



# Annual Report 2024



## Impressum

### Forward-looking statements

The present Annual Report contains forward-looking statements in relation to the StarragTornos Group which are based on current assumptions and expectations. Unforeseeable events and developments could cause actual results to differ materially from those anticipated.

The StarragTornos 2024 Annual Report is published in English only.

An online version is also available, see: [report.starragtornos.com](https://report.starragtornos.com)

### Responsible for contents

StarragTornos Group AG,  
Rorschacherberg, Switzerland

### Concept

Zoebeli Communications AG,  
Bern, Switzerland

### Design

Luidspreker – Creative Studio,  
Venlo, Netherlands





# StarragTornos Group

## Competent, focused, dynamic, and successful in partnership

**StarragTornos Group** is one of the world's leading suppliers in the machine tool industry. In its two divisions, Starrag and Tornos, the Group develops, manufactures, and distributes precision machine tools for milling, turning, boring, grinding, and complete machining of workpieces made of metal, composite materials, and ceramics.

StarragTornos' customers include leading companies in the medical and dental technology, luxury goods, aerospace, energy, and transportation industries. In addition to its machine tool portfolio, StarragTornos Group offers comprehensive technology and after-sales services. StarragTornos Group employs a total of around 2,000 people.

The Group's headquarters are located in Rorschacherberg (Switzerland). StarragTornos Group operates sales and service, production and development sites in Switzerland, Germany, France, Italy, Spain, Poland, the UK, the USA, Mexico, Brazil, China, Thailand, the Taiwan region, and India. The Group also has sales and service companies in all major customers' countries. StarragTornos Group AG is listed on SIX Swiss Exchange (ticker symbol STGN, security number 236106, ISIN CH0002361068).



# Content

5	Key Figures
6	Letter to Shareholders
9	The Year 2024 at a Glance
10	In Memoriam
12	Strategy Report
20	Corporate Structure and Executive Bodies
22	Highlights 2024
30	Management Report
36	Stories
56	StarragTornos Worldwide
58	Sustainability Report (report on non-financial matters)
138	Corporate Governance
160	Remuneration Report
180	Financial Report

---



# Key Figures

	CHF 1 000 <sup>1)</sup>	Financial Statements			Pro forma <sup>4)</sup>	
		2024	2023 <sup>5)</sup>	Change	2023	Change
<b>Order intake<sup>2)</sup></b>		<b>476 347</b>	<b>392 185</b>	21.5%	<b>528 700</b>	-9.9%
<b>Net sales</b>		<b>494 056</b>	<b>409 000</b>	20.8%	<b>564 693</b>	-12.5%
<i>Starrag division</i>		365 587	391 980	-6.7%	391 980	-6.7%
<i>Tornos division</i>		128 469	17 020	654.8%	172 713	-25.6%
<b>EBITDA<sup>2)</sup></b>		<b>27 533</b>	<b>43 491</b>	-36.7%	<b>56 912</b>	-51.6%
<i>as % of net sales</i>		5.6%	10.6%		10.1%	
<b>EBIT<sup>2)</sup></b>		<b>15 423</b>	<b>35 686</b>	-56.8%	<b>46 410</b>	-66.8%
<i>as % of net sales</i>		3.1%	8.7%		8.2%	
<b>Net profit</b>		<b>11 850</b>	<b>25 176</b>	-52.9%	<b>32 439</b>	-63.5%
<i>as % of net sales</i>		2.4%	6.2%		5.7%	
<b>Cash flow from operating activities</b>		<b>7 720</b>	<b>22 439</b>	-65.6%	n/a	n/a
<b>Cash flow from investing activities</b>		<b>-14 749</b>	<b>5 755</b>	-356.3%	n/a	n/a
<b>Free cash flow<sup>2)</sup></b>		<b>-7 029</b>	<b>28 194</b>	-124.9%	n/a	n/a
		<b>31.12.2024</b>	<b>31.12.2023<sup>6)</sup></b>	Change		
<b>Order backlog<sup>2)</sup></b>		<b>326 026</b>	<b>340 792</b>	-4.3%		
<b>Net liquidity</b>		<b>-271</b>	<b>19 831</b>	-101.4%		
<b>Total equity</b>		<b>316 110</b>	<b>316 310</b>	-0.1%		
<i>as % of balance sheet</i>		57.4%	57.8%			
<b>Total balance sheet</b>		<b>550 870</b>	<b>547 186</b>	0.7%		
<b>Outstanding shares</b>		<b>5 463 121</b>	<b>3 493 000</b>	56.4%		
<b>Employees (full-time equivalents)<sup>3)</sup></b>		<b>1 981</b>	<b>2 056<sup>7)</sup></b>	-3.6%		
		<b>2024</b>	<b>2023</b>	Change		
<b>Net profit (CHF)</b>		<b>2.17</b>	<b>7.21</b>	-69.9%		
<b>Dividend (CHF)</b>		<b>1.00<sup>8)</sup></b>	<b>2.50</b>	-60.0%		
<b>Payout ratio %</b>		<b>46.1%</b>	<b>54.2%</b>	-15.0%		
<b>Year-end price StarragTornos share (CHF)</b>		<b>37.0</b>	<b>49.6</b>	-25.4%		
<b>P/E ratio on December 31</b>		<b>17.06</b>	<b>6.88</b>	148.0%		

<sup>1)</sup> Where not otherwise specified

<sup>2)</sup> Non-GAAP financial measure, refer to page 218

<sup>3)</sup> Excluding apprentices and interns

<sup>4)</sup> Pro forma consolidated financial key figures, representing 12 months of Starrag Group and Tornos Group

<sup>5)</sup> Consolidated financial key figures, representing 12 months of Starrag Group, 1 month of Tornos Group

<sup>6)</sup> According to the financial statements of StarragTornos Group AG

<sup>7)</sup> As discovered after publication, the figure published in the Annual Report 2023 (1,974) was incorrect

<sup>8)</sup> Proposed by the Board of Directors



# Letter to Shareholders

## StarragTornos Group holds its own in a difficult environment

Dear Shareholders,

We are pleased to present the StarragTornos Annual Report 2024. Despite the challenging economic and geopolitical environment, we are beginning to see some success in our efforts to increase our global market presence and attract new customers for our two divisions, Starrag and Tornos. However, with the major European markets suffering from a continued recession, our Group recorded lower order intake and net sales of 9.9% and 12.5% respectively compared to the pro forma figures for the 2023 financial year<sup>1)</sup>. Yet, StarragTornos received significantly more orders from the defense industry in the Aerospace and Transportation market segments. And the resilience of our business model of customer- and market-driven innovation, a global geographic presence, comprehensive services, and operational excellence is evident. The year-end order backlog was only 4.3% below the previous year's level.

Our medium-term targets for StarragTornos remain unchanged: annual sales growth of 5% and EBIT\* regularly above 8%. The overall lower volumes and the change in the product mix compared to the previous year had a significant impact on our EBIT in the year under review. However, targeted cost savings enabled us to maintain the margin at 3.1%.

This underscores our ability to operate efficiently and respond flexibly to market changes, even under challenging conditions. An important part of our strategic measures is the realization of synergy effects, particularly in the area of procurement. Here too, we have already made some initial progress, and we are expecting significant positive effects on our cost efficiency and competitiveness from 2025 onwards.

### Starrag division

The Luxury Goods market segment experienced a temporary slump in demand for investment goods during the year under review. The strongest market segment for Starrag in terms of order intake and net sales is Aerospace, with most new projects being for advanced manufacturing solutions and technologies for structural and engine components for civil and military aircraft. Sales in the Energy market segment more than doubled, both in renewable energy and traditional power generation.

At Starrag, large machines in particular experienced an upturn in the Droop+Rein and Berthiez product areas in the 2024 financial year. The newly launched Bumotec 1000c/neo also set a benchmark in productivity and sustainability for the machining of high-precision micro parts.

<sup>1)</sup> As the merger between Starrag and Tornos was technically an absorption, the annual figures of Starrag were consolidated with the results of Tornos for the month of December 2023 in the 2023 financial report for the StarragTornos Group (12 months of Starrag Group plus 1 month of Tornos Group). To provide you with a realistic picture for the year-to-year comparison, we are referring to the pro forma figures on an annual basis for 2023 in the first part of this report (12 months of Starrag Group plus 12 months of Tornos Group).

\* Non-GAAP financial measure, refer to page 218.



# We are beginning to see success in our efforts to increase our global market presence and attract new customers.

---

Mid-way through the year, the Starrag division launched a novel vertical lathe in the Dörries product range. Aimed at applications in the Energy market segment, this innovative turning solution features an excellent price/performance ratio, low energy consumption, low weight, and a small footprint. The division's net sales for 2024 totaled CHF 365.6 million, 6.7% below the previous year's pro forma figure (CHF 392.0 million).

## **Tornos division**

In terms of new investments by customers, the Tornos division noticed a great deal of uncertainty and restraint in 2024, especially in the Luxury Goods and Industrial market segments. The latter remained the largest market segment for Tornos. It includes the Electronics market and the job shops, which themselves serve other Tornos market segments on a larger scale and was followed by the MedTech & Dental and Transportation segments. In the first few months of the year, the Tornos division introduced its Swiss XT, which was exhibited at various trade shows and customer presentations around the world and attracted a great deal of interest. With its three independent tooling systems and individually adjustable axes, the Swiss XT is specifically designed for the complex molded parts used in the automotive, hydraulic, pneumatic, and medical industries.

In the Taiwan region, Tornos celebrated the opening of its new plant in March 2024. Covering an area of 12,000 m<sup>2</sup>, it not only provides optimum conditions for the continued successful production of Tornos machines in the medium price segment, but also opens up excellent development opportunities for the entire Group in the region.

The division's net sales for 2024 totaled CHF 128.5 million, 25.6% below the previous year's pro forma figure (CHF 172.7 million).

## **Service business expanded further**

Services are becoming increasingly important, in line with the requirements for sustainability and a circular economy. StarragTornos is committed to staying one step ahead of the competition— including after-sales business. In 2024 the Group's service business represented 27% of Starrag's order intake\* and 30% of Tornos' order intake\*.

## **Sustainability**

In 2024, we made significant progress in integrating sustainability into our business strategy by establishing new internal structures and responsibilities. This has laid the groundwork for us to set specific and measurable actions. And we are ready to take the next step in our journey towards full sustainability. Detailed information on this can be found in our Sustainability Report, which forms an integral part of this Annual Report (pages 58 to 137).

\* Non-GAAP financial measure, refer to page 218.



### Board of Directors and Executive Board

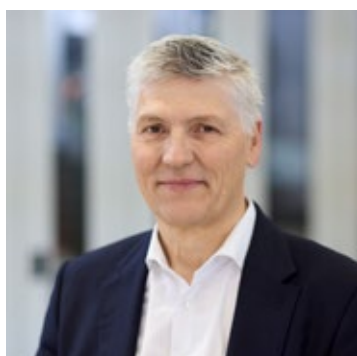
Since the Annual General Meeting of StarragTornos Group AG on April 20, 2024, the Board of Directors has comprised six members, as François Frôté and Michel Rollier did not stand for re-election.

On June 1, 2024, Michael Hauser, who had led the Group as CEO and Chairman of the Board of Directors since the successful merger of the Starrag Group and Tornos, handed over operational responsibility to the new CEO, Martin Buyle. In September, the Board of Directors of StarragTornos Group AG appointed Markus Jäger as the new Chief Financial Officer (CFO) and a member of the Executive Board of StarragTornos Group with effect from October 1, 2024. He succeeded Stéphane Pittet, who left the Group to take up a new professional challenge.

### Distribution to shareholders

At the Annual General Meeting on April 17, 2025, the Board of Directors will propose to the shareholders a dividend of CHF 1.00 per share, which corresponds to a payout ratio of 46.1%.

**Michael Hauser**  
Chairman of the Board of Directors



### Outlook

The economic outlook for 2025 remains challenging. There are currently no clear signs of a long-term upturn, and uncertainty continues to characterize the economic environment. Our order backlog provides us with a solid basis. We continue to follow a cautious but flexible course in order to be able to react quickly to changes. Our strengthened market position in the defense industry will open up growth opportunities for us. We will continue to rigorously pursue our synergy program and actively exploit opportunities as they arise.

### Thanks

The Board of Directors and the Executive Board would like to thank our employees at all locations for their great commitment over our first full year as the StarragTornos Group. Our thanks also go to our customers and suppliers for their excellent cooperation during the past year. And in particular, we would like to thank you, our shareholders, for your generous trust and support.

**Martin Buyle**  
Chief Executive Officer

Rorschacherberg, March 2025







# The Year 2024 at a Glance

## Significant increase

Order intake in **Aerospace, Energy** and **Transportation** significantly increased.

## Decline in demand

Demand in the **Luxury Goods** and **Industrial** market segments markedly declined.

## First effects

Measures on the **cost** and **sales** sides showed first effects.

## On track

**Service business** and **synergy** program on track.

## Solid basis

The **order backlog** provides StarragTornos with a **solid basis** for 2025.

## Dividend proposed

Dividend of **CHF 1.00** per share, proposed by the Board of Directors.

In Memoriam

---

# Walter Fust





## Entrepreneur, Investor, and Pioneer of the StarragTornos Group

In February 2025, we had to bid farewell to Walter Fust. As the main shareholder, he had a significant influence on our current Starrag and Tornos divisions over many years. He also played a major role in the creation of the StarragTornos Group in 2023. His tireless efforts on behalf of our Group and his commitment to Swiss industry have left a lasting and substantial mark.

Walter Fust was born in 1941 in Gossau in the canton of St. Gallen (Switzerland) and grew up in Niederuzwil. After graduating from high school, he decided to study mechanical engineering at ETH Zurich. At the age of 25, he opened the first branch of the electrical appliance chain Dipl. Ing. Fust AG on Eigerplatz in Berne. With the slogan “Fust – and it works”, the company quickly established itself as one of Switzerland’s leading household appliance retailers.

His enthusiasm for machines and technology also led him into the machining industry. In the 1980s, he acquired a majority stake in Starrag AG in Rorschacherberg. Under his leadership – including as Chairman of the Board of Directors – the company became a leading global supplier of high-precision machine tools. With vision and strategic flair, he strengthened Starrag’s position and contributed significantly to its international expansion.

In 1998, Walter Fust became involved in the Tornos Group as an investor, and later as a member of the Board of Directors. He owned almost 50% of Tornos and remained sure of the company’s potential, even during difficult times. He was fully committed to its further development and success.

Walter Fust was known for his entrepreneurial vision and responsible leadership. His investments and strategic decisions have had a lasting impact, not only on StarragTornos, but on the industry as a whole. He was always highly committed to Switzerland as an industrial location, which he promoted with conviction and dedication.

With the passing of Walter Fust, we have not only lost our major shareholder, but also a valued partner and friend. His spirit will live on in the StarragTornos Group, and we are deeply indebted to him. His unwavering commitment, his firm belief in Switzerland as a business location, and his principles will be continued in the community of Walter Fust’s heirs. They have decided to keep the shares within the family, thus ensuring that the StarragTornos Group remains firmly rooted in Switzerland.

On behalf of the Board of Directors, the Executive Board, and the employees of StarragTornos Group AG, we would like to express our sincere gratitude for this trust.

Michael Hauser, Chairman of the Board of Directors

Martin Buyle, CEO



# Strategy Report

## Shaping the Future of the Global Metal-cutting Machine Tool Industry

### The StarragTornos vision

The StarragTornos Group AG is a strong group of companies that play a key role in shaping the future of the global metal-cutting machine tool industry—innovative, customer-oriented, sustainable, and economically successful.

### The StarragTornos way

As a leading manufacturer of highly productive and sustainable comprehensive solutions for precision machine tools, StarragTornos is a preferred partner of internationally active companies in the Aerospace, MedTech & Dental, Luxury Goods, Energy, Transportation, and Industrial sectors. It offers a wide range of high-end precision machine tools, which includes the most up-to-date technologies and services, and generates significant, lasting quality and productivity gains for customers.

### Megatrends offer excellent development opportunities

Megatrends are changing the world. They affect all levels of society and also influence StarragTornos in all its business activities. Megatrends that are particularly relevant for StarragTornos are climate change, urbanization, demographic change, and the increasing global demand for mobility. All these trends offer StarragTornos excellent development opportunities.

## Cornerstones of the StarragTornos Strategy

### 1 - Customer and Market-oriented Innovation

The technologies and solutions of Starrag and Tornos are “Rooted in Switzerland” and world-leading. The combination of this technical expertise in the field of precision machine tools and complementary technologies provides StarragTornos with an excellent basis for customer and market-oriented innovations and technological progress.

In our development activities, we work closely with our customers as well as with leading technical universities and research institutes. We systematically modularize our products in order to extend the possible applications of the existing machine series to other market segments.

