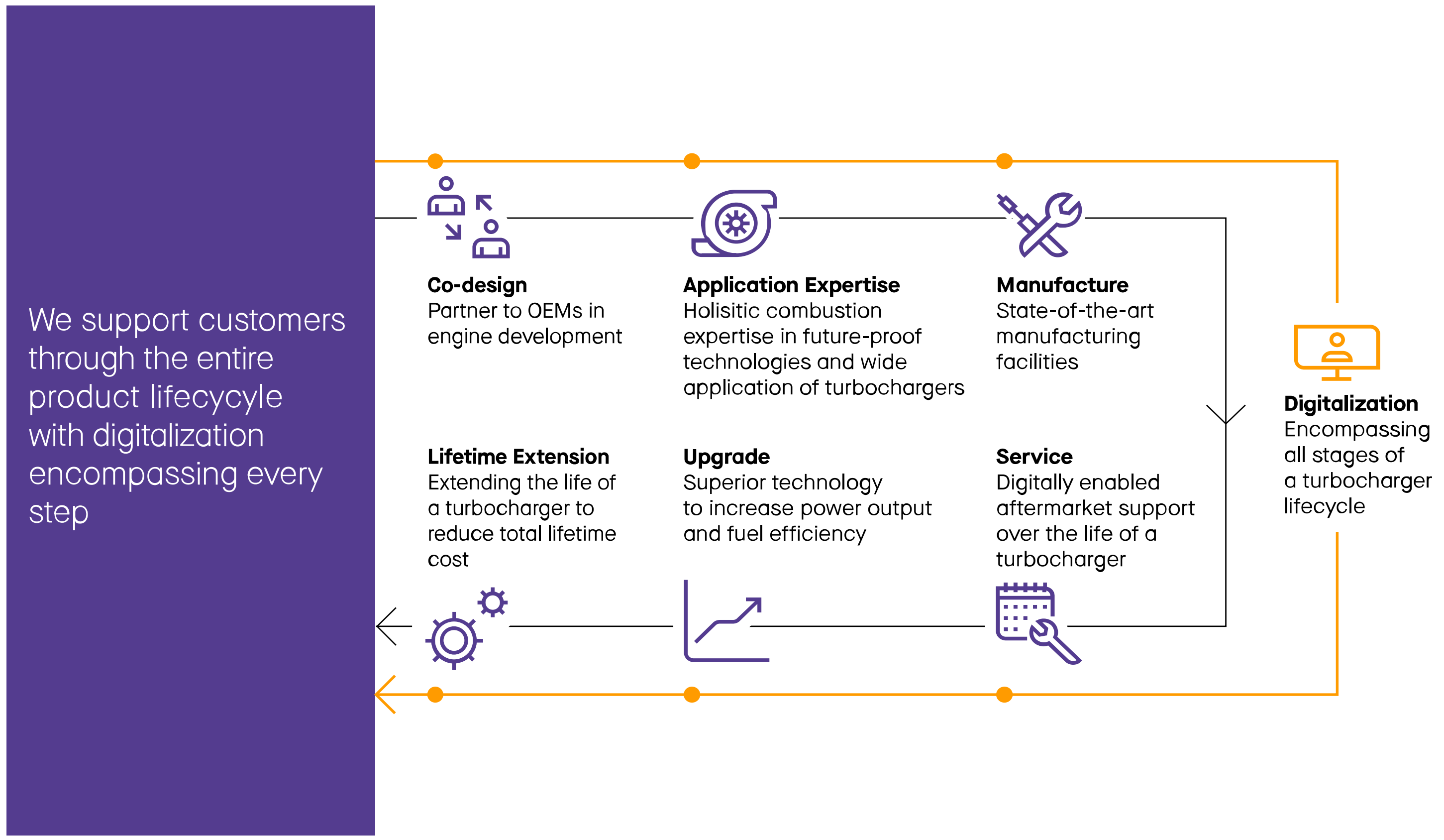
The Company's almost 3,000 highly dedicated and skilled employees work toward clear goals. Their passion and alignment ensure Accelleron's technology and service excellence and strengthen its competitiveness. Best-in-class R&D capabilities and a portfolio of about 120 patent families secure technological leadership. One example, announced in 2023, is the ACCX300-L. It reimagines turbocharging for large engines, providing the end-user with higher flexibility in operations, fuels, and service.

Given its technological leadership, Accelleron is the preferred partner for internal combustion engine original equipment manufacturers (OEMs). The Company helps them achieve world-class power densities, up to 25% higher compared to the closest peers, and up to 2% better efficiency, lower emissions, and optimal reliability. The acquisitions of OMT and OMC2 further put Accelleron at the forefront of development with new zero-carbon fuels. Superior R&D capabilities are the key driver for this: every year, Accelleron invests about 6% of its annual revenues in R&D – irrespective of the economic cycle.

As part of the Company's global service network, over 500 trained service engineers in over 100 locations support more than 5,000 end customers. The global service center in Switzerland can deliver spare parts to any airport in the world in 48 hours, 365 days per year. With its strong and growing digital capabilities, Accelleron enables remote monitoring, predictive maintenance, and digitally enabled business models.

Accelleron is a global player. 34.3% of its revenues come from Europe, and 43.0% from Asia, the Middle East, and Africa (AMEA), where most of the new ships are built and maintained. In the Americas, which account for 22.8% of revenues, the major markets are cruise ships, gas compression, and power. In the power industry, Accelleron's products are operated in a variety of applications, including base-load power for remote locations, balancing power (e.g., to compensate for fluctuating electricity supply generated from renewables), and back-up power (for the likes of hospitals and data centers).

Switzerland, the largest location, hosts the key functions that thrive on close cooperation: the global service center, R&D, and the European sourcing hub (the main manufacturing site). Accelleron has further production sites in China and Italy, and a sourcing site in India. The OMT factory in Turin, Italy, with meanwhile almost 300 employees, has become the third largest site.



Four growth pillars

Accelleron's strategy is to leverage its superior products and technology, service network, and leading market position to outgrow markets and competitors – while continuing to deliver best-in-class margins, cash conversion, and capital deployment. The strategy is based on four growth pillars:

1. Increase the Company's market share in the core markets marine and energy
2. Grow the service business by focusing more on lifetime service contracts and digital offerings
3. Enable and support customers in transitioning to natural gas and future carbon-neutral fuels, with the best turbocharging system and fuel injection solutions for single fuel engines, as well as for the growing market of dual fuel applications, e.g., engines running on diesel and LNG, methanol, or ammonia
4. Expand organically and inorganically into adjacent areas, where Accelleron can stand out thanks to technological leadership and service excellence, e.g., digital solutions and engine components with high service intensity.

Megatrends create significant opportunities

The megatrends decarbonization and digitalization impact all of Accelleron's main markets – from marine to energy, to off-highway vehicles. They create significant opportunities for Accelleron. Take the marine sector, for example: if the maritime industry was a country, it would be the world's sixth largest CO_2 emitter, comparable with countries like Japan, Indonesia or Germany, generating one billion metric tons of CO_2 emissions annually, or 3% of global CO_2 emissions. Annual fuel consumption is three billion barrels of oil equivalent, similar to the aviation industry's annual fuel consumption.

Accelleron is continuously innovating to push the energy transition forward and accelerate the decarbonization journey for its customers. The Company does this in three ways. First, its turbochargers, fuel injection systems, and digital solutions improve asset efficiency and reduce environmental impact by decreasing emissions and saving fuel, regardless of whether it is conventional fuel, bridging fuel like LNG, or a future carbon-neutral fuel like methanol, ammonia, or hydrogen. Second, since decarbonization in marine and energy industries depends on the energy transition, Accelleron is working intensively on designing new fuel injection systems which are tailor-made for the special requirements of future carbon-neutral fuels, and turbochargers that are adaptable for multiple fuel requirements. Finally, Accelleron's expanded digital offerings not only give marine customers the data needed to optimize vessel performance and efficiency, but they also help ship owners and charterers to report on emissions accurately, and to optimize overall fleet operations to meet decarbonization goals.

Turbochargers improve the efficiency of large engines up to 10%, leading to gains in both marine propulsion and the energy industry. This is equivalent to taking at least 40 million cars off the road in terms of CO_2 emissions and thereby creating USD 10 to 20 billion in annual fuel savings. In this context, Accelleron turbochargers improve efficiency by up to 2% more than the turbochargers of the next best competitor.

To achieve net zero targets in the Company's key markets, using future carbon-neutral fuels is a must. Since they cost much more, Accelleron's key competitive advantage of higher-efficiency turbochargers will be accentuated even further. Already today, Accelleron has a significantly higher market share in turbochargers for natural gas than for conventional fuels and is a leader in pilot applications with future fuels such as green methanol and hydrogen.

For fuel injection equipment, dual fuel engines represent a big opportunity because the delivery scope per engine increases considerably. Digital offerings are gaining in importance. They positively impact Accelleron and its customers' business as they increase the efficiency and transparency of internal business processes and facilitate customers' interactions with the Company. Accelleron has introduced LOREKA, a customer portal, where customers receive all the relevant information about their installed turbocharger base and can interact with the Company around the clock. Digitalization reduces customers' equipment lifecycle costs, whether they are incurred for turbochargers or combustion engines, and increases uptime. Accelleron's user-friendly Tekomar XPERT platform provides recommendations not only for improving engine performance and emissions, but for improving hull and propeller performance, too. The Company has complemented its digital offering by acquiring True North Marine, addressing key aspects of vessel performance and supporting customers with their decarbonization goals.

Accelleron continues to develop digital twins of its turbochargers based on physical modeling and operational data. Thanks to the digital twins and related capabilities, the Company can offer its customers Smartly Enabled Services, meaning data-based service agreements that individually optimize turbocharger maintenance, performance, and the customer experience.

Building the market-leading fuel injection business with OMC2

In July, Accelleron's specialist fuel injection subsidiary Officine Meccaniche Torino S.p.A. (OMT) announced the acquisition of O.M.C.2 Diesel S.p.A (OMC2), an Italian manufacturer of four-stroke fuel injection components. Founded in 1962 and based in Cazzago San Martino, Brescia, OMC2 supplies high-precision fuel injection equipment for four-stroke engines, with a focus on the marine, stationary, and rail sectors. With around 70 employees, OMC2 generated revenues in the low double-digit million-USD range in 2023. OMT retained all OMC2 employees following closing, underlining our confidence in the business and its people.

OMT – Accelleron's entry into fuel injection

In 2023, Accelleron first acquired OMT, the market leader in two-stroke fuel injection. This was a major milestone, adding fuel injection capabilities to Accelleron's extensive turbocharger portfolio to create an even more comprehensive customer offering. Turbochargers and fuel injection systems are critical and complementary technologies for optimizing engine performance and emissions reduction, especially with alternative fuels.

OMC2 – creating a market-leading position

Fuel injection is a growing market, but limited production capabilities pose challenges. Both low- and medium-speed engines require additional production capacity, and the increasing prevalence of dual fuel ships, for which injection systems are vital, means that strong demand is expected in the low-speed segment.

For example, as of 2023, approximately 50% of ship orders already included dual fuel engines, requiring increasingly complex fuel injection systems, so the opportunity is sizeable. Fuel injection is also a mission-critical and performance-determining engine component that requires continuous maintenance and spare parts supply, providing ongoing opportunities to support customers.

We have a clear ambition to further increase our market share in fuel injection for medium-speed engines by utilizing new fuel applications, which was a key reason for acquiring OMC2.

> "The fuel injection market has massive growth potential, and the acquisition of OMC2 reinforces our leading position in the industry, helping us become even more relevant to our customers in their decarbonization journey."
> **Klaus Heim, CEO of OMT**

OMC2 has provided significant benefits and synergies for Accelleron and our combined customer base, allowing us to take advantage of the growing demand for fuel injection systems and strengthen OMT's leading position in this field.

In the short term, OMC2 will expand OMT's manufacturing base and provide additional production capacity to meet the current strong demand for fuel injection systems.

Looking to the future

The medium-term plan is to further expand manufacturing capacity at the OMT and OMC2 factories, while in the long term it provides a solid foundation for OMT's growth strategy, particularly in the four-stroke medium-speed segment.

The acquisition has helped reinforce our position as the partner of choice for OEMs of large marine engines and other heavy-duty applications using alternative fuels such as hydrogen, methanol, and ammonia, enabling us to deliver advanced solutions for decarbonization and new fuels.

Together, we are working on even more efficient solutions to further reduce our customers' fuel consumption and contribute to the decarbonization of shipping.

Strengthening our digital offering with True North Marine

In August, Accelleron acquired Canadian firm True North Marine (TNM). Founded in 2013 and head-quartered in Montreal, Canada, TNM provides weather routing guidance and voyage optimization, including consulting services from pre-voyage estimates to post-voyage claims, ensuring safe and cost-efficient navigation. TNM, with its 50 employees, has grown rapidly in the past 10 years. Today it is present in Canada, India, China, Greece, and the UK.

The acquisition added to Accelleron's existing digital offering of Tekomar XPERT Marine and Turbo Insights to create a complete digital solution that can help ship owners and operators meet both their decarbonization and commercial goals. With this acquisition, Accelleron has expanded its digital customer base to 3,300 ships.

Creating a leading digital proposition for the maritime industry

Digitalization and data are fundamental to trans-forming and decarbonizing the global maritime industry. Digital solutions are an increasingly important differentiator for Accelleron, allowing us to provide a full suite of services to ship owners and operators.

True North Marine's digital solutions cover the full range of services before, during and after a voyage. With TNM's weather routing and powerful voyage optimization tools, customers can plan effectively to maximize for commercial and decarbonization purposes. Performance monitoring tools provide a set of 'eyes and ears' aboard the vessel, to accurately track a voyage and take corrective action to deal with underperformance. TNM also offers customers detailed reports on emissions, to properly track data and get clarity on their decarbonization strategies. Lastly, post-voyage analysis provides expert insight into a journey and areas that could be improved.

This range of powerful digital services aligns with Accelleron's ambition to accelerate the maritime industry toward a decarbonized world. Gathering actionable data is essential to ensuring vessels are as efficient and sustainable as possible, with significant demand for this level of transparency between ship owners and charterers.

> "The TNM acquisition will help our customers to optimize their global fleet planning, save fuel and money, reduce emissions, and ensure compliance with evolving international regulations."
>
> **Cristian Corotto**
> **President of Accelleron's Digital division**

What's next for Accelleron's Digital division

On the journey to a decarbonized maritime industry, measurability and data are critical. In order to improve performance, a proper understanding of key performance indicators based on practical data is essential.

Digital technologies, such as artificial intelligence, machine learning, cloud computing and others, will help drive the green transition toward a more sustainable future, enabling an effective decision-making process through reliable data and analytics.

Developing an industry-leading technology offering is central to Accelleron's long-term strategy, which is why we have significantly expanded our range of digital solutions through the acquisition of True North Marine.

02

Key data and operational review

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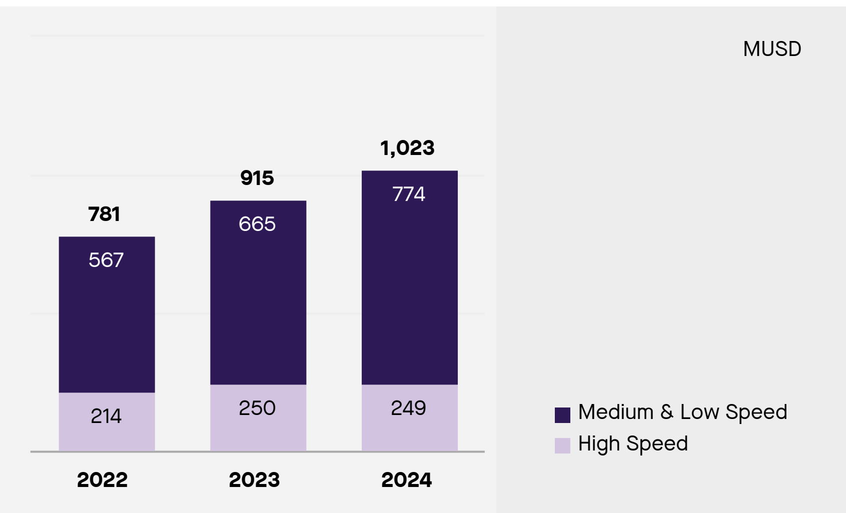
Key data

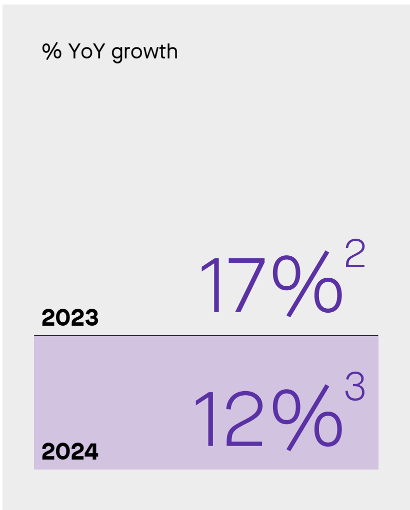
Accelleron breaks the USD 1 billion barrier for revenues in 2024, supported by two acquisitions and a strong organic[1] revenue growth of 7.3% while further increasing the operational EBITA margin[1] to 25.6%.

Accelleron increased its market share in turbocharging in 2024, mainly driven by the Medium & Low Speed segment, which capitalized on opportunities in dual fuel applications, resulting in total revenues of USD 1,022.5 million. The attractive operational EBITA margin[1] of 25.6% (2023: 24.4%) was mainly driven by operating leverage and effective cost management. Net income amounted to USD 179.4 million in 2024 or 63.1% higher than in the previous year, supported by significantly lower one-off costs of USD 15.8 million (2023: USD 77.4 million) related to the build-up of independent processes and systems.

Accelleron's highly cash-generative business model is one of the key characteristics in terms of financial performance, reflected in a healthy free cash flow conversion[1] of 99.1%, Free cash flow generation was USD 177.7 million in 2024, compared to USD 109.1 million in the previous year.

Share of revenue by market segment





Key figures

	Twelve-month period ended December 31,			
(USD in millions)	**2024**	**2023**	**Change in +/- %**	**Organic[1]**
Revenues	1,022.5	914.9	11.8%	7.3%
Gross profit	471.2	385.9	22.1%	
as % of revenues	46.1%	42.2%	3.9 ppts	
Income from operations	237.9	141.3	68.4%	
Operational EBITA[1]	261.9	223.1	17.4%	
as % of revenues	25.6%	24.4%	1.2 ppts	
Net income	179.4	110.0	63.1%	
as % of revenues	17.5%	12.0%	5.5 ppts	
Net cash provided by operating activities	216.1	145.2	48.8%	
Free cash flow[1]	177.7	109.1	62.9%	
Free cash flow conversion[1]	99.1%	99.2%	-0.1 ppts	
Basic earnings per share (USD)	1.81	1.08	73.0%	
Net leverage[1]	0.7	1.0	(29.0%)	

1 Certain alternative performance measures are used by the Company to evaluate performance. Refer to "Supplemental information" section of this report for a detailed description.

2 Thereof 3.0 ppts related to the acquisition of OMT.

3 Thereof 5.6 ppts related to the acquisition of OMT, OMC2 and TNM.

Share information

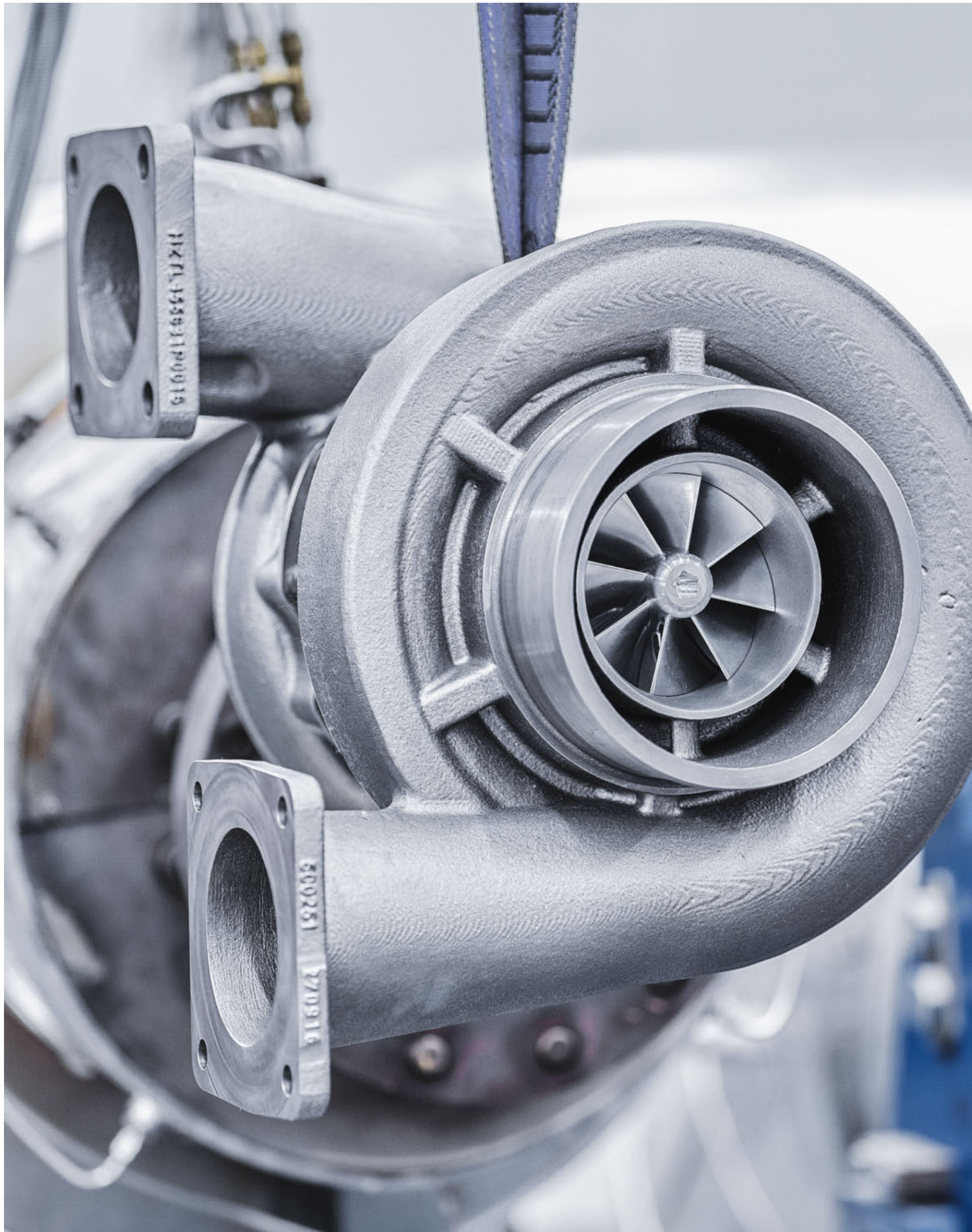
Share[1] price (CHF)	**2024**
High	51.60
Low	25.76
Year-end	46.70
Market capitalization as of December 31, 2024	
Number of shares issued (excluding treasury shares)	93,802,416
In millions CHF	4,381
P/E ratio as of December 31[2]	28.5x
Dividend yield as of December 31[3]	**2.7%**

1 ISIN CH1169360919
2 Share price at year-end (converted to U.S. dollars at year-end exchange rates) divided by basic earnings per share.
3 Dividend per share (in CHF) divided by share price at year-end (in CHF).

Data per share

	2024
Dividend per share (CHF)[1]	1.25
Basic earnings per share (USD)[2]	1.81
Equity attributable to Accelleron per share (USD)[3]	3.54
Dividend payout ratio (%)[4]	76.3

1 Proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting on May 6, 2025.
2 Calculation based on weighted-average number of shares outstanding undiluted.
3 Calculation based on the number of shares outstanding at December 31, 2024.
4 Dividend per share (converted to U.S. dollars at year-end exchange rate) divided by basic earnings per share.



Group financial and business review

The following discussion of the financial condition and results of the operations of Accelleron Industries AG and its subsidiaries (collectively the Company or Accelleron) should be read in conjunction with the Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP), and the related notes thereto. All amounts presented in this section are in USD millions and may not add up or recalculate due to rounding.

Overview

Accelleron designs, manufactures, sells and services highly customized turbochargers through the Company's product business for original equipment manufacturers (OEMs) of engines for heavy-duty applications. These OEMs install Accelleron's products on the engines they produce for end-users across the world; the maintenance of this installed base forms the foundation of Accelleron's service business. Further, Accelleron provides fuel injection equipment for engines in heavy-duty applications.

Accelleron is a global leader in turbocharging technologies and optimization solutions for internal combustion engines from 0.5 to 80+ megawatt (MW), helping provide sustainable, efficient and reliable power to the marine, energy, rail, and off-highway sectors.

The Company operates the business in the global turbocharger market for heavy-duty (500 kilowatts and higher) applications in two operating segments, which align with the product lifecycle:

- High Speed: produces and services turbochargers with power outputs ranging from 500 to 5,000 kilowatts, for the use of one to four turbos per engine. High Speed turbochargers are used mainly in electric power generation, oil & gas onshore, marine, and off-highway commercial vehicle applications.
- Medium & Low Speed: produces and services turbochargers with power output from 3,000 to 30,000 kilowatts, for the use of one to two turbos per engine. Such turbochargers are used mainly in marine applications and electric power generation applications. In addition, this reporting segment includes business activities relating to Rail and Fuel Injection (i.e. OMT) and Digital Customer Solutions because their application is primarily related to Medium & Low Speed segment.

Basis of preparation

The Company's Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). For further details, please refer to "Note 2 – Basis of preparation" of this report.

Results of Operations

	Twelve-month period ended December 31,		
(USD in millions)	**2024**	**2023**	**change in %**
Revenues	1,022.5	914.9	11.8%
Cost of sales	(551.3)	(528.9)	4.2%
Gross profit	**471.2**	**385.9**	**22.1%**
Selling, general and administrative expenses	(177.8)	(192.5)	(7.6%)
Research and development expenses	(58.2)	(57.4)	1.4%
Other income, net	2.7	5.3	(49.1%)
Income from operations	**237.9**	**141.3**	**68.4%**
Interest and other finance expense, net	(12.1)	(4.1)	195.1%
Income from operations before income taxes	**225.8**	**137.2**	**64.6%**
Income tax expense	(46.4)	(27.2)	70.6%
Net income	**179.4**	**110.0**	**63.1%**
Operational EBITA[1]	**261.9**	**223.1**	**17.4%**
Operational EBITA margin[1]	**25.6%**	**24.4%**	**1.2 ppts**

Revenues

Revenues increased by USD 107.6 million, or 11.8% (7.3% organic[1]), to USD 1,022.5 million compared to the previous year, resulting from both, continued strong demand across most of the relevant industries and market share gains in merchant marine and emergency power. Further, revenue growth was also fueled by expanding production capacity of OMT through the OMC2 acquisition on August 29, 2024. A detailed discussion of the factors contributing to the changes in segment revenues is included in the "Operating segments financial review" section of this report.

Gross profit

Gross profit increased by USD 85.3 million, or 22.1%, to USD 471.2 million compared to the previous year. The gross profit margin increased by 3.9 percentage points to 46.1% primarily driven by operating leverage and effective cost management but also thanks to further reductions in non-operational one-off expenses relating to the build-up. Cost inflation could largely be offset by price increases.

1 Certain alternative performance measures are used by the Company to evaluate performance. Refer to "Supplemental information" section of this report for a detailed description.

Selling, general and administrative expenses

Selling, general and administrative expenses decreased by USD 14.7 million, or 7.6%, to USD 177.8 million compared to the previous year. The decrease is driven by further reducing non-operational one-off expenses relating to the build-up.

Research and development expenses

Research and development expenses increased by USD 0.8 million, or 1.4%, to USD 58.2 million compared to the previous year while as a percentage of revenues, research and development expenses amounted to 5.7%.

Income tax expense

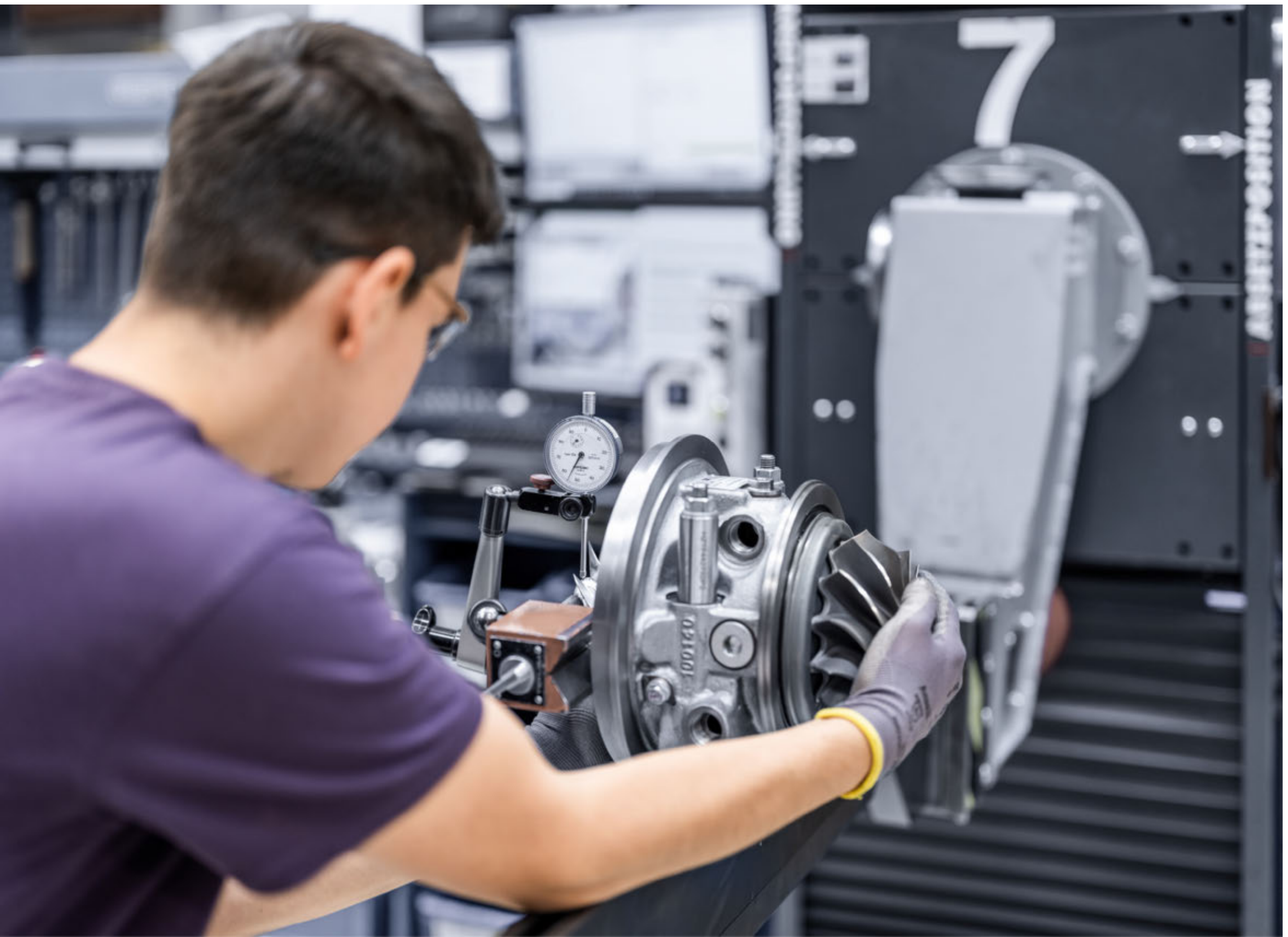
Income tax expense increased by USD 19.2 million, or 70.6%, to USD 46.4 million in 2024 compared to the previous fiscal year. The effective tax rate increased to 20.6% in 2024, from 19.8% in 2023. The effects are mainly driven by a change in jurisdictional profit mix of earnings.

Net income

Net income increased by USD 69.4 million, or 63.1% to USD 179.4 million compared to the previous year, largely as a result of the factors set out in the previous paragraphs. Net income included USD 24.0 million one-off and other non-operational costs in 2024, thereof USD 5.4 million amortization.

Operational EBITA

Operational EBITA increased by USD 38.8 million, or 17.4%, to USD 261.9 million mainly resulting from the factors set out in the previous paragraphs. The operational EBITA margin increased by 1.2 ppts to 25.6% in 2024.



Liquidity and capital resources

(USD in millions)	December 31, 2024	December 31, 2023	change in %
Net cash provided by operating activities	216.1	145.2	48.8%
Net cash used in investing activities	(97.2)	(129.0)	(24.7%)
Net cash (used in)/provided by financing activities	(66.5)	19.6	(439.3%)
Effects of exchange rate changes on cash and cash equivalents	(13.9)	8.9	(256.2%)
Cash and cash equivalents, beginning of period	234.1	189.4	23.6%
Cash and cash equivalents, end of period	**272.5**	**234.1**	**16.4%**

Net cash provided by operating activities increased by USD 70.9 million, or 48.8%, to USD 216.1 million compared to the previous year, mainly driven by the strong volume growth and solid cash collection during the second half of the year.

Net cash used in investing activities decreased by USD 31.8 million, or 24.7%, to USD 97.2 million due to reduced payment amounts for acquisitions compared to the previous year. Further, the Company continued key investments in its Swiss, Italian and Chinese factories amounting to USD 38.5 million.

Net cash provided by financing activities decreased by USD 86.1 million, or 439.3%, to USD 66.5 million. While debt increased by USD 111.0 million in the previous year, debt only increased by USD 28.5 million in 2024.

Furthermore, the dividend amount paid in 2024 was USD 14.2 million higher than in 2023. Lastly, there were no further net transfers to ABB Ltd. (Former Parent) of property, plant and equipment in 2024.

Net debt and indebtedness

(USD in millions)	December 31, 2024	December 31, 2023	change in %
Cash and cash equivalents	(272.5)	(234.1)	16.4%
Current debt	3.3	1.8	83.3%
Non-current debt	475.3	475.8	(0.1%)
Net debt	**206.1**	**243.5**	**(15.4%)**
Indebtedness	**478.6**	**477.6**	**0.2%**

Net debt decreased by USD 37.4 million, or 15.4% to USD 206.1 million in 2024.

M&A activity

On August 29, 2024 Accelleron completed the acquisition of O.M.C. 2 Diesel S.p.A. (OMC2) located near Brescia, Italy and True North Marine Inc. (TNM) located in Quebec, Canada.

Accelleron acquired the shares of OMC2 and TNM. The net cash flow effect in 2024 amounted to USD 56.0 million, which was funded by existing cash. Not included in the cash outflow is a net financial position adjustment of USD 1.3 million which will be paid out in the new reporting period and a contingent consideration of USD 1.8 million, if earned, will be paid in October 2026.

OMC2 is a manufacturer of four-stroke fuel injection components with a focus on the marine, stationary, and rail sectors. After the acquisition of OMT last year, this acquisition will further strengthen our market position in fuel injection by adding additional production capacity. It will support OMT's ambitions to grow their market share in medium speed fuel injection with the right machine park and the support of an experienced team. OMC2 employs approximately 70 employees.

The total non-operational cost amounted to USD 2.3 million, primarily related to amortization of intangible assets and step-up of inventory following the acquisition.

For details of purchase price allocation and result of the acquisition, see Note 26.

(USD in millions)	2024
Purchase price for acquisitions (net of cash acquired)	59.0
Net Cash flow effect	56.0
Goodwill	34.2

TNM is a provider of weather routing guidance and voyage optimization including consulting services from pre-voyage estimates to post-voyage claims. This acquisition, added to Accelleron's existing digital offering, creates a complete digital solution that can help ship owners and operators meet both their decarbonization and commercial goals. TNM's team, including former captains, seafarers and naval engineers, further expands Accelleron's expertise in naval operations. TNM employs approximately 50 employees.

Operating segments financial review

High Speed segment

The financial results of the Company's High Speed (HS) segment for December 31, 2024 compared to December 31, 2023 are as follows:

	Twelve-month period ended December 31,		
(USD in millions)	**2024**	**2023**	**change in %**
Revenues	249.0	249.9	-0.4%
Operational EBITA	62.8	59.3	5.9%
Operational EBITA margin	25.2%	23.7%	+1.5 ppts

Revenues

Revenues in the HS segment decreased by USD 0.9 million, or -0.4% (-0.1% organic[1]), to USD 249.0 million compared to the previous year. This is primarily a result of our customers reducing their inventory level related to gas compression which was largely compensated by gaining market share in emergency power.

Operational EBITA

Operational EBITA in the HS segment increased by USD 3.5 million, or 5.9%, to USD 62.8 million compared to the previous year. The increase results from effective cost management and beneficial product mix. Consequently, operational EBITA margin increased by 1.5 percentage points, to 25.2% in 2024.

Medium & Low Speed segment

The financial results of the Company's Medium & Low Speed (M&LS) segment for December 31, 2024 compared to December 31, 2023 are as follows:

	Twelve-month period ended December 31,		
(USD in millions)	**2024**	**2023**	**change in %**
Revenues	773.5	664.9	16.3%
Operational EBITA	199.1	163.8	21.6%
Operational EBITA margin	25.7%	24.6%	1.1 ppts

Revenues

Revenues in the M&LS segment increased by USD 108.6 million, or 16.3% (+10.1% organic[1]), to USD 773.5 million compared to the previous year. This increase results from growing demand in merchant marine. USD 76.4 million was generated by OMT, OMC2 and TNM.

Operational EBITA

Operational EBITA in the M&LS segment increased by USD 35.3 million, or 21.6%, to USD 199.1 million compared to the previous year. Operational EBITA margin increased by 1.1 percentage points to 25.7% in 2024. Main driver for the margin improvement was the operating leverage and effective cost management. OMT, OMC2 and TNM did not have a material impact on the operational EBITA margin of the segment.

1 Certain alternative performance measures are used by the Company to evaluate performance. Refer to "Supplemental information" section of this report for a detailed description.

03

Sustainability report

About Accelleron

As a global leader in turbocharging, fuel injection, and digital solutions for heavy-duty applications, Accelleron provides technologies and services to support marine and energy industries that form the backbone of modern civilization. With our 100-year heritage, an installed base of more than 180,000 turbochargers, and almost 3,000 skilled employees serving 100 locations in 50 countries, we are continuously innovating to drive the energy transition forward and accelerate the decarbonization journey for our customers.

We do that in three ways. First, our turbochargers, fuel injection systems, and digital solutions improve asset efficiency and reduce environmental impact by decreasing emissions, and by saving fuel, whether that's conventional fuel, transitional fuel like liquefied natural gas (LNG) or a future carbon-neutral fuel like methanol, ammonia, or hydrogen. Second, since decarbonization in marine and energy industries depends on the energy transition, we are intensively innovating to design new fuel injection systems which are tailormade for the special requirements of future carbon-neutral fuels.

Recent acquisitions
Accelleron's recent acquisitions include OMT, OMC2 and TNM.

OMT is partly included in the sustainability report as well as the appendix.
Each chapter and category is marked accordingly.

OMC2 and TNM are out of scope for this sustainability report as we aim to integrate them into our reporting system from 2025.

We are also designing turbochargers that are adaptable for multiple fuel requirements, and we support engine builders in simulating combustion processes for e-fuels (methanol, ammonia, and hydrogen), in order to ensure safe and efficient operation. Finally, our expanded digital offerings not only give marine customers the data needed to optimize vessel performance and efficiency, they also help ship owners and charterers to report on emissions accurately, and to optimize overall fleet operations to meet their decarbonization goals.

Accelleron reports its business in two segments: High Speed and Medium & Low Speed.

High Speed:
The High Speed segment produces and services turbochargers with power outputs ranging from 500 to 5,000 kilowatt (kW). Accelleron's High Speed turbochargers are used mainly in electric power generation (gas-fired engines for base load power, combined heat and power, and balancing power, and back-up power that mostly runs on liquid fuels) and onshore oil and gas (primarily gas-fired engines driving compressor stations for gas pipelines), as well as in marine and, to a limited extent, off-highway applications.

Medium & Low Speed:
The Medium & Low Speed segment produces and services turbochargers with power outputs ranging from 600 to 30,000 kW. These turbochargers are used mainly in marine and related applications (e.g., merchant vessels such as container ships, bulk carriers and tankers, and passenger vessels), electric power generation applications, and, to a lesser extent, railway applications.

This reporting segment also includes business activities related to digital customer solutions (including Tekomar XPERT software and the recently acquired digital and consulting offering from True North Marine) as well as the fuel injection business from OMT and OMC2, as these applications are primarily related to the Medium & Low Speed segment.

Accelleron is organized into five divisions consisting of the two product business divisions High Speed and Medium & Low Speed, an integrated Service division, a Digital division, and the latest addition, Fuel Injection.

Service
The Service division is an important contributor to Accelleron's success, providing spare parts and services for both High Speed and Medium & Low Speed turbochargers. Accelleron turbochargers are typically operated for up to 8,000 hours a year and can have a service life of more than 30 years. Every year Accelleron supports more than 5,000 end customers around the globe, employing more than 500 trained service engineers at over 100 locations. They have 24/7 support from the global spare parts center in Switzerland, which can deliver parts to any airport in the world within 48 hours.

Digital
The Digital division supports Accelleron's customers with software platforms and offerings that enable them to operate their assets at optimal condition, thereby improving fuel efficiency and reducing emissions. The division's digital capabilities also help the Service division provide smart maintenance solutions based on operating data received from the Company's installed base.

Fuel Injection
The Fuel Injection division was created following the acquisition in 2023 of Officine Meccaniche Torino (OMT) a global leader in fuel injection systems.

OMT is driving the maritime industry's transition to net zero emissions by 2050, by developing and selling advanced injection solutions to OEM customers for both conventional and future carbon-neutral fuels, including methanol, ammonia, and hydrogen.

Since infrastructure for these fuels is still developing, many shipping companies are adopting dual fuel engines, which require multiple injection systems, specialized for each fuel type. This has generated rising demand for fuel injection systems. In 2024, OMT acquired OMC2, in order to expand production capacity for both two-stroke and four-stroke fuel injection systems. OMT's innovations will be fundamental to sustainable industry transformation, as dual fuel engines will dominate the new-build ship market in the coming decades, carrying the industry through the energy transition.

Company values

Since its stock listing as an independent company on October 3, 2022, Accelleron has formulated a corporate purpose, vision, and set of values.

Our purpose is to accelerate sustainability in marine and energy industries.

Our vision is to boost innovative lifecycle solutions as a trusted partner in the energy transition for the benefit of our customers and society.

Our four values:

We are curious.
We are inclusive and learn from diversity.

We are all entrepreneurs.
We see opportunities and we have the courage to take ownership of them.

We trust each other.
We are ethical and we work with integrity.

We go further.
We are proud to exceed expectations.

Global presence

Accelleron has more than 100 locations (mostly service sites) in more than 50 countries. Our headquarters and largest site, in Baden, Switzerland is the workplace of about one third of our employees and is home to three quarters of long-lived assets[1]. It houses key global corporate functions, the global service center, research and development (R&D), and our main sourcing and manufacturing hub.

Other manufacturing and sourcing sites are located in China and India. R&D, production, and sales for the fuel injection business are located in Turin and Brescia, Italy. Accelleron generates revenues throughout the world: Europe is responsible for 34.3%, Asia, the Middle East and Africa (AMEA) for 43.0%, and the Americas for 22.8%.

Value chain

Accelleron strives to take care of its customers, from designing turbochargers in close coordination with engine OEMs to application engineering and the delivery of the best product for each customer application. Once an engine is in operation, Accelleron works to maintain or enhance its performance. Through its own network, Accelleron provides turbocharger services and spare parts from a single source. This allows Accelleron to offer a full-coverage service model, including lifetime service agreements and digital offerings, to its customers.

1 Long-lived assets meaning property, plant and equipment net of depreciation.

Sustainability at Accelleron

Sustainability strategy and goals

In September 2015, the United Nations (UN) identified and adopted 17 global Sustainable Development Goals (SDG). These SDGs represent an urgent call to action for all countries to act as part of a global partnership. In the same year, the Paris Agreement was adopted at the 21st UN Conference of Parties (COP 21). Its overarching goal is to "hold the global average temperature increase to well below 2°C above pre-industrial levels" and to "pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels."

For companies, this means taking steps to reduce the negative impact of business on both the environment and society. For Accelleron, sustainability means integrating environmental and social aspects into Accelleron's business model, and working towards a world that achieves the goals of the Paris Agreement.

Our definition incorporates the triple bottom line approach, which considers the interconnectedness of environmental, social, and economic impact, supported by a mature governance structure. In our sustainability strategy, we structure these elements around three pillars: "Products & Services," "Planet," and "People." We call this our 3P approach.

To realize the full potential of the 3P approach and demonstrate our ability to accelerate sustainability in the marine and energy sectors, we are working on further integrating sustainability into our business strategy.

To support decarbonization, we aim to strengthen our position as the market leader in turbocharging technology by focusing on the following activities:

- Making our products compatible with the use of future carbon-neutral fuels, leading to a reduction of direct CO_2[1] emissions for end users
- Providing product upgrade services that result in avoided emissions for end users
- Transitioning towards a lower carbon footprint in our supply chain and operations, as well as the products and services we deliver, to help customers further reduce their own carbon footprints

Embedding sustainability in our business

By embedding sustainability into our business model, we aim to not only align with global sustainability goals but also drive long-term cost efficiencies, reduce regulatory risk, and enhance market competitiveness. Sustainability is a driving force for Accelleron as well as for our customers. To successfully embed sustainability in our strategy, we are increasing the involvement of our customers, suppliers, and employees.

We set sustainability targets that are drawn directly from our business and regulatory contexts, the best available data, and pertinent requirements and standards. Currently, we have 13 key targets, including milestones, which address the top priorities identified in our materiality matrix (see the section target setting and measurement verification). These targets cover the period from 2023 to 2030, and reflect our ambition to measure up to our conception of a truly sustainable company. At the same time, Accelleron has developed a system to monitor key upcoming regulations in our major jurisdictions in the next three to six years.

1 In this report, CO_2 should be considered as CO_2 equivalent.

We are committed to building a culture where all employees work together to drive sustainability and make it an integral part of our business. Our governance processes articulate our core organizational and behavioral principles, such as our Articles of Association, Board regulations, our purpose and vision, and our Code of Conduct (CoC). For example, we have rules and expectations related to anti-corruption, and we continuously train our people. We have set supplier sustainability standards in our Supplier Code of Conduct (SCoC), and we are conducting regular audits to continue to improve our processes.

We are dedicated to a culture where both employees and external stakeholders are encouraged to report any potential breaches of the CoC or the law, without fear of retaliation. We offer several channels for anyone to report suspected misconduct anonymously.

For information on Company governance structure, please see the corporate governance report on page 53.

Materiality analysis and reporting framework

In this 2024 sustainability report, we highlight our contributions to reducing greenhouse gas (GHG) emissions and creating social value.

Accelleron has determined its focal points based on a structured approach guided by the Global Reporting Initiative (GRI). Accordingly, we have conducted a materiality analysis involving all relevant internal and external stakeholders, including customers, suppliers, employee and employer representatives, local communities, local government, non-governmental organizations, and investors. It helped to identify actual and potential impact and then assessing the impact with analysis serving to identify and prioritize the most significant impact.

Until now, to assess our stakeholders' perspectives on Accelleron's sustainability priorities, we established an internal, cross-functional group which conducted interviews with 40 stakeholders. We applied a systematic approach to understanding the nature of each material topic, and asked stakeholders to rank their importance to Accelleron's business on a scale from 1 to 5. The analysis was reviewed and validated by an external sustainability expert to ensure its credibility and objectivity.

We have structured this sustainability report around the 15 material topics identified in our materiality analysis, in order to provide transparency and a clear view of our activities for all stakeholders. We have further grouped material topics into three pillars: "Products & Services," "People," and "Planet" – our 3P approach. We address these three areas in this report, highlighting the governance framework that helps us to achieve sustainable impact across each of them.
In 2024, we started to work on implementation of the Corporate Sustainability Reporting Directive (CSRD) to define our first double materiality assessment for our Italian business (the fuel injection division and service stations based in Italy) (see section regulatory readiness).

Teamwork for effective sustainable reporting

Accelleron wants to have a positive impact in its sustainability journey. The information in this report has been reviewed according to the four-eyes principle of data validation to ensure transparency and alignment across all internal departments, including: Human Resources, Health Safety and Environment, Legal & Integrity, Supply Chain, Finance, Product and Service divisions, and Technology.

For this non-financial report, we have made every effort to disclose our activities and progress in the materiality topics addressed. In doing so, we have relied on data and information from internal and external third-party sources that have been reviewed and/or verified using current methods and knowledge. We have also integrated the internal audit team into our reporting process to secure independent review and increase the level of control and reliability

The report also includes estimates, which are labelled as such. The information provided may be subject to review and amendment in future reports, as we continuously work to improve the specificity and accuracy of the data, based on exchange with our suppliers and third parties.

One example of this is the 2023 carbon footprint numbers, which have been revised this year to include OMT. We have captured OMT data and factored it into a recalculation of our 2023 carbon footprint.

Target setting and measurement verification

Our materiality matrix also served as a foundation for our impact-based targets. Accordingly, we have developed targets which can be assigned to one of our 3P categories: "Products & Services," "People," and "Planet". These same targets directly contribute to seven different SDGs.

The selected Sustainable Development Goals are:

- SDG 3: Good health and well-being
- SDG 4: Quality education
- SDG 5: Gender equality
- SDG 7: Affordable and clean energy
- SDG 9: Industry, innovation and infrastructure
- SDG 12: Responsible consumption and production
- SDG 13: Climate action

Accelleron has engaged KPMG to provide independent assurance for selected GRI KPIs disclosed in the sustainability report 2024. The KPIs in scope of the limited assurance are Scope 1 and 2 GHG emissions, as well as Scope 3, category 4 and 9, upstream and downstream transport. As available data improves, we will update our reported information, and we will continue to have all information verified by certified third parties.

