



Sustainability Report

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Message from the CEO

Dear Readers,

I am proud to present our second Corporate Sustainability Report. 2024 saw not only the successful merger of our two founding Groups, but also significant progress in how we integrate sustainability into our business strategy. Despite a dynamic and challenging environment, we have demonstrated resilience and seized opportunities that will shape the company's future.

To make serious progress in the area of sustainability, we established new internal structures and responsibilities in 2024. This has laid the groundwork for setting concrete and measurable actions. And we are ready to take the next step in our journey to strengthen our commitment to responsible and ethical practices.

In this second report, we want to use concrete examples to illustrate our progress in sustainability. For instance, the results of our investments in renewable energy from 2023: in Switzerland, we launched a public-private partnership with the City of Moutier, contributing to both our clean energy usage and our broader societal impact. Similarly, our new facility in Taiwan with its own photovoltaic park came into operation in 2024.

For a sustainable growth, we remain committed to balancing our economic goals with our environmental and social responsibilities.

Lastly, I would like to take this opportunity to thank our shareholders for their ongoing support and our employees for their dedication and passion, enabling us to continue to *grow sustainable*—together.

Sincerely,

Martin Buyle

Chief Executive Officer, StarragTornos Group



“For a sustainable growth, we remain committed to balancing our economic goals with our environmental and social responsibilities.”



Introduction



“As global leaders in precision manufacturing, we recognize the role we play in addressing the environmental challenges of our time. We see sustainability as a responsibility towards our planet, all our stakeholders, and future innovators. And we want to set ourselves goals in this area. By embedding sustainable practices throughout our value chain, our team is committed to fostering innovation that supports circularity, efficiency, and energy conservation. Together, we are advancing precision manufacturing with purpose and integrity.”

Till Fust

Board Member Delegate for Sustainability



About this Report

The Sustainability Report covers the three environmental, social, and governance aspects, and provides information about the key activities and results during the reporting period.

The StarragTornos 2024 Sustainability Report is divided into four main sections that reflect the four pillars of our *Growing Sustainable* ESG strategy: Products, Environment, Social and Business ethics, and compliance.

Additionally, this report has been prepared using the 2021 Global Reporting Initiative (GRI) standards, the Task Force on Climate-Related Financial Disclosures (TCFD), and the Sustainable Development Goals (SDGs) as reference frameworks. Please see our content indices in the GRI content index and the TCFD content index.

In this report, the terms “the Company”, “the Group”, and “StarragTornos” are used interchangeably and refer to the same entity, the StarragTornos Group.

In line with the financial reporting, the reporting period is January 1 to December 31. All figures in this report apply to the entire Group. Any cases where data availability has limited the scope of the sustainability information reported are clearly indicated in the Methodological note section. Where possible, due to the recent merger, the 2024 figures are compared to the 2023 figures.

This report has been prepared in accordance with Art. 964b of the Swiss Code of Obligations and its disclosure requirements. Information about the relevant disclosures under this article can be found in the index at the end of this report. StarragTornos also adheres to the requirements of Art. 964j–l of the Swiss Code of Obligations regarding due diligence and transparency in relation to minerals and metals from conflict-affected areas and child labor.

At the time of drafting this report, the EU regulation requires the StarragTornos Group to report on its sustainability activities through the Corporate Sustainability Reporting Directive (CSRD) in the next Annual Report, at least for the German entities. The Sustainability Report for 2025 financial year will align with this standard, while incorporating any recent changes to the regulation in the EU and Switzerland.

For questions relating to this Sustainability Report, please contact StarragTornos Group AG, Seebleichstrasse 61, 9404 Rorschacherberg, Switzerland, +41 71 858 81 11, sustainability@starragtornos.com



2024 Key Figures

These tables highlight the StarragTornos Group's key figures for the past two financial years. Additional figures are shown in the report.

Any gaps in the 2023 figures are the result of the harmonization process that took place in 2024 to align the methodology and KPI definitions between the two divisions, ensuring consistency for future reporting.

30

sites worldwide

11

production plants

13

countries¹⁾

+114%

self-produced
solar electricity

compared to 2023

23

complete retrofittings

126

apprentices and
trainees

¹⁾ as at 31.12.2024



Products

	2024	2023
Net sales in CHF million	494.1	564.7 ¹⁾
Investments and R&D Expenditure on infrastructure, machinery, and new product and technology development in CHF million	52.8	56.4
Share of sales from new products Less than 5 years old, measured by net sales in core business	17.0%	18.2%

¹⁾ pro forma figure



Environment

	2024	2023
CO₂e emissions (Scope 1 and 2) in tons CO ₂ e	7 792	5 510 ¹⁾
CO₂e emissions (Scope 3) in tons CO ₂ e	184 154	219 628 ¹⁾
Self-production of photovoltaic electricity in MWh	4 050	1 889
Number of retrofitted machines	23	16

¹⁾ 2023 values restated with 2024 CCF methodology. Please refer to the methodological note chapter for details.



Social

	2024	2023
Number of employees¹⁾ Headcount, direct employees including temporary staff	2 034	2 091
Voluntary turnover rate Percentage of direct employees	5.5%	–
Number of training days per employee External training, days per headcount	1.3	–
Number of apprentices and trainees	126	132

¹⁾ Employee numbers do not show any seasonal or temporary fluctuations. For the scope, please refer to the methodological note section.



Business Ethics and Compliance

	2024	2023
Suppliers who signed our Code of Conduct for Business Partners Share of total number of suppliers	50.1%	–



Sustainability Highlights

Selected highlights for the 2024 financial year

Any gaps in the 2023 figures are the result of the harmonization process that took place in 2024 to align the methodology and KPI definitions between the two divisions, ensuring consistency for future reporting.



Products

New Dörries VT 28, Tornos Swiss XT, and Bumotec 1000/C^{neo}

The Starrag and Tornos divisions prioritized ecodesign options throughout their new product portfolio in 2024, with a strong focus on energy efficiency, resource optimization, and space efficiency tailored to specific applications. The new Dörries VT 28 offers an option for compact floor installation and significant weight reduction. The new Tornos Swiss XT was designed to ensure very high productivity standards with a reduced equipment footprint compared to its competitors. The new-generation Bumotec 1000/C^{neo} represents a significant milestone for the Group in its ecodesign advancements, with markedly improved energy efficiency (up to 25%), contributing to the reduction of our indirect greenhouse gas (GHG) emissions, as well as to the direct GHG emissions of our customers.



Environment

Inauguration of a new production facility in Taichung (Taiwan region)

In March 2024, Tornos inaugurated its state-of-the-art facility in Taichung (Taiwan), dedicated to Lean production of the Tornos Swiss GT and the new Swiss XT. This facility exemplifies StarragTornos' commitment to innovation, Swiss quality standards, and sustainable production processes. The site features over 4,500 m² of solar panels, with a nominal power of 952 kWp.

Partnership with public authorities

In May 2024, Tornos Moutier inaugurated its new photovoltaic power plant. The investment of almost CHF 1 million was made possible through close collaboration and a private-public partnership with the City of Moutier. Generating over 1 GWh of electricity annually, and covering one-third of the site's energy needs, the plant will also support the green energy supply for the Moutier community.

Optimization of logistics

The Tornos division developed new inter-site logistics concepts in the fourth quarter of 2024, enabling the direct delivery of machines, accessories, and options to customers. By using a warehouse, this initiative will eliminate the need for intermediate stops such as final assembly at the Tornos Moutier facility, thereby reducing logistics work, packaging waste, and CO₂ emissions. This streamlined approach will increase delivery speed while significantly improving our sustainability impact in the supply chain. The reduction in CO₂ emissions with this new organization will be estimated starting from the first year of implementation of these concepts, in 2025.

First comprehensive Scope 3 GHG emissions assessment

For the first time in 2024, StarragTornos has assessed its overall Scope 3 GHG emissions, marking a significant milestone. This calculation will allow the company to set new decarbonization measures starting in 2025.



Social

Launching in-house training on sustainability

Several seminars were held on the topic of sustainability in 2024 to train employees within the company. In particular, 32 procurement managers and buyers, out of a total of approximately 58 employees working in the procurement area, participated in an initial training course on responsible purchasing and due diligence in the supply chain. Sustainability Coordinators attended several seminars on sustainability. In October 2024, all coordinators, along with two additional employees, were trained in the GHG Protocol methodology, for a total of 19 employees for this training.



Business Ethics and Compliance

Structuring the sustainability governance and strategy

The StarragTornos *Growing Sustainable* strategy was formally introduced in 2023. In April 2024, the Group appointed a Corporate Sustainability Manager to define and implement this strategy across all entities. A new governance structure was introduced, including the formation of a Sustainability Leadership Team and the establishment of a global network of 17 local Sustainability Coordinators in nine countries.

Expanding responsibility in our supply chain

StarragTornos has established a new Code of Conduct for Business Partners (CCBP) that clearly defines its expectations in terms of sustainability and regulatory compliance. A signing campaign has been launched to actively engage suppliers in the Group's commitment to responsible practices and shared sustainability goals.

Initiatives and Awards



Starrag GmbH and Starrag Technology GmbH are partner companies in the Blue Competence initiative of the German Engineering Federation (VDMA). With this partnership, Starrag has undertaken to comply with the VDMA's twelve sustainability principles. Find out more at www.vdma.org/bluecompetence.





In August 2024, Starrag Vuadens SA was awarded the esteemed Committed badge in the Ecovadis assessment, recognizing its dedication to sustainability.



TORNOS

In March 2024, Tornos earned the Simodec innovation prize for its new Swiss XT machine. The machine boasts exceptional ergonomics, a compact design, and advanced features such as an Eco Mode for reduced energy consumption and the ACB Plus system for efficient chip management.



StarragTornos

StarragTornos' Swiss facilities are bound by a target agreement with the Swiss Federal Office for the Environment (FOEN) regarding stationary greenhouse gas emissions (Scope 1 and Scope 2).





Sustainability Governance and Strategy

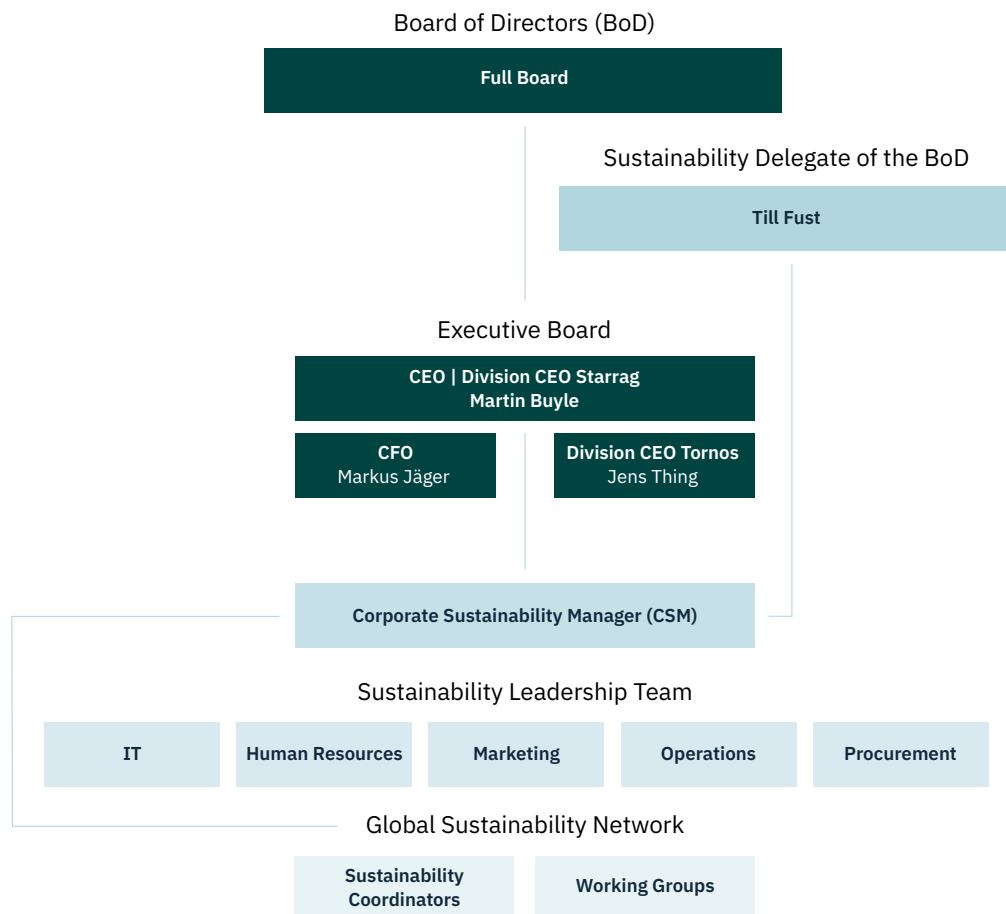
StarragTornos is firmly committed to driving sustainable economic development, alongside a strong focus on protecting the environment, ensuring the health and safety of individuals, and respecting human rights.



The Group strives to uphold these responsibilities at all organizational levels and throughout its value chain, while establishing a structured governance framework to support these ambitions. This governance framework lays the foundations for a clearly defined strategy, built on solid sustainability principles and a deep understanding of our impacts. It reflects StarragTornos' determination to create value for its stakeholders and society as a whole, while actively addressing global challenges and fostering lasting positive change.

Sustainability Governance

The StarragTornos Group defined a new sustainability governance framework in the second quarter of 2024 for managing, improving, and reporting on the Group's ESG performance. The sustainability governance structure involves the Board of Directors, the Executive Board, the Corporate Sustainability Manager, the Sustainability Leadership Team, local Sustainability Coordinators, topic owners, and experts.





The Executive Board is responsible for ensuring compliance with the Group's high sustainability standards. It embeds the approach to corporate responsibility in the corporate strategy, and decides on the Group's ESG ambitions. Their implementation is coordinated by the Corporate Sustainability Manager assisted by the Sustainability Leadership Team. The Group ESG strategy is approved by the Board of Directors, which has ultimate responsibility. A member of the Board of Directors is delegated to sustainability topics, regularly reviewing the advancements in the corporate sustainability strategy and reporting. This Delegate is also consulted to provide guidance to the Sustainability Leadership Team on ESG strategy orientation, ensuring alignment with the vision and expectations of the Board.

During the reporting year, ESG topics appeared on the agenda for the Board of Directors meetings six times. Critical and relevant ESG topics included progress in implementing the relevant regulations, climate impacts, and climate risks assessment.

Corporate Sustainability Manager

The Corporate Sustainability Manager provides expertise on ESG topics and advises the Executive Board and the Board of Directors on ESG strategy. The Corporate Sustainability Manager coordinates the implementation of the ESG strategy and initiatives across both Group divisions, prepares the Group's sustainability report, oversees legal compliance with sustainability regulations, and answers questions from internal and external stakeholders. The Corporate Sustainability Manager reports directly to the CEO every two weeks, and regularly to the Board Member Delegate for Sustainability. The Corporate Sustainability Manager collaborates closely with the local Sustainability Coordinators and functional/business experts.

Sustainability Leadership Team

The Sustainability Leadership Team collaborates with the Corporate Sustainability Manager to define and implement the Group's ESG strategy and program. The team comprises seven members: the Corporate Sustainability Manager, the Chief Procurement Officer, and Executive Managers of Human Resources, IT, Marketing, and Operations from both divisions. The team meets bi-monthly to review and advise on the implementation of the Group's ESG strategy, assess commitments and progress, and define the necessary measures. In the year under review, the Sustainability Leadership Team met five times and focused its expertise on establishing harmonized ESG foundations across both divisions.

Local Sustainability Coordinators

The Sustainability Coordinators at the subsidiaries support the Corporate Sustainability Manager in implementing the Group's ESG strategy through locally adapted measures and initiatives. They collect the data needed for the Group's Sustainability Report and regularly participate in seminars led by the Corporate Sustainability Manager. These sessions will help coordinators keep up to date, exchange best practices, and share updates on various sustainability projects across the Group.