Thanks to StarragTornos’ core expertise in entire machining systems—from software development to application and system integration through to after-sales service—we create added value for our customers.



## 2 - Worldwide Geographical Presence

StarragTornos operates sales and service, production, and research and development centers in Switzerland, Germany, France, Italy, Spain, Poland, the UK, the USA, Mexico, Brazil, China, Thailand, the Taiwan region, and India. Our international customers value short and direct communication channels. Our experienced local sales, application, and service specialists are familiar with local cultures and customs, and are able to respond quickly. Our integrated global logistics system with optimized transport routes and decentralized spare parts warehouses ensures a fast and efficient supply of parts.

## 3 - Comprehensive Services

Meeting customer needs with foresight—with its enlarged product range, StarragTornos is addressing the diverse needs and opportunities of its customers on a much broader basis. StarragTornos strives to stay one step ahead of the competition – this also applies to the increasingly demanding and constantly growing after-sales business.

## 4 - Operational Excellence

As an overarching link, the StarragTornos Group ensures high quality standards, and taps into synergies along the entire value chain. We are strengthening our position through the targeted use of operational synergies.

## Strategic Market Segments of the StarragTornos Group

The StarragTornos Group concentrates its range of products on six main market segments: Aerospace, MedTech & Dental, Luxury Goods, Energy, Transportation, and Industrial. These market segments are subdivided into individual sub-segments depending on the specific applications required.

StarragTornos' six market segments are characterized by sustainable growth potential based on megatrends and changing social expectations. In addition, increasing demands for production efficiency require higher precision in production, both with larger workpieces such as structural parts for aircraft or ship propellers, and with increasingly

small and complex workpieces such as precision mechanics, watches, and medical technology. This is exactly in line with the core competencies of StarragTornos Group. Experts estimate that we have access to market potential of around EUR 14 billion worldwide, which is more than twenty times the current sales revenue. This means that substantial growth opportunities are still opening up for StarragTornos in these long-term growth markets.

### Aerospace

StarragTornos' market segment Aerospace comprises the sub-segments aero engines, aero structures, and avionics. *Aero engines* are constantly being redeveloped to meet demand for higher efficiency, lower kerosene consumption, and lower noise emissions. As a long-term partner to the jet engine industry, the StarragTornos Group offers state-of-the-art production solutions and technologies for machining engine blades, blisks, and casings made from the most sophisticated materials. These solutions cover not only machinery but the entire process, including fixtures, tools, and CAM solutions. In the *aero structures* market, the trend towards increasingly complex and larger structural parts and components, which have to be manufactured within narrow tolerances and very short cycle times, is heightening the need for innovative manufacturing technologies. *Avionics* refers to all the electrical and electronic equipment on board airplanes and satellites. This primarily includes control, management, communication, and navigation systems.

### MedTech & Dental

Cost pressure is high in the medical technology sector. StarragTornos Group helps to relieve this pressure by using fully automated, highly efficient machines to manufacture implants, medical instruments, and dental components. Our machining solutions enable the simplification of machining steps and shortening of the production chain while also guaranteeing that demanding technical safety and regulatory standards are met.



Market segment	 <b>Aerospace</b>	 <b>MedTech &amp; Dental</b>	 <b>Luxury Goods</b>
Growth drivers	<ul style="list-style-type: none"> <li>• Globalization and desire for mobility</li> <li>• Increasing environmental demands</li> <li>• Satellite technology</li> <li>• Space travel</li> <li>• Defense</li> </ul>	<ul style="list-style-type: none"> <li>• Demographic change</li> <li>• Technical progress</li> <li>• Leisure sports accidents</li> <li>• Cost pressure</li> </ul>	<ul style="list-style-type: none"> <li>• Rising incomes and the pursuit of wealth</li> <li>• Financial investments</li> </ul>
Sub-Segments (examples)	<ul style="list-style-type: none"> <li>• Civil and military OEMs</li> <li>• Suppliers to the aircraft industry</li> </ul>	<ul style="list-style-type: none"> <li>• Orthopedics</li> <li>• Dental industry</li> <li>• Medical instruments</li> </ul>	<ul style="list-style-type: none"> <li>• Watchmaking industry</li> <li>• Luxury goods</li> </ul>

### Luxury Goods

Materials such as hard ceramic, precious metals, and stainless steel are used in the manufacture of watches and jewelry components. Frequent changes to the product to be manufactured, smaller batch sizes, and the highest surface quality requirements demand maximum flexibility in production. The StarragTornos Group offers solutions for most watch and jewelry components, allowing high-precision production in a single clamping operation.

### Energy

The market segment Energy comprises the sub-segments Oil & Gas, Power Turbines, and Renewables (e.g. wind power). In the field of *oil and gas* exploration, large ball valves for gas and oil pipelines, boring heads, and other safety components are manufactured on our machines. In the area of *turbine engineering*, the StarragTornos Group has decades of experience in the machining of high-precision turbine blades and in creating complex housings for steam and gas turbines.

### Transportation

The market segment Transportation comprises the market sub-segments Agriculture, Passenger Cars & Motorcycles, Truck & Bus, and Railway & Marine. For the *agriculture* market, StarragTornos' machining centers are designed for the highly productive machining of drive components such as transmission parts, engine parts, axes, and other prismatic chassis parts.

The Starrag Group offers highly efficient solutions for the automated series production of high-precision vehicle components for *cars, trucks, buses, and motorcycles*. The focus here is on reducing the unit costs of precision components such as cylinder blocks and heads, transmission housings, crankshafts and other drive train components made from aluminum, steel, or cast-iron alloys. For the *Railway & Marine* market segment, StarragTornos' machining centers are designed for the highly productive machining of drive components such as transmission parts, engine parts, axes, and other prismatic chassis parts to reduce manufacturing times and increase workpiece quality.



## Energy

- Substitution of fossil energy
- Growing global energy demand
- Compliance with international standards

- Wind turbines
- Steam and gas turbines
- Oil & gas



## Transport

- Increasing demand for food
- Changing customer preferences

- Construction and agricultural machinery
- Truck & Bus



## Industrial

- Increasing urbanization
- Stricter environmental regulations
- Increasing miniaturization and more complex workpieces

- Large machine parts
- Job Shops
- Locking and connector industries
- Hydraulics & Pneumatics industries

### Industrial

The market segment Industrial comprises the sub-segments Construction & Mining, Hydraulics & Pneumatics, Industrial Drives, Electronics, the Locking industry, Job Shops, Machine Parts, and Micromechanics. The trend towards more complex workpieces is evident in these market segments too. Optimized components require innovative new production concepts that ensure maximum precision and quality while simplifying the production process, increasing cost-effectiveness, and being extremely flexible in how they are used.



## Brand Strategy and Product Ranges

The Starrag and Tornos divisions pursue their own brand strategies. The best trademark ambassadors can be found in StarragTornos' installed base at customer sites around the world. We assess how we are perceived in the marketplace during our regular contact with customers.

In the **Starrag division**, the umbrella brand Starrag unites the product ranges Berthiez, Bumotec, Dörries, Droop+Rein, Ecospeed, Heckert, Scharmann, SIP, Starrag, and TTL.

As a result of organic growth and various mid-sized and larger acquisitions since the turn of the century, Starrag has built a solid portfolio of business activities covering a comprehensive range of technologies and competencies. The product ranges operate under the name of Starrag, together with the red logo denoting high-precision machining capabilities. Both are registered and protected nationally and internationally. The product ranges are used in all corporate and marketing communications, especially at leading fairs with a high international standing, at specialized trade fairs with a strong regional attraction, and in the division's customer magazine "Starrag Star".

### Starrag's product ranges

<b>Berthiez</b>	Maximum precision in vertical turning and cylindrical grinding: Outstanding solutions for the aircraft engine and roller bearing industries based on specialized vertical lathes and grinding machines.
<b>Bumotec</b>	Multifunctional machine tools: High-precision complete machining of small workpieces in sectors such as watches and jewelry, medical technology, and micromechanics.
<b>Dörries</b>	A synonym for vertical lathes ranging from single column machines with a turning diameter of 1.6 meters or more to large gantry machines with a 12-metre turning diameter, 10-metre turning height, and workpieces weighing up to 450 tons, mainly for the wind power industry.
<b>Droop+Rein</b>	Maximum precision for large workpieces: Machine tools for machining large to ultra-large workpieces (up to 250 tons in weight) such as large-format and bodywork machine tools, diesel engines, power plant components, and large aircraft landing gear components.
<b>ECOSPEED</b>	The most productive solution for the high-performance machining of aluminum structural components on the market: The patented parallel kinematic machining head Sprint Z3, the heart of the ECOSPEED series, surpasses the performance of all conventional bent axis and fork milling heads, and enables performance increases of up to 87%.
<b>Heckert</b>	The perfect balance between long-lasting precision and productivity: A scaled range of high-precision and highly productive horizontal machining centers for milling, turning, and boring medium and high quantities of workpieces.
<b>Scharmann</b>	Complete machining solutions with the shortest possible cycle times: Specialist solutions for heavy-duty cutting and the complete machining of extremely large workpieces based on high performance, automatically interchangeable head attachments.
<b>SIP</b>	Uncompromising commitment to precision: Jig boring machines and machining centers to meet the most stringent demands for accuracy from research institutes, aerospace companies, the aircraft industry, and leading precision engineering firms.
<b>Starrag</b>	Maximum precision flow components: Five-axis, robust, and high tensile-strength machines with high metal removal rates for maximum precision manufacturing of turbines, compressor blades, impellers, blisks, and complex structural components.
<b>TTL</b>	The home of adaptive machining: Internationally renowned, software-supported manufacturing solutions for the machining and repair of components for gas turbines and aircraft engines.





In the **Tornos division**, the Tornos brand identifies every machine manufactured by this division. Tornos has built up a solid portfolio of business activities covering a comprehensive range of technologies and competencies in the field of Swiss-type automatic lathes, multispindle machines, and milling systems, including peripheral equipment and cutting-edge software.

The brand and machine names are used in all corporate and marketing communications, especially at leading fairs with a high international standing, at specialized trade fairs with a strong regional attraction, and in the division's customer magazine "Decomagazine".

### Tornos' product ranges

<b>Swiss-type automatic lathes</b>	Tornos' Swiss-type automatic lathes are renowned for their precision, flexibility, and ability to produce both complex and long parts with exceptional accuracy. These machines are adept at handling intricate machining tasks required in industries such as medical and dental, micromechanics, and electronics.	Product names: SwissDECO, EvoDECO, Swiss XT, Swiss GT, Swiss DT, SwissNano
<b>Multispindle machines</b>	The MultiSwiss line from Tornos combines the efficiency of multispindle machining with unparalleled ease of use. These machines are perfectly suited for high-volume production of small, precision parts.	Product name: MultiSwiss



## Management Structure

The entrepreneurial members of our management team and Board of Directors have many years of professional and managerial experience in industry, particularly the machine tool industry, and are therefore very familiar with its specific challenges and cycles. This is an important basis not only for careful planning, but also for correspondingly reliable external communication, for example with our investors. With Walter Fust, StarragTornos Group has a majority shareholder with a long-term focus who, as an engineer, is very familiar with industry and its challenges, and has successfully created a group of companies that specializes, among other things, in customer service.

The financial management of StarragTornos Group is consistently focused on growth and increasing profitability. We measure these with the following key performance indicators: growth in sales revenue and order intake, operating profitability (EBIT margin), and return on equity (ROE).

## Financing and Capital Structure

StarragTornos Group's extremely sound financing and capital structure—with an equity ratio of over 50%—not only forms the basis for reliable dividend payments. It is also a valuable foundation for the long-term capital goods business and the successful conclusion of suitable complementary acquisitions.

## Shareholder Value

The successful merger of Starrag and Tornos has created a globally active and powerful group that will significantly influence and shape the future of the global machine tool industry. With the larger market capitalization and higher trading volumes, the attractiveness of the StarragTornos share is increasing. However, StarragTornos shareholders will not only benefit from a good share price performance. We also want to offer them an attractive dividend with a payout ratio of 35 to 50% of the annual profit.

## Sustainability

The StarragTornos Growing Sustainable program aligns our sustainability strategy and commitments with four strategic pillars: Products, Environment, Social, and Business ethics and compliance. For more details, see the Sustainability Report on pages 58 to 137 of this Annual Report.

## Risk Management

StarragTornos carefully monitors and evaluates the handling of its strategic, financial, and operational risks. It also considers risks in connection with compliance and political or regulatory changes.

A comprehensive risk management process ensures that risks with a potentially relevant impact on the business and financial position, as well as risk mitigation measures, are regularly reviewed. A description of how the risk management process works and of the main risks is provided in the Corporate Governance Report (pages 138 to 159), whereas financial risk management is presented in the Financial Report (pages 180 to 231).

## Outlook

In the medium term, StarragTornos is aiming for an annual increase in sales of 5% and an EBIT of more than 8% on a regular basis. We are also expecting this growth as a result of the worldwide scalability of our expertise in areas of activity and markets in which we have not yet achieved the desired leading market position.



In the medium term, StarragTornos is aiming for an annual increase in sales of 5% and an EBIT of more than 8% of net sales on a regular basis.

---



# Corporate Structure

## Board of Directors

CEO\*  
CFO\*

### Division CEO Starrag\*

### Division CEO Tornos\*

High Performance Machining Systems	Ultra Precision Machining Systems	Large Parts Machining Systems	Multispindle Machines	Swiss-type Lathes
Sales & Marketing			Sales & Marketing	
Customer Service			Customer Service	
Corporate Center, HR			Corporate Center, HR	

\* Member of Executive Board



# Executive Bodies



## Board of Directors

(from left to right:)

Bernhard Iseli  
Adrian Stürm  
Till Fust  
Michael Hauser, *Chairman*  
Walter Fust (†), *Vice-Chairman*  
Christian Androschin

## Executive Board

(from left to right:)

Jens Thing, *Division CEO Tornos*  
Martin Buyle, *CEO | Division CEO Starrag*  
Markus Jäger, *CFO*

## Statutory Auditors

PwC, St. Gallen





# Highlights

## Tornos earns innovation trophy for Swiss XT 32 at SIMODEC in France

Tornos' Swiss XT 32 Swiss-type machining center—launched in 2023—earned the Innovation Trophy in the machines and automation category at SIMODEC 2024 in March in La Roche-sur-Foron, France. Representing the nexus of precision and possibility, the Swiss XT 32 brings together compact design, versatility, and high-performance machining. Designed specifically for complex-shaped parts used in the medical, hydraulic/pneumatic, automotive and job shop industries, the Swiss XT range offers a number of advantages that set it apart from the competition. The Swiss XT 32, accommodating 16 mm and 32 mm diameter bars, demonstrates Tornos' commitment to continually adapting to meet industries' changing needs—always with a focus on innovation, technology, and education.



## Starrag's latest high-performance machines shown at AMB 2024

At AMB 2024 in Stuttgart, Germany, Starrag showcased its latest high-performance machines. The event marked the debut of the Heckert H80, a four-axis horizontal machining center, designed for stable production with minimal operator intervention. A Fendt 700 Vario Gen7, whose gearbox and axle housings are produced on Heckert machines, highlighted Starrag's focus on the agriculture market. Starrag's booth displayed various workpieces, demonstrating the capabilities of the brand's machine portfolio. Starrag's media library offered digital resources, including brochures, videos, and 360-degree demonstrations. The AMB exhibition, attended by over 90,000 visitors, also featured live demos of the Bumotec S191neo at the Tornos stand, showcasing its versatility and new human-machine interface.



## Starrag orchestrates perfect machining symphony at IMTS

At the International Manufacturing Technology Show (IMTS) in Chicago, United States, in September, Starrag showcased its latest innovations in high-performance machine tool solutions. Starrag presented the Bumotec 191neo, a revolutionary, high-precision, multitasking machining center, designed for efficient and precise production with minimal operator intervention. Live demos of complex medical components highlighted its capabilities. Another highlight was the Sprint Z3 machining head for the processing of aluminum structural parts, showcasing Starrag's aerospace expertise. Starrag also presented its latest turn/mill product lines and vertical turning lathes, including the new Dörries VT28. Visitors explored Starrag's virtual showroom for digital manufacturing solutions and its media library of comprehensive digital resources. Starrag's experts were available to discuss groundbreaking Starrag technology throughout the event. IMTS attracted over 100,000 visitors, making it a significant platform for Starrag's innovations.