Regulatory readiness

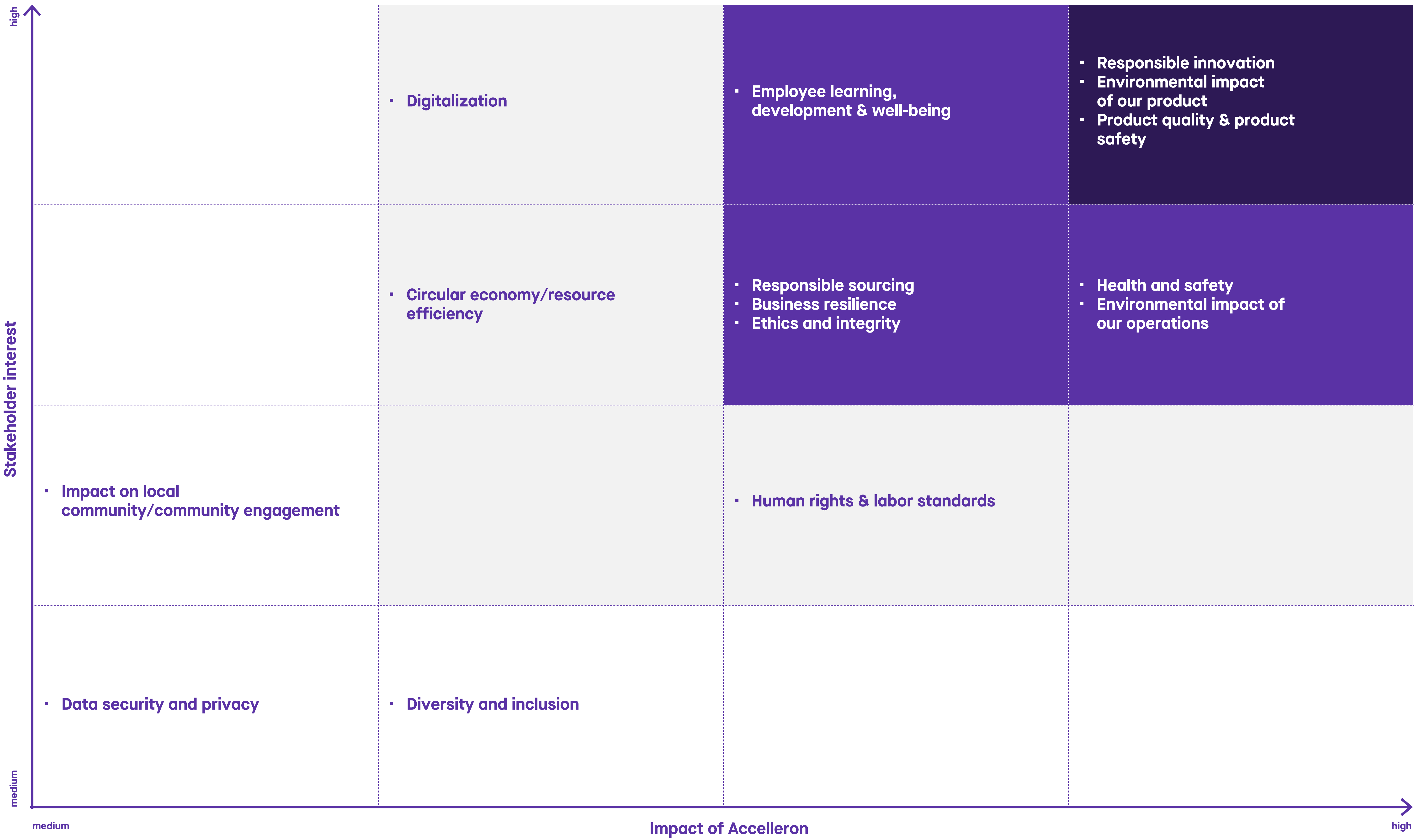
Among our processes, we regularly identify the upcoming regulations that could impact Accelleron. With the imminent implementation of the Corporate Sustainability Reporting Directive (CSRD), the Board of Directors (BoD) and the Executive Committee have resolved to leverage this directive as an opportunity for learning and enhancing the maturity of our sustainability practices.

After careful consideration of our current sustainability maturity, resource availability, and strategic priorities, we are planning to begin with CSRD compliance for our Italian business by submitting a CSRD report for our Italian business in 2026 (FY 2025)[1]. Building on that experience, we will decide to submit a CSRD report for the entire group. In 2024, we laid the groundwork for both reports by conducting a double materiality assessment for Italy and engaging an auditor.

Globally, we will also be assessing the relevant requirements of the Corporate Sustainability Due Diligence Directive (CSDDD) in 2025, and establishing a plan of action.

1 We may revise our position in light of the EU's omnibus directive. While we continue to believe in the decarbonization of marine & energy and the opportunities this brings for our business, Accelleron took note of the Omnibus proposals of the EU Commission, will carefully observe the legislative process and make its conclusions on sustainability strategy, targets, reporting and timelines.

Accelleron's sustainability materiality matrix



Maturity assessment of each topic based on existing processes, standards, systems, and programs, rather than performance or results.

People

Material topic	Target	Results in 2024	Progress against target	Direct contribution to SDGs
Health and safety	Reach Lost Time Injury Frequency Rate (LTIFR) 0.2 by end of 2030.	0.57		By providing a safe work environment, we reduce the risk of accidents and injuries. We strive to ensure high safety in the workplace, thus aligning with SDG 3, which aims to promote good health and well-being for all.
Employee development	By 2026, every employee to have at least two working days as training per year (16 hours per year).	In 2024, every employee had on average 17 hours of training (excluding our Fuel Injection division).		By investing in training and development, Accelleron can attract and retain skilled people, leading to higher productivity and future-proof competencies and contributing to SDG 4.
Inclusion and diversity	Women make up 25% of senior management by end of 2025.	24%		A diverse, inclusive leadership team at Accelleron creates a supportive work environment and promotes a positive workplace culture. This contributes directly to SDG 4 and SDG 5 by improving gender equality and empowering all women.
Local community	Have at least one project that gives back to the community per year per local unit, starting 2027.	52 projects were completed.		This target contributes to good health and well-being (SDG 3), quality education (SDG 4), and gender equality (SDG 5). Community projects can promote health, provide valuable learning opportunities, and empower women in the community.

Products and services

Material topic	Target	Results in 2024	Progress against target	Direct contribution to SDGs
Responsible innovation	Portfolio ready for future carbon-neutral fuels like methanol, ammonia, and hydrogen, by 2030, scalable and ready to sell in production.	We delivered the first products for applications that will run on future carbon-neutral fuels, and we have committed a substantial part of our R&D resources to optimizing our products for use with future carbon-neutral fuels. We took further steps in 2024 and we continue to make progress in qualifying our next generation of low-speed turbochargers, the ACCX300-L series in our Medium & Low Speed division, for use with future carbon-neutral fuels. We have observed an increasing interest from the market for this readiness. The High Speed division has also continued to work on hydrogen combustion. While engines for both hydrogen blending and 100% hydrogen combustion at lower power density are available, the High Speed division has continued its collaboration with engine building customers to develop turbocharged engines that operate with 100% hydrogen, while maintaining an engine power density comparable to natural gas.		This target is in line with the SDGs of industry, innovation and infrastructure (SDG 9), and climate action (SDG 13). Improving development of alternative fuel options can help reduce greenhouse gas emissions, improve air quality, promote sustainable industrialization and innovation, and combat climate change.
Responsible supply chain	100% of direct material suppliers in high-risk countries audited according to sustainability criteria by end 2028; 80% of direct material suppliers to have business continuity plans including climate risk by 2030.	9 audits were performed in 2024, encompassing 20% of suppliers in high risk countries. We issued a climate change survey to our suppliers representing 80% of direct material carbon emissions.		We are auditing suppliers on their adaptation to climate risks and their mitigation plans. This aligns with SDGs 9 and 13 which promote the building of resilient infrastructure, sustainable industrialization, and adaptation to climate change.
Circular economy	We will continue to promote and execute solutions to support customers in achieving their decarbonization targets, with a focus on our comprehensive portfolio of retrofits/upgrades that help equip existing vessels for the decarbonization and energy transition journey.	New target. Progress will be reported in the next report.	New target	The circular economy model corresponds with SDGs 9, 12 and 13, promoting sustainable industrialization and resource efficiency, reducing waste and environmental impact, and aligning with the goal of promoting sustained economic growth.

Planet

Material topic	Target	Results in 2024	Progress against target	Direct contribution to SDGs
Environmental impact of our operations and our products	Reduce our CO_2 emissions by 70% (Scope 1 and 2) compared to 2022 levels by 2030. Ambition to reduce our Scope 3 in line with the Paris Agreement, with targets to be set in the SBTi process.	We reduced our Scope 1 + 2 by about 13% in comparison to 2022 for Accelleron (excl. OMT).		This target also aligns with SDG 13, which emphasizes the need to take urgent and ambitious action to combat climate change.
Environmental impact of our operations	3% reduction in "bought electricity/revenues" by 2030 vs. 2024.	In 2024 we conducted an energy assessment of the remaining sites and launched an energy efficiency strategy which defines global efficiency targets. Progress will be reported in the next report.	New target	This target is connected to SDG 7, which aims to ensure access to affordable, reliable, sustainable and modern energy for all, as it promotes energy efficiency and reduces energy consumption. Achieving our target can lead to a reduction in the carbon footprint of our operations and contribute to mitigation of climate change, thus also supporting SDG 13.
Environmental impact of our operations	Zero waste to landfill and 90% waste recycling rate for non-hazardous waste by 2030.[1]	In 2024, 29.6 tons of waste were sent to landfill (vs. 55 t in 2023) and 88% of non-hazardous waste was sent for recycling (not including US, Middle East and Africa).		This target is connected to SDG 13, which emphasizes the need to take urgent and ambitious action to combat climate change and its impact, including reducing waste generation and improving waste management practices that reduce greenhouse gas emissions. Additionally, by promoting sustainable waste management practices, it can contribute to preserving ecosystems and protecting human health and well-being, which are key objectives of several SDGs, including SDG 3 and SDG 4.
Environmental impact of our operations	Water efficiency target is: Move from level 1 (single usage of water) in water efficiency to a higher maturity level by end of 2026, within the Service division.[2]	We assessed water usage in the service network and defined guidance for improving the main industrial processes that use water. We hierarchized the use of water in 4 maturity levels. We broke water usage down into a four-tier hierarchy. Level 1 is defined as no water reuse, followed by level 2 (water reuse), level 3 (semi-automated water use) and level 4 (fully automated water use).	New target	The target of reducing water usage is directly connected to SDG 7 and 12, which also promote sustainable water management practices that contribute to reducing the environmental impact of energy production and consumption. It is also connected to SDG 13, which emphasizes the need to take urgent and ambitious action to combat climate change and its impact, which includes reducing water usage and improving water management practices. With this target we can help preserve ecosystems, protect human health and well-being and mitigate the impact of climate change.

1 Excluding US, Middle East, and Africa.

2 Fuel Injection division and manufacturing sites are excluded from the target as their industrial water usage is based on a closed loop system, which equates to level 2 or higher.

On trajectory towards the target
Some progress made towards target
Not aligned with target

We contribute directly to 7 SDGs

People

We contribute to social progress

Health and safety
Reach LTIFR 0.2 by end 2030.

Employee development
By 2026 every employee to have at least two working days as training per year.

Inclusion and diversity
Women make up 25% of senior management by end of 2025.

Local community
Have at least one project that gives back to the community per year per local unit, starting 2027.

Product and services

We contribute to industry decarbonization through responsible innovation

Responsible innovation
Portfolio ready for alternative fuel by 2030, scalable and ready to sell in production.

Responsible supply chain
100% of direct material suppliers in high-risk countries audited according to sustainability criteria by end 2028;

80% of direct material suppliers to have business continuity plans including climate risk by 2030.

Circular economy
We will continue to promote and execute solutions to support customers in achieving their decarbonization targets, with a focus on our comprehensive portfolio of retrofits/upgrades that help equip existing vessels for the decarbonization and energy transition journey.

Planet

We use resources more efficiently

Environmental impact of our operations and our products
Reduce our CO_2 emissions by 70% (Scope 1 and 2) compared to 2022 levels by 2030.

Ambition to reduce our Scope 3 in line with the Paris Agreement, with targets to be set in the SBTi process.

Environmental impact of our operations
3% reduction in “bought electricity/revenues” by 2030 vs. 2024.

Zero waste to landfill and 90% waste recycling rate for non-hazardous waste by 2030.[1]

Water usage in our operations: move from level 1 (single usage of water) to a higher maturity level[2] by end of 2026, within the Service division.

Governance as existing foundation

1 Excluding US, Middle East, and Africa.

2 We broke water usage down into a four-tier hierarchy. Level 1 is defined as no water reuse, followed by level 2 (water reuse), level 3 (semi-automated water use) and level 4 (fully automated water use).

Products and services

How Accelleron supports decarbonization and the energy transition with its products, services, and innovation.

Accelleron's customers face increasingly strict requirements for lower carbon emissions and for the transition to future carbon-neutral fuels. Our core purpose is to accelerate sustainability in marine and energy industries as a global technology leader for turbocharging, fuel injection systems, and digital solutions that increase efficiency, which means lower fuel consumption and therefore lower carbon emissions, thus supporting the energy transition.

To support our technologies, Accelleron's wide range of service offerings keep our turbochargers running at optimal efficiency at all times, and our spare parts for fuel injection systems keep them operating with high precision and peak efficiency throughout their lifetimes. In addition, Accelleron has developed a robust upgrade program to allow existing ships to increase their fuel efficiency and lower emissions, to meet new sustainability standards.

Accelleron's expansive digital offering adds another dimension of efficiency and emissions reductions for our customers. Our digital technologies range from data insights that focus purely on optimizing turbocharger and fuel injector performance, to Tekomar XPERT, which addresses key engine and vessel performance parameters, CII ratings, and emissions certificates, to Accelleron's recent acquisition True North Marine (TNM), which addresses voyage optimization and supports the entire charter process.

Our portfolio of technologies and services is strategically designed to maximize fuel efficiency and the reduction of operational emissions for marine and energy operators. As operators convert from conventional fuels to future carbon-neutral fuels like green methanol, ammonia, and hydrogen, superior efficiency will remain paramount in ensuring the most economical use of those fuels, and to supporting operators in achieving increasingly ambitious sustainability targets.

In particular, Accelleron's OMT fuel injection systems are essential to enabling the energy transition. They are designed to handle the special material requirements of future carbon-neutral fuels. Fuel injectors are also engineered to meet the complex design requirements of new dual fuel engines, which require multiple, specific injectors for different fuels.

Accelleron continuously innovates across every aspect of our portfolio, synthesizing new turbocharging and fuel injection design concepts, digital insights, and service offerings, to accelerate our customers' journeys to a net zero future, and reduce the environmental impact of future products over their lifecycle.

Reducing carbon emissions

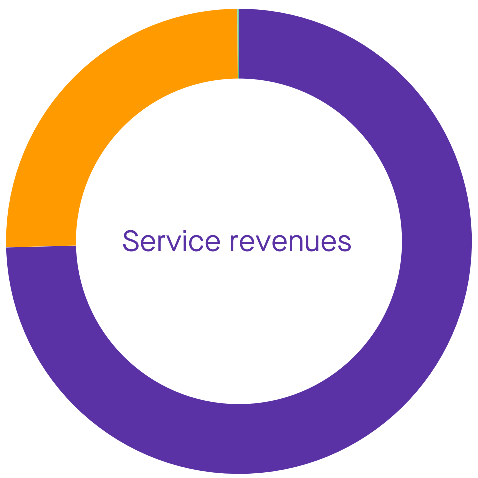
Accelleron's products are engineered to increase power density by three to four times, leading to reductions in carbon emissions of up to 20% compared to a combustion engine without turbocharging[1]. By optimizing fuel efficiency, the Company supports engine builders in their efforts to reduce carbon emissions.

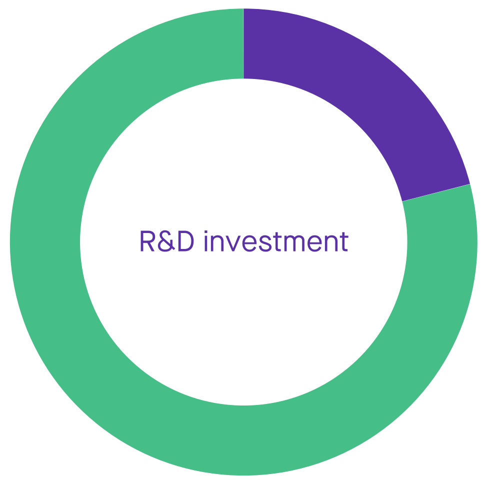
Accelleron's turbochargers also increase engine power while minimizing the use of natural resources. Of all existing technologies, turbochargers provide the most economical and sustainable way of boosting engine power and efficiency, by harnessing the energy from engine exhaust to quadruple engine output without needing to increase the engine size or weight. By doing so, they reduce the amount of building materials needed, which conserves natural resources and mitigates the environmental impact of resource extraction and processing.

Thanks to the technological leadership of our Company, our business benefits from the ongoing energy transition, both in the present and in the short, medium, and long term. In the present, Accelleron's upgrades and retrofits enhance the efficiency of our customers' engines while concurrently decreasing their carbon emissions. In the short term, natural gas is likely to increasingly replace heavy fuel oil due to its lower carbon emissions – typically 15 to 20% fewer emissions than from diesel on tank-to-wake basis. However, natural gas is considered to be just a transitional fuel. In the medium and long term, future fuels like methanol, ammonia, and hydrogen are expected to have a lower carbon footprint but will likely be significantly more expensive. This is where Accelleron's proficiency in energy efficiency can provide the Company and our customers with an additional competitive advantage.

1 As per industry standard.

Exposure to different fuel types and technologies in service, products and R&D (illustrative graphs)





While the majority of our service revenues are still based on diesel engines (about three quarters vs. one quarter mainly operating on gas[1]), the majority (about 50-55%) of new turbochargers are applied on gas engines (vs. about 45% on diesel engines), with a small share already applied on dual fuel engines able to run on new carbon-neutral fuels like green methanol or ammonia. Since dual fuel engines increasingly dominate new build orders, these numbers will shift as more dual fuel engines enter the market in the coming years.

Research and development (R&D) activities[2] are already focusing on decarbonized operations, with a significant share of the relevant R&D investment linked, for example, to turbocharger applications designed for utilization with future carbon-neutral fuels, e.g., methanol, ammonia, and hydrogen[3], digital solutions for emissions reductions, and further innovation activities focused on decarbonization.

The remainder of the relevant R&D budget is spent on development or improvement of turbocharger products, which, for the foreseeable future, will mainly be utilized with conventional fuels (diesel, natural gas).[4] Development activities for conventional fuels include the development of high-efficiency turbochargers for high-speed diesel engines for applications like emergency back-up power generation, where the use of carbon-neutral fuels is not expected to be widespread in the near future.

Medium & Low Speed

Despite ongoing geopolitical tensions and weather-related routing challenges, the energy transition of the maritime industry has continued to gain momentum. Piloting of energy saving devices and carbon capture technologies has intensified, while alternative fuel-capable vessels have spread across all major ship types on the orderbook. LNG-capable ordering has increased notably while methanol-capable ordering has eased, mainly due to concerns about the timing of investments needed to ramp up methanol production.

Accelleron continues to grow proportionally with the uptake of these alternative fuel-capable vessels. It remains a priority to support engine designers in making their engine portfolios alternative fuel-capable, by being on the vast majority of related development engine platforms and supporting the commercial ramp-up. In this context, Accelleron has gained a good understanding of the impact of alternative fuels on turbocharging, helping to align its product portfolio accordingly.

The development of low-pressure LNG dual fuel engines also progressed during the year, including overall fuel efficiency improvements and significant methane slip reductions. Accelleron collaborated closely with an engine designer on a key technology, low-pressure exhaust gas recirculation, and first applications were successfully put into operation.

There has also been progress with ammonia, the first carbon-neutral fuel. The world's first ammonia-powered ship, the tugboat Sakigake, is now in commercial use, using an engine fitted with an Accelleron A100-M turbocharger. The project is part of the Green Innovation Fund under Japan's New Energy and Industrial Development Organization.

Various larger ocean-going vessels with ammonia dual fuel propulsion were also contracted. The construction of the world's first ammonia dual fuel bulk carrier, with Accelleron's A100-L turbochargers, began in late October 2024. Another highlight was the successful certification of HD Hyundai's first-of-a-kind high-pressure direct injection ammonia dual fuel medium-speed engine, with Accelleron's MXP turbocharger.

The first vessel upgrade with Accelleron's FiTS2, a fully automated turbocharger cut-out system, was successfully concluded on board an ultra-large container vessel, in close collaboration with the shipowner MSC. Thanks to the proven fuel savings, MSC is in the process of upgrading 20 additional vessels of the same class, with Accelleron as the main contractor.

The energy market remains subdued, while both global electricity demand and the addition of wind and solar power is growing exponentially. The latter trend has triggered demand for thermal balancing power. However, both the timing of related investments and the technology choices (gas turbines versus internal combustion engines) remains unclear.

In September 2024, Accelleron concluded a contract manufacturing agreement with HD Hyundai Marine Engines (HD HME). Under this agreement, the production of three turbocharger types will be shifted from Switzerland to Korea. As these types are predominantly for the Asian market and many parts are purchased in Asia already, the new setup will lead to a significant reduction in upstream and downstream transportation-related CO_2 emissions.

↗ Next steps

In the second half of 2025, Accelleron is targeting the release of its new low speed turbocharger series, ACCX300-L. Internal qualification is progressing well, and customer interest is high. Another focus will be the support of the first matching tests for commercial, low-speed, ammonia dual fuel engines and the continuation of engine developments and vessel concepts for alternative fuels.

The new agreement with HD HME is expected to see the ramp-up of the first turbocharger type by the end of 2025, with strong progress in localization for the two remaining types.

High Speed

The energy transition, electrification, and digitalization have a significant impact on the high-speed market. The growing demand for electrical power, mainly driven by the data center industry, and the growing share of intermittent renewable energy sources imposes challenges to grids, where capacity constraints in some regions have prompted the need for flexible, reliable, decentralized power solutions. High-speed engines fueled by natural gas are one potential solution.

In North America, the ambition to reduce gas flaring and the utilization of gas for electricity production is generating business opportunities for gas engines to power pumps and provide electric power onsite.

Major trends in the high-speed engine industry are increasing power density, improving engine start-up capabilities for balancing and back-up applications, and improving the ability to operate on carbon-neutral fuels without compromising power density. Large-scale availability of low carbon intensive hydrogen for electrical power generation will only emerge in the next decade. This has cooled development activity for internal combustion engines running on 100% hydrogen, although a limited number of pilot installations have been delivered. A different bearing technology with less friction has been field-tested, improving the acceleration and efficiency of turbochargers and engines.

Good progress was made on reducing our CO_2 footprint from transportation by replacing air freight with sea freight for transportation from Europe to North America, with sea freight now accounting for 50% of total shipped volume in the High Speed division. The share of localized products in China is also progressing, reducing the need to ship goods from Europe to China. Carbon footprint figures for transportation can be found in the carbon footprint section of the report.

1 In energy applications (majority are gas applications), our products are normally used with natural gas or biogas exclusively, while in marine applications, our products are also installed on dual fuel engines that can be run on diesel and natural gas. In the near future, other alternative fuel options such as methanol and ammonia are considered relevant for dual fuel applications.

2 Share of R&D budget covering product development and innovation activities excluding depreciation and maintenance of test infrastructure, protection of intellectual property, and development activities for the optimization of manufacturing technologies. Normally dual fuel engines are able to run on diesel/natural gas and one of these additional fuels.

3 Due to low availability and high prices for future carbon-neutral fuels, many of these engines are currently run on diesel. We expect this to change once availability of new decarbonized fuels improves.

4 However, with the use of biofuels and synthetic fuels (e.g., biogas or synthetic diesel), these products can also be used in a low emission or decarbonized mode.

↗ Next steps

In 2025, the High Speed division will further increase the use of sea freight for outbound transportation and increase the application of our latest products to drive engine power density and efficiency further.

Service

Turbochargers require regular maintenance to ensure peak condition and optimum performance throughout their lifecycle. All Accelleron service engineers are trained and certified according to Swiss quality and safety standards. This includes training in Switzerland to ensure the same high level of service in over 100 locations and more than 50 countries of operation around the world.

Accelleron not only supplies spare parts with high availability and within short delivery times but also carries out the maintenance work. This work gives our service teams practical knowledge of product lifecycles so they can simultaneously consult with customers, learn about their needs, and demonstrate how to better use the equipment.

By keeping an axial medium-speed turbocharger operated with heavy fuel oil (HFO) in peak performance through maintenance and removal of contamination, the efficiency improvement is in the range of about 1.5 to 2.0%, with a similar improvement in fuel consumption.[1]

In addition, Smartly Enabled Services (SES) allow Accelleron to optimize turbocharger maintenance, performance, and customer experience individually, using application-based operational data. Accelleron uses turbo analytics to identify and exploit further potential for efficiency in turbocharger operation, and to develop anomaly detection models. We are also developing digital twins of our turbochargers based on physical modeling and operational data. These will allow us to enhance our turbocharger health analysis with predictive capabilities and further tailor our service offerings to individual customer needs. This includes keeping products and materials in use by prolonging their lifespan until the next overhaul, and preponing overhauls to ensure high efficiency and uptime, and to avoid unplanned interventions or breakdowns.

As part of our new circularity concept in 2024, we have developed repair solutions for high-speed turbochargers, in connection with our remanufacturing and turbocharger pool service offerings.

For high-speed applications, we offer a turbocharging overhaul program in accordance with the engine overhaul cycle. In a comprehensive process, every returned turbocharger is first dismantled and the materials preserved wherever possible. For safety and reliability, all bearing and sealing parts, as well as worn or damaged parts, are replaced with new parts. Remaining parts are then cleaned, reprocessed, and where feasible, repaired.

The complete turbocharger is then reassembled, or remanufactured. Accelleron's robust balancing and testing process ensures that every remanufactured turbocharger meets the Company's strict quality standards. Remanufacturing results in turbochargers with the same high performance and reliability as new products, while saving an estimated 4575%[2] of the energy and greenhouse gas emissions involved in producing new turbochargers.

In order to guarantee availability and uptime for our customers, our repair concept includes a pool of turbochargers, maintained either by customers or by Accelleron, which guarantees the delivery of exchange units within two to five days. In order to maintain sufficient turbocharger units in the pool, the pool is regularly seeded with complete new turbochargers.

However, in 2024, we supplied 4,900 remanufactured turbochargers, both directly to customers and as part of our turbocharger pool service. We aim to reduce the number of new seedings annually, by promoting higher core component return and increasing our remanufacturing scope.

Accelleron's service organization has a dedicated team that develops, promotes and supplies product upgrade packages to customers. The key benefits to our customers are increased performance, reduced fuel consumption, lower emissions, extended component lifetime, and even asset value retention, through the support of emissions compliance. Most upgrades can be implemented quickly during port stays, or as part of a standard overhaul, by retaining turbocharging casings and exchanging only internal rotating parts.

1 The reduction will of course depend on the contamination, application, engine, and fuel type.
2 Depending on turbocharger size and repair level, according to an internal life cycle assessment (LCA).

Accelleron upgrades put existing ships on the path to decarbonization

The IMO 2030 target of reducing shipping emissions by 40% (vs. 2008) looms large, and the ambition to decarbonize has driven substantial growth in new ship orders, with some customers in the process of replacing between 50 to 60% of their fleets over the next few years. However, with a new order backlog in the thousands, and an average age of 12.6 years in the current global fleet, shipping companies are seeking ways of retrofitting existing ships to meet rising sustainability standards.

Accelleron's industry-leading upgrades help existing ships to improve their International Maritime Organization (IMO) Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) ratings and to comply with new sustainability regulations like EU ETS and Fuel EU Maritime.

Partnering with customers, Accelleron combines state-of-the-art turbocharger component upgrades with engine tuning, to lower the power range at which ship engines run most efficiently. Upgrades can be implemented at any port stay within one to two days, and they take effect immediately, cutting fuel costs and emissions, and improving a ship's rating.

The upgrades program has grown in popularity year on year, saving customers tens of thousands of tons of CO_2.[1] In 2024, Accelleron completed multiple upgrade projects, including an Engine Part Load Optimization (EPLO) with HD Hyundai Marine Solution on a Pure Car Carrier (PCC) that led to fuel and emissions reductions of 3-4%.[2] Another EPLO partnership with Hanwha for Höegh Autoliners led to a 5% reduction in fuel consumption and long-term CII compliance.[3]

Although upgrades pay for themselves in less than three years in the form of fuel savings, the return on investment goes far beyond that. Ships that were otherwise heading for early scrapping can now get a new lease on life and sail for many more years. In the race to decarbonize, upgrades offer a fast, easy, and inexpensive way of getting existing ships on the decarbonization path while extending their lifetime.

1 93,387 t CO_2 in 2024, nearly four times the amount in 2022. See chart, p. 32.
2 HD Hyundai Marine Solution successfully implements EPLO retrofit service, demonstrating technological excellence in eco-friendly ship conversions (June 6, 2024).
3 Höegh Autoliners secures fuel savings and long-term CII compliance with Accelleron and Hanwha engine part-load optimization (June 25, 2024).

Since Accelleron began calculating the carbon emissions avoided due to upgrades in 2019, there have been fluctuations in the amount of CO_2 avoided due to the specific upgrades installed, however, the overall trajectory has been an increase in avoided emissions. In 2024, avoided emissions were calculated at 93,387 t CO_2. In 2024 avoided emissions from upgrades were nearly four times those in 2022, despite similar revenues and numbers of projects, because the more recent upgrades have been applied to large container vessels, where the impact on emissions reductions is larger. Our upgrades enable the customer to meet stricter emissions legislation and support their decarbonization journey. In cases where a fuel conversion is implemented, the amount of avoided emissions is higher than in previous years. This is because the upgraded system runs on, for example, on cleaner-burning natural gas, which produces around 20% less CO_2 than diesel. This results in a greater reduction in carbon emissions.[1]

The calculated avoided emissions are based on fuel consumption reductions achieved by the upgrades, which range from 0.6-4.0% depending on the upgrade package. In some cases, the specific utilization of the power installation is calculated according to running hours per year and average engine power. If this information is not available, utilization parameters are assumed based on Accelleron's own industry experience: 85% load and 5,500 running hours (RH)/year for marine applications, 100% load and 7,000 RH/year for stationary applications.

Regulatory changes and pressure from end users to decarbonize in the shipping industry – such as the International Maritime Organization's Carbon Intensity Indicator (CII) and Energy Efficiency Existing Ship Index (EEXI) as well as the EU's Emissions Trading System (ETS) and FuelEU Maritime – are steadily increasing. Upgrades are essential to enhancing performance and meeting customers' greenhouse gas (GHG) emissions reduction targets.

Our Engine Part Load Optimization (EPLO) solution is designed to enhance the efficiency and performance of main propulsion engines at part load, which is crucial for reducing fuel consumption and GHG emissions. The optimization process involves upgrading the turbocharger and tuning the engine. This includes rematching the turbocharger to the new rating to optimize engine performance, which results in a brake specific fuel consumption (BSFC) reduction of 1–6% for the main engine, as well as reduced auxiliary blower operation, lower maintenance costs due to optimized combustion, and an improved CII rating which may be maintained for an additional one to three years.

In collaboration with a ship owner, a dynamic and fully automated turbocharger cut-out system was successfully tested and released for commercial sales. Accelleron's Flexible integrated Turbocharging System for large two-stroke engines (FiTS2) offers significant economic benefits for vessel operators and charterers. As a proven technology designed by industry experts, FiTS2 assures maximum fuel reduction at part and low load, with the flexibility to go to full engine output immediately. The system allows for dynamic turbocharger cut-out under load, without interfering with normal engine operation. This feature enables low-load engine operation without the need for an auxiliary blower, with the switch-off point at around 25% load instead of the conventional 35% load, resulting in BSFC reduction of 3–8%.

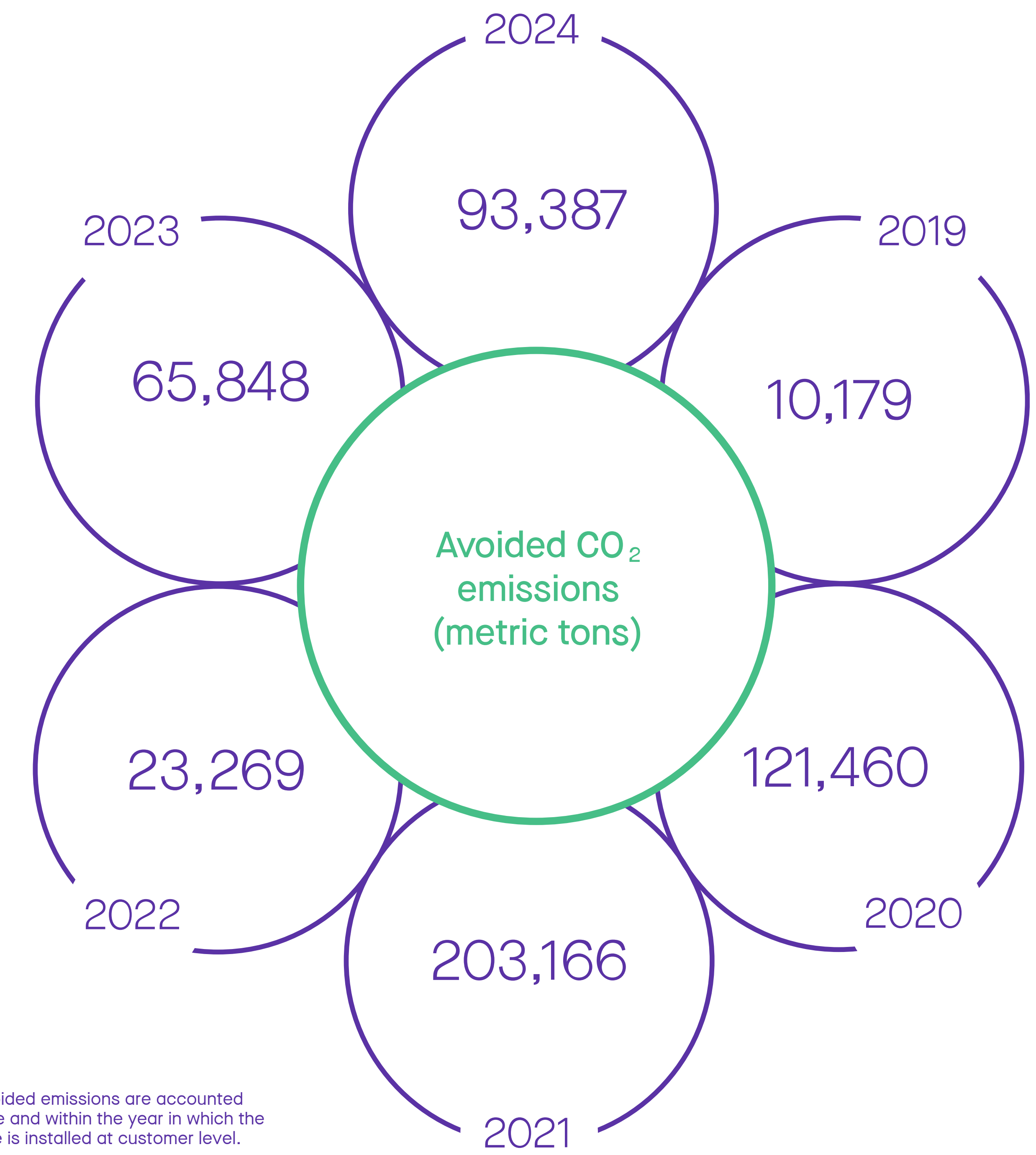
We are well positioned with a broad and strong upgrade package portfolio, developed in cooperation with engine OEMs to promote and capture upgrade opportunities. We have the required technical capabilities and experience to provide complete turbocharger upgrade solutions and retrofits, including class certification. This can also include replacing competitor turbochargers with our products. Remanufacturing rather than replacing is another option we provide to avoid carbon emissions and environmental impact.

↗ Next steps

In 2025, we will continue to promote and execute solutions to support customers in achieving their decarbonization targets, with a focus on our comprehensive portfolio of retrofits/upgrades that help equip existing vessels for the decarbonization and energy transition journey.

We will also define and implement a sea freight delivery process to reduce CO_2 emissions for transportation, through proactive planning and close collaboration with customers.

1 CO_2 avoided calculation is related to sold upgrade projects and has been performed based on about 70% of revenues. Information on one 2024 project is publicly available on our customer's site. In 2024, no projects were related to conversion from HFO/diesel to natural gas.



The avoided emissions are accounted one time and within the year in which the upgrade is installed at customer level.

Fuel Injection

As a leading manufacturer of fuel injection systems, OMT is right at the center of the maritime energy transition and will play a key role in enabling the marine industry to achieve net zero by 2050.

Injection systems are required to deliver the fuel to the combustion chamber. The volume flow, pressure, and timing of the injected fuel amount are decisive in achieving energy release with the highest possible efficiency and thus the lowest possible emissions.

Engines also rely on injection systems that are designed to manage the varied and complex physical properties of each specific fuel type used. This makes fuel injection essential to the development of engines capable of using future carbon-neutral fuels like green methanol, ammonia, and hydrogen, which each have their own special properties.

While the infrastructure for such carbon-neutral fuels is not yet mature, shipping companies are also turning to dual fuel engines, which can run on two different fuels, with the ability to switch between them as necessary. They have two different fuel injection systems – each designed for the specific fuel – and two different tanks of fuel. The primary fuel is generally the lowest in carbon intensity, either a future carbon-neutral fuel like methanol or ammonia, or a transitional fuel like liquefied natural gas (LNG). The secondary fuel is generally a conventional fuel that can be used when the primary fuel is not available.

This ability to switch between fuels allows shipping companies to pursue decarbonization goals while maintaining business continuity and safety, ensuring ships aren't stranded where carbon-neutral fuels are not yet available. Dual fuel engines are becoming a vital bridge through the energy transition, as the carbon-neutral fuel infrastructure matures enough to make those fuels plentiful and affordable for most vessels.

Therefore, the majority of research and development at OMT is dedicated to dual fuel injector solutions for two-stroke and four-stroke marine engines that can run on green methanol, ammonia, or hydrogen, and OMT already has several such commercial projects underway with key customers.

Since dual fuel engines require multiple, complex fuel injectors, the demand for fuel injectors has increased significantly in recent years. In 2024, OMT acquired OMC2, in order to increase production capacity to meet that demand. OMT's mid- and long-term sustainable growth will be built on dual fuel and carbon-neutral fuel projects, and as more of these ships set sail, it will contribute significantly to decarbonization in the marine industry.

↗ Next steps

In 2026, OMT will be part of a Corporate Sustainability Reporting Directive (CSRD) report for Italian entities, in which additional sustainability elements will be addressed.

Our digital solutions

Digitalization has become a major driver for decarbonization, especially in the marine industry, where it arrived later, and holds significant untapped potential. This is why Accelleron has strategically expanded its digital solutions to equip companies with the data to optimize operational efficiency, achieve ambitious decarbonization targets, and forge a sustainable future.

It begins with digital insights for turbochargers and fuel injectors delivered in real-time, allowing operators to continuously monitor and optimize the performance of their hardware to maintain peak efficiency.

Tekomar XPERT builds on this, providing a broad digital toolset that addresses key technical and operational parameters to enable marine and energy operators to reduce fuel consumption and carbon emissions and manage environmental compliance. Instant engine diagnostics and advisories are delivered automatically in real time. This enables users to make informed improvements and fully utilize their engines' efficiency potential. On ships, hull and propeller monitoring is also in real-time, providing critical insight into their condition and the impact on propulsion efficiency, so operators can correct suboptimal performance. Tekomar XPERT also generates emission reports and carbon intensity (CII) rating forecasts for ships, to allow operators to assess regulatory fitness and plan for efficiency and emissions improvements.

The 2024 acquisition of True North Marine added to our capabilities, allowing us to address weather routing and more in-depth fleet management, including advisory across the entire charter process. TNM are experts in assessing voyage performance according to charter party agreements on fuel consumption, emissions, and other operational criteria, and their systems support safer navigation and more cost-efficient voyages with lower emissions, at the ship and fleet level. Our combined digital offering now supports a more holistic approach to individual vessel efficiency and global fleet sustainability planning.

Accelleron is also proactive in adapting its solutions to meet evolving sustainability standards. We monitor regulatory changes, including International Maritime Organization (IMO) regulations, the European Union Emissions Trading System (EU ETS), Fuel EU Maritime, and others, and we update our software regularly to reflect those changes. Our continuously evolving AI-based toolset connects with existing ship automation systems, securely transmitting data via cloud technology, and we deliver continuous updates to our customers through a subscription-based business model.

Our web portal allows customers to view their assets on single ships and across entire fleets. Customers can benchmark how a specific vessel or fleet is performing, compared to a sister vessel or the rest of the fleet. A traffic light system gives clarity on which vessels to monitor closely and when to schedule maintenance. Ship owners can also simulate different optimization scenarios. For example, they can simulate the use of a future carbon-neutral fuel like green methanol or ammonia, and predict the impact on performance and environmental compliance. This is especially important in highlighting the impact of doing nothing versus taking proactive emissions reduction and energy transition measures, and it can support decisions on the changes that will have the greatest impact.

Putting these capabilities at the fingertips of vessel operators can have a significant impact on decarbonization. One Korean company equipped 12 out of their 22 vessels with Accelleron's digital solutions. In one year, they saved over 540,000 dollars in fuel costs, which translated to 1,300 tons of fuel and 4,000 tons of CO_2 emissions saved.

Considering the relatively low cost of digital solutions compared to new hardware, the return on investment is swift and substantial, in terms of both sustainability and operational costs. However, with no standardized approach to digitalization across the maritime sector, it can be challenging for customers to apply digital solutions. For that reason, our digital services are manufacturer-agnostic. Regardless of whether ships have our turbochargers or fuel injection systems, we can apply our unique blend of engineering knowledge, technical optimization, and voyage optimization to help ship owners and operators meet both environmental and financial targets.

↗ Next steps

In 2025, Accelleron's extended digital solutions portfolio will play an important role in helping ship owners and operators meet increasingly stringent environmental targets, including the EU ETS and Fuel EU Maritime, and contribute to overall maritime decarbonization to fulfil the IMO's 2050 net zero ambition.

Product reliability

Meeting our customers' needs and expectations in all circumstances is what drives us to ensure product quality and reliability. To achieve consistently high quality we employ a skilled and competent workforce and provide them with regular, effective training on product safety and reliability, as well as making careful use of natural resources.

To achieve our ambitions in this area, we implemented a product quality, compliance, and safety management system in our Swiss factory in 1999 and in our Chinese factory in 2006. The Company has an ISO 9001:2015-certified management system in place. Its effectiveness is regularly assessed and confirmed by external auditors and customers.

Accelleron complies with specific industry standards and national regulations, such as for the heavily regulated marine market, where external classification societies routinely assess the quality and reliability of our products, including product safety (referred to as the "product development and qualification process"). We provide ongoing training for our employees and conduct regular internal audits to guarantee the quality assurance of the service stations as well as our factories. Having established robust processes[1] and high quality standards, in 2024 we submitted our sites to:

- 19 external audits according to ISO 9001;
- 17 external audits according to ISO 45001;
- 10 external audits according to ISO 14001;
- 1 external audit according to ISO 50001.

Before Accelleron became an independent stock listed company, the management system of our service sites was owned by the country organizations. Transitioning away from this framework, we have started to move towards a global certification approach aligned with the ISO 9001 and ISO 45001 frameworks. Since early 2023, we have expanded this certification to 67 service stations. We plan to extend this global certification to all local units, provided there is a business need. However, due to legal requirements, China will maintain its own certificates, as will OMT and OMC2[2].

In parallel, several service stations deploy other ISO certifications schemes such as ISO 14001 and ISO 50001, based on their local business needs. Specific numbers can be found in the appendix for each of the ISO standards mentioned.

Quality assurance through constant field monitoring

We constantly monitor the reliability of the field population through our extensive service network. We systematically analyze our products for potential improvements and act quickly on these analyses. We use the results to enhance the product design and its processes. Reporting on improvements through our database allows us to stay in touch with our field engineers 24/7.

A service report is generated for every service performed in the workshop or in the field, and is shared with the customer. Our technical service organization actively monitors the turbocharger fleet in operation, based on service reports and field statistics. Based on these monitoring activities, we also derive improvement potential related to technical or safety aspects. Customers are regularly informed of best practices or adjustments in the operation and maintenance of turbochargers, through dedicated communication channels.

Field issues and incidents with our products are thoroughly investigated by expert teams, with management accountability, and can result in the implementation of a Continuous Product Improvement (CPI) project. That means, where appropriate, we may initiate improvements, such as revised turbocharger service procedures, design, or material changes, which further support the optimal performance of our products in a variety of operating conditions. We have effective processes in place for responding to incidents, ensuring our customers are provided with timely and effective support. In 2024, out of over 180,000 turbochargers in operation around the world, seven CPI projects were initiated.[3]

Product development and qualification process

We are highly focused on product safety across the business and have developed robust development processes for technology and product development. We have defined clear management responsibility for the safety of our products both during development (Head Technology) and when placed onto the market (Divisions Heads of High Speed and Medium & Low Speed), and have clear policies and processes in place governing this. We have defined clear management responsibility for the safety of our products both during development and when placed onto the market, and have clear policies and processes in place governing this[4]. These include extensive simulation and testing of components and products under development. We have established, certified, and continuously improved sets of test and validation procedures for our product development. These procedures cover the verification of all relevant product properties, including: safety, noise, vibration, performance, durability, and handling. Each product must successfully pass all these tests and validation procedures, before it is released to the market.[5]

Our development process, including these test and validation procedures, is designed to comply with international product safety standards, including: the EU Machinery Directive[6], classification societies,[7] statutory requirements for ship safety and emissions such as SOLAS and MARPOL, and appropriate relevant customer requirements. These processes ensure product safety and compliance with all relevant approval requirements.

In 2024, we can draw on over a full century of industrial turbocharging experience in the development of our products. Based on this experience, we have established a process to ensure the reliability of our products in the field including clear objectives and targets with respect to product safety, and the effectiveness of these product safety measures is assessed through multiple external audits. This means that we can give our customers an indication of the maximum reliable service life.

Around 180,000 Accelleron turbochargers are currently in use, and we are very familiar with the harsh conditions that characterize field operations. We use sophisticated methods and tools for design, simulation, testing, and validation, allowing us to optimize our products so that they can withstand these conditions. In 2024, there were no product safety issues or product safety designs that had an impact on occupational health and safety or the environment.

↗ Next steps

For 2025, we plan to investigate and analyze the benefits of a global ISO 14001 certification.

1 In 2024, 95 internal audits according to ISO 9001, 91 internal audits according to ISO 45001, 20 internal audits according to ISO 14001 and 5 internal audits according to ISO 50001 were carried out.

2 OMT and OMC2 are ISO 9001 and ISO 14001 certified. OMT is also ISO 45001 certified.

3 The reasons for a CPI range from excessive wear to non-containment. In 2024, there were no CPIs related to non-containment case.

4 Containment represents the highest type of risk during operation. This is why our safety concept ensures that in case of bursting, all elements stay in the casing and are not a source of harm for the installation, people, and the environment at any moment.

5 Every staff member involved in these tests and procedures is specifically trained and qualified.

6 Machinery Directive 2006/42/EC. Accelleron is a pre-machine manufacturer, so our products are integrated by OEMs which oversee all safety instructions given to their customers including our recommendations based on risk assessment and training delivered to the ship crew and power stations staff.

7 The rules for steel ships, materials, and equipment issued by the following classification societies: American Bureau of Shipping, Bureau Veritas, China Classification Society, DNV, Korean Register, Lloyd's Register, ClassNK, RINA. These rules incorporate the International Association of Classification Societies (IACS) Unified Requirement UR M73, which represents the minimum standard for marine equipment classification.

Innovation at Accelleron

Innovation is the key to further growth at Accelleron. It ensures that we can provide our customers with new solutions, using future products over their lifecycle to reduce their environmental impact. To achieve this, Accelleron invests around 6% of its annual sales revenue in research and development (R&D). More than 200 employees, or approx. 7% of the global workforce, are involved in R&D activities, including 18 at OMT. Accelleron files over 30 patents every year that promote the development of sustainable technologies. Most of Accelleron's R&D activities are performed at the Company's headquarters in Baden, Switzerland. R&D for fuel injection takes place at OMT in Turin, Italy.

The revised GHG Strategy of the International Maritime Organization (IMO) includes the ambition of reaching net zero GHG emissions from international shipping by or around 2050, a commitment to ensure the deployment of alternative zero- and near-zero-emission fuels by 2030, and indicative checkpoints for 2030 and 2040. On top of these decarbonization targets and checkpoints, the IMO has set targets to increase energy efficiency.

In parallel, the EU has set the tone through its Green Deal with multiple instruments including the "ETS system" and the "FuelEU Maritime" initiative. With the ETS regulation effective as of January 2024, passenger and cargo ships above 5,000 GT in the EU have to report on and pay for their carbon emissions. It aims to incentivize improvements in energy efficiency and low-carbon solutions for maritime transport.

The "FuelEU Maritime" initiative came into force as of August 31, 2024. The main objective of this initiative is to increase the demand for and consistent use of renewable and low-carbon fuels, and to reduce greenhouse gas emissions from the shipping sector, while ensuring the smooth operation of maritime traffic and avoiding distortions in the internal market. Accelleron sees these new regulations as a business opportunity, as they are aligned with the solutions the Company provides to the maritime sector.

There are several technological pathways for dealing with emission-related challenges in high power systems: for example, in the maritime industry, switching from heavy fuel oil to natural gas and other sustainable fuels like green ammonia and green methanol. In power generation, it is more about increasing the use of green hydrogen.

The main focus of Accelleron's innovation activities is to support customers in decarbonization and the transition away from fossil fuels to energy sources with a lower carbon footprint. We do this by increasing our products' efficiency, power density and service capabilities. We are also continuously pursuing the goal of having our product portfolio ready for alternative fuels by 2030.

Furthermore, Accelleron is continuously scouting for promising adjacent technologies with technical feasibility, maturity, and market potential. This approach has given us valuable insights into turbocharging high temperature fuel cells, for example, which could play a major role in a decarbonized future with a broad range of fuel types.

We foster ongoing partnerships with highly renowned research institutions, e.g., ETH Zurich, Switzerland; Swiss Federal Laboratories for Materials Science and Technology (Empa), Zurich, Switzerland; FH Nord West Schweiz, Windisch; LEC Graz, Austria; Politecnico di Milano, Italy; and Trinity College Dublin, Ireland. We maintain partnerships with industry associations and organizations including the International Council on Combustion Engines, CIMAC, the Swiss Association of Mechanical and Electrical Engineering Industries, FVV, Verband Deutscher Maschinen- und Anlagenbau (VDMA). We also partner with technology companies, such as Sauber Technologies, Hinwil, Switzerland. We also work closely with the R&D departments of our customers to jointly push innovation further.

The R&D-focused dialogue with these organizations and the close R&D collaborations with our customers contributes to best-in-class R&D output which helps to position the Company as an employer of choice for future talent.

In 2023, we launched a specific initiative to assess the lifecycle of our products with a cradle-to-gate approach according to ISO 14040, with the intention of providing insight on the carbon footprint of our turbocharger products for customers. This will help customers to assess the carbon footprint of their own products. After successfully applying the methodology to a real case in collaboration with a customer, we extended the activities for products currently under development.

↗ Next steps

In the near future, we will intensify our work on alternative fuels with our partners and customers, focusing on a deeper understanding of combustion characteristics and their impact on turbocharging requirements. We will also continue to explore the potential of additive manufacturing in turbocharging components, to add value for Accelleron and our customers. Finally, we plan to integrate the LCA perspective into our technology developments.

Supply chain

Supplier Code of Conduct

As a signatory of the United Nations Global Compact (UNGC), Accelleron is committed to responsible sourcing. We have the ambition to source our materials and services in line with the principles of UNGC. The importance of responsible sourcing was identified as a material topic of medium-high importance in our 2022 materiality assessment.