Corporate Responsibility

Environmental, ethical, and social criteria have been embedded in the corporate culture and policies in the Starrag and Tornos divisions for many years.

This responsibility includes a strong commitment to environmentally responsible manufacturing, fair and safe working conditions, the development of high-quality and energy-efficient products, and fostering long-term ethical business relationships. The Group Executive Board and the management teams at the individual units actively promote this culture of responsibility across the organization, ensuring that employees at every level share and practice this approach.

Vision and Values

Our vision is embedded in all our activities:

“We are dedicated to the development of sustainable and innovative manufacturing solutions, setting standards not only for high-quality products, but also for environmental responsibility and social impact in our industry.”

The StarragTornos core values provide the foundation for our corporate culture, and drive all our actions. They are shared with all employees in every unit and region of our global organization. Although the two divisions express these values differently, they share the same DNA, aiming for a unified commitment to high standards of quality, business ethics, and responsibility. A shared expression of these values will be explored next year.

Starrag’s values

- **We focus** – Customers are central to everything we do.
- **We strive for excellence** – We achieve high quality with clear and efficient processes that enhance reliability, speed, and customer satisfaction.
- **We drive innovation and agility** – We drive innovation to exceed market demands, delivering pioneering solutions with a proactive and dynamic approach that embraces change as an opportunity.
- **We are accountable** – We ensure long-term success through a results-driven culture, aiming for solid growth while upholding social and environmental responsibilities.
- **We build the best team** – We drive excellence through motivated employees in a supportive environment, empowered by trust and opportunities for development.



Tornos' values

- **Agility** – Continuously anticipate and adapt
- **Open-mindedness** – Be curious and enriched by diversity
- **Daring** – Try new things and accept the risk
- **Reliability** – Be a partner who respects their commitments
- **Sharing** – Talk together so as to grow together
- **Appreciate and enhance** – Celebrate success and learn from mistakes

Our commitment to acting responsibly in line with these values is outlined in the Starrag Business Conduct Guidelines and the Tornos Code of Conduct.

Commitment to the Sustainable Development Goals (SDGs)

The framework for all the StarragTornos Group's sustainability activities is provided by the United Nations' 17 Sustainable Development Goals (SDGs) and the ESG approach for corporates to promote sustainable development in the environmental, social, and governance areas.

Each SDG in the UN Agenda 2030 is critical to ensuring a sustainable future for people and the environment. In 2024, StarragTornos identified 13 SDGs that are particularly relevant to the company and its stakeholders, where it can make a meaningful contribution. The company has set commitments (see Sustainability strategy and commitments section) and will continuously refine them, adding specific goals, actions, and performance indicators to track its progress and enhance its impact over time.



Stakeholders

StarragTornos strives to maintain an open and transparent dialog, and seeks meaningful exchanges with its stakeholders.

Stakeholder Groups

Drawing on the experience of the Group Executive Management and employees from different areas such as Operations, Human Resources, Procurement, and Communication, the company has identified the stakeholders who have the most influence on StarragTornos or are most affected by its business activities. These stakeholders can be categorized into six groups.



Group	Customers	Employees	Business Partners
Description/example	B2B, all markets	All employees	Partners/suppliers of components, materials, services
Key topics	<ul style="list-style-type: none"> Quality and durability of products, environmental impact of products Customer service and satisfaction Transparent communication and data protection Responsible and ethical supply chain 	<ul style="list-style-type: none"> High-quality jobs Safe workplace Employer values Development and career Employee benefits Collective labor agreements Economic performance 	<ul style="list-style-type: none"> Ethical business relationships Driving innovation Environmental and social considerations in the supply chain Economic performance

Group	Academia	Regulators	Shareholders
Description/example	Universities Technical schools Research centers	Government bodies, industry associations, certification bodies	Private and financial shareholders
Key topics	<ul style="list-style-type: none"> Long-term partnerships Student and apprenticeship training Innovation stimulation and funding Dynamization of local economic and academic ecosystems 	<ul style="list-style-type: none"> Lawful business conduct Climate change (GHG emissions) Occupational health and safety Economic performance Environmental and social considerations in the supply chain 	<ul style="list-style-type: none"> Economic performance ESG rating Lawful business conduct Climate change (GHG emissions) Human rights and ethical business conduct Company reputation

Additional stakeholders that are important to StarragTornos include competitors, the financial community, insurers, local authorities, community representatives, media, and NGOs.

Stakeholder Engagement

StarragTornos has a strong interest in identifying the needs and opinions of its key stakeholders and taking these into account in its corporate strategy and decision-making processes. Both divisions maintain regular contact with representatives of stakeholder groups using different channels and means of interaction.



Customers

StarragTornos operates a business-to-business model, maintaining strong relationships with its customers across various markets. Continuous dialog with business-to-business customers is facilitated through dedicated sales representatives, service hotlines, compliance management channels, and customer surveys. To further support and educate customers, the company offers video seminars, in-person training sessions, and comprehensive marketing materials. Annual "Tech Conferences" and participation in industry fairs also provide valuable opportunities for in-depth discussions and closer collaboration with customers.

Employees

StarragTornos interacts with its employees regularly through various exchanges such as the annual performance management and development processes, direct dialog with managers, and intranet channels and newsletters. The performance management processes reinforce a culture of continuous feedback, where employees and leaders regularly discuss goals, achievements, career aspirations, and training needs, with the aim of fostering a culture of respect, collaboration, and engagement.

Business Partners/suppliers

StarragTornos' supplier relationships are governed by the ethical principles of the StarragTornos Code of Conduct for Business Partners, the Starrag Business Conduct Guidelines, and the Tornos Code of Conduct. They are based on international standards, the company's requirements, and industry considerations. StarragTornos actively engages its suppliers on ESG topics through its Supplier Relationship Management (SRM) platform. The company also maintains a close, regular, and long-term dialog with its key partners in order to collaborate on the development of high-performance technical solutions.

Academia

StarragTornos collaborates with schools and universities worldwide, fostering a strong culture of apprenticeship in technical trades. Each year, the Group trains numerous apprentices within its own production facilities. The Group also cooperates with research institutions and technical colleges, supporting research projects and training either financially or by providing expertise through participation in academic committees. StarragTornos also offers support for internships and thesis projects for Master's degree students.

Regulators

StarragTornos manufactures machine tools, adhering to a wide range of regulations in Switzerland, Europe, and worldwide. These include the Machinery Directive 2006/42/EC, REACH and RoHS regulations, the Waste Electrical and Electronic Equipment (WEEE) Directive 2012/19/EU, as well as regulations governing international transport and export controls. By actively participating in industry associations and working groups such as the association for Switzerland's MEM industries and related sectors (Swissmem) and the German machine tool builders' Association (VDW), StarragTornos shares its expertise with peers to help uphold the highest quality and compliance standards in the machinery industry.



Shareholders

At the end of the 2024 financial year, the StarragTornos Group had 1,996 registered shareholders, who together held 93.4% of the total shares. The Board of Directors represents the interests of the shareholders, setting and overseeing the strategic direction of the Group. The StarragTornos Annual Report is published for its shareholders and other stakeholders. The Annual General Meeting is a forum for discussion where the shareholders have the opportunity to vote on the Sustainability Report, the Board of Directors, and compensation for the Management Board, among other topics.

Highlight



The Tornos Research Center

Since 2011, Tornos and the Haute Ecole Suisse Arc Ingénierie (HE-Arc) have been collaborating through the Tornos Research Center (TRC) located in the Technological Park in Saint-Imier, Switzerland. The TRC's development activities focus on mechanical design, machining, advanced control, and simulation. Combining Tornos' expertise with the innovative spirit of HE-Arc, this partnership drives solutions that optimize machine performance, increase productivity, and meet future challenges with state-of-the-art innovations.

Material ESG Topics

By focusing on key topics and measures, the StarragTornos Group ensures that its sustainability strategy is implemented in line with the company's environmental, social, and economic goals.

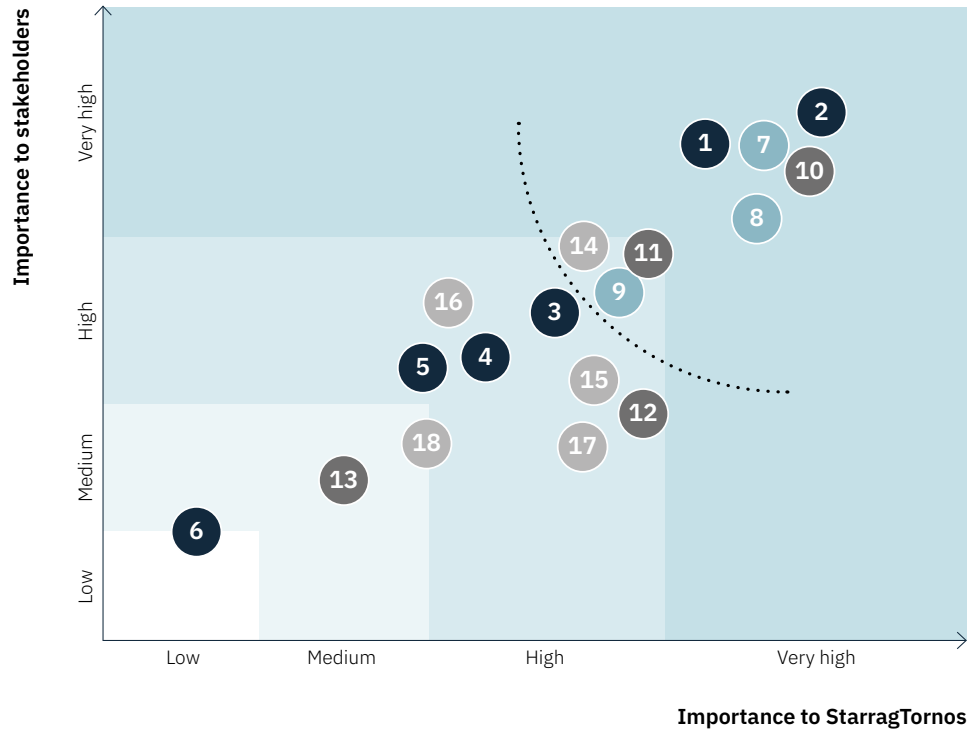
In 2023, both the Starrag and Tornos divisions conducted a double materiality assessment to benchmark their key ESG topics. This process began with a stakeholder analysis focused on pertinent sustainability issues, involving desktop research on customers, competitors, and expert organizations, as well as interviews with customers, suppliers, internal employees, and managers using questionnaires to identify their main concerns.

The research results were compiled into a materiality matrix, which was discussed in workshops with management and executive teams. Topics were prioritized based on stakeholder expectations and by gathering opinions on their business relevance to Starrag and Tornos.

This assessment was based on the double materiality concept, considering both financial impacts (such as regulatory risks, supply chain disruptions, and reputational damage), which can affect the company's financial performance, and non-financial impacts (like environmental effects, social responsibility, and governance) which affect stakeholders and society.



- **Environment**
- 1 Energy consumption and efficiency
- 2 Greenhouse gas (GHG) emissions
- 3 Optimizing transport
- 4 Natural resources and materials
- 5 Waste and water
- 6 Biodiversity
- **Products**
- 7 Innovation and ecodesign
- 8 Product quality and safety
- 9 Circular economy
- **Social**
- 10 Employment
- 11 Employee development
- 12 Occupational health and safety
- 13 Diversity and inclusion
- **Business ethics and compliance**
- 14 Responsible supply chain
- 15 Human rights and child labor
- 16 Anti-corruption and business ethics
- 17 Data security and safety
- 18 Risk management and ESG governance



The StarragTornos materiality matrix compiles assessments conducted by both divisions in 2023. The version presented in this report was reviewed and updated by the StarragTornos Sustainability Leadership Team in November 2024, to reflect the latest ESG requirements, particularly regarding due diligence in the supply chain.

The materiality assessment defined the five following areas along the value chain, where StarragTornos has a major impact on environmental and social issues. We focus our actions and measures on these topics.

Energy and resource efficiency in production

Wherever possible, StarragTornos implements building renovations and other measures to reduce energy consumption across its operations. The company also promotes circular processes by maximizing waste recycling rates and developing retrofitting activities for machine-tool products.

Reduction of GHG emissions

StarragTornos invests in renewable electricity and energy sources to help reduce its Scope 1 and 2 emissions. In 2025, the Group will develop a detailed, scientifically grounded roadmap to reduce GHG emissions throughout its value chain.

Products and technology innovation

With decades of expertise in the machinery industry, StarragTornos continues to invest in innovation, improving and developing new products and technologies that enhance efficiency, quality, safety, and performance.

Attractive workplace

StarragTornos' employees are the backbone of its global success. The Group aims to offer a safe, healthy, and diverse workplace where teamwork, creativity, and productivity thrive, making it an attractive environment for talent to grow.



Responsible supply chain

StarragTornos' objective aims to integrate both environmental and social aspects into supply chain management. Our goal is to minimize risks within the supply chain, reduce negative environmental impacts, and ensure a high level of adherence to social standards among our suppliers.

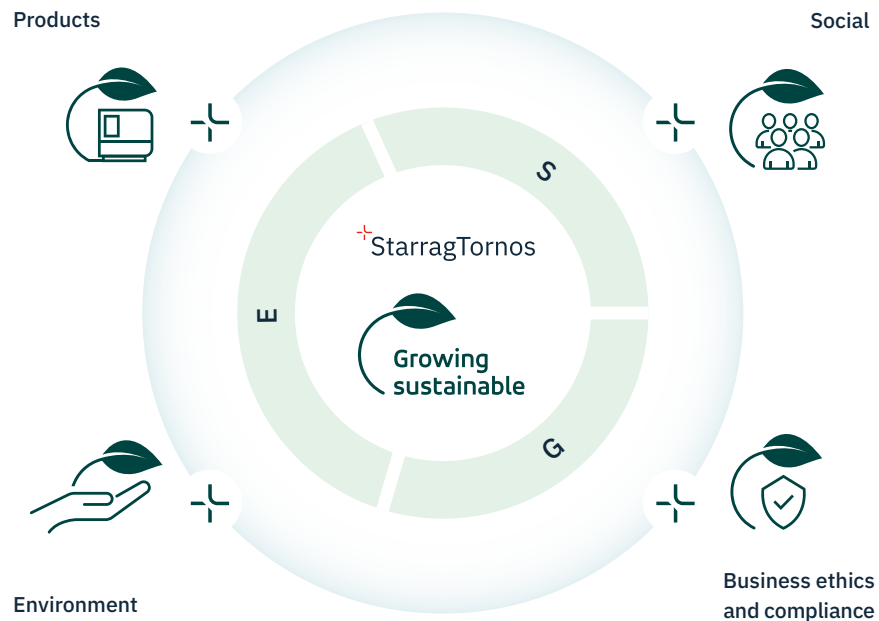
Outlook

To meet the Corporate Sustainability Reporting Directive (CSRD) requirements, StarragTornos will conduct a new double materiality assessment in 2025 and update it regularly. The results will be included in the next Sustainability Report.

Sustainability Strategy and Commitments

Under the title *Growing Sustainable*, we laid the foundations for our commitment to responsibility and sustainability. We want to combine entrepreneurial trade with responsible action.













In 2023, the Group started to lay the foundation for its ESG strategy, named *Growing Sustainable*. This strategy is being built on four key pillars: Products, Environment, Social, and Business ethics and compliance.





In 2024, the StarragTornos Group started to implement actively its ESG strategy with a new Group-wide ESG management approach. Following the recent merger of Starrag and Tornos, the primary objectives were to establish a comprehensive sustainability governance structure, both vertically and horizontally, while integrating practices across global units. Moreover, major initiatives were set up to harmonize internal ESG policies and assess Scope 3 emissions, laying a robust foundation that will enable the company to set clear and measurable environmental and social targets from 2025.

Our sustainability strategy outlines clear commitments based on the material topics relevant to StarragTornos, structured under the four pillars of the *Growing Sustainable* strategy. These commitments are aligned with the UN SDGs, underlining our adherence to this international framework. Our strategy will be updated in future sustainability reports, reflecting the progress of our ongoing sustainability journey.