## Turning Together in Houli District, Taichung City

From March 20–22, Tornos welcomed more than 1,000 guests to three days of Grand Opening and Open House festivities celebrating the division's new, state-of-the-art Tornos (Taichung) Machine Works Ltd plant in Houli District, Taichung City, Taiwan region. With five times more production capacity—and room to expand—than the previous site, the new plant is Tornos' largest factory in the world. Moreover, the plant's rooftop solar panels put Tornos among the Taiwan region's leaders in terms of environmental sustainability and provide Tornos with carbon credits. On this new site, Tornos manufactures its Swiss GT and Swiss XT machines, following a strict quality control process established by Tornos Moutier (TMO). In addition to building machines, the site's scope includes specific development, customization, setup, machine design, and on-site machine testing.





## Chemnitz Technology Days 2024

High-precision, automated and fully digitalized: This is what future-proof metalworking looks like. Chemnitz Technology Days featured four main themes. The first was the compact Heckert H100, designed for large parts like V-8 and V-12 engines. The second theme focused on the combination of 3D metal printing and five-axis finishing, represented by the Gefertec arc80X and Heckert X50. The third theme introduced the new generation of Heckert large machines, which offer improved thermosymmetry and chip disposal. The final theme highlighted Starrag's precision manufacturing capabilities, with automated production of key components using Heckert HEC 800 X5 MT machines. Also on show was a view of the newly designed production hall, where the precision-defining components of a wide range of StarragTornos Group machines is produced in a highly automated process with  $\mu\text{m}$  accuracy. Over 200 participants, including representatives of 100 customers across eight countries, attended the event.

## New rooftop solar power plant in Moutier is a step toward the future

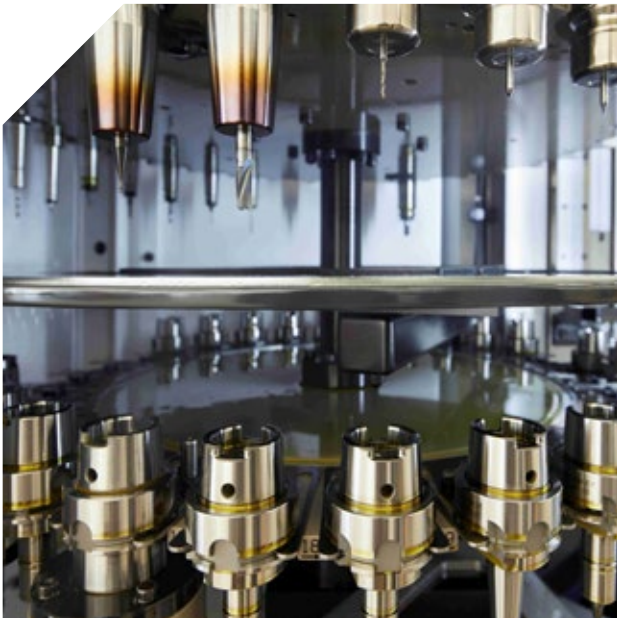
Tornos in May took a decisive step in its commitment to the environment and sustainability with the inauguration of its new, rooftop photovoltaic plant in Moutier, Switzerland. Thanks to this installation, Tornos will produce more than 1 million kWh of electricity per year, covering more than a third of its energy needs and reducing its dependence on fossil fuels and significantly paring the company's carbon footprint. The photovoltaic panels, installed 5,300-square-meter area, will also contribute to the energy supply of the municipality of Moutier, with which Tornos worked closely. The project aims to use the maximum capacity of the roofs to produce renewable energy over the next 25–30 years at an attractive and stable cost. The project is already bearing fruit, with significant reductions in energy bills, and a return on investment expected in less than 10 years.





## Tornos showcases manufacturing's future at CCMT

The future of manufacturing was center stage in Tornos' booth at the China CNC Machine Tool (CCMT) Fair 2024 in April in Shanghai, China. With its focus on digitalization, interconnection, and intelligent manufacturing, CCMT was an excellent opportunity to showcase Tornos' success-enabling machines, from the MultiSwiss 8x26's revolutionary multi-axis technology to the precision of the SwissNano 7, EvoDECO 16 and the cost-effective and powerful Swiss DT 32 HP Swiss-type lathe. At the same time, guests had the opportunity to discover solutions from Starrag in the neighboring booth.



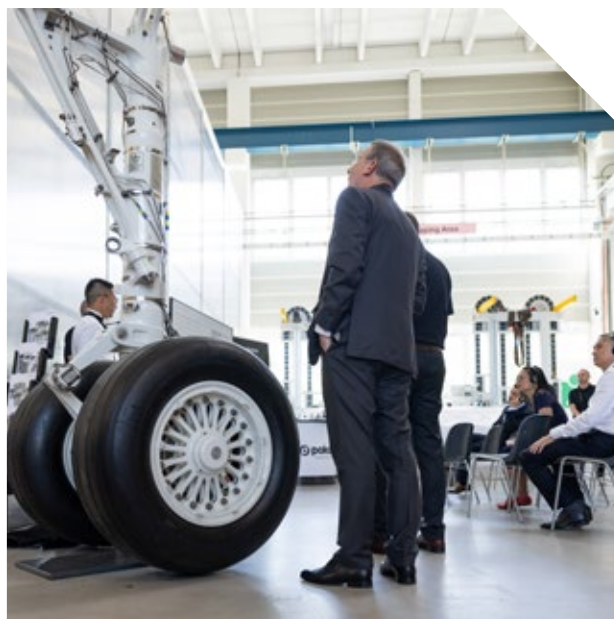
## OEE process enhances benefits for medical industry

Starrag's Immendingen, Germany, Tech Center uses overall equipment effectiveness (OEE) to ensure precision and reliability for the machining of medical components. OEE evaluates productivity by analyzing availability, performance, and quality. It identifies inefficiencies and sources of loss, aiming for 100% efficiency. Key factors include minimizing downtimes, optimizing performance, and maintaining high-quality standards. Effective chip management and continuous raw material supply are crucial. Collaboration between Starrag as the machine manufacturer and customers is essential for meeting specific requirements and ensuring optimal production processes. Customer service, including predictive maintenance, plays a vital role in reducing downtime and increasing productivity. The benefits of OEE include continuous production, reduced throughput times, minimal operating material costs, and high accuracy of customer products. Starrag's OEE process enhances efficiency, productivity, and cost-effectiveness in the medical industry.



## Processes to take off at Starrag aerospace event

The aerospace industry is thriving with full order books. Production managers therefore expected the Aerospace & Turbine Technology Days at Starrag's headquarters in Rorschacherberg, Switzerland, to provide some practical ideas for making their manufacturing processes even more efficient. The event, attended by over 200 participants from 18 nations, focused on technical solutions for production challenges in aircraft and turbine construction. Highlights included live demonstrations of automation, digitalization, and metrology, showcasing how various processes can be improved. The industry currently faces a number of challenges, with energy efficiency, lightweight construction, and carbon footprint becoming increasingly important. Starrag's event demonstrated how innovative solutions can increase productivity and reduce costs in the aerospace industry.



## 'Time turns' with Tornos at IMTS: leveraging time to drive profit

High-speed machines, easy, programming and powerful automation came together in Tornos' booth at the International Manufacturing Technology Show (IMTS) 2024 in Chicago, United States, under the theme, "Time Turns," underscoring the importance of time in the highly competitive world of precision machining, where every second counts. Guests from across a vast range of industry segments—Automotive, Micromechanics, Electronics, Medical & Dental, and more—discovered Tornos machines as well as applications, programming solutions, and technical education opportunities. All Tornos machines exhibited at IMTS supported connectivity for closed-loop manufacturing, including connectivity to third-party optical measurement systems. In addition to the Swiss XT 32, Swiss GT 26 and SwissNano 7 Swiss-type machines and the MultiSwiss 6x16 multispindle machine shown in Tornos' booth, the Swiss GT 13 and the Swiss DT 26 HP were shown at partners' booths.

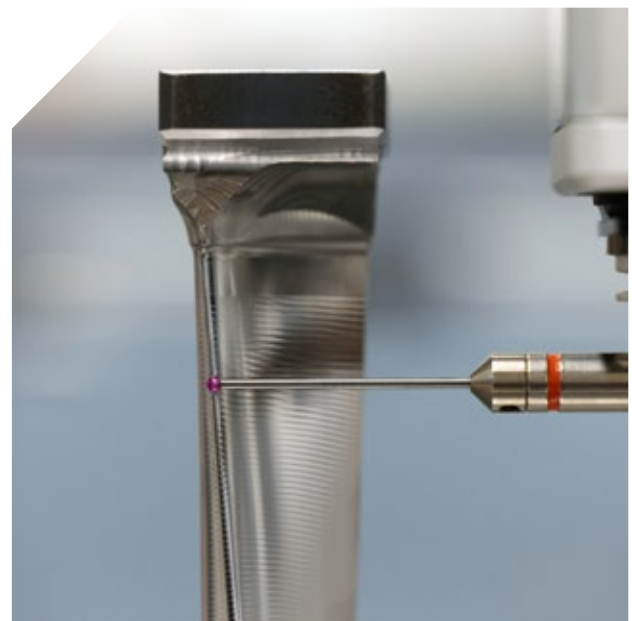


## Tornos takes the stage with advanced solutions at Germany's AMB

Tornos took to the European stage at AMB 2024 in Stuttgart, Germany, also with a “Time Turns” focus on the role of time in the competitive world of high-precision manufacturing. Demonstrating how manufacturers can profit from Tornos’ high-speed machining, headache-free programming, and robust automation solutions—including Tornos’ Swiss XT 32, MultiSwiss 6x16, Swiss DT 38, and SwissNano 10. Guests had a chance to discover the Bumotec 191 neo from Starrag, the high-precision, multitask production center boasting extreme stability in production with minimal operator intervention.

## Starrag ensures precision without compromises in aerospace manufacturing

Starrag has set new standards in quality assurance with a pilot project in the aerospace industry—an industry that requires the highest precision in production and quality control. Starrag collaborates with ZEISS to enhance precision in turbine blade production. Using the ZEISS PRISMO fortis coordinate measuring machine, Starrag achieves faster and more accurate measurements. This innovation addresses the bottleneck in quality assurance, ensuring reliable production. The pilot project demonstrated significant time savings, reducing measurement time from 4:30 minutes to just 70 seconds. This efficiency boosts productivity and flexibility in manufacturing processes. Starrag's commitment to high-quality feedback and continuous improvement sets new standards in the aerospace industry. The successful collaboration with ZEISS highlights the importance of precision and speed in quality control, making Starrag a leader in aerospace manufacturing solutions.



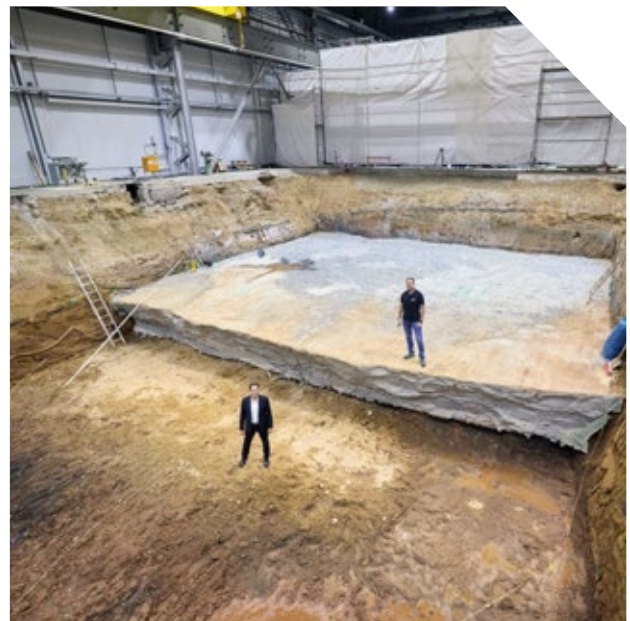


## Tornos moves to a modern facility in Germany

Tornos Technologies Deutschland GmbH has moved from Pforzheim to a modern facility in Heimsheim. Located in an industrial park in the greater Stuttgart area, the new Customer Center provides a welcoming and productive working environment, perfectly suited to Tornos' business activities in Germany. The facility includes a modern showroom, a well-equipped training center and a warehouse, as well as an efficiently designed layout that provides ample office space for the various technical and application support departments. Officially opening this spring, the building will serve as a hub for training, application testing and customer events.

## Starrag expands in-house manufacturing

Starrag's new facility in Chemnitz, Germany, highlights the company's commitment to enhancing in-house manufacturing capabilities, focusing on the production of high-quality machine components for the whole Starrag-Tornos Group. Under the Prisma 3 Project, production machines were transferred to the new facility in the first and second quarters of 2024. The production system was successfully presented to industry representatives at TecDays 2024 in November at the Starrag plant in Chemnitz and at the Industrieverein Sachsen (Industry Association of Saxony) meeting in September. The Prisma 3 Project is already bearing fruit: Pallet processing time has been reduced by up to 30 percent—with additional potential in sight. Another significant achievement was timely handover of the foundation for the new, large-scale Droop+Rein FOGS HD machining center to ensure a timely start of assembly.



## Committed to investing in future talent

Starrag in 2024 continued its commitment to investing in future talent. Each year, the division trains about 100 apprentices related to its core business in order to counteract the shortage of skilled workers and managers. At its Rorschacherberg, Switzerland, headquarters, Starrag also offers external training, shares the existing infrastructure with surrounding companies, and constantly expands its partnership with local authorities and training institutions. In addition, Starrag regularly provides resources to work in various specialist groups in national, cantonal and local committees in connection with the future direction of vocational training in the machinery, electrical engineering and metals (MEM) industry. Additionally, Starrag provides the existing expertise of its own vocational trainers when conducting cantonal final examinations, thus contributing to the quality assurance of apprenticeship qualifications.



## Tornos and TITANS of CNC launch Swiss Machining Academy

Backed by vast machining and application expertise as well as a shared passion for solving manufacturers' most pressing problems, Tornos and undisputed machining education leader TITANS of CNC in September launched the free, online Swiss Machining Academy at IMTS in Chicago and AMB in Stuttgart. With the Swiss Machining Academy, Tornos is changing the game by creating free, credible, and relevant education that closes the skills gap by educating both the current and emerging generation of machinists. Built on the foundation of Tornos world-renowned machines, the academy curriculum covers skills as basic as how to turn the machine on to how to put tools in, program the machine, run sample parts, and tackle complex applications. Driven by TITANS of CNC founder Titan Gilroy, the academy is the world's most advanced resource dedicated to educating a workforce to meet the anticipated global demand for CNC machinists in the coming decade.



# Management Report

**In its first full financial year following the merger in December 2023, the StarragTornos Group performed well in a difficult economic environment, and further improved its position in important markets such as Aerospace, Energy, and Transportation. However, due to the marked decline in demand in the Luxury Goods and Industrial market segments, incoming orders, net sales, and the order backlog at the end of the year were lower overall compared to the pro forma figures for the 2023 financial year.**

The StarragTornos Group's order intake\* in 2024 amounted to CHF 476.3 million. This is 9.9% below the pro forma figure for the 2023 financial year (CHF 528.7 million)—i.e., below the consolidated order intake of Starrag and Tornos in 2023. Net sales fell by 12.5% from CHF 564.7 million (pro forma 2023) to CHF 494.1 million in the 2024 financial year. At the end of the year, the StarragTornos Group had an order backlog\* of CHF 326.0 million (end of 2023: CHF 340.8 million, -4.3%).

During the reporting year, the *Aerospace* sector became the StarragTornos Group's largest market segment. The **Starrag division** was able to consolidate its excellent market position in civil and military aviation and further increase its record order intake of 2023. Starrag generated a large share of its order intake in the North American Aerospace market.

According to forecasts published by Airports Council International (ACI) and Statista, passenger kilometers are expected to continue to grow significantly over the next fifteen years. The long-term outlook for this market segment therefore remains promising.

Air freight volumes are also expected to increase significantly. Demand for precision machine tools for workpieces made of metal, composites and ceramics in the Aerospace market segment will be correspondingly promising.

Developments in the *Energy* market segment were equally encouraging. The Starrag division grew in both the traditional and renewable energy sectors. With regard to renewable energy, the division focused on the Chinese market.

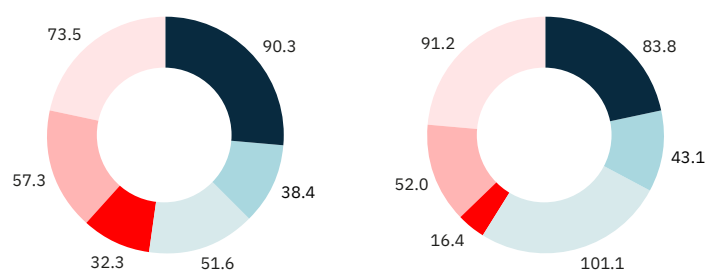
\* Non-GAAP financial measure, refer to page 218.