We understand the need for greater transparency in the complex global supply chain, and are committed to meeting the UN Guiding Principles for Business and Human Rights, as well as upcoming requirements such as the EU CSRD and CSDDD), the Forced Labor Ban, and evolving Swiss requirements.

Our clear standard of ethical commitment is set out in our strong Supplier Code of Conduct (SCoC), which is aligned with the UN Global Compact (UNGC). The SCoC sets out the minimum requirements we expect our suppliers to meet in relation to forced labor, child labor, discrimination, fair working conditions, fair wages, and other ethical labor practices[1] and environmental protection.

1 Accelleron's Supplier Code of Conduct refers to fair labor conditions as follows:
- Refrain from employment discrimination based on gender, age, ethnicity, nationality, religion, disability, minorities, union membership, political affiliation, or sexual orientation;
- Respect the rights of employees to freely associate and bargain collectively;
- Refuse to employ or allow the employment of anyone at the age younger than 14 years old or, if the minimum age requirement in the country is stricter (>14 years old), as in accordance with all applicable national laws and regulation in every stage of activities;
- Verify the correctness of documentation provided to assure no children are employed as per above-mentioned definitions;
- Not use any forced labor, including, but not limited to, involuntary prison labor, victims of slavery and human trafficking and allow all employees the choice to leave their employment freely upon reasonable notice;
- Compensate employees fairly and follow local wage regulations and/or collective agreements, and where these do not exist, compensate employees so at the minimum they can meet their basic needs;
- Ensure that working hours, including overtime, do not exceed applicable legal requirements, where such requirements do not exist, we recommend that working hours not exceed sixty hours per week;
- Ensure that employees are allowed at least one uninterrupted day off per week.

During supplier audits[1] and frequent site visits by our sourcing team, adherence to key parts of the SCoC is monitored. Our close collaboration with the suppliers allows us to be in constant dialogue with the joint aim of improving the supplier's performance. During the onboarding phase, suppliers undergo evaluation and are assigned a risk rating.[2] High-risk suppliers are also reviewed by the Legal & Integrity Team via an enhanced due diligence questionnaire and a report from an external vendor to make informed decisions on approval, approval with mitigation measures, or rejection of the relevant supplier.[3]

Value chain sustainability

In 2024, we focused on analyzing decarbonization potential for supplied goods in our value chain. In close collaboration with our suppliers, we wanted to identify the potential of two methods of emissions reduction: first, by increasing recycled material content to the maximum allowance; and second, by addressing the primary energy used in supplier operations.

Our value chain team worked closely with our suppliers to conduct analyses in 2024 related to emission factor of supplied goods, retrieving precise data, including: production location, the type of primary energy used, the carbon intensity, and the share of recycled material content. As a result, we were able to calculate specific emission factors per supplier, location, and material.

Based on the given scrap material market and technology as well as Accelleron specifications, no realistic reduction potential was identified for recycled material. However, we identified potential for reducing emissions by converting a supplier's primary energy source to renewable energy. We also identified the opportunity to shift our primary means of both upstream and downstream goods transportation from air freight to sea and rail freight, (details in our carbon footprint section).

In 2024, we officially launched the sustainability audit program to ensure monitoring, risk-prevention, and mitigation of our key sustainability challenges across our supply chain. For each supplier audit, we summarized results in a report, including corrective action plans as necessary, to support our suppliers in meeting our requirements.

We understand sustainability as a long-term goal that creates shared value for us, for our suppliers and customers, and for society. The strong long-term relationships that we maintain with our suppliers allow us to develop a common understanding of the sustainability challenges. With such a collaborative approach and by applying our sustainability standards to our suppliers, we also aim to have a positive impact on their communities and ultimately to create a resilient supply chain.

We successfully performed eight sustainability audits at supplier sites in China, India, Vietnam, and Turkey. There were no major findings related to the SCoC and no reasons found to curtail the supplier relationships.

Traceability and transparency throughout the value chain

To ensure that we meet all material compliance requirements, including EU Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) and Restriction of Hazardous Substances (RoH) regulations, we published our Accelleron Materials Compliance Instruction. All suppliers are required to comply with applicable global laws and regulations. In addition to legal compliance, the new global material compliance process aims to increase transparency on critical metals, minerals, and substances of very high concern for our customers.

The specific process that addresses conflict minerals and metals implemented by Accelleron's former parent company was developed further. Changes focused on ensuring the receipt of declared supplier information and on implementing a cascading system of transparency and declaration up to the customer. Through these initiatives, we are increasing transparency in our value chain by providing and requesting more information.

Human rights in the value chain

Compliance with diverse human rights regulations is also a key focus for Accelleron.

In 2023, we conducted a human rights gap analysis with a specialized third party in line with the UN Guiding Principles on Business and Human Rights (UNGP) and Swiss regulations, as well as expected future regulations in this area. The analysis concluded that we are performing adequately against current requirements and identified a risk-based action plan to address potential gaps against future regulations. Accelleron began implementing this action plan in 2024 alongside actions resulting from a previous human rights risk assessment conducted in 2022.[4]

In a step further step, in 2024 Accelleron decided to move away from the Fragile State Index[5], updating our human rights risk scale to incorporate both the UN Development Index and the Freedom House Index. This approach provides a more holistic view of human rights. In 2024, we focused on implementing our human rights roadmap to provide basic human rights awareness training to our suppliers, on top of our human rights statement and a detailed analysis of our indirect sourcing.

We recognize that our journey towards sustainability is an ongoing process that requires continuous, critical review of processes and policies. We will use input from our key stakeholders to adapt our processes and goals, so that we can continue to evolve to meet future challenges in a changing environment.

1 Supplier process audits cover management system, safety, environment, contact review, customer complaint handling, parts documentation, quality assurance, production/service execution, and sub-supplier management.

2 The risk assessments consist of a pre-risk assessment and blacklist check as well as a risk assessment. The pre-risk assessment covers: operation, anti-bribery and anti-corruption, and other integrity risks such as trade and country risk. The risk assessment is conducted for all suppliers that are going through the full qualification process. The risk assessment is conducted based on the answers of the qualification questionnaire. A final risk result for sustainability, overall risk, and a final risk rating is derived from the risk assessment. Where the sustainability risk is considered high – the supplier's base or manufacturing plants are located in a high-risk country and/or their products or services are considered high risk – the supplier is subjected to a sustainability audit. Based on the overall risk level defined by the risk assessment additional actions such as financial review, audit, or sustainability audit are defined.

3 Onboarding documentation consists of registration and qualification. Registration consists of a self-declaration registration questionnaire, where a supplier is asked to accept, sign, and upload the Accelleron General Terms and Conditions for Products & Services, the Accelleron Supplier Code of Conduct, and a non-disclosure agreement. Qualification consists of a self-declaration questionnaire covering sustainability, quality & continuous improvement, operational excellence, supply chain risks, and data security.

4 In 2022 Accelleron conducted a human rights risk assessment based on international standards (OECD Guidelines for Multinational Enterprises and OECD Due Diligence Guidance for Responsible Business Conduct), country-based risk assessments (based on Maplecroft data on country risk assessment in 2021, with elements such as regulatory framework, governance, socioeconomic context, and political context considered), industrial sector evaluations, and interviews of key functions in order to cover our operations and our upstream and downstream value chain (marketing, sales, supply chain). The scope covered all areas of human rights such as health and safety, environmental impact, modern slavery, child labor, fair wages, discrimination and gender equality, freedom of association, and working hours. Of these categories, child labor and forced labor were identified as the highest risk categories in our value chain due to the countries and sectors in which we source our direct materials. Direct materials include elements that will go into the turbochargers; indirect materials and services include things such as transport, consultancy services, and office supplies). No reasonable grounds to suspect the occurrence of child labor and/or forced labor were identified.

5 The Fragile States Index is a tool published by the Fund For Peace (FFP) that measures the risk and vulnerability of 179 countries based on complex content analysis, triangulated with quantitative and qualitative data (https://fragilestatesindex.org).

↗ Next steps

Our foremost goal in 2025 will be supply chain decarbonization and digitalization, to enable us to take concrete business actions to reduce our carbon footprint, in order to achieve our long-term goals and meet regulatory requirements.

A particular focus will be on decarbonization of direct materials in the supply chain. We will collaborate with 80% of our suppliers, those with the highest emissions, to calculate precise CO_2 emission values per material and supplier, establishing a baseline for precise emissions reduction targets and a tailored reduction plan for each supplier.

We will further address materials compliance by:

- Continuing to improve supplier controls by incorporating learnings from sustainability audits into an enhanced global monitoring system for open actions
- Holding workshops on the business relevance of the Taskforce on Climate-related Financial Disclosures (TCFD) and the EU CSRD, and taking action to address them in our business
- Taking actions to comply with the EU CSDDD directive
- Launching a project to automate materials compliance, helping to improve efficiency

We will also continue to advance our human rights agenda:

- Ensuring that at least 10 of our direct materials suppliers in countries with high human rights risks are audited next year.
- Launching a training roadmap to the supply chain team in human rights
- Conducting a global human rights risk analysis for the supply chain and implementing actions resulting from the findings
- Updating the supplier management database to facilitate precise and transparent reporting on onboarding risks at indirect suppliers

Planet[1]

Climate change is the most pressing challenge facing humanity and relates to most SDGs. Every organization needs to address this as a matter of urgency. To tackle the climate crisis, we are committed to using natural resources more efficiently and reducing our carbon footprint. We do this by considering the environmental impacts of our products, services and operations. These are the key priorities for Accelleron.

Both responsible innovation and the circular economy were important topics for our stakeholders, as identified in our materiality analysis. We believe the key to the sustainable development of our products and services is found in an operational strategy and supply chain with strong processes which ensure that we meet both quality standards and evolving regulatory requirements.

Circularity concept

In 2024, we defined a concept to show how circularity can contribute to Accelleron's sustainability targets. In doing so, we considered how we can use circularity to further support customers and to deliver a business case that aligns with our growth strategy. The resulting concept consists of a two-pillar approach: one, a program of circularity initiatives for the next five years, which will further embed circularity into the overall sustainability strategy; and two, ongoing development of repair solutions for our turbochargers.

↗ Next steps

We aim to include circularity aspects in the design principles and product design evaluations of our next-generation turbochargers, integrating maintenance and repair, as well as new materials.

Reporting methodology

We use a tailor-made, web-based platform to collect environmental data, including data on energy, water usage/consumption, and waste, from most of our sites[2]. All inputs are reviewed by local health, safety and environment (HSE) managers and approved by the global HSE team and the global sustainability team. Internal controls and processes are implemented to assure the auditability of the information and at minimum a four-eyes principles. In 2024, the Company's internal audit function was integrated in the collection, review, and cleansing of our data.

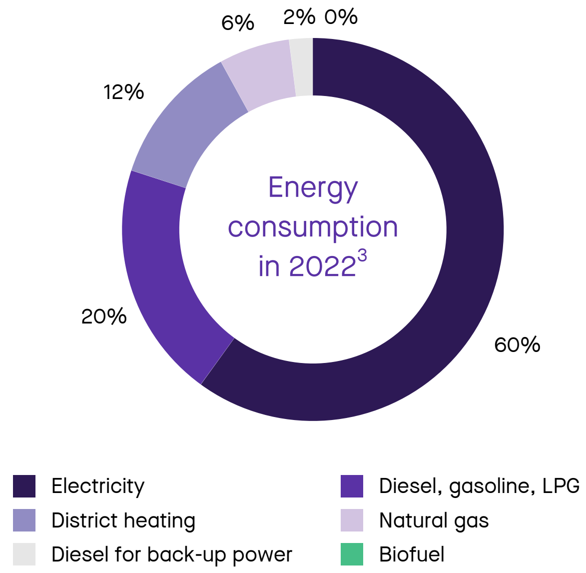
Energy

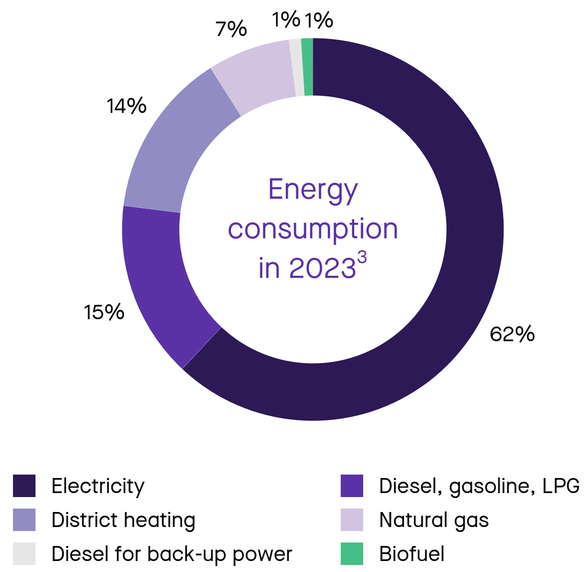
The production and on-site maintenance of turbochargers and injectors requires energy. The world is changing and the energy transition may lead to more unstable power access. Therefore, energy efficiency and energy resilience are key to our business continuity. Our factories in China, Switzerland and Italy, our three biggest sites, started to address energy consumption topics in a systematic way many years ago. The Swiss and Chinese manufacturing sites have been certified in accordance with ISO 14001 since 2009, and the Italian manufacturing site since 2003.

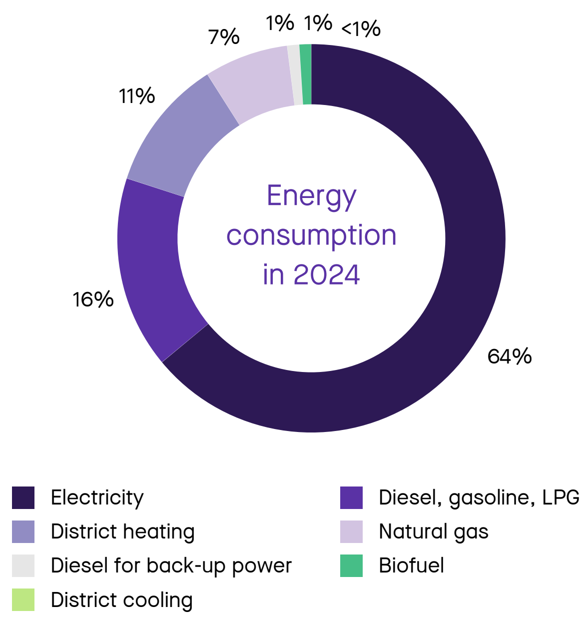
1 This section considers data from OMT (excluding OMC2) but not TNM.

2 Reporting for waste, water, and energy-related materials includes 86 sites (including OMT starting 2024), with 14 excluded. The 14 sites are out of scope because they are considered as not material (less than 5 headcount, or sites with low activity).

3 District cooling was not available as a technology in 2022 and 2023 and therefore could not be reported.







This certification lays the foundation for the continuous performance improvement of key environmental factors. Additionally, our Chinese site has been certified under the ISO 50001 standard, which focuses specifically on energy management, so too our Greek service station. Our Chinese and Swiss factories and other service stations made several changes in 2023, according to their respective energy efficiency roadmaps:

- Replacement of lights by LED, increase of solar panel capacity
- Installation of district cooling and installation of automation
- Replacement of compressed air units
- Reduction of heat loss during non-testing periods and change of industrial equipment

At the Swiss site, a recognized local third party, EnaW, validated measures taken – relating to energy consumption and processes and equipment – and adopted local KPIs. Specifically for equipment and facilities investment, as of 2023, the process includes a criterion related to energy efficiency, weighted at 10–20%, depending on the project.

In the service business, we expanded a pilot program related to energy efficiency to all our sites. Common trends have been identified, such as the need to work on compressed air, air conditioning, and the use of energy for industrial equipment. A global target to reduce energy intensity[1] has been set[2]. The target is reduction by 3% of "bought electricity/revenues" by 2030 vs. 2024 for all Accelleron sites.

Slight increase in electricity usage
In 2024, electricity accounted for 64% of our energy consumption vs. 62% in 2023. In 2024, 61% of electricity came from renewable sources, compared to 70% in 2023. This is due to integration of OMT. Despite the use of solar panels on the roof of OMT's Turin site, the company is not yet fully supplied with low-carbon electricity[3]. The remaining energy share is fossil-fuel based, and is largely used for product quality testing, running the service fleet (16%), heating (7%), and back-up power (1%).

At our Swiss test center, 1% of energy used was biofuel. District heating also accounts for 11% of energy used, with our carbon footprint depending on the local Baden energy infrastructure.

As our primary production site, our Swiss factory is the most energy-intensive site within Accelleron. We installed solar panels in 2023, which started to produce power in December. This project initiative builds on the experience gained from the Indian and Singaporean service sites and enabled the site to cover 10% of its energy needs, producing 980 megawatt hours (MWh) in 2024. The target is to ramp up production to 1,700 MWh by 2028.

In the service organization, we evaluated the possibility of installing solar panels on the roofs and parking lots of our locations. As of the end of 2024, five countries[4] are installing solar panels, with several others still assessing the potential for solar panel installation.

↗ Next steps

In 2025, we will continue to investigate the potential for solar panel installations in all suitable locations, and develop them wherever possible. We will also launch the implementation phase focused on energy efficiency.

Carbon footprint

Our operations and value chain generate carbon emissions. We report on our Scope 1, 2 and 3 emissions in accordance with the GHG Protocol and GRI 305[5]. Due to the importance and uncertainty of CO_2 emissions in the supply chain, there is a particular focus on establishing processes for collecting and validating CO_2 data. During 2023, we established the foundation for robust, validated data.

Partly due to the lack of maturity in the supply chain, this development needs to be further progressed to enable proper management of our carbon footprint. In 2024, we developed a methodology for requesting key data from our suppliers, in order to establish a specific emissions factor from the supplied goods category[6]. This information will be used in 2025 to update the supplied goods category, and will help us to drive and monitor the change towards lower carbon footprint inputs across Accelleron's supply chain.

Accelleron's products help end users to avoid carbon emissions. These avoided emissions are quantified and Accelleron has access to end-user data on a project basis. These figures are available for Accelleron in the service upgrades business. More information can be found in the section Service (page 31).

Accelleron has calculated its Scope 1, 2 and 3 emissions on the basis of available operational data, data from our suppliers, publicly available industry averages, and data from our Life Cycle Assessment software.

We started to commit to SBTi
In Q4 2023, following approval by the Executive Committee and our Board of Directors, we started the process to establish a SBTi commitment. We will develop Scope 1, 2 and 3 emissions targets and timeframes in accordance with the SBTi methodology, and seek approval for them from the SBTi.[7]

In 2023, Accelleron acquired OMT. To remain consistent with the GHG Protocol and SBTi, we calculated the carbon footprint of the newly acquired fuel injector company OMT[8]. Due to the lack of available verifiable information, the 2022 carbon footprint was not calculated. Therefore, only the 2023 carbon footprint of OMT is available. Consequently, the 2023 overall carbon footprint of Accelleron is restated to include OMT's carbon footprint[9].

Accelleron's initial Scope 1 and 2 emissions targets were set in 2023, using 2022 as the base year. We will update our emissions targets, using 2023 as the base year and including Scope 3 emissions targets, in order to comply with SBTi[10] and GHG Protocol requirements. Given the new baseline year and addition of Scope 3 targets, we may need to modify our initial Scope 1 and 2 targets.

One of our 2024 goals was to get our SBTi targets approved. We had to postpone that goal for several reasons. Foremost was the acquisition of the OMT fuel injection business and the integration of OMT into Accelleron systems and processes, which is ongoing. In order to calculate the carbon footprint for OMT, we need at least seven months of data, which we will need to collect after OMT has been fully integrated into the Accelleron business.

In parallel, we conducted multiple Scope 3 assessments. We determined that a number of external and supply chain factors – including technology development, business development, and geopolitical issues – can significantly impact our ability to meet an SBTi Scope 3 target as we do not have control over all of them.

1 Energy intensity: MJ/revenue.

2 Due to integration and learning, the target excludes OMT, OMC2 and TNM.

3 Excluding OMT, the share of renewable power would be 76%.

4 Ecuador, India, Indonesia, Taiwan, Australia.

5 Accelleron is not active in agriculture, land, or forestry. Its carbon footprint is related to CO_2 and refrigerants emissions in Scope 1, 2 and 3. All CO_2 calculations consider CO_2 equivalents based on the recommendation of the GHG Protocol and its consolidation approach is operational control.

6 Until now, we have had a partial view of the specific emissions of our supplier baseline. We conducted an internal assessment to access specific emissions factors based on lifecycle analysis. From this assessment, we extracted the key elements needed to calculate or establish sufficient trust in the specific emission factor. The elements are based on the alloy type, the type of energy and the amount of energy to process the supplied goods, the waste generated to process the supplied goods for one kg of supplied goods.

7 SBTi minimal expectation is to reduce by 50% on Scope 1 and 2 as a short-term target.

8 OMT covers the Turin site only; OMC2 is out of scope.

9 The OMT carbon footprint for 2023 is composed of the following categories: Scope 1 (158 t CO_2e), Scope 2 – market-based (1,514 t CO_2e), Scope 2 – location-based (1,674 t CO_2e), Scope 3 – upstream part of energy (401 t CO_2e), Scope 3 – supplied goods (6,944 t CO_2e), Scope 3 – upstream and downstream transportation (1,884 t CO_2e), Scope 3 – emissions from waste (140 t CO_2e), Scope 3 – business travel (320 t CO_2e), Scope 3 – employee commuting (370 t CO_2e).

10 OMT will be integrated within the future SBTi target and will have a specific roadmap in the future.

Given the increased market uncertainty in 2024 surrounding the feasibility of SBTi targets, we consider it our duty to assess the potential risk of SBTi commitments and proceed with care before submitting targets. We recognize that setting SBTi targets and fulfilling them can have significant financial consequences, and requires careful consideration. However, we remain committed to decarbonization across all scopes where possible, and we will continue to pursue an ambitious emissions reduction program.

Accelleron's carbon footprint focus

Due to integration of OMT into Accelleron carbon footprint, a restatement of the 2023 carbon footprint is presented below, with a differentiation between Accelleron and OMT.

In 2024, Scope 1 and 2 represent 9% of Accelleron's total carbon emissions, while Scope 3 represents 91%. In total, the overall Scope 1 and 2 emissions of Accelleron represent 3% and 6%, while Scope 3 emissions represent 91%.

Scope 1 emissions are mainly driven by the Swiss test center, natural gas usage for heating purposes, direct usage of fossil fuels for fleet vehicles and forklifts, and usage of diesel for back-up power generators where the grid is not reliable enough to provide electricity. For Scope 1 carbon emissions, we are working on changing the fuel used for product testing in Switzerland to a less carbon-intensive fuel and establishing a strategy to transition the fleet towards electrical vehicles where technically possible[1]. In 2024, we ran more tests than in 2023. In 2023 we started to use a blend of biofuel and fossil fuel and in 2024 we continued to gain experience with a blend of 18% biofuel. We plan to steadily increase the share of bio-based material, starting in 2025 with 30%, increasing to 40% in 2027, and reaching 80% in 2030.

Thanks to this approach, we managed to limit the increase of Scope 1 for our Swiss test center, despite higher volumes. For Scope 1 emissions there was an increase in CO_2 due to several factors: increased usage of company fleet vehicles, increased use of diesel back-up power generators in countries where the electricity grid is not reliable, and an increase of natural gas use for heating purposes. Compared to 2023, Scope 1 emissions increased by 8%.

Scope 2 emissions are driven by electricity and district heating. We managed to slightly increase the number of sites that are fully supplied with low carbon electricity[2]. Due to this, and thanks to a lower consumption of district heating in Switzerland, combined with a milder winter, Scope 2 emissions decreased by 6% compared to 2023.

Energizing operations with sunlight

As Accelleron fulfills its commitment to convert to renewable energy and reduce its global carbon footprint, the Company has launched a global solar energy program. Beginning at the Company's headquarters and chief global production facility in Baden, Switzerland, the program includes the city's largest solar panel installation. The 2,500 solar panels can generate one gigawatt hour of electricity and met 10% of the Company's energy needs in 2024, which will increase to 1.7 gigawatt hours by 2028.

Additional installations have followed at other key locations – in Ecuador, Taiwan, India, Indonesia and Australia – helping to reduce Accelleron's carbon footprint. 2025 will see the addition of significant solar installations at facilities in Spain, the UK, Brazil, Italy, and South Africa.

Compared to 2023, Scope 1 and 2 emissions have decreased by 1%.

Measured against our original baseline year of 2022 (before the OMT acquisition, so excluding OMT), we have reduced emissions by 13%, making progress towards our goal of a 70% reduction by 2030, compared to 2022.

Our value chain carbon footprint primarily represents supplied goods (47%) and upstream/downstream transportation (29%). Our Scope 3 emissions increased in 2024, mainly driven by our supplied goods category. Higher procurement volumes led to an increase in emissions related to supplied goods, while emissions related to the transportation of goods upstream and downstream decreased by 6% due to a program using more sea and rail transportation compared to transportation by air.

In the future, we plan to reduce Scope 3 emissions further by continuing the low-carbon transportation initiative and reducing the carbon footprint of supplied goods by engaging with dedicated suppliers with decarbonization plans. Other options identified include partial replacement of fossil fuel by sustainable aviation fuel (SAF) for air freight. These solutions will be offered to customers to assist them in reducing their carbon footprint.

OMT carbon footprint focus

OMT's carbon footprint differs slightly from Accelleron's because OMT's supply chain is purely European, which means that OMT transports exclusively by truck. In addition, the absence of an OMT service function means that carbon emissions from air travel and transportation are proportionately lower than at Accelleron.

2024 provided OMT with a comprehensive understanding of its global carbon footprint. Scope 1 and 2 emissions account for 11% of the total emissions, while Scope 3 constitutes 89%. The primary contributors to OMT's value chain carbon footprint are supplied goods (54%) and transportation (28%). More details can be found in the notes on pages 39 and 41.

OMT will contribute to Accelleron's future SBTi targets by reducing its Scope 1 and 2 emissions. The Scope 1 emissions will be reduced thanks to electrification of the vehicle fleet while Scope 2 emissions will be reduced by the procurement of low carbon electricity through a Guaranteed of Origin contract.

The carbon footprint of the supplied goods category is predominantly driven by metal-based products, where the challenges are similar to those facing Accelleron's supply chain. However, one of OMT's key suppliers has had its decarbonization target validated by SBTi, promising a bright outlook for OMT's future decarbonization plans.

As a facilitator of decarbonization in the marine engine fuel injection sector, OMT must expand capacity to meet customer demands. Due to historical factors and the business growth strategy, transportation-related GHG emissions are expected to rise for several years. Following a period of stabilization, these emissions will then enter a phase of reduction.

↗ Next steps

In 2025, all European and North American sites will be supplied with low carbon electricity through revised electricity contracts where possible.

We will continue the low carbon-intensity transportation program, and we will focus on the establishment of specific emissions factors related to the supplied goods category, helping to fine tune our approach to SBTi, and setting a due date for target approval.

1 The transition may be limited to grid charging infrastructure, charging time, mileage options, and minimum cargo weight.

2 Switzerland, China, India, Turkey, Belgium, Netherlands, Italy, UK.

Carbon footprint of Accelleron[1,2]

	Location-based	Market-based	2022[11] (t CO_2eq)	2023[12] (t CO_2eq)	2024[13] (t CO_2eq)	Assurance (2024 data)
Scope 1[3]	x	xx	2,230	2,528	2,723	☑
Scope 2 – Market-based[4]		xx	3,860	4,734	4,429	☑
Scope 2 – Location-based[4]	x		6,079	7,095	7,415	☑
Scope 3 – Upstream part energy[5]	x	xx	1,200	1,631	1,603	
Scope 3 – Supplied goods[6]	x	xx	27,400	32,344	36,968	
Scope 3 – Upstream and downstream transportation[7]	x	xx	20,900	24,384	22,923	☑
Scope 3 – Emissions from waste[8]	x	xx	1,310	1,530	1,515	
Scope 3 – Business trip[9]	x	xx	1,570	5,330	5,848	
Scope 3 – Employee commuting[10]	x	xx	2,270	2,640	2,774	
Total CO_2eq – Market-based (xx)			**60,740**	**75,122**	**78,784**	
Total CO_2eq – Location-based (x)			**62,959**	**77,483**	**81,770**	

1 All figures are given with three significant digits.

2 Carbon footprint refers to metric tons of CO_2 equivalent.

3 Gases included in the calculation are CO_2, CH_4, N_2O and refrigerants. Emission factors are sourced from DEFRA 2023 regarding direct usage of fossil energy and from the following sources for the refrigerant uses: Bundesamt für Umwelt BAFU (Übersicht über die wichtigsten Kältemittel 2020) and GHG protocol . For biofuels, the emissions factor comes from the Swiss Biofuel association. The diesel, gasoline, and LPG emissions factors are sourced from DEFRA 2023 and the gas is from specific suppliers and from DEFRA 2023.

The source for energy consumption was bills from energy suppliers. Accelleron exclude any GHG trades from the calculation of gross direct (Scope 1) GHG emissions. The increase of CO_2 between 2023 and 2024 is related to increased fossil fuel usage for operations. OMT CO_2 in 2024 was 222 t CO_2 and Accelleron (excl. OMT) CO_2 emissions amounted to 2,501 T CO_2. In 2023, OMT CO_2e was 158 t CO_2 and Accelleron (excl. OMT) CO_2e was 2,370 t CO_2.

4 Accelleron reports its Scope 2 based on market-based information and on location-based information. Where market-based information is not available, we use the location emissions factor to calculate the CO_2 emissions of a specific site. The CO_2 emissions used in Scope 2 calculations consider the direct CO_2 emissions used to produce electricity, district heating, and district cooling. If other GHG gases than CO_2 are present, they are already included in the emissions factor provided by the supplier (market-based information) or present in the location-based emissions factor. Market-based emissions factors are sourced from electricity and district heating suppliers and the source of location-based market emission factor is carbonfootprint.com – International Electricity Factors from 2023 as the 2024 emissions factor was not due until Q1 2025. Reporting on electricity, district heating, and district cooling consumption was sourced from supplier bills. Accelleron excludes any GHG trades from the calculation of gross direct (Scope 2) GHG emissions as well as other indirect (Scope 3) GHG emissions. Overall, we observed a decrease of CO_2 (Scope 2 market-based) due to an increase of sites using low-carbon electricity sources, implementation of an energy efficiency program, and lower usage of district heating in Switzerland due to a milder winter. On the other hand, OMT increased its CO_2 (Scope 2 market-based) higher working hours and greater machine usage under the OMT growth plan. OMT CO_2 in 2024 was 1,641 t CO_2 and Accelleron (excl. OMT) CO_2 emissions in 2024 was 2,788 t CO_2. In 2023, OMT CO_2e was 1,514 t CO_2 and Accelleron (excl. OMT) CO_2e was 3,220 t CO_2.

5 Upstream energy is composed of two elements: transmission and distribution (T&D) and well-to-tank (WTT).

The international average from the countries ranking for electric power transmission and distribution losses (% of output) was used to calculate T&D losses and applied to the total amount of electricity consumed.

For reporting WTT electricity and district heating, each site that has access to primary electricity reports on the share of primary energy. For those sites that use location based information, we used the carbonfootprint.com – International Electricity Factors from 2023. Based on these sources, WTT emissions were calculated considering average emissions factor by energy type (oil, coal, biomass, natural gas, wind, sun, hydropower, geothermal, and nuclear) (source: https://base-empreinte.ademe.fr/donnees/jeu-donnees).

WTT direct fossil energy usage is based on DEFRA 2022 WTT fuel conversion factors. Emissions factors for bio-based fuel is drawn from the Swiss biofuel association.

6 The supplied goods category is calculated based on procurement by our manufacturing sites in Switzerland, India, China, and Italy for the material used to produce and package the turbochargers, injectors and spare parts. Specific emissions factors were sourced from suppliers where possible, with industry-average factors used elsewhere. In 2024 we observed an increase in CO_2 for supplied goods due to increased spending on direct materials required for the manufacturing of our products. OMT CO_2 in 2024 was 9,367 t CO_2 and Accelleron (excl. OMT) CO_2 emissions were 27,601 t CO_2. In 2023, OMT CO_2 was 6,944 t CO_2 and Accelleron (excl. OMT) CO_2 was 25,400 t CO_2.

7 95% of the carbon footprint related to transportation is calculated by our logistics provider. These CO_2 emissions are audited under a "limited assurance" scheme. The rest is calculated internally using EcoTransIT World. Transportation emissions are based on the mass, distance, and means of transport. Reduction of CO_2 related to upstream and downstream transportation due to systemic effort in the supply chain and business divisions of Accelleron. In 2024, OMT CO_2 emissions were 4,899 t CO_2 and Accelleron (excl. OMT) CO_2 emissions were 18,024 t CO_2. In 2023, OMT CO_2 was 1,884 t CO_2e and Accelleron (excl. OMT) CO_2 emissions were 22,500 t CO_2.

8 Reporting sites are required to report the type of waste and its destination. Based on the key destination (recycled, sent to landfill, incineration) and the type of waste, we use industry average emissions factor from ECOINVENT database to calculate the GHG emissions from the generated waste. We observed a slight decrease in CO_2 related to waste due to reduction of landfill of practice. In 2024, OMT CO_2 emissions were 105 t CO_2 and Accelleron (excl. OMT) CO_2 emissions were 1,410 t CO_2. In 2023, OMT CO_2 was 140 t CO_2e and Accelleron (excl. OMT) CO_2 emission was 1,390 t CO_2.

9 Business travel is calculated by our travel agency using the criteria of departure, arrival, mileage, flight class. For OMT business travel, myclimate data was used for air travel, and Ecotransit for train travel. We observed an increase of CO_2 emissions due to a rise in business travel. The proportion of business flight class and economy flight class did not change between 2023 and 2024. In 2024, OMT CO_2 emissions were 738 t CO_2 and Accelleron (excl. OMT) CO_2 emissions were 5,110 t CO_2. In 2023, OMT CO_2 emissions were 320 t CO_2 and Accelleron (excl. OMT) CO_2 emission were 5,010 t CO_2.

10 In 2023, we conducted a global survey to understand the commuting practices of our employees based on key parameters (non exhaustive list: commuting distance, mode, frequency, vehicle consumption, type of fuel) and to gauge changes. A review of the responses of 1,293 out of a total of 2,519 employees invited to participate in the survey and information from specific management team sites assisted in the analysis and allocation of GHG emissions across Accelleron (excluding OMT). All OMT employees travel by car to the factory. In 2024, we considered the survey still valid and we applied an increase factor to CO_2 emissions based on the rise in the workforce. We applied an incremental approach based on the increase of population in comparison to 2023 (+3.5% for Accelleron and +14% for OMT). In 2024, OMT CO_2 emissions were 422 t CO_2 and Accelleron (excl. OMT) CO_2 emissions were 2,352 t CO_2. In 2023, OMT CO_2 was 370 t CO_2 and Accelleron (excl. OMT) CO_2 emissions were 2,270 t CO_2.

11 2022 excludes OMT.

12 2023 adjusted including OMT.

13 2024 includes OMT.

Tackling transportation emissions

Over 90% of Accelleron's emissions are Scope 3, indirect emissions generated primarily through the transportation of materials, components, and products, in the supply chain and to customers.

To reduce its carbon footprint, the Company has introduced a sustainable transportation program that will shift supply and customer shipments from air freight to sea and rail. This entails new routes, processes, and agreements, to ensure goods are transmitted securely and in accordance with customer and supply chain needs.

With new processes in place and based on global averages, the Company expects to see an emissions reduction of approximately 80% from air to rail, and of 95% from air to sea per ton of transported goods without extra cost for the customer. As Scope 3 emissions may be assimilated in a domino effect with upstream and downstream impact, this will offer customers a decrease in their upstream Scope 3 transportation emissions.

Water

In 2024, our water use increased by around 18%. This was primarily due to an increase in tests requiring large amounts of water at our Swiss test center, in comparison to 2023 and due to the integration of OMT data[1].

In 2024, Accelleron's manufacturing and service sites mainly used water for operational purposes, which accounts for around 82% of our total water use compared to approximately 90% in 2023. The remainder, around 18% in 2024, is used for domestic purposes.

In operations, we use water for cooling[2] during the manufacturing and test processes (around 85%) and for cleaning parts of our products during service operations (around 15%).

Half of Accelleron's sites are located in water-scarce areas[3] and represented approximately 14% of the Company's water use in 2024 vs. 15% in 2023. In these areas, it is essential to use water even more efficiently. The climate crisis will further affect our access to water[4] and our business could be affected. As we need to use water to clean and complete turbocharger service on time, it is important that we act responsibly and find solutions to reduce water usage.

We have assessed water usage in the service network and have defined guidance[5] related to the improvement of the main industrial process using water. We broke water usage down into a four-tier hierarchy. Level 1 is defined as no water reuse, followed by level 2 (water reuse), level 3 (semi-automated water use) and level 4 (fully automated water use). This helped our sites better understand the water issue and think about ways of improving their equipment, processes, and working conditions, and to be more efficient in terms of resources and time. As an example, several of our service stations use a closed-loop cleaning process, saving more than 139,000 cubic meters of water in 2024 (vs. 53,000 cubic meters of water in 2023), in comparison to a single-use system used previously.

This helped us to set targets for sites with low efficiency in water usage (level 1) and to prioritize sites in water-stressed areas, while still addressing the overall volume of water used. We have set a global target because although water is managed locally, it is a global issue.

Our global target is to move away from level 1 by end of 2026. This represents 50% of our Service network locations.[6]

1 OMT is responsible for an increase of 4%.

2 Cooling refers to the process of circulating water through a piping network, which is then discharged without altering its physical or chemical characteristics.

3 As defined by Aqueduct (World Resource Institute).

4 Service of turbochargers requires water for cleaning. Due to lack of physical availability and/or enforcement of local government policies, this could result in business interruption if we cannot demonstrate that we are using water efficiently.

5 The type of solutions we are looking at are oriented towards technology that supports our business without usage of water or by using closed-loop systems.

6 Our three manufacturing sites, representing 85% of industrial water usage, are already equipped with up-to-date closed loop systems (Baden, Chongqing and OMT) and are therefore excluded from the global target for the moment.

Water use

Water sources are broken down into surface water, municipal water, and groundwater.[1] The Swiss manufacturing site is the only site that uses surface water, representing 69% of total water use across all Accelleron sites in 2024, compared to 67% in 2023. Around 29% of the water is taken from the municipal network (30% of water was from municipal source in 2023). In 2024, six sites used groundwater, which accounts for the remaining 2% of the total annual volume. One of these is our Vadodara site, which only has access to groundwater. To counterbalance the impact to the local groundwater system, we invested in a water harvesting system which accelerates the infiltration of rain water into groundwater during monsoon season.

Water usage

The Swiss factory uses water from the local Limmat river for cooling purposes. This is the main source of water used for cooling purposes across Accelleron[2] (98.9%). The use of water as a cooling medium helps to reduce the energy consumption otherwise required for cooling processes. In addition, the site has a closed water circuit that reuses the water as a coolant many times over, before it is returned to the river. The same concept is being applied at our Chinese plant, where a closed-loop cooling system has saved the equivalent of 400 cubic meters of water in 2024.

The service organization accounts for 15% of water used in operations, and primarily uses water for cleaning purposes. Water used for cleaning is either discharged to the local sewage treatment plant as per local regulations, or it is treated by a third-party specialist and then discharged to the sewer, in accordance with local environmental regulations. Several of our service stations have been using a closed-loop system for a number of years, helping to reduce the total amount of water usage.

At OMT, water usage is mainly driven by operations and also uses a closed-loop system.

Water discharge[3]

Depending on how it is used, water must be processed. In the case of domestic use, the water is sent to a municipal wastewater treatment plant for treatment. Industrial water use is divided into three categories according to local regulations:

- Sewage
- Surface water used for cooling only
- Hazardous wastewater which requires cleaning treatment by specialized third parties

In terms of discharge, 58% of our sites are equipped with effluent treatment systems, which are used before water is discharged into the sewage system. 40% have primary water treatment and 18% have secondary water treatment based on the Carbon Disclosure Program (CDP) definition of water security.[4] More details are included in the appendix.

↗ Next steps

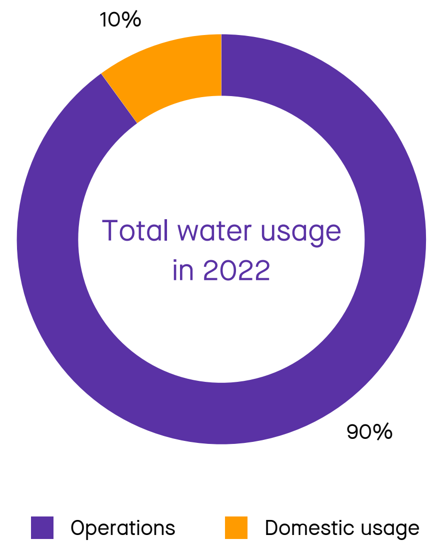
In 2025, we will start to implement the plan to meet the 2030 target.

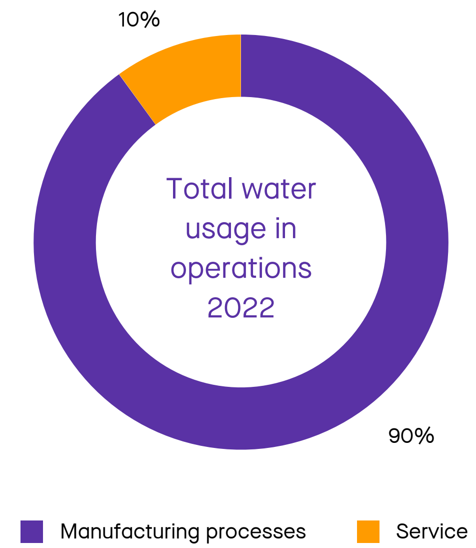
1 GRI definitions apply to surface water, municipal water, and groundwater. Accelleron does not use sea water.

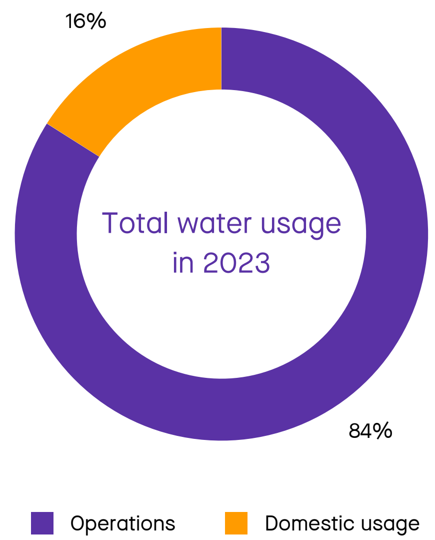
2 The rest is used by the Turin site (OMT) and our Chongqing factory.

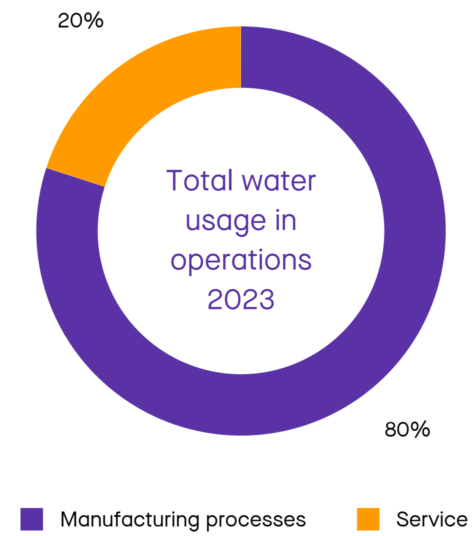
3 Accelleron has no indication of breaches of environmental requirements in 2024 regarding water usage.

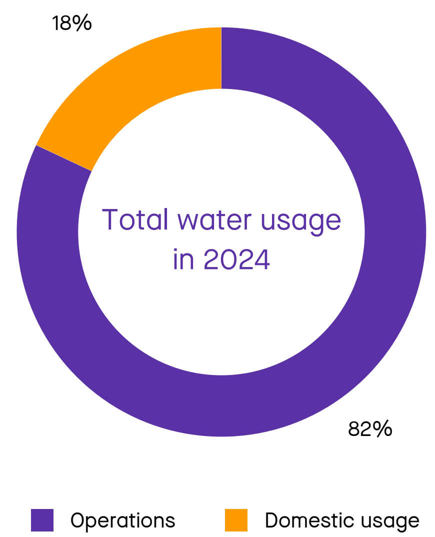
4 Primary treatment involves the physical removal of suspended solids and floating material, typically by sedimentation. A preliminary treatment may often be applied, which involves the physical removal of large debris, large particles, oils and grease, typically through screens and grit chambers. Secondary treatment involves the degradation of organic matter and reduction of solids through biological treatment. The removal of nutrients (nitrogen and/or phosphorus) can also be achieved at this level of treatment using a combination of chemical and biological treatments. Secondary treatment follows the primary treatment.

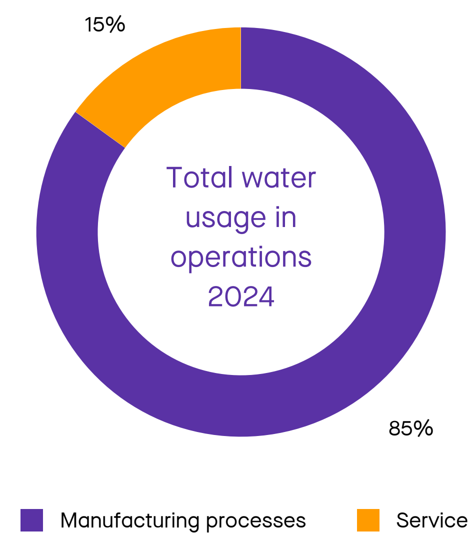












Waste

98% of Accelleron turbochargers are made from recyclable materials, mainly steel and other metals. Fuel injectors have a similar recyclable content. These are the main waste elements that we generate. We support the efficient use of materials by ensuring that they are recycled and then reused by other users of metals. In 2023, sites assessed and developed their local roadmaps to contribute to the global targets, and they measure their local progress against those targets. In 2024, some sites have started to make progress. In 2024, we noticed an increase of total amount of waste of 2% due to increase of waste generated and also due to integration of OMT in reporting.

Waste destination

Compared to 2023 we decreased the proportion of total recycled waste from around 76% to 72%. This is mainly explained by three factors:

- Change of location for certain sites, which required us to clean up the sites before we could establish new premises. Some of the waste generated during the installation phases was not recyclable as per local schemes, and had to go to landfill.
- Clean-up operations in USA and Singapore.
- An absolute reduction of waste generated in Baden.

Of the non-recycled waste, 51% was incinerated with energy recovery, 40% went to landfill, 7% was incinerated without energy recovery, and 2% was managed under other treatment, in accordance with local regulations.

Of the total generated waste, 85% is classified as non-hazardous, while 15% is classified as hazardous waste and was systematically treated in accordance with local regulations. Where possible, we ensure full traceability of our waste by using accredited waste management suppliers. In some countries, we have to rely on public waste management services and public information, because there are currently no other options available. One challenge is the lack of recycling infrastructure in, for example, some areas of the USA and regions such as the Middle East and Africa.

Non-hazardous waste and hazardous waste

In 2024, the amount of non-hazardous waste generated decreased by 4% compared to 2023, thanks to an absolute reduction of waste generated at our Baden facility.[1] Of the total amount of non-hazardous waste generated at Accelleron, 78% was recycled and 22% was otherwise disposed of. In comparison to 2023 (when 80% was recycled and 20% disposed of), we experienced a slight reduction due to a slight reduction in the total amount of non-hazardous waste generated. Nevertheless, in comparison to our target to reach 90% of non hazardous waste being recycled (except in USA, Africa and Middle East) by 2030, we improved from 85% in 2023 to 88% in 2024.

In 2024, metal-based waste accounted for 68% of the non-hazardous waste generated and recycled. The remaining non-hazardous waste was comprised of: paper and cardboard (around 5%), plastic (less than 1%), wood-based material (around 22%), and other types of waste (around 6%). Of the 32% of non-hazardous waste that was otherwise disposed of, approximately 51% was incinerated with energy recovery, around 40% went to landfill, and the remainder was incinerated without energy recovery.

In total, 9% of non-hazardous waste went to landfill in 2024 (vs. 8% in 2023). This shows a slight regression while still following a downward trend, since we reported 10% of waste going to landfills in 2022.

Hazardous waste represented 15% of our total waste, and is mainly the result of cleaning operations at service and production sites. Of the hazardous waste, approximately 38% was recycled by specialized third parties (vs. 49% in 2023) and 62% (vs. 51% in 2023) was disposed of in a specialized, secure landfill.[2] More details can be found in the appendix.

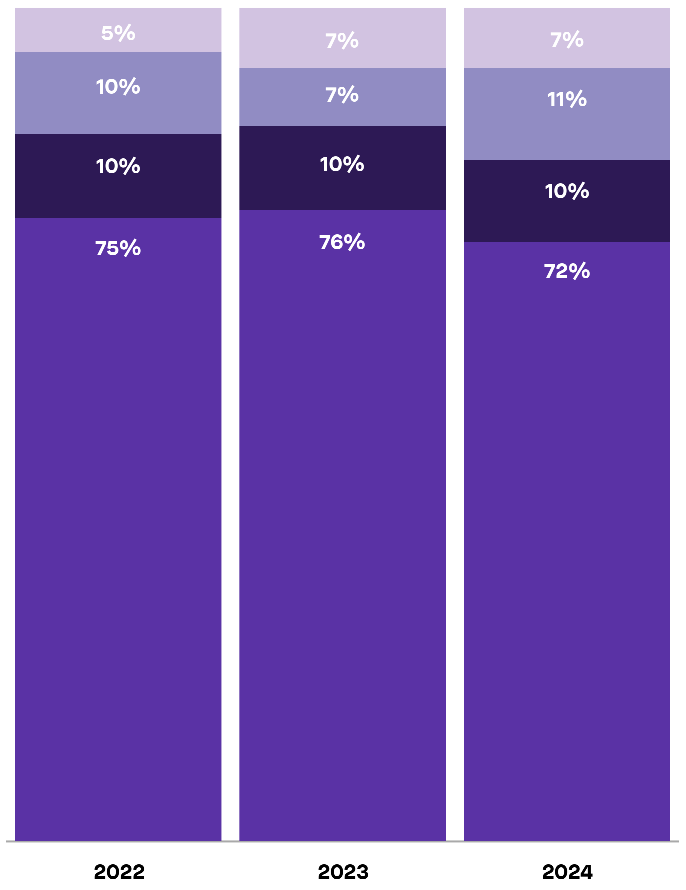
↗ Next steps

In 2025, sites will continue to follow their site-specific waste roadmaps, supported by the global HSE and sustainability teams. By 2030, we aim to send zero waste to landfill and achieve a 90% waste recycling rate for non-hazardous waste, where the infrastructure exists.

1 Baden generated more than 500 t of waste from installation of solar panels on the roof, primarily mud which was sent for recycling.