Material topics for StarragTornos	Commitments	SDGs
 Products		
Innovation and ecodesign	<ul style="list-style-type: none"> Maintain a leadership position in innovation within the machine tools industry Develop products so that they minimize energy and resource consumption Build partnerships with research and innovation institutes 	
Product quality and safety	<ul style="list-style-type: none"> Develop products that guarantee a high level of quality and safety for our customers Provide a high-performance service to ensure quality and safety throughout the entire lifespan of machines 	
Circular economy	<ul style="list-style-type: none"> Offer durable products that can be repaired and recycled Facilitate and contribute to a second-hand market of machine tools Develop new business models such as “MaaS” in the machine tools industry 	
 Environment		
GHG emissions	<ul style="list-style-type: none"> Take sustained actions to reduce our GHG emissions Develop products with a reduced carbon footprint 	
Energy consumption and efficiency	<ul style="list-style-type: none"> Increase the self-generated production of renewable energy Continually increase the energy efficiency of the company’s facilities and processes 	
Transport and logistics	<ul style="list-style-type: none"> Minimize the environmental impact of our logistics and business transport 	
Waste and pollution	<ul style="list-style-type: none"> Minimize waste in operations and logistics Maximize the rate of recycling or reuse for our waste Avoid pollution in our operations 	
Water and biodiversity	<ul style="list-style-type: none"> Minimize water use in our operations Give preference to the use of certified sustainable materials Protect biodiversity by controlling our emissions into soil, water, and air 	  



Social

Employment	<ul style="list-style-type: none"> Be a respectful, responsible, and attractive employer Commit to recruiting, developing, and retaining our employees 	
Personnel development	<ul style="list-style-type: none"> Train future specialists in-house through apprenticeship programs Promote employee training and education 	
Occupational Health and Safety	<ul style="list-style-type: none"> Make the safety and health of our employees the Group's highest priority 	
Diversity, equal opportunities and non-discrimination	<ul style="list-style-type: none"> Ensure equal pay between women and men Promote women in leadership positions Promote women in technical professions Contribute to the inclusion of adult learners in the professional sector 	



Business ethics and compliance

Responsible supply chain	<ul style="list-style-type: none"> Safeguard and promote sustainability in the supply chain Integrate environmental and social considerations in the supply chain 	
Human rights and child labor	<ul style="list-style-type: none"> Take a zero-tolerance approach to modern slavery and child labor Comply with local and international sustainability standards and regulations (Conflict Minerals, ILO, etc.) 	
Anti-corruption and business ethics	<ul style="list-style-type: none"> Take a zero-tolerance approach to corruption among employees and suppliers 	
Data security and customer privacy	<ul style="list-style-type: none"> Adhere to data protection regulations Provide internal training on data security 	
Risk management and ESG governance	<ul style="list-style-type: none"> Integrate climate and ESG risks into company risk management, alongside cybersecurity risks Implement transparent and comprehensive ESG practices 	

Outlook

We have thus created the basis for serious and conscientious further development. In the next step, we want to set ourselves ambitious but realistic goals and define individual milestones.

These targets will be published in the next sustainability report, driving a cohesive ESG ambition and strategy for the entire Group.



Products

StarragTornos innovates in order to deliver high-quality, sustainable products and solutions, empowering companies worldwide to manufacture with high-performance, long-lasting and efficient production systems. To achieve this goal, both the Starrag and Tornos divisions are committed to continually increasing the positive sustainability impact of their products.



The sections that follow describe the various aspects of the *Products* pillar of our *Growing Sustainable* strategy:

- Strong expertise, strong partnership
- Innovation for efficient products
- Quality and safety
- Service and customer satisfaction
- Circular economy

Strong Expertise, Strong Partnership

For decades, Starrag and Tornos have been continuously advancing their products, technologies, and expertise, with research and development (R&D) consistently at the core of their strategy.

The StarragTornos Group employs more than 200 highly skilled R&D experts and engineers across its production sites and technical centers. These professionals bring their passion, innovation, and technical know-how to develop high-performance, customized solutions for the Group's diverse customer base.

In 2024, Starrag and Tornos collectively held more than 40 active patents, utility models, and design protections, demonstrating a strong commitment to protecting and advancing technological innovation.

Over the years, the Group has built a robust global network of research partnerships with leading universities and institutions. These collaborations include partnerships in Switzerland with the Haute Ecole d'Ingénierie HE-Arc, the Swiss Federal Institutes of Technology in Lausanne (EPFL) and Zurich (ETH), and the Universities of St. Gallen and Zurich, as well as in Germany with RWTH Aachen University, TU Munich and the Karlsruhe Institute of Technology.

StarragTornos also actively collaborates with key suppliers to push the boundaries of technological feasibility. These partnerships range from long-term development projects to focused, short-term initiatives aimed at delivering the best components and solutions for customers.

This collaborative approach—bringing together customers, innovation partners, and suppliers—drives many of the Group's new developments. Through its *Growing Sustainable* strategy, the StarragTornos Group not only strives to enhance the technical performance of its products, but also emphasizes minimizing their environmental impact, aligning innovation with sustainability at every stage.



Innovation for Efficient Products

StarragTornos is committed to minimizing its environmental impact through both the production and usage phases of its products. With the *Growing Sustainable* strategy, the Group focuses on five key areas to drive this commitment: enhancing energy efficiency, optimizing resource use, reducing footprint, integrating ecodesign principles, and promoting circular economy initiatives.

As an innovation partner, StarragTornos empowers other companies to unlock new opportunities. This report highlights examples across both divisions, showcasing products and solutions in various categories.

Enhancing Energy Efficiency

Improving energy efficiency in industrial operations is essential to achieving climate protection goals. In addition, low energy requirements are becoming increasingly important from an economic perspective in view of rising energy prices.

Starrag and Tornos machines are equipped with methods for using energy efficiently, which are combined in a comprehensive concept for each machine. Energy-saving measures include minimizing friction by using high-quality bearing systems or FEM-optimized reduction of moving masses. Modern energy-saving electronic components with low heat dissipation are also being used, thus further extending the lifetime of machines. Methods such as recovering energy to feed it back to the mains when motors are braked and dynamic reactive power compensation across an entire machine are also being implemented to reduce operating costs. Electrical and pneumatic energy consumption is recorded, and users can use the information to undertake internal corporate energy management. In addition to shutting down the entire machine at the end of the machining cycle, it is also possible to configure the machine to restart independently so that it warms up before production begins.



starrag

In 2024, Starrag Vuadens SA made significant strides in enhancing the energy efficiency of its Bumotec machines. In collaboration with SIGMAtools GmbH, Switzerland – experts in energy measurement for complex mechatronic systems in production environments – the company has redefined its approach to energy management.

Through a comprehensive measurement campaign across all Bumotec products, Starrag Vuadens SA gained scientifically backed insights into machine performance, thereby identifying substantial energy savings, particularly in machine and process cooling, which often accounts for up to 70% of a machine tool's total power consumption.

The latest Bumotec 1000/C^{neo} exemplifies this progress. This advanced horizontal transfer machine, optimized for complex prismatic part production from round or profiled bar stock, offers unmatched efficiency and productivity tailored for the luxury and MedTech sectors. Thanks to innovative hardware and software improvements in close collaboration with key suppliers and partners, Starrag Vuadens SA has successfully reduced energy consumption by over 25% compared to the previous generation s1000/C machine, setting new standards in sustainable manufacturing.



Integrating Ecodesign Principles

starrag

The new Dörries VT 28 exemplifies the advancements made in ecodesign within the Group's large-dimension machine range, particularly in the Starrag LPMS division. Based on the robust and durable features of the previous-generation Dörries VCE series, the Dörries VT 28 has been completely re-engineered with cutting-edge technology and ecodesign considerations: compact on-floor installation, compact enclosure of the workspace with aerosol extraction, reduction of components in the kinematic drive chains, and integration of a new ultra-high-performance composite (UHPC) with a 30% lower carbon footprint compared to cast iron. With this innovation, StarragTornos is offering another solution in its evolution towards more efficient and eco-friendly machinery.

Optimizing Resource Use

TORNOS

With the new Swiss XT machine, Tornos has made significant strides in reducing the environmental impact of its products. The XT is an advanced 8/9-axis machine that delivers high productivity for machining complex parts and tough materials, such as those used in the MedTech sector. Its ability to manufacture intricate components allows customers to streamline their processes, eliminating the need for multiple machines to produce a single part. This simplification leads to reduced capital expenditure and shortens operational processes, resulting in lower associated resource consumption, including oil, electricity, and air. Furthermore, the ability to machine parts with multiple tools simultaneously further decreases cycle times, resulting in additional savings in oil, air, and electricity consumption.

The new Bumotec 1000/C^{neo}



34%

process time savings**

29%

footprint reduction**

< 90W
per workpiece*

Main measures for energy savings

Pneumatics monitoring

Bumotec's pneumatics monitoring system enables real-time tracking of air demand, allowing for quick detection of leaks and enhancing operational efficiency.

Adaptive coolant flow

Bumotec's innovative adaptive coolant flow system delivers precisely the amount of coolant needed for the process, optimizing efficiency and minimizing waste.

Advanced energy monitoring

The advanced energy monitoring system from Bumotec enables users to track energy consumption in real time. Benefits include process optimization and the detection of potential malfunctions.

Energy savings in operations**

Measurement of operating states according to ISO 14955-3

1. Standby

-45%

2. Setup

-20%

3. Ready

-35%

4. Processing

-29%

-25%

per workpiece*

* Power demand for the machining of a watch part

** Savings compared to s1000/C machine



Quality and Safety

Quality and safety are core requirements that are built into our products from the start, ensuring compliance, customer satisfaction, human safety, and environmental protection.

Product quality

Both Starrag and Tornos have a long-standing commitment to product quality. The Group aligns its activities with the ISO 9001 standard, and continuously enhances its assembly quality through a lean approach throughout the product lifecycle. Each division's quality management program actively engages quality experts and suppliers, ensuring regular evaluations and action plans to boost the quality of components and final products.

Throughout the development and production stages, quality teams meticulously monitor product quality while adhering to rigorous standards for final assessments. Every machine undergoes thorough testing before leaving the factory. The same high standards are applied to in-house software solutions. The Group's quality vision and management continue throughout the value chain, aiming for consistent quality and 100% customer satisfaction.

Product safety and conformity

At StarragTornos, we implement strict product approval procedures to ensure our customers can use our products safely and in full compliance with national and international regulations. These include the Machinery Directive 2006/42/EC, the Electromagnetic Compatibility Directive (EMCD) 2014/30/EU, and the Low Voltage Directive (LVD) 2014/35/EU.

When designing our machinery, we also adhere to the principles of EN ISO 12100:2010, as well as additional ISO standards focusing on safety, fluid power, and electromagnetic compatibility. Beyond achieving compliance with these standards, our engineers provide hands-on training to customers on key safety aspects during machine delivery.

Highlight



Customer service centers at Rorschacherberg and Chemnitz

The Starrag Training Center, with locations in Rorschacherberg, Switzerland, and Chemnitz, Germany, offers specialized training for customers in machine operation, maintenance, and programming. Tailored to meet specific customer needs, the training is available in local languages and supports both individual and group learning. In 2024, the Starrag Training Center contributed to the training of over 500 customers.



Service and Customer Satisfaction

StarragTornos is committed to delivering a high-quality service to all its customers throughout the machine's lifecycle, from design tailored to the customer's needs through to installation and operational use.

Global partnering for efficiency

StarragTornos provides a complete, customized package that includes service, support, and maintenance operations, ensuring optimal machine performance worldwide. Its key offerings include:

- Extended machine warranty
- Fixed-price lifecycle solutions
- Enhanced return on investment
- Minimization of machine breakdowns
- Consistent parts quality
- Global service and logistics centers

With a focus on preventive and predictive maintenance, StarragTornos' services help to maximize machine efficiency and reduce downtime.

Customer complaints management

StarragTornos documents, monitors, and takes every customer complaint related to product quality or reliability seriously, analyzing the root causes in order to implement corrective actions. In 2024, these actions included agreements with key suppliers to improve component quality and reliability, product design adjustments, manufacturing process refinements, and software improvements.

Training

StarragTornos provides high-quality training to customers around the world. Focused training courses for machine operators and setters are organized regularly to ensure faster, safer, more productive, and longer-lasting use of production equipment.

In 2024, Tornos achieved a new milestone by launching the Swiss Machining Academy program in partnership with TITANS of CNC. Introduced in September 2024, this free, online educational initiative guides customers toward mastery of Swiss-type and multitasking machining, reinforcing our position as a leader in technical education.



Circular Economy

At StarragTornos, we are supporting the transition to a circular economy by optimizing our product designs, minimizing the consumption of natural resources, and developing a broad range of services aimed at extending the lifespan of our machines.

StarragTornos uses hundreds of thousands of tons of materials each year for the manufacturing and packaging of its machines. These materials are primarily metallic, which results in a significant environmental impact throughout their lifecycle, from extraction to recycling. In view of this, we recognize our responsibility to minimize the use of new resources and to produce reliable machines that can be repaired or modernized throughout their lifespan. We are also committed to promoting the secondary market for resale of our machines.

Modernization and retrofitting of machines

Retrofitted machines

Number of machines	2024	2023
Starrag division	7	5
Tornos division	16	11

StarragTornos provides comprehensive machine overhaul and retrofitting services to enhance the performance and sustainability of its customers' equipment. By modernizing older machines through precision upgrades, software enhancements, and mechanical modifications, the Group helps customers achieve significant cost savings and extend machinery lifespans. These services not only improve machine efficiency and productivity, but also align with sustainability goals by reducing the environmental impact of producing new equipment. Retrofitting allows the reuse of existing components, such as steel or reinforced concrete foundations, lowering CO₂ emissions and enhancing energy efficiency. After modernization, machines can operate for another 10 to 15 years and perform like new ones.

StarragTornos ensures that its customers' machines remain competitive with the latest industry standards, offering a sustainable, cost-effective alternative to purchasing new machinery. The Group's global presence provides specialized knowledge and services tailored to the needs of each customer.



Highlight



SAS 16 Plus: Achieving over 55% energy savings with enhanced performance

The SAS 16 Plus by Tornos is an entirely new machine designed for enhanced performance, offering a significant improvement over its predecessor. It features greater energy efficiency, consuming less than 55% of the power compared to the original SAS 16, reducing its operational costs and environmental impact. With its new design and capabilities, the SAS 16 Plus achieves higher productivity, precision, and reliability, thus supporting sustainability goals while maintaining the performance of a brand-new machine.

Other Measures

The pre-owned equipment market

The pre-owned equipment market, including machines and peripherals, supports sustainability by extending the life cycle of industrial tools. Tornos offers refurbished machines, thereby reducing waste and the need for new production, and lowering the environmental impact. This approach fosters resource efficiency, promotes a circular economy, and helps businesses maintain a high performance level without the environmental costs of new equipment.

Packaging materials

Starrag and Tornos are actively working to reduce the use of materials in their operations. For example, we have implemented reusable transport boxes with key suppliers, where regular inbound and outbound flows occur. These initiatives help avoid the use of new resources, particularly wood, and help to minimize the impact on biodiversity. By reducing the need for single-use materials, they are supporting sustainability and protecting natural ecosystems.



Environment

StarragTornos is driving the transition to a responsible industry. In 2024, we more than doubled our renewable electricity self-production. We will combine the many individual actions in this area into a consistent strategy in the coming years.



Environmental protection is a core priority for all StarragTornos divisions and companies. Our goals are to reduce our impact on the climate, to become more efficient in our energy usage while increasing the share of our renewable energy consumption, and to minimize the overall use of resources. We strive to reduce our waste and water withdrawal, maximizing recycling and reuse practices while minimizing the use of hazardous substances in our products and processes. Through these efforts, we aim to intensify our circular economy approach over time.

As in the 2023 financial year, no fines or non-monetary sanctions were levied against StarragTornos for non-compliance with environmental laws and regulations in the 2024 financial year.