Order intake\*  
by market segment  
in CHF million

	2024	2023 <sup>1)</sup>	+/-
Aerospace	90.3	83.8	+7.7%
Med Tech & Dental	38.4	43.1	-10.8%
Luxury Goods	51.6	101.1	-48.9%
Energy	32.3	16.4	+96.9%
Transportation	57.3	52.0	+10.1%
Industrial	73.5	91.2	-19.4%
<b>Total Machines</b>	<b>343.4</b>	<b>387.6</b>	<b>-11.4%</b>
Service	132.9	141.1	-5.8%
<b>Total</b>	<b>476.3</b>	<b>528.7</b>	<b>-9.9%</b>

- Aerospace
- Med Tech & Dental
- Luxury Goods
- Energy
- Transportation
- Industrial



<sup>1)</sup> On a pro forma basis (12 months of Starrag plus 12 months of Tornos).

The StarragTornos Group also saw a significant boost in new orders in the *Transportation* market segment. The **Tornos division** increased its new orders in this area by 37.7%. This is mainly due to a geographical shift by OEMs and first-tier suppliers to source components from more competitive markets. The emerging markets continued to support the combustion engine with new investments in additional capacity.

In the *Industrial* market segment, which includes the Electronics segment and the Job Shops, which themselves serve other Starrag and Tornos market segments on a larger scale, both divisions had to accept cyclically related declines. This also applies to a lesser extent to the *MedTech & Dental* market segment. Due to the economic development in the reporting year and the associated reluctance to invest, demand in the *Luxury Goods* market segment fell sharply. In this difficult situation, both divisions of the StarragTornos Group managed to maintain their market shares and successfully launch new innovative products onto the market.

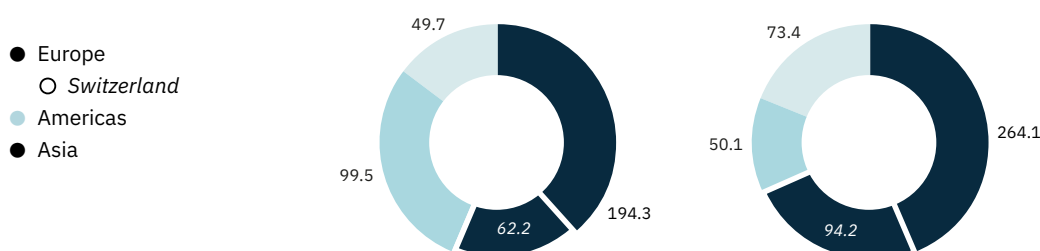
\* Non-GAAP financial measure, refer to page 218.



## Order intake\* by region

in CHF million

	2024	2023 <sup>1)</sup>	+/-
	Group		
Europe	194.3	264.1	-26.4%
<i>Switzerland</i>	62.2	94.2	-34.0%
Americas	99.5	50.1	+98.6%
Asia	49.7	73.4	-32.3%
<b>Total Machines</b>	<b>343.4</b>	<b>387.6</b>	<b>-11.4%</b>
Service	132.9	141.1	-5.8%
<b>Total</b>	<b>476.3</b>	<b>528.7</b>	<b>-9.9%</b>



<sup>1)</sup> On a pro forma basis (12 months of Starrag plus 12 months of Tornos).

In *Europe*, and particularly in *Switzerland*, the StarragTornos Group suffered a marked decline in order intake. This is directly related to the decline in the Luxury Goods market segment. Swiss watchmakers in particular were very cautious about making investments in 2024. By contrast, the StarragTornos Group almost doubled its order intake in North America. The Americas region increased from CHF 50.1 million to CHF 99.5 million in the reporting year. The driving force behind this development was large customer projects in the Aerospace and Energy market segments. In *Asia*, order intake fell by 32.3% to CHF 49.7 million. This is mainly due to the restrained economic development and the increasing autonomy aspirations in China. However, the Tornos division is still well positioned here, thanks to its local production operations.

The Starrag division is successful in China with its offerings in the high-performance segment and in renewable energy. Thanks to the Group's global presence, StarragTornos is ideally equipped for the deglobalization and reshoring trends seen in the various market segments.

### Successful product launches and trade fair attendances

Mid-way through the year, the **Starrag division** launched a new vertical lathe in the Dörries product range. Aimed at applications in the Energy market segment, this innovative turning solution features an excellent price/performance ratio, low energy consumption, low weight, and a small footprint. Heckert introduced a four-axis horizontal machining center designed for stable production with minimal operator intervention.

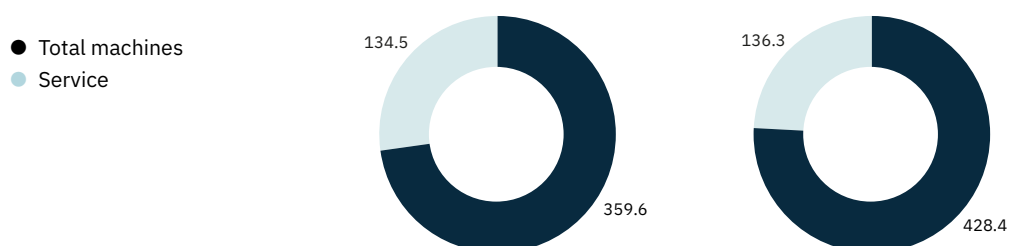
\* Non-GAAP financial measure, refer to page 218.





## Net sales (machines and service) in CHF million

	2024	2023 <sup>1)</sup>	+/-
	Group		
Total Machines	359.6	428.4	-16.1%
Service	134.5	136.3	-1.3%
<b>Total</b>	<b>494.1</b>	<b>564.7</b>	<b>-12.5%</b>



<sup>1)</sup> On a pro forma basis (12 months of Starrag plus 12 months of Tornos).

The **Tornos division** launched the Swiss XT in the first half of 2024 and exhibited it at various trade shows and customer presentations around the world, attracting a great deal of interest. With its three independent tooling systems and individually adjustable axes, the Swiss XT is specifically designed for the complex molded parts used in the automotive, hydraulic, pneumatic, and medical industries.

At the **AMB 2024 in Stuttgart**, Germany, Starrag and Tornos took the stage with their latest innovations. Starrag's booth also displayed various workpieces, demonstrating the capabilities of its versatile machine portfolio. The Tornos division showed how manufacturers can profit from its high-speed machining, straightforward programming, and robust automation solutions.

High-speed machines, easy programming and powerful automation were also on display at the Starrag and Tornos exhibition stands at the **IMTS 2024 in Chicago**. Visitors from a vast range of industry segments—including Automotive, Micromechanics, Electronics, Medical & Dental and more—discovered machines, applications, programming solutions, and technical education opportunities. Starrag also presented the Bumotec 191neo, a revolutionary high-precision, multitasking machining center, designed for efficient and precise production with minimal operator intervention.

### Development of net sales

On a pro forma basis, net sales fell by 12.5% compared with the previous year's high level to CHF 494.1 million. The Starrag division

\* Non-GAAP financial measure, refer to page 218.



contributed CHF 365.6 million and the Tornos division CHF 128.5 million to the Group's total net sales. Excluding currency effects, net sales amounted to CHF 500.1 million.

### Service business on track

Starrag's and Tornos' service business continued to perform well, with net sales in this area at the same level as in 2023 on a pro forma basis. This business accounts for 27% of total net sales at Starrag and 31% at Tornos. The DECO 10 Plus offer, whereby Tornos customers could have their older DECO 10 machines upgraded to the latest technology, again made a major contribution to this development in 2024. Tornos also buys back older systems and—after fully reconditioning them—puts them back on the market in the spirit of a circular economy.

Starrag relies on comprehensive service solutions and, increasingly, on proactive solutions with a forward-looking and preventive character, such as the automated remote fingerprint. This allows Starrag machines to be remotely examined during operation, and to detect even the smallest performance deviations in advance. Overall, proactive service products contributed 13% to Starrag's service business in the reporting year.

### Stabilization of earnings situation

Compared to the previous year, EBIT\* decreased from CHF 46.4 million on a pro forma basis to CHF 15.4 million. The EBIT margin declined from 8.2% to 3.1%. Net profit decreased from CHF 32.4 million to CHF 11.9 million. The main reason for this development was the 12.5% reduction in net sales. In addition, the change in the sales mix, with a lower weighting of higher-margin products, had a negative impact on the margin.

On the other hand, order execution was on track in all areas, with no major impact on margins. In order to stabilize the earnings situation, StarragTornos has already initiated countermeasures on the cost and sales sides with effect from the second quarter. The Executive Board is monitoring these measures on a permanent basis.

### Solidly financed

The StarragTornos Group's equity ratio\* is at a high level of 57.4%. Net liquidity amounted to CHF -0.3 million at the end of 2024. The negative free cash flow\* of CHF -7.0 million (2023: +CHF 28.2 million) is due to an increase in trade receivables and a decrease in trade payables. Investments in property, plant, and equipment totaled CHF 17.9 million, whereas investments in research and development amounted to CHF 37.5 million or 7.6% of net sales (2023: CHF 35.6 million or 6.3% on a pro forma basis). The focus here was on projects that combine new innovative features, support customers in minimizing their production costs, and integrate sustainability concepts into the design of the products.

### Infrastructure projects and investments

The Starrag plant in Chemnitz is not only the development and production site for the Heckert product range, but also the center of competence for parts machining for StarragTornos Group. Particularly large, high-precision, and valuable components are manufactured here. In order to make this important operation even more efficient, flexible, and versatile, a manufacturing cell with a length of more than 30 meters has been installed. The second important part of the investment is a large machining center. This investment goes hand in hand with the consolidation of all mechanical production activities in a fully modernized hall. In the reporting year, the new machining center in Chemnitz started producing large parts for Tornos.

In the Taiwan region, Tornos celebrated the opening of its new plant in March 2024. Covering an area of 12,000 m<sup>2</sup>, it not only provides optimum conditions for the continued successful production of Tornos machines in the medium and lower price segments, but also opens up excellent development opportunities for the entire StarragTornos Group in the region. In Germany, Tornos moved its Customer Center from Pforzheim to a modern facility in Heimsheim, located in an industrial park in the greater Stuttgart area and perfectly suited to Tornos' business activities. The facility includes a modern showroom, a well-equipped training center, a warehouse, and

\* Non-GAAP financial measure, refer to page 218.



ample office space for the various technical and applications support departments.

### **Synergy program on track**

When the Starrag Group and Tornos merged in December 2023, a program was set up to identify and exploit the synergy potential between the two companies. The implementation of this program started in January 2024. For example, StarragTornos aligned the Group-wide procurement in order to realize synergies in purchasing. During the year, StarragTornos defined further specific actions for all the synergy opportunities identified. These are progressing according to plan.

### **Board of Directors and Executive Board**

Since the Annual General Meeting of StarragTornos Group AG on April 20, 2024, the Board of Directors has comprised six members, as François Frôté and Michel Rollier did not stand for re-election.

The StarragTornos Group has had a new CEO since June 1, 2024. Michael Hauser, who led the Group as both CEO and Chairman of the Board of Directors since the successful merger of Starrag Group and Tornos, handed over operational responsibility to Martin Buyle.

In September, the Board of Directors of StarragTornos Group AG appointed Markus Jäger as the new Chief Financial Officer (CFO) and a member of the Executive Board of StarragTornos Group, with effect from October 1, 2024. He succeeded Stéphane Pittet, who left the Group to take up a new professional challenge.

It is with great sadness that the StarragTornos Group has learned of the death of Walter Fust, member of the Group's Board of Directors and majority shareholder. Walter Fust passed away on February 4, 2025. His stake in the Group will remain in the family. It is not planned to elect a new member to the Board of Directors at the Annual General Meeting on April 17, 2025.

### **Number of employees**

At the end of the reporting year, the StarragTornos Group employed 1,981 people (full-time equivalents) or 75 fewer than in the previous year. The average number of employees was 2,023.6 (previous year: 2,032.4).

### **Risk management**

For our holistic risk management process, please refer to pages 188 to 190.

### **Extraordinary events**

There were no extraordinary events in the reporting year.

### **Sustainability**

In 2024, the StarragTornos Group made significant progress in integrating sustainability into its business strategy by establishing new internal structures and responsibilities. The groundwork has now been laid for us to set specific and measurable actions. Detailed information on this can be found in the Sustainability Report, which forms an integral part of this Annual Report (pages 58 to 137).

### **Share price and dividend**

The year-end price of the StarragTornos share on December 31, 2024, was CHF 37.00. With net income per share of CHF 2.17, this corresponds to a P/E ratio of 17.06. There is thus potential for a positive share price performance. At the Annual General Meeting on April 17, 2025, the Board of Directors will propose to the shareholders a dividend of CHF 1.00 per share, which corresponds to a payout ratio of 46.1%.

### **Outlook 2025**

The economic outlook for 2025 remains challenging. There are currently no clear signs of a long-term upturn, the economic environment is still characterized by uncertainty and there is a threat of new trade barriers. New growth opportunities will arise from StarragTornos' strengthened market position in the defense industry. The order backlog provides the Group with a solid basis for 2025. It continues to follow a cautious but flexible course in order to be able to react quickly to changes. StarragTornos will rigorously pursue its synergy program and actively exploit opportunities as they arise.

\* Non-GAAP financial measure, refer to page 218.



# Timeless craftsmanship

Redefining  
Swiss excellence  
in watchmaking





Kari Voutilainen is not only a recognized name in the world of high-end watchmaking; he is also a symbol of Swiss excellence in craftsmanship. Born in 1962 in Rovaniemi, Lapland (Finland), this master watchmaker has become an emblematic figure in the watchmaking world, thanks to his unique creations and relentless quest for perfection. Here, he retraces his exceptional career and achievements, and highlights the importance of cutting-edge technologies, such as the SwissNano 10, within the mechanical workshop.

### **The beginning of a passion: from Lapland to Switzerland**

In 1983, Voutilainen felt a deep desire to work with his hands and set out to find a profession that would satisfy this passion. He found it through a watchmaker friend who owned a small repair store. It was in this modest store that Voutilainen discovered watchmaking, a field that immediately attracted him. He decided to train as a watchmaker in Finland, at the Espoo School of Watchmaking, where he began to specialize in after-sales watch service.

However, his thirst for knowledge and improvement didn't stop there. Voutilainen discovered a continuing education course on clocks in England, but soon realized that this field did not fascinate him as much as watches. Eventually, he found his happiness in Neuchâtel, Switzerland, where he enrolled in the Watchmakers of Switzerland Training and Educational Program (WOSTEP), a school specializing in complex watches.

This school, with only 12 students, offered Voutilainen the opportunity to train in an exclusive environment. After completing the refresher course, he returned to Finland for a year, where he worked tirelessly to save enough money to return to WOSTEP for a course on watch complications.

### **The start of his career: from Parmigiani to independence**

After completing his training, he chose to work for Parmigiani, thus beginning his career in earnest.

From 1984 onward, Voutilainen worked on unique timepieces, such as minute repeaters and perpetual calendars. He stayed for almost 10 years and met Charles Meylan, who spotted his talent and became his mentor.

"It was he who encouraged me to make my first tourbillon pocket watch outside working hours, at night in my apartment," Voutilainen said.

Until 1995, Parmigiani concentrated mainly on the private label, making watches for other brands. In 1996, Parmigiani decided to launch its own brand, and Voutilainen took charge of the minute repeaters and restoration. However, in 1999, after several years of intensive work, he decided to leave Parmigiani to devote himself to part-time teaching. He soon realized that teaching, while rewarding, took up a lot of his time and did not allow him to concentrate fully on his passion for watchmaking.





The Voutilainen headquarters, perched in the iconic Chapeau de Napoléon building, overlooks the Val-de-Travers.

In 2002, he made a decisive choice: He stopped teaching and established his own workshop, Voutilainen Horlogerie d'Art in Môtiers, Val-de-Travers, marking the beginning of his independence in watchmaking. His ambition was to create his own movement. Gradually, he has added to his machine park and hired staff to assist him in his projects.

### Expansion: from the Voutilainen workshop to a group of companies

In 2008, the Voutilainen workshop employed 10 people, a figure that rose to 41 by 2024. Voutilainen continues to expand his business while remaining true to his philosophy of quality and precision. Three years ago, he bought the Chapeau de Napoléon site, a former restaurant overlooking Fleurier in the Val-de-Travers. This unique building is where he assembles his watches and welcomes his customers in an exceptional setting.

—  
“What sets him apart from other watchmakers is his commitment to direct contact with his customers.”

What sets him apart from other watchmakers is his commitment to direct contact with his customers. Each watch he creates is the result of a close collaboration with the customer, one in which Voutilainen translates the latter's desires and expectations into an exceptional timepiece. Every detail is meticulously studied, and quality is at the heart of every stage of the manufacturing process.