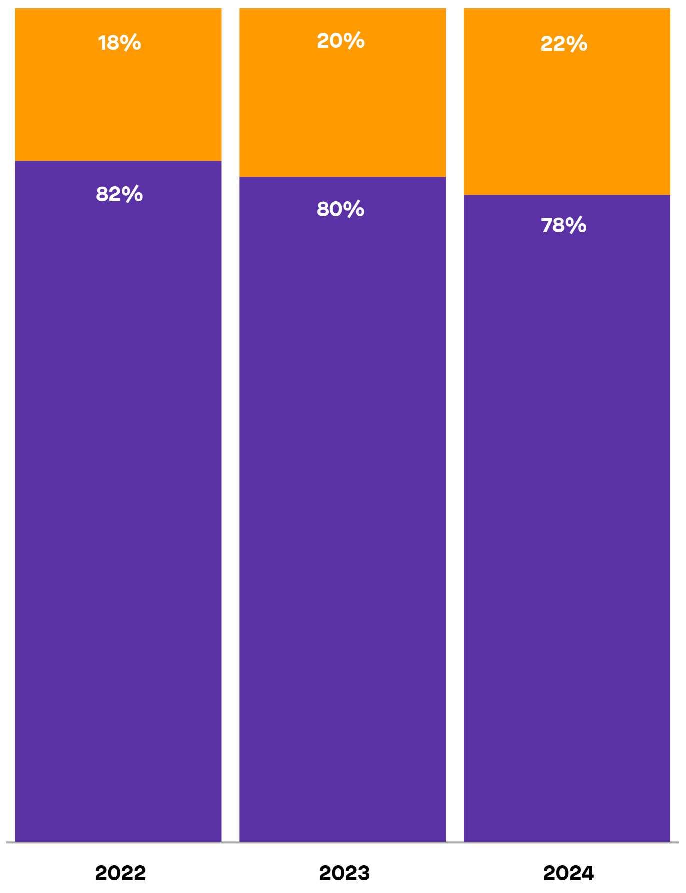
2 None of Accelleron's waste is shipped to another country for disposal. Accelleron has no indication of breaches of environmental requirements in 2024 regarding waste.

Total waste destination



- Landfill
- Incineration without energy recovery and/or treated according to local regulation
- Incineration with energy recovery
- Recycled

Non-hazardous waste disposed



- Recycled
- Non-recycled 2022:
  - Incineration without energy recovery......5%
  - Incineration with energy recovery......31%
  - Landfill......64%

Non-recycled 2023:
- Incineration without energy recovery......1%
- Incineration with energy recovery......55%
- Landfill......44%

Non-recycled 2024:
- Incineration without energy recovery......7%
- Incineration with energy recovery......51%
- Landfill......42%

People

Our commitment to the safety and growth of our employees.

Health and safety

Health and safety are vital to our sustainability strategy and our license to operate, and they remain our top priorities in regard to employees. We are committed to operating responsibly, which includes creating and enhancing workplace health and safety for our employees, contractors, and partners across our operations.

Safety aspects

Most employees at risk are based at our manufacturing and service sites. However, field service teams also work in remote locations or on board customer-controlled vessels, challenging environments where our direct influence may be limited. To address this challenge, we rely on a robust health and safety management system which encompasses comprehensive processes, procedures, and tools to minimize risks and prevent workplace injuries and illness.

In 2022, faced with a diverse range of local legacy standards, we unified our approach by creating a harmonized global framework for quality, health, safety and environmental (QHSE) management. By 2024 this framework facilitated internal and external audits across multiple sites, resulting in the global DNV ISO 45001 and ISO 9001 certifications for 69 locations. In 2024, we extended these efforts by training 18 internal auditors to adopt a cross-local unit audit approach, enhancing organizational learning, and sharing best practices.

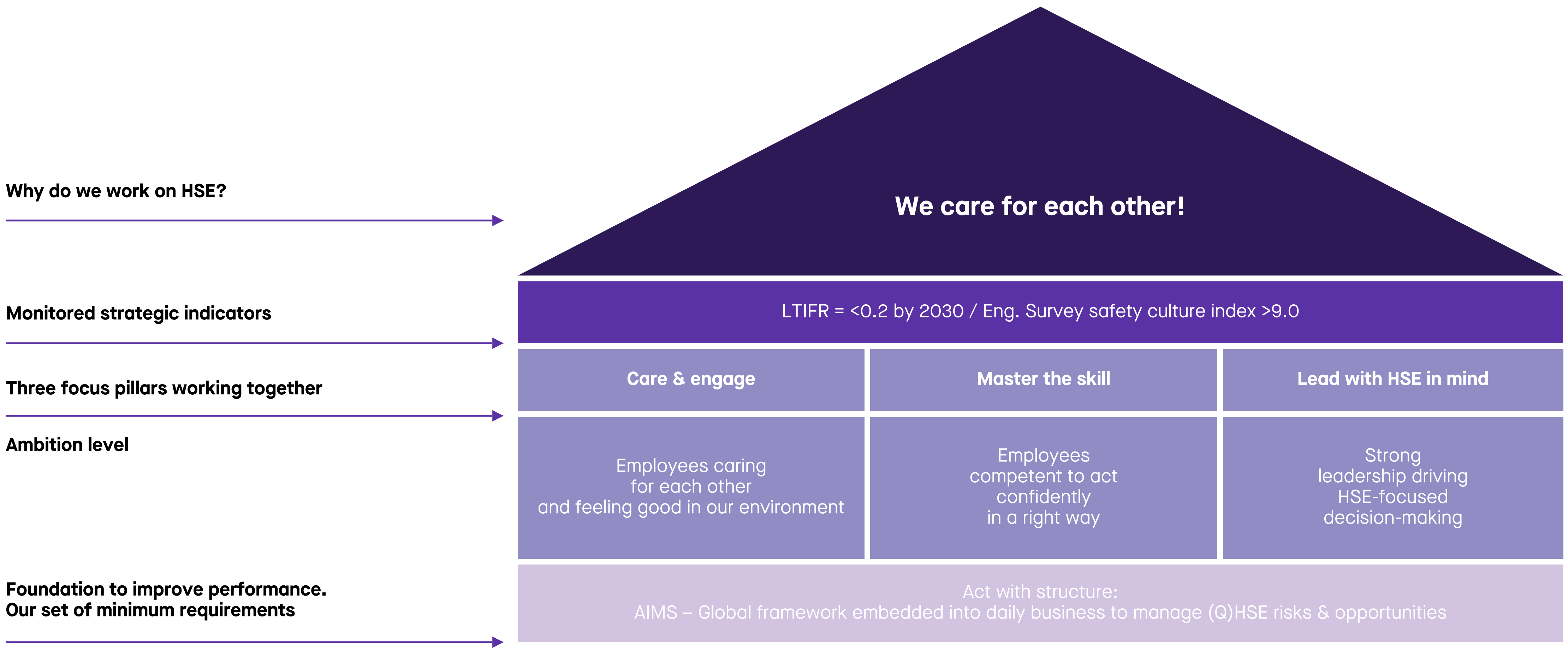
In 2024, we enhanced our risk management processes with the introduction of a dedicated application. The tool ensures comprehensive evaluation and clear visibility of risk assessments at all sites, while also enabling reassessment when new hazards arise. We engaged third-party experts to evaluate machinery safety controls at the manufacturing site, and focused on strengthening root cause analyses for incidents, ensuring more effective corrective and preventive measures.

Fostering a culture of health and safety

In 2024, we introduced the global health, safety, and environment (HSE) strategy 2024–2026, guided by the principle “We care for each other.” This strategy focuses on fostering a culture of care and collaboration through three pillars and a solid foundation, as described in the graphic below.

As a part of the HSE strategy implementation, at the global level we piloted safety leadership training in 2024. This will be rolled out company-wide in 2025 to elevate safety awareness and skills among all leaders. Additionally, we introduced the Global Well-being and Resilience Program and established a Cross-Division Safety Committee to promote collaboration and ensure consistency in workplace safety practices.

Fostering a culture of health and safety



At the local level, we implemented tailored local safety culture development plans in all countries where we operate. These plans empower local teams to take ownership of safety initiatives, ensuring relevance and alignment with the global strategy. Throughout 2024, we emphasized health and safety awareness via regular global HSE/ sustainability calls and made safety a recurring topic in leadership, operations, and external meetings.

We also conducted an Accelleron Safety Month, in which we hosted six global sessions focused on incident prevention, well-being, resilience, reflections, and the shift in safety culture.The sessions featured insights from top management, employees, and external experts.

These efforts continued through local initiatives to raise awareness, foster engagement, and highlight safety as a shared value and responsibility across teams.

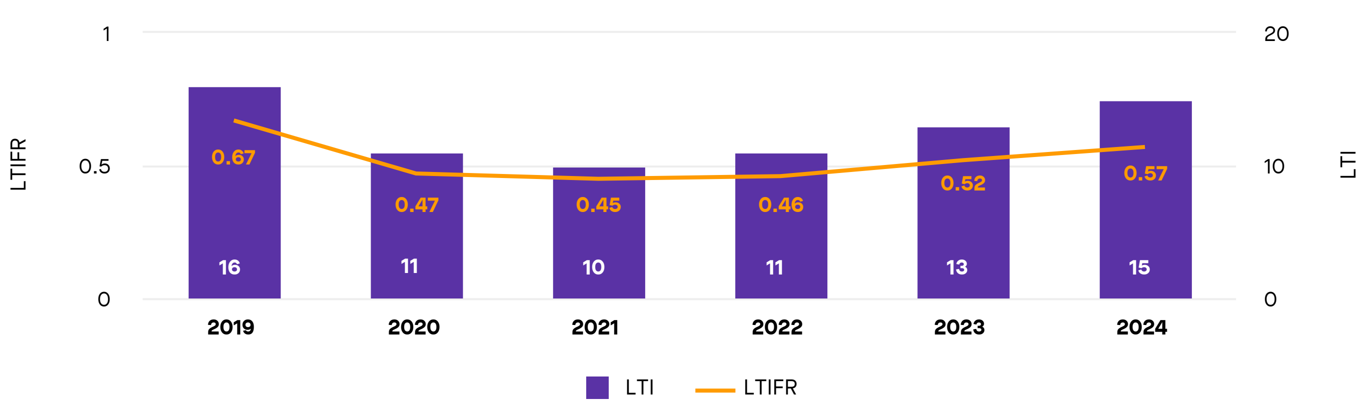
↗ Next steps

In 2025, we will continue executing our HSE strategy through initiatives aimed at strengthening safety leadership and enhancing HSE competencies at all levels of the organization. We remain committed to implementing our integrated quality, health, safety, and environment management system across all divisions and service sites. Our ambition of achieving zero accidents remains steadfast. To move beyond the current plateau, we have set a realistic and attainable target of reducing the LTIFR by 10% annually, starting from the 2024 baseline of 0.57 with a strong emphasis on proactive incident prevention. This approach aims to inspire our employees and drive continuous safety improvements, helping us achieve an LTIFR of 0.2 by 2030. Considering recent acquisitions, the review of company-wide HSE targets will be conducted in 2025 to align with the expanded operations and ensure consistency.

We will continue our efforts to reduce LTIFR by implementing targeted initiatives that address common root causes and other findings:

- Rolling out safety leadership workshops for middle and senior managers with external support.
- Strengthening awareness and controls for high-risk operations, emphasizing the role of operational supervisors.
- Enhancing risk assessment capabilities and improving the quality of activity-based risk assessments.
- Advancing the identification and resolution of high-potential hazards.
- Further developing individual HSE target-setting within the organization.
- Enhancing incident management and prevention through collective preventive and corrective actions, as well as shared learnings.
- Further integrating HSE components into the organization's training management process.
- Standardizing and expanding HSE competencies while strengthening collaboration with the Operations team.

Lagging indicator 2019–2024



Employee learning and development

Accelleron's commitment to continuous learning is a cornerstone of our corporate sustainability efforts and one of the focus areas of our people strategy. We also recognize the importance of being an attractive and responsible employer that takes care of its employees.

People strategy guides development

In 2023, we defined our people strategy, which is a fundamental part of our business strategy. The strategy has four focus areas: culture and purpose, attracting and retaining talent, continuous learning, and leadership. To improve all of those areas, we are working on numerous strategic initiatives, including communicating our purpose and clarifying how every employee can contribute to sustainability; improving resilience and well-being; and defining how artificial intelligence (AI) can be used and training employees to use it.

Continuous learning is in our DNA

We encourage all employees to take ownership of their own development. However, our leaders play a crucial role in ensuring that these opportunities are realized for the benefit of both employees and the Company. This continuous development effort enables us to be more innovative and thus remain relevant for our customers, while our employees can maintain their competitive skills.

We value our approach to lifelong learning and provide every Accelleron employee with access to learning platforms where they can enhance their skills and knowledge. All employees who join the Company receive a tailored onboarding plan and access to job-relevant learning content. All employees are also required to complete mandatory training, e.g., in safety, integrity, and cyber security.

Each employee has an individual development plan, including actions agreed with the employee's line manager in annual performance discussions. In 2024, 75% of our employees had an agreed and documented development target. We promote various learning methods, including on-the-job learning, mentoring, coaching, project work, job enrichment, job rotation, short-term assignments abroad, and classroom and online learning. We also conduct 360-degree evaluations on our leaders to give and receive feedback that helps our leaders to grow. Additionally, we offer language courses to foster language skills development. We measure learning progress through the reporting of average annual learning hours per employee, which in 2024 was over 17 hours.

Performance management guides target setting

To ensure that learning and development efforts are aligned with the overall performance management system and reinforce the objectives set, all employees have a target-setting discussion at the beginning of the year. As part of this discussion, managers give and receive feedback not only on performance but also on how employees work and collaborate. In 2024, we introduced a new feature for collecting and sharing feedback among colleagues in our performance management system. Leaders are invited to conduct frequent check-in discussions throughout the year to ensure that targets remain valid, and that employees are progressing as planned. An assessment of target achievement and planned development takes place at the end of the year. In 2024, over 96% of our employees completed the year-end assessment of their performance.

Over 91% of employees have a bonus program as part of their total compensation. Our strong focus on sustainability is also reflected in our bonus programs. We have a sustainability target which accounts for 10% of the annual bonus for all employees eligible for the corporate short-term incentive plan. These targets are derived from departmental sustainability targets which employees work towards, such as LTIFR targets, waste reduction programs, or initiatives giving back to the communities in which we operate. In 2024, we introduced a new ESG target as part of our long-term incentive plan with a weight of 20% for executives who are eligible for the plan.

Addressing future talent and skills needs

Accelleron is committed to fostering the development of young talent. In 2023 we became a corporate partner of UNITECH International, an organization dedicated to nurturing talented young STEM students, equipping them to effectively handle future global industry challenges, and facilitating connections between the corporate and academic spheres. Additionally, we frequently engage with university students for project work in areas such as technology, engineering, value chain, and continuous improvement of manufacturing.

Each year, we employ and train around 50 apprentices in a variety of functions, mainly manufacturing, primarily at our headquarters in Baden, Switzerland. These apprentices participate in a rigorous two-year training program, during which we get to know each other. Selected trainees and apprentices are offered permanent positions. Moreover, we offer continuous training globally for all service engineers. Initially, all service engineers are trained at our headquarters in Baden, to ensure that they meet the same Swiss quality standards across all of our global locations. The curriculum includes basic training through an e-learning program followed by on-the-the job training covering quality and safety aspects. To ensure that the latest knowledge and technology is shared globally, the service engineers travel to headquarters every three years to complete refresher training.

Listening to our employees

In 2024, we conducted our second employee engagement survey. The response rate was 85%, an increase of 11% since 2022. We are thankful that our employees are so committed to developing the way we work together. Our engagement net promoter score (NPS) of 32 indicated that we are in the top quartile of the industry. Our strengths are related to goal setting, the meaning of work, autonomy, and peer relationships.

The results were analyzed and discussed in the teams which also created development plans to address our weaker points. Management regularly follows up on progress on agreed actions. Our most frequent development focus is on well-being and managing workload. As well as working at the team and local levels in these areas, we also provide dedicated global support and resources, as part of our global people strategy initiative on well-being and resilience.

Acting as a responsible employer providing equal opportunities

Accelleron is committed to non-discrimination and providing equal opportunity for career development and training. All employees benefit from a wide range of learning resources as well as an annual individual development plan agreed in performance management discussions. This combination provides a systematic and efficient development approach.

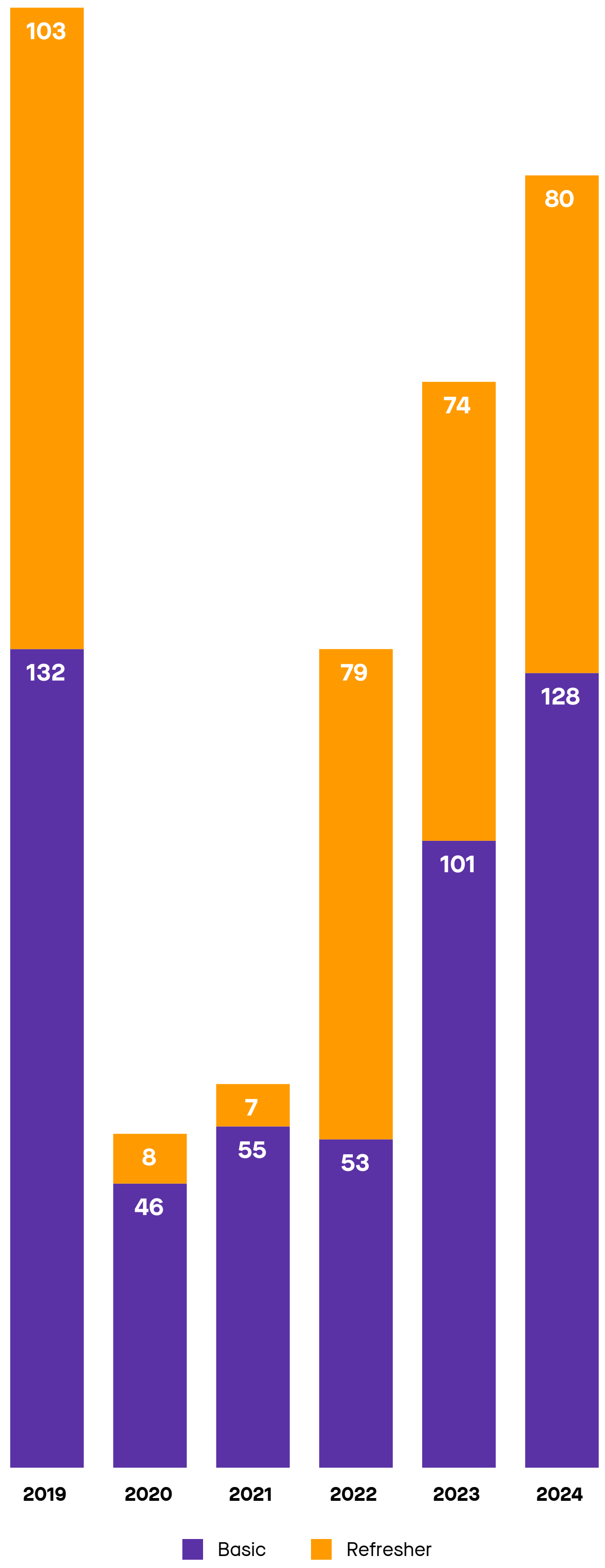
In 2024, we have also started implementing these practices and sharing the existing offering with OMT and OMC2. This work will continue in 2025, as we enroll True North Marine (TNM) in our way of working.

In 2024, we improved reporting on learning activities and hours throughout our organization. This ensures that development opportunities are actively utilized by everyone, and we monitor usage to avoid bias.

Accelleron has an open job market; we aim to publish all open positions internally for anyone to apply for, and we prioritize our internal applicants. We are committed to increasing the internal fill rate of our vacancies, and we closely monitor and analyze internal career development and rotation. Our average tenure is 11 years. In 2024, out of 268 vacancies published, 20% of vacancies were filled internally. Furthermore, 23.9% of all applicants were female which helps to improve our gender distribution over the years. Our recruiters are regularly trained on unconscious bias, and our recruitment setup and software are designed in a way that mitigates potential biases in the selection process. In 2024 we conducted a thorough analysis of our HR tools, internal policies, and candidate website to identify any wordings or system design that would lead to bias and which could benefit from change.

At Accelleron we want to provide secure employment for our employees, and we are committed to limiting the use of non-regular employment. Globally, around 8% of our employees have a fixed-term employment contract, all of which are due to relevant business reasons or local regulations. We use a contingent labor force in limited areas, such as managing peaks in production volumes or non-specialized or non-core activities at our factories. Our preference is to use our own labor force, and in our largest production site in Switzerland we have set a target of using no more than 20% of contingent labor.

Number of trained Accelleron Service engineers



Basic training and refresher training are 32 hours each.

When using contingent labor, we ensure that the compensation is aligned with our own compensation levels and follow collective bargaining agreements where available, to ensure that our partners are compliant with human rights and follow local legislation. Should we see the need to reduce the workforce, we consult with the local trade unions or employee representatives according to local procedures regarding the details of the reduction, and we aim to mitigate the consequences for individuals by providing appropriate relief, for example, social plans, according to local requirements. In 2024, there were no reductions in the workforce for business reasons.

Inclusion and diversity at Accelleron

We recognize diversity as a fundamental driver of innovation and creativity. It brings together different perspectives and ideas and leads to better decision making and problem solving.

Accelleron operates in over 50 countries, and most of our sites are managed by local people. This makes us a global and culturally diverse company. In 2024, we started to define our diversity and inclusion strategy, to set a clear development focus both globally and locally. We acknowledge that inclusion is essential for business growth and are committed to fostering a safe workplace where employees can be their authentic selves. Efforts to attract diverse candidates and applications are appreciated. We also encourage the development of employee resource groups to drive inclusion.

At Accelleron, we consider health from a broad perspective, covering physical, mental, and social aspects. Understanding that employees face various life challenges, we provide resources to help them navigate those situations. To foster employee work-life balance, we work with Workplace Options, a leading provider of employee well-being solutions, to offer a global employee assistance program. In 2024, we also provided training on mental health and resilience. This was strongly recommended for all leaders, and we invited all employees to join training sessions on well-being and stress management. Maintaining a healthy work-life balance is further facilitated by a remote working policy where applicable.

Gender diversity, equal pay and representation in leadership roles

We are committed to increasing gender diversity. The goal is for women to hold 25% of senior leadership positions by 2025, up from the current 23.8%. We are proud to highlight that women are leading some of our country organizations. Our service operations, carried out by the largest team in the Company, is also led by a woman. We also strive to increase the overall proportion of female employees, and we have succeeded in raising the proportion from 15% in 2022 to 17.5% in 2024.
In 2024, we followed up on our original gender pay gap analysis, with actions in selected countries through which we aimed to identify and address possible inequalities. There were no adjusted pay gaps identified in any of the selected countries. In China, the improvement areas identified in 2023 were addressed satisfactorily. In Switzerland, the analysis conducted by third-party auditor KPMG confirmed our compliance with the principle of equal pay.

Parental leave program

We recognize the importance of supporting working parents. To promote a more inclusive and equitable working environment, a gender-neutral parental leave program has been implemented globally. This program provides paid leave to both caregivers following the birth of a child, and for new parents through adoption or surrogacy.

↗ Next steps

In 2025, we will continue leadership development, introducing a new training concept on health-oriented leadership to support improved well-being and resilience. We will engage our newly acquired entities (OMT, OMC2, and TNM) to follow our policies and join our development initiatives. We will also emphasize activities that improve diversity and inclusion, utilizing new experience gained in a diversity pilot project in India.

Local community engagement

As a global company with over 100 locations in more than 50 countries, Accelleron is committed to being an active participant with a sustainable impact in the local communities in which we operate.

We have global standards for organizing events, initiatives, and activities to support our local communities, and our employees contribute to these efforts enthusiastically. In 2024, we implemented more than 50 initiatives, and we exceeded our 2024 targets by more than 65%. Activities ranged from responding to catastrophic events (Japan) to addressing systemic issues like pollution (France, Turkey, Dubai), supporting the restoration of biodiversity through planting trees (Germany), running educational workshops (India), and meeting basic needs (Senegal, South Africa, Pakistan).

↗ Next steps

In 2025, we are aiming for 60-70 community initiatives. The coming years will see an increase in similar projects in other locations, with a goal of completing more than 100 projects in 2027, which will meet our target of at least one giving-back-to-the-community project annually in each local unit by the end of 2027.

Building a culture of women’s leadership and growth

Accelleron has continued to progress on its firm commitments to grow the representation and leadership of women in senior management and the global workforce. With 23.8% of senior leadership positions currently filled by women, the Company has nearly met its 2025 goal of 25%, and it continues to recruit, to grow the overall proportion of women in the Company, and to feed the pipeline of female leadership.

In a traditionally male-dominated industry, Accelleron has embraced a significant cultural shift in the past years.

One of the vehicles for this change has been the advent of an employee resource group at Accelleron’s headquarters in Switzerland, a group led by women, for women. With a three-pillar strategy, “Lead Yourself,” “Lead Your Career,” and “Lead Others and the Organization,” the group aims to encourage women to be bold, take charge, support other women, and actively engage in conversations at every level, throughout the Company, to cultivate cultural practices that put all employees on an equal playing field.

Inaugurated in September 2023, the group offers regular events, guest speaker presentations, training, and mentor opportunities. Most recently, the committee decided to open the group to all Accelleron employees regardless of gender, further encouraging mutual support, inclusivity, and belonging across the Company.

Governance at Accelleron

Building a strong governance framework

Sustainability is a key part of the company strategy and, as such, a fundamental responsibility of the Accelleron Board of Directors.The Board's Nomination and Compensation Committee (NCC) is responsible for sustainability and has integrated it in every meeting in 2024. It works closely with management on strategy, ambition, targets and KPIs, and decision-making. The decisions are aligned with the Board's Audit Committee (AC). Consequently, the AC approves the data collection principles, control mechanism, and audits.

In November 2023, we created the Sustainability Committee, which is led by the CHRSO. It oversees strategic sustainability projects and reporting and information to the EC including climate issues. The CEO and CFO are part of the Sustainability Committee, as well as vice presidents representing communications, value chain, strategy, investor relations, and legal functions. The committee meets on a regular basis to ensure coordination and effective communication with the Executive Committee, all departments and with the NCC and Board of Directors.

Executive Committee members are responsible for implementing the sustainability strategy and cascading targets and measures throughout the organization, including assigning responsibilities and reviewing progress. The CEO and Executive Committee are further supported by a Global Health, Safety, and Environment team as well as a Global Sustainability Manager who reports to the Committee via the Chief Human Resources and Sustainability Officer.

Every Accelleron employee eligible for the global short-term incentive plan has at least one yearly sustainability target, outlined in the section employee learning and development on page 46.

Further information on the composition and compensation of the Executive Committee and Board of Directors can be found in the corporate governance report on page 53 and the compensation report on page 69 of Accelleron's Annual Report 2024.

Code of Conduct

The Code of Conduct is the cornerstone of our commitment to upholding integrity in all areas. It applies globally to all of our people, including those in consolidated joint venture companies. A separate Supplier Code of Conduct applies to our suppliers and other business partners. For further information, please refer to the section supply chain.

The Code of Conduct establishes fundamental principles of behavior concerning the following areas:

- Conflict of interest
- Anti-money laundering
- Anti-trust
- Fair employment
- Diversity and inclusion
- Trade compliance
- Health and safety
- Human rights
- Anti-bribery and corruption
- Inside information
- Intellectual property
- Data privacy
- Working with suppliers

The Code of Conduct is available on our website. An extended internal version that includes practical guidance and examples is accessible on the Legal and Integrity (L&I) intranet page.

We have a strict zero-tolerance policy towards any illegal behavior or breaches of the Code of Conduct, and we take the appropriate disciplinary and legal actions when breaches occur. The Code of Conduct also sets out how our employees, contractors, and stakeholders can report any concerns via various channels, including an anonymous ethics reporting hotline aligned with EU Directive 2019/1937. For more details, refer to the section reporting misconduct below.

We deliver comprehensive e-learning campaigns to ensure understanding and acknowledgment of the Code of Conduct by all of our employees and the Board of Directors. We also run tailored sessions for employees of OMT and our recent acquisitions, OMC2 and True North Marine. Training for employees who are technically unable to access e-learning modules is conducted through classroom sessions and includes a subsequent written acknowledgment of the Code of Conduct. The e-learning course is also part of mandatory onboarding for newly hired employees, to be completed during the first weeks of their employment.

See the section anti-corruption below for details on the dedicated e-learning course. Further e-learning courses and classroom training on integrity-related topics are planned in 2025.

Anti-corruption

To address challenges posed by different operational environments in the 50 countries in which we operate, Accelleron has implemented a robust set of measures to address and mitigate potential anti-corruption risks and uphold the highest ethical standards globally. These include:

- A comprehensive anti-corruption policy
- An externally operated business ethics reporting tool empowering employees and third parties to report concerns confidentially
- A supplier registration and qualification policy – see the section supply chain
- A corruption risk assessment covering our customers and sales channels

The anti-corruption policy provides comprehensive guidelines across critical areas, encompassing gifts, travel, and hospitality (GTH), facilitation payments, political contributions, sponsorship and donations, conflicts of interest, and third-party management. Addressing high-risk areas like GTH and conflicts of interest, the Accelleron integrity app allows employees to register and request pre-approval for GTH provided and received, and to address situations that involve potential conflicts of interest. The policy underscores our strong stance against corruption, emphasizing our commitment to fostering a culture of ethical conduct and transparency.

Accelleron's supplier registration and qualification policy mandates that each supplier provide detailed information for a comprehensive risk assessment, with a specific focus on anti-corruption risks. For more information, please refer to the section supply chain.

Because our operating model foresees direct sales both in products and services, we have limited exposure to the elevated corruption risks resulting from selling via agents or other intermediaries. To mitigate residual risks, external sales partners – as well as direct customers in selected countries – undergo a due diligence process which we have taken over from our former parent company.

Additional corruption exposure results from our Service division's global footprint, operating in countries with increased corruption risks, and from the fact that many of our service customers are state-owned enterprises. For this reason, we place high emphasis on our anti-corruption related processes and awareness training.

In 2024, we ran a mandatory global e-learning program for all employees (excluding factory workers) to underscore our clear stance on anti-corruption. Additionally, members of the global Legal & Integrity team delivered numerous training sessions (face-to-face, remote, and hybrid) to various audiences on corruption prevention and related processes, as well as on reporting channels and internal investigation and disciplinary procedures.

We also conducted an integrity risk assessment on key topics of the Code of Conduct, with a special focus on anti-corruption. The results confirmed a positive integrity culture and awareness, as well as the functioning of our integrity management system. The assessment provided valuable input for continuous improvement measures in areas such as policies, procedures, and training.

↗ Next steps

The results of the integrity risk assessment performed in 2024 have been analyzed in detail. They have been included in the formulation of priorities and actions for further development of our integrity management system. These include anti-corruption actions such as the adaptation of onboarding and monitoring processes for existing business partners, and the creation of further training materials for increasing awareness on key areas such as gifts, travel & hospitality, conflict of interest, public officials, and facilitation payments.

Respecting human and labor rights

We are committed to respecting human rights and preventing any involvement in human rights violations. We adhere to the highest standards of human rights, as set out by the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Core Conventions on Labor Standards, and other relevant national and international frameworks. In 2023, we joined the UN Global Compact, reaffirming our support for its ten principles on human rights, labor, environment, and anti-corruption.

We expect our suppliers, contractors, and other business partners to share our values and comply with similar standards in their operations and practices. We pay special attention to working hours and conditions, discrimination and equality, child labor, fair wages, compulsory or forced labor, and modern slavery. We respect the rights of our employees to freely associate and participate in unions.

We conducted human rights risk assessments across our operations and supply chain in 2022. For more information, please refer to the section supply chain.

In 2022, almost all of our country managing directors, heads of operations and service sales organizations were trained in human and labor rights. Additionally, all employees in a leadership position in procurement have been trained. Detailed information on our supply chain can be found in the section supply chain. In 2023, Focus Right helped us assess human rights at Accelleron. A long term plan was set up in 2024 and will continue in 2025 by incorporating extra elements from the CSRD assessment.

Reporting misconduct

We are dedicated to a culture where employees and stakeholders are encouraged to report any potential breaches of the Code of Conduct or the law without any fear of retaliation. Our leadership teams are accountable for establishing and fostering an environment that prioritizes integrity and promotes a positive tone throughout the organization. We will not tolerate retaliatory action against an employee who reports concerns in good faith.

Misconduct can be reported through various channels, including anonymously, such as by way of an externally-run website, by telephone, by post, or by email to the Integrity Office. Our organization has a well-established process for receiving and assigning all reported cases to a designated investigator. External investigators are hired to support internal investigators when necessary. Appropriate disciplinary measures and other remedial actions are taken depending on the outcome of investigations. Lessons learned are compiled and shared for awareness and training purposes, where appropriate.

In 2024, we engaged substantially to ensure widespread employee awareness of Accelleron's approach to reporting misconduct and the available reporting channels. One finding of the integrity risk assessment (see the section anti-corruption above) is the need to further enhance awareness of and trust in the reporting and investigation processes. In 2024, Accelleron closed a total of 13 cases reported through our ethics reporting channels. Among those, eight cases were found to be unsubstantiated, five substantiated. Two cases opened in 2024 were not yet closed at year-end. Most of the reported cases were categorized as low severity. The four substantiated cases closed in 2024 pertained to workplace respect and fairness, private use of company assets, creation of a falsified employment document, and lack of diligence in applying trade processes. All cases were successfully resolved through disciplinary procedures.

↗ Next steps

Following the integrity risk assessment, in 2025 we will enhance awareness and transparency with an additional awareness campaign and revised processes. We will place particular emphasis on increasing transparency of the various reporting channels, including how we secure confidentiality and how we conduct internal investigations and disciplinary procedures to foster trust and comfort to speak up.

Risk management

Accelleron aims to identify risks and opportunities early and respond effectively. Relevant risks for the Company relate to geopolitical challenges, cyber security, and supply chain. We are committed to firmly embedding risk-based thinking across the organization. The Accelleron approach to risk management considers both enterprise and operational risk. The approach to managing risk is based on the recognized international standard (ISO 31000) and has been developed, and continues to evolve, in line with industry expectations. In 2024, Accelleron assessed physical climate risks at key facilities and transitional risk and opportunities. More details may be found in the TCFD report in the appendix.

Crisis management

In the event of a crisis, response teams and plans are in place across the organization. Crisis management is supported by the interdisciplinary Business Resilience Group and the Cybersecurity Resilience Group. The role of these groups is to guide, advise, and assist local crisis teams as required, providing wider expertise and insights. In the event of a crisis, the communications team at the headquarters leads crisis communications in close alignment with the local communications team.

↗ Next steps

We will continue to work on consolidating Accelleron's approach to risk management under a harmonized framework and we will assess the financial impact of climate change in 2025.

KPMG

Independent limited assurance report on selected Sustainability Information of Accelleron Industries AG

To the Board of Directors

We have undertaken a limited assurance engagement on Accelleron Industries AG's (hereinafter "Accelleron") and its subsidiaries (the Group) following selected Sustainability Information in the Sustainability Report for the period ending on 31 December 2024 (hereinafter "Sustainability Information"):

- Scope 1 Greenhouse Gas (GHG) emissions, which marked with *a checkmark* ☑ (page 41);
- Scope 2 GHG emissions, which marked with *a checkmark* ☑ (page 41); and
- Scope 3 GHG emissions, upstream and downstream transport, which marked with *a checkmark* ☑ (page 41).

Understanding how Accelleron has Prepared the Sustainability Information

Accelleron prepared the Sustainability Information using the following criteria (hereinafter referred to as the "Sustainability Reporting Criteria"):

- Global Reporting Initiative (GRI) 2021 Standards
- GHG Protocol, Corporate Standard

Consequently, the Sustainability Information needs to be read and understood together with these standards and criteria.

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the *'Summary of the work we performed as the basis for our assurance conclusion'* and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected Sustainability Information is not prepared, in all material respects, in accordance with the Sustainability Reporting Criteria.

Our assurance engagement does not extend to information in respect of earlier periods or future looking information included in the Sustainability Report 2024, information included in the Annual Report 2024, information linked from the Sustainability Report 2024, information linked from the Annual Report 2024, or any images, audio files or embedded videos.

KPMG

Inherent Limitations in Preparing the Sustainability Information

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Accelleron's Responsibilities

The Board of Directors of Accelleron is responsible for:

- Selecting or establishing suitable criteria for preparing the sustainability information, taking into account applicable law and regulations related to reporting the sustainability information;
- The preparation of the sustainability information in accordance with the criteria; and
- Designing, implementing, and maintaining internal control over information relevant to the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our independent conclusion to the Board of Directors of Accelleron Industries AG.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by the Board of Directors, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and in respect of greenhouse gas emissions, with the *International Standard on Assurance Engagements (ISAE 3410) Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB).

Our Independence and Quality Control

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

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

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Sustainability Information included, among others:

- Assessment of the design and implementation of systems, processes, and internal controls for determining processing, and monitoring sustainability performance data, including the consolidation of data;
- Inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- Inspection of selected internal and external documents to determine whether quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of the data collection, validation, and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations;
- Analytical assessment of the data and trends of the quantitative disclosures included in the scope of the limited assurance engagement; and
- Assessment of the consistency of the disclosures applicable to Accelleron with the other disclosures and key figures and of the overall presentation of the disclosures through critical reading of the Sustainability Report 2024.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

KPMG AG

Simon Studer
Licensed Audit Expert

Carolina Sundmar-Joge

Zurich, March 11, 2025

04

Corporate governance report

Group structure and shareholders

Group structure

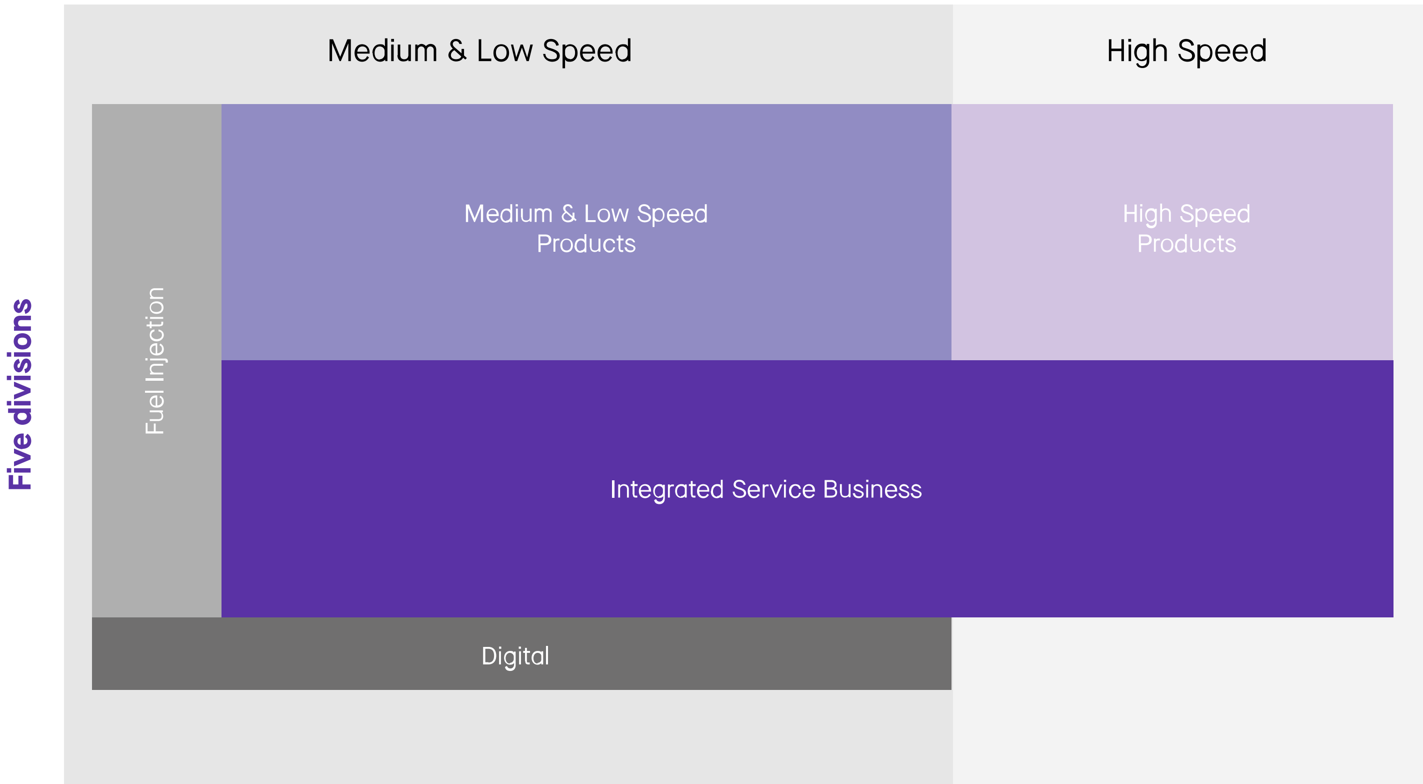
Information on Accelleron's corporate structure can be found in note 25 of the Consolidated Financial Statements of Accelleron.

Accelleron Industries AG, the parent company of the Accelleron Group, Aargau (CH), is the only listed Group company. Accelleron's shares are traded on the SIX Swiss Exchange under the symbol ACLN (security number 116936091; ISIN Code CH1169360919).

The market capitalization as per December 31, 2024, amounted to CHF 4,380,572,827 (excluding treasury shares). The Group has subsidiaries and branches in more than 50 countries. The Group's consolidated subsidiaries are listed under note 25 to the Consolidated Financial Statements, stating the company name and equity interest held by the Group.

The Accelleron Group's operating business is organized as follows:

Two reporting segments



Significant shareholders

According to the disclosure notifications made to the SIX Swiss Exchange, the shareholders listed in the below table reported shareholdings of at least 3% of the voting rights (based on disclosure notifications published on the website of SIX Swiss Exchange as of December 31, 2024):

Name	Number of shares	Voting rights in %
UBS Fund Management (Switzerland) AG	4,779,675	5.1
Swisscanto Fondsleitung AG	4,723,731	5.0
Norges Bank (the Central Bank of Norway), Oslo, Norway	3,140,052	3.3
BlackRock Inc.	3,058,791	3.2

Disclosure notifications reported to Accelleron Industries AG and SIX Swiss Exchange during 2024 can be viewed at www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.

Cross-shareholdings

There are no cross-shareholdings between Accelleron Industries AG and other companies.

Capital structure

Share capital

As per December 31, 2024, the issued ordinary share capital amounts to CHF 945,000, divided into 94,500,000 registered shares with a nominal value of CHF 0.01 each.

The Board of Directors reviewed the capital structure of the Company and submits a proposal to the 2025 Annual General Meeting consisting of (1) the abolishment of the conditional share capital for equity-linked instruments (i.e. the provisions of Art. 4 of the Articles of Association) and for employees (i.e. the provisions of Art. 5 of the Articles of Association), and (2) the introduction of a capital band in line with market practice with a lower limit of CHF 897,750 (95% of current share capital) and an upper limit of CHF 1,039,500 (110% of the current share capital), with the possibility of excluding pre-emptive rights of existing shareholders, and with a duration of five years.

Authorized share capital

The Board of Directors was previously authorized to increase the share capital by a maximum amount of CHF 94,500, which equated to 10% of the existing share capital, by issuing a maximum of 9,450,000 fully paid-up shares with a nominal value of CHF 0.01 each (Art. 6 (1) of the Articles of Association). This authorized share capital expired on September 20, 2024. For further details on the expired authorized share capital, see Art. 6 of the Articles of Association. Such previous authorized share capital has not been used, i.e. since its initial listing on SIX Swiss Exchange the Company has not issued any shares out of the authorized share capital.

Conditional share capital

Accelleron Industries AG has unissued conditional capital of CHF 94,500. Shares issued from conditional share capital are subject to the registration and transfer restrictions of Art. 8 of the Articles of Association.

The total conditional share capital of CHF 94,500, which equates to 10% of the existing share capital, is not limited in time and consists of:

Conditional share capital for equity-linked financial instruments

The share capital may be increased in an amount not to exceed CHF 66,150 through the issuance of up to 6,615,000 fully paid registered shares with a par value of CHF 0.01 per share through the voluntary or mandatory exercise of conversion rights and/or warrants granted in connection with the newly or already issued bonds or other financial instruments, including loans, by the Company or one of its Group companies (Art. 4 of the Articles of Association). The preemptive rights of the shareholders shall be excluded in connection with the issuance of convertible or warrant-bearing bonds or other financial instruments or the grant of warrant rights. The then current owners of conversion rights and/or warrants shall be entitled to subscribe for the new shares. The conditions of the conversion rights and/or warrants shall be determined by the Board of Directors.

Under specific circumstances and subject to certain conditions, the Board of Directors is authorized to restrict or deny the advance subscription rights of shareholders. The advance subscription rights of the shareholders may be granted indirectly. For further details, see Art. 4 (3) of the Articles of Association.

Conditional share capital for employees
The share capital may be increased in an amount not to exceed CHF 28,350 through the issuance of up to 2,835,000 fully paid registered shares with a par value of CHF 0.01 per share by the issuance of new shares to employees of the Company and Group companies (Art. 5 (1) of the Articles of Association). The preemptive and advance subscription rights of the shareholders of the Company are excluded. The shares or rights to subscribe for shares shall be issued to employees pursuant to one or more regulations to be issued by the Board of Directors, taking into account performance, functions, levels of responsibility and profitability criteria. Shares or subscription rights may be issued to employees at a price lower than that quoted on the stock exchange.

Changes in capital

There were no changes in capital in the reporting period 2024 and in the previous two years.

Shares and voting rights

The share capital of Accelleron Industries AG is fully paid in and amounts to CHF 945,000. It is divided into 94,500,000 registered shares with a par value of CHF 0.01 each. All shares of Accelleron Industries AG are listed on the SIX Swiss Exchange.

With the exception of the treasury shares held by the Company, each share registered with voting rights in the share register of the Company carries one vote at the General Meeting. Each share carries a dividend entitlement.

As of December 31, 2024, the Company has neither participation certificates nor profit sharing certificates outstanding.

Restrictions on transferability and nominee registrations

Acquirers of shares are, upon request, registered as shareholders with voting rights in the share register if they explicitly declare that they hold the shares in their own name and for their own account; they are recognized accordingly in relation to the Company only once registered (Art. 8 of the Articles of Association).

Persons who do not expressly declare in the registration application that they hold the shares for their own account (Nominees) are registered as shareholders with voting rights in the share register up to a maximum of 3% of the share capital. For any shares in excess of this registration threshold, Nominees are registered as shareholders with voting rights in the share register if the Nominee concerned declares the names, addresses, nationalities, and shareholdings of such beneficial owners for whose account it holds 0.5% or more of the share capital. The Board of Directors may enter into agreements with Nominees about their duties of notification and grant exemptions from this Nominee regulation in individual cases. No such agreements were entered into and no exceptions were granted in 2024.

Entries in the share register may be cancelled retroactively if the registration has been made based on false or misleading information (Art. 8 (6) of the Articles of Association).

Furthermore, the Articles of Association do not contain any restrictions in terms of registration or voting rights.

The Board of Directors did not have to delete any entries in the share register retroactively as of the date of entry in the 2024 reporting year.

Amendments to the provisions regarding the restriction of the transferability of registered shares require a resolution of the General Meeting passed by at least two-thirds of the votes represented (Art. 15 of the Articles of Association).

Convertible bonds and options

Accelleron has no outstanding convertible bonds and no outstanding share options.

Board of Directors

The Articles of Association provide that the Company's Board of Directors be composed of at least three members including the Chair of the Board of Directors. As of December 31, 2024, the Board of Directors consists of the following six non-executive members:

	Oliver Riemenschneider	**Monika Krüsi**	**Gabriele Sons**	**Bo Cerup-Simonsen**	**Detlef Trefzger**	**Stefano Pampalone**
Role	Chairman	Vice-Chair	Member	Member	Member	Member
Committees	none	Chair of AC – Member of NCC	Chair of NCC	Member of NCC	Member of AC	Member of AC
Citizenship	Switzerland & Germany	Switzerland & Italy	Germany	Denmark	Switzerland & Germany	Italy
Gender	M	F	F	M	M	M
Year of birth	1962	1962	1960	1968	1962	1967
Year of appointment	2022	2022	2022	2022	2022	2022
Independence	no	yes	yes	yes	yes	yes

Oliver Riemenschneider

Chairman of the Board of Directors, elected in July 2022, is a Swiss & German citizen born in 1962.

Binding interests:
see compensation report, page 77.

Oliver Riemenschneider was previously a senior vice president at ABB, where he led ABB's Turbocharging division for 11 years, including the transition to an independent entity, Accelleron Industries AG. After working as consultant at Zoller AG and being self-employed, he joined ABB Turbo Systems AG in Switzerland in 1991 and since then has held several different management positions within ABB, predominantly in its Turbocharging division. He holds a master's degree in Mechanical Engineering from ETH Zurich and a Master of Business Administration degree from the City University, Bellevue, Washington, USA.

Monika Krüsi

Vice-Chair of the Board of Directors, Chair of the Audit Committee, member of the Nomination and Compensation Committee, elected in July 2022, is a Swiss and Italian citizen born in 1962.

Binding interests:
see compensation report, page 77.

Before joining McKinsey & Co, where Monika Krüsi worked for nine years before becoming a partner at Venture Incubator Partners in 2001, she started her career as an auditor and tax consultant. Since 2003, she is a partner at MKP Consulting which serves mostly industrial and network clients in strategic and supply chain questions. Monika Krüsi holds a PhD in Business Informatics and an MBA degree from the University of Zurich, Switzerland.

Gabriele Sons

Member of the Board of Directors, Chair of the Nomination and Compensation Committee, elected in July 2022, is a German citizen born in 1960.

Binding interests: see compensation report, page 77.

Gabriele Sons started her career in 1991 as a lawyer at Deutsche Lufthansa. Since then, she has served as senior executive or executive board member of several global businesses including Lufthansa, Compass Group, Schindler Elevator, the German Employers' Association Gesamtmetall and Thyssenkrupp with a focus on human resources, legal and compliance. Gabriele Sons studied law in Munich and Heidelberg and has been working as an independent lawyer and consultant since 2018.

Stefano Pampalone

Member of the Board of Directors, member of the Audit Committee, elected in July 2022, is an Italian citizen born in 1967.

Binding interests: see compensation report, page 77.

Stefano Pampalone is Agriculture Chief Commercial Officer at CNH. He has global responsibility for the agriculture segment's commercial strategy, brand and aftermarket activities. He also serves ad interim as President, EMEA. He joined CNH in 1999 and has covered strategic leadership roles globally and regionally, including country manager of India from 2011 to 2013, before becoming COO of Asia Pacific Region and subsequently President of the Construction equipment segment. He holds a Master of Business Administration from Profingest Management School (now Bologna Business School) and a bachelor's degree in Engineering from University of Trieste.