To firmly establish environmental protection in our practices, in 2024 StarragTornos continued to implement environmental management systems (EMS), among other tools, to ensure that environmental considerations are taken into account when designing, manufacturing, and servicing products. Our production site in Chemnitz holds ISO 14001 and ISO 50001 certifications for its EMS. StarragTornos will continue the certification program for its facilities in 2025.

Measures to reduce energy and resource consumption are also being implemented in manufacturing facilities through energy-efficient, heat-insulated, and eco-friendly infrastructures, or by monitoring the relevant consumption data. For the past few years, all our Swiss facilities have been subject to a binding agreement regarding energy with the Swiss Federal Office for the Environment (FOEN). Under this agreement, they are implementing measures to achieve energy reduction and efficiency targets. Our German facilities are regulated by the Water Resource Act (Wasserhaushaltsgesetz – WHG) and adhere to the general water protection measures outlined in this legislation.

The following sections cover the different topics in the Environment pillar of our Growing Sustainable strategy:

- Energy in our operations
- GHG emissions
- Climate risks and opportunities
- Waste and pollution
- Water and biodiversity

Energy in our Operations

Energy is needed to operate StarragTornos' global buildings, facilities, sales and services, through the consumption of electricity and combustibles for heating and transportation.

Our energy efficiency efforts in operations are centered around four core principles:

- 1 **Reduce** energy consumption to the necessary and technically feasible minimum
- 2 **Optimize** the efficiency and effectiveness of installation operations
- 3 **Explore** alternatives to fossil fuels, focusing on low-emission or regenerative energy sources
- 4 **Promote** independent on-site generation of energy to increase self-sufficiency



Actions to Reduce Energy Consumption and Impacts in Operations

To reduce its energy consumption and related environmental impacts, StarragTornos' strategy includes the following key measures:

- Renovating outdated building structures
- Adopting energy efficiency practices in our buildings (i.e. by identifying heat and compressed air leakage or by using LEDs)
- Optimizing electricity use in heating, ventilation, and air conditioning systems
- Incentivizing the use of renewable energy for electricity, heating, or cooling
- Expanding on-site energy generation or conversion
- Increasing the share of low-emission vehicles in our company car fleet
- Running internal campaigns to empower employees to save energy (e.g. lighting, IT use, proactive behavior)
- Adopting responsible practices for setting heating or cooling temperatures

Performance Measurements

Total energy and intensity

MWh relative to FTE and MWh relative to CHF million net sales	2024	2023
Total energy consumption	33 320	31 702
FTE	1 981	2 056
Net sales	494.1	564.7
Energy intensity relative to FTE	16.8	15.4
Energy intensity relative to net sales	67.4	56.1

The overall energy consumption of the StarragTornos Group in 2024 was 33,320 MWh, with a slight increase compared to 2023. This can be attributed to an exceptional energy situation in 2023 (restriction measures) and an improved data collection process in 2024, particularly for vehicle fuel inventory.

Energy by category

MWh	2024	2023
Electricity	13 802	12 833
Heating	11 198	11 235
Vehicle fuel	8 320	7 634

In 2024, 41% of the total energy was used for electricity consumption for buildings and electric vehicles, 34% for heating (fuel oil, natural gas, and district heating), and the remaining 25% was attributed to vehicle fuel (diesel or gasoline, including company and rental cars).



Total and self-generated renewable energy¹⁾

MWh	2024	2023
Total electricity consumption	13 802	12 833
Self-generated renewable electricity	4 050	1 889
% of self-generated renewable electricity	29.3	14.7

¹⁾ Only self-generated electricity is globally monitored across the Group—although other sources of renewable energy such as geothermal energy or waste heat are produced onsite.

For many years, StarragTornos has been investing in its own solar power plants, not only in Switzerland (Rorschacherberg, Vuadens, Moutier) and Europe (Rho, Italy), but also in Asia (Taichung, Taiwan). By 2024, the Group owns a total surface area of more than 23,000 m² of photovoltaic panels, generating approximately 4,050 MWh of renewable electricity. A large amount of this energy was consumed by StarragTornos' own operations. When the Group's demand is low, the electricity is fed into the district grid, amounting to 2,081 MWh in the year under review. In absolute terms, on-site electricity generation increased by 114% (+2,161 MWh) in 2024 compared to 2023.

Energy mix

MWh	2024	2023
Total energy consumption	33 320	31 702
Total fossil energy consumption	23 784	19 838
Share of fossil sources in total energy consumption	71.4%	62.6%
Coal and coal products	0	0
Crude oil and petroleum products	10 609	10 482
Natural gas	3 883	2 944
Purchased electricity, heat, steam, or cooling from non-renewable sources	9 292	6 412
Total energy consumption from nuclear sources	2 696	4 255
Share of nuclear sources in total energy consumption	8.1%	13.4%
Total renewable energy consumption	6 840	7 609
Share of renewable energy in total consumption	20.5%	24.0%
Fuel consumption from renewable sources (incl. biomass, biogas, non-fossil fuel waste, green hydrogen, etc.)	5	5
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	4 866	6 534
Consumption of self-generated renewable energy ¹⁾	1 969	1 070

¹⁾ Only self-generated electricity is globally monitored across the Group—although other sources of renewable energy such as geothermal energy or waste heat are produced onsite.



Highlight



Our new photovoltaic parks

In 2024, StarragTornos installed new photovoltaic parks and brought them into operation. The factory in Taichung, inaugurated in 2024, was designed with a 4,510 m² solar panel park and 1,746 photovoltaic modules. The existing park in Moutier (picture) was expanded by 3,469 m² during the year under review. These new installations contributed to an increase in self-produced renewable energy within the Group of approximately 2,2 GWh compared to 2023. The Group's total capacity now comes to 4,575 kWp. In 2024, the share of self-produced electricity consumed in the different entities ranged between 19% and 76%.

Our total renewable energy, both purchased and self-produced, is derived from hydro, solar, wind, biomass/biogas, and geothermal sources. Renewable energy accounted for 20.5% of StarragTornos' overall energy consumption in 2024, decreasing by 3.5 percentage points compared to 2023, despite our investments in renewable electricity (new contracts and self-production). This change is primarily attributed to an exceptional decrease in gas heating usage in 2023 and the adaptation of one of our electricity contracts with a primary supplier in 2024.

Outlook

In the coming years, the Group will intensify its focus on its most energy-intensive sites in order to achieve further energy efficiency. The core principles will support this sustainable growth. Depending on each site's needs, different innovative technologies will be explored to address the challenges of energy transition within the industry. Renovating older buildings remains a particular challenge in this context. It will be equally important to ensure sustainable energy sourcing, with the goal of gradually replacing fossil fuels with renewable energy sources.

GHG Emissions

StarragTornos has established a comprehensive methodology for measuring greenhouse gas (GHG) emissions in order to drive our transition toward a net-zero industry. With this foundation, our goal is to set science-based targets that are both ambitious and achievable for our Group.

Since 2023, StarragTornos has been calculating its Scope 1 and 2 emissions. In 2024, the Group expanded its data collection efforts to cover all production sites, major technical centers, and offices, including both in-house operations and key upstream and downstream value chain



activities. For the first time, this allowed the Group to establish a full Corporate Carbon Footprint in alignment with GHG Protocol standards. The 2023 data presented in this report has been restated in accordance with the new methodology created in 2024.

For further details on the methodology and calculation boundaries, please refer to the methodological note section.

Total GHG Emissions 2023–2024

GHG emissions – Scope 1–3

tons CO ₂ e	2024	2023 ¹
Scope 1–3	191 946	225 138
Scope 1–2 (market-based)	7 792	5 510
Scope 1	3 568	3 463
Scope 2 (market-based)	4 224	2 047
Scope 2 (location-based)	3 289	3 220
Scope 3	184 154	219 628

¹ 2023 Scope 1 and Scope 2 values restated with 2024 methodology—refer to the Methodological note section
2023 Scope 3 values estimated in 2024

In 2024, direct GHG emissions (Scope 1) and indirect emissions related to energy purchases (Scope 2) amounted to 3,568 and 4,224 tons CO₂e respectively. The significant increase in Scope 2 emissions (market-based) can be attributed to the change in the electricity contract at our largest manufacturing plant. Scope 3 emissions, which cover the entire value chain, both upstream and downstream, are by far the largest contributor, accounting for almost 96% of the Group's overall emissions.

Our total Scope 1–3 GHG emissions for 2024 amounted to a decrease of 33,192 tons (-15%) compared to the previous year. The main reasons for these reductions were a decrease in emissions from purchased goods and services, and from the use of sold products. Total Scope 1–3 GHG emission intensity decreased to 388.5 tons CO₂e per CHF million net sales for 2024 compared with 398.3 in the prior year.

GHG emission intensity

tons CO ₂ e relative to CHF million net sales	2024	2023 ¹⁾
Net sales	494.1	564.7
Scope 1–2 intensity	15.8	9.8
Scope 1–3 intensity	388.5	398.7

¹⁾ 2023 Scope 1 and Scope 2 values restated with 2024 methodology – refer to the methodological note section
2023 Scope 3 values estimated in 2024



Scope 1 and 2 GHG Emissions

Scope 1 emissions are direct GHG emissions related to stationary combustion (e.g. heating or on-site fossil electricity), mobile combustion (company vehicles) and fugitive emissions (e.g. loss from refrigerants), while Scope 2 emissions relate to indirect emissions from purchased energy consumption (e.g. electricity, district heating, or cooling).

Scope 1 emissions

tons CO ₂ e	2024	2023 ¹⁾
Fuel, heating oil	606	734
Gas	683	512
Other sources	54	54
Emissions from stationary combustion	1 343	1 300
Diesel and gasoline	2 144	1 963
Emissions from mobile combustion	2 144	1 963
Emissions from refrigerants	81	200
Fugitive emissions	81	200

¹⁾ 2023 Scope 1 values restated with 2024 methodology—refer to the methodological note section

In 2024, Scope 1 emissions totaled 3,568 tons CO₂e, remaining consistent with 2023. Emissions from mobile combustion (company vehicle fuel) are the most significant.

Scope 2 emissions

tons CO ₂ e	2024	2023 ¹⁾
Power grid (market-based)	3 482	1 197
Power grid (location-based)	2 547	2 369
District heating	742	851
Total Scope 2 (market-based)	4 224	2 047

¹⁾ 2023 Scope 2 values restated with 2024 methodology – refer to the methodological note section

In 2024, Scope 2 emissions totaled 4,224 tons CO₂e (market-based), doubling the emissions in the same category compared to 2023. This exceptional increase is mainly due to the need to change one of our primary power contracts. The 742 tons CO₂e in Scope 2 related to district heating are exclusively located in northern countries.



Scope 3 GHG Emissions

For the first time in 2024, StarragTornos has estimated its overall Scope 3 GHG emissions. These emissions encompass those that are not produced directly by the company or its controlled activities, but are those for which the company is indirectly responsible throughout its value chain. The StarragTornos calculation follows the GHG Protocol methodology. However, as this is the first time Scope 3 has been calculated, some emission data may still be missing or require an improvement in accuracy, along with specific emission factors for certain supply chain activities. Scope 3 emissions of 184,154 tons CO₂e were recorded in 2024.

Scope 3 emissions

tons CO ₂ e		2024	2023
Category 1 Purchased goods and services	Emissions from the production of products (goods or services) purchased or acquired	42 330	56 360
Category 2 Capital goods	Emissions from the production of capital goods purchased or acquired. Examples of capital goods include equipment, machinery, facilities, and vehicles	11 922	16 798
Category 3 Fuel and energy-related activities (not included in Scope 1 and 2)	Emissions related to the production of fuels and energy consumed or purchased. This category includes upstream emissions of energy, transmissions, and distribution losses.	2 294	2 265
Category 4 Upstream transportation and distribution	Emissions from transportation and distribution of products purchased between StarragTornos and tier-1 suppliers	532	783
Category 5 Waste generated in operations	Emissions from third-party disposal and treatment of waste generated in StarragTornos operations, including solid and liquid waste along with wastewater	1 205	1 203
Category 6 Business travel	Emissions from the transportation of employees for business-related activities, with company vehicles or operated by third parties (public transportation)	3 520	2 002 ¹⁾
Category 7 Employee commuting	Emissions from the transportation of employees between their workplace and homes	3 402	3 476
Category 9 Downstream transportation and distribution	Emissions from transportation and distribution of sold products in vehicles not owned by StarragTornos	1 340	1 204
Category 11 Use of sold products	Emissions from the use of sold products	116 830	134 977
Category 12 End-of-life treatment of sold products	Emissions from the waste disposal and treatment of products sold by StarragTornos at the end of their life	391	400
Category 13 Downstream leased assets	Emissions from the operation of assets that are owned by StarragTornos (acting as lessor) and leased to third parties	390	160



More than 86% of our total Scope 3 GHG emissions derive from the following Scope 3 categories: use of sold products, and purchased goods and services. In 2023 and 2024, emissions from investments in capital goods were significant due to the building of the Tornos factory in Taichung and new energy infrastructure. Transportation of goods and people (Categories 4, 6, 7, 9) accounted for almost 5% of Scope 3 emissions in 2024.

Category 11: Use of sold products

Scope 3.11 represents the largest source of emissions for StarragTornos. In 2024, 63% of Scope 3 arose from the use of sold products. This is primarily due to the electricity consumption of our machines throughout their lifecycle. It is challenging to estimate this category due to the assumptions that must be made. However, the order of magnitude has been verified, demonstrating the significance of energy efficiency for our machines. StarragTornos is committed to improving the energy performance of its products, continually seeking ways to reduce their environmental impact throughout their operational life.

Category 1: Purchased goods and services

The second-largest source of StarragTornos' GHG emissions comes from the procurement of purchased goods and services. These emissions primarily stem from the production of metallic parts and electronic components used in the manufacturing of our machines, such as machined metallic parts, electrotechnical fittings, electronic components, and peripherals for cooling or chip conveyance.

Given the significant impact of this category, engaging the supply chain will be crucial in reducing emissions in the future. This can be achieved by collaborating with suppliers to source low-carbon materials, prioritizing components with lower embodied emissions, and encouraging the adoption of renewable energy in suppliers' production processes. Fostering innovation in materials and design, and integrating circular economy principles such as using recycled or reusable materials, will also help to reduce the carbon footprint of purchased goods and services.

Categories 4 and 9: Transportation and distribution

Categories 4 and 9 include GHG emissions associated with transportation from supplier facilities to StarragTornos operational sites, intercompany logistics, and deliveries from our manufacturing facilities or sales offices to customers. In 2024, the Group implemented a new logistics network aimed at reducing intercompany transportation distances for its products. Moving forward will continue analyzing these emissions more closely to identify primary influencing factors and reduce emissions in this category.

Outlook

StarragTornos is committed to continually refining its carbon emissions calculation methodology in the years ahead. This comprehensive baseline will enable StarragTornos to define a science-based reduction pathway and set adapted corporate targets. These targets will be implemented across all sites, with reduction trajectories tailored to local contexts. Key measures will include enhancing energy efficiency throughout its operations, prioritizing the use of non-fossil energy sources, incorporating environmental criteria into the selection of key suppliers, and decreasing the energy and resource consumption of our products. Special attention will be given to improving data quality, particularly for Scope 3 emissions, in order to better define the priorities. The reduction pathway and targets will be published in the next report.



Climate Risks and Opportunities

At StarragTornos, we recognize our responsibility to combat climate change by actively addressing its causes and implementing measures to mitigate its impacts. We also acknowledge the necessity of taking resilient actions to adapt to its effects.

Climate-related risks refer to risks that StarragTornos faces as a result of climate change. Climate-related risks may arise either as tangible risks as a result of a change in climate conditions (physical risks) or as a result of society's efforts to mitigate the consequences of climate change (transition risks). Climate-related opportunities refer to possible ways in which a change in climate conditions could benefit our Group and its activities.