### Guaranteeing excellence: Comblémine, Voutilainen & Cattin, and Brodbeck Guillochage

The pursuit of excellence is not limited to watch design but extends to the sourcing of quality components. In 2013, faced with technical problems with a dial supplier, Voutilainen decided to take matters into his own hands. For six months, the company found itself without dials, prompting him in 2014 to buy out a bankrupt, Saint-Sulpice, Val-de-Travers-based dial company, which took the name Comblémine.

The company, initially an empty shell, has taken shape thanks to the determination of Voutilainen and his team. The same goes for the cases. After years of working with one supplier, he decided to found a new company, Voutilainen & Cattin in Saignelégier, due to a drop in quality at his previous supplier. These acquisitions gave Voutilainen complete control over the production of his cases and dials, essential for his exceptional watches. →



Kari Voutilainen and operator Nicolas Berger in front of the SwissNano 10, a key machine for the production of micrometric precision components.

—  
“Every detail is meticulously studied, and quality is at the heart of every stage of the manufacturing process.”

In a spirit of development and preservation of exceptional know-how, he recently inaugurated Brodbeck Guillochage, now housed in the former Fleurier watchmaking school, built in 1896. Renovated over a year and a half in keeping with tradition, the building is now home to the Group's métiers d'art. The mission of the manufacturer, under the direction of Angélique Singele, is to revolutionize the decoration of objects in a multitude of fields, far beyond watchmaking, and to shine on an international scale.

#### **SwissNano 10: technology at the service of craftsmanship**

The acquisition of the SwissNano 10 marks a turning point in Voutilainen's approach to manufacturing. This machine, produced by Tornos, is specially designed to meet the needs of high-precision workshops such as Voutilainen's. Compact and extremely

precise, it can produce components with a tolerance of one micron, an essential precision for the exceptional watches created by Voutilainen.

The SwissNano 10 is distinguished by its flexibility and thermal stability, two features that enable rigorous tolerances to be maintained without human intervention, even overnight. Not only does this machine enable components to be produced in-house, it offers phenomenal productivity gains. For a craftsman like Voutilainen, the ability to control every step of the manufacturing process is crucial, and the SwissNano 10 enables him to achieve this level of control.

Before acquiring the SwissNano 10, many high-precision parts had to be manufactured manually on computer numerical control (CNC) lathes, a time-consuming task requiring





considerable expertise. Thanks to the SwissNano 10, Voutilainen has been able to automate much of this process, which improves component quality and enables his team to concentrate on more complex and creative tasks.

On the strength of this success, Voutilainen plans to acquire further machining centers, probably Swiss ones, to complete his machine park and meet the growing needs of his company.

### A model of independence and know-how

Today, the Voutilainen workshop produces around 70 watches a year, a figure deliberately limited to maintain a certain exclusivity. This rarity contributes to the value of Voutilainen watches, which can rise by between 150 and 400 percent on the second-hand market. This strategy enables Voutilainen to maintain strict control over the market and ensure that every watch that leaves his workshop is an exceptional piece.

To find out more about Voutilainen, watch our video report.



## Voutilainen watches: exceptional timepieces

Each timepiece created by Voutilainen and his team is unique, tailor-made to meet the specific desires of each customer. These watches are characterized by a rare combination of traditional watchmaking techniques and modern innovations, offering unrivaled quality and precision.

### Aesthetics and personalization

The aesthetics of Voutilainen watches are a balance between tradition and modernity. Cases are often made of precious metals such as platinum, white gold or rose gold, and are designed to highlight the beauty of the internal movement. Dials can be customized with a variety of finishes, colors and guilloché patterns, making each watch truly unique.

### Recognition and collectibility

Voutilainen watches are often seen as treasures in the watchmaking world, with a value that can increase significantly on the secondhand market. This recognition is reinforced by the numerous awards Voutilainen has received, notably at

the Grand Prix d'Horlogerie de Genève (GPHG), where its creations have been hailed for their innovation and technical excellence.

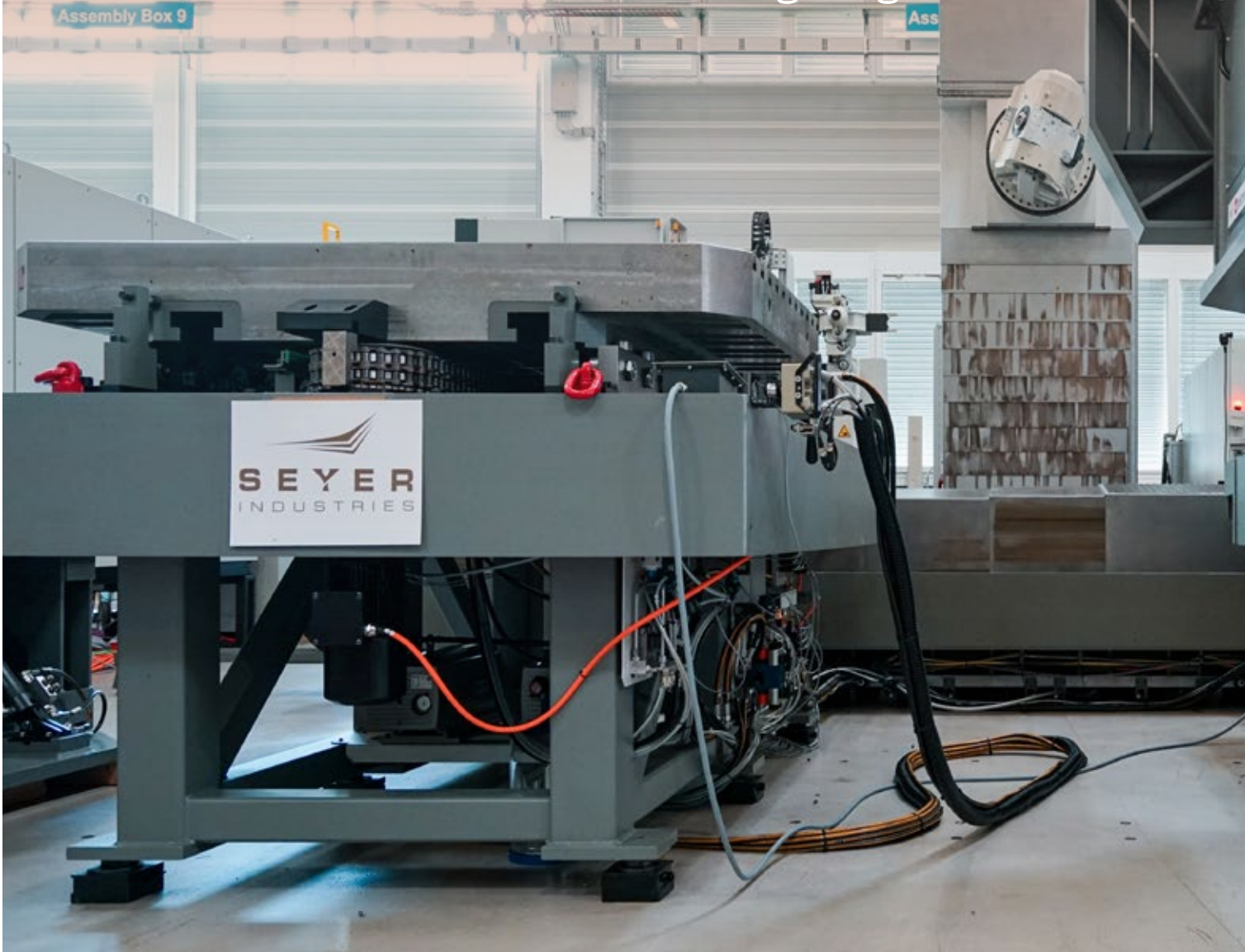
Each timepiece is the result of unrivaled expertise, a passion for perfection, and a unique ability to fuse tradition and innovation. Whether through the use of advanced technologies like the SwissNano 10 or the design of unique movements and dials, Voutilainen continues to redefine what it means to create an exceptional watch.

### A unique sales model

Unlike many other luxury brands, Voutilainen Horlogerie d'Art's sales structure is straightforward. Voutilainen personally participates in numerous exhibitions and acts as an ambassador for his brand. He began with the Basel trade fair SIHH (now Watches & Wonders), as well as exhibitions in Singapore and the United States, building a loyal clientele through direct, personal contact.

# Productivity to new heights

Achieving unparalleled  
efficiency with starrag's  
cutting-edge solutions





If there was ever a “cracking” story of a company’s rise to prominence, you wouldn’t have to look much further than Seyer Industries. As a world-class manufacturer investing in machine tools from world-leading brand Starrag to manufacture critical aerospace components, growth at the Missouri, United States-based manufacturer conceived in a farmer’s garage in 1957 is reaching boiling point.

**S** Self-taught tinkerer and inventor Lou Seyer who made enough money in the 1950s from his Easy Egg Cracker invention for boiled eggs to partner with Harold Buckner and purchase machinery from a failing business. In the early 1980s, the company started manufacturing support equipment for the military as well as working on McDonnell Douglas Aircraft; the success has been exponential ever since.

Seyer, a third-generation, family-owned aerospace company, has developed into a world-class manufacturer with four primary product groups operating from a 19,510-square-meter facility.

---

**“Our mission is to be the best-in-class supplier of complex aerospace products.”**

This includes supporting customers in the commercial aerospace, military aerospace, military support equipment, and maritime industries. The investment strategy is proving successful, as the AS:9100D, ISO:9001, ITAR-registered and Nadcap-certified company has grown 20% year over year for the last five years. One impressive element of the company’s investment strategy is its 1.8 MW solar panel system that generates over 30% of Seyer’s electricity needs. Covering three of its four buildings, the only reason the 4,216-panel installation doesn’t qualify as Missouri’s largest commercial solar-powered system is that it is spread over three buildings. Despite this, Seyer’s commitment to minimizing its carbon footprint is admirable and exceeds the largest in-state installation of 4,085 panels on top of the well-known Swedish furniture store, IKEA. →



—  
“Precision and repeatability are key components that we focus on when selecting a machine.”

Seyer Industries President Mark Seyer discussed the company’s activities. “Our mission is to be the best-in-class supplier of complex aerospace products. Seyer specializes in hard metal machining and deep bills of material. We offer great value through vertical integration and a high degree of collaboration with customers,” he said. “As part of our efforts to take complex problems off our customers’ hands, we have built our process offering to support large, hard material machined parts and assemblies. As price and lead time are everything in aerospace, adding the capability of large-capacity machining will help Seyer offer a complete partner solution for more of our customers. To achieve this, we have decided to invest in machine tools from Starrag.”

Starrag’s reputation as the world’s leading machine tool partner for the aerospace industry is beyond reproach. Working with most of the world’s aerospace primes and their supply chains, Starrag was the obvious choice for Seyer when it won a contract to manufacture defense industry components. With the project requiring the machining of hard

metal parts with dimensions of 1,448 mm × 1,092 mm × 1,295 mm, the billets had to undergo high material removal machining with impeccable precision and surface finishes on the completed parts. The solution was the Starrag Heckert 800 X5.

The Heckert 800 X5, a five-axis horizontal machine with a trunnion design, delivers both the precision and rigidity required for Seyer to machine the hardest materials with high material removal rates. This is complemented by a powerful 12,500 rpm mechanical spindle that was specifically selected by Seyer to deliver the torque needed for milling hard aerospace grade alloys as well as the higher revolutions per minute and kilowatts to machine softer materials. The pallet changer allows the operator to set up the next part while the machine is in operation. This ensures the spindle is always turning, maximizing efficiency and output and minimizing setup idle times for Seyer. Setups and downtime are further minimized by a 180-position tool changer with temperature-controlled coolant, part probing and laser tool probing to deliver unparalleled process control and efficiency.



Seyer Industries, a third-generation family-owned aerospace company, has developed into a world-class manufacturer with four main product groups.

These features enable the new Heckert 800 X5 to run for prolonged periods unmanned while providing maximum productivity output with minimal operator intervention.

“Starrag comes with a great reputation of providing robust machines with top-notch accuracy and precision. There is no room for error with the parts we plan to produce on this machine. That is why we have partnered with Starrag,” Seyer said, describing the companies’ relationship. “It is the exceptional build, quality, rigidity, stability, performance and precision that is backed by Starrag’s excellent support network and technical experts that will ensure we attain impeccable quality levels to exceed our customer expectations.”

“During the sales portion of our journey, Starrag sold itself as an ‘engineering company that manufactures machines.’ From contract negotiations through the build cycle of the machine, Starrag has been fantastic to work with, especially regarding the customization and design elements of the machine.”



Looking to the next step in evolution for this department at Seyer, the company took delivery of machine number two—a six-axis Starrag STC 1800-170—in the fall

“We have not yet had the ability to see the impact it will have on our business growth,” Seyer said. “However, when talking about this new capability, customers have shown great interest and they can’t wait to have a supplier with this capability. Based on customer feedback, we see a strong need in the industry for this capability.”

The six-axis Starrag STC1800-170 has been purchased for manufacturing large titanium structural parts for the defense industry—and with a 3,300 mm × 2,032 mm × 2,032 mm capacity, the new machine will

add both capacity and capability that will give Seyer a huge competitive advantage.

Seyer discussed the parts lined up for machining on the STC1800-170. “We expect this machine to mainly process stainless steel, titanium, and Inconel structural aerospace components, typically in smaller batch sizes in the realm of two to 10 pieces,” Seyer said.

To manufacture these challenging materials, Seyer specified its STC1800-170, with a 53 kW mechanical spindle that boasts over 1,300 Nm of torque at 100% duty cycle with a spindle speed of 5,600 rpm. The power of the HSK-A100 spindle enables this machine to deliver class-leading material removal rates of beyond 800 cm<sup>3</sup>/min on titanium, →



giving Seyer the industry's most robust and productive machine available for the aerospace sector. The quality and stability of this spindle are so assured, Starrag provides a five-year warranty that can be extended to a decade, giving Seyer complete peace of mind.

Optimizing flexible manufacturing, the STC1800-170 selected by Seyer can handle very large parts and is equipped with a tilt station that allows the machining of parts in both horizontal and vertical orientations. The STC1800-170 permits one-hit machining that will reduce setups and enhance component quality for the aerospace manufacturer.

As expected with a brand that leads the way in the aerospace and defense industry, features such as automatic calibration and verification of machine kinematics, temperature-controlled coolant, probing reports, and extreme accuracy levels are standard on the company's Starrag machine.

—  
**“This machine has been selected because of the need for a high material removal rate while maintaining accuracy, precision and reliability.”**

Furthermore, with Seyer recognizing that hard metals require many cutting tools, the manufacturer chose to equip its new STC with a 450-position automatic tool changer with a radio-frequency identification (RFID) system and tool verification laser for unsurpassed process control.

“Precision and repeatability are key components that we focus on when selecting a machine,” Seyer added, highlighting the attributes of the Starrag brand and how it fits the demands

of family-run Seyer Industries places on its machines. “Depending on the gap we are trying to fill, spindle selection, envelope size, tool capacity and automation abilities can be other areas of interest.”

“With automation becoming more and more the norm, high tool capacity and data gathering are a must. Offline programming, setup and quick changeovers are also required to ensure the machine is fully utilized. Intuitive and maintainable controls that allow our skilled machinists, programmers and engineers to get optimal performance from the machine across the diverse products we produce are also a necessity,” he said. “In summary, we need a highly flexible solution that is intuitive to operate with the highest degree of accuracy and repeatability.”

Seyer described how the Starrag STC1800-170 and its attributes specifically match the needs of the company.

“This machine has been selected because of the need for a high material removal rate while maintaining accuracy, precision and reliability,” he said. “Two other items that stood out during the selection process were Starrag’s commitment to service and minimizing downtime events due to maintenance or equipment failure. Another important factor was their ability to customize the machine to meet our exact needs.”

Automation is becoming the norm and high tool capacity and data gathering are essential.



# Tradition meets innovation

On a mission  
to change dentistry





Zirkonzahn Srl from South Tyrol, Italy, is much more than just a manufacturer of dental equipment. The company was founded by Enrico Steger, a passionate dental technician, and embodies the perfect combination of traditional craftsmanship and technological innovation.

#### **A vision born in the mountains**

Zirkonzahn's story begins with a bold idea: to transform zirconia into a revolutionary solution for dental laboratories. Enrico Steger, inspired by his surroundings and his roots, developed the Zirkograph, a groundbreaking device for processing zirconia. Since then, the company has continued to grow and become a major player in the dental industry, with a comprehensive product range that extends from titanium bases to advanced software solutions for the computer-aided design/computer-aided manufacturing (CAD/CAM) workflow.

“Modern dentistry requires precision solutions and constant innovation,” Steger explained. “With our equipment and expertise, we have turned technical limitations into opportunities.”

#### **Products tailored to the needs of dentistry**

Zirkonzahn excels in the production of dental components such as titanium bases and multiunit elements that meet the highest standards of biocompatibility and precision.