Bo Cerup-Simonsen

Member of the Board of Directors, member of the Nomination and Compensation Committee, elected in July 2022, is a Danish citizen born in 1968.

Binding interests: see compensation report, page 77.

Bo Cerup-Simonsen has previously held a number of positions within shipping technology and innovation including vice president head of newbuilding strategy and portfolio at Royal Caribbean Cruises (RCL), director of the Danish Hydrocarbon Research and Technology Centre at the Technical University of Denmark and vice president and head of Maersk Maritime Technology (MMT), where he was responsible for a large number of engineering and newbuild projects including the world's largest and most energy efficient containership series at the time, the Triple-E. Bo Cerup-Simonsen holds a PhD in Mechanical Engineering from the Technical University of Denmark and an Executive MBA degree from Copenhagen Business School.

Detlef Trefzger

Member of the Board of Directors, member of the Audit Committee, elected in July 2022, is a Swiss & German citizen born in 1962.

Binding interests: see compensation report, page 77.

Detlef Trefzger has been the CEO of Kuehne + Nagel International AG from August 2013 to July 2022. He previously spent 15 years at Schenker AG in various senior management positions, including as Executive Vice President of global contract logistics and supply chain management.

Detlef Trefzger began his career as a senior project manager at Siemens AG in the Industrial and Building Systems Division followed by a five-year term at Roland Berger & Partner as principal in the competence center transportation & logistics.
He serves in several independent directorships as a member of the supervisory board with companies in Switzerland, United Kingdom, and Singapore.
Detlef Trefzger holds a PhD from Vienna University of Business Administration & Economics.

Elections and term of office

Members of the Board of Directors, the Chair, and the members of the Nomination and Compensation Committee (NCC) are elected individually by the General Meeting for a one-year term ending upon completion of the next Annual General Meeting. Reelection is possible, and there is no limitation on the number of terms a member can serve. According to Art. 2.3 of Accelleron's Board Governance Rules (Governance Rules), after the year in which an individual reaches the age of 70, he or she will not be proposed for election to the Board of Directors.

Skills

The skills of Board of Directors are aligned with the strategy and the worldwide culture of the Company. The Board members were asked to identify their most relevant skills based on their educational background, professional experience and personal achievements (see table below).

Independence

No member of the Board of Directors has any significant business relations with the Accelleron Group. Other than Oliver Riemenschneider, who led the ABB Turbocharging division, i.e. the organizational unit that operated the Accelleron business prior to the separation from ABB, until February 2022, all members of the Board of Directors, including Accelleron's Vice-Chair Monika Krüsi, are independent.

Definition of areas of responsibility

The Board of Directors is responsible for the ultimate direction – including the oversight over ethical business conduct – of the Company. Such direction and responsibility include the duty to select carefully, to instruct properly and to supervise diligently the CEO and the other members of the Executive Committee.

The Board of Directors has the non-transferable and inalienable duties as provided for by Swiss corporate law and the Articles of Association. In particular and in accordance with Art. 21 of the Articles of Association in conjunction with Art. 3.1 of the Governance Rules, the Board of Directors has delegated the operational management of the Company, within the limits permitted by and subject to the powers and duties remaining with the Board of Directors, to the CEO. The Board of Directors remains entitled to resolve any matters that are not delegated to or reserved for the General Meeting of Shareholders or another executive body of the Company by law, the Articles of Association or the Governance Rules.

The regulation and distribution of authority between the Board of Directors and the Executive Committee are set forth in the Governance Rules, in particular in Art. 2.1 and Art. 3.1.

Additional mandates

All members of the Board of Directors comply with the requirements regarding additional mandates as laid down in Art. 32 of the Articles of Association, and no exceptions were granted in the reporting year.

Internal organizational structure

The Board of Directors constitutes itself, except for the Chair and the members of the NCC, who are elected by the General Meeting. The Board of Directors appoints from among its members its Vice-Chair, the Chair of the NCC and the Chair and members of the Audit Committee (AC). In addition, the Board of Directors appoints a secretary, who does not need to be a member of the Board. Art. 17 to 19 of the Articles of Association and Art. 2.5 of the Governance Rules describe the Board procedures.

The Board of Directors meets whenever the need arises. During 2024, 10 meetings and calls took place. All Board members participated in all meetings; only one member left one of the meetings early, resulting in an overall participation rate of 99.17%. The meetings, which included strategy workshops, had an average duration of 4 hours and 28 minutes. The General Counsel, who holds a degree in law, attends the Board meetings in his capacity as Company Secretary. During 2024, the Board of Directors passed one circular resolution. Except for closed sessions of the Board of Directors, the CEO and the CFO attended the Board meetings or parts thereof. The meetings were conducted either physically, remotely by online conference, or in hybrid mode (i.e., participation is in person or remote).

Neither internal nor external auditors took part in any meetings of the Board of Directors; one strategy session was partly attended by an external consultant.

In addition to the above meetings, members of the Board of Directors participated in working groups, workshops, and discussion panels on various topics with senior and other management of the Group.

Committees

The Board of Directors has two permanent committees: the Nomination and Compensation Committee and the Audit Committee. The Board Chair has the right to attend the committee meetings. The meetings of the committees were conducted either physically, remotely by online conference, or in hybrid mode (i.e., participation is in person or remote).

Audit Committee

The Audit Committee (AC) is composed of at least two members of the Board of Directors appointed annually by the Board of Directors. The Board of Directors shall appoint non-executive and independent (within the meaning of the Swiss Code of Best Practice) members of the Board of Directors who have a thorough understanding of finance, accounting, and auditing, including the ability to read and understand corporate accounts and financial statements. The term of office of the AC members ends at the closing of the next Annual General Meeting. Re-appointment is possible.

The AC meets at least three times each year or more frequently if deemed necessary or appropriate. During 2024, seven meetings took place, with participation of all AC members at all meetings. The meetings had an average duration of 2 hours and 43 minutes. The Board Chair, CEO and the CFO participated in all the meetings.

Skills

	Oliver Riemenschneider	Monika Krüsi	Gabriele Sons	Bo Cerup-Simonsen	Detlef Trefzger	Stefano Pampalone
International executive experience	x	x	x	x	x	x
Board experience	x	x	x	x	x	x
Strategy, M&A	x	x	x	x	x	x
ESG & sustainability			x	x	x	
Market knowledge	x	x		x	x	x
Technology, digitalization	x	x		x	x	x
Finance, audit, risk management		x			x	x
HR, compensation		x	x			

The internal auditor participated partially in three meetings, and the external auditor KPMG participated partially in three meetings of the AC.

The AC supports the Board of Directors in discharging its accountabilities with respect to accounting as well as financial and non-financial reporting practices, the internal and external audit processes, as well as its overview of the Group's risk management and integrity framework.

Nomination and Compensation Committee
The Nomination and Compensation Committee (NCC) is composed of at least two non-executive members of the Board of Directors, who are each elected annually and individually by the General Meeting of the Shareholders (Art. 23 and Art. 24 of the Articles of Association and Art. 2.7 of the Governance Rules). Their term of office ends at the close of the next Annual General Meeting; reelection is possible.

The NCC meets at least twice each year, or more frequently if deemed necessary or appropriate. During 2024, six regular meetings and one supplementary meeting took place, with participation of all NCC members at all meetings (participation rate of 100%). The meetings had an average duration of 2 hours and 33 minutes. The CEO and the CHRSO participated in all meetings, and the Chairman in all but one.

The NCC has the powers and duties of a compensation committee as provided for by Swiss law and the powers and duties as provided for in Art. 26 of the Articles of Association and in the Governance Rules and the NCC Charter appended thereto, in particular in Art. 2 and Art. 5 of the NCC Charter. These include assisting the Board of Directors in discharging its accountabilities with respect to nomination, compensation and succession planning of the members of the Board of Directors, the CEO, the EC and the GC, the sustainability strategy and targets, and corporate governance.

Information and control instruments vis-à-vis the Executive Committee
The Governance Rules in Art. 2.6 describe information rights of the members of the Board of Directors concerning the Company's business and affairs, briefing of the Board members at each meeting and further information rights of the Chair, the Vice-Chair, and committee chairs.

The CEO's responsibilities – as laid down in Art. 3.1 of the Governance Rules – include ensuring that the Chair and the members of the Board of Directors are informed in a timely and appropriate manner, including information about the current operational performance and major projects and risks. As laid down in Art. 3.4 of the Governance Rules, the CEO regularly, and whenever extraordinary circumstances so require, reports to the Board of Directors about the Company's overall business and affairs and about any important extraordinary events that may arise.

Each year, the Board of Directors conducts an evaluation of the CEO's performance during the prior year.

The AC and the NCC Charters appended to the Governance Rules provide that the AC and the NCC regularly invite the CEO and may invite other members of management to their meetings, and that the AC and the NCC regularly report to the Board on their activities and submit their recommendations for decisions by the Board.

The responsibilities of the AC include reviewing and deciding or recommending to the Board of Directors on various aspects of capital and finance, financial statements, processes and reporting (including Internal Controls over Financial Reporting), risk management, internal auditors, external auditors, and integrity and regulatory issues, as well as supporting the NCC in the collection, verification and assurance of sustainability-related data and related reporting (Art. 5 of the AC Charter appended to the Governance Rules).

The responsibilities of the NCC include reviewing and deciding or recommending to the Board of Directors on various matters of nomination, dismissal and compensation of the members of the Board of Directors, the CEO, members of the Executive Committee and the General Counsel, sustainability strategy, ambitions, targets and reporting, and corporate governance (Art. 5 of the NCC Charter appended to the Governance Rules).

Board self-assessment and update of Board Governance Rules
The Board of Directors assesses its own performance on a regular basis. Its self-assessments and performance evaluations performed with the assistance of the NCC and the support of an external consultant addressed the topics of Board com-position, roles and responsibilities, performance, collaboration, improvements and future challenges. The results were discussed in the Board of Directors and in the committees, and good progress on the action plans was made in 2024.

Furthermore, the Board of Directors updated its Governance Rules on October 30, 2024, to reflect the self-assessment outcome and its way of working in line with established principles of good corporate governance as laid down in the Swiss Code of Best Practice for Corporate Governance. The Governance Rules were updated to include a specific reference to the latter for determination of independence, clarify roles and responsibilities of the committees including collaboration between NCC and AC on sustainability matters, and limit the non-compete obligation to the Board term.

Executive Committee

Operational management of the Group

The Board of Directors has delegated the operational management of the Company and the Group entirely to the CEO within the limits permitted by law and the Articles of Association, and subject to the powers and duties remaining with the Board of Directors pursuant to the Governance Rules.

The CEO is responsible for the Company's and the Group's overall business operations and affairs within the framework of the Company strategy, medium- and long-term plans, and annual budgets. The CEO represents the Company and the Group in these matters in line with the strategies, policies, and guidelines set by the Board of Directors. The CEO is responsible for the implementation of resolutions of the Board of Directors and the supervision of all management levels at the Company. The CEO is leading the other members of the Executive Committee, who are individually responsible towards the CEO for the business divisions and/or functions assigned to them.

The CEO is the primary contact person for the Chair and the other members of the Board of Directors. The CEO regularly, and whenever extraordinary circumstances so require, reports to the Board of Directors about the Company's overall business and affairs and about any important extraordinary events.

The Board of Directors appoints and dismisses the CEO, taking into consideration the recommendations of the Nomination and Compensation Committee (NCC). With respect to the other members of the Executive Committee and the General Counsel, the CEO discusses appointments and dismissals with the NCC, and the NCC ensures a proper process in collaboration with the CEO. The NCC issues recommendations for the Board of Directors' approval of all appointments or dismissals of members of the Executive Committee and the General Counsel.

Composition of the Group Executive Committee

As of the end of 2024, the Group Executive Committee was composed of six members.

Daniel Bischofberger

Chief Executive Officer, is a Swiss citizen born in 1966.

Binding interests: none.

Daniel Bischofberger was appointed Division President of Accelleron on March 1, 2022, having served as Member of Sulzer's Executive Committee and Division President for Rotating Equipment Services for close to six years.

He previously spent a combined period of over 14 years in various managerial roles at ABB, most recently as Head of High Voltage Products for Central and Southern Europe. He has also held senior positions at Alstom and Datwyler. Daniel Bischofberger holds a master's degree in Industrial Engineering and a BA in Mechanical Engineering from the Swiss Federal Institute of Technology (ETH) Zurich and an MBA from INSEAD.

Adrian Grossenbacher

Chief Financial Officer, is a Swiss citizen born in 1980.

Binding interests: none.

Adrian Grossenbacher remained with Accelleron following the spin-off from ABB, where he was CFO and Global Division Controller of ABB Turbocharging from 2017. Adrian was previously Global Product Group Controller and Commercial Manager for products in Medium Speed & Low Speed. Prior to that, Adrian Grossenbacher held various leadership positions at Alstom and SQS. Adrian Grossenbacher holds a master's degree in Finance & Management from the University of Bern.

Annika Parkkonen

Chief Human Resources and Sustainability Officer, is a Finnish citizen born in 1971.

Binding interests: see compensation report, page 77.

Annika Parkkonen joined Accelleron in September 2022. Prior to joining the Company, Annika Parkkonen worked for Dynatos Oy, where she was an executive coach and managing director.

From 2017 to 2022, Annika Parkkonen worked as vice president HR and internal communication of the Marine Power business of the publicly listed Wärtsilä Corporation. In addition, from 2017 to 2019, Annika Parkkonen was a member of the board of directors of Suomen Lauttaliikenne Oy (Finnferries), a mid-sized ferry company. Annika Parkkonen holds a master's degree in Political Science from the Åbo Akademi University in Turku.

Christoph Rofka

President of the Medium, Low Speed & Rail Division, is a German citizen born in 1967.

Binding interest: Vice President Communication of CIMAC.

Christoph Rofka remained with Accelleron following the spin-off from ABB, where he was appointed Head of the Medium & Low Speed product group in 2020. Christoph Rofka held a number of positions within ABB's Turbocharging Division from 1995 onward, including as Technology Manager and manager of various product lines. Christoph Rofka holds a master's degree in Mechanical Engineering from Leibniz University Hannover.

Herbert Müller

President of the High Speed Division, is a Swiss citizen born in 1968.

Binding interests: none.

Herbert Müller remained with Accelleron following the spin-off from ABB, where he was appointed Head of the High Speed product group in 2019. Herbert Müller held a number of positions within ABB Turbocharging from 1996 onward, including as Head of Turbocharging Service, as well as other roles in Business Development, Operations and Sales. Herbert Müller holds a master's degree in Integrating Management and Technology from the Swiss Federal Institute of Technology (ETH) Zurich.

Roland Schwarz

President of the Service Division, is a Swiss citizen born in 1969.

Binding interests: none.

Roland Schwarz remained with Accelleron following the spin-off from ABB, where he was appointed Head of Turbocharging Service in 2019. Roland Schwarz held a number of positions within ABB's Turbocharging Division from 1997 onward across managerial roles in Switzerland, China, and Japan. Previously, Roland Schwarz worked at ABB Enertech as a project controller. Roland Schwarz is a Swiss Certified Specialist for Finance & Accounting.

Dirk Bergmann, Chief Technology Officer, decided to pursue opportunities outside the Group and stepped down as active member of the Executive Committee effective end of October 2024. For information on his persona, see the 2023 Corporate Governance report.

Additional mandates of members of the Executive Committee outside the Accelleron Group

All members of the Executive Committee comply with the requirements regarding additional mandates as laid down in Art. 32 of the Articles of Association, and no exceptions were granted in the reporting year.

Management contracts

Accelleron has not entered into any management contracts with companies (or natural persons) outside the Accelleron Group.

Compensation, shareholdings, and loans

All details regarding compensation, roles in other companies with commercial purpose, shareholdings, and loans are set forth in the compensation report. Art. 27 of the Articles of Association contains the principles of performance-based remuneration as well as remunerations in the form of shares, option rights, and similar instruments. Art. 28 f. of the Articles of Association includes provisions regarding approval at the General Meeting of the maximum aggregate remunerations for the members of the Board of Directors and the Group Executive Committee and also regarding the additional amount for changes in the Group Executive Committee. According to Art. 31 of the Articles of Association no credits shall be granted to members of the Board of Directors or the Group Executive Committee.

Shareholder participation rights

Voting rights may be exercised only if the shareholder is recorded as a voting shareholder in the share register.

Restrictions and representation of voting rights

Treasury shares held by the Company do not entitle the holder to vote. The restrictions on nominee registrations are set forth above in the corporate governance report under Restrictions on transferability and nominee registration.

According to Art. 13 of the Articles of Association, a shareholder may be represented at a General Meeting by its legal representative, by the independent proxy, or, by means of a written proxy, by a third party, who does not need to be a shareholder. Only one person may represent all shares held by a shareholder. At the Annual General Meeting 2024, Zehnder Bolliger & Partner, Baden, was re-elected as the independent proxy of Accelleron Industries AG for a term of office extending until completion of the Annual General Meeting in May 2025. The Articles of Association do not contain rules on the granting of instructions to the independent proxy that deviate from the default Swiss law.

Statutory quorum

The Company's Articles of Association do not stipulate any resolutions of the General Meeting that can be passed only by a larger majority than that envisaged by law.

Convocation of General Meetings and submission of agenda items

Pursuant to Art. 11 of the Articles of Association, the notice of the shareholders' meetings shall be given by publication in the Swiss Official Gazette of Commerce (SOGC) at least 20 calendar days before the date of the meeting. The notice may also be sent by letter or electronic data transmission (incl. email) to the shareholders, usufructuaries, and nominees registered in the share register. The notice shall be made by the Board of Directors or, if necessary, by the auditors.

Art. 11 (3) and (4) of the Articles of Association describe the conditions and thresholds pursuant to which shareholders may request to convene a General Meeting, items to be put on the agenda and motions relating to items on the agenda to be included in the notice convening the meeting. The Articles of Association do not prescribe a particular quorum of shareholders for a General Meeting to be valid.

No resolutions may be passed on motions concerning agenda items that have not been duly announced, except for motions to convene an extraordinary General Meeting, to initiate a special audit or to elect auditors upon a shareholder's request. No prior notice is required to submit motions relating to items already on the agenda or to discuss matters on which no resolution is to be taken.

Entry in the share register

In the invitation to the shareholders' meeting, the Board of Directors announces the cut-off date for registration in the share register that is authoritative with respect to the right to participate and vote.

Takeover and defense measures

Duty to make an offer
There are no provisions in the Articles of Association with respect to opting-up or opting-out.

Clauses on change of control
No specific clauses covering change of control are included in the respective agreements with the members of the Board of Directors, the CEO, or the members of the Executive Committee. The LTI Rules applicable to the CEO and the members of the Executive Committee provide that in case of a change of control event, the terms and conditions of the conditional LTI grant remain unchanged, subject to the authority of the Board of Directors to overrule and decide otherwise.

Auditors

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

The statutory auditor is elected at the Annual General Meeting for a one-year term of office. KPMG AG, Zurich (CH), has been the auditor of Accelleron Industries AG since its incorporation on May 26, 2021. Since 2018, KPMG had conducted the audit of the Accelleron business in its capacity as the auditor of ABB.

Lead auditor Simon Studer has been in charge of the auditing mandate for the Company since its incorporation on May 26, 2021. The external auditor-in-charge is replaced latest every seven years.

Auditing fees

The total audit fee for the Group audit of Accelleron and for the statutory audits of the Company's subsidiaries for the financial year 2024 amounted to USD 1.7 million.

Additional fees

An amount of USD 0.1 million in additional fees were paid by the Accelleron Group to KPMG in 2024 for services other than above auditing fees.

Information instruments pertaining to the external audit

The AC meets separately and on a regular basis with the CFO, the General Counsel, Internal Audit, and the external auditors. In the reporting year, the external auditors participated in 3 of the meetings of the AC.

The AC reviews the performance, fees, and independence of the auditors. It annually reviews the auditor's engagement letter, key audit areas and the audit plan. It determines the compensation payable to the auditors. The AC has full access to the external auditors.

Information policy

Announcements of Accelleron Industries AG are published in the Swiss Official Gazette of Commerce (Art. 36 (1) of the Articles of Association).

The Company releases its annual financial results in the form of an annual report. Its annual report is published in electronic form within four months of the December 31 balance sheet date. In addition, results for the first half of each financial year are released in electronic form within three months of the June 30 balance sheet date. The Company's annual report and half-year results are announced via press releases and media and investor conferences in person or via telephone.

Accelleron discloses price-sensitive information in accordance with the ad hoc disclosure requirements of SIX Swiss Exchange, in particular the SIX Directive on Ad hoc Publicity. All press releases, electronic copies of information, and documents pertaining to media conferences, investor updates, and presentations at analyst and investor conferences can be downloaded from the Company's website at accelleron-industries.com or obtained from the Company upon request at its headquarters.

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Accelleron Industries AG's corporate calendar is available at accelleron-industries.com/investors/corporate-calendar. You can subscribe to media releases sent (via email) on accelleron-industries.com/investors/subscribe. Further information is available on accelleron-industries.com/investors/investor-relations or by contacting Investor Relations at investors@accelleron-industries.com.

Quiet periods

The Company maintains a list of individuals who are subject to the following blackout periods for trading in Accelleron shares and other related financial instruments:

- December 15 to the trading day after the publication of the annual financial statements;
- June 15 to the trading day after the publication of the half-year financial statements.

In addition to members of the Board of Directors and Executive Committee, the list contains employees who, based on their responsibilities, have access to inside information on a regular basis, in particular regarding preparation of financial statements and M&A projects.

During 2024, no exceptions to these black-out periods have been granted.

05

Compensation report

Introduction by the Chair of the Nomination and Compensation Committee

Dear Shareholders,

On behalf of the Board of Directors (BoD) and the Nomination and Compensation Committee (NCC), I am pleased to introduce Accelleron's 2024 compensation report, covering the financial year 2024 from January 1 to December 31.

We believe in a strong pay-for-performance compensation philosophy that incorporates Accelleron's ambitious growth and business objectives and motivates our senior executives to create sustainable value for the Company and its shareholders. The 2024 compensation report provides insights into our 2024 compensation structure.

The remuneration practices and structures we established over the past two years since becoming an independent, stand-alone company have proved to be well aligned with the Company's strategy and ambitions. In addition, they promote our aim to offer attractive yet reasonable and performance-oriented remuneration. Consequently, we were able to continue on that path, while also looking into certain aspects to ensure we keep up with developments in the market and in our course of business.

With respect to the general remuneration structure, the NCC and BoD thoroughly evaluated the potential ways in which a meaningful element of sustainability could be added to the performance measurement in our long-term incentive (LTI) model. As a result, the awards made under the LTI in 2024 include a CO_2 intensity reduction target with a weighting of 20% in the total LTI performance measurement. This shall further strengthen the alignment of variable compensation with our business strategy and sustainability goals. We aim to continue developing the ambitious environmental, social, and governance (ESG) target going forward.

In terms of pay levels, the NCC and BoD, supported by external and independent providers, oversaw a market benchmark with respect to BoD and Executive Committee (EC) remuneration packages, which remained unchanged since 2022. For all EC members except the CEO, the results revealed a gap between Accelleron and the relevant market with respect to total direct compensation. In light of increased complexity, significant revenue growth, and acquisitions in new business areas, we will address this gap, to ensure we can continue to offer competitive remuneration packages effective 2025. Our BoD compensation structure and level will remain as is for the 2025/2026-term.

In 2024, we also reviewed the impact of business acquisitions on the performance metrics in our ongoing variable compensation models, which is mainly a matter of ongoing maintenance of compensation processes, with no impact on compensation amounts for 2024. Further details are provided in the variable compensation award section of this report.

Moreover, as part of annual processes, the NCC and the BoD reviewed the EC's performance goal-setting at the beginning of the year and its performance assessment at year-end; the determination of EC and BoD compensation; and the preparation of the compensation report and compensation-related votes at the Annual General Meeting.

In line with the Articles of Association, we will ask our shareholders to cast a binding vote on the maximum aggregate amount of compensation for members of the Board of Directors for their term of office from the 2025 Annual General Meeting to the conclusion of the 2026 Annual General Meeting. We will also ask our shareholders to cast a binding vote on the maximum aggregate amount of compensation for members of the Executive Committee for the 2026 financial year. In addition, we will ask our shareholders to endorse this 2024 compensation report in an advisory vote.

On behalf of the Nomination and Compensation Committee, we thank you for your trust in Accelleron and for your feedback.

Sincerely,

Gabriele Sons
Chair of the Nomination and Compensation Committee

2024 compensation

Compensation structure of the Board of Directors (BoD)

The Chair and all the members of the Board of Directors receive fixed compensation for the period from the Annual General Meeting to the following year's Annual General Meeting in the form of cash and shares to ensure their independence in the performance of their supervisory function. They receive 50% of their total fees paid in cash and 50% paid in Accelleron shares. The shares are blocked for three years. The number of shares allocated is calculated by dividing the original amount in Swiss francs (CHF) – 50% of Board fees, gross – by the 20-day volume-weighted average price of an Accelleron share prior to the day of allocation. Allocation of shares is generally made on or around the same date as the cash portion of Board fees is paid. The compensation system does not contain any performance-related components.

Exhibit 1 – Board of Directors fees schedule

Position	Total fees (CHF)[1,2]
Chair	330,000
Vice-Chair	150,000
Board member	120,000
Committee Chair	30,000
Committee member	10,000

1 Chair and Vice-Chair receive no further committee chair and committee member fees.
2 Fees do not include social security.

Pay levels and structure of Board fees are reviewed by the NCC and BoD regularly. Following the most recent review in 2022, the NCC and BoD oversaw a market benchmark with respect to BoD remuneration packages in 2024. Accelleron generally aims at paying Board fees that are competitive, appropriate, and reasonable for the relevant market. For such assessment, Accelleron's Board fees were compared to a peer group consisting of 15 companies, reflecting a selection of Swiss companies similar to Accelleron in terms of size and industry, among other criteria. An external, independent compensation benchmark provider was engaged to help select these peer companies and gather relevant compensation data. The comparison revealed that Accelleron's BoD compensation structure and remuneration are broadly in line with the relevant market. Therefore, no adjustments were made and none are currently planned.

Compensation structure of the Executive Committee (EC)

The overall basic structure of executive compensation consists of the annual base salary, short-term incentive (STI), long-term incentive (LTI), and benefits.

With respect to remuneration structure/models, one change was implemented in 2024: The awards made under the LTI in 2024 now include a CO_2 intensity target, which has a weighting of 20% in the total LTI performance measurement. More information on this can be found in the LTI section further below. No other changes were made to the remuneration structure and models in 2024.

Exhibit 2 – Compensation structure of the Executive Committee (overview)

	Purpose	Vehicle	Payout	Performance measures
Annual base salary	Compensate for role, skills, experience	Cash salary considering market data	Monthly	n/a
Benefits	Protect against risks, foster retention	Pension/insurance perquisites paid in line with local market practice	Monthly	n/a
Short-term incentive	Pay for company and individual performance, foster Accelleron values	Annual bonus paid in cash	Q2 following the performance period (business year)	Op. EBITA margin, revenues, op. free cash flow, individual goals (one ESG-related)
Long-term incentive	Reward sustainable performance, align with shareholder perspective	Performance share units (PSU) with a 3-year performance vesting	Q2 following the performance period, conversion into shares	Earnings per share (EPS), relative total shareholder return (rTSR), CO_2 intensity

Pay levels and structure of EC remuneration are reviewed by the NCC and BoD regularly. Following the most recent review in 2022, the NCC and BoD oversaw a market benchmark with respect to EC remuneration packages in 2024. Accelleron generally aims at paying EC remuneration that is competitive, appropriate, performance-oriented, and reasonable for the relevant market. For such assessment, Accelleron's EC remuneration packages were compared to a peer group consisting of 17 companies (both Swiss-based and international, not including any US companies) that are similar to Accelleron in terms of size and industry, among other criteria. An external, independent compensation benchmark provider was engaged to help select these peer companies and gather relevant compensation data. With regard to total direct compensation, the comparison revealed a gap for all EC members except the CEO between Accelleron and the relevant market. This is briefly addressed in the outlook section further below.

Annual base salary

The annual base salary (ABS) is determined on the basis of factors such as to compensate for role, skills, relevant experience, and performance. Market and relevant peer-group benchmarking was also conducted in 2024, as outlined above.

Benefits

Benefits consist mainly of retirement and insured benefits that are designed to provide a reasonable level of protection for the employees and their dependents in respect to the risk of retirement, disability, death, and illness. The CEO and all the members of the EC are employed with a Swiss employment contract and participate in Accelleron's pension plans offered to all employees in Switzerland. These consist of the Accelleron pension fund, in which base salaries up to an amount of CHF 130,000 (minus coordination deduction) per annum are insured, as well as a supplementary plan in which base salaries in excess of this limit are insured up to the maximum amount permitted by law. Both plans offer the possibility for all employees to choose different levels of individual contributions. Accelleron's pension funds exceed the minimum legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG).

Short-term incentive (STI)

General mechanism: The short-term incentive plan is a cash-based, annually recurring program aimed to incentivize the achievement of short-term business and individual performance measures. For each individual, a target amount (reflecting an STI payout in case of 100% target achievement) is defined as a percentage of the ABS, depending on an individual's functional grade pursuant to the Company's global grading system. For the CEO, the target amount is 60% of ABS, while for other EC members, it ranges from 40 to 50%. Actual payment is, however, dependent on performance throughout the business year according to a number of pre-determined metrics (KPIs), whereby actual results are compared to pre-set targets. The weighted average of actual payout levels achieved across all relevant metrics defines the extent to which an actual STI will be paid out: STI payout = STI target amount × target achievement. The mechanism for determining payout levels for each KPI once the business year has ended is set out under "Performance measurement/payout curves" below.

Performance metrics (key performance indicators, "KPIs"): There are two types of KPI – financial and individual. Financial KPIs are tied to Accelleron's Group and divisional performance, as further detailed in the below table. For the CEO and corporate functions, financial KPIs are all linked to Group performance, with a total weighting of 70%. For the three Division Presidents, Group performance KPIs have a weighting of 45%, while divisional performance KPIs have a further weighting of 25%. Individual KPIs are set in relation to ESG, cost management and growth, and account for the remaining 30% (for all EC members, including the CEO). Such individual KPIs encompass a limited set of specific metrics tied to relevant team or personal performance, or a combination of these. Each individual performance measure must account for at least 10%, with one environmental, social, or governance (ESG) criterion to be selected.

Exhibit 3 – Overview/weight of performance measures

STI	Performance measures	Weight (%) CEO, corp. functions	Weight (%) Division Presidents
Financial performance measure	Group op. EBITA %	20%	10%
	Group revenues	30%	15%
	Group op. free cash flow	20%	20%
	Divisional op. EBITA abs.		10%
	Divisional revenues		15%
Individual performance measure		30%	30%

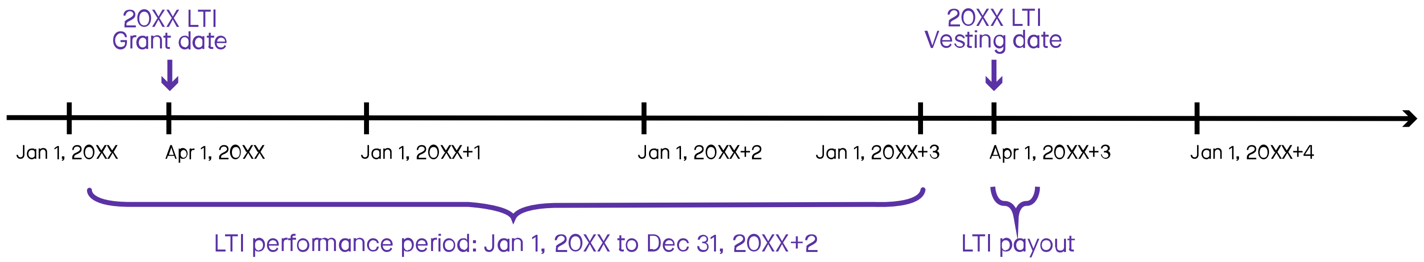
Performance measurement/payout curves:

Financial KPIs: A set of five target values (0%, 50%, 100%, 150% and 200%, interpolated linearly) for each KPI is determined and communicated at the beginning of the year. The threshold (0%) is usually set at around 85 to 95% of the main target value, the cap (200%) at around 110 to 120%. Overall, this should provide for an ambitious but fair and motivational incentive payout curve. The relevant target values for each KPI are proposed by the NCC and approved by the BoD at the beginning of the year.

Individual KPIs: A limited set of individual, mainly quantitative, measurable goals are determined and communicated at the beginning of the year. Target-setting and performance assessment are subject to BoD approval, and the payout level for individual goals may range between 0 and 200%, with a reasonable and ambitious threshold level to ensure that the payout level remains at 0% if a certain minimum performance is not achieved.

Long-term incentive (LTI)

General mechanism and grant: The long-term incentive plan is a performance share unit (PSU) plan. PSUs are conditional awards to receive a number of shares free of charge, after the three-year vesting/ performance period, subject to ongoing employment and the achievement of pre-determined performance goals. The LTI model is designed to foster the profitable company strategy, reward sustainable performance, support EC retention and align with the shareholders' perspective. At the beginning of the vesting period, a number of PSUs is granted to each EC member on the basis of their individual LTI targets, expressed as a percentage of the ABS. The target amount equals 70% of ABS for the CEO, while for other EC members, it ranges from 40 to 50%. The number of PSUs granted to an individual is calculated by dividing the target amount by the 60-day average of closing prices of an Accelleron share at the beginning of the performance period. Depending on actual performance throughout the three-year performance period (providing for payout levels of between 0 and 200%), each PSU will convert to between zero and two shares upon vesting. The weighted average of payout levels across all relevant metrics (see below) determines the gross number of shares actually transferred (subject to payroll withholdings): Gross number of shares transferred = number of PSUs granted × total payout level (0 to 200%). Until shares are actually transferred upon vesting ("LTI Payout" in the graph below), no shareholder rights are attached to PSUs.

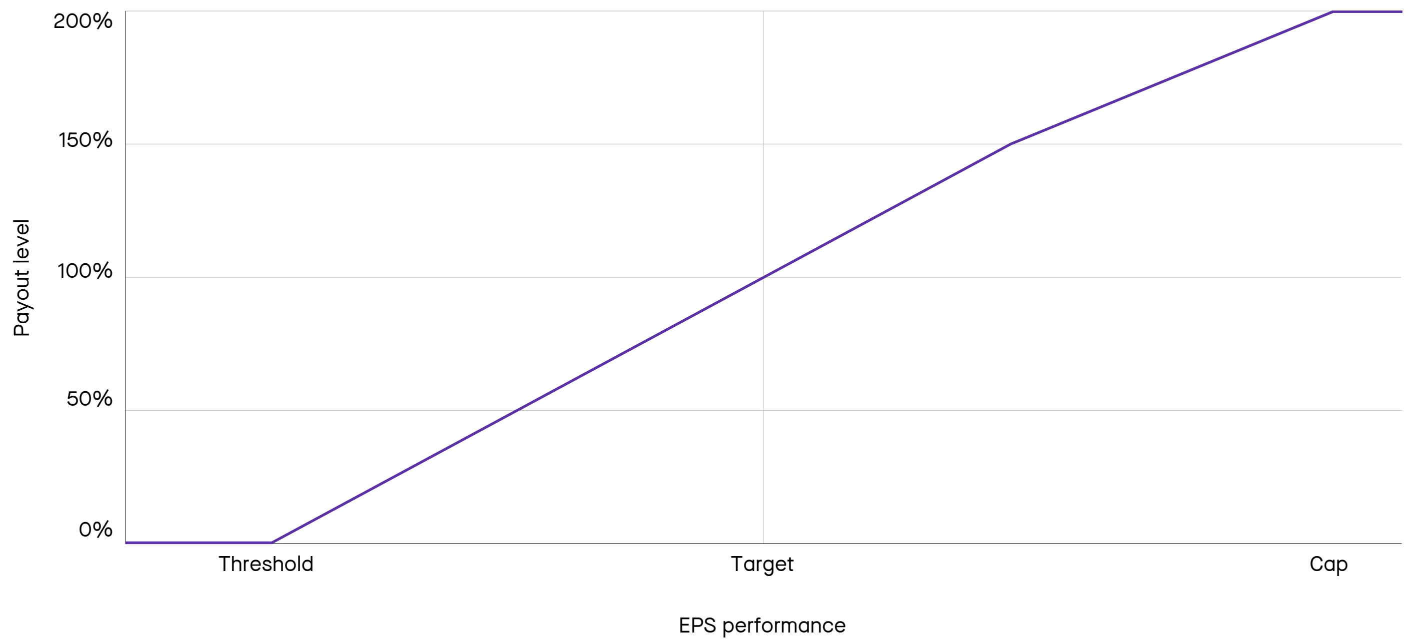


Performance metrics (key performance indicators, "KPIs"): The PSUs vest after a period of three years, contingent upon the achievement of three KPIs: Earnings per share (EPS) with a 40% weighting (previous year: 50%), relative total shareholder return (rTSR) with a 40% weighting (previous year: 50%), and a CO_2 intensity target with a 20% weighting (previous year: not applicable). Details regarding how each KPI is determined and measured are provided below. The KPIs and weightings are the same for all PSU recipients.

Performance measurement/payout curves: At the beginning of the performance period, the BoD determines and communicates, for each KPI, a set of five target values (0%, 50%, 100%, 150% and 200%, interpolated linearly). The weighted average of payout levels across all three KPIs is the total payout level, which, in turn, determines the gross number of shares actually transferred after the vesting period (subject to payroll withholdings): Gross number of shares transferred = number of PSUs granted × total payout level (0 to 200%).

a) The **EPS** objective is defined as the net income (net of taxes) per the number of common shares outstanding attributable to Accelleron shareholders. The relevant metric is Accelleron's average EPS over the three business years of the performance period, using the EPS set out in Accelleron's annual audited consolidated income statements (subject to neutralization of acquisition effects – see details further below). The payout level for this KPI is determined based on how the actually achieved average EPS compares to the target values predetermined by the BoD. The threshold performance value will usually be set at around 85 to 90% of the main target value and the cap performance value at around 115 to 120% of the main target value.

Exhibit 4 – EPS payout curve

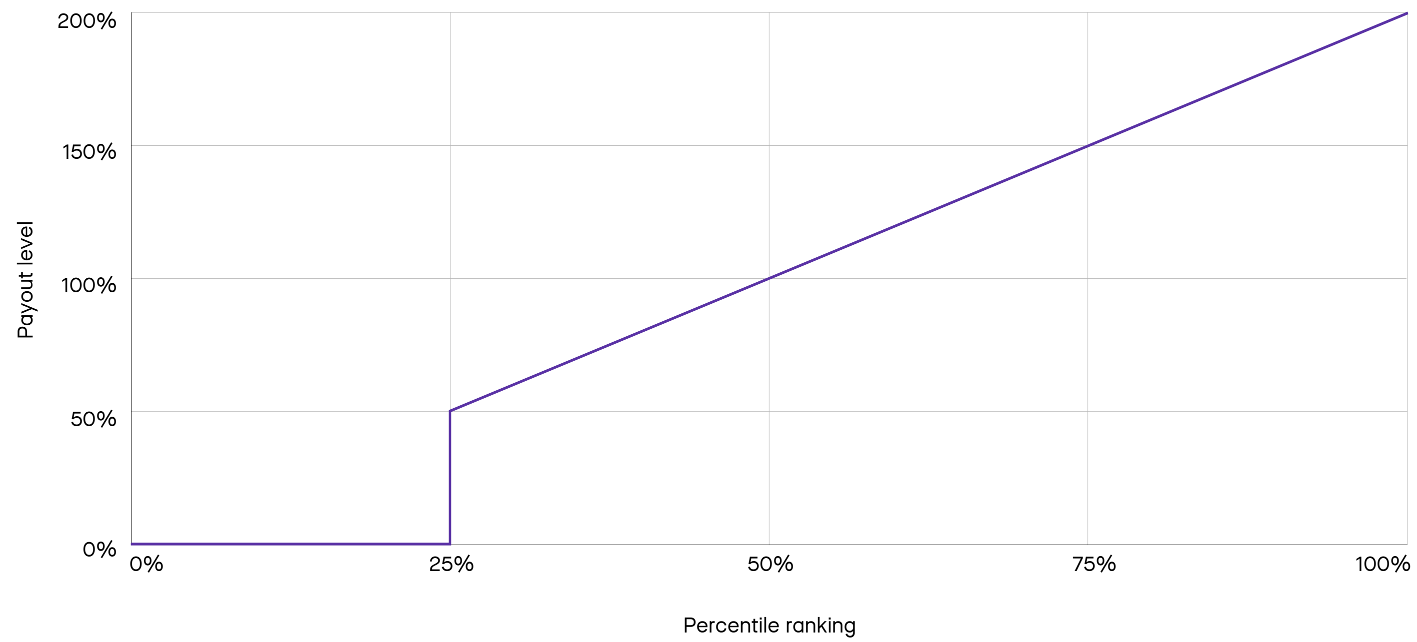


b) **rTSR** is measured based on an evaluation provided by an independent consulting firm. This benchmark compares and ranks Accelleron's TSR (total shareholder return) against the performance of a selected peer group of 24 companies, all industrial firms, which were chosen because they are either in a similar industry, customers, end-users, listed in the SMIM or SPI indices, or are exposed to similar market cycles with an international footprint. The current constituents of the peer group can be found in Exhibit 5 below. Accelleron's performance in relation to this peer group is measured separately for each year of the performance period and expressed as a percentile ranking within that peer group. This percentile ranking is then converted into a payout level for the purpose of LTI measurement, as shown in Exhibit 6 below: Anything below a 25th percentile ranking equals a 0% payout level, a 25th percentile ranking equals a 50% payout level, a 50th percentile ranking (median) equals a 100% payout level, and a 100th percentile ranking equals a 200% payout level, with linear interpolation between those points. The average of these payout levels in all three years of the performance period equals the total payout level for rTSR measurement.

Exhibit 5 – Peer group

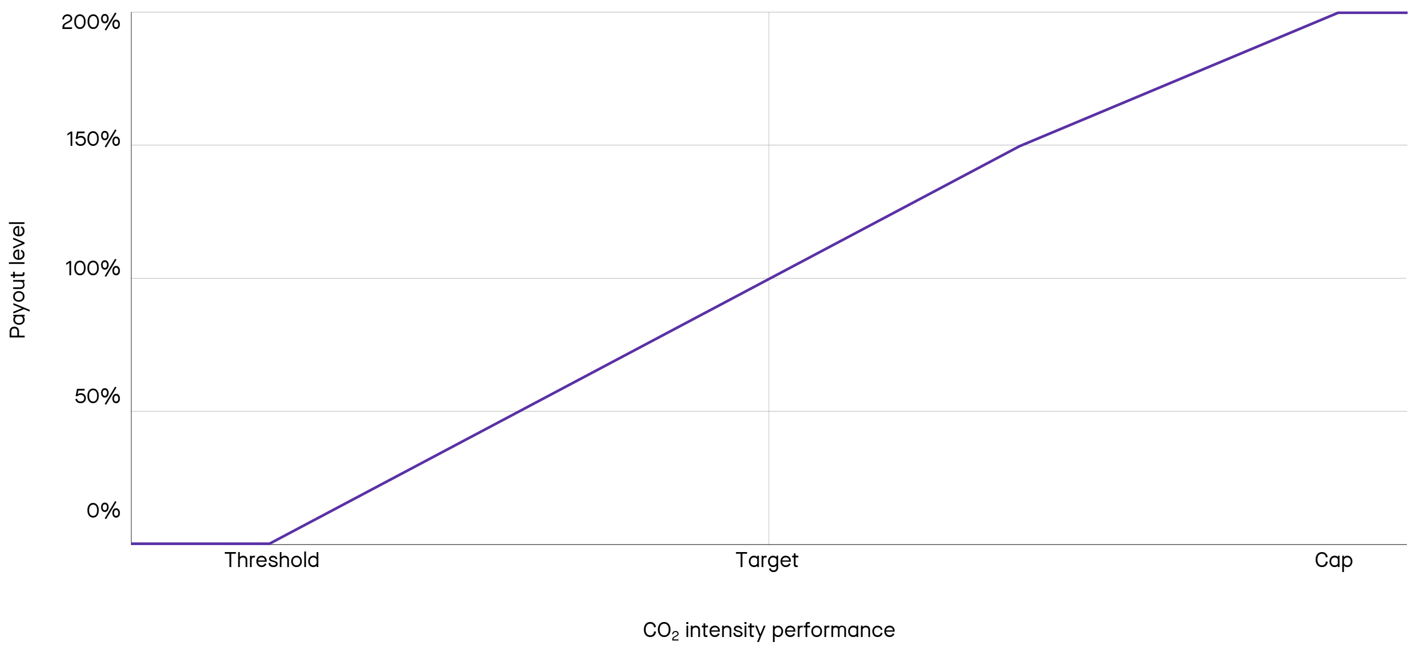
A.P. Møller – Mærsk A/S	Cummins Inc.	Mitsubishi Heavy Industries, Ltd
Alfa Laval Corporate AB	Daihatsu Diesel Mfg. Co., Ltd	Schindler Holding AG
Atlas Copco AB	Donaldson Company, Inc.	Siemens Energy AG
Bharat Heavy Electricals Ltd	Geberit AG	SIG Group AG
Bucher Industries AG	Georg Fischer AG	Stadler Rail AG
Burckhardt Compression Holding AG	IHI Corporation	Wärtsilä Oyj Abp
Caterpillar Inc.	Kuehne + Nagel International AG	Westinghouse Air Brake Technologies Corporation
CNH Industrial N.V.	Meidensha Corporation	Woodward, Inc.

Exhibit 6 – rTSR payout curve



c) **CO_2 intensity** sets the Group's CO_2 emissions against its revenues and is used to measure CO_2 reduction targets. To calculate CO_2 intensity, Accelleron uses a starting baseline of actual figures from 2023, excluding those from OMT, which was acquired that year (these figures were not available at target-setting). A subset of total CO_2 emissions is defined as LTI in-scope (Scope 1, Scope 2, Scope 3 transportation in-bound as well as transportation outbound excluding service), which is divided by the corresponding revenues. The final CO_2 intensity will be determined based on comparing 2026 actuals – excluding figures from companies acquired from 2023 to 2026 – with the predetermined target values. The threshold performance value will usually be set at 120 to 125% of the targeted CO_2 intensity, whereas the cap value will usually be set at around 70 to 75% of the targeted CO_2 intensity.

Exhibit 7 – CO_2 intensity payout curve



Leaver rules

If the employment ends because of retirement, disability, or death, the number of outstanding PSUs will be prorated. In case of retirement, the prorated number of PSUs will continue to be subject to ongoing performance measurement over the full performance period and share transfer will only occur after the full original vesting period. In case of disability or death, the prorated number of PSUs will vest immediately at a payout level of 100%.

If the employment ends because of termination by the employer for cause at any time before the vesting date, PSUs lapse without any compensation.

In all other cases, if the employment ends before completion of the full performance period, PSUs lapse without any compensation (but they will continue to vest if the employment ends on or after the final day of the performance period).

Share ownership guidelines

The EC members are required to own at least a minimum multiple of their annual base salary in Accelleron shares. Therefore, the sale of shares is only allowed if the value of their shareholdings continues to exceed 200% of base salary for the CEO and 100% of base salary for each EC member. The NCC reviews compliance with the share ownership guidelines on an annual basis.

Clawback and malus provisions

Clawback and malus provisions apply to LTI plans. In case of financial restatement due to non-compliance with accounting standards or fraud, and/or in the case of violation of law or internal rules by the CEO or an EC member, the BoD may consider unvested PSUs to be forfeited (malus provision) or may seek reimbursement of vested shares under the LTI (clawback provision) within a period of three years after the year of restatement or fraudulent/non-compliant behavior.

BoD compensation awarded for 2024

The total remuneration awarded to the Board of Directors (BoD) for the business year 2024 amounts to CHF 1,020,000 (and an additional CHF 65,768 in the form of employer social security contributions):

Exhibit 8 – BoD fees from January 1 to December 31, 2024 (audited)

BoD members	Function	Total fees 2024					Total fees 2023
		Cash	Shares[1]	Total (excl. social security)	Social security	Total	Total
Oliver Riemenschneider	Chair	165,000	165,000	330,000	21,631	351,631	351,789
Monika Krüsi	Vice-Chair and AC Chair	75,000	75,000	150,000	10,608	160,608	160,687
Gabriele Sons	NCC Chair	75,000	75,000	150,000	14,981	164,981	164,443
Stefano Pampalone	Member	65,000	65,000	130,000	9,356	139,356	139,429
Bo Cerup-Simonsen	Member	65,000	65,000	130,000	0	130,000	130,000
Detlef Trefzger	Member	65,000	65,000	130,000	9,192	139,192	139,263
Total fees				**1,020,000**		**1,085,768**	**1,085,611**

All amounts in CHF.

1 Restricted shares, subject to a 3-year blocking period. The conversion of the underlying cash amount (50% of total Board fees) into a number of allocated shares is based on the 20-day volume-weighted average share price prior to the allocation date.

BoD fees are paid for the period from the Annual General Meeting to the following year's Annual General Meeting. Therefore, the BoD compensation for the business year 2024 reported above covers portions of two BoD compensation periods: January 1, 2024 to May 7, 2024 (second portion of BoD compensation period 2023/2024) and May 8, 2024 to December 31, 2024 (first portion of BoD compensation period 2024/2025). The table below (Exhibit 9) sets out the coordination between BoD compensation periods (AGM to AGM) and reported compensation for the business year.