Governance

The Sustainability Leadership Team is responsible for assessing and managing climate-related risks and opportunities, while the Corporate Sustainability Manager ensures that these are brought to the attention of the StarragTornos Group Executive Management and the Board of Directors. The StarragTornos Board of Directors has ultimate oversight of, and responsibility for climate-related risks and opportunities. More information on the Board's oversight and the role of management is provided in the Sustainability governance section of the Sustainability governance and strategy chapter.

Risk Management

The development of the climate change strategy is based on a three-step process analysis to identify potentially relevant climate-related risks and opportunities over the short-term (0–5 years), mid-term (up to 2035,) and long-term (up to 2050). This analysis currently covers 12 locations and 8 countries in which StarragTornos has manufacturing operations and warehouses.

Step 1	We comprehensively identify the risks and opportunities associated with climate change.
Step 2	We organize the risks and opportunities identified in relation to geographical locations, as well in three time frames, short, medium, and long term, on the basis of two different scenarios.
Step 3	For each risk and opportunity identified, we use a risk-assessment scale to evaluate its impact on the company and the likelihood of its occurrence.

In steps 2 and 3, we use two different scenarios to assess—in a qualitative and quantitative analysis—the potential impact of climate change on StarragTornos' business and resilience:

- A business as usual, i.e. +4 °C warming scenario, to capture the physical risks associated with the intensification of widespread climate hazards and extreme events.
- A high mitigation, i.e. below 2 °C warming scenario to assess risks related to the transition to a low-carbon future.



In September 2024, StarragTornos began its risk identification assessment, marking the first step in its process. An initial internal workshop was organized, bringing together the Sustainability Leadership Team and the Board of Directors' Sustainability Delegate. During the workshop, the relevant risks and opportunities were qualitatively identified. Steps 2 and 3 will be completed in 2025.

Strategy

Building on the benchmarks and relevant literature, we identified four physical risks to which StarragTornos may be particularly vulnerable. To identify the transition-specific risks and opportunities, we assessed five areas of interest – policy, legal, technology, market, and reputation – within the context of a high-mitigation scenario. This analysis revealed four transition risks and five opportunities, resulting in a total of thirteen potential climate-related risks and opportunities for StarragTornos.

Category	Type	Description	Impact on StarragTornos	Time frame		
				Short term	Mid term	Long term
Physical risks	Acute	Heavy rainfall and flooding, landslides	Supply chain and production disruptions due to infrastructure damage including supplier facilities, logistics delays, raw material loss and product damage, increased operational costs and insurance premiums, and interruptions from local power cuts.		•	
	Acute	Strong winds and storms, tropical cyclones	Supply chain and production disruptions due to infrastructure damage including supplier facilities, logistics delays, raw material loss and product damage, increased operational costs and insurance premiums, and interruptions from local power cuts.		•	
	Acute	Heatwaves, droughts, and forest fires	Increased operational costs due to higher energy expenses, specialized packaging and transport alternatives, rising insurance premiums, infrastructure degradation, and impacts on employee productivity.		•	
	Chronic	Water stress	Energy supply and logistical risks, including hydroelectric power reliability, nuclear plant safety, grid fluctuations, power outages, rising energy costs, water use restrictions, supply chain disruptions, and reduced or limited waterway transport options, leading to increased costs.		•	•
Transition risks	Policy / Legal	Current and future regulations	Risks related to stricter environmental regulations, litigation costs, bans on high-emission products, and the impact of sustainability certifications and standards on market access and potential fines. Scope 3 reduction challenges	•		
		Carbon taxes	Increasing energy, logistics, and material costs.		•	
	Technology	New technologies for a low-carbon economy	Risks of technology obsolescence and the need for investment in low-carbon technologies, including potential shifts to new suppliers capable of meeting market demands, and asset depreciation.		•	



	Market	Change in supply chain demand and economic instability	Lost revenue or missed opportunities for growth. Price volatility in carbon-intensive goods.	•	•
Opportunities	Technology	Innovation for ecodesign	Driver of technological innovation and maintaining a leadership position. Standardization of components for a circular economy.	•	•
	Market	Innovation for resource efficiency	Cost savings through enhanced operational efficiency, increased demand for circular economy services, and expanded business opportunities. Supply chain optimization and decarbonization further strengthen sustainability efforts.	•	
		Innovation for energy efficiency	Cost savings through investments in buildings and infrastructure, leading to increased energy autonomy and enhanced resilience.	•	•
		Scope 3 emissions challenges	Competitive edge through local production. Revenue growth due to increased demand for environmentally friendly products and services.		•
	Reputation	Alignment with regulations and sustainability initiatives	Increased customer and employee trust through the promotion of responsible business initiatives.	•	

Our initial assessment showed that StarragTornos needs to address transition-related climate risks in the short to medium term, as these risks may vary significantly depending on how local governments implement the Paris Agreement. The transition could lead to significantly increased operational and procurement costs. Physical risks present greater challenges in the mid to long term, with geographic sensitivities to consider. Clear opportunities have been identified for our Group in innovating efficient products and developing new services or business models that support the transition to a circular and more resilient economy.

Metrics and Targets

Information on Scope 1, 2 and 3 GHG emissions is provided in the GHG emissions section. To date, StarragTornos has been focusing on actions and targets for climate change mitigation, and has not yet set any further targets to address climate-related risks and opportunities.

Outlook

The topic of climate risks was introduced to the Group for the first time in 2024, following the creation of StarragTornos in December 2023. During the year 2024, the Group carefully considered and managed many of the topics recommended by the Task Force on Climate-related Financial Disclosures (TCFD).

In 2025, StarragTornos will continue to enhance the quality of its climate risk analysis and reporting. The physical risks identified will be assessed by country or site, based on the latest scientific climate studies and relevant policies. Financial impacts will be estimated using a standardized methodology with a semi-quantitative approach. Moving forward, the results of the climate risk assessment will be integrated into the overall strategic risk management process, alongside other key business risks.



Waste and Pollution

StarragTornos is committed to minimizing the generation of operational waste wherever possible, restricting the use of hazardous substances and separating materials to enable recycling. We also aim to prevent any type of pollution, and ensure that hazardous waste is disposed of in environmentally compatible ways.

Waste

Operational waste

tons	2024	2023
Total waste	3 220	3 750
Non-hazardous waste	2 958	2 285
Recycling or reuse	1 744	1 807
Incineration with or without energy recovery	648	197
Landfilling	566	281
Hazardous waste	262	1 465
Recycling or reuse	155	1 169
Incineration with or without energy recovery	107	296
Landfilling	0	0
Total waste per FTE (tons/FTE)	1.6	1.8

Our operational processes generate both non-hazardous (e.g. metals and alloys, paper and cardboard, wood and urban waste) and hazardous waste (e.g. chemicals, electronics, batteries). A relatively small amount of plastic waste is generated, primarily from packaging.

In 2024, StarragTornos generated a total of 3,220 tons of waste. Compared to the previous year, we saw a significant reduction in the absolute amount of operational waste, down by 530 tons. This reduction can be attributed to an exceptional wasted amount of chemicals and construction materials in 2023. In 2024, total waste per employee decreased to 1.6 tons/FTE.

Overall, almost 59% of waste was recycled or reused by specialist third-party companies. Recyclable materials such as metals, paper, and cardboard are collected and sent to an external recycling loop. Depending on local regulations and practices, urban waste may be incinerated or sent to landfill.

Hazardous waste accounted for less than 10% of the total waste. StarragTornos complies with legal requirements in the countries where we operate to dispose of hazardous waste through officially authorized disposal agents. The main categories of hazardous waste were lubricants, oils and emulsions, and solvents.



Pollution

In 2024, we conducted our first global assessment of volatile organic compound (VOC) usage within our manufacturing processes, estimating a total of 5.5 tons. Based on an internal questionnaire, we confirmed that our activities did not result in any direct discharges of pollutants into water or soil.

StarragTornos complies with the EU Directive on the Restriction of Hazardous Substances (RoHS 2015/863/EU) and the EU regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH EC 1907/2006). All StarragTornos suppliers are required to ensure their compliance with the RoHS and REACH regulations.

Water and Biodiversity

Although our manufacturing processes do not require substantial amounts of water or do not have a significant direct influence on biodiversity, StarragTornos actively support efforts to minimize its impact on natural ecosystems.

Water

StarragTornos mainly uses water for sanitary services and cooling of machines in production or operation. The vast majority of the water we use is sourced from municipal services. Our conservation initiatives concentrate on the use of closed-loop water circulation systems, the enhancement of internal recycling processes for water-based cleaning agents, and the use of rainwater systems for sanitary installations or garden maintenance.

Water withdrawal

m ³ and m ³ /FTE	2024	2023
Total water withdrawal	25 504	18 155
Water withdrawal per FTE	12.9	8.8

In 2024, StarragTornos consumed an absolute amount of 25,504 m³ and 12.9 m³ per FTE, which represents an increase of 47% compared with 2023, a rise that can be related to the construction activities undertaken throughout the year.

During 2024, StarragTornos conducted a water-stress assessment to map its global site locations with the Aqueduct Water Risk Atlas from the World Resources Institute in order to assess water scarcity and water-related risks. This system tracks how much fresh water is withdrawn by all economic activities compared to the total available renewable freshwater resources.



Highlight



Water-saving projects at Starrag India

India is a water-stressed region where fresh water is becoming increasingly scarce across all areas of life, making it essential for industry to prioritize water conservation. At Starrag India in Bangalore, all water from domestic sewage is treated on-site in a Sewage Treatment Plant (STP). Treated water is used for gardening and flushing purposes for the entire building, saving up to 7,000 m³ of water per year. Rainwater recharging wells are also installed to save over 500 m³ of water annually.

Water withdrawal by region

m³

No stress	11 023	43%
Low	7 822	31%
Medium	1 157	5%
High	3 589	14%
Critical	1 913	7%

This analysis showed that 74% of our water withdrawal is occurring in regions with little or no water stress. The manufacturing sites with the highest water stress are located in China and India. This allows us to prioritize our water withdrawal reduction efforts in the coming years.

Biodiversity

StarragTornos' global activities, products, and services do not have a significant direct impact on biological ecosystems. However, in the coming year we will use the WWF Biodiversity Risk Filter to assess all our owned sites for potential biodiversity-related risks. At StarragTornos, various local projects support biodiversity protection.



Social

StarragTornos is committed to creating an environment that fosters mutual engagement and employee well-being, supports their development, and respects and values the diversity of our workforce.



We recognize that our employees are the key to the company's success. They create the foundation for our innovative solutions and services, build relationships with our customers and suppliers, and drive us toward achieving our business goals.

The following sections cover the different topics in the Social pillar of our *Growing Sustainable* strategy:

- Our employees
- Well-being and engagement
- Talent and development
- Diversity and inclusion
- Occupational health and safety
- Local integration

Our Employees

Our employees are the embodiment of our expertise.

Number of employees by division

Headcount (end of period) ¹⁾	2024
Total	2 034
Total (full-time employees)	1 981
Starrag division	1 396
Tornos division	638

¹⁾ Employee numbers do not show any seasonal or temporary fluctuations. For the scope, please refer to the methodological note section.

At the end of the 2024 financial year, StarragTornos employed 2,034 people (headcounts), representing 1,981 full-time employees (FTE). Approximately 69% of the total workforce is employed in the Starrag Division.

Number of employees by region

Headcount (end of period) ¹⁾	2024
Total	2 034
Switzerland	702
Germany	753
EMEA (excl. Switzerland and Germany)	227
Asia / Pacific	263
Americas	89

¹⁾ Employee numbers do not show any seasonal or temporary fluctuations. For the scope, please refer to the methodological note section.



StarragTornos is an international company with its own subsidiaries in 13 countries. A large portion of our workforce is based in Switzerland and Germany, where nearly 72% of our total employees are located.

Number of employees by gender and age

Headcount (end of period) ¹⁾	2024
Women	13.7%
Men	86.3%
Under 30 years of age	16.5%
30–50 years of age	48.4%
Over 50 years of age	35.1%

¹⁾ Employee numbers do not show any seasonal or temporary fluctuations. For the scope, please refer to the Methodological note section.

Number of total employees by employment contract

Headcount (end of period) ¹⁾	2024
Number of full-time employees	1 869
Number of part-time employees	165
Number of permanent employees	1 937
Number of fixed-term employees	97
External temporary employees	36
Interns	16
Apprentices	110

¹⁾ Employee numbers do not show any seasonal or temporary fluctuations. For the scope, please refer to the methodological note section.

Almost 93% of our total workforce is directly employed by StarragTornos and Group companies, while the remaining 7% consists of external consultants via service agreements, staff leasing, interns, and apprentices.

Both divisions have standardized human resources processes, operating procedures, and policies that are used globally and implemented locally in line with the international and local regulations and customs. Most employees are directly supported by a local human resources manager. Key performance indicators are reviewed at Group, division, and local levels.

Our commitment to our employees is described in our internal policies and local employee handbooks, covering key topics including freedom of association, prohibition of child labor, and remuneration policies. Both divisions apply fair compensation policies, and measures are taken at the local level to meet cost-of-living fluctuations. We are committed to treating our workforce with respect, fairness, and responsibility. In the event of major reorganizations, we have implemented local mitigation measures to minimize the negative impact, including early retirement, internal mobility, or outplacement services.



At all sites with employee representation, the StarragTornos Group continuously works with council members on collective agreements regarding working conditions. For those employees not covered by a collective agreement, the Group's companies offer comparable working conditions.

Well-being and Engagement

Operating in a highly competitive industry, our company is committed to attracting, developing, and retaining talent.

StarragTornos places top priority on fostering an ecosystem of well-being in the workplace to prevent adverse impacts on individuals and society such as stress, conflict, and diminished productivity or innovation. As the job market has undergone significant changes following the Covid-19 health crisis, the Group remains attentive to the growing expectations of employees concerning their physical and mental well-being, and the balanced management of their personal and family responsibilities.

Our culture of well-being at work is implemented locally through both divisions' visions. The Group invests in order to continually improve working conditions, considering the specific challenges of each business. Both divisions have a hybrid working guideline that offers office-based employees the opportunity of working partly from home. Our Group companies are also provided with a range of concrete measures that are tailored to the needs of all employees, such as part-time work, flexible working hours in response to specific personal circumstances, and extended maternity and paternity leave. Finally, StarragTornos ensures that all its activities comply with the laws and regulations in force in every country in which it operates.

Employee turnover rate

% of headcount ¹⁾	2024
Turnover rate	8.9%
Voluntary turnover rate	5.5%

¹⁾ For the scope and further information, please refer to the methodological note section.

Attracting and retaining talented employees is a strategic issue, since excessive staff turnover, especially in key positions, could ultimately penalize the Group's growth and strength. During the 2024 financial year, the total employee turnover rate was 8.9% and the voluntary turnover rate was 5.5%. To mitigate turnover risks, we continue to invest in employee engagement and career development initiatives aimed at fostering loyalty and long-term commitment at all levels of the organization.



Talent and Development

By strategically aligning talent, succession management, and development, the company is paving the way for long-term success and the sustainable future of a global manufacturing company.

As soon as employees come on board, StarragTornos invests in their professional and personal development. Our onboarding programs ensure a structured start, complemented by an induction process tailored to different groups. Development opportunities go beyond traditional training, offering a diverse range of experiences. These include on-the-job growth through job rotations or international assignments, near-the-job learning such as networking exchanges, and off-the-job seminars focused on technical, methodological and social skills that enable individuals to grow both personally and professionally.

Integrative talent management involves identifying, attracting, and promoting people with the right skills and potential. A solid performance management system is a key component of the sustainability strategy in the human resources departments of each division. By setting clear expectations, providing regular feedback, and recognizing and rewarding achievements, a performance-oriented culture is promoted. Our performance management system considers both the what (targets and expectations) and the how (behavior) of the work performed.

The performance management process at StarragTornos includes an annual discussion between employees and their managers, covering competencies, performance, and potential. We strongly encourage our managers and leaders to carry out continuous performance and feedback discussions throughout the year, as an open dialog is a key value for us. This helps us to reduce the risk of losing knowledge, skills, and experience in key positions, and to improve our succession planning by identifying and developing promising internal candidates. This process also enables our employees to take on career opportunities in a new role or location within the company.