“We combine all processes under one roof, from the development of the tools to the production of the parts,” Steger emphasized. This complete control allows the company to respond quickly to customer requests and ensure consistent quality.

Zirkonzahn products are not limited to mechanics: The company also offers innovative diagnostic systems, such as the PlaneSystem®, which can be used to capture and measure the individual information in the patient's jaw area to produce functional and aesthetic dentures.

#### **A strategic partnership with Tornos**

To achieve the high standards required for the production of complex dental components, Zirkonzahn relies on Tornos. With a fleet of 27 Tornos machines, including almost the entire EvoDECO range, the company is able to produce customized parts in large quantities with impeccable quality. “The EvoDECO is a machine that has transformed our production capacity, particularly for the most challenging parts,” said Andreas Kessler.





With its 10 axes and ability to work with multiple tools simultaneously, the EvoDECO is ideal for machining highly complex dental components. Its versatility allows Zirkonzahn to reduce cycle times while ensuring consistent quality, which is crucial for critical applications such as dental implants. “It excels at multi-process operations such as turning, milling and drilling with high precision,” the technician added. Kirchlner also highlighted the longevity of the machines.

“Our first machines, such as the DECO 13, are still in daily use after more than 15 years. This is a testament to their reliability,” he said. With a renewed focus on innovation, Zirkonzahn is exploring new ways to meet the changing needs of its customers. Its collaboration with Tornos continues.

### Regionally rooted excellence

With around 350 employees working mainly at several sites in the Puster Valley, Zirkonzahn remains firmly rooted in South Tyrol. This decision,

---

**“Our first machines, such as the DECO 13, are still in daily use after more than 15 years.”**

motivated by the proximity to a local ecosystem of training and technical skills, enables the company to ensure exceptional production quality. “Our region is a driving force for innovation,” Steger emphasized, “and we are proud of the fact that we have the best skilled workers in South Tyrol. We benefit from highly qualified employees, which is crucial to maintaining our commitment to perfection.”

### Education as a strategic pillar

Zirkonzahn provides far more than technical solutions. The company has also invested in training with its worldwide network of training

centers. These centers offer customized courses on CAD/CAM systems, milling techniques, and the advanced use of dental materials such as zirconia. “Educating our customers is essential to ensuring their success,” Steger explained. The training not only enables them to master the tools, but also to innovate and push the boundaries of modern dentistry.

### A mission: to change dentistry

Zirkonzahn embodies a vision in which tradition and technology are intertwined to push the boundaries of modern dentistry. With its unwavering commitment to quality, innovation and customer service, the company is positioning itself as an indispensable partner for dental laboratories around the world.

Although Zirkonzahn's heart beats in South Tyrol, its commitment extends beyond its borders. The company is always active in providing technical and logistical support to its customers around the world. Its international team guarantees fast deliveries and personalized support so that dental laboratories can operate without interruption.





# A new dimension in machining

Innovative solutions for XXL wind power components





Henning Albrechtsen, owner of the family-owned Danish company HACO A/S, had been looking forward to the “Christmas present” of a Droop+Rein portal milling machine from Starrag for a long time, and he was not disappointed, as it arrived in good time at the end of November 2023 and was put into operation after the holidays. The special features of this 870-ton colossus include its extra-extra-large (XXL) size and its unusually large basement section across two stories.

**N** “Never before have we built such an extensive tunnel system for a production plant; it is reminiscent of ancient catacombs and even I have never seen something like this anywhere else,” explained Hubert Erz, Senior Consultant Sales/ Renewables at Starrag. “However, this expensive and elaborate investment for our core customer facilitates service access and day-to-day collaboration using this new machine.”

Laying the foundation involved processing 850 cubic meters of concrete and 100 tons of steel: Thanks to its generous dimensions across two stories, it provides operators with easy access to drive elements and other components of the Droop+Rein portal machine.

In any case, the basement section immediately garnered a positive response from the production team.

“The foundation forms the base for the machine tool, and its stability and design help determine the level of precision that can be achieved with

the machine,” Albrechtsen said. “In addition, the tunnel system within the foundation provides good access to all relevant machine assemblies and thereby ensures optimal ease of servicing. Furthermore, the ‘cellar’ enables many units to be positioned underneath the upper edge of the hallway, which contributes to a substantial reduction in noise levels.”

However, the tunnel system is not the only innovative approach that the CEO of HACO—a second-generation family business—has taken. The company already owns five Dörries vertical turning lathes, which have helped it grow to become one of the leading Danish contract manufacturers of gigantic components for the wind power sector and offshore industry.

### **Danish teamwork: XXL rotor housing for the future of wind power**

Even a job shop specializing in XXL components cannot afford downtimes. As such, HACO has already needed to increase the maximum swing diameter of its vertical turning

and boring mills several times. Their next major order, from an international leader in wind turbine manufacturing, involves completely new dimensions. This order focuses on the next generation of offshore turbines with rotor diameters that now exceed 220 meters, designed for an output of 14 megawatts with their direct drives. HACO and a Danish partner have been contracted to produce components of correspondingly large size. This involves machining front and stator sheets and brake discs, alongside other primarily welded components and multiple steel rotor housings with weights of between 50 and 90 tons and diameters of almost 11 meters.

To approach this XXL future with confidence, Albrechtsen decided to purchase a pair of machines designed to handle these ever-increasing dimensions. The first machine, a gantry portal milling machine with a 100 kW milling head and 2×111 kW master-slave main drives, represents the combination of two distinct areas of expertise for Starrag. →



The Starrag team in Denmark (from left to right): Anatol Harms, Daniel Berg, Karsten Niehues, Robert Jazvec, Oleg Schall and Darko Jovic.



Lords of the rings: HACO CEO Henning Albrechtsen and Starrag Senior Consultant Sales/Renewables Hubert Erz inside the iron blank from partner SM Industries.



“We integrated components from the Dörries product area into a Droop+Rein milling machine, thereby combining turning technology with milling technology,” Erz said. The machine has a clearance of 12,600 mm in between the stands, the gantry axis travels over a distance of 14,000 mm, and the tool slide allows a maximum stroke of 3,500 mm.

### Complete machining improves productivity

Assembly and commissioning were performed by a Starrag team led by Fabian Schwarz, Head of Project Management of the Business Unit Large Parts Machining Systems (LPMS) with the product areas of Droop+Rein, Dörries, and Berthiez. Even though large machines are part of his day-to-day work, this new creation with its hydrostatic bearings and rotary table with a weight of 180 tons and a maximum load capacity of 350 tons is still something quite special. One benefit of the machine is that it combines milling and turning in a single machining center. “Integration of both processes enables production of complex workpieces with great precision and efficiency,” Schwarz explained. “This saves users time and money, as they need fewer machines and undergo reduced setup times.”

### Stationary portal, moving table

The table of the second machine is movable. The machine delivered at the end of 2023 features a moving portal, whereas this configuration has a stationary portal and a moving table. “This special design, created primarily for turning processes, has received new support with the new tool holder constructed and constructed by the Bielefeld team for combined milling/turning operations,” said Erz.

---

**“We integrated components from the Dörries product area into a Droop+Rein milling machine, thereby combining turning technology with milling technology.”**

In terms of dimensions and weight, the six-axis portal turning machine is number one, and only the master-slave main drive (output: 2 × 36 kW) is somewhat larger. The plant has also gained a larger workpiece swing diameter, which was increased from 13,000 mm to 15,000 mm thanks to the moving table.

Regardless of this, HACO can completely machine all workpieces on both machines, meaning that they can be used as ideal supplements to and replacements for one another. This pair of machines also features highly precise positioning across all axes—the two machines can achieve electronically controlled positioning in the micrometer range even for meter-long travel paths.

But how does a company that produces components for wind power approach the issue of sustainability? As HACO states on its homepage: “As a supplier to the energy sector, with a focus on green energy, HACO intends to contribute to the lowest environmental impact in the manufacturing process.”

This approach on the part of the Danish company has been confirmed by TÜV Nord, which has certified its environmental management system according to the strict requirements of EN ISO 14001. As such, new machines are always fitted with a sophisticated enclosure with supplementary extraction unit, which protects employees against noise and aerosols (mixtures of air and very finely dispersed solid and liquid particles).

HACO has now taken a further important step to protect the environment in how it operates its new XXL machine pair: Its operation site is the SM Industries A/S industrial estate in Rødekro; HACO has worked closely with the company for many years. This leading supplier of steel components for wind power applications was a subsidiary of the steel trader Euro-Steel DANMARK A/S until recently, and previously delivered welded blanks via heavy goods transport to the HACO plant in Barrit to undergo mechanical finishing from Rødekro, which lies 100 kilometers to the south. These components, mainly sets consisting of a rotor housing, front sheet, stator sheet and brake disc and weighing multiple tons, were then transported all the way back again from Barrit to the port at Aabenraa on a specially designed fixture.



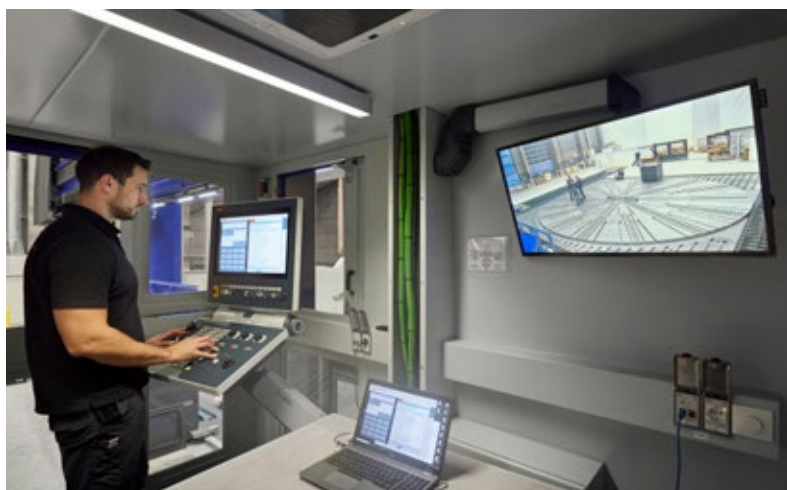
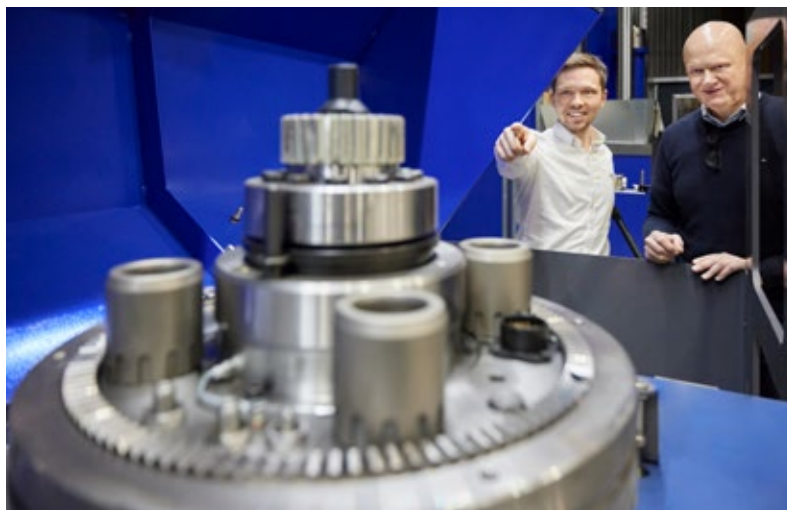
### Internal transport instead of heavy-duty transport

SM has provided its long-standing partner with a hall for the XXL machine pair, which HACO then excavated to a depth of up to six meters for the extensive foundations. This eliminated the previous need for typical overland heavy-duty transport and replaced it with quick and environmentally friendly internal transport. And the Røddekro location is near the Baltic Sea ports of Kalvø Havn and Aabenraa, from which the jointly manufactured plant components can be transported for assembly in the customer’s coastal plants with much less environmental impact. This is also perfectly in line with HACO CEO Albrechtsen’s viewpoint:

“There has been close collaboration between the companies HACO and SM for a long time. For this new project with its particular challenges, we worked together to find the most cost-effective and sustainable solution,” he said. “Using an existing production hall meant that there was no need to construct new buildings. And since we are located on the same site—next door to each other, in other words—transport paths between blank manufacturing, heat treatment processes and mechanical processing were reduced to a minimum, which has cut costs substantially. All of these benefits and the proximity to the port 11 kilometers away have contributed to a sustainable solution and are in accordance with the green principles of the wind industry.”

His 87-year-old father, Johan, also responded positively to this result. “When he established HACO, he invested in high-quality machines with automation right from the start. The first vertical milling machine was

already equipped with an automatic pallet changer,” stated Albrechtsen. “This was later followed by a flexible manufacturing system with two linked vertical milling machines. Something like that had never been seen before in our region. As such, we are continuing to follow this innovative and future-oriented approach and developing to meet the challenges of the times. My father has visited the first machine twice so far and is already looking forward to the arrival of the second.” This machine was installed at SM Industries in 2024. Lords of the rings: HACO CEO Henning Albrechtsen and Starrag Senior Consultant Sales/Renewables Hubert Erz inside the iron blank from partner SM Industries.



↑ “Integration of both processes enables production of complex workpieces with great precision and efficiency.” Fabian Schwarz, Head of Project Management of the Business Unit Large Parts Machining Systems (LPMS).

↑ On screen: Starrag employee Darko Jovic operated the Siemens control panel during commissioning.

—  
**“Integration of both processes enables production of complex workpieces with great precision and efficiency.”**



# StarragTornos Worldwide

The StarragTornos Group operates sales and service, production, and research and development centers in Switzerland, Germany, France, Italy, Spain, Poland, the UK, the USA, Mexico, Brazil, China, Thailand, the Taiwan region, and India.









# Sustainability Report

<b>60</b>	<b>Message from the CEO</b>	
<b>62</b>	<b>Introduction</b>	
63	About this Report	
64	2024 Key Figures	
66	Sustainability Highlights	
<b>69</b>	<b>Sustainability Governance and Strategy</b>	
70	Sustainability Governance	
72	Corporate Responsibility	
73	Stakeholders	
76	Material ESG Topics	
78	Sustainability Strategy and Commitments	
<b>81</b>	<b>Products</b>	
82	Strong Expertise, Strong Partnership	
83	Innovation for Efficient Products	
86	Quality and Safety	
87	Service and Customer Satisfaction	
88	Circular Economy	
<b>90</b>	<b>Environment</b>	
91	Energy in our Operations	
94	GHG Emissions	
99	Climate Risks and Opportunities	
102	Waste and Pollution	
103	Water and Biodiversity	
<b>105</b>	<b>Social</b>	
106	Our Employees	
108	Well-being and Engagement	
109	Talent and Development	
111	Diversity and Inclusion	
113	Employee Health and Safety	
114	Local Integration	
<b>115</b>	<b>Business Ethics and Compliance</b>	
116	Business Policies	
117	Responsible Data Management	
118	Responsible Supply Chain	
120	Human Rights	
<b>123</b>	<b>Methodological Note</b>	
<b>128</b>	<b>Appendix</b>	
128	Swiss Code of Obligations (Art. 964) Content Index	
130	TCFD Content Index	
131	GRI Content Index	
136	Glossary	



# 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](mailto: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**

countries<sup>1)</sup>

**+114%**

self-produced  
solar electricity

compared to 2023

**23**

complete retrofittings

**126**

apprentices and  
trainees

<sup>1)</sup> as at 31.12.2024





## Products

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

<sup>1)</sup> pro forma figure



## Environment

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

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



## Social

	2024	2023
<b>Number of employees<sup>1)</sup></b> Headcount, direct employees including temporary staff	2 034	2 091
<b>Voluntary turnover rate</b> Percentage of direct employees	5.5%	–
<b>Number of training days per employee</b> External training, days per headcount	1.3	–
<b>Number of apprentices and trainees</b>	126	132

<sup>1)</sup> 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
<b>Suppliers who signed our Code of Conduct for Business Partners</b> 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<sup>neo</sup>

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<sup>neo</sup> 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 m<sup>2</sup> 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 CO<sub>2</sub> emissions. This streamlined approach will increase delivery speed while significantly improving our sustainability impact in the supply chain. The reduction in CO<sub>2</sub> 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](http://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).



An aerial photograph of a town and a large lake, overlaid with a dark teal color. The town is nestled between the lake and rolling hills. The text is centered over the image.