Exhibit 9 – Coordination between BoD compensation periods and business year (audited)

	AGM 2023 – AGM 2024		AGM 2024 – AGM 2025	
Approved	1,100,000		1,100,000	
	AGM 2023 to Dec 31, 2023	**Jan 1, 2024 to AGM 2024**	**AGM 2024 to Dec 31, 2024**	**Jan 1, 2025 to AGM 2025**
	718,000	382,000	718,000	382,000
		1,100,000		
Paid for 2024		1,020,000		

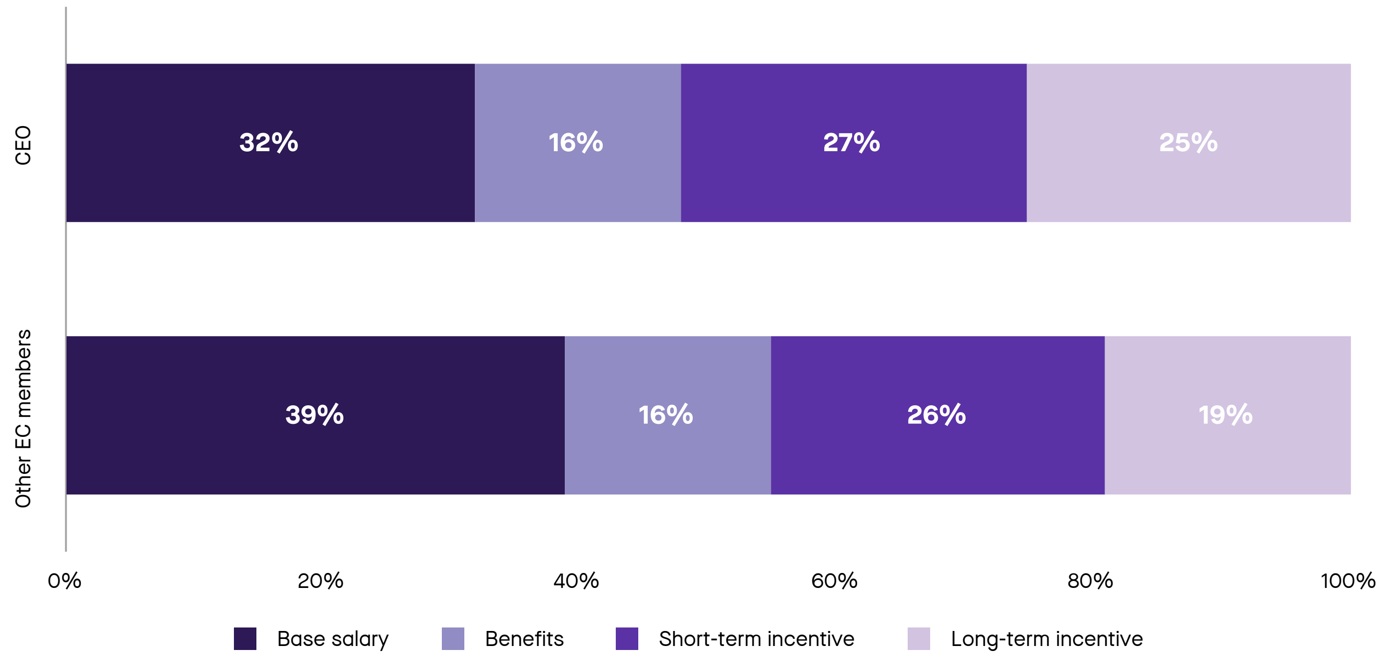
1 All amounts in CHF and excluding social security costs as approved by the Annual General Meeting.

As shown in the table above, the total BoD fees awarded for the business year 2024 (CHF 1,020,000) are within the limits approved by the AGM for the relevant periods.

EC compensation awarded for 2024

The compensation program consisted of a balanced set of fixed and variable elements. With regards to compensation, the composition of the EC remained unchanged during the reporting period. On the basis of the compensation disclosed in Exhibit 11 below, over the period January 1, 2024 to December 31, 2024, the CEO and the other EC members received the following mix of fixed and variable compensation:

Exhibit 10 – Executive Committee compensation mix[1]



1 Compensation mix does not include statutory family allowance and other minor variable benefits.

For the period January 1, 2024 to December 31, 2024, the Company awarded the Executive Committee members the amounts set out below. The total amount of compensation of CHF 6,878,502 awarded to the EC in 2024 is below the maximum aggregated amount of compensation of CHF 7.7 million approved by the shareholders for the business year 2024.

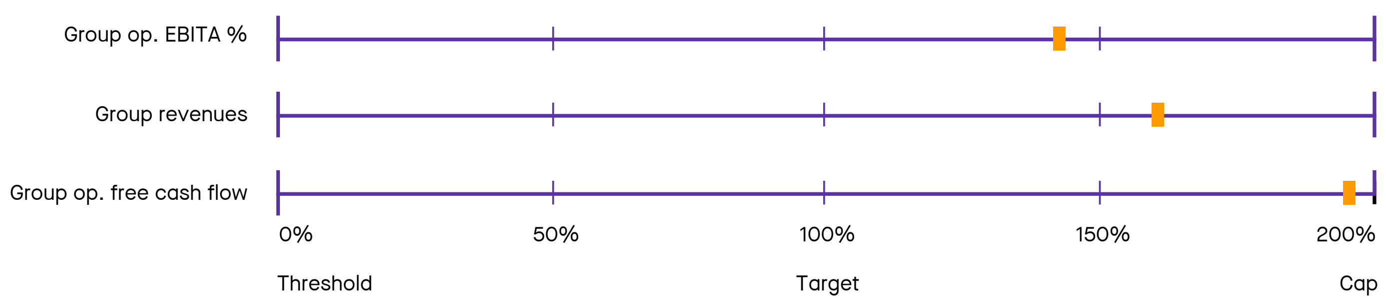
Exhibit 11 – CEO and aggregated EC total compensation per pay element (audited)

	Daniel Bischofberger, CEO[1]		Other EC members		Total	
	2024	2023	2024	2023	2024	2023
Base salary	600,000	600,000	1,830,000	1,830,000	2,430,000	2,430,000
Benefits[2,3]	296,325	257,382	792,441	710,453	1,088,766	967,835
Short-term incentive[4,5]	507,923	469,588	1,466,074	1,332,710	1,973,997	1,802,298
Long-term incentive[6]	465,236	372,765	920,503	737,543	1,385,739	1,110,308
Total compensation	**1,869,484**	**1,699,735**	**5,009,018**	**4,610,706**	**6,878,502**	**6,310,441**

All amounts in CHF.
1 Highest individual compensation.
2 Includes estimated payments for social security and mandatory insurance, as well as final amounts for expenses allowance, pension, and other benefits. Family allowance of CHF 10,200 is excluded.
3 Includes an estimate of employer social security contributions on PSUs granted under the long-term incentive plan.
4 Represents 2024 short-term variable compensation that will be paid in 2025 after the publication of Accelleron's 2024 financial results. Employer social security contributions on STI are included in the separate "benefits" element.
5 Includes the 2024 prorated cash retention payment to some EC members of CHF 235,508 (final payment based on retention agreements signed before listing).
6 The reported amounts reflect the fair market value of PSUs on the grant date, i.e., CHF 32.04 per PSU for grants in 2024.

Details: Short-term incentives awarded for 2024
Reference is made to Exhibit 3, setting out the relevant KPIs for the performance measurement in our STI program. In 2024, Accelleron's financial performance figures improved across the board compared to the previous year, with strong profitability and the revenue mark above expectations. Accelleron's growth last year was driven by the Medium & Low Speed segment, which capitalized on opportunities in new-fuel applications and servicing activities. The High Speed segment slightly declined due to a temporary slowdown in the gas compression market, which was partially compensated by the expansion in emergency power for data centers. Further details on financial performance are available in the respective sections of the Annual Report. The graph below shows the payout levels achieved per Group KPI, pursuant to the mechanism explained above.

Exhibit 12 – Short-term incentive Group KPI achievement



As described in more detail further above, the weighted average of payout levels across all relevant KPIs determines the overall STI payout level, in a range from 0 to 200% of the original target amount.

For 2024, the STI payout level for the CEO is 141% of the target amount, while for the other EC members it ranges from 144 to 151% of the target amount. Expressed in relation to the maximum possible STI payout, these correspond to 71% for the CEO and 72 to 75% for the other EC members. Regarding the financial measures, the weighted achievement was 165% for the CEO and an average of 163% for the other EC members.

The calculation of STI award achievement for the business year excluded financial figures from O.M.C. 2 Diesel S.p.A. ("OMC2") and True North Marine Inc. ("TNM"), both closed on August 29, 2024, so that targets and achievements could be compared on a like-for-like basis. From 2025 onward, OMC2 and TNM financial figures will be fully incorporated in STI target-setting.

Details: LTI awards
Up to 2023, under Accelleron's long-term incentive plan, members of the EC were granted **restricted share units (RSUs)**, which are conditional awards to receive shares free of charge after the vesting period, subject to ongoing employment (no performance conditions). The first tranche of RSUs vested in 2024, with one Accelleron share per RSU transferred to the beneficiaries, providing they were still employed. The vesting of RSUs does not have an impact on the compensation report, because the value of the RSUs was fully reported at the time of grant in 2022. The final tranche of RSUs is due to vest in 2025. Thereafter, no further RSUs will remain outstanding.

As of 2023, Accelleron grants **performance share units (PSUs)** under the updated long-term incentive plan. Details on the mechanism and performance metrics of PSUs can be found in the relevant section further above in this report. Exhibit 11 includes the value of PSUs granted in the relevant year. The PSUs granted in 2023 and 2024 are subject to a three-year vesting period, meaning that vesting and actual share transfer will take place in 2026 and 2027, respectively – subject to employment and performance conditions. In August 2024, Accelleron acquired OMC2 and TNM (for further details on these transactions, see above under company overview). The BoD assessed the impact of such transactions on the outstanding PSUs. It found that while the acquisitions had no direct impact on the rTSR performance measure, they will affect Accelleron's earnings per share (EPS) and – with regard to the 2024 PSU grants – CO_2 intensity, which are relevant performance metrics in the LTI plan for awards to vest. While the target-setting and vesting mechanism for PSUs granted in 2023 and 2024 will remain unchanged (i.e., targets excluding figures of acquired companies), the BoD will ensure that EPS objectives – and, for the 2024 grants, CO_2 intensity objectives also – are measured on a like-for-like basis. For the awards vesting in 2026 and 2027, the direct impact of the acquisitions will be excluded from the EPS and CO_2 performance measures. In summary, this means:

- EPS measurement for PSUs granted in 2023 and 2024: The net income of all companies acquired during the relevant performance period, as well as extraordinary effects of the acquisitions (mainly acquisition-related financing expenses and acquisition-related purchase price-allocation effects and further extraordinary costs that are not part nor the result of the normal course of business operations), will be excluded from Accelleron's earnings for the purposes of the LTI measurement.
- CO_2 intensity measurement for PSUs granted in 2024: CO_2 emissions and revenues from the companies acquired in 2024 will be excluded from Accelleron's results for the purpose of the LTI measurement.

Shareholdings of the Board of Directors and the Executive Committee

As of December 31, 2024, the members of the Board of Directors and the Executive Committee held the following shares in the Company:

Exhibit 13 – Shareholdings of the Board of Directors and the Executive Committee (audited)

Name	Function	Number of shares		Number of unvested shares (RSU/PSU)		Options	
		2024	2023	2024	2023	2024	2023
Members of the Board of Directors							
Oliver Riemenschneider	Chair	14,833	10,497	n/a	n/a	0	n/a
Monika Krüsi	Vice-Chair and AC Chair	6,753	1,992	n/a	n/a	0	n/a
Gabriele Sons	NCC Chair	3,236	1,581	n/a	n/a	0	n/a
Stefano Pampalone	Member	2,595	1,268	n/a	n/a	0	n/a
Bo Cerup-Simonsen	Member	2,804	1,370	n/a	n/a	0	n/a
Detlef Trefzger	Member	3,322	1,623	n/a	n/a	0	n/a
Total		**33,543**	**18,331**	**n/a**	**n/a**	**0**	**n/a**
Members of the Executive Committee							
Daniel Bischofberger	CEO	12,243	17	53,421	51,126	0	n/a
Adrian Grossenbacher	CFO	1,555	0	22,541	18,391	0	n/a
Annika Parkkonen	CHRSO	200	0	11,084	7,211	0	n/a
Roland Schwarz	Division President Service	1,674	100	22,541	18,410	0	n/a
Christoph Rofka	Division President MS, LS & Rail	2,793	162	22,541	19,467	0	n/a
Herbert Müller	Division President HS	1,577	22	15,302	12,984	0	n/a
Dirk Bergmann[1]	CTO	1,006	7	15,302	12,829	0	n/a
Total		**21,048**	**308**	**162,732**	**140,418**	**0**	**n/a**

1 Not an active member of the EC effective end of October 2024 (end of employment in 2025).

Compensation to former members of the Board of Directors and the Executive Committee

In 2024, as in 2023, no compensation was paid to former members of the Board of Directors and the Executive Committee other than the compensation as disclosed in the exhibits above.

Loans for members of the Board of Directors and the Executive Committee and related parties (audited)

In 2024, as in 2023, no loans, credit, or other compensation was granted to current or former members of the Board of Directors and the Executive Committee, and no such loans were outstanding as of the end of the financial year.

Compensation and loans to related parties (audited)

No payments were made to individuals related to related parties of current or former members of the Board of Directors. Further, no loans were granted to such related parties.

Outlook: 2025

As described earlier in this report, the BoD and NCC oversaw and analyzed a market benchmarking exercise in 2024 with regard to BoD and EC remuneration levels and structures, which have remained unchanged since 2022. In terms of total direct compensation, the analysis revealed a gap between Accelleron and the relevant market in the case of all EC members except the CEO.

In light of increased complexity, significant revenue growth, and acquisitions in new business areas, Accelleron addressed this gap by making corresponding individual adjustments in 2025, therefore ensuring Accelleron can continue offering competitive remuneration packages for each role. Details will be explained in the 2025 compensation report. The BoD compensation structure and level will remain as is in 2025.

Accelleron will also continue to explore the most relevant ways of including ambitious ESG targets in its variable compensation, going forward.

Apart from the above, no further amendments or adjustments to the structure and level of compensation are currently envisaged for 2025.

Roles in other companies with commercial purpose

Exhibit 14 – Roles of members of the Board of Directors in other companies with commercial purpose (audited)

Name, function in Accelleron	Name of company	Stock listed	Function in 2024	Function in 2023
Oliver Riemenschneider, Chair	V-Zug Holding AG	Yes	Chair of the Board of Directors	Same as of December 31, 2024
	Consenec[1]	No	Senior Advisor	Same as of December 31, 2024
Monika Krüsi, Vice-Chair and AC Chair	Ascom Holding AG	Yes	Member of the Board, Member of the Audit Committee, Member of the Compensation and Nomination Committee	n/a
	Repower AG	Yes	Chair of the Board of Directors	Same as of December 31, 2024
	Ernst Göhner Stiftung	No	Member of the Board of Trustees, Member of the Board of EGS Beteiligungs AG	Same as of December 31, 2024
	Energie 360°	No	Member of the Board of Directors, Member of the Investment Committee of Smart Energy Innovationsfonds AG (SEIF)	Same as of December 31, 2024
	Burckhardt Compression AG	Yes	n/a	Member of the Board
Gabriele Sons, NCC Chair	ElringKlinger AG	Yes	Member of the Supervisory Board, Member of the Personnel Committee	Same as of December 31, 2024
	Grammer AG	Yes	Member of the Supervisory Board, Chair of the Personnel Committee, Chair of the Nomination Committee	Same as of December 31, 2024
Stefano Pampalone, Member	CNHI International S.A.	No	Agriculture Chief Commercial Officer	President of the Construction Equipment Segment
Bo Cerup-Simonsen, Member	Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping	No	CEO	Same as of December 31, 2024
Detlef Trefzger, Member	easyJet plc	Yes	Member of the Board of Directors, Member of the Audit Committee, Chair of the Safety & Operational Readiness Committee	Same as of December 31, 2024
	Swissport International AG	No	Member of the Board of Directors	n/a
	PSA International	No	Member of the Board of Directors, Member of the Ports Supervisory Committee, Member of the Cargo Solutions Supervisory Committee	Same as of December 31, 2024
	Clayton, Dubilier & Rice	No	Operating Advisor	Same as of December 31, 2024
	Swiss Prime Site AG	Yes	Member of the Board of Directors	n/a
	Larix Equity AG	No	Founder & Chair	Same as of December 31, 2024
	SATS Ltd	Yes	n/a	Member of the Board, Chair of the Safety, Sustainability and Risk Committee

1 No projects.

Exhibit 15 – Roles of members of the Executive Committee in other companies with commercial purpose (audited)

Name, function in Accelleron	Name of company	Stock listed	Function in 2024	Function in 2023
Daniel Bischofberger, CEO	n/a	n/a	n/a	n/a
Adrian Grossenbacher, CFO	n/a	n/a	n/a	n/a
Annika Parkkonen, CHRSO	Dynatos Oy[1]	n/a	n/a	Managing Director, Member of the Board
Roland Schwarz, Division President Service	n/a	n/a	n/a	n/a
Christoph Rofka, Division President MS, LS & Rail	n/a	n/a	n/a	n/a
Herbert Müller, Division President HS	n/a	n/a	n/a	n/a
Dirk Bergmann, CTO[2]	n/a	n/a	n/a	n/a

1 Company was inactive in 2023.

2 Not an active member of the EC effective end of October 2024 (end of employment in 2025).

Corporate governance

The NCC reviews and proposes to the Board of Directors, and the Board of Directors decides on compensation matters, except for the maximum aggregate compensation amounts of the Board of Directors and Executive Committee, which are subject to the approval of shareholders at the Annual General Meeting. The authority levels of the different bodies on compensation matters are detailed in Exhibit 16. In line with the Articles of Association, shareholders also have a non-binding advisory vote at the Annual General Meeting on the compensation report for the previous year and a binding vote on the maximum aggregate amount of compensation for the Board of Directors for the following term and for the Executive Committee for the following financial year.

Exhibit 16 – Authority levels in compensation matters

	CEO	NCC	BoD	AGM
Compensation policy, including incentive plans	Proposal	Recommendation	Approval	
Maximum aggregate compensation amount for the EC		Proposal	Recommendation	Approval
CEO compensation		Recommendation	Approval	
Individual compensation of other EC members	Proposal	Recommendation	Approval	
Performance target-setting and assessment of the CEO		Recommendation	Approval	
Performance target-setting and assessment of other EC members	Proposal	Recommendation	Approval	
Shareholding requirements for CEO and other EC members		Recommendation	Approval	
Maximum aggregate compensation amount for the BoD		Proposal	Recommendation	Approval
Individual compensation of BoD members		Recommendation	Approval	
Compensation report		Recommendation	Approval	Advisory vote

Proposal Recommendation Approval

Shareholder vote at the 2025 Annual General Meeting
In accordance with Article 28 of the Articles of Association, the Board of Directors will ask shareholders at the 2025 Annual General Meeting to cast a binding vote on the following:

- The aggregate amount of compensation payable to the members of the Board of Directors for their term of office from the 2025 Annual General Meeting to the 2026 Annual General Meeting
- The aggregate amount of compensation payable to the CEO and Executive Committee members in the financial year 2026

In addition, the Board of Directors will ask shareholders to cast an advisory vote on the 2024 compensation report. The procedures for voting on the compensation of Executive Committee members and of the Board of Directors are defined in our Articles of Association.

KPMG

Report of the statutory auditor

To the General Meeting of Accelleron Industries AG, Baden

Report on the Audit of the Compensation Report

Opinion

We have audited the Compensation Report of Accelleron Industries AG (the Company) for the year ended December 31, 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 71 to 78 of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Compensation Report (pages 71 to 78) complies with Swiss law and the Company's articles of incorporation.

Basis for Opinion

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

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

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited" in the Compensation Report, the Consolidated Financial Statements, the Statutory Financial Statements of the Company and our auditor's reports thereon.

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

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

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

Board of Directors' Responsibilities for the Compensation Report

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

KPMG

Auditor's Responsibilities for the Audit of the Compensation Report

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

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

- Identify and assess the risks of material misstatement in the 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.

KPMG AG

Simon Studer
Licensed Audit Expert
Auditor in Charge

Andrius Cibas
Licensed Audit Expert

Zurich, March 11, 2025

06

Consolidated Financial Statements of Accelleron

KPMG

Statutory Auditor's Report

To the General Meeting of Accelleron Industries AG, Baden

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of Accelleron Industries AG and its subsidiaries (the Group), which comprise the Consolidated Balance Sheets as of December 31, 2024, the Consolidated Statements of Income, the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Cash Flows, and the Consolidated Statements of Changes in Shareholders' Equity for the year then ended, and the related notes to the Consolidated Financial Statements, including a summary of significant accounting policies.

In our opinion, the Consolidated Financial Statements (pages 83 to 99) present fairly, in all material respects, the financial position of the Group as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP) 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

REVENUE RECOGNITION

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, we do not provide a separate opinion on these matters.

KPMG

REVENUE RECOGNITION

Key Audit Matter	Our response
Total consolidated revenue of the Group for the financial year 2024 amounted to USD 1,023 million (2023: USD 915 million). The Group offers products and services relating to highly customized turbochargers of engines for heavy-duty applications. The Group recognizes revenue when a performance obligation has been satisfied and control has been transferred to the customer, usually at a designated shipping point and in accordance with the agreed delivery terms for products, and upon customer acceptance for services. Revenue is a key performance indicator and therefore in internal and external stakeholders' focus. There is a risk that revenue may be recognized in the wrong accounting period. We consider revenue recognition to be a key audit matter due to the number of transactions that occur close to year-end and the potential impact of these transactions on the Consolidated Financial Statements if they are recorded in an incorrect accounting period.	Our audit procedures included, among others, inquiries with management regarding significant new contracts with customers and relevant changes in existing contracts. The procedures also included reading significant new or amended contracts to evaluate the terms and conditions and their impact on revenue recognition. In addition, we evaluated the design and implementation of certain internal controls related to the Group's revenue process including controls over whether a performance obligation has been satisfied and control has been transferred to the customer. On a sample basis, we reconciled revenue transactions recorded in December 2024 and January 2025 to the supporting documentation such as sales contracts, external shipping documents and customer acceptance reports to assess whether revenue has been recognized in the appropriate period and amount.

For further information on revenue recognition refer to the following: Note 3 of the Consolidated Financial Statements - Significant accounting policies – Revenue recognition.

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 Statutory Financial Statements of Accelleron Industries AG, the audited content of the Compensation Report and our auditor's reports thereon.

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

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

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

Board of Directors' Responsibilities for the Consolidated Financial Statements
The Board of Directors is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with U.S. GAAP 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.

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

— Identify and assess the risks of material misstatement of the Consolidated Financial Statements, 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 Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and SA-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.

KPMG AG

Simon Studer
Licensed Audit Expert
Auditor in Charge

Andrius Cibas
Licensed Audit Expert

Zurich, March 11, 2025

Statements of Income

		Twelve-month period ended December 31,	
(USD in thousands)	**Note**	**2024**	**2023**
Revenues	4	1,022,526	914,859
Cost of sales		(551,342)	(528,927)
Gross profit		**471,184**	**385,932**
Selling, general and administrative expenses		(177,774)	(192,470)
Research and development expenses		(58,232)	(57,448)
Other income, net		2,695	5,292
Income from operations		**237,873**	**141,306**
Interest and other finance expense, net		(12,078)	(4,128)
Income from operations before income taxes		**225,795**	**137,178**
Income tax expense	5	(46,442)	(27,205)
Net income		**179,353**	**109,973**
Attributable to non-controlling interests		9,255	8,766
Attributable to Accelleron		**170,098**	**101,207**
Earnings per share	**6**		
Basic EPS (USD)		1.81	1.08
Diluted EPS (USD)		1.81	1.08

See accompanying Notes to the Consolidated Financial Statements

Statements of Comprehensive Income

	Twelve-month period ended December 31,	
(USD in thousands)	**2024**	**2023**
Net income	179,353	109,973
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment	(29,352)	22,427
Pension and other post-employment plan adjustments	(11,379)	(46,443)
Total other comprehensive loss, net of tax	**(40,731)**	**(24,016)**
Total comprehensive income, net of tax	**138,622**	**85,957**
Less: total comprehensive income, net of tax attributable to non-controlling interests	8,549	8,154
Total comprehensive income attributable to Accelleron, net of tax	**130,073**	**77,803**

See accompanying Notes to the Consolidated Financial Statements

Balance Sheets

(USD in thousands)	Note	December 31, 2024	2023
Cash and cash equivalents		272,522	234,058
Receivables, net	13	205,723	222,415
Contract assets	18	20,776	18,780
Inventories	12	242,659	251,244
Other current assets	14	24,165	36,834
Total current assets		**765,845**	**763,331**
Property, plant and equipment, net	9	196,833	183,635
Operating lease right-of-use assets, net	10	41,492	39,574
Goodwill and other intangible assets	11, 26	109,530	82,739
Deferred tax assets	5	79,545	88,768
Pension asset	8	38,790	46,431
Other non-current assets		1,721	2,323
Total non-current assets		**467,911**	**443,470**
Total assets		**1,233,756**	**1,206,801**
Accounts payable	17	110,710	153,506
Contract liabilities	18	34,019	24,787
Current lease liabilities	10	8,130	11,414
Current debt	21	3,267	1,803
Current provisions	15	32,816	30,285
Accrued liabilities	16	57,752	59,084
Other current liabilities	16	54,101	46,090
Total current liabilities		**300,795**	**326,969**
Non-current debt	21	475,320	475,818
Non-current lease liabilities	10	34,625	29,587
Pension and other employee benefits		9,326	4,860
Deferred tax liabilities	5	39,614	37,822
Non-current provisions	15	19,378	23,376
Other non-current liabilities	23	5,510	5,467
Total non-current liabilities		**583,773**	**576,930**
Total liabilities		**884,568**	**903,899**
Registered ordinary shares, CHF 0.01 par value, 94,500,000 shares issued at December 31, 2024 and December 31, 2023		995	995
Treasury shares at cost, 697,584 at December 31, 2024 and 736,857 shares at December 31, 2023		(3,682)	(3,387)
Additional paid-in capital		16,991	25,550
Accumulated earnings		317,458	224,008
Accumulated other comprehensive income		92	40,117
Total Accelleron shareholders' equity	**19**	**331,854**	**287,283**
Non-controlling interests		**17,334**	**15,619**
Total shareholders' equity		**349,188**	**302,902**
Total liabilities and shareholders' equity		**1,233,756**	**1,206,801**

See accompanying Notes to the Consolidated Financial Statements

Statements of Cash Flows

(USD in thousands)	Twelve-month period ended December 31, 2024	2023
Operating activities:		
Net income	**179,353**	**109,974**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	36,301	30,128
Pension and other employee benefits	(13,549)	(14,531)
Deferred taxes	10,754	10,566
Other	12,895	18,336
Changes in operating assets and liabilities:		
Receivables, net	7,107	(6,021)
Contract assets and liabilities	7,587	(1,046)
Inventories	(6,800)	(17,663)
Accounts payable, trade	(36,769)	8,329
Accrued liabilities	142	7,000
Provisions, net	3,782	164
Income taxes payable and receivable	4,735	5,824
Other assets and liabilities, net	10,590	(5,867)
Net cash provided by operating activities	**216,128**	**145,193**
Investing activities:		
Purchases of property, plant and equipment and intangible assets	(38,524)	(36,203)
Proceeds from sales of property, plant and equipment	116	89
Acquisition of businesses (net of cash acquired)	(58,769)	(92,849)
Net cash (used in) investing activities	**(97,177)**	**(128,963)**
Financing activities:		
Net transfer to Former Parent[1]	—	(10,506)
Increase in debt	205,296	110,985
Repayment of debt	(176,757)	—
Dividends paid to non-controlling interests	(6,854)	(4,652)
Dividends paid to Accelleron shareholders	(88,223)	(76,212)
Net cash (used in)/provided by financing activities	**(66,538)**	**19,615**
Effects of exchange rate changes on cash and cash equivalents	(13,949)	8,856
Net change in cash and cash equivalents	**38,464**	**44,701**
Cash and cash equivalents, beginning of period	**234,058**	**189,357**
Cash and cash equivalents, end of period	**272,522**	**234,058**
Supplementary disclosure of cash flows information:		
Interest paid	(10,374)	(8,445)
Income taxes paid	(28,311)	(11,609)

1 2023 movement represents net transfer to ABB Ltd. (Former Parent) of property, plant and equipment.

See accompanying Notes to the Consolidated Financial Statements

Statements of Changes in Shareholders' Equity

(USD in thousands)	Registered ordinary shares	Treasury shares	Treasury shares / Compensation reserve	Additional paid-in capital	Accumulated earnings	Accumulated comprehensive income	Total Accelleron shareholders' equity	Non-controlling interests	Total shareholders' equity
Balance as of January 1, 2023	**995**	**(3,981)**	**—**	**100,448**	**122,801**	**63,521**	**283,784**	**12,722**	**296,506**
Net income through December 31, 2023	—	—	—	—	101,207	—	101,207	8,766	109,973
Dividends to non-controlling shareholders	—	—	—	—	—	—	—	(4,652)	(4,652)
Change in non-controlling interest	—	—	—	—	—	—	—	(612)	(612)
Dividends to Accelleron shareholders	—	—	—	(76,316)	—	—	(76,316)	—	(76,316)
Share-based compensation	—	63	531	1,418	—	—	2,012	—	2,012
Other comprehensive loss, net	—	—	—	—	—	(23,404)	(23,404)	(605)	(24,009)
Balance at December 31, 2023	**995**	**(3,918)**	**531**	**25,550**	**224,008**	**40,117**	**287,283**	**15,619**	**302,902**
Balance as of January 1, 2024	**995**	**(3,918)**	**531**	**25,550**	**224,008**	**40,117**	**287,283**	**15,619**	**302,902**
Net income through December 31, 2024	—	—	—	—	170,098	—	170,098	9,255	179,353
Dividends to non-controlling shareholders	—	—	—	—	—	—	—	(6,854)	(6,854)
Change in non-controlling interest	—	—	—	—	—	—	—	20	20
Dividends to Accelleron shareholders	—	—	—	(10,994)	(76,648)	—	(87,642)	—	(87,642)
Share-based compensation	—	236	(531)	2,435	—	—	2,140	—	2,140
Other comprehensive loss, net	—	—	—	—	—	(40,025)	(40,025)	(706)	(40,731)
Balance at December 31, 2024	**995**	**(3,682)**	**—**	**16,991**	**317,458**	**92**	**331,854**	**17,334**	**349,188**

See accompanying Notes to the Consolidated Financial Statements

Notes to the Consolidated

Financial Statements

Note 1

The Company

Accelleron Industries AG and its subsidiaries (collectively the Company or Accelleron) together form a global leader in turbocharging technologies and optimization solutions for 0.5 to 80+ megawatt (MW) engines, helping to provide sustainable, efficient and reliable power to the marine, energy, rail and off-highway sectors. Through its innovative product offerings and research leadership, the Company accelerates the decarbonization of the industries it operates in. Accelleron has an installed base of approximately 180,000 turbochargers and a network of approximately 100 service stations across more than 50 countries worldwide.

Accelleron operates through two reporting segments, High Speed (HS) and Medium & Low Speed (M&LS), which offer turbochargers and fuel injection, as well as services throughout the whole product lifecycle.

On August 29, 2024, the Company completed the acquisitions of O.M.C. 2 Diesel S.p.A. (OMC2) in Cazzago San Martino (Italy) and True North Marine Inc. (TNM) in Montreal (Canada). The Company's Consolidated Financial Statements reflect the results of the acquisitions, which are further presented in the accompanying notes herein.

The Company's registered shares are listed on the SIX Swiss Exchange under the ticker symbol ACLN (ISIN: CH1169360919 / Swiss security number: 116936091).

Note 2

Basis of preparation

The Company's Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

The Company's accounting policies remain substantially unchanged from December 31, 2023. Unless otherwise stated, all financial information in US dollars ($ or USD) is presented in thousands, except per-share amounts. For this reason, certain amounts in the Company's Notes to the Consolidated Financial Statements may not add up or recalculate due to rounding.

Note 3

Significant accounting policies

The following is a summary of significant accounting policies used in the preparation of these Consolidated Financial Statements.

Principle of consolidation

The Consolidated Financial Statements include the accounts of Accelleron Industries AG and its subsidiaries in which the Company has control. Inter-company accounts and transactions have been eliminated in consolidation.

Use of estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures in the accompanying notes. Actual results could differ materially from those estimates. Estimates and assumptions are periodically reviewed, and the effects of changes are reflected in the Consolidated Financial Statements in the period they are determined to be necessary.

Translation of foreign currencies and foreign exchange transactions

The reporting currency of the Company is US dollars. The functional currency for most of the Company's foreign subsidiaries is their local currency. For purposes of presenting Consolidated Financial Statements, net assets are translated at period-end exchange rates while revenue, expense, and cash flow items are translated at average exchange rates for the applicable period. Translation adjustments for foreign subsidiaries are recorded within accumulated other comprehensive income (loss) in equity.

The exchange rates for the most significant foreign currencies in 2024 are as follows:

	Year-end rate	Average rate
Euro (EUR)	1.040	1.047
Swiss Franc (CHF)	1.107	1.122
Japanese Yen (JPY)	0.006	0.007
Chinese Yuan (CNY)	0.137	0.137
Singapore Dollar (SGD)	0.736	0.741
Indian Rupee (INR)	0.012	0.012
British Pound (GBP)	1.255	1.264

Foreign currency gains and losses, such as those resulting from currency denominated receivables or payables, are included in the determination of earnings. Exchange gains and losses recognized in earnings are included in total revenues, cost of sales, general and administrative expenses, interest and other finance (expense), net, consistent with the nature of the underlying item.

Revenue recognition

The Company accounts for a contract with a customer when the contract has been approved by both parties, has commercial substance, contains payment terms, as well as each party's rights and commitments, and collectability under the contract is considered probable.

The Company offers product and services contracts to meet its customers' needs. These contracts are largely recognized at a point in time with a minor percentage of performance obligations recognized over a period of time. Goods and services under such contracts are evaluated to determine whether they form distinct performance obligations and should be accounted for as separate revenue transactions. The Company allocates the sales price to each distinct performance obligation based on the price of each item sold in separate transactions at the inception of the contract.

Point-in-time revenue is recognized when the customer obtains control which is when it has taken title and assumed the risks and rewards of ownership specified in the contract. Generally, the transfer of title and risks and rewards of ownership are governed by the contractually defined shipping terms. Revenue for services is recognized at the point of customer acceptance.

Payment terms and rebates are agreed upon and apply to all sales of products or services under the contract. The price list and payment terms are fixed for a timeframe, usually between two and three years. Some large customers have incentives in the form of volume rebates, which are a variable element when determining the transaction price and are accounted for as a reduction of revenues.

The differences between the timing of revenues recognized and customer billings result in changes to contract assets and contract liabilities. Contract assets arise when the timing of billing to customers occurs after the timing of revenue recognition. Contract liabilities are recorded for amounts invoiced to customers in advance of revenue recognition.

Research and development
Research and development costs are predominantly non-order related and are expensed as incurred.

Cash and cash equivalents
Cash and cash equivalents include highly liquid investments purchased with an original maturity of three months or less.

Accounts receivable and allowance for expected credit losses
Accounts receivable are recorded at the invoiced amount. The Company provides an allowance against accounts receivable for the amount expected to be uncollectible. The Company records a specific reserve for individual accounts when the Company becomes aware of specific customer circumstances, such as in the case of deterioration in the customer's operating results or financial position. If there are additional changes in circumstances related to the specific customer, the Company further adjusts estimates of the recoverability of receivables. The Company maintains an allowance for expected credit losses for all other customers based on a variety of factors, including the use of financial condition of customers, payment history, length of time receivables are past due, macroeconomic conditions, significant one-time events, and historical experience. Accounts receivable are written off against the allowance when they are deemed uncollectible.

The Company maintains non-recourse factoring agreements with a financial institution and regularly transfers certain account receivables from one customer. Under this factoring agreement, the Company is not exposed to any default risk of the transferred receivables.

Concentrations of credit risk
Concentrations of credit risk with respect to accounts receivable are limited, as the customer base is comprised of a large number of individual customers. Ongoing credit evaluations of customers' financial positions are performed to determine whether the use of credit support instruments such as guarantees, letters of credit or credit insurance are necessary; collateral is not generally required. The Company invests cash in deposits with banks throughout the world with certain minimum credit ratings and in high-quality, low-risk, liquid investments. The Company actively manages its credit risk by routinely reviewing the creditworthiness of the banks and the investments held.

Derivative instruments
Derivative instruments, not designated as hedging instruments, consist of foreign exchange contracts, and are used by the Company to hedge foreign currency denominated balance sheet exposures, forecasted foreign currency denominated sales and related foreign currency denominated purchases. All derivative instruments are initially recognized at fair value and changes in fair value are recognized as derivative gains and losses in cost of sales or in interest and other finance (expense), net, consistent with the nature of the underlying item. Any cash-flow impact on settlement of these contracts is classified in the Consolidated Statement of Cash Flows as "net cash provided by operating activities".

Inventories
Inventories are stated at the lower of cost (computed in accordance with the weighted-average cost method) or net realizable value. Elements of cost include raw materials, purchased components, labor, and overhead.

Property, plant and equipment
The Company states property, plant and equipment at cost less accumulated depreciation. The Company capitalizes additions and improvements, and records expense for maintenance and repairs as incurred. Depreciation expense is recognized on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives are 15 to 40 years for buildings and 3 to 15 years for machinery and equipment. Leasehold improvements are depreciated over their estimated useful life or, for operating leases, over the lease term, if shorter.

Goodwill and other intangible assets
Goodwill is assessed for impairment annually in the fourth quarter, or more frequently if events or changes in circumstances indicate that it might be impaired, by comparing carrying value to the reporting unit's fair value.

When evaluating goodwill for impairment, either a qualitative or quantitative assessment method is used. The qualitative assessment involves determining, based on an evaluation of qualitative factors, if it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value. If, based on this qualitative assessment, it is determined to be more-likely-than-not that the reporting unit's fair value is less than its carrying value, a quantitative impairment test is performed, otherwise no further analysis is required. The quantitative impairment test calculates the fair value of a reporting unit (based on the income approach whereby the fair value of a reporting unit is calculated based on the present value of future cash flows) and compares it to the reporting unit's carrying value. If the carrying value of the net assets of a reporting unit exceeds the fair value of the reporting unit, then an impairment charge equal to the difference is recognized, provided that the loss recognized does not exceed the total amount of goodwill allocated to that reporting unit.

Costs incurred to develop software for internal use are capitalized within other intangible assets and are amortized on a straight-line basis over the estimated useful life, typically ranging from three to five years. Subsequent additions, modifications or upgrades are only capitalized if such changes allow the software to perform a task it previously did not perform.

Impairment of long-lived assets

The Company reviews long-lived assets, primarily property, plant and equipment and intangible assets with finite lives, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If impairment indicators are present and the estimated future undiscounted cash flows are less than the carrying value of the assets, the carrying values are reduced to the estimated fair value. Fair values are determined based on quoted market values, discounted cash flows, or external appraisals, as applicable.

Provision for warranties

The Company offers warranties for products and services. For products, the warranty length ranges from 12 to 36 months. For services, the length is typically 6 to 12 months. The Company provides for anticipated costs for warranties when it recognizes revenues on the related products or services.

The warranty reserve includes the best estimate of the projected costs to replace or repair items under warranties including imperfections in design, material and workmanship. These estimates are based on actual claims incurred to date and an estimate of the nature, frequency and costs of future claims. In addition, the Company makes individual assessments with risks resulting from order-specific conditions or guarantees and assessments on an overall, statistical basis for similar products sold in larger quantities. The portion of the warranty reserve expected to be incurred within the next 12 months is included within current provisions, while the remaining balance is included within non-current provisions. Warranty expense is recorded as a component of cost of sales.

Leases

The Company enters into operating leasing arrangements mainly for real estate, vehicles and machinery. The Company determines if a contract is or contains a lease at inception. A contract is a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For leases with an original term of more than 12 months, the Company recognizes a right-of-use asset (RoU) and a lease liability. RoU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. Short-term leases and low-value leases are not recorded on the Consolidated Balance Sheets and the related expense is recognized on a straight-line basis over the term of the lease.

Lease liabilities are recorded at the commencement date of the lease based on the present value of the minimum lease payments which include any non-cancellable lease terms and any renewal periods that the Company is reasonably certain to exercise. The present value of the lease payments is determined by using the interest rate implicit in the lease, if available. As most of the operating leases do not provide an implicit rate, the Company’s incremental borrowing rate is used for most leases and is determined for portfolios of leases based on the remaining lease term, currency of the lease, and the internal credit rating of the subsidiary which entered into the lease.

Lease and non-lease components for leases other than real estate are not accounted for separately.

Income taxes

Income taxes are computed using the asset and liability method, under which deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Earnings per share

Basic earnings per share are computed by dividing net income available to Accelleron’s shareholders by the weighted average number of ordinary shares outstanding for the period. Diluted earnings per share are calculated by adjusting the weighted average outstanding ordinary shares to include any dilutive effect of shares granted subject to certain conditions under the Company’s share-based payment arrangements.

Share-based payment arrangements

The Company has two equity incentive plans in place, defined as long-term incentive plans (LTIPs), which provides eligible Accelleron’s employees with equity-settled awards in the form of restricted stock units (RSUs) and performance share units (PSU). The Company expenses the fair values of RSUs and PSUs granted to senior employees as compensation over the related vesting periods. RSUs are only conditional on the provision of services by the plan participant during the vesting period and they are valued at fair value on the grant date.

PSUs granted are subject to the achievement of certain performance criteria during the performance period and require participants to provide services during the period. The performance criteria are based on the Company’s earnings per share performance, on the Company’s relative total shareholder return and on ESG related targets. The number of equity instruments that finally vest is determined at the vesting date. The payout between 0% and 200% of target is dependent upon the above performance metrics.

As RSUs and PSUs do not entitle the holder to dividends, the fair value is based on the share price at the grant date adjusted for the net present value of the dividends expected to be paid during the holding period. If a plan participant leaves for reasons other than retirement, disability or death, then the unvested RSUs and PSUs are forfeited.

Fair value of financial instruments

The required fair values of the Company’s financial assets and financial liabilities reflect the amounts that could be received to sell the assets or paid to transfer the liabilities in an orderly transaction between market participants at the measurement date (exit price). The Company determines fair value based on a three-tiered fair value hierarchy. The hierarchy consists of:

Level 1: Observable inputs, such as actively exchange-traded securities which are valued at quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the reporting date;

Level 2: Valuation inputs, other than quoted prices in active markets, that are determined using input prices that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data; and

Level 3: Valuation inputs that are determined using unobservable inputs requiring use of the Company's assumptions, such as internally developed pricing models for the asset or liability due to little or no market activity for the asset or liability.

Contingencies
Guarantees provided in favor of third parties are reported off-balance sheet as contingent liabilities. A provision for contingent obligations is recorded only when it becomes probable that an outflow of resources will occur and the amount can be reasonably estimated.

Any such provision is generally recognized on an undiscounted basis using the Company's best estimate of the amount of loss incurred or at the lower end of an estimated range when a single best estimate is not determinable. In some cases, the Company may be able to recover a portion of the costs relating to these obligations from insurers or other third parties; however, the Company records such amounts only when it is probable that they will be collected.

Pensions and other post-employment benefits
In accordance with local regulations and practices, the Company has various employee benefit plans, including defined contribution and termination indemnity plans. The Company recognizes the funded status of each defined benefit pension plan in the Consolidated Balance Sheets. Each overfunded plan is recognized as an asset in employee benefit assets and each underfunded plan is recognized as a liability in employee benefit obligations. The Company measures plan assets and obligations that determine its funded status at year-end and recognizes the changes in the funded status in the year in which the changes occur.

Actuarial valuations are used to determine pension and post-retirement benefit costs and credits. The amounts calculated depend on a variety of key assumptions, including discount rates and expected return on plan assets. Current market conditions are considered in selecting these assumptions. Significant differences between assumptions and actual experience, or significant changes in assumptions, may materially affect the plan net assets. The effects of actual results differing from assumptions and the changing of assumptions are included in net actuarial gain/(loss) within "Accumulated other comprehensive income (loss) or income".

Business combinations
Acquisitions are recorded using the acquisition method of accounting. The Company allocates the purchase consideration to the assets acquired, liabilities assumed, and non-controlling interests in the acquired entity generally based on the fair values at the acquisition date. The excess of the fair value of purchase consideration over the fair value of these assets acquired, liabilities assumed and non-controlling interests in the acquired entity is recorded as goodwill. Acquisition-related costs are expensed as incurred. During the measurement period, which may be up to one year from the acquisition date, the Company has the ability to record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill.

New accounting pronouncements

Recently adopted accounting standards
In November 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-07 (Topic 280): Improvements to reportable segments disclosures. This update is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company adopted the guidance for the fiscal year ended December 31, 2024 with no significant impact on the Company's Consolidated Financial Statements.

Recently issued accounting pronouncements not yet adopted
In December 2023, the FASB issued ASU 2023-09 – Improvements to Income Tax Disclosures, which amends Income Taxes (Topic 740). This update which requires the Company to disclose additional information related to income taxes. This update is effective for the Company prospectively, with retrospective adoption permitted, for annual periods beginning January 1, 2025. The Company is currently evaluating the impact of this standard on its Consolidated Financial Statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures. ASU 2024-03 is intended to improve disclosures about a public entity's expenses and provide more detailed information to investors about the types of expenses in commonly presented expense captions. The amendments in this update are effective for the Company for annual periods beginning January 1, 2027 with retrospective adoption permitted.

Note 4

Operating segment and disaggregated revenue information

The Company operates in two segments and discloses its operations according to the product lifecycle segmentation, which is composed of High Speed (HS) and Medium & Low Speed (M&LS) segments:

- HS produces and services turbochargers with power ranging from 500 – 5,000 kilowatts, for the use of 1 to 4 turbochargers per engine. HS turbochargers are mainly used in marine, electric power generation, oil & gas onshore and off-highway applications.
- M&LS: produces and services turbochargers with power output from 3,000 to 30,000 kilowatts, for the use of 1 to 2 turbos per engine. Such turbochargers are used mainly in marine and electric power generation applications. In addition, this reporting segment includes business activities relating to rail, fuel injection and digital, as their application is primarily related to the Medium & Low Speed segment.

The Company's Chief Operating Decision Maker (CODM) is the Executive Committee which is a group of the highest ranked individuals within the Company (including Chief Executive Officer, Chief Financial Officer, Chief HRS Officer, Chief Technology Officer and the division presidents) who manage the business operations for the purposes of allocating resources, making operating decisions and evaluating financial performance.

The segments' performance measure is operational earnings before interest, taxes and amortization (Operational EBITA) which eliminates the impact of certain items that the Company does not consider indicative of its ongoing operating performance. The CODM uses the reported measure to evaluate the business performance.

Information on segment assets and significant segment expenses are not disclosed by segment as this information is not regularly provided to the CODM to evaluate segment performance or allocate resources and capital. The CODM evaluates performance, variances and allocates resources and capital on consolidated level. The CODM uses consolidated figures to evaluate performance and allocation of resources/capital by monitoring actual versus budgeted results.

Segment Operational EBITA and the reconciliation to the Company's consolidated results are as follows:

	Twelve-month period ended December 31,	
(USD in thousands)	**2024**	**2023**
Income from operations before income taxes	**225,795**	**137,178**
Add back: Interest and other finance expense, net[1]	12,078	4,128
Income from operations	**237,873**	**141,306**
Add back: One-off and other non-operational costs, net[2]	18,579	80,025
Add back: Acquisition-related amortization	5,415	1,769
Operational EBITA:	**261,867**	**223,100**
Thereof High Speed	62,757	59,297
Thereof Medium & Low Speed	199,109	163,803

1 Interest and other finance income/(expense), net includes non-operational pension income in the amount of USD 11,860 thousands (2023: USD 10,227 thousands), interest expense in the amount of USD 9,144 thousands (2023: USD 9,283 thousands) and other finance expenses (foreign currency remeasurement effects) in the amount of USD 14,794 thousands (2023: USD 5,072 thousands).

2 One-off and other non-operational costs, net includes operational pension gain in the amount of USD 356 thousands (2023: USD 4,165 thousands), foreign exchange gain in the amount of USD 1,573 thousands (2023: USD 1,604 thousands loss), build-up costs following the spin-off from Former Parent in the amount of USD 15,797 thousands and M&A activity-related non-operational and one-off cost of USD 4,710 thousands (2023: USD 77,364 thousands and USD 4,977 thousands M&A) and acquisition-related amortization of USD 5,415 thousands (2023: USD 1,769 thousands).

The following table presents disaggregated revenues information for December 31, 2024, and December 31, 2023.

	Twelve-month period ended December 31,	
(USD in thousands)	**2024**	**2023**
Geographical markets:		
Asia, Middle East & Africa	439,188	374,285
thereof Japan	74,007	68,324
thereof China	105,223	100,192
The Americas	232,761	216,541
thereof United States of America	164,973	165,067
Europe	350,577	324,033
thereof Switzerland	22,329	28,372
Total revenues	**1,022,526**	**914,859**
Segment:		
High Speed Products and Services	248,998	249,940
Medium & Low Speed Products and Services	773,528	664,919
Total revenues	**1,022,526**	**914,859**
Third-party revenues	1,022,526	914,859
Total revenues	**1,022,526**	**914,859**

One of the Company's HS customers accounted for 12% and 14% of total revenues in 2024 and 2023, respectively. Another customer of the Company's M&LS segment accounted for 12% and 11% of total revenues in 2024 and 2023, respectively.

Note 5

Income taxes

Income taxes are based on the laws and rates in effect in the countries in which operations are conducted or in which the Company or its subsidiary are considered resident for income tax purposes.

The Company is a global corporation, generating income in several jurisdictions. The "income tax expense" of the taxing jurisdictions consisted of the following:

	Twelve-month period ended December 31,	
(USD in thousands)	**2024**	**2023**
Current taxes	(35,688)	(16,639)
Deferred taxes	(10,754)	(10,566)
Income tax expense	**(46,442)**	**(27,205)**

The effective income tax rate on pre-tax earnings differed from the blended Swiss statutory tax rate as follows:

	Twelve-month period ended December 31,	
(USD in thousands)	**2024**	**2023**
Income from operations before income taxes	**225,795**	**137,178**
Blended Swiss statutory tax rate	**15.1%**	**16.3%**
Income taxes at blended Swiss statutory tax rate	(34,090)	(22,359)
Non-deductible / non-taxable items	(73)	882
Items taxed at rates other than the blended Swiss statutory tax rate	(7,410)	(3,705)
Effects of changes in tax laws and (enacted) tax rates	(203)	2,045
Any tax expense for dividends and related distributions	(1,943)	(2,247)
Adjustments for tax of prior periods	(893)	(1,412)
Other, net	(1,830)	(409)
Income tax expense	**(46,442)**	**(27,205)**
Effective tax rate for the year	**(20.6%)**	**(19.8%)**

Deferred income tax assets and liabilities consisted of the following:

(USD in thousands)	2024	December 31, 2023
Deferred tax assets:		
Intangible assets	58,648	69,595
Unused tax losses and credits	8,391	7,826
Provisions and other accrued liabilities	5,428	5,166
Pension	917	946
Inventories	2,805	2,486
Property, plant and equipment	969	545
Other liabilities	8,012	8,480
Other	1,772	2,586
Total gross deferred tax assets	**86,942**	**97,630**
Valuation allowance	**(495)**	**(327)**
Total gross deferred tax asset, net of valuation allowance	**86,447**	**97,303**
Deferred tax liabilities:		
Intangible assets	(10,951)	(11,265)
Property, plant and equipment	(14,405)	(17,085)
Other liabilities	(469)	(368)
Provisions and other accrued liabilities	(3,104)	(3,100)
Inventories	(5,524)	(3,581)
Pension	(5,948)	(7,037)
Unremitted earnings	(4,948)	(3,295)
Other	(1,167)	(626)
Total gross deferred tax liabilities	**(46,516)**	**(46,357)**
Net deferred tax asset	**39,931**	**50,946**

Included in:		
"Deferred tax assets" – non-current assets	79,545	88,768
"Deferred tax liabilities" – non-current liabilities	(39,614)	(37,822)
Net deferred tax asset	**39,931**	**50,946**

Deferred taxes on undistributed earnings of foreign subsidiaries as of December 31, 2024, and December 31, 2023, are USD 4,948 thousands and USD 3,295 thousands respectively. The Company does not have any unremitted earnings which are permanently reinvested.