Total external training hours

Days per headcount or CHF per headcount ¹⁾	2024
Days of training per employee	1.3
Costs of training per employee	460

¹⁾ For the scope and further information, please refer to the methodological note section.

StarragTornos strives to develop all its employees' skills by offering face-to-face and remote training tools through internal and external programs. In the 2024 financial year, the Group invested about CHF 460 in training per employee.



Highlight



EAST event at Tornos: Meet-Learn-Network

Each year, Tornos organizes the EAST (European Application and Sales Training) event, which brings together its entire sales team for training on the latest product innovations. In 2024, the event gathered together over 120 participants and speakers from all the Tornos division entities worldwide.

Apprentices and trainees

Training apprentices and providing continuing education for employees has always played a key role for both the Starrag and Tornos divisions.

Within its manufacturing facilities and offices, StarragTornos relies on the expertise of many highly qualified specialists in various roles. Ensuring the transfer of technical skills to new generations is essential to preserving our industry knowledge and craftsmanship. To support this, StarragTornos offers basic vocational apprenticeships along with a range of trainee positions for young people. As of December 2024, 126 trainees and apprentices were employed across the areas of production, IT, HR, controlling, and R&D. Beyond technical expertise, these young talents also cultivate vital soft skills to prepare them for well-rounded careers.

Apprentices at StarragTornos

- **Apprentices:** In 2024, the Group's companies offered a total of 110 apprenticeship positions. During the year, 29 apprentices successfully completed their training, 17 of which continue to work with our companies.
- **Inhouse training facility:** Starrag AG has a state-of-the-art training center for apprentices and trainees. Here, apprentices can learn how to apply manufacturing theories to CNC turning and milling operations in practice.
- **Award:** Tornos SA was named the best training company in the Jura region in 2023, in the industrial category.



Diversity and Inclusion

Our employees come from a broad range of countries, backgrounds, and education levels. Embracing and respecting this diversity is essential to promote and foster creativity and open-mindedness in our teams.

StarragTornos is committed to providing equal opportunities throughout the employee experience from hiring through development to advancement. We strive to create an environment in which all employees feel safe, valued, included, and empowered to do their best work and realize their full potential.

StarragTornos' commitment to diversity and inclusion is defined in the Tornos Code of Conduct, the Starrag Business Conduct Guidelines, and our employee handbooks. We have zero tolerance for discrimination and harassment regarding race, religion, color, age, gender, sexual orientation, national origin, or any other discriminatory factor. The documentation given to our employees upon induction – our local employee handbooks – remind them of the legal and contractual provisions regarding non-discrimination, and also remind them of the appropriate procedures if an employee is a victim of such a situation. We also encourage employees to use our whistleblowing system to report any breaches, wrongdoing, or dangers that they notice, or of which they are aware.

Our remuneration policies are framed by role evaluations informed by a methodology, by expertise outside the company, and by performance evaluations based on identified skills and shared objectives. Our recruitment and internal mobility policies are subject to international procedures and/or charters that guide managers and human resources departments, and encourage collegial decision-making based on objective criteria.

In accordance with Art. 13a of the revised Federal Act on Gender Equality (GEA) and the Ordinance on the Evaluation of the Wage Equality Analysis, our three Swiss companies are required to carry out a wage equality analysis between women and men every four years, and to have this independently evaluated. For those companies, the most recent audits confirmed that all the legal requirements were complied with in full. Over the coming years, we aim to extend these analyses wherever they are required or recommended, in order to promote fair and equitable pay across all our locations.

The breakdown by gender shows a proportion of 13.7% of women in the Group's total workforce. Looking forward, the Group is committed to monitoring comprehensive key performance indicators regarding diversity and inclusion.

Social inclusion

To further strengthen its multicultural identity and its commitment to diversity, StarragTornos has established lasting partnerships with public entities and local organizations. Through these collaborations, the Group actively supports the integration of individuals in challenging circumstances, including people with disabilities or migrants, into the workforce.



Highlight



“With effort and a great will, you can achieve anything.”

Farhad Ahmadi

Apprentice Automation Technician at Starrag AG

Our social responsibility in action: The InVol+ Program

The InVol+ (Integration Pre-Apprenticeships+) program aims to help refugees and people with temporary residence in Switzerland prepare for vocational apprenticeships. Sponsored by the Support Association for Integration Projects St. Gallen (TISG) and coordinated with the Canton of St. Gallen’s Education Department, InVol+ provides structured pre-apprenticeships in collaboration with companies such as Starrag AG.

The program comprises a one-year pre-apprenticeship combining theoretical courses and practical training. Participants alternate between classroom learning at GBS St. Gallen and hands-on experience, including technical training at Starrag’s training center and an internship in the MEM sector.

Since 2018, over 60 participants have joined the InVol+ Mechatronics program, with 10 currently being trained at Starrag. The rate of participants who started the program and achieved the goal is over 80%. Of all the participants who achieved an InVol+ qualification, around 90% were able to start a follow-up solution in the form of training or permanent employment. Farhad Ahmadi is the first apprentice that Starrag AG has taken on from this program.

Through this program, Starrag AG is reinforcing its social responsibility by creating pathways for vocational integration. As a pioneer in Eastern Switzerland’s MEM sector, Starrag AG aims to inspire other companies to adopt similar training models.



Employee Health and Safety

Creating a safe and healthy workplace for our employees is a central concern for our Group.

StarragTornos is committed to providing and maintaining a working environment that ensures the health and safety of all employees and external visitors. The Group has various health and safety procedures and processes in place, and regularly monitors and analyzes potential risks across its operations. As a first step, we aim to prevent the occurrence of injuries by regularly performing internal health and safety audits. If an injury occurs, we establish the root cause and initiate corrective measures. Health and safety processes are governed locally across our facilities, technical centers, and sales offices, and each site has a dedicated officer for the local implementation of the health and safety program. Safety is the topic of regular meetings during which KPIs, risks, and injuries are reviewed and discussed. The KPIs are monitored regularly – usually monthly – at the local level, and annually at the division and corporate levels. All local health and safety policies are communicated to new employees during their induction. Besides internal audits, our facilities in Switzerland and Germany are regularly audited by official external organizations.

Our facilities establish local action plans, including intensified training and awareness-raising activities to further reduce exposure to work-related health and safety risks. Employees who work or come into contact with chemicals and/or hazardous substances are regularly trained in their safe handling.

Moreover, most of our employees are covered by a health insurance policy and by a life and disability policy, which specifically covers long-term sick leave (more than 90 days). At Group level, all employees are covered by business travel insurance, which includes repatriation assistance worldwide.

In 2024, the Group began monitoring standardized health and safety KPIs across both divisions. The health and safety figures below cover all our entities. In 2024, we recorded a workplace injury frequency rate of 3.4%. No fatalities occurred among our own employees or external employees during the 2024 financial year.

Occupational health and safety

	2024
Employees (regular, fixed-term) ¹	2 034
Number of work-related injuries	66
Number of total lost days due to work-related injuries	708
Workplace injury frequency rate (%)	3.4
Number of work-related fatalities	0
External temporary employees	162
Number of work-related fatalities	0

¹ For the scope and further information, please refer to the methodological note section.



Local Integration

Beyond our own facilities and operations, we are committed to supporting local economic development and community initiatives around our sites.

StarragTornos actively supports a range of local initiatives, from philanthropic efforts to community engagement activities. Along with its direct and indirect impacts and the enthusiasm of its employees, the Group leads initiatives to foster a culture of mutual support and local integration in the regions in which it operates. This also enhances the company's reputation among customers, business partners, authorities, and employees.

Our philanthropic activities include both monetary contributions and contributions in kind to community partners and other organizations, such as i-Moutier, an association in Switzerland's Jura region that promotes sustainable practices among local economic actors. Various Group companies also engage with local communities through fundraising campaigns and volunteer work, including initiatives focused on biodiversity protection. StarragTornos has also sponsored research projects and supported local schools worldwide.

Highlight



Supporting skills development in Brazil

In partnership with the National Industrial Apprenticeship Service (SENAI), the largest vocational education complex in Latin America, Tornos has contributed machinery and expertise to support skills development in Brazil. Since 2022, more than 3,000 students, including young people and adults, have trained on Tornos machines at SENAI's key technical schools in São Paulo and Paraná, Brazil's main industrial regions. This initiative helps to address Brazil's youth employment gap, with one in five Brazilians aged 15 to 29 neither studying nor working. Tornos also funded an exclusive mobile headstock classroom, preparing future professionals to operate the high-precision machinery that is essential to the Brazilian industry's growth.



Business Ethics and Compliance

StarragTornos conducts its operations in a highly regulated international environment with intricate value chains. It is essential that we conduct our business with integrity, responsibility, and a strong commitment to compliance and ethical behavior.



The sections that follow describe the various aspects of the *Business ethics and compliance* pillar of our *Growing Sustainable* strategy:

- Business policies
- Responsible data management
- Responsible supply chain
- Human rights

Business Policies

Internal policies

StarragTornos is committed to ethical business conduct across its organization at all levels, and in its relationships with stakeholders. We are committed to fully complying with the laws and regulations of every country in which we operate, and to abiding by our own codes of conduct. These policies have been established to prevent risks from unethical practices in our operations and value chains.

The core principles of conduct at StarragTornos, including the Starrag and Tornos divisions, are outlined in the Starrag Business Conduct Guidelines, the Tornos Code of Conduct, and the StarragTornos Code of Conduct for Business Partners. Their principles are described in further detail in our employee handbooks. The policies, approved by the Board of Directors, reflect the Group's commitment to business ethics and compliance, and provide clear directives on preventing corruption, upholding human rights, and protecting the environment. These documents are available on the internet, intranet, or another format to all employees, external stakeholders, and other interested parties. StarragTornos expects all employees, suppliers, and business partners to adhere to these guidelines.

StarragTornos adopts a zero-tolerance policy towards corruption and other criminal acts. Non-compliance with our internal policies by employees may result in disciplinary action, up to and including termination of the employment contract. In 2023, Tornos' employees completed training on anti-corruption and anti-trust prevention. The Group is committed to expanding its business ethics training to all employees globally. Similarly, the termination of collaborations and commercial contracts is also enforced in cases of non-compliance with the StarragTornos Code of Conduct for Business Partners.

StarragTornos Code of Conduct for Business Partners

The StarragTornos Code of Conduct for Business Partners was established in April 2024 and defines the basic principles for our suppliers' conduct. It covers compliance with international laws, regulations, and standards, addressing conflicts of interest, anti-competition practices, and commitments to social and environmental responsibility. Key topics include human rights, non-discrimination, and safety in the workplace. The code applies to all suppliers and sub-suppliers that supply products and services to the StarragTornos Group and all its companies.



The code will be updated regularly to take into account any relevant changes in legislation, regulations, and StarragTornos' guidelines.

If there are any discrepancies between national legislation and international human rights standards, StarragTornos will adhere to the stricter rules and principles. Similarly, in cases where national legislation conflicts with the StarragTornos standards, the Group will comply with the law while endeavoring to meet the most stringent standards.

[Read the StarragTornos Code of Conduct for Business Partners](#)

Whistleblowing system

StarragTornos uses a whistleblowing system to ensure that reported violations of laws or our policies are handled professionally. The system is operated by an external law firm and safeguards the anonymity of the reporter. Employees, external business partners, and any third party can report a concern via an email address listed in our codes of conduct. Employees can also report a concern to their line manager or their local HR function. StarragTornos does not tolerate any form of retaliatory action against any employee who, in good faith, reports a suspected violation of our codes of conduct or internal policies.

One concern was reported last year, and appropriate corrective measures were taken. However, no fines or non-monetary sanctions for compliance were levied against StarragTornos in the 2024 financial year.

Corporate governance and risk management

StarragTornos' governance structure and risk management are reported in the Corporate Governance section of the 2024 Annual Report. Further information about ESG governance can be found in the Sustainability Governance section of the 2024 Sustainability Report.

Responsible Data Management

In an increasingly digital business environment, StarragTornos prioritizes cybersecurity and data security in order to protect stakeholders' personal and sensitive data while ensuring secure operations.

Protecting information

StarragTornos takes proactive measures to protect its information systems, confidential information, and intellectual property, as well as those of its customers, suppliers, and other business partners, to the best of its ability. The core objective of data security is to protect all data and information handled by the Group, whether received, generated, processed, stored, or destroyed. Special attention is paid to securing information related to R&D, patents, design plans, process descriptions, and sensitive customer and employee data. Information security also ensures compliance with legal obligations, industry standards, internal policies, and contractual commitments, while supporting the security of the company's business operations and digital transformation initiatives.



Information and training in corporate and information security are crucial in order to minimize the risks to the Group and ensure the necessary awareness. Regular information sessions and training are therefore mandatory for all employees, and are managed by our IT departments across each division. Starrag AG is preparing for certification under ISO 27001 Information Security Management System (ISMS) in 2025.

Protection of personal data

Data protection is of the utmost importance for StarragTornos' compliance with local and international data protection laws, including the new Federal Act on Data Protection (nFADP) and the European General Data Protection Regulation (GDPR). Each division has set up a comprehensive program and governance structure for the protection of personal data to ensure compliance and meet the expectations and requests of its employees, customers, suppliers, and business partners with regard to all privacy matters. In 2024, both divisions established new Data Protection Officer (DPO) roles with division-level or local responsibilities, serving as points of contact for supervisory authorities and the Group's stakeholders. These positions can be held by either internal or external appointees.

Within the new organization, the Group will introduce further measures in the next reporting year, with a focus on providing guidance, supporting all the Group's companies, ensuring data security, and fostering employee awareness and knowledge.

Responsible Supply Chain

In the context of environmental urgency and growing ethical business responsibility, we are committed to engaging our supply chain in order to reduce negative impacts outside our operations.

At StarragTornos, we are aware that our sourcing and manufacturing activities can have a negative impact on the environment, people, and society, and that the most significant impacts occur beyond our own operations and facilities. Our commitment to delivering responsible products to our customers makes ethical sourcing and manufacturing essential to our business. Sustainable procurement and responsible supply chain management cover a wide range of areas, including material transparency, compliance with both local and international regulations, and the assessment of environmental and social impacts across the entire value chain.

Procurement strategy and governance

All StarragTornos machines are produced in our facilities in Switzerland, Europe, China, and Taiwan. Only one line of retrofitted machines is produced at a third-party facility in France. In 2024, we purchased from more than 3,000 direct material suppliers. Based on the amount spent, 44% of direct materials were purchased in Germany, 39% in Switzerland, 9% in Europe (excluding Germany and Switzerland), 7% in the Asia/Pacific region, and less than 1% from North America. We prioritize the establishment of long-term, trust-based relationships with our business partners, fostering mutual success, collaboration, and innovation. Most of our key suppliers have been part of our ecosystem for over 5 or even 10 years, reflecting the depth and stability of these connections. These partnerships are grounded in fairness, ethical practices, transparent dealings, and respect for agreements, contributing to a sustainable business ecosystem and our responsible procurement strategy.



In the 2024 financial year, 22% of StarragTornos' carbon emissions originated from the materials and services we purchased. Human rights violations, such as forced or child labor, as well as uncontrolled environmental impacts, are more likely to occur in the manufacturing phases of our components, from raw material extraction to their production, than within our own factories. The CSR risks associated with these issues could have detrimental consequences for the Group, including supply chain disruptions, reputational damage, and significant financial losses due to taxes or fines. Our customers are increasingly demanding transparency regarding our value chain, which has become a key criterion for product selection in a highly competitive market.

Our strategy for promoting a responsible supply chain relies on active collaboration between the Corporate Chief Procurement Officer (CPO) and the Corporate Sustainability Manager, with sponsorship from Executive Management. The strategy is rolled out in collaboration with the local Purchasing departments to ensure it is tailored to specific regional needs and challenges. In 2024, our strategy focused on risk management and compliance. In the coming years, we are committed to developing a comprehensive program that focuses on an ESG evaluation of our business partners and suppliers, along with their active engagement.