# 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.

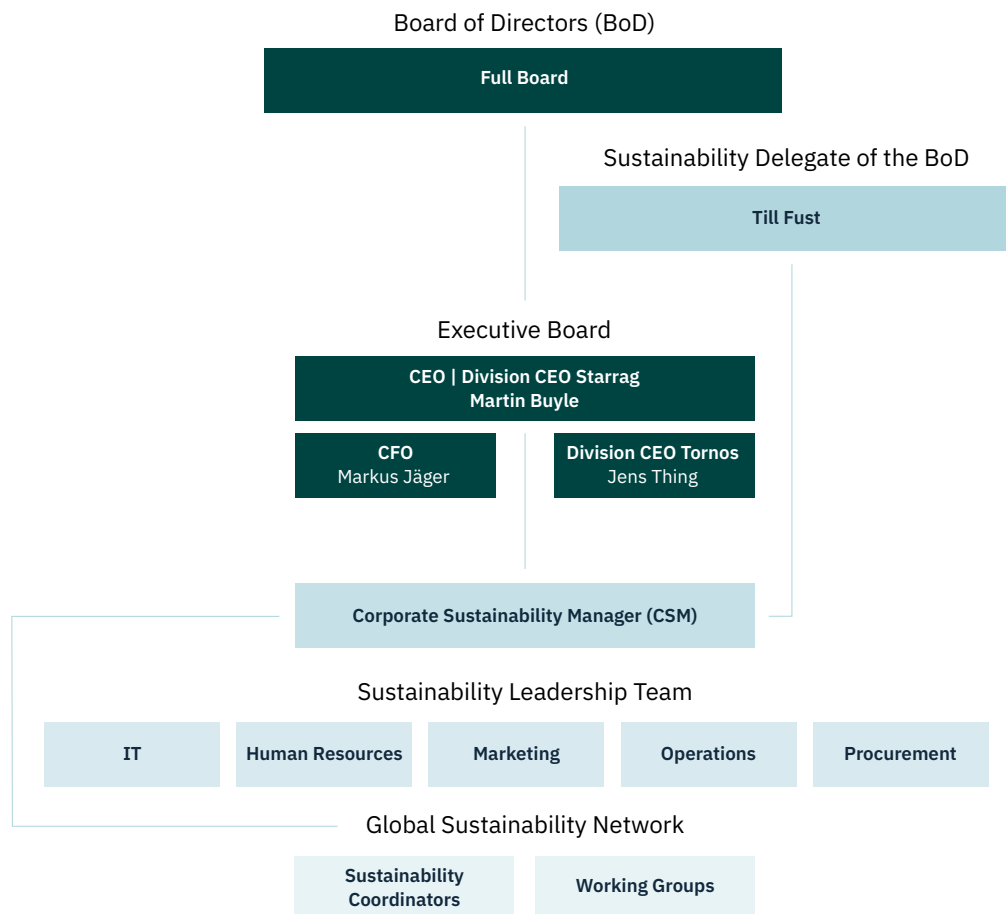
---



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"> <li>Quality and durability of products, environmental impact of products</li> <li>Customer service and satisfaction</li> <li>Transparent communication and data protection</li> <li>Responsible and ethical supply chain</li> </ul>	<ul style="list-style-type: none"> <li>High-quality jobs</li> <li>Safe workplace</li> <li>Employer values</li> <li>Development and career</li> <li>Employee benefits</li> <li>Collective labor agreements</li> <li>Economic performance</li> </ul>	<ul style="list-style-type: none"> <li>Ethical business relationships</li> <li>Driving innovation</li> <li>Environmental and social considerations in the supply chain</li> <li>Economic performance</li> </ul>

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"> <li>Long-term partnerships</li> <li>Student and apprenticeship training</li> <li>Innovation stimulation and funding</li> <li>Dynamization of local economic and academic ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>Lawful business conduct</li> <li>Climate change (GHG emissions)</li> <li>Occupational health and safety</li> <li>Economic performance</li> <li>Environmental and social considerations in the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Economic performance</li> <li>ESG rating</li> <li>Lawful business conduct</li> <li>Climate change (GHG emissions)</li> <li>Human rights and ethical business conduct</li> <li>Company reputation</li> </ul>

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.**

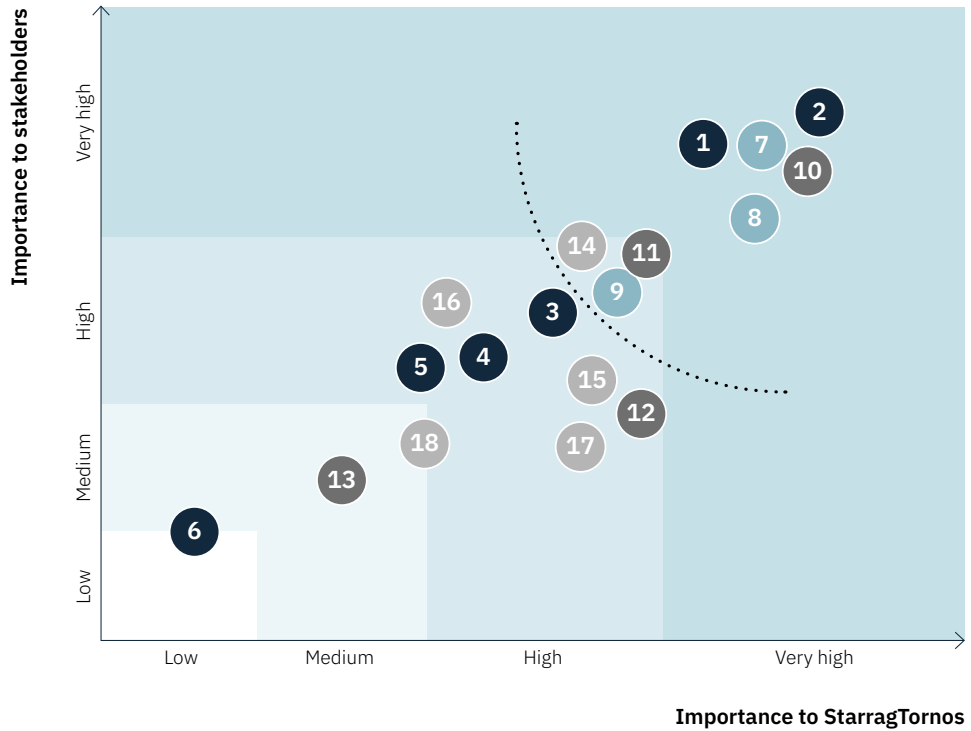
In 2023, both the Starrag and Tornos divisions conducted a double materiality assessment to benchmark their key ESG topics. This process began with a stakeholder analysis focused on pertinent sustainability issues, involving desktop research on customers, competitors, and expert organizations, as well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

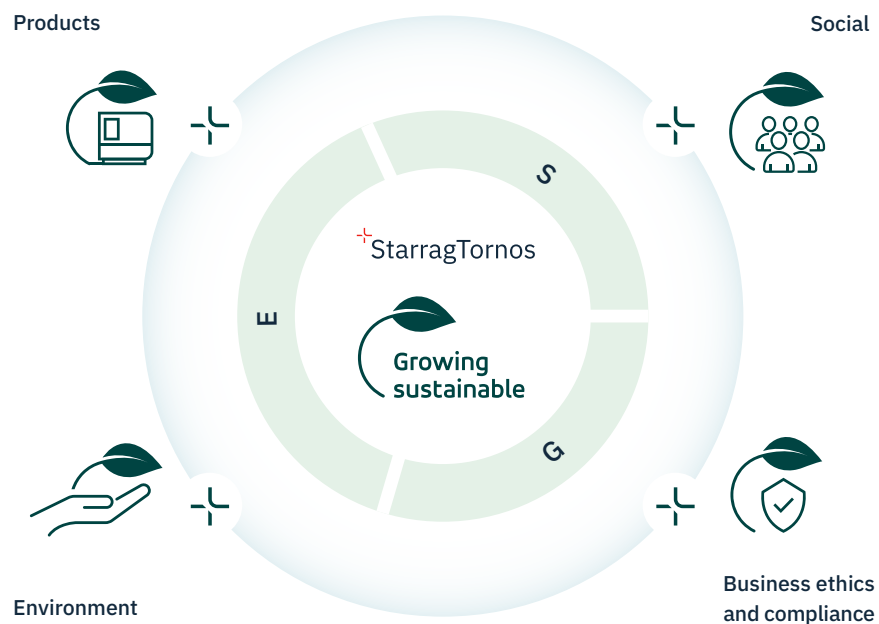
### Outlook

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



## Social

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



## Business ethics and compliance

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

## 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<sup>neo</sup> 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<sup>neo</sup>



**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

**-25%**

per workpiece\*

1. Standby

**-45%**

2. Setup

**-20%**

3. Ready

**-35%**

4. Processing

**-29%**

\* 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 CO<sub>2</sub> 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
<b>Total energy consumption</b>	<b>33 320</b>	<b>31 702</b>
FTE	1 981	2 056
Net sales	494.1	564.7
<b>Energy intensity relative to FTE</b>	<b>16.8</b>	<b>15.4</b>
<b>Energy intensity relative to net sales</b>	<b>67.4</b>	<b>56.1</b>

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 energy<sup>1)</sup>

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

<sup>1)</sup> 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 m<sup>2</sup> 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
<b>Total fossil energy consumption</b>	<b>23 784</b>	<b>19 838</b>
<b>Share of fossil sources in total energy consumption</b>	<b>71.4%</b>	<b>62.6%</b>
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
<b>Total energy consumption from nuclear sources</b>	<b>2 696</b>	<b>4 255</b>
<b>Share of nuclear sources in total energy consumption</b>	<b>8.1%</b>	<b>13.4%</b>
<b>Total renewable energy consumption</b>	<b>6 840</b>	<b>7 609</b>
<b>Share of renewable energy in total consumption</b>	<b>20.5%</b>	<b>24.0%</b>
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 <sup>1)</sup>	1 969	1 070

<sup>1)</sup> 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 m<sup>2</sup> solar panel park and 1,746 photovoltaic modules. The existing park in Moutier (picture) was expanded by 3,469 m<sup>2</sup> 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 <sub>2</sub> e	2024	2023 <sup>1</sup>
<b>Scope 1–3</b>	<b>191 946</b>	<b>225 138</b>
<b>Scope 1–2 (market-based)</b>	<b>7 792</b>	<b>5 510</b>
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

<sup>1</sup> 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 CO<sub>2</sub>e 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 CO<sub>2</sub>e per CHF million net sales for 2024 compared with 398.3 in the prior year.

### GHG emission intensity

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

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

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

In 2024, Scope 1 emissions totaled 3,568 tons CO<sub>2</sub>e, remaining consistent with 2023. Emissions from mobile combustion (company vehicle fuel) are the most significant.

### Scope 2 emissions

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

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

In 2024, Scope 2 emissions totaled 4,224 tons CO<sub>2</sub>e (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 CO<sub>2</sub>e 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 CO<sub>2</sub>e were recorded in 2024.

### Scope 3 emissions

tons CO <sub>2</sub> e		2024	2023
<b>Category 1</b> Purchased goods and services	Emissions from the production of products (goods or services) purchased or acquired	42 330	56 360
<b>Category 2</b> 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
<b>Category 3</b> 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
<b>Category 4</b> Upstream transportation and distribution	Emissions from transportation and distribution of products purchased between StarragTornos and tier-1 suppliers	532	783
<b>Category 5</b> 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
<b>Category 6</b> 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 <sup>1)</sup>
<b>Category 7</b> Employee commuting	Emissions from the transportation of employees between their workplace and homes	3 402	3 476
<b>Category 9</b> Downstream transportation and distribution	Emissions from transportation and distribution of sold products in vehicles not owned by StarragTornos	1 340	1 204
<b>Category 11</b> Use of sold products	Emissions from the use of sold products	116 830	134 977
<b>Category 12</b> 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
<b>Category 13</b> 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.

---

<b>Step 1</b>	We comprehensively identify the risks and opportunities associated with climate change.
<b>Step 2</b>	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.
<b>Step 3</b>	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
<b>Total waste</b>	<b>3 220</b>	<b>3 750</b>
<b>Non-hazardous waste</b>	<b>2 958</b>	<b>2 285</b>
Recycling or reuse	1 744	1 807
Incineration with or without energy recovery	648	197
Landfilling	566	281
<b>Hazardous waste</b>	<b>262</b>	<b>1 465</b>
Recycling or reuse	155	1 169
Incineration with or without energy recovery	107	296
Landfilling	0	0
<b>Total waste per FTE (tons/FTE)</b>	<b>1.6</b>	<b>1.8</b>

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 <sup>3</sup> and m <sup>3</sup> /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 m<sup>3</sup> and 12.9 m<sup>3</sup> 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) <sup>1)</sup>	2024
<b>Total</b>	<b>2 034</b>
Total (full-time employees)	1 981
Starrag division	1 396
Tornos division	638

<sup>1)</sup> 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) <sup>1)</sup>	2024
<b>Total</b>	<b>2 034</b>
Switzerland	702
Germany	753
EMEA (excl. Switzerland and Germany)	227
Asia / Pacific	263
Americas	89

<sup>1)</sup> 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) <sup>1)</sup>	2024
<b>Women</b>	<b>13.7%</b>
<b>Men</b>	<b>86.3%</b>
Under 30 years of age	16.5%
30–50 years of age	48.4%
Over 50 years of age	35.1%

<sup>1)</sup> 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) <sup>1)</sup>	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

<sup>1)</sup> 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 <sup>1)</sup>	2024
Turnover rate	8.9%
Voluntary turnover rate	5.5%

<sup>1)</sup> 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 <sup>1)</sup>	2024
Days of training per employee	1.3
Costs of training per employee	460

<sup>1)</sup> 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
<b>Employees (regular, fixed-term) <sup>1</sup></b>	<b>2 034</b>
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
<b>External temporary employees</b>	<b>162</b>
Number of work-related fatalities	0

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



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



## 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](http://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
<b>1</b>	<b>General requirements</b>		
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
<b>2</b>	<b>Environment</b>	
2-1	Energy consumption and efficiency	Environment Energy in our Operations
2-2	Greenhouse gas (GHG) emissions	GHG Emissions
<b>3</b>	<b>Products</b>	
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
<b>4</b>	<b>Social</b>	
4-1	Employment	Our Employees Well-being and Engagement
4-2	Employee development	Talent and Development
<b>5</b>	<b>Business ethics and compliance</b>	
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		
<b>The Organization and its reporting practices</b>			
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
<b>Activities and workers</b>			
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.
<b>Governance</b>			
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
<b>Strategy, policies and practices</b>			
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	
<b>Approach to stakeholder engagement</b>			
2-29	Approach to stakeholder	Stakeholders	
2-30	Collective bargaining agreements		Information not yet available from all subsidiaries due to the recent merger.
<b>GRI 3 (2021)</b>	<b>Material topics</b>		
3-1	Process to determine material topics	Material ESG Topics	
3-2	List of material topics	Material ESG Topics Sustainability Strategy and Commitments	
<b>Material topics (Focus area) with GRI topic standard</b>			
<b>Energy consumption and efficiency</b>			
<b>GRI 302 (2016)</b>	<b>Energy</b>		
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	
<b>Greenhouse gas (GHG) emissions</b>			
<b>GRI 305 (2016)</b>	<b>Emissions</b>		
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			
<b>GRI 301 (2016)</b>	<b>Materials</b>		
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.
<b>GRI 306 (2020)</b>	<b>Waste</b>		
3-3	Management of material topics	Environment	
306-2	Management of significant waste-related impacts	Waste and Pollution Circular Economy	
Product quality and safety			
<b>GRI 416 (2016)</b>	<b>Customer Health and Safety</b>		
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	
<b>GRI 203 (2016)</b>	<b>Indirect Economic Impacts</b>		
203-2	Significant indirect economic impacts	Strong Expertise, Strong Partnership	
Employment			
<b>GRI 401 (2016)</b>	<b>Employment</b>		
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			
<b>GRI 404 (2016)</b>	<b>Training and Education</b>		
3-3	Management of material topics	Social	
404-1	Average hours of training per year per employee	Talent and Development	
Responsible supply chain			
<b>GRI 204 (2016)</b>	<b>Procurement Practices</b>		
3-3	Management of material topics	Business Ethics and Compliance	
204-1	Proportion of spending on local suppliers	Responsible Supply Chain	
<b>GRI 308 (2016)</b>	<b>Supplier Environmental Assessment</b>		
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.