The expiration of the tax losses carried forward as of December 31, 2024, is as follows:

Tax Losses Carried Forward Financial year ending December 31 (USD in thousands)	
2025	–
2026	546
2027	–
2028	726
2029	5,674
Thereafter	5,429
Never Expire	20,690
Total	**33,065**

As of December 31, 2024, the earliest significant open tax years that remained subject to examination were the following:

Europe	2021
United States	2021
Rest of Americas	2021
China	2013
Rest of Asia, Middle East and Africa	2019

Accelleron Group is within the scope of the OECD/G20 Pillar Two Model Rules, which apply to multinational groups that have consolidated revenues of EUR 750 million or more. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, and the respective legislation came into effect from January 1, 2024.

Accelleron assessed the Group's potential exposure to Pillar Two income taxes as of January 1, 2024. This assessment is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15% and the Group can benefit from the transitional safe harbor relief. Accelleron does not expect to be subject to material Pillar Two income taxes for fiscal year 2024.

Note 6

Earnings per share

(USD in thousands, except share and per share numbers)	Twelve-month period ended December 31, 2024	2023
Numerator:		
Net income attributable to Accelleron	170,098	101,207
Denominator:		
Weighted number of outstanding shares (undiluted)	93,796,312	93,757,302
Weighted number of outstanding shares (diluted)	93,975,150	93,849,162
Basic EPS (USD)	**1.81**	**1.08**
Diluted EPS (USD)	**1.81**	**1.08**

As of December 31, 2024, 96.8 thousands shares (December 31, 2023: 126.8 thousands shares) were considered anti-dilutive and excluded from the computation of dilutive EPS for the period presented.

Note 7

Share-based compensation

For the year ended December 31, 2024, the expense related to all equity-based participation plans was as follows:

	Twelve-month period ended December 31,	
(USD in thousands)	**2024**	**2023**
Total share-based compensation expense	**2,128**	**1,879**

The share-based compensation expense was primarily recorded in selling, general and administrative expenses in the Consolidated Statements of Income. As of December 31, 2024, the approximate value of total unrecognized share-based compensation related to unvested RSUs and PSUs granted under the LTIPs is USD 2,651 thousands. That cost is expected to be recognized over a weighted-average period of about two years.

As of December 31, 2024, and December 31, 2023, unvested RSUs and PSUs share movements for all of the Company's equity-based incentive plans are as follows:

	LTIP 2021	LTIP 2022	LTIP 2023	LTIP 2024	Weighted Average Grant Date Fair Value Per Share (USD)
Unvested as of December 31, 2022	**28,746**	**101,389**	**—**	**—**	**19.32**
Granted	—	—	88,502	—	21.56
Unvested as of December 31, 2023	**28,746**	**101,389**	**88,502**	**—**	**20.37**
Granted	—	—	—	61,164	35.96
Vested	(26,861)	—	—	—	—
Forfeited	1,885	2,317	1,868	—	—
Unvested as of December 31, 2024	**0**	**99,072**	**86,634**	**61,164**	**24.48**

Note 8

Employee benefits

The Company operates a defined benefit pension plan in Switzerland (The Plan), which also provides benefits upon death and disability, along with further less material defined benefit and other employee benefit arrangements in other countries. The Company implemented its own pension solution as of January 1, 2023, which encompasses the majority of the total balance. Before this date the Swiss pension arrangement was financed through existing Former Parent pension plans. The measurement date used for the Company's employee benefit plans is December 31. The funding policies of The Plan are consistent with local government and tax requirements.

The Company recognizes in its Consolidated Balance Sheets the funded status of its defined benefit pension plan, post-retirement plan and other employee-related benefits measured as the difference between the fair value of the plan assets and the benefit obligation.

Obligations and funded status of The Plan

The change in benefit obligation, change in fair value of plan assets, and funded status recognized in the Consolidated Balance Sheets were as follows:

		December 31,
(USD in thousands)	**2024**	**2023**
Projected benefit obligation at beginning of period	469,409	376,482
Service cost	10,597	8,466
Interest cost	5,451	8,034
Employee contributions	7,904	8,157
Benefits paid from plan assets	(12,417)	(10,014)
Actuarial loss	34,032	42,967
Foreign currency exchange rates changes	(31,035)	35,317
Projected benefit obligation at end of period	**483,941**	**469,409**
Accumulated benefit obligation	**459,583**	**444,064**

		December 31,
(USD in thousands)	**2024**	**2023**
Fair value of plan assets at beginning of period	515,840	453,499
Actual return on plan assets	33,004	8,768
Employer contributions	12,504	12,887
Employee contributions	7,904	8,157
Benefits paid from plan assets	(12,417)	(10,014)
Foreign currency exchange rates changes	(34,104)	42,543
Fair value of plan assets at end of period	**522,731**	**515,840**

		December 31,
(USD in thousands)	**2024**	**2023**
Net actuarial loss	76,955	63,860
Net prior service cost	1,478	1,820
Total accumulated other comprehensive income	**78,433**	**65,680**

The following amounts were recognized in the Company's Consolidated Balance Sheets as of December 31 and classified as non-current assets:

		December 31,
(USD in thousands)	**2024**	**2023**
Pension asset	38,790	46,431
Total amount recognized	**38,790**	**46,431**

Components of net periodic benefit cost

Net periodic benefit costs for The Plan include the following components:

		Year Ended December 31,
(USD in thousands)	**2024**	**2023**
Service cost	10,597	8,466
Interest cost	5,451	8,034
Expected return on plan assets	(17,616)	(19,373)
Amortization of prior service cost and loss amortization	1,548	237
Total net periodic benefit cost	**(20)**	**(2,636)**
Thereof operational	10,597	8,466
Thereof non-operational	(10,617)	(11,102)

Service cost is included in income from operations. All other components of net periodic benefit cost/(income) other than employer service cost are presented below the income from operations line.

Assumptions

The following assumptions were used to determine the projected benefit obligation at December 31 (weighted average):

	December 31,	
(USD in thousands)	2024	2023
Discount rate	0.9%	1.3%
Interest credit rate	2.0%	2.0%
Expected long-term rate of return on plan assets	3.8%	3.8%
Rate of compensation increase	1.3%	1.3%

For The Plan, the discount rate used at each measurement date is set based on a high-quality corporate bond yield curve reflecting the timing and amount of the future expected benefit payments for The Plan.

The following assumptions were used to determine the net periodic benefit cost:

	December 31,	
(USD in thousands)	2024	2023
Discount rate	1.3%	2.2%
Interest credit rate	2.0%	2.0%
Expected long-term rate of return on plan assets	3.8%	4.0%
Rate of compensation increase	1.3%	1.3%

The expected long-term rate of return on plan assets is determined by weighting the expected future long-term return for each individual asset class by The Plan's target asset allocation.

Plan assets

The Plan is funded by regular contributions from employees and the Company. The Plan is administered by a board of trustees whose primary responsibilities include ensuring that The Plan meets its liabilities through contributions and investment returns. The board of trustees has the responsibility for making key investment strategy decisions within a risk-controlled framework. The Plan assets are invested in diversified portfolios that are managed by third-party asset managers, in accordance with local statutory regulations, pension plan rules, the results of asset/liability management studies and investment guidelines, as approved by the board of trustees.

The board of trustees' investment goal is to maximize the long-term returns of plan assets within specified risk parameters, while considering future liabilities and liquidity needs. Risk measures taken into account include the funding ratio of The Plan, the likelihood of extraordinary cash contributions being required, the risk embedded in each individual asset class, and The Plan asset portfolio as a whole.

Plan assets are measured at fair value at the balance sheet date.

Fair value of assets at the end of the period

The fair values of The Plan assets by asset class as of December 31, 2024, and December 31, 2023, are presented below.

				December 31, 2024
(USD in thousands)	Level 1	Level 2	Not subject to leveling[1]	Total
Cash and cash equivalents	9,944	3,142	—	13,086
Debt securities	—	186,177	—	186,177
Equity securities	—	161,210	—	161,210
Real estate	—	—	143,861	143,861
Alternatives	—	—	18,397	18,397
Total	**9,944**	**350,529**	**162,258**	**522,731**

				December 31, 2023
(USD in thousands)	Level 1	Level 2	Not subject to leveling[1]	Total
Cash and cash equivalents	7,577	2,069	—	9,646
Debt securities	—	189,454	—	189,454
Equity securities	—	149,488	—	149,488
Real estate	—	—	151,535	151,535
Alternatives	—	—	15,717	15,717
Total	**7,577**	**341,011**	**167,252**	**515,840**

1 Amounts relate to assets measured using the NAV practical expedient which are not subject to leveling.

The Company applies accounting guidance related to the presentation of certain investments using the net asset value (NAV) practical expedient. This accounting guidance exempts investments using this practical expedient from categorization within the fair value hierarchy. Investments measured at NAV are primarily non-exchange-traded commingled or collective funds in private equity and real estate where the fair value of the underlying assets is determined by the investment manager. Investments in private equity can never be redeemed, but instead the funds will make distributions through liquidation of the underlying assets.

Contributions

The Company expects to contribute approximately CHF 10,476 thousands to The Plan in 2025.

Estimated future benefit payment

The expected future cash flows to be paid by The Plan in respect to pension as of December 31, 2024 are as follows:

Year	(USD in thousands)
2025	28,908
2026	31,947
2027	27,461
2028	31,668
2029	31,200
2030 – 2034 inclusive	140,756

Note 9

Property, plant and equipment, net

(USD in thousands)	2024	December 31, 2023
Land and buildings	228,760	232,020
Machinery and equipment	383,212	367,817
Construction in progress	28,804	29,781
Leasehold improvements	17,299	15,044
Total, gross	**658,075**	**644,662**
Accumulated depreciation	**(461,242)**	**(461,027)**
Total, net	**196,833**	**183,635**

Depreciation expense amounted to USD 28,209 thousands and USD 26,436 thousands for 2024 and 2023, respectively.

During the last two years, there were no material impairment charges recorded on property, plant and equipment, net.

Note 10

Leases

The Company has operating leases that primarily consist of real estate and vehicles. The components of operating and finance lease expenses were as follows:

(USD in thousands)	2024	Twelve-month period ended December 31, 2023
Operating lease cost	13,692	11,229
Finance lease cost:	1,589	261
Amortization of right-of-use assets	1,403	225
Interest on lease liabilities	186	36
Total lease expense	**15,281**	**11,490**

Supplemental cash flow information related to operating and finance leases is as follows:

(USD in thousands)	2024	Twelve-month period ended December 31, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	13,557	10,864
Financing cash flows from finance leases	1,331	215
Right-of-use assets obtained in exchange for new liabilities:		
Under operating leases	20,461	20,502
Under finance leases	2,747	355

Supplemental balance sheet information related to operating and finance leases is as follows:

(USD in thousands)	2024	December 31, 2023
Operating leases:		
Weighted-average remaining term (years)	7	7
Weighted-average discount rate	4.5%	4.0%
Finance leases:		
Weighted-average remaining term (years)	4	3
Weighted-average discount rate	4.4%	6.4%

As of December 31, 2024, the future net minimum lease payments for operating and finance leases and the related present value of the net minimum lease payments were as follows:

(USD in thousands)	Operating Leases	Years Ended December 31, Finance Leases
2025	9,443	553
2026	8,039	488
2027	6,268	365
2028	5,292	260
Thereafter	20,520	103
Total minimum lease payments	**49,562**	**1,769**
Difference between undiscounted cash flows and discounted cash flows	**(6,807)**	**(125)**
Present value of minimum lease payments	**42,755**	**1,644**

Note 11

Goodwill and other intangible assets

(USD in thousands)	
Balance as of December 31, 2022	7,151
Acquisitions	31,641
Foreign currency translation	1,472
Balance as of December 31, 2023	**40,264**
Acquisitions	33,519
Foreign currency translation	(4,024)
Balance as of December 31, 2024	**69,759**

Intangible assets other than goodwill consist of the following:

(USD in thousands)			2024			December 31, 2023
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Capitalized software for internal use	24,940	(23,981)	959	24,522	(22,577)	1,945
Customer relationships	36,493	(4,078)	32,415	34,259	(951)	33,308
Other intangible assets	9,404	(3,007)	6,397	8,221	(999)	7,222
Total	**70,837**	**(31,066)**	**39,771**	**67,002**	**(24,527)**	**42,475**

The increase in intangible assets in 2024 was primarily due to customer relationships and other intangible assets resulting from the OMC2 and TNM acquisitions. Amortization expenses for intangible assets other than goodwill during 2024 and 2023 amounted to USD 8,092 thousands and USD 3,692 thousands, respectively.

As of December 31, 2024 an impairment of USD 1,017 thousands was recognized in customer relationships following the OMC2 acquisition. There were no further impairment charges recorded on goodwill and intangible assets.

The weighted-average useful lives of other intangible assets acquired are as follows:

	Weighted-Average Useful Life (in years)
Technology	8
Customer relationships	15
Corporate brand	18
Order backlog	2

As of December 31, 2024, estimated future amortization expense related to intangible assets other than goodwill was as follows:

	USD in thousands
2025	5,802
2026	3,444
2027	3,425
2028	3,063
2029	3,063
Thereafter	20,974
Total	**39,771**

Note 12

Inventories

		December 31,
(USD in thousands)	**2024**	**2023**
Raw materials	93,449	115,471
Work in progress	39,841	44,471
Finished goods	108,666	90,585
Advances to suppliers	703	717
Total	**242,659**	**251,244**

As of December 31, 2024, the Company inventory balance includes inventory acquired as part of the OMC2 acquisition (refer to Note 26) across all categories of inventory, amounting to USD 4,499 thousands.

Note 13

Receivables, net

		December 31,
(USD in thousands)	**2024**	**2023**
Trade receivables	190,206	205,956
Non-trade receivables	19,431	20,993
Allowance for expected credit losses	(3,914)	(4,534)
Total	**205,723**	**222,415**

Note 14

Other current assets

		December 31,
(USD in thousands)	**2024**	**2023**
Prepaid expenses and accrued income	8,164	10,967
Other current assets	16,001	25,867
Total	**24,165**	**36,834**

The decrease in other current assets is due to changes in the derivatives balance. Other current assets as of December 31, 2024, and December 31, 2023, include income tax receivables in the amount of USD 12,212 thousands and USD 10,851 thousands, respectively.

Note 15

Current and non-current provisions

		December 31,
(USD in thousands)	**2024**	**2023**
Provision for warranties	15,666	19,560
Provisions for loss orders	6,195	4,922
Other provisions[1]	10,955	5,803
Total current provisions	**32,816**	**30,285**

1 Other provisions include provisions for work due.

		December 31,
(USD in thousands)	**2024**	**2023**
Provision for warranties	16,628	15,499
Other provisions	2,750	7,877
Total non-current provisions	**19,378**	**23,376**

Note 16

Accrued liabilities and other current liabilities

		December 31,
(USD in thousands)	**2024**	**2023**
Accrued expenses	17,614	22,249
Employee-related liabilities	40,138	36,835
Total accrued liabilities	**57,752**	**59,084**

		December 31,
(USD in thousands)	**2024**	**2023**
Current tax liabilities	19,493	14,569
Non-trade payables	18,832	14,708
Other	15,776	16,813
Total other current liabilities	**54,101**	**46,090**

As of December 31, 2024, increase of non-trade payables is due to indirect taxes. The current tax liabilities increase is driven by Switzerland corporate income tax accrual and outstanding tax payments.

Note 17

Accounts payable

		December 31,
(USD in thousands)	**2024**	**2023**
Trade payables	87,007	119,444
Invoices to come, trade	23,703	34,062
Total	**110,710**	**153,506**

As of December 31, 2024, trade payables decreased in comparison to prior year due to normalized throughput of the value chain.

Note 18

Contract assets and liabilities

		December 31,
(USD in thousands)	**2024**	**2023**
Contract assets	20,776	18,780
Contract liabilities	34,019	24,787

Contract assets primarily relate to the Company's right to receive consideration for work completed but for which no invoice has been issued at the reporting date. Contract assets are transferred to receivables when rights to receive payment become unconditional.

Contract liabilities primarily relate to advances received on orders from customers as well as amounts invoiced to customers in excess of revenues recognized predominantly on long-term projects. Contract liabilities are reduced as work is performed and as revenues are recognized. As of December 31, 2024 contract liabilities increased due to growing business activity in respect of the number of agreements with customers. Of the contract liabilities as of December 31, 2023, the Company recognized revenue of USD 16,744 thousands during the financial year ended December 31, 2024.

Note 19

Shareholders' equity

Share capital

As of December 31, 2024 and December 31, 2023 respectively, the Company's share capital is CHF 945,000, divided into 94,500,000 fully paid-in registered ordinary shares with a nominal value of CHF 0.01 each.

Dividends

At the Annual General Meeting of Shareholders on May 7, 2024, shareholders approved the proposal of the Board of Directors to distribute CHF 0.85 gross per share to shareholders. The declared dividend amounted to USD 87.6 million (2023: USD 76 million), resulting in a decrease of USD 11.0 million of additional paid-in capital and USD 76.6 million of accumulated earnings, and was paid in May 2024 (excluding the withholding tax, which was paid in July 2024).

Treasury shares

During 2024, the Company awarded 39,273 treasury shares (2023: 11,844 treasury shares) to eligible employees and to the Board of Directors as part of their compensation programs. As of December 31, 2024, the Company owned 697,584 treasury shares. As of December 31, 2023, the Company owned 736,857 treasury shares.

Note 20

Financial instruments and fair value measures

The Company's non-derivative financial instruments primarily include cash and cash equivalents, trade receivables, trade payables and debt which approximate their fair values as of December 31, 2024 and 2023.

Credit and market risk

The Company continually monitors the creditworthiness of our customers to which we grant credit terms in the normal course of business. The terms and conditions of the Company's credit sales are designed to mitigate or eliminate concentrations of credit risk with any single customer.

Currency risk

Due to the global nature of the Company's operations, many of its subsidiaries are exposed to currency risk in their operating activities from entering into transactions in currencies other than their functional currency. To manage such currency risks, the Company's policies require its subsidiaries to hedge their foreign currency exposures from binding sales and purchase contracts denominated in foreign currencies. Forward foreign exchange contracts are the main instrument used to protect the Company against the volatility of future cash flows (caused by changes in exchange rates) of contracted and forecasted sales and purchases denominated in foreign currencies. In addition, within its treasury operations, the Company primarily uses foreign exchange swaps and forward foreign exchange contracts to manage the currency and timing mismatches arising in its liquidity management activities. Foreign currency contracts are used to hedge receivable and payable transactions and other monetary assets and liabilities denominated in currencies other than the functional currency of the subsidiary.

Note 21

Current and non-current debt

		December 31,
(USD in thousands)	**2024**	**2023**
Current debt	3,267	1,803
Non-current debt	475,320	475,818
Total debt	**478,587**	**477,621**

The Company's total debts are recognized at nominal value.

On September 30, 2022, the Company entered into a CHF 450 million credit facility (Facility) with maturity on September 30, 2027 with UBS Switzerland AG. The Facility includes term loan commitments in the amount of CHF 350 million and a committed multi-currency revolving credit facility (RCF) in the amount of CHF 100 million. On this day, the Company drew a term loan in the amount of CHF 300 million.

On March 20, 2023, the Company drew an additional term loan in the amount of CHF 50 million under the Facility. On July 18, 2023, the Company drew the amount of CHF 50 million under the RCF. On September 25, 2024, the Company extended the maturity of the Facility until September 29, 2028. On November 26, 2024 – after the issuance of the CHF bond – the Company paid back the amount of CHF 150 million under the existing Facility.

On December 31, 2024 CHF 250 million (USD 275 million) was outstanding under the Facility. Interest costs on the drawings under the Facility are calculated using the Swiss Average Rate Overnight (SARON) plus a predefined margin, while commitment fees (payable on the Facility) are amortized until maturity.

On November 14, 2024 the Company issued the following CHF bond: CHF 180 million, 1.375% bond with a maturity on November 14, 2030. The aggregate net proceeds of this CHF bond, after fees, amounted to CHF 179.4 million (equivalent to approximately USD 202.5 million on date of issuance).

Details of the outstanding bond are as follows:

				December 31,
(in thousands)		2024		2023
	Nominal outstanding	Carrying value[1]	Nominal outstanding	Carrying value[1]
1.375% CHF Bond, due 2030	CHF 180,000	USD 199,893	CHF —	USD —

1 USD carrying values include unamortized debt issuance costs and bond premiums

The Company's various debt instruments contain cross-default clauses which would allow the bondholders to demand repayment if the Company were to default on any borrowing at or above a specified threshold. Furthermore, the bond constitutes unsecured obligations of the Company and rank pari passu with other debt obligations.

The Company's long-term debt is recorded at adjusted cost, net of unamortized premiums, discounts and debt issuance costs. The fair value of long-term debt is estimated based upon quoted prices for similar instruments or quoted prices for identical instruments in inactive markets (Level 2).

Note 22

Commitments and contingencies

Regulatory, compliance and legal commitments

In the normal course of business, Accelleron is subject to legal proceedings, lawsuits, and other claims. While the potential financial impact with respect to these ordinary course matters is subject to many factors and uncertainties, management believes that any financial impact to the Company from these matters, individually and in the aggregate, would not have a material adverse effect on the Company's financial position or results of operations.

Contingencies

Guarantees and letters of comfort issued by third parties are reported as contingent liabilities. As of December 31, 2024 and December 31, 2023, they amount to USD 6,622 thousands and USD 6,275 thousands, respectively.

Note 23

Non-current liabilities

		December 31,
(USD in thousands)	2024	2023
Deferred income	2,658	1,243
Other non-current liabilities	2,852	4,224
Total non-current liabilities	**5,510**	**5,467**

As of December 31, 2024, the non-current liabilities include the contingent consideration to be paid over the consecutive two years – refer to Note 26.

Note 24

Related party transactions

The Company conducts business with certain companies where members of the Company's Board of Directors or Executive Committee act, or in recent years have acted, as directors or senior executives. The Company's Board of Directors has determined that the Company's business relationships with those companies do not constitute material business relationships. This determination was made in accordance with the Company's related party transaction policy which was prepared based on the Swiss Code of Best Practice.

Note 25

Subsidiaries

Country	Name of subsidiary	Economic interests %[1]
Argentina	Turbo Systems Argentina S.A.	100%
Australia	Turbo Systems Australia PTY LTD	100%
Bangladesh	Turbocharging Bangladesh Limited	100%
Belgium	Turbo Systems The Netherlands – Branch Belgium	100%
Brazil	Turbocharging Brasil Ltda.	100%
Bulgaria	Turbo Systems Italy S.P.A. – Branch Bulgaria	100%
Cameroon	Turbo Systems Cameroon PLC	100%
Canada	Turbo Systems Canada Inc	100%
Canada	True North Marine Inc.	100%
China	Accelleron Turbo Systems (Chongqing) Limited	61%
China	Accelleron (China) Investment Limited	100%
China	Kunshan Kenda OMT Fuel Injection	50%
Colombia	Turbo Systems Colombia SAS	100%
Cyprus	Turbocharging Greece, Single Member – Branch Cyprus	100%
Denmark	Turbo Systems Finland Oy – Branch Denmark	100%
Dominican Republic	Turbo Systems Dominican Republic SRL	100%
Ecuador	Turbo Systems Ecuador SA	100%
Egypt	Turbo Systems Egypt for Turbocharging LLC	100%
Finland	Turbo Systems Finland Oy	100%
France	Turbocharging Systems France SAS	100%
Germany	Turbo Systems Germany GmbH	100%
Greece	Turbocharging Greece, Single Member S.A.	100%
Hong Kong	Accelleron Turbo Systems (Hong Kong) Limited	61%
Hong Kong	Accelleron Industries (Hong Kong) Limited	100%
India	Turbocharging Industries and Services India Private Limited	100%
India	True North Marine India Private Limited	100%
Indonesia	PT Turbo Systems Sakti Indonesia	60%
Iraq	Turbo Systems Middle East FZCO - Branch Iraq	100%
Italy	Turbo Systems Italy S.P.A.	100%
Italy	O.M.T. Officine Meccaniche Torino S.p.A.[3]	100%
Italy	O.M.C. 2 Diesel S.p.A.	100%
Japan	Turbo Systems United Co., Ltd.	60%
Korea	Turbo Systems Korea Ltd.	100%
Korea	OMT Korea Limited Company	100%
Malta	Turbo Systems Italy S.P.A. – Branch Malta	100%
Mauritius	Turbocharging Systems France SAS – Branch Mauritius	100%
Mexico	Swiss Turbochargers SA DE CV	100%
Myanmar	Turbo Systems Myanmar Limited[2]	100%
Netherlands	Turbo Systems The Netherlands B.V.	100%
Nigeria	Turbosystems Nigeria LTD	100%
Norway	Turbo Systems Finland Oy – Branch Norway	100%
Pakistan	Turbo Systems Pakistan (Private) Limited	100%
Philippines	Turbo Systems South East Asia Pte. Ltd. – Branch Philippines	100%
Poland	Turbo Systems Finland Oy – Branch Poland	100%
Portugal	Turbo Systems Iberia - Sucursal em Portugal	100%
Saudi Arabia	Turbosystems Red Sea Company	65%
Senegal	Turbo Systems Senegal	100%
Singapore	Turbo Systems South East Asia Pte. Ltd.	100%
South Africa	Turbo Systems Middle East FZCO – Branch South Africa	100%
Spain	Turbo Systems Iberia, S.L.	100%
Sri Lanka	Accelleron Lanka (Private) Limited	100%
Sweden	Turbo Systems Finland Oy – Branch Sweden	100%
Switzerland	Accelleron Switzerland Ltd	100%
Switzerland	Accelleron Verwaltungs Ltd	100%
Taiwan	Turbo Systems South East Asia Pte. Ltd. – Branch Taiwan	100%
Thailand	Turbocharging Systems Co., Ltd.	49%
Turkey	Turbo Systems Turkey Mühendislik Makine Sanayi Ve Ticaret Anonim Sirketi	100%
United Arab Emirates	Turbo Systems Middle East FZCO	100%
United Arab Emirates	Turbo Systems Middle East FZCO – Branch Dubai	100%
United Kingdom	Turbocharging UK Limited	100%
United States	Turbo Systems US Inc.	100%

1 Economic interest: voting rights and ownership are equal for each subsidiary with the exception of the Thailand subsidiary (Turbocharging Systems Co., Ltd), where the ownership and voting rights amount to 49% and 91%, respectively.

2 Legal entity in liquidation.

3 SmarTrade S.r.l and OMT Digital S.r.l merged into OMT Officine Meccaniche Torino S.p.A during 2024.

Note 26

Acquisitions

Acquisition of O.M.C. 2 Diesel S.p.A. (OMC2)
On August 29, 2024, the Company completed its acquisition of all of the issued and outstanding shares and voting interests of OMC2, a manufacturer of fuel injection systems for marine engines based in Italy. The acquisition will support the growth of the Company and further strengthen its position as a leading innovator in the use of alternative fuel technologies for large marine engines and contribute to the decarbonization of the shipping industry.

Acquisition of True North Marine Inc. (TNM)
On August 29, 2024, the Company completed its acquisition of all of the issued and outstanding shares and voting interests of TNM, a provider of weather-routing guidance and voyage optimization including consulting services from pre-voyage estimates to post-voyage claims. This acquisition strengthens the Company's position in the maritime digital space and supports marine decarbonization by helping customers make data-driven decisions to reduce their carbon footprint while cutting costs.

The purchase consideration of USD 63.5 million includes a net financial position adjustment of USD 1.3 million which will be paid in the new reporting period and a contingent consideration of USD 1.8 million which, if earned, will be paid in October 2026.

As a consequence, the Company's cash outflow for the business acquisition was USD 60.4 million, being the total consideration transferred for the acquisition during the year ended December 31, 2024. Controlling interests acquired are accounted for under the acquisition method and included in the Company's Consolidated Financial Statements from the date of acquisition.

The following table discloses the allocation of the purchase price to the identifiable assets acquired and liabilities assumed as of the date of the acquisitions of OM2 and TNM:

(USD in millions)	December 31, 2024
Consideration transferred	
Cash	60.4
Contingent consideration	1.8
Net financial position adjustment not yet paid	1.3
Total consideration in acquisition of business	**63.5**
Fair value of acquired assets:	
Cash and cash equivalents	4.5
Net working capital (excl. inventory)	0.7
Inventory	5.5
Property, plant and equipment	17.1
Other assets and liabilities	(3.3)
Customer relationships	4.6
Order backlog	0.1
Technology	1.7
Total assets acquired	**30.9**
Deferred tax liabilities assumed	(1.6)
Net assets recognized as a result of acquisitions of business	**29.3**
Goodwill[1]	**34.2**

1 Recorded as goodwill (see Note 11).

The residual balance of the purchase price, after the allocations to all identified assets and liabilities based on their fair value, represents goodwill, which reflects expected synergies and cost savings. As of December 31, 2024, the purchase price allocation is still being evaluated. While the Company uses its best estimates and assumptions as part of the purchase price allocation process to value assets acquired and liabilities assumed at the acquisition date, the purchase price allocation for acquisitions is preliminary for up to 12 months after the acquisition date and may be subject to adjustment.

The results of OMC2 and TNM are included in the Company's Consolidated Financial Statements from the date of the acquisitions. The impact of the activity since the acquisition date on the Consolidated Financial Statements is not material.

Note 27

Subsequent events

There were no events between the balance sheet date of December 31, 2024, and March 11, 2025 (the date these Consolidated Financial Statements were approved by the Board of Directors) requiring additional disclosures or changes in the Consolidated Financial Statements.

07

Statutory Financial Statements of Accelleron Industries AG

Statutory Auditor's Report

To the General Meeting of Accelleron Industries AG, Baden

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Accelleron Industries AG (the Company), which comprise the balance sheet as at December 31, 2024, and the income statement the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements (pages 102 to 105) 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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. 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 Statutory Financial Statements of the Company, the audited content of the Compensation Report and our auditor's reports thereon.

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

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

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

Board of Directors' Responsibilities for the Financial Statements

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

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

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.

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

- Identify and assess the risks of material misstatement of the Financial Statements, 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.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and SA-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.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposals of the Board of Directors comply with Swiss law and the Company's articles of incorporation. We recommend that the Financial Statements submitted to you be approved.

KPMG AG

Simon Studer
Licensed Audit Expert
Auditor in Charge

Andrius Cibas
Licensed Audit Expert

Zurich, March 11, 2025

Statutory Financial Statements

Income statement

(CHF in thousands)	Note	Twelve-month period ended December 31, 2024	2023
Dividend income	4	79,722	70,000
Other income	3	938	1,198
Interest and other finance income		530	—
Interest and other finance expense		(338)	(513)
General and administrative expenses	5	(89)	(21)
Net income before taxes		**80,763**	**70,664**
Income tax expense		(181)	(178)
Net income		**80,582**	**70,486**

See accompanying Notes to the Statutory Financial Statements

Balance sheet

(CHF in thousands)	Note	December 31, 2024	2023
Cash and cash equivalents		3,662	909
Receivables		5	—
Receivables from subsidiaries		421	1,539
Other current assets		1,554	918
Total current assets		**5,642**	**3,366**
Financial receivables from subsidiaries	6	180,000	—
Investments	7	297,747	297,747
Total non-current assets		**477,747**	**297,747**
Total assets		**483,389**	**301,113**
Accrued expenses and other liabilities		720	249
Total current liabilities		**720**	**249**
Interest-bearing liabilities	8	180,000	—
Total non-current liabilities		**180,000**	**—**
Total liabilities		**180,720**	**249**
Share capital		945	945
Legal capital reserve		224,007	233,274
Other capital reserve		224,007	233,274
Treasury shares		(3,695)	(3,903)
Available earnings		81,412	70,548
Profit brought forward		830	62
Profit for the year		80,582	70,486
Total shareholder's equity	9	**302,669**	**300,864**
Total liabilities and shareholder's equity		**483,389**	**301,113**

See accompanying Notes to the Statutory Financial Statements

Notes to the Statutory

Financial Statements

Note 1

General

Accelleron Industries AG is the parent company of Accelleron and is incorporated in Switzerland with registered offices in Baden, Aargau.

Accelleron Industries AG did not have any employees in the financial year ended December 31, 2024 and in the financial year ended December 31, 2023.

These financial statements were prepared in accordance with Articles 957–963b of the Swiss Code of Obligations (CO). Where not prescribed by law, the significant accounting policies applied are described in “Note 2 – Significant accounting policies”.

Note 2

Significant accounting policies

Investments

Investments in subsidiaries are valued at the lower of cost or fair value, using generally accepted valuation principles.

Financial receivables and interest-bearing liabilities

Financial receivables and long-term interest-bearing liabilities to third parties and subsidiaries are valued at nominal value.

Treasury shares

Treasury shares comprise registered shares of Accelleron Industries AG. Treasury shares are initially recognized at cost and deducted from equity with no subsequent measurement. When treasury shares are disposed of or charged to the respective subsidiary, the resulting gain or loss is recognized in other capital reserve.

Note 3

Other income

Other operating income includes mainly guarantee compensation fees from subsidiaries.

Note 4

Dividend income

Dividend income in the amount of CHF 79,722 thousands was received in 2024 and related to 2023. In 2023, the dividend income related to 2022 amounted to CHF 70,000 thousands.

Note 5

General and administrative expenses

General and administrative expenses include mainly general fees, bank charges and external service charges.

Note 6

Financial receivables from subsidiaries

Following the issuance of the bond (see Note 8) Accelleron Industries AG granted a long-term loan of CHF 180 million (2023: nil) with maturity on November 14, 2030 and at an interest rate of 1.6921% to a subsidiary. These funds were subsequently used to repay current debt under the credit facility of the subsidiary.

Note 7

Investments

As of December 31, 2024 and December 31, 2023, Accelleron Industries AG holds the following direct investment in a subsidiary:

Country	Subsidiary’s name	Ownership and voting rights	Registered capital
Switzerland	Accelleron Switzerland Ltd	100%	CHF 101,000

A comprehensive overview of the subsidiaries that are directly or indirectly controlled by Accelleron Industries AG is provided in Note 25 to the Group’s Consolidated Financial Statements.

Note 8

Long-term interest-bearing liabilities

On November 14, 2024 the Company issued the following CHF bond: CHF 180 million, 1.375% bond with a maturity on November 14, 2030. The aggregate net proceeds of this CHF bond, after fees, amounted to CHF 179.4 million.

Details of the outstanding bonds are as follows:

(in thousands)	2024 Nominal outstanding	December 31, 2023 Nominal outstanding
1.375% CHF Bond, due 2030	CHF 180,000	CHF —

The Company's various debt instruments contain cross-default clauses which would allow the bondholders to demand repayment if the Company were to default on any borrowing at or above a specified threshold. Furthermore, the aforementioned bond constitutes unsecured obligations of the Company and ranks pari passu with other debt obligations.

Note 9

Shareholders' equity

Share capital
As of December 31, 2024, the Company's share capital is CHF 945,000, divided into 94,500,000 fully paid-in registered ordinary shares with a nominal value of CHF 0.01 each.

Treasury shares
The movement in the number of treasury shares in the financial year ended December 31, 2024, and for financial year ended December 31, 2023, was as follows.

	2024		December 31, 2023	
(CHF in thousands, except share numbers)	Number of shares	Total transaction amount	Number of shares	Total transaction amount
Balance as of January 1	**736,857**	**(3,903)**	**748,701**	**(3,966)**
Delivery for employee share programs	(39,273)	208	(11,844)	63
Balance as of December 31	**697,584**	**(3,695)**	**736,857**	**(3,903)**

Treasury shares originate from a contribution of the Former Parent prior to the first day of trading.

Note 10

Shareholdings of Board of Directors and Executive Committee

As of December 31, 2024 and December 31, 2023, the members of the Board of Directors held the following number of shares in Accelleron Industries AG:

Name	Function	2024 Number of Accelleron Industries AG shares held	December 31, 2023 Number of Accelleron Industries AG shares held
Oliver Riemenschneider	Chair	14,833	10,497
Monika Krüsi	Vice-Chair and AC Chair	6,753	1,992
Gabriele Sons	NCC Chair	3,236	1,581
Stefano Pampalone	Member	2,595	1,268
Bo Cerup-Simonsen	Member	2,804	1,370
Detlef Trefzger	Member	3,322	1,623
Total shares		**33,543**	**18,331**

In 2024 12,412 shares with a value of CHF 441 thousands (2023: 11,844 shares with a value of CHF 255 thousands) were allocated to board members.

As of December 31, 2024, members of the Executive Committee held the following number of shares in Accelleron Industries AG and the conditional rights to receive Accelleron Industries AG shares under the long-term incentive plans (LTIPs):

					December 31, 2024
Name	Function	Number of Accelleron Industries AG shares held	Number of non-vested shares under the long term incentive plans		
			LTIP 2022	LTIP 2023	LTIP 2024
Daniel Bischofberger	CEO	12,243	19,774	19,126	14,521
Adrian Grossenbacher	CFO	1,555	9,322	7,514	5,705
Annika Parkkonen	CHRSO	200	2,110	5,101	3,873
Dirk Bergmann	CTO	1,006	6,328	5,101	3,873
Roland Schwarz	Division President Service	1,674	9,322	7,514	5,705
Christoph Rofka	Division President Medium & Low Speed	2,793	9,322	7,514	5,705
Herbert Müller	Division President High Speed	1,577	6,328	5,101	3,873
Total shares		**21,048**	**62,506**	**56,971**	**43,255**

As of December 31, 2023, members of the Executive Committee held the following number of shares in Accelleron Industries AG and the conditional rights to receive Accelleron Industries AG shares under the long-term incentive plans (LTIPs):

					December 31, 2023
Name	**Function**	**Number of Accelleron Industries AG shares held**	**Number of non-vested shares under the long term incentive plans**		
			LTIP 2021	**LTIP 2022**	**LTIP 2023**
Daniel Bischofberger	CEO	17	12,226	19,774	19,126
Adrian Grossenbacher	CFO	—	1,555	9,322	7,514
Annika Parkkonen	CHRSO	—	—	2,110	5,101
Dirk Bergmann	CTO	7	1,400	6,328	5,101
Roland Schwarz	Division President Service	100	1,574	9,322	7,514
Christoph Rofka	Division President Medium & Low Speed	162	2,631	9,322	7,514
Herbert Müller	Division President High Speed	22	1,555	6,328	5,101
Total shares		**308**	**20,941**	**62,506**	**56,971**

Note 11

Significant shareholders

As of December 31, 2024 and December 31, 2023, to the best of Accelleron Industries AG's knowledge, the following shareholders had holdings reaching or exceeding 3% or more of the voting rights in the Company, as notified in accordance with Art. 120 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (the FMIA):

				December 31,
		2024		2023
Name	**Number of shares**	**Voting rights %**	**Number of shares**	**Voting rights %**
UBS Fund Management (Switzerland) AG	4,779,675	5.1%	4,779,675	5.1%
Swisscanto Fondsleitung AG	4,723,731	5.0%	4,723,731	5.0%
Norges Bank (the Central Bank of Norway), Oslo, Norway	3,140,052	3.3%	3,140,052	3.3%
BlackRock, Inc., New York, USA	3,058,791	3.2%		
Credit Suisse Funds AG			2,868,820	3.0%

Note 12

Contingent liabilities

As of December 31, 2024, Accelleron Industries AG has issued guarantees to banking institutions for credit facilities and guarantee limits of subsidiaries in the amount of CHF 455,000 thousands (2023: CHF 455,000 thousands).

Note 13

Subsequent events

There were no events between the balance sheet date of December 31, 2024, and March 11, 2025 (the date these financial statements were approved by the Board of Directors) requiring additional disclosures or changes in the statutory financial statements.

Appropriation of available earnings and repayment from other capital reserve

The Board of Directors proposes to the Annual General Meeting of Shareholders a distribution of available earnings and a repayment from other capital reserve as follows:

	December 31,
(CHF in thousands)	**2024**
Profit brought forward	830
Profit for the year	80,582
Total available earnings	**81,412**
Dividend[1]	(81,270)
Balance to be carried forward	**142**

1 The total dividend amount covers all registered ordinary shares (including treasury shares).

	December 31,
(CHF in thousands)	**2024**
Other capital reserve	224,007
Repayment from other capital reserve	(36,855)
Other capital reserve after repayment	**187,152**

The Board of Directors proposes to the Annual General Meeting of Shareholders a dividend payment from available earnings of CHF 0.86 gross per share totaling to CHF 81,270 thousands and a repayment from other capital reserves of CHF 0.39 gross per share totaling to CHF 36,855 thousands. The total distribution based on all registered ordinary shares amounts to CHF 1.25 gross per share, resulting in a total dividend amount of CHF 118,125 thousands.

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Supplemental information

Alternative performance measures

The following are definitions of alternative performance measures used to evaluate Accelleron's operating performance.

These performance measures are referred to in this Annual Report and are not defined under United States generally accepted accounting principles (U.S. GAAP).

Accelleron's management believes that the non-GAAP performance measures herein are useful in evaluating the operating results of Accelleron. This information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with U.S. GAAP.

Performance measure	**Definition**
Organic revenue growth (on a constant currency basis)	Revenue growth at constant currency and adjusted for M&A-related effects. The organic growth rate measures growth on a like-for-like basis. Newly acquired companies are considered organic once a full comparison period is reflected in the Consolidated Financial Statements.
Operational EBIT	Operational EBIT represents income from operations excluding costs related to acquisition and divestment, one-time items in income statements, non-operational integration costs, special non-operational projects, restructuring costs and temporary unrealized timing differences in the context of foreign exchange transactions (FX)
Operational EBITDA	Operational EBITDA represents Operational EBIT excluding depreciation and amortization
Operational EBITA	Operational EBITA represents Operational EBIT excluding acquisition-related amortization
Operational EBITA margin	Operational EBITA as a percentage of revenues
Free cash flow	Net cash provided by operating activities adjusted for net investments in property, plant and equipment and intangible assets
Free cash flow conversion	Free cash flow divided by reported net income, expressed as a percentage
Net leverage	Interest-bearing liabilities (including finance leases) net of cash and cash equivalents, divided by last twelve months' operational EBITDA

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Appendix I: Sustainability data

Appendix data excludes OMT unless specifically stated.

Human Resources

Employment[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Total number of employees	–	2,422	2,519	2,906	As of Dec. 31, 2024 – OMT (Turin): 288
Percentage of full-time employees	%	92.9	93.0	94.6	As of Dec. 31, 2024 – OMT (Turin): 99.3
Percentage of part-time employees	%	7.1	7.0	5.4	As of Dec. 31, 2024 – OMT (Turin): 0.7
Rate of employees with a regular contract	%	–	97.0	91.8	As of Dec. 31, 2024 – OMT (Turin): 98.3
Rate of employees with a fixed-term contract	%	–	3.0	8.2	As of Dec. 31, 2024 – OMT (Turin): 1.7
Rate of new employees hired	%	19.4	13.4	13.4	As of Dec. 31, 2024 – OMT (Turin): 15.6
Rate of new employees hired by age group (<25)	%	11.9	15.4	24.0	As of Dec. 31, 2024 – OMT (Turin): 11.1
Rate of new employees hired by age group (25-34)	%	48.5	41.8	41.1	As of Dec. 31, 2024 – OMT (Turin): 28.9
Rate of new employees hired by age group (35-44)	%	23.7	31.6	22.0	As of Dec. 31, 2024 – OMT (Turin): 26.7
Rate of new employees hired by age group (45-55)	%	12.4	8.1	11.9	As of Dec. 31, 2024 – OMT (Turin): 33.3
Rate of new employees hired by age group (>55)	%	3.6	3.1	1.0	As of Dec. 31, 2024 – OMT (Turin): 0.0
Tenure in the company	Years	10.7	10.5	11.2	As of Dec. 31, 2024 – OMT (Turin): 12.3
Number of hours worked	Hours	4,844,000	5,038,000	5,812,000	As of Dec. 31, 2024 – OMT (Turin): 576,000

Employee benefits by significant locations[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Private savings contribution	–	–	–	–	The Swiss facility offers special conditions for third pillar (3A) whereby every employee can contribute up to CHF 15,000, and and Accelleron will add 3 percentage points to the interest.
Stock ownership plan	–	–	–	–	Global: Stock ownership plan is not applicable. LTI plan provision for top management position (grade 1 to 7).
Variable performance-based component to pay	–	–	–	–	Global: All categories of employees, except interns, trainees and apprentices, are entitled to either STIP or local/sales incentives, as country eligibility rules dictate. OMT: Only senior leaders are eligible for STIP, no other employees participated in bonus programs in 2024.
Define significant location	–	–	–		Significant locations are locations which represent the vast majority of our employee base. China, Switzerland and USA represent more than 50% of our total employee baseline.
Collective bargaining	–	–	–	–	The following locations have a collective bargaining agreement: India, Singapore, Brazil, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Spain, Sweden, Switzerland. These countries represent 59% of the total Accelleron workforce excluding OMT.
Other benefits specific to Switzerland	–	–	–	–	CH: Employees have access to child day-care at a reduced price and Accelleron paid the equivalent of CHF 196,000 in 2024 to sponsor this price reduction. Accelleron offers a fee reduction (10%) at specific health-insurance providers and a price reduction for GPs. Partnership with car dealers give our employees extra price reductions on top of the proposed reduction (13-20%). Accelleron's "Unterstützungsfond" (support fund) assists employees and other beneficiaries in need of support. 147 persons were helped in 2024.

1 Data includes OMT.

Parental leave[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Total number of employees that were entitled to parental leave in significant locations (USA, China, Italy and Switzerland)	–	1,155	1,184	1,469	As of Dec. 31, 2024 – OMT (Turin): 288
Total number of female employees that were entitled to parental leave in significant locations (USA, China, Italy and Switzerland)	–	184	188	234	As of Dec. 31, 2024 – OMT (Turin): 32
Total number of male employees that were entitled to parental leave in significant locations (USA, China, Italy and Switzerland)	–	971	996	1229	As of Dec. 31, 2024 – OMT (Turin): 256
Total number of employees that took parental leave in significant locations (USA, China, Italy and Switzerland)	–	46	49	72	As of Dec. 31, 2024 – OMT (Turin): 15
Total number of female employees that took parental leave in significant locations (USA, China, Italy and Switzerland)	–	6	8	11	As of Dec. 31, 2024 – OMT (Turin): 3
Total number of male employees that took parental leave in significant locations (USA, China, Italy and Switzerland)	–	40	41	61	As of Dec. 31, 2024 – OMT (Turin): 12
Total number of employees that returned to work in the reporting period after parental leave ended in significant locations (USA, China, Italy and Switzerland)	–	45	48	68	As of Dec. 31, 2024 – OMT (Turin): 14
Return to work rate of employees that took parental leave in significant locations (USA, China, Italy and Switzerland)	%	99.2	99.2	94.4	As of Dec. 31, 2024 – OMT (Turin): 93.3
Retention rate of employees that took parental leave in significant locations (USA, China, Italy and Switzerland)	%	99.2	99.2	94.2	As of Dec. 31, 2024 – OMT (Turin): 86.7

Training and education

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Total training hours for service engineers	Hours	4,856	6,192	8,472	OMT is out of scope in 2024 because it doesn't have service engineers.
Average training hours per year per service engineer	Hours/service engineer per year	36.8	35.4	34.9	OMT is out of scope in 2024 because it doesn't have service engineers.
Percentage of employees receiving a performance review and career development review	%	>95	97.4	99.7	As of Dec. 31, 2024 – OMT (Turin): 70.0
Percentage of female employees receiving a performance review and career development review	%	>95	96.8	99.7	As of Dec. 31, 2024 – OMT (Turin): 66.7
Percentage of male employees receiving a performance review and career development review	%	>95	97.5	99.7	As of Dec. 31, 2024 – OMT (Turin): 70.6
Percentage of management receiving a performance review and career development review	%	>95	>95	100	As of Dec. 31, 2024 – OMT (Turin): 68.4
Percentage of non-management receiving a performance review and career development review	%	>95	>95	99.7	As of Dec. 31, 2024 – OMT (Turin): 100

Diversity and equal opportunity[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Share of females on Board of Directors	%	33	33	33	Accelleron has surpassed the gender quota requirements for Swiss corporate law on its BoD.
Share of females on Executive Committee	%	14	14	14	–
Share of females in management positions	%	16	16	16	Definition of management: senior and middle management
Share of females in senior leadership positions	%	21	20	24	Senior leadership position refers to people who directly report to Executive Committee members and/or country managing directors.
Share of females in the overall Company	%	15	17	17	As of Dec. 31, 2024 – OMT (Turin): 11

1 Data includes OMT.

Integrity

Anti-corruption[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Risk assessment related to anti-corruption	–	Yes	Non-applicable (NA)	Yes	In 2024, we carried out an integrity risk assessment focused on key aspects of the Code of Conduct, with particular emphasis on anti-corruption. The findings confirmed a positive culture of integrity and awareness, as well as the functioning of our integrity management system. Additionally, the assessment offered valuable insights for ongoing improvements, including updates to policies, procedures, and training initiatives.

Code of Conduct[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Total number of governance body members and EC members to whom Accelleron's Code of Conduct has been communicated	–	13	13	12	All members of the BoD and all members of the EC have had the CoC communicated to them.
Percentage of governance body members to whom Accelleron's Code of Conduct has been communicated	%	100	100	100	All members of the BoD and all members of the EC have had the CoC communicated to them.
Percentage of employees to whom Accelleron's Code of Conduct has been communicated	%	100	>95	>97	All our employees were included in mandatory training courses on our Code of Conduct, which includes a explicit acknowledgment to abide by the CoC.

Confirmed incidents of corruption and actions taken[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Total number of confirmed incidents of corruption	–	3	0	0	In 2024, Accelleron did not identify any confirmed incidents of corruption. No lawsuits for anti-corruption were pending or concluded. One reported incident could not be substantiated during internal investigation.
Nature of confirmed incidents of corruption	–	–	NA	NA	–
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	–	2	0	0	–
Total number of confirmed incidents where contracts with business partners were terminated or not renewed due to violations related to corruption	–	1	0	0	–
Public legal cases regarding corruption brought against Accelleron or its employees during the reporting period and the outcomes	–	0	0	0	–

Anti-competitive behavior[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violation of antitrust and monopoly legislation in which Accelleron has been identified as a participant	–	0	0	0	Our CoC requires Accelleron to compete fairly, protect confidential information and be mindful of anti-trust risks. Adherence to competition and anti-trust laws is mandatory in all business dealings. The Code offers actionable guidelines, such as instructing our staff not to share commercially sensitive information in contravention of competition laws, and to be vigilant when participating in trade associations. There were no cases and there are no pending legal actions involving anti-trust issues.
Main outcome of completed legal actions including any decision or judgments	–	NA	NA	NA	–

1 Data includes OMT.

Non-discrimination[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Total number of discrimination cases reported	–	1	2	2	–
Status of the incidents and actions taken with reference to the following: A) Incident reviewed by Accelleron B) Remediation plan being implemented C) Remediation plan has been implemented with results reviewed through internal management review process D) Incident no longer subject to action	–	–	Incident no longer subject to action	Incidents have been reviewed by Accelleron (A) and are not longer subject to action (D).	Discrimination is understood as unequal or differential treatment that disfavors an individual or a group and that is based on origin, ethnicity, race or nationality, belief or gender. The two reported cases were investigated, however the allegations of discrimination could not be substantiated.