Actions for a responsible supply chain

The Group's relations with suppliers are guided by the StarragTornos Code of Conduct for Business Partners and the Purchasing Terms and Conditions of StarragTornos Group edited in July 2024. Suppliers and business partners are required to certify in writing their compliance with these policies and principles in all their dealings, activities, products, and services with StarragTornos. This includes commitments to respecting human rights, protecting the environment, ensuring safety at work, and adhering to ethical business practices. StarragTornos includes the signed agreement in all new supply contracts as a standard practice.

Code of Conduct for Business Partners (CCBP)

%	2024
Share of the total number of suppliers who signed our CCBP	50.1%
Share of the total purchase volume	75%

In 2024, StarragTornos launched a campaign to secure signed commitments to its Code of Conduct for Business Partners from all its suppliers. At the end of 2024, 1,524 suppliers have signed our code of conduct, representing almost 50% of our total direct material suppliers and 75% of our total purchase volume. This campaign will continue during the next reporting year.

To facilitate this initiative, the Group has implemented a centralized Supplier Relationship Management (SRM) platform. The process of sending out questionnaires on CSR areas has been simplified, and the tool supports suppliers' compliance with the Group's principles and policies. As part of a progressive and continuous improvement approach, the tool will allow for more precise identification of potential CSR risks across our supply chain and identify potential high-risk suppliers.

A second level of control is ensured through audits conducted for new suppliers and those identified as high-risk. In 2024, a total number of 67 audits were conducted on-site at our suppliers worldwide.



Supplier audits

2024

Number of on-site supplier audits

67

StarragTornos has also established a training initiative for its managers and purchasing employees to raise awareness of ethical considerations and the environmental impacts within the value chain. This will continue into the next reporting year. Furthermore, the Chief Procurement Officer and the Corporate Sustainability Manager have also initiated a collaboration with the quality departments of both divisions to enhance supplier evaluation practices, incorporating broader and comprehensive CSR criteria.

Human Rights

Our Group is committed to respecting and promoting human rights in our own practices, our interactions with all our stakeholders, and throughout our value chain.

This commitment applies globally, across our operations, and throughout the entire value chain. We pledge to work closely with our business partners and employees to prevent and mitigate any risks of human rights violations. We are also dedicated to adhering to high standards of ethics and integrity, in full compliance with international and local regulations, laws, and standards such as:

- Universal Declaration of Human Rights (UDHR)
- United Nations Global Compact (UNGC)
- Guidelines for Multinational Enterprises from the Organization for Economic Co-operation and Development (OECD)
- Conventions of the International Labor Organization (ILO)
- International Standard for socially responsible corporate governance SA8000
- Dodd-Frank Act on conflict minerals

Our commitment to human rights is described in our policies and employee handbooks. These policies cover all human rights issues that could be most salient to our business: child labor, community and land rights, contributing to conflict, customer safety, employment practices, freedom of association and collective bargaining, information security and data protection, modern slavery and forced labor, non-discrimination, and occupational health and safety.

The Board of Directors has assigned responsibility for compliance to the Chief Financial Officer (CFO). The actions for human rights compliance are implemented by the Corporate Sustainability Manager and the Sustainability Leadership Team.

Child labor

We maintain a zero-tolerance policy towards child labor throughout both our operations and our value chain. The Group fully complies with Art. 964j of the Swiss Code of Obligations for due diligence and reporting obligations related to child labor, and with the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO).



Our commitment regarding child labor is integrated into our public policies, the StarragTornos Code of Conduct for Business Partners, the Tornos Code of Conduct, and the Starrag Business Conduct Guidelines. These policies are binding for all our employees, suppliers, and business partners. In particular, our Code of Conduct for Business Partners specifies that suppliers must not tolerate any form of child labor within their own operations and supply chain, and must respect the applicable national laws, or the ILO core labor standards as a minimum. Business Partners shall in particular, but without limitation:

- Ensure that the minimum age of an employee is not less than the age of completion of compulsory schooling and, in any case, not less than 15 years or the minimum age stipulated by local law, whichever is higher.
- Ensure that the minimum age for admission to any type of employment involving hazardous work conditions or the operation of heavy machinery or night work or overtime shall not be less than 18 years.
- Implement internal policies and procedures equivalent to or exceeding the expectations and principles of this Code, including when dealing with suppliers, agents, contractors, and temporary labor agencies.

The risk of child labor among the StarragTornos companies and suppliers based in Switzerland and its neighboring countries is estimated as very low. However, according to the UNICEF Children's Rights in the Workplace Index, there is a higher child labor risk in some European countries, the United States, and several Asian countries where some StarragTornos suppliers operate. In 2024, StarragTornos identified 205 direct suppliers across 8 countries as having an enhanced risk of child labor. All of them confirmed their commitment to adhering to the principles of our Code of Conduct for Business Partners.

High-risk suppliers

	2024
Number of direct suppliers with an enhanced risk of child labor	205
Percentage of suppliers with an enhanced risk of child labor who have signed our Code of Conduct for Business Partners	100%

In the coming years, the Group will refine its risk analysis by considering purchase volumes and launching a CSR assessment campaign targeting high-risk suppliers. Audits will be carried out in cases of significant suspicion, following a best-effort approach.

Any concerns regarding child labor can be raised through our whistleblowing system. StarragTornos applies a zero-tolerance policy, and will suspend its cooperation with suppliers immediately in the event of any failure to prevent child labor.

Conflict minerals

StarragTornos manufactures machine tools by sourcing and assembling various components and parts. With the exception of certain specialized machining activities in our own operations, the



Group does not directly purchase raw materials. However, our supply chain may include materials with elevated ESG risks, such as conflict minerals and 3TG minerals (tin, tantalum, tungsten and gold). These materials may be present in components such as electronics, bearings, and cutting tools.

StarragTornos complies with the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO). In line with this regulation, the imported and processed amounts of the materials defined by the DDTrO were recorded and analyzed. StarragTornos does not directly source any of the listed tariff numbers in its own operations.

As well as adhering to Swiss legislation, the Group is dedicated to mitigating the environmental and social risks associated with conflict minerals throughout its value chain. New policies, as part of our responsible procurement strategy, the StarragTornos Code of Conduct for Business Partners, and the Purchasing Terms and Conditions of StarragTornos Group explicitly outline strict requirements for the sourcing of conflict minerals and metals, which apply to all suppliers. The Group has started to identify high-risk suppliers concerning 3TGs and will continue to implement stricter monitoring measures in the coming years, including the use of targeted questionnaires.



Methodological Note

Reporting Approach

The Sustainability Report 2024 covers the entire StarragTornos Group and aligns with the scope of entities included in the consolidated financial statements, as listed in the Annual Report 2024. StarragTornos strives to improve data quality and accuracy continuously: all resulting restatements are reported in the next data sections of this chapter and noticed in the footnotes at the bottom of the respective table. The Sustainability Report 2024 follows StarragTornos' financial year from 1 January to 31 December 2024. All data and key figures relate to the same calendar period.

Environmental Performance Data

StarragTornos' environmental data monitoring and reporting includes energy consumption, greenhouse gas (GHG) emissions, waste disposal and water consumption. Comprehensive environmental data are collected from all production sites, technical centers and major (with more than 15 employees) sales and services offices. Environmental data from smaller offices are minimal in comparison to the overall company's consumption and emissions and are not included in the reported environmental data. From October 2024 to January 2025, environmental data were compiled by individual business entities in a consistent and comparable manner. A validity check was performed to review the database for incorrect entries. Actual data are collected whenever possible and are only estimated if data collection is not feasible, for example, due to the decentralized organizational structure of some entities operating in rented facilities or when specific emissions are unavailable.

Energy

Our total energy consumption figures encompass both company-owned and leased assets. Data are sourced from on-site meters and utility bills. Energy consumption is reported as net energy consumption, excluding any electricity sold. The energy conversion factors are sourced from the UK Government Department for Business, Energy & Industrial Energy. The electricity mix data are based on the 2023 AIB-Database residual mix for European countries. For other countries, we have used consumption mix factors based on the latest available data from national authorities.

GHG emissions

The methodology and reporting for the carbon footprint are based on the Greenhouse Gas (GHG) Protocol. The recording of GHG emissions from StarragTornos' activities include carbon dioxide (CO₂) and fluoride gas (hydrofluorocarbons HFCs, perfluorinated hydrocarbons PFCs) from refrigerants. The emission factors are based on the IPCC Sixth Assessment Report (AR6). To estimate the emissions, activity-based and monetary emission factors were taken from different databases including, Ecoinvent v3.10, exiobase v3 and the Base Carbone v23 (ADEME). StarragTornos differentiates between direct GHG emissions (Scope 1) deriving from the combustion



of fossil fuels (heating, company vehicles) and the fugitive emissions of fluorinated gas from building cooling systems; indirect GHG emissions (Scope 2) from sources like using electricity or district heating; and indirect emissions (Scope 3) that arise from the entire value chain.

Scope 1 and 2 emissions

Scope 1 and Scope 2 emissions calculations are based on site-specific data for fuel consumption and utilities purchased, with the exception of Scope 1 fugitive emissions, which were estimated using industrial benchmarks. The company calculates Scope 2 GHG emissions using the location and market-based methods. In accordance with the GHG Protocol, we applied residual mix emission factors to calculate market-based Scope 2 emissions for StarragTornos companies that do not purchase certificates of origin for electricity from renewable sources or have specific power purchase agreements. The boundaries of Scope 1 and 2 encompass both owned and leased assets (Operational control).

Restatements: The Scope 1 and Scope 2 emissions for 2023 have been recalculated based on improved data quality, in order to align with the new methodological boundaries and clearly distinguish Scope 3.3 emissions from Scope 1 and Scope 2 emissions.

Scope 3 emissions

Out of the 15 Scope 3 categories outlined by the GHG Protocol, eleven are applicable to StarragTornos. Those estimated as not material or not applicable are emissions from upstream leased assets (cat. 8), processing of sold products (cat. 10), franchises (cat. 14), and financial investments (cat. 15). Scope 3 emissions data were calculated using a combination of methods for each category, as prescribed by the GHG Protocol.

	Data taken into account	Assumptions
Category 1 Purchased goods and services	<ul style="list-style-type: none"> • Purchase volumes of direct goods and operational materials for each material group (e.g., metallic machined parts, housings, electronics, motors, peripherals) • Chemical products • Marketing and cleaning services • Office supplies and meals in company restaurant 	<ul style="list-style-type: none"> • Monetary emission factors based on the share of material categories within each material group (80% of total purchase volume) • Extrapolation of the remaining 20% purchase volumes using an average monetary emission factor • Low impact emissions (office supplies, meals) extrapolated from the number of employees (FTE) and the 2023 data collection
Category 2 Capital goods	<ul style="list-style-type: none"> • IT (hardware, software, cloud services) • Buildings and operation equipment 	<ul style="list-style-type: none"> • Monetary emission factors
Category 3 Fuel and energy-related activities (not included in Scope 1 and 2)	<ul style="list-style-type: none"> • Emissions from purchased fuel and energy, not included in Scope 1 and Scope 2 	-



Category 4 Upstream transportation and distribution	<ul style="list-style-type: none"> Weight and mode of transport of imports to StarragTornos companies Distance between the StarragTornos entity and the supplier country Weight and mode of transport for machines and sub-assemblies between StarragTornos companies 	<ul style="list-style-type: none"> Mode of transport estimated from distance (< 2,000 km: road transport; > 2,000 km: maritime transport) Single (principal) transportation mode Average monetary emission factors estimated using the Tornos Division purchase volume and applied to the total purchase volume
Category 5 Waste generated in operations	<ul style="list-style-type: none"> Weight and type of waste Waste disposal methods (recycling, incineration or landfilling) Discharged wastewater 	–
Category 6 Business travel	<ul style="list-style-type: none"> Air travel Rental cars, train travel Accommodations 	<ul style="list-style-type: none"> Emissions extrapolated from the number of employees (FTE) and the 2023 data collection
Category 7 Employee commuting	<ul style="list-style-type: none"> Data on employee's journeys to and from work collected via a 2023 voluntary survey at selected StarragTornos companies 	<ul style="list-style-type: none"> Emissions extrapolated from the number of employees (FTE)
Category 9 Downstream transportation and distribution	<ul style="list-style-type: none"> Weight and mode of transport for machines from StarragTornos companies to customer companies Transport of spare parts from StarragTornos to customer companies 	<ul style="list-style-type: none"> Distance between StarragTornos companies and supplier countries Mode of transport estimated from distance (< 2,000 km: road transport; > 2,000 km: maritime transport) Single (principal) transportation mode Extrapolation of spare parts transportation emissions from machines transportation emissions
Category 11 Use of sold products	<ul style="list-style-type: none"> Electricity consumption of machines over their entire lifespan Electricity mix of the supplier country Total number of sold machines, including retrofitted machines 	<ul style="list-style-type: none"> Average machining power per machine type Average lifespan of 15 years, with a total of 60,000 operating hours. Electricity impact factor adjusted by 0.8 to account for expected decarbonization over the next 15 years (Source: International Energy Agency)
Category 12 End-of-life treatment of sold products	<ul style="list-style-type: none"> Weight of products sold and associated recycling treatment 	<ul style="list-style-type: none"> Extrapolation of emissions from category 3.1 emissions
Category 13 Downstream leased assets	<ul style="list-style-type: none"> Rent surfaces 	<ul style="list-style-type: none"> Extrapolation of emissions based on the ratio of leased to occupied floor area



Waste and pollution

Total waste production figures combine activities within the boundaries of Scope 1 and 2. StarragTornos classifies waste by type (hazardous and non-hazardous) and by disposal route (recycling or reuse, incineration with or without energy recovery, and landfilling). The waste classification includes all materials generated from production and any other waste from renovation, maintenance, offices, and restaurants. The classification of hazardous waste is based on the UVEK (Federal Department of the Environment, Transport, Energy and Communications) Ordinance on Lists for the Movement of Waste (SR 814.610.1).

The company monitors halogenated and non-halogenated volatile organic compounds (VOCs) as classified in the Swiss Ordinance on the Incentive Tax on Volatile Organic Compounds SR 814.018.

Water and biodiversity

The total water withdrawal figures combine activities within the boundaries of Scope 1 and 2, including purchased water (public water supply), ground and rainwater. Water-stressed areas are identified based on scenarios from the Aqueduct Water Risk Atlas (version 4.0) developed by the World Resources Institute (www.wri.org).

Social Performance Data

Employee data figures cover all StarragTornos sites and operations around the world. Monitoring and reporting is based on headcount and full-time employee (FTE), highlighted in each table. In 2024, the scope of social performance data was extended in both Divisions and several figures were collected for the first time. As a result, no prior-year is available.

Our employees

The following categories are used for employee data: Permanent employees are employees with unlimited contract, fixed-term employees have a fixed-term contract, and external temporary employees refer to contractors, agency temps, and contingent workers.

Well-being and engagement

The employee turnover rate is the percentage of employees who left StarragTornos during the calendar year, calculated by dividing the number of departures by the average headcount in the previous calendar year. The employee voluntary turnover rate is the percentage of the employees who left StarragTornos voluntarily during the reporting year.

Talent and development

The disclosure of training costs is based on the total expenditure for external training.

Occupational health and safety

Occupational health and safety figures are reported for regular employees, with either a permanent or fixed-term contract. A work-related injury is defined as an injury that occurred at work, preventing the employee from returning to work for the next scheduled workday. Lost days refer to working days, not calendar days, starting from the first working day the employee is unable to work. The workplace injury frequency rate is calculated as the total number of lost-time injuries per total worked hours times 200,000. This rate, based on 200,000 hours worked, indicates the number of work-related injuries per 100 fulltime workers over a one-year timeframe.



The work-related fatalities data is reported for regular and external temporary employees, with work-related fatalities defined as death arising from an occupational disease or injury sustained or contracted while performing work. A work-related illness or disease is defined according to the ILO List of Occupational Diseases.

Business Ethics and Compliance Performance Data

Responsible supply chain

Procurement performance metrics are monitored through the StarragTornos spend analytics platform and supplier relationship management system. In 2024, the relevant procurement expenditures included suppliers that provided direct materials, indirect materials, and services to StarragTornos.

On-site audits, including quality or performance audit, are monitored and reported by each divisional quality department, with audit reports provided.

Human rights

Child labor risks in the supply chain is assessed in countries identified as having a high or enhanced risk of child labor, based on the UNICEF Child Labor Rights Index. Relevant metrics are monitored through the StarragTornos spend analytics platform and supplier relation management system.



Appendix

Swiss Code of Obligations (Art. 964) Content Index

The Sustainability Report 2024 was produced in accordance with Art. 964a and seq. of the Swiss Code of Obligations (CO). It was approved by the Board of Directors on March 13, 2025, and will be presented for approval at the Ordinary General Meeting on April 17, 2025. In accordance with Article 964c CO, a shareholder vote on the Sustainability Report is required.

Applying Art. 964b of the Swiss Code of Obligations, the topics listed below were identified as being material under the Swiss CO. Based on Swiss CO Art. 964b paragraph 1, StarragTornos considers all topics in scope for non-financial reporting that are material from an impact and financial perspective (see Material ESG topics). As combating corruption is explicitly mentioned in Art. 964b, the topic has been included, although it does not meet the defined materiality threshold requirements. This results in nine Swiss CO relevant topics being outlined in the materiality matrix and the index below. These include the most relevant environmental, social, and employee-related matters, as well as those concerning respect for human rights and combating corruption, as explicitly mentioned in Swiss CO Art. 964c paragraph 1.

AR = Annual Report 2024

Category	Disclosure topic	Location in Sustainability Report	Other location
1	General requirements		
1-1	Governance	Sustainability Governance	AR: Corporate Governance
1-2	Corporate business model		AR: Strategy Report / Shaping the future of the global metal-cutting machine tool industry
1-3	Materiality assessment	Stakeholders Material ESG Topics	
1-4	ESG strategy	Corporate Responsibility Sustainability Strategy and Commitments	
1-5	Business policies (incl. due diligence)	Business Policies	
1-6	Measures and performance indicators	See sections below in the index GRI Content Index	
1-7	Risks related to non-financial matters		
1-7a	Risk management		AR: Corporate Governance / Risk Management
1-7b	Climate-related risks	Climate Risks and Opportunities	
1-7c	Risks in human rights	Human Rights / Child Labor Human Rights / Conflict Minerals	
1-7d	Risks in supply chain	Responsible Supply Chain	



1-8	References to national, European or international regulations	About this Report
1-9	Coverage of subsidiaries	Methodological Note
2	Environment	
2-1	Energy consumption and efficiency	Environment Energy in our Operations
2-2	Greenhouse gas (GHG) emissions	GHG Emissions
3	Products	
3-1	Circular economy	Circular Economy
3-2	Innovation and ecodesign	Products Innovation for Efficient Products
3-3	Product quality and safety	Quality and Safety Service and Customer Satisfaction
4	Social	
4-1	Employment	Our Employees Well-being and Engagement
4-2	Employee development	Talent and Development
5	Business ethics and compliance	
5-1	Responsible supply chain	Responsible Supply Chain
5-2	Combating corruption	Business Policies

StarragTornos is exempted from the Swiss Code of Obligation Art. 964j Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor. A process to annually review potential purchases of minerals and metals from conflicted areas is established. Lately, StarragTornos complies with the Swiss Code of Obligation Art. 964j for due diligence and reporting obligations to child labor.



TCFD Content Index

StarragTornos has adopted the TCFD framework to report on its climate-related risks and opportunities, according to the Swiss Climate Ordinance (Art. 964a–964c of the Swiss Code of Obligations). Over the next year, the company will continue to advance in the analysis, management, and reporting of these risks and opportunities.

TCFD Disclosure	TCFD code	Disclosure description	Disclosed
Governance	TCFD-GOV-a	Describe the board's oversight of climate-related risks and opportunities	Climate Risks and Opportunities/Governance
	TCFD-GOV-b	Describe management's role in assessing and managing climate-related risks and opportunities	Climate Risks and Opportunities/Governance
Strategy	TCFD-STR-a	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Climate Risks and Opportunities/Strategy
	TCFD-STR-b	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Climate Risks and Opportunities/Strategy
	TCFD-STR-c	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Climate Risks and Opportunities/Outlook
Risk management	TCFD-RMA-a	Describe the organization's processes for identifying and assessing climate-related risks	Climate Risks and Opportunities/ Risk Management
	TCFD-RMA-b	Describe the organization's processes for managing climate-related risks	Climate Risks and Opportunities/ Risk Management
	TCFD-RMA-c	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management	Climate Risks and Opportunities/Outlook
Metrics and targets	TCFD-MET-a	Disclose the metrics used by the organization to assess climate-related risks and opportunities according to its strategy and risk management process	Climate Risks and Opportunities/Metrics and Targets
	TCFD-MET-b	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	GHG Emissions
	TCFD-MET-c	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Climate Risks and Opportunities/Outlook GHG Emissions/Outlook



GRI Content Index

StarragTornos has reported the information cited in this GRI content index from 1 January to 31 December 2024, with reference to the GRI standards.

All references listed below are included the Sustainability Report 2024, unless otherwise indicated.

AR = Annual Report 2024

GRI Standard (year)	Disclosure	Reference	Omission reason and explanation
GRI 1 (2021)	Foundation		
GRI 2 (2021)	General Disclosures		
The Organization and its reporting practices			
2-1	Organizational details	AR – Financial Report Sustainability Governance	
2-2	Entities included in the organization's sustainability reporting	AR – Financial Report Methodological Note	
2-3	Reporting period, frequency and contact point	About this Rreport Methodological Note	
2-4	Restatements of information	Methodological Note	
2-5	External assurance		AR: Financial Report / Report of the statutory auditor
Activities and workers			
2-6	Activities, value chain and other business relationships	AR – Strategy Report	GRI 2-6-b: The value chain will be clearly described in the upcoming Sustainability Report.
2-7	Employees	Our Employees	GRI 2-7-b: Information not disclosed, breakdown by gender and by region
2-8	Workers who are not employees	Our Employees	GRI 2-8-a: Information uncomplete/ Unavailable, type of work, due to the recent merger.
Governance			
2-9	Governance structure and composition	AR – Corporate Governance	
2-10	Nomination and selection of the highest governance body	AR – Corporate Governance	
2-11	Chair of the highest governance body	AR – Corporate Governance	
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance	
2-13	Delegation of responsibility for managing impacts	Sustainability Governance	
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	
2-15	Conflicts of interest	AR – Corporate Governance	
2-16	Communication of critical concerns		The Board of Directors has not been informed of any grievance cases during the reporting year.
2-17	Collective knowledge of the highest governance body	Sustainability Governance	



2-18	Evaluation of the performance of the highest governance body		Information not available – The Board of Directors of StarragTornos Group has not yet implemented any self-evaluation regarding the company’s ESG advancements.
2-19	Remuneration policies	AR – Remuneration Report	
2-20	Process to determine remuneration	AR – Remuneration Report	
2-21	Annual total compensation ratio		Confidential information
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Message from the CEO Message from Till Fust Corporate Responsibility	Confidential information
2-23	Policy commitments	Corporate Responsibility Business Policies	
2-24	Embedding policy commitments	Business Policies Human Rights	
2-25	Processes to remediate negative impacts	Business Policies Human Rights	
2-26	Mechanisms for seeking advice and raising concerns	Business Policies	
2-27	Compliance with laws and regulations	Business Policies	
2-28	Membership associations	AR – Corporate Governance	
Approach to stakeholder engagement			
2-29	Approach to stakeholder	Stakeholders	
2-30	Collective bargaining agreements		Information not yet available from all subsidiaries due to the recent merger.
GRI 3 (2021)	Material topics		
3-1	Process to determine material topics	Material ESG Topics	
3-2	List of material topics	Material ESG Topics Sustainability Strategy and Commitments	
Material topics (Focus area) with GRI topic standard			
Energy consumption and efficiency			
GRI 302 (2016)	Energy		
3-3	Management of material topics	Environment	
302-1	Energy consumption within the organization	Energy in our Operations	
302-3	Energy intensity	Energy in our Operations	
302-4	Reduction of energy consumption	Energy in our Operations	
Greenhouse gas (GHG) emissions			
GRI 305 (2016)	Emissions		
3-3	Management of material topics	Environment	
305-1	Direct (Scope 1) GHG emissions	GHG Emissions	
305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions	
305-3	Other indirect (scope 3) GHG emissions	GHG Emissions	
305-4	GHG emissions intensity	GHG Emissions	



Circular economy			
GRI 301 (2016)	Materials		
3-3	Management of material topics	Environment	
301-1	Materials used by weight or volume		Information not yet centralized at the corporate level. The total weight of machines sold per year will enable the introduction of new KPIs starting in 2025.
GRI 306 (2020)	Waste		
3-3	Management of material topics	Environment	
306-2	Management of significant waste-related impacts	Waste and Pollution Circular Economy	
Product quality and safety			
GRI 416 (2016)	Customer Health and Safety		
3-3	Management of material topics	Products	
416-1	Assessment of health and safety impacts of products and service categories	Products Safety and Conformity	
Innovation and ecodesign			
3-3	Management of material topics	Products	
GRI 203 (2016)	Indirect Economic Impacts		
203-2	Significant indirect economic impacts	Strong Expertise, Strong Partnership	
Employment			
GRI 401 (2016)	Employment		
3-3	Management of material topics	Social	
401-1	New employee hires and employee turnover	Our Employees Well-being and Engagement	GRI 401-1a: incomplete disclosed information on new employee hires; data will be consolidated for all subsidiaries starting in 2025.
Employee development			
GRI 404 (2016)	Training and Education		
3-3	Management of material topics	Social	
404-1	Average hours of training per year per employee	Talent and Development	
Responsible supply chain			
GRI 204 (2016)	Procurement Practices		
3-3	Management of material topics	Business Ethics and Compliance	
204-1	Proportion of spending on local suppliers	Responsible Supply Chain	
GRI 308 (2016)	Supplier Environmental Assessment		
3-3	Management of material topics	Business Ethics and Compliance	
308-1	New suppliers that were screened using environmental criteria	Responsible Supply Chain	GRI 308-1a: data available for all suppliers and all type of audits only.
308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain	GRI 308-2(c-e): data not available yet; the evaluation of environmental issues in our suppliers will begin starting in 2025.



GRI 414 (2016)	Supplier Social Assessment		
3-3	Management of material topics	Business Ethics and Compliance	
414-1	New suppliers that were screened using social criteria	Responsible Supply Chain	GRI 414-1a: data available for all suppliers and all type of audits only.
414-2	Negative social impacts in the supply chain and actions taken	Responsible Supply Chain Human Rights	
Non-material topic disclosures			
Optimizing transport			
3-3	Management of material topics	Environment	
Natural resources and materials			
3-3	Management of material topics	Environment	
Waste and water			
GRI 303 (2018)	Water and Effluents		
303-5	Water consumption	Water and Biodiversity	
GRI 306 (2020)	Waste		
306-1	Waste generation and significant waste-related impacts	Waste and Pollution	
306-2	Management of significant waste-related impacts	Waste and Pollution Circular Economy	
306-3	Waste generated	Waste and Pollution	
Biodiversity			
GRI 304 (2016)	Biodiversity		
3-3	Management of material topics	Environment	
Diversity and inclusion			
GRI 405 (2016)	Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	AR – Corporate Governance Our Employees	
Occupational health and safety			
GRI 403 (2018)	Occupational Health and Safety		
403-2	Hazard identification, risk assessment, and incident investigation	Employee Health and Safety	
403-5	Worker training on occupational health and safety	Employee Health and Safety	
403-9	Work-related injuries	Employee Health and Safety	GRI 403-9a-d: limited or unavailable information on non-employees as these KPIs have not yet been centralized across all subsidiaries.
403-10	Work-related ill health		GRI 403-10: unavailable information as these KPIs have not yet been centralized across all subsidiaries.
Human rights and child labor			
GRI 408 (2016)	Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights	
GRI 409 (2016)	Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of child labor	Responsible Supply Chain Human Rights	



Anti-corruption and business ethics		
GRI 205 (2016)	Anti-corruption	
205-2	Communication and training about anti-corruption policies and procedures	Business Policies
205-3	Confirmed incidents of corruption and actions taken	Business Policies
Data security and safety		
GRI 418 (2016)	Customer privacy	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2024, no complaints from external parties regarding customer privacy have been recorded.
Risk management and ESG governance		
GRI 201 (2016)	Economic Performance	
201-1	Direct economic value generated and distributed	AR: Financial Report
201-2	Financial implications and other risks and opportunities to climate change	Climate Risks and Opportunities
GRI 206	Anti-competitive Behavior	
206-1	Legal actions for anti-competitive behavior, anti-trust and monopole practices	Business Policies
GRI 207 (2019)	Tax	
207-2	Tax governance, control, and risk management	AR: Financial Report



Glossary

AIB	Association of Issuing Bodies
CCBP	Code of conduct for business partners
CNC	Computer numerical control
CO	Swiss Code of Obligations
CO₂eq	CO ₂ equivalent
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DDTrO	Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour
DPO	Data Privacy Officer
EMCD	Electromagnetic Compatibility Directive (2014/30/EU)
EMS	Environment management system
EPFL	Ecole Polytechnique Fédérale de Lausanne (Federal Institute of Technology Lausanne)
ESG	Environment Social Governance
ETH	Eidgenössische Technische Hochschule Zürich (Federal Institute of Technology Zurich)
FOEN	Swiss Federal Office for the Environment
GBS	Gewerbliches Berufs- und Weiterbildungszentrum St. Gallen
GDPR	General Data Protection Regulation
GEA	Gender Equality Act
GHG	Greenhouse gas
GRI	Global Reporting Initiative – an NGO that produces the most widely used sustainability reporting standards in the world (GRI Standards)
GWh	Gigawatt hour
HFCs	Hydrofluorocarbons
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
ISMS	Information Security Management System
ISO	International Standard Organization
KPI	Key performance indicator
kWh	Kilowatt hour
kWp	Kilowatt peak
Lean	Systematic approach to optimizing efficiency by minimizing waste and maximizing value for the customer
LVD	Low Voltage Directive (2014/35/EU)
MaaS	Machine as a Service
MEM	Machinery, electrical engineering and metals
MWh	Megawatt hour
nFADP	New Federal Act on Data Protection
OECD	Organisation for Economic Co-operation and Development



PFCs	Perfluorocarbons
PV	Purchase volume
REACH	EU Regulation on Registration, Evaluation, Authorization and Restriction on Chemicals
RoHS	Restriction of Hazardous Substances – EU Directive
RWTH	Rheinisch Westfälische Technische Hochschule (RWTH Aachen University)
SA 8000	International standard from Social Accountability International (SAI) for the improvement of working conditions
SDGs	Sustainable Development Goals of the United Nations
Swissmem	Association for Switzerland's mechanical and electrical engineering industries (MEM industries) and related technology-oriented sectors
TCFD	Task Force on Climate-Related Financial Disclosures
TRC	Tornos Research Center
UDHR	Universal Declaration of Human Rights
UHPC	Ultra-high performance composite
UNGC	United Nations Global Compact
UNICEF	United Nations International Children's Emergency Fund
UVEK	Eidgenössische Departement für Umwelt, Verkehr, Energie und Kommunikation (Federal Department of the Environment, Transport, Energy and Communications)
VDMA	Verband Deutscher Maschinen- und Anlagenbau e.V. (German Engineering Federation)
VDW	Verein Deutscher Werkzeugmaschinenfabriken (German machine tool builders' association)
VOC	Volatile organic compound
WEEE	Waste Electrical and Electronic Equipment
WHG	Wasserhaushaltsgesetz (Water Resource Act)
WWF	World Wildlife Fund
3TG	Tin, Tantalum, Tungsten, Gold