<b>GRI 414 (2016) Supplier Social Assessment</b>			
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	
<b>Non-material topic disclosures</b>			
<b>Optimizing transport</b>			
3-3	Management of material topics	Environment	
<b>Natural resources and materials</b>			
3-3	Management of material topics	Environment	
<b>Waste and water</b>			
<b>GRI 303 (2018) Water and Effluents</b>			
303-5	Water consumption	Water and Biodiversity	
<b>GRI 306 (2020) Waste</b>			
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	
<b>Biodiversity</b>			
<b>GRI 304 (2016) Biodiversity</b>			
3-3	Management of material topics	Environment	
<b>Diversity and inclusion</b>			
<b>GRI 405 (2016) Diversity and Equal Opportunity</b>			
405-1	Diversity of governance bodies and employees	AR – Corporate Governance Our Employees	
<b>Occupational health and safety</b>			
<b>GRI 403 (2018) Occupational Health and Safety</b>			
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.
<b>Human rights and child labor</b>			
<b>GRI 408 (2016) Child Labor</b>			
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights	
<b>GRI 409 (2016) Forced or Compulsory Labor</b>			
409-1	Operations and suppliers at significant risk for incidents of child labor	Responsible Supply Chain Human Rights	



<b>Anti-corruption and business ethics</b>		
<b>GRI 205 (2016)</b>	<b>Anti-corruption</b>	
205-2	Communication and training about anti-corruption policies and procedures	Business Policies
205-3	Confirmed incidents of corruption and actions taken	Business Policies
<b>Data security and safety</b>		
<b>GRI 418 (2016)</b>	<b>Customer privacy</b>	
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.
<b>Risk management and ESG governance</b>		
<b>GRI 201 (2016)</b>	<b>Economic Performance</b>	
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
<b>GRI 206</b>	<b>Anti-competitive Behavior</b>	
206-1	Legal actions for anti-competitive behavior, anti-trust and monopole practices	Business Policies
<b>GRI 207 (2019)</b>	<b>Tax</b>	
207-2	Tax governance, control, and risk management	AR: Financial Report



## Glossary

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





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



# Corporate Governance

134	Corporate Structure, Participation Structure and Shareholders
142	Capital Structure
144	Board of Directors
150	Executive Board
153	Compensation, Loans and Participation
154	Shareholders' Participation Rights
156	Changes of Control and Defence Measures
157	Auditors
158	Information Policy

---



# Corporate Structure, Participation Structure and Shareholders

---

## Board of Directors

Michael Hauser, Chairman  
Walter Fust, Vice-Chairman  
Christian Androschin  
François Frôté until 20.04.2024  
Till Fust  
Bernhard Iseli  
Michel Rollier until 20.04.2024  
Adrian Stürm

---

## Executive Board

### CEO

Michael Hauser until 31.05.2024  
Martin Buyle from 01.06.2024

### Division CEO Starrag

Martin Buyle

### Division CEO Tornos

Jens Thing

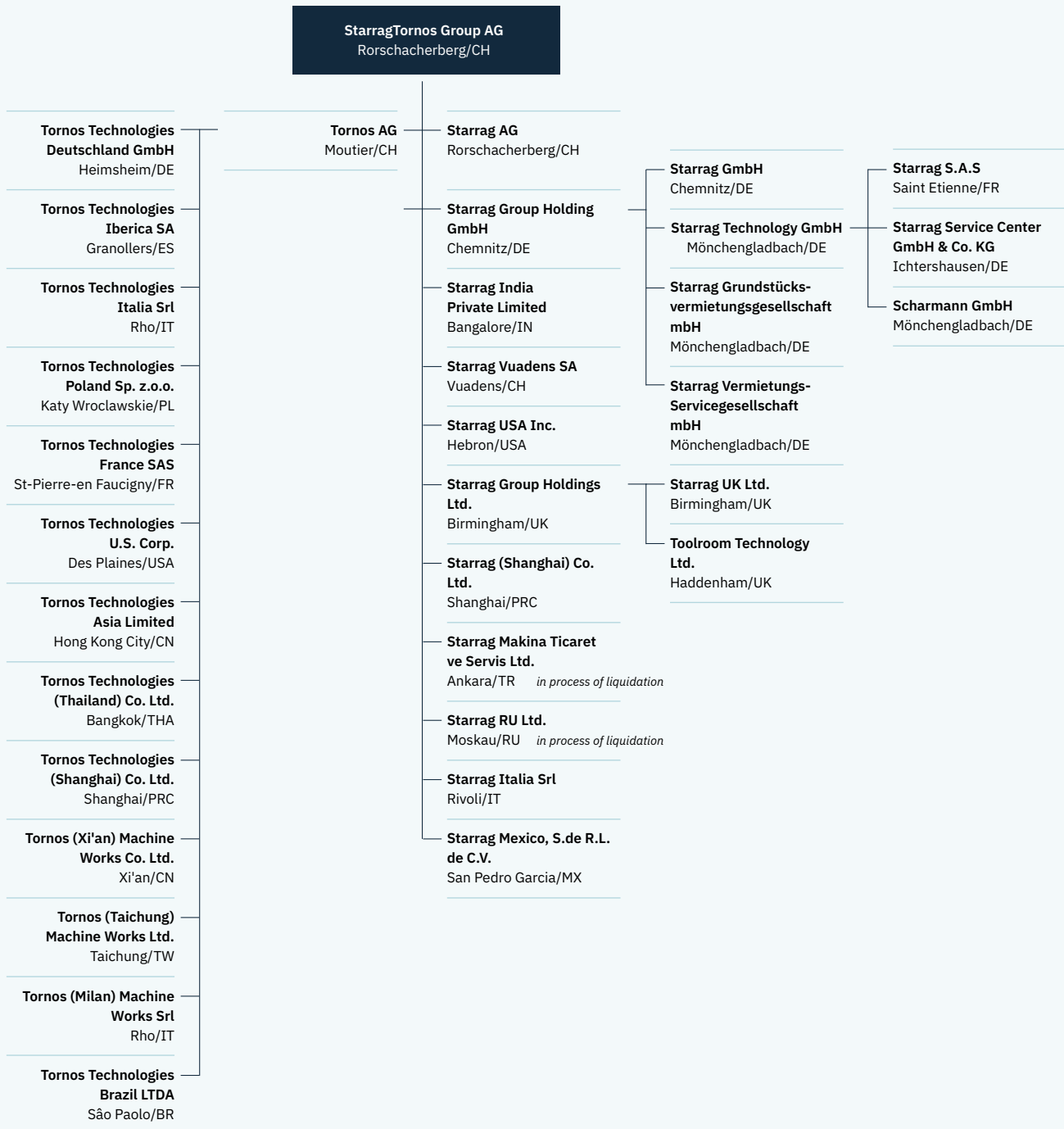
### CFO

Stéphane Pittet until 30.09.2024  
Markus Jäger from 01.10.2024

---



## Operational Group Structure



Details of share capital and the equity interest held are given in the consolidated financial statements on pages 208 and 185 of this Annual Report.



The registered shares of StarragTornos Group AG (hereafter referred to as the “company”) are traded at the SIX Swiss Exchange (securities number 236106, ISIN CH0002361068, ticker STGN). The market capitalisation on December 31, 2024 was CHF 202.1 million.

## Shareholders

There were 1,996 shareholders registered in the company's share register on December 31, 2024, who held the following numbers of shares:

More than 100,000 shares	▶ 6 shareholders
10,001 to 100,000 shares	▶ 22 shareholders
1,001 to 10,000 shares	▶ 158 shareholders
1 to 1,000 shares	▶ 1,810 shareholders

363,121 shares or 6.7% were not registered in the share register on December 31, 2024 (cleared shares).

The company knows significant shareholders with more than 5% of voting rights as of December 31, 2024, as follows:

- Walter Fust, Freienbach, Switzerland  
2,846,564 shares, 52.11%
- Eduard Stürm AG, Goldach, Switzerland  
311,079 shares, 5.69%
- Michel Rollier, Le Landeron / Rollomatic Holding SA, Le Landeron, Switzerland  
302,209 shares, 5.53%

We have received the following disclosure notifications during the 2024 financial year in accordance with Art. 20 of the Swiss Federal Act on Financial Infrastructures.

- 24.10.2024: Max Rössler, Hergiswil, Switzerland, 4.07%
- 24.10.2024: Max Rössler, Hergiswil, CH / Parmino Holding AG, Goldach, Switzerland, 4.85%
- 04.01.2024: Max Rössler, Hergiswil, Switzerland, 4.85%

More detailed information regarding the above-mentioned or earlier publications are available on the website of the SIX Swiss Exchange's Disclosure Office: <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>

The company is not aware of any agreements between shareholders.

## Cross-Shareholdings

There are no cross-shareholdings.



# Capital Structure

## Ordinary Share Capital

The company's issued share capital amounts to CHF 46,436,528.50 and is split into 5,463,121 fully paid-in registered shares with a nominal value of CHF 8.50 each.

## Authorized Share Capital

There was no authorized capital of Swiss companies adopted prior to January 1, 2023.

## Capital Band

There is no capital band.

## Conditional Share Capital

The share capital can be increased by up to CHF 595,000 by issuing a maximum of 70,000 fully paid-up registered shares with a par value of CHF 8.50 each to employees, freelance employees and members of the Board of Directors and Executive Management of the company and its Group companies by exercising the option granted to them under the employee participation plan for the Tornos Group of the former Tornos Holding Ltd., which was taken over by the company through merger. The subscription right or priority subscription right of the shareholders is excluded. The employee participation will expire on April 2026. Additional information on the employee participation plan can be found in note 25 to the consolidated financial statement.

## Changes in Capital

In the last three years under report, the share capital of StarragTornos Group AG has changed as follows:

- 06.12.2023: Increase of the company's share capital from CHF 28,560,000 by CHF 17,876,528.50 to CHF 46,436,528.50 by issuing 2,103,121 fully paid-up registered shares with a par value of CHF 8.50 each to 5,463,121 fully paid-up registered shares on the occasion of the merger with Tornos Holding Ltd.



## Shares

Shareholder rights of membership are stipulated in the Swiss Code of Obligations as well as in the company's Articles of Association. Each registered share with a nominal value of CHF 8.50 has one vote at the Annual General Meeting. The right to vote can only be exercised if the shareholder is registered in the company's share register as a shareholder with voting rights. Distribution of profit can be decided upon within the framework of the law by the General Meeting and can be carried out in proportion to the ordinary share capital. The company's Articles of Association are published on [www.starragtornos.com](http://www.starragtornos.com) (click on Articles of Association under Governance) and can be obtained from the company at any time.

## Participation Certificates / Dividend-right certificates

The company has not issued any participation or profit sharing certificates or any Dividend-right certificates.

## Limitations on Transferability and Nominee Registration

In general, there are no limitations to the transfer of shares. The registration of shareholders with voting rights or beneficiaries in the share register can be denied due to the following reasons:

- if the purchaser does not, at the company's request, explicitly confirm that they have acquired and are holding the shares on their own behalf, in their own interests and for their own account;

Persons who do not expressly declare in the registration application that the shares are held for their own account (nominees) will be entered in the share register as shareholders with voting rights up to a maximum of 3% of the share capital. Above this threshold, nominees will be entered in the share register as shareholders with voting rights if the nominee in question discloses the names, addresses, nationalities and shareholdings of the beneficial owners for whose account they hold 0.5% or more of the share capital, and if the reporting obligation set out in the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinMIA) (in the current version) is met.

The registration restrictions may be changed by resolution of the General Meeting, with approval of at least two-thirds of the votes represented at the meeting.

## Convertible Bonds and Options

The company has not issued convertible or exchangeable bonds, warrants, options or other securities granting rights to shares, other than certain instruments granted under the employee participation plan of the former Tornos Holding Ltd. Additional information on the employee participation plan can be found in note 25 to the consolidated financial statement.



# Board of Directors

## **Michael Hauser**

Non-executive Member of the BoD, Chairman, since 2023  
Swiss and German, born 1961

### **Previous activities for StarragTornos, Starrag and Tornos:**

- Executive Member of the BoD—CEO of StarragTornos Group AG (2023–05/2024),
- Member of the Board of Directors of Starrag Group Holding AG (2018–2023), Chairman (2020–2023)
- CEO of the Tornos Group (2011–2023)

### **Committees:**

- None

### **Mandates in listed companies:**

- Schlatter Industries AG, Member of the Board, Chair of the Remuneration and Compensation Committee

### **Mandates in non-listed companies and organizations:**

- SWISSMEM: Swiss Association of Mechanical, Metal and Electrical Engineering Industries, Member of the Board
- CECIMO: European Association of Manufacturing Technologies, Swiss Delegate and Member of the Board
- L'incubateur i-moutier, Chairman of the Board

### **Previous professional activities:**

- Georg Fischer AG, Member of the Executive Board and Head of GF Agie Charmilles Division (2008–2010)
- Agie Charmilles Group, Member of the Executive Board (2000–2008),
- Mikron Technology Group, Chairman of the Milling Division (1996–2000)

### **Training—final qualification on completion of studies:**

- Degree in Business Administration (University of Mannheim)

## **Walter Fust (†)**

Non-executive Member of the BoD, Vice-Chairman, since 2023  
Swiss, born 1941, passed away February 4, 2025

### **Previous activities for Starrag and Tornos:**

- Member of the Board of Directors of Starrag Group Holding AG (1988–2023), Vice-Chairman (2020–2023), Chairman (1992–2015 and 2019–2020)
- Member of the Board of Directors of Tornos Holding Ltd. (2014–2023)
- Chairman of the Board of Directors of Starrag Vuadens SA (2017–2024)
- Member of the Board of Directors of Starrag Vuadens SA (2012–2016)



**Committees:**

- Chair of the Remuneration Committee

**Mandates in listed companies:**

- None

**Mandates in non-listed companies and organizations:**

- Immofust AG, Chairman
- L'incubateur i-moutier, Member of the Board
- Fraunhofer Institute IWU University of Chemnitz, Member of the council (until 30.06.2024)

**Previous professional activities:**

- Dipl. Ing. Fust AG, founder (1966),
- Jelvoli Holding AG, Board member (1997–2009), Chairman (until 2007)

**Training—final qualification on completion of studies:**

- Engineer ETHZ (Swiss Federal Institute of Technology Zurich)

**Christian Androschin**

Non-executive Member of the BoD, since 2023

Austrian, born 1967

**Previous activities for Starrag and Tornos:**

- Member of the Board of Starrag Group Holding AG (2022–2023)
- Consulting mandate Androschin & Partner Management Consulting GmbH

**Committees:**

- None

**Mandates in listed companies:**

- None

**Mandates in non-listed companies and organizations:**

- Androschin & Partner Management Consulting GmbH, Managing Director
- A&P Consulting GmbH, Managing Director
- Rhein Management AG, Member of the Board
- Weber Ultrasonics AG, Member of the Board
- Hübers Beteiligungs GmbH, Member of the Board
- tmax Holding GmbH, Member of the Board

**Professional activities:**

- Androschin & Partner Management Consulting GmbH, Managing Partner (since 2005)

**Previous professional activities:**

- Roland Berger, Partner (1989–1992 and 1994–2004)
- Maho AG (1992–1994)

**Training—final qualification on completion of studies:**

- Lic. oec. HSG (University of St. Gallen)

**Till Fust**

Non-executive Member of the BoD, since 2023

Swiss, born 1993

**Previous activities for Starrag and Tornos:**

- Member of the Board of Directors of Tornos Holding Ltd. (2019–2023)

**Committees:**

- None

**Mandates in listed companies:**

- None

**Mandates in non-listed companies and organizations:**

- None

**Professional activities:**

- Solarify, Co-Managing Director, Finance & Controlling

**Previous professional activities:**

- Solarify GmbH, Sales Manager

**Training—final qualification on completion of studies:**

- Master's degree in international economics (Graduate Institute Geneva)

**Bernhard Iseli**

Non-executive Member of the BoD, since 2023

Swiss, born 1960

**Previous activities for Starrag and Tornos:**

- Member of the Board of Directors of Starrag Group Holding AG (2022–2023)

**Committees:**

- Member of the Remuneration Committee

**Mandates in listed companies:**

- None

**Mandates in non-listed companies and organizations:**

- Krämer AG, Bassersdorf, Member of the Board

**Professional activities:**

- scenarioC GmbH for Innovation Management, Co-Founder and Managing Partner (since 2021)

**Previous professional activities:**

- Within GF Machining Solutions AG, Managing Director Technical Unit Liechti (2019–2021) and Managing Director of the “Technical Milling” business unit (2009–2019).
- Various top management positions in companies such as Tecan (Pharma), Mathys AG (Medical) and Fritz Studer AG (Grinding Machines)

**Training—final qualification on completion of studies:**

- Mechanical engineer HTL (Engineering School, Berne) and his postgraduate studies as an operation engineer SIB/ISZ in Zurich

**Adrian Stürm**

Non-executive Member of the BoD, since 2023

Swiss, born 1970

**Previous activities for Starrag and Tornos:**

- Member of the Board of Directors of Starrag Group Holding AG (2008–2023)

**Committees:**

- None

**Mandates in listed companies:**

- None

**Mandates in non-listed companies and organizations:**

- Family-owned company Eduard Stürm AG (Holding) and its subsidiaries Holz