Public policy[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Total monetary value of financial and in-kind political contributions made directly and indirectly by Accelleron by country and recipient	–	0	0	0	Accelleron is part of various industrial associations which are represented at the EU level (see innovation chapter). Political contribution is explained in the anti-corruption policy. No contributions shall be made without the approval of the Legal & Integrity team. In 2024, Accelleron did not make any political contributions. More details can be found in the anti-corruption policy available on our website.

Customer privacy[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Total number of substantiated complaints received concerning breaches of customer privacy	–	0	0	0	No complaints have been reported on this issue.
Total number of identified leaks, theft or losses of customers data	–	2	0	6	Six laptops lost or stolen.

Freedom of association and collective bargaining[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Operations in which the right to freedom of association and collective bargaining may be at risk	–	12	18	18	Based on https://fragilestatesindex.org, the following countries represent a source of risk as they have a score of at least 55 which is the starting point of the "warning" classification: Bangladesh, Pakistan, Philippines, Thailand, Indonesia, Egypt, Cameroon, Senegal, Nigeria, Myanmar, Sri Lanka, Turkey, South Africa, Saudi Arabia, India, China, Dominican Republic, Brazil. In 2022, we considered a threshold of 80. In 2023, we set the limit at 55 to align with our supply chain approach, and we maintained this limit in 2024.
Measures taken to support rights to exercise freedom of association and collective bargaining	–	–	–	–	Our policies and Code of Conduct leave the choice for any worker of any of our operations to create any type of worker association.

Child labor[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Amount of operations considered to have significant risks for incidents of child labor due to country fragility index status	–	12	18	18	Based on https://fragilestatesindex.org, the following countries represent a source of risk as they have a score of at least 55 which is the starting point of the "warning" classification: Bangladesh, Pakistan, Philippines, Thailand, Indonesia, Egypt, Cameroon, Senegal, Nigeria, Myanmar, Sri Lanka, Turkey, South Africa, Saudi Arabia, India, China, Dominican Republic, Brazil. In 2022 we considered a threshold of 80. In 2023, we set the limit at 55 to align with our supply chain approach, and we maintained this limit in 2024.
Amount of operations considered to have significant risks for incidents of young workers exposed to hazardous work	–	–	–	–	Our young workers are not exposed to hazardous work as per our internal policies.
Measures taken by Accelleron to contribute to the effective abolition of child labor	–	–	–	–	Our policies and CoC explicitly express the absence of tolerance related to child labor. Our global hiring procedures require evidence of the age of the future employee, and we do not hire or work with people under the age of 18 (except apprentices). On top of that, all our employees are aware of the regulation through the CoC. Regular visits from the management team, and human rights training sessions for the operational management team have been conducted. For more information, visit our website.

1 Data includes OMT.

Forced or compulsory labor[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Amount of operations considered to have significant risks for incidents of child labor due to country fragility index status	–	12	18	18	Based on https://fragilestatesindex.org/, the following countries represent a source of risk as they have a score of at least 55 which is the starting point of the "warning" classification: Bangladesh, Pakistan, Philippines, Thailand, Indonesia, Egypt, Cameroon, Senegal, Nigeria, Myanmar, Sri Lanka,Turkey, South Africa, Saudi Arabia, India, China, Dominican Republic, Brazil. In 2022 we considered a threshold of 80. In 2023, we set the limit at 55 to align with our supply chain approach, and we maintained this limit in 2024.
Measures taken by Accelleron to contribute to the effective abolition of forced or compulsory labor	–	–	–	–	The Accelleron policies and Code of Conduct explicitly express our zero-tolerance towards forced labor. On top of this, all our employees are aware of the rules and their possibility to report any abuse in an anonymous manner.

Product safety

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Number of incidents related to product usage	–	0	0	0	No occupational and/or environmental incidents were reported in 2024 during usage of our products by our customers.

Give-back-to-the-community projects

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Number of "Give back to the community" projects	–	2	22	52	According to our internal guideline, the "give back to community" initiative at Accelleron covers all projects focused on making a positive societal impact in the regions where we operate based on local need. The act of "giving back" entails taking action without anticipation of receiving something in return.
Funds spend in connection with "Give back to the community" projects	CHF	2,500	25,989	>35,000	The reported funds include money for various activities, including the purchasing of material and equipment. This amount does not consider the value of substantial internal working hours of our employees. Within the scope of our work, we are considering both direct and indirect social projects that will have a positive impact on the daily lives of individuals, including those affected by catastrophic events.

1 Data includes OMT.

Occupational health and safety

Management system

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Reports of all leading and lagging indicators used to inform management about Accelleron's health and safety performance	–	–	–	–	At Accelleron, we actively monitor leading indicators globally, covering proactive LET (Learning & Engagement Talk) dedicated for line managers and supervisors. Lagging indicators cover the LTIFR, calculated per 200,000 working hours.
Definitions of different types of work-related incidents and reporting rules	–	–	–	–	Accelleron incident classification is in line with US OSHA rules and the reporting system covers the following categories: near miss, first-aid incident, medical treatment incident, restricted work-day incident, lost-time incident, serious-injury incident (high-consequence work-related injury), workplace fatalities. EXCLUSIONS: incidents that happened during commutes* are reported but not considered as work-related and are not recordable. *Commutes – Accelleron employees and/or contractors traveling to or from their place of work and not undertaking any work-related activities, with the exception of when the transportation agent is a contractor to Accelleron. Reporting rules: all work-related environmental, health, safety and security incidents are immediately reported to the line manager. Based on the incident severity, the line manager initiates incident communication following Accelleron's Incident Reporting Guidance and deadlines. The incident is then reported in the global reporting tool within 48 hours.
Total amount of LET	–	1,624	2,015	1,921	Total amount of all LET conducted by the line managers in the organization (manager with at least one direct report).
Define LET	–	–	–	–	LET – Learning and Engagement Talk: HSE-focused dialog between employee(s) and line manager. Its objective is to understand what works well and what makes the work of employees difficult. LETs are an opportunity to focus on feedback from the employee on how certain activities are performed, engage employees in discussion on work practices and improve them.
Percentage of sites ISO 45001 certified[1]	%	70	46	82	The increase of sites being certified is due to the transition period between the ABB certification system and the ongoing approach to have a global certification system.
Percentage of sites ISO 14001 certified[1]	%	57	29	25	The decrease of sites being certified is due to the transition period between the ABB certification system and the ongoing approach to have a global certification system. The Swiss and Chinese manufacturing sites and OMT Turin are certified in accordance with ISO 14001, as well as several service stations.
Number of sites ISO 50001 certified[1]	–	1	2	2	The Chinese manufacturing site and the Greek site are certified in accordance with ISO 50001.
Description of the process to identify work-related hazard and assess risks on a routine and non-routine activities and to apply the hierarchy of controls including how Accelleron ensure quality of these processes and the competences. Explain how the results of these processes are used to evaluate and improve the OHS management system	–	–	–	–	Key process at Accelleron regarding hazard identification and risk control are defined within globally implemented HSE Management System and cover: hazards reporting and resolving, business level HSE risk register, activity-based risk assessment for own operations and last-minute risk assessment executed prior to starting the service job on customer site. The quality of those processes is ensured through: regular performance review, data sanity checks, delivery of specialist training, regular workplace inspections including control measures applied and various quality controls done by line managers. Relevant results are analyzed globally through collection of local management review results, data analytics (incidents, non-conformities, hazards trends, etc.), focused feedback loops, etc. Results are used to further improve the relevant safety standards, procedures and processes, contributing to improved HSE performance.

1 Data for 2024 includes OMT.

Management system

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Explain the “stop work authority”	–	–	–	–	All Accelleron employees and contractors are authorized to apply stop work authority. They are expected to stop work whenever they believe a situation may be immediately dangerous to life and health of themselves or others, and/or result in a significant environmental damage and/or where product is at risk of damage. All stop work events shall be reported and investigated (with root cause analysis performed) regardless of the outcome following the standardized procedure.
Describe the process to investigate work-related incidents	–	–	–	–	All verified HSE incidents and near misses are investigated. The level of investigation is determined based on the severity of the incident and can be categorized as minor, medium, or major. Investigations are conducted by trained and qualified employees. For medium and major-level investigations, the quality of the root cause analysis (RCA) and the effectiveness of corrective and preventive actions are ensured through an established investigation milestones process. This includes a kick-off, an RCA review, and a final incident close-out meeting led by senior management.
Describe the process for worker participation and consultation in the development, implementation and evaluation of Accelleron OHS management system and for providing access to and communicating relevant information to workers	–	–	–	–	Employee consultation and participation is promoted through maintaining committees, learning & engagement talks, focus groups, safety briefings, toolbox talks, feedback loops, and the use of visual communication means. The Accelleron Safety Month was established in 2023. Accelleron communicates all relevant HSE information through various channels, including regular Gglobal HSE calls, Country Managing Directors call and HSE community calls. Relevant information is then cascaded down to the local employees as per local communication plans.

Health

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Explanation on access to health services related to non-occupational medical and healthcare services and the scope of access provided	–	–	–	–	Accelleron partners with the third party “International SOS” to provide travel, medical, and security advice and assistance to employees on international travels and work assignments. Assistance centers offer services and advice within these categories related to health: • Epidemics/pandemics • Illnesses and injuries (cooperation with the hospitals, clinics) • Local conditions in the country of destination (e.g. air quality, water potability) • Personal well-being (depression, psychological problems, stressful situations) International SOS also provides e-learning for travel-related health topics like: • Medical travel risk awareness – 400 employees have completed this training • Stress management – 350 employees completed • Tips for working from home – 50 employees completed • Emotional resilience – 50 employees completed In 2024, over 2,300 notification emails were sent by our partner to international travelers to inform them about security and medical risks in their destination country. We have 538 assistance app users, which is approx. 72% of all international travelers that use the services proactively. There were 8 assistance cases when our partner provided help to the travelers to ensure their well-being.

Health

Theme	Unit	2022 data	2023 data	2024 data	
Description of any voluntary health promotion services and programs offered to workers to address major non-work related health risks in significant location	–	–	–	–	Globally, Accelleron employees have access to an Employee Assistance Program. This tool is led by HR. The tool provides mental health assistance, and it helps employees to cope with a current life challenge, preparing for a new life experience, personal or work-related experiences. In the year 2024, there were 36 cases handled via EAP related to health risks and queries like stress, anxiety, relationships, anger issues, etc. On top of that, there exists a fitness program where several classes per week are available online. In 2024, Accelleron does not have full coverage for all its locations on this KPI but has information on its two manufacturing sites based in China and Switzerland. The Chinese site offers the following activities: 1. Well-being and resilience training for new employees, led by HSE Advisor 2. Continue EAP (workplace options), led by HR 3. Community game in Chongqing, led by labor union 4. Sports promotion, led by labor union 5. Continue ergonomics initiations both on the shop floor and office (power/hand tool improvement, backpack), led by the supervisors 6. Continue annual employee medical checks, led by HR 7. Health guide & review for outing, led by HSE 8. Health advice and knowledge sharing via company WeChat, led by HSE The Swiss site offers the following activities: 1. Resilience Training led by medical staff from a medical services supplier (available to all Accelleron employees globally) 2. Ergonomics training and ergonomics walks and checks led by the medical service provider and HSE Advisor 3. Fitness program – several classes per week (on-site and online) e.g. yoga, pilates, online courses available on the provider's website; several on-site workshops per year e.g. “Ready to Ski,” “Bike to Work” 4. Free seasonal flu vaccinations for employees 5. Health campaigns: “Mental health first aider – ENSA” “Mental health training for team leaders and managers” 6. Fruit day – fresh fruit available for employees in lunch and coffee areas Additionally, during Accelleron Safety Month 2024, the following health-related sessions were run across the Company: 1. Wellbeing and resilience – Stress management – 712 employees participated 2. Wellbeing and resilience – Building mental fortitude – 200 employees participated 3. Health-oriented leadership – 180 managers participated

Safety

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Number of fatalities	–	0	0	0	
Employees	–	0	0	0	No cases were reported in 2024.
Contractors	–	0	0	0	No cases were reported in 2024.
Number of serious injuries	–	0	1	1	
Employees	–	0	1	1	Eye injury
Contractors	–	0	0	0	No cases were reported in 2024.
Number of of lost-time incidents		11	13	15	
Employees	–	11	13	15	–
Contractors	–	0	0	0	–
LTIFR (employees only)	–	0.46	0.52	0.57	Lost-Time Incident Frequency Rate (LTIFR) is calculated as the total number of lost-time incidents per 200,000 hours worked within a specific period (year).
Main types of work-related injuries (employees only)	–	–	–	–	Nature of our work, where the at-risk workforce work manually, the majority of workplace lost-time injuries relate to fingers and hands during hand/power tool operations.
Number of recordable incidents	–	17	18	24	
Employees	–	17	18	22	–
Contractors	–	0	0	2	–
TRIFR (employees only)	–	0.71	0.71	0.84	Total recordable incident frequency rate (TRIFR) – is calculated as the total number of recordable incidents (fatalities, serious incidents, lost-time incidents, medical treatments, restricted work-day cases, occupational diseases) per 200,000 hours worked within a specific period (year).
Number of recordable work-related ill health cases	–	0	0	0	
Employees	–	0	0	0	No cases were reported in 2024.
Main types of work-related ill health	–	–	–	–	Not applicable

Environment

Energy[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Total energy consumed	Gigajoule	135,400.7	126,189.6	162,215.3	Of which OMT Turin site represents 25,588.8 Gj (2024 year)
Total amount of electricity consumed	Gigajoule	82,939.7	77,704.1	103,531.4	Of which OMT Turin site represents 22,087.8 Gj (2024 year)
Total amount of oil consumed	Gigajoule	22,894.6	20,396.4	29,614.4	Of which OMT Turin site represents 1,101.2 Gj (2024 year)
Total amount of gas consumed	Gigajoule	6,897.7	8,662.3	10,521.4	Of which OMT Turin site represents 2,399.7 Gj (2024 year)
Total amount of coal consumed	Gigajoule	0.0	0.0	0.0	Not applicable for OMT Turin site (2024 year)
Total amount of district heating consumed	Gigajoule	23,468.6	18,266.3	17,687.9	–
Total amount of electricity from renewable sources (wind, sun, geothermal, water, biomass) and low carbon (nuclear)	Gigajoule	60,318.1	56,783.0	62,911.7	Of which OMT Turin site represents 1,287 Gj (2024 year)
Total amount of conventional electricity	Gigajoule	22.618.5	20,917.5	40,619.6	Of which OMT Turin site represents 20,800.7 Gj (2024 year)
Total amount of electricity generated on-site by solar panels	Gigajoule	49.5	55.3	4,812.0	The increase is due to the new installation of solar panels on several sites and the production from OMT (Turin). Baden site produced 3,036 Gj and OMT (Turin) produced 1,287 Gj, representing therefore nearly 90% of the amount of electricity generated on site by solar panels. (2024 year)
Total amount of energy consumed per working hour	Gigajoule/hour	0.03	0.03	0.03	–
Number of sites supplied with electricity from renewable sources (wind, sun, geothermal, water, biomass) and low carbon (nuclear)	–	19	23	24	–
Share of sites supplied with electricity from renewable sources (wind, sun, geothermal, water, biomass) and low carbon (nuclear)	%	22.9	27.7	28.5	–
Share of electricity from renewable sources (wind, sun, geothermal, water, biomass) and low carbon (nuclear)	%	70.0	73.1	60.0	The drop is due to the integration of OMT which represents a significant share of the total electricity consumption. The Turin site is not yet supplied by low-carbon electricity. (2024 year)

1 Data includes OMT.

Water[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Percentage of reporting sites in areas of waster scarcity	%	50	50	51	OMT Turin responsible for increase in comparison to 2023. (2024 year)
Percentage of water withdrawal from areas of water scarcity in comparison to total amount of water withdrawn	%	8.8	15.0	14.0	–
Define water scarcity area	–	–	–	–	Area rated “high” or above by WRI Aqueduct website in regard to physical risk quantity parameter
Total amount of withdrawal	Cubic meter	379,227.0	183,109.0	221,754.0	Of which OMT Turin site represents 8,239 cubic meter (2024 year)
Total amount of water withdrawal from third parties	Cubic meter	71,126.0	56,966.3	65,787.0	Of which OMT Turin site represents 8,239 cubic meter (2024 year)
Total amount of water withdrawal from sea	Cubic meter	0	0	0	–
Total amount of water withdrawal from groundwater	Cubic meter	84.0	3,301.0	4,339.0	Not applicable for OMT Turin (2024 year)
Total amount of water withdrawal from surface water	Cubic meter	308,005.0	122,622.0	152,628.0	Not applicable for OMT Turin (2024 year)
Total amount of water used	Cubic meter	379,215.0	182,889.3	221,347.0	Of which OMT Turin site represents 8,239 cubic meter (2024 year)
Total amount used for industrial purposes	Cubic meter	341,150.0	153,802.6	182,108.3	Of which OMT Turin site represents 1,788 cubic meter (2024 year)
Total amount used for domestic purposes	Cubic meter	38,065.0	29,306.5	39,239.2	Of which OMT Turin site represents 6,451 cubic meter (2024 year)
Total amount of water released directly to surface	Cubic meter	308,005.0	122,622.9	152,628	Not applicable for OMT Turin (2024 year)
Total amount of water consumed	Cubic meter	3,407.9	120.1	1,533.0	No information available on the amount of water bottles (2024 year)
Total amount of water used for cooling purposes without interfering with chemistry and physical characteristics	Cubic meter	312,565.5	122,983.0	154,261.1	Of which OMT Turin site represents 1,153 cubic meter (2024 year)
Amount of rain water collected	Cubic meter	1,503.0	1,878.0	2,209.0	Not applicable for OMT Turin (2024 year)
Total amount of water withdrawn per working hour	Cubic meter/hour	0.08	0.04	0.04	–
Percentage of site equipment with primary water treatment	%	59	59	59	Not applicable for OMT Turin (2024 year)
Percentage of site equipment with secondary water treatment	%	18	18	18	Not applicable for OMT Turin (2024 year)
Percentage of site equipment with tertiary water treatment	%	0	0	0	Not applicable for OMT Turin (2024 year)

Waste[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Total amount of waste	Ton (metric)	3,530.2	4,188.2	4,259.8	Of which OMT Turin site represents 325 ton
Total amount of non-hazardous waste	Ton (metric)	2,984.0	3,647.3	3,621.7	Of which OMT Turin site represents 243 ton
Total amount of hazardous waste	Ton (metric)	553.7	541.7	641.4	Of which OMT Turin site represents 82 ton
Total amount of waste recycled	Ton (metric)	2,651.2	3,187.9	3,066.6	Of which OMT Turin site represents 243 ton
Total amount of waste disposed	Ton (metric)	879.0	998.0	1,193.1	Of which OMT Turin site represents 82 ton
Thereof total amount of waste going to landfill	Ton (metric)	169.7	291.1	317.9	Of which OMT Turin site represents 0.8 ton
Thereof total amount of waste going to third option	Ton (metric)	352.5	302.0	16.8	Of which OMT Turin site represents 0.9 ton
Total amount of non-hazardous waste recycled	Ton (metric)	2,440.3	2,922.4	2,823	Of which OMT Turin site represents 241 ton
Total amount of non-hazardous waste disposed of	Ton (metric)	545.2	725.5	801.5	Of which OMT Turin site represents 1.7 ton
Thereof total amount of non-hazardous waste going to landfill	Ton (metric)	349.0	291.1	317.9	Of which OMT Turin site represents 0.8 ton
Thereof total amount of non-hazardous waste going to incineration with energy recovery	Ton (metric)	169.0	399.4	412.5	Of which OMT Turin site represents 0 ton
Thereof total amount of non-hazardous waste going to incineration without energy recovery	Ton (metric)	27.3	5.4	54.9	Of which OMT Turin site represents 0 ton
Total amount of hazardous waste recycled	Ton (metric)	221.6	265.5	243.5	Of which OMT Turin site represents 2.1 ton
Total amount of hazardous waste disposed of	Ton (metric)	332.1	276.2	397.8	Of which OMT Turin site represents 80.1 ton
Total amount of waste generated per working hour	Ton (metric)/hour	0.001	0.001	0.001	–
Target: zero waste to landfill (except US, Middle East, and Africa)	Ton (metric)	73	55	29	–
Target: recycling rate for non-hazardous waste (except US, Middle East, and Africa)	%	84	85	88	–

1 Data includes OMT.

Volatile organic compounds (VOC)[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Total amount of VOC emissions	Ton (metric)	3.5	3.6	2.7	–

Environmental incidents[1]

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Total number of significant environmental incidents	–	0	0	0	Significant environmental incident (recordable) – an environmental incident is regarded as significant if at least one of the following criteria applies to the incident: 1) Accelleron is obliged to inform local authorities or a governmental agency about the incident and/or regulatory violation; 2) an inspection by an environmental agency results in a formal complaint; 3) Accelleron receives an environmental notice of violation, a consent order or a potential responsible party notification; 4) Accelleron receives a penalty or a fine; 5) someone is injured or affected due to the incident, or there is a significant impact on an ecosystem; 6) costs related to the incident exceed, or may exceed, USD 10,000; or 7) the incident is likely to bring media attention, or in some other way harm Accelleron's reputation

1 Data includes OMT.

Supply chain

Spend and definition

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Percentage of direct material third party spend for the Swiss factory that is spend on local suppliers	%	90	85	83	The share represents the spend from the Swiss factory to European suppliers.
Percentage of direct material third party spend for the Chinese factory that is spend on local suppliers	%	73	88	89	The share represents the spend from the Chinese factory to Chinese suppliers.
Define "local"	–	–	–	–	The supplied goods are bought by the Swiss and Chinese manufacturing sites solely. Accelleron internally defines a local supplier for the Swiss site as a supplier based in Europe except Turkey. Accelleron defines a local supplier for the Chinese site as a supplier based in China.
Define "significant location"	–	–	–	–	The Swiss and Chinese sites are considered as significant locations because they represent the vast majority of our population (55%) and it is where the supplied goods are mainly supplied in terms of spend.

Supplier environmental issue

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Percentage of new direct material suppliers that went through a supplier environmental qualification questionnaire	%	100	100	100	All new direct material suppliers must go through a questionnaire including environmental topics related to their operations and their GHG emissions. Due to carve-out reasons, historical data is not available.
Number of suppliers having incidents related to environment	–	0	0	0	No incidents reported in 2024.

Freedom of association and collective bargaining in supply chain

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Percentage of direct material supplier spend where potential risk related to freedom of association and collective bargaining could occur in high risk area and provide the list of countries	%	28	30	31	High-risk countries are: China, India, Turkey, Vietnam. We used Fragile State Index and set the threshold at 55 corresponding to the "warning" level. The percentage indicates a ratio of global direct third-party spend at direct material suppliers in defined countries vs. total direct third-party spend.
Provide the measures to support rights to exercise freedom of association and collective bargaining	–	–	–	–	Accelleron has a specific Supplier CoC ensuring its suppliers allow their workforce to have collective bargaining and freedom of association. Accelleron considers this aspect in the on-boarding risk evaluation and it is also covered by the supplier audit process.

Child labor in supply chain

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Percentage of direct material suppliers where potential risk related to “child labor” could occur in high-risk area and provide the list of countries	%	28	30	31	High-risk countries are: China, India, Turkey, Vietnam. We used Fragile State Index and set the threshold at 55 corresponding to the “warning” level. The percentage indicates a ratio of global direct third-party spend at direct material suppliers in defined countries vs. total direct third-party spend.
Number of suppliers having incidents related to child labor	–	0	0	0	No incidents reported in 2024.
Measures taken by Accelleron to contribute to the effective abolition of child labor	–	–	–	–	Accelleron has a specific Supplier CoC forbidding the use of child labor, a contract summarizing the obligation related to the absence of child labor.

Forced labor in supply chain

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Percentage of direct material suppliers spend where potential risk related to “forced labor” could occur in high-risk area and provide the list of countries	%	28	30	31	High-risk countries are: China, India, Turkey, Vietnam. We used Fragile State Index and set the threshold at >55 corresponding to the “warning” level. The percentage indicates a ratio of global direct third-party spend at direct material suppliers in defined countries vs. total direct third-party spend.
Number of direct material suppliers demonstrating forced or compulsory labor	–	0	0	0	No incidents reported in 2024.
Measures taken by Accelleron to contribute to the effective abolition of forced or compulsory labor	–	–	–	–	Accelleron has a specific Supplier CoC forbidding the use of forced or compulsory labor, a contract summarizing the obligation related to the absence of forced or compulsory labor. Ten sustainability audits as well as several supplier visits performed globally in 2024.

Supplier social issues

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Percentage of new direct material suppliers that were screened using social criteria	%	100	100	100	All new direct material suppliers must go through a questionnaire including social topics related to their operations.

Supplier Code of Conduct

Theme	Unit	2022 data	2023 data	2024 data	Explanation
Percentage of direct suppliers who signed our Supplier Code of Conduct including anti-corruption policies	%	100	100	100	Supplier means every company working in our premises or delivering goods and/or services to us.

Risks related to materials

Material as per score intensity in the materiality matrix

Material topic	Risk if left unaddressed (non-exhaustive)	Action
Responsible innovation	Failure to offer products and services that align with our customers' decarbonization journeys would risk economic consequences and loss of employee engagement.	We have set a target of offering alternative fuel-ready products by 2030. We have delivered the first products on applications that will be operated on alternative fuels and commit a substantial part of our R&D resources to optimizing our products for use with alternative fuels.
Environmental impact of our products	Failure to address impacts would increase the cost of environmental externalities and the pressure on the environment, as well as failing to meet the expectations of our business partners.	We have set targets related to our GHG emissions as well as waste. Also, we are assessing targets related to energy and water.
Product quality and product safety	Failure to address quality and safety would make our products a potential source of hazard to the end-user or lead to risk of power failure.	As part of our product quality and safety strategy, targets have been set and implemented in previous years. As a result, we have already achieved a high level of risk management maturity, but we continue to identify potential opportunities for further improvement.
Employee learning, development, and well-being	Failure to develop our people would affect our business performance and employee engagement.	We developed a target related to learning and growth.
Responsible sourcing and human rights	Failure to address human rights and climate change risks in our supply chain could increase the risk of supply chain disruption in our targeted markets.	We set a target to improve supplier monitoring through an audit program in high-risk countries where we want to reduce the risk of supply chain disruption by including climate risk in their business continuity planning and better control human rights violation risks.
Ethics and integrity	Failure to address may result in breach of laws, financial consequences and reputation damage.	We have achieved a high level of maturity in the years prior to this report. While we do not set new targets in this category, we continue to identify the potential for further improvement.
Digitalization	Failure to address may result in unfulfilled potential in competitiveness and productivity.	Digital platforms are already part of our solution portfolio and are addressed as part of our business targets.
Circular economy	Our service business takes this material into account. Failure to address this would lead to a significantly lower reduction of CO_2 footprint at our level but also the level of our customers.	We provide a concept how circularity could contribute to Accelleron's sustainability targets, further support customers while still providing a business case in line with our growth strategy.
Diversity and inclusion	Failure to address these issues can lead to lower levels of engagement, innovation, and revenue, resulting in a less attractive employer reputation and less effective talent attraction and retention.	We set a global target related to senior leadership positions.
Community engagement	Failure to address this may expose us to untapped stakeholder relationship potential, a potential bad reputation in local communities, as well as a potentially lower percentage of our local staff identifying with their employer.	We set a global target to contribute to community initiatives in a “giving back” approach.

09

Appendix II: TCFD Report

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Governance

Board oversight

We base our climate-related reporting on the current versions of the Swiss Ordinance on Climate Disclosures and we are guided by the TCFD's "Recommendations of the Task Force on Climate-related Financial Disclosures" and the appendix "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures." The Board's oversight of climate-related issues is described below:

Accelleron's sustainability governance structure includes the Board of Directors (BoD) and its Nomination and Compensation Committee (NCC), which is supported by the Audit Committee (AC) and a company internal collaboration forum, Sustainability Committee (SC). The NCC, comprised of Board members, oversees the company's sustainability strategy, ambitions, targets, and performance, including climate risk management and carbon footprint reduction, as well as reporting. The NCC is supported by the Audit Committee (AC) regarding collection, verification and assurance of climate-related data. The SC, which meets every six to eight weeks, is led by the Chief Human Resources and Sustainability Officer (CHRSO). It discusses, prioritizes and coordinates sustainability activities of the Company and advises the Executive Committee (EC) and the NCC. The NCC advises, reviews, and proposes decisions to the Board of Directors (BoD) for approval. The NCC also oversees progress against targets and KPIs. Climate-related matters are discussed at regular meetings and on an ad hoc basis.

In 2024, we embedded sustainability, including a climate risk assessment, into our annual enterprise risk management (ERM) process. We also engaged in strategic discussions regarding our commitment to future targets aligned with SBTi, focusing on Scope 3 emissions targets and enhancing customer value.

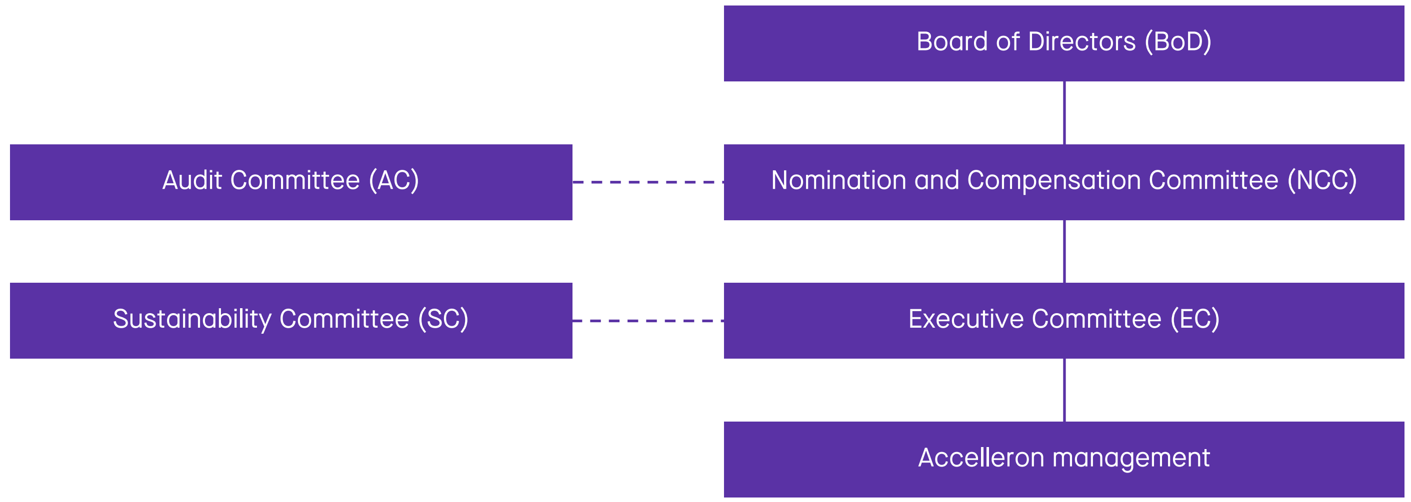
The role of management

The management assesses and manages climate-related risks through the ERM process and other risk management processes. The Sustainability Committee, led by the CHRSO, oversees strategic sustainability projects, the management of climate issues, and reporting, and it interacts on this information with the EC. The SC consists of several EC members, including the CEO, CFO, CHRSO, and , as well as senior management such as the General Counsel, Vice President Value Chain, Vice President of Communications, and Vice President of Investors Relations & Strategy. Ultimately, the CEO is responsible for addressing climate risks and opportunities.

The diagram below summarizes how the SC, EC the BoD and its committees interact.
Based on Accelleron's carbon footprint, several targets have been assigned to different management positions. For more details see section metrics and targets of the TCFD report.

Climate risks and opportunities are also considered in Accelleron's investment strategy.[1] Natural hazards and other adverse, climate-related conditions that could potentially impact our operations and the supply chain are factored into business continuity plans. This encompasses key suppliers and logistic providers.

1 In case of acquisition, natural hazards are one of the several factors considered.



Strategy

Climate-related risks and opportunities

Accelleron identifies climate-related risks and opportunities over short-, medium-, and long-term horizons[1]:

- **Short-term:** Immediate operational impact, such as supply chain or regulatory changes.
- **Medium-term:** Regulatory, technological, and market changes which could affect the business.
- **Long-term:** Physical climate impact like heatwaves and floods, which could have significant effects on operations and infrastructure.

In 2024, Accelleron has identified hazards relevant to our business model, including both acute and chronic physical risks and transition risks. These include:

- **Physical risks:** We use the climate-related hazards list from the EU Taxonomy 2020/852. We are assisted by a specialist consulting company in assessing our three manufacturing sites Baden (Switzerland), Chongqing (China), Turin (Italy).
- **Transition risks:** Carbon prices, energy supply reliability, process security, regulations, taxes, litigation, consumer preferences, availability of capital, the energy transition, and raw materials are considered.

Description of the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Accelleron products and services help customers mitigate their climate impact, specifically through turbocharger upgrade services, but also through our new generation of fuel injectors and turbochargers. This represents an ongoing opportunity for our business to grow as an enabler of decarbonization. In parallel, changing consumer preferences of end users require our customers to make their product portfolios more energy efficient and sustainable.

Accelleron procures semi-finished goods locally and globally (mainly from Europe, China, India). We have an established dual sourcing approach and have started initiatives to reduce the climate impact of transportation. We recognize the environmental impact of such activities as well as the impact that a changing climate may have on the supply chain. We therefore also seek to minimize the environmental impact of intercontinental distribution networks in our raw material deliveries.
In 2025, Accelleron will conduct a deeper analysis of the risks and opportunities in these areas with respect to our businesses, strategy, and financial planning.

Physical climate risks, mitigation and adaptation measures

As part of our climate-risk analysis, acute and chronic natural hazards were analyzed on a site-specific basis. The aim was to identify all significant risks for each site both under current and future climate conditions. The hazards were analyzed based on a synthesis of 20 climate models, considering the prescribed emission scenarios (SSP1-2.6, SSP5-8.5) for three time periods (around 2000, 2030, and 2050) and completed using observational data.

SSP1-2.6 is the scenario with the smallest increase in emissions from 2020 onwards. In this scenario, the associated temperature increase compared to pre-industrial times remains below 2°C.

SSP5-8.5 describes the greatest increase in emissions. In this scenario, temperature increases of around 5°C are expected by the end of the 21st century.

The climate risk analysis was prepared using the methodology and tools of our consulting firm, and incorporating other official sources of information. Some physical hazards were considered immaterial for Accelleron's key manufacturing sites, whereas others, like "heat" and "heavy precipitation" may be material.

To classify risks, the analysis was based on pre-defined vulnerabilities. This is the only way to estimate the extent of damage to a property that can be expected in the long term, with respect to the identified hazards of a situation. The resulting long-term damage value corresponds to the risk. The determined risk values are assigned according to a three-stage, qualitative classification system (low, medium, high).

The risk assessment is ongoing, and does not yet reflect current preventative and protective measures (technical, management, or administrative) for assets or employees that are in planning or already in place. For further risk analysis in 2025, we identified two main fields for further investigation: flooding of main factories due to extreme rain and exposure to heat waves. We will assess the net risk including existing preventive and protective measures and decide whether additional measures are needed.
Accelleron's transition plan includes targets for Scope 1 and 2, including milestones for measuring progress. Regarding our Scope 3, we have incorporated a significant portion of it into the LTI plan and in 2025 we will work on specific target aligned with the Paris Agreement.

1 For strategic reasons, the internal timeline is not disclosed.

Risk management

Description of the organization's processes for identifying and assessing climate-related risks

In 2024, Accelleron developed its first risk map for identifying and assessing climate-related risks. In 2025, the potential financial impact of these risks will be further evaluated based on latest risk assessment methodologies, reflecting CSRD guidance and other pertinent guidance materials, as well as our internal risk assessment processes.

- **Risk mapping:** Identifying risks based on their likelihood and potential impact through the method explained in the previous section and above.
- **Financial impact classification:** Classifying risks based on their potential financial cost to the business, based on Accelleron's risk management process explained in the previous section and above.

Description of the organization's processes for managing climate-related risks

The Sustainability Committee and the management team oversee climate-related risk management. In 2024, we added climate risk assessment to our overall sustainability approach and integrated the entire model into our enterprise risk management (ERM) process. We plan to implement strategic and operational measures to mitigate these risks, as necessary, based on the outcome of a closer evaluation in 2025.

- **Risk management processes:** Climate risks integrated into the ERM process in 2024.
- **Strategic and operational measures:** Implementing measures to mitigate identified risks, where necessary, beginning in 2025.

Description of the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

As per the above statement, we started integrating these risks in 2024, and their financial impact will be evaluated in 2025.

Metrics and targets

Disclosure of the metrics used by the organization to assess climate-related risks and opportunities, in line with its strategy and risk management process

Accelleron uses various metrics to assess climate-related risks and opportunities, focusing on reducing CO_2 emissions, improving energy efficiency, and minimizing waste. We track progress against sustainability targets and reports quarterly.

- **CO_2 emissions:** Tracking Scope 1, Scope 2, and Scope 3 emissions.
- **Energy efficiency:** Implementing measures to improve energy efficiency.
- **Waste reduction:** Reducing waste generated during production.

Accelleron strongly believes that we must diligently focus, to avoid potentially adverse environmental impact, and we already have identified “environmental impact” as one of our most relevant material topics (for further information on our materiality assessment, see our materiality matrix). We therefore intend to reduce CO_2 emissions across our value chain and be more energy-efficient throughout our global operations. In practical terms, this means improving energy efficiency, promoting the use of renewable energy sources, evaluating measures to self-generate renewable energy on site with solar panels, and procuring renewable energy certificates. Other potential targets may also be set, after deeper assessment of the climate risks in 2025.

To stay abreast of progress on Scope 1 and 2 emissions, the Accelleron sustainability team reports internally on a quarterly basis. Since 2023, these reports have tracked progress towards reducing our carbon footprint, with a focus on 90% of our sites.

Scope 3 emissions data is calculated using a combination of methods for each category, as described in the GHG Protocol. Specific information may be found on page 39 to 41 of the Sustainability report chapter.

CO_2 emissions and targets

Accelleron discloses Scope 1, Scope 2, and Scope 3 CO_2 emissions. We aim to reduce Scope 1 and 2 emissions by 70% by 2030, compared to 2022 levels and we have the ambition to reduce our Scope 3 in line with the Paris Agreement. In 2024, we reduced our Scope 1 and 2 emissions by 13% in comparison to 2022 (excluding OMT). We also started our journey of developing SBTi commitments in 2023. However, we do not have reliable data from 2022 for OMT – the fuel injection business we acquired in 2023 – and we have therefore decided to establish 2023 as our new baseline for SBTi targets. In 2025, we will aim to have new targets validated by SBTi, which will address the following goals.

- **Scope 1 and 2 emissions:** Reducing direct emissions from operations.
- **Scope 3 emissions:** Reducing emissions from the value chain and transportation.

Accelleron’s carbon footprint, categorized by scope, is shown in pages 39 to 41 of the sustainability report chapter.

Description of the targets used by the organization to manage climate-related risks and opportunities, as well as performance against targets

Accelleron’s products and services support decarbonization efforts in the marine and energy sectors. Our climate-related targets also include the reduction of transportation-related carbon emissions and the acquisition of specific emissions data from our suppliers to support their emissions reduction efforts.

- **Transportation emissions:** Reducing carbon emissions from transportation.
- **Supplier emissions:** Engaging suppliers to reduce their emissions.
- **Decarbonization products:** Developing products and service that support customer decarbonization efforts.

In 2024, the NCC and BoD approved the long term incentive plan for senior management, which includes a reduction target for carbon intensity. The key levers of improvements connected to the incentive scheme include low-carbon intensity electricity and transportation (upstream and downstream), as well as procurement of semi-finished goods with lower carbon intensity.

Accelleron aims to have a 2030 SBTi target approved in 2025 which addresses the reduction of our carbon footprint. In the future, we also consider how to address the requirements for reaching net zero in the long-term.
A realistic net zero plan will require us to first of all ensure that energy usage and processes in our transportation and supply chain support the target of net zero. For example, the steel industry uses carbon-intensive processes. Without a clear roadmap and milestones from this sector, a net zero plan is highly challenging.

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Appendix III: Glossary

Glossary

Term	Definition
3P approach/3P	An internal definition of a sustainability framework inspired by the triple bottom line concept which encourages businesses to consider their social, environmental, and economic performance and impact.
Advanced decarbonization solutions	Innovations focused on advancing decarbonization and the energy transition to future carbon-neutral fuels, through turbocharging, fuel injection, and digital technologies.
AIMS	Internal global framework embedded into day-to-day business for managing (Q)HSE risks & opportunities.
Alternative fuel	A fuel which is used to contribute to a reduction of GHG emissions and may serve as a substitute for fossil based fuels.
Biofuel	Fuel directly or indirectly derived from biomass.
Carbon intensity	Amount of carbon dioxide emissions produced per unit of energy or economic output.
Carbon-neutral fuel	A type of fuel that, when burned, does not increase the net amount of carbon dioxide (CO_2) in the atmosphere.
CII rating	The Carbon Intensity Indicator (CII) measures a ship's energy efficiency by calculating the grams of CO_2 emitted per cargo-carrying capacity and nautical mile.
Climate risk	Climate risk refers to the potential negative impact of climate change on natural and human systems, including economic, environmental, and social aspects.
CO_2 avoided	Amount of carbon dioxide emissions that are prevented from being released into the atmosphere due to the implementation of sustainable practices or technologies.
CO_2 equivalent	Metric used to compare the emissions of various greenhouse gases based on their global warming potential (GWP). It converts the amount of different gases into the equivalent amount of carbon dioxide (CO_2) that would have the same impact on global warming.
Conventional fuel	Fossil fuel such as coal, lignite, gasoline, diesel fuel, or oil.
Dual fuel engine	Engine capable of running on two different fuels with the ability to switch between fuels as necessary.
Energy Efficiency Existing Ship Index	The Energy Efficiency Existing Ship Index (EEXI) is a measure introduced by the International Maritime Organization (IMO) to assess the energy efficiency of existing ships. It aims to reduce greenhouse gas emissions from the maritime sector.
Energy intensity	Amount of energy used per unit of economic output.
Engine Part Load Optimization	A type of upgrade/retrofit service designed for two-stroke marine main engines, which combines turbocharging component upgrades with engine derating (limiting sailing speeds), to optimize engine performance at low load, resulting in reduced fuel consumption and CO_2 emissions.
EU ETS	The EU Emissions Trading System (EU ETS) is a "cap and trade" scheme under which a limit (the cap) is placed on the right to emit specified pollutants over a geographic area and which also allows companies to trade emission rights within that area.
Flexible integrated turbocharging system for large two-stroke engines (FiTS2)	A type of upgrade/retrofit service designed for two-stroke marine main engines, developed with WinGD, a leading two-stroke engine manufacturer. FiTS2 uses a smart combination of unequally specified turbochargers and wide compressor maps. Two or more turbochargers operate in sequence for optimum air delivery at each engine load. FiTS2 is designed to deliver maximum fuel savings (and emissions reductions) at part and low load, while offering the flexibility of going to full output without the need for installation work.
Fragile State Index	A framework that assesses the vulnerability of states to collapse by evaluating various social, economic, and political indicators.
GHG Protocol	A comprehensive global standardized framework for measuring and managing greenhouse gas (GHG) emissions from private and public sector operations, value chains, and mitigation actions.

Term	Definition
Green hydrogen	Hydrogen produced through the electrolysis of water, using electricity generated from renewable energy sources such as wind, solar, or hydropower or nuclear power.
Green methanol	A type of methanol produced from renewable and low-carbon sources.
Greenhouse gas	Any gas that absorbs infrared radiation or heat emanating from the ground and prevents it from being released back into space.
GRI 305	A standard that contains disclosures for organizations to report information about their GHG emissions-related impact, and how they manage this impact.
Heavy fuel oil	A residual fuel derived from crude oil refining, commonly used in marine vessels.
Lifecycle solutions	Solutions that consider the entire product lifecycle from cradle to grave.
Long-lived assets	Property, plant and equipment net of depreciation.
Low carbon electricity	Electricity which uses at least one of the following primary sources of energy: wind, sun,geothermal, biomass, hydropower, nuclear.
LTIFR	Lost Time Injury Frequency Rate (LTIFR) is a safety metric used to measure the frequency of workplace injuries that result in an employee being unable to work their next full workday. It is calculated relative to the total number of hours worked over a specific period.
MARPOL	International Convention for the Prevention of Pollution from ships, an international treaty established to protect the marine environment by reducing pollution from ships, whether from operational or accidental causes.
Maturity level (water)	Internal definition related to usage of water in our operations.
Near-zero emission fuel	A type of fuel that, when burned, doesn't increase net greenhouse gas emissions. This means that the emissions produced during the fuel's lifecycle (from production to combustion) are balanced by measures that remove an equivalent amount of greenhouse gases from the atmosphere.
Net zero	Net zero emissions, according to the Intergovernmental Panel on Climate Change, are achieved when the amount of greenhouse gases emitted by human activities is balanced by the amount removed from the atmosphere over a specific period. This balance can be achieved through a combination of reducing emissions and implementing measures to remove greenhouse gases, such as reforestation or carbon capture and storage.
New fuels	Fuels that are not predominantly commercially used at the moment.
Non-hazardous waste	Waste that does not pose a substantial threat to public health or the environment. This type of waste typically includes materials that are not classified as hazardous under relevant regulations and can be safely managed through standard waste management practices.
Pure Car Carrier	Vessels specially designed for the transportation of passenger cars in large quantities.
Remanufacturing	A comprehensive process for repairing older turbochargers to return them to the performance level similar to a new one.
Responsible innovation	An approach to the development and implementation of new technologies and processes that emphasizes ethical considerations, societal needs, and long-term impact. It involves ensuring that innovation is conducted in a way that is socially desirable, environmentally sustainable, and ethically sound.
Responsible sourcing	Responsible sourcing is the practice of procuring goods and services in a way that considers the ethical, environmental, and social impact of the supply chain. This approach ensures that a company's operations and its suppliers' practices do not negatively affect people or the environment.
Responsible supply chain	A supply chain integrates ethical, social, and environmental considerations into the management of the entire supply chain. This approach ensures that all stages of the supply chain, from sourcing raw materials to delivering the final product, adhere to principles of sustainability and ethical conduct as per our internal Code of Conduct.

Term	Definition
SBTi	Science Based Targets initiative (SBTi) is a collaboration between several leading organizations, including the CDP, the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). The initiative provides companies with a clearly defined pathway for reducing greenhouse gas (GHG) emissions in line with the goals of the Paris Agreement, which aims to limit global warming to well below 2°C above pre-industrial levels, and ideally to 1.5°C.
Scope 1	Direct GHG emissions from sources that are owned or controlled by the company.
Scope 2	Indirect GHG emissions from the generation of purchased electricity, district heating or steam consumed by the company.
Scope 3	Other indirect GHG emissions not included in energy indirect (Scope 2). GHG emissions that occur outside of the organization, including both upstream and downstream emissions.
Seeding	The introduction of completely new turbochargers into Accelleron's exchange pool to maintain a sufficient stock for rapid replacements. This exchange pool allows customers to receive a turbocharger replacement within two to five days, minimizing downtime.
Semi-automatized usage of water	Usage of water within Accelleron operations under which processes and machines are used to standardize water usage, alongside remaining manual operations.
Smartly Enabled Services (SES)	Data-enabled service agreements like Turbo Smart Care and Turbo Marine Care, which employ a data-based service plan that simplify turbocharger maintenance for ship owners or operators. Accelleron assumes the responsibility, costs, and risks associated with servicing turbochargers, charging a fixed price to provide financial predictability to customers.
SOLAS	The International Convention for the Safety of Life at Sea (SOLAS) is an international maritime treaty which sets out minimum safety standards in the construction, equipment, and operation of merchant ships.
STEM	Science, technology, engineering and mathematics.
Sustainability criteria	Sustainability criteria are standards and guidelines used to evaluate and ensure that activities, products, or processes are environmentally, socially, and economically sustainable.
Sustainable aviation fuel (SAF)	A type of renewable or waste-derived aviation fuel that meets specific sustainability criteria. It is designed to reduce carbon emissions compared to traditional fossil jet fuel over its lifecycle. SAF can be produced from various sustainable feedstocks.
Sustainable industrialization	Industrialization which encompasses sustainability criteria.
Synthetic fuel	A fuel that is generated via an industrial synthesis process.
Transitional fuel	An energy source used temporarily in the transition from high-carbon fossil fuels to cleaner, renewable energy sources; also known as bridge fuel. These fuels are considered to have a lower environmental impact compared to traditional fossil fuels and are used to bridge the gap while renewable energy technologies and infrastructure are being developed and scaled up. Examples include LPG and natural gas.
Turbo analytics	Digital solutions designed to enhance the performance and maintenance of turbochargers through advanced data analytics. They provide real-time insights into turbocharger health, enabling operators to optimize turbocharged engine efficiency and reduce fuel consumption and emissions.
Upgrade(s)	A subcategory of retrofit services for turbochargers that are already in operation. Accelleron uses the term "upgrade" to refer to retrofits of its own turbochargers, where certain components are replaced with newer component models, in order to improve efficiency and overall performance. Accelleron uses the term "retrofits"to refer to the same process applied to the turbochargers of other manufacturers.
Voyage optimization	The process of planning and adjusting a ship's route and speed to achieve the most efficient and cost-effective journey. This involves considering various factors such as weather conditions, sea currents, fuel consumption, and safety regulations.
Water footprint	A measure of the total amount of water used to produce a product or service, including both direct and indirect water use.
Water intensity	A metric that measures the relationship between water by volume and a unit of activity (products, sales, etc.).

Term	Definition
Water-scarce areas	Regions that experience high levels of water stress, where the demand for water exceeds the available supply during a certain period as per World Resource Institute (WRI).
Water-stressed areas	Regions where the demand for water is high relative to the available supply, often measured as the ratio of total water withdrawals to available renewable water resources as per World Resource Institute (WRI).
Zero waste to landfill	Waste management strategy that aims to divert nearly all waste away from landfills, ensuring that at least 99% of generated waste is reused, recycled, composted, or converted into energy.
Zero-emission fuel	Any type of fuel that, when burned, does not produce direct emissions of pollutants or greenhouse gases. This means that the fuel itself does not release carbon dioxide (CO_2), methane (CH_4), nitrogen oxides (NOx), or other harmful substances during combustion or use. Examples are hydrogen and electricity from low-carbon energy sources.

Accelleron Industries AG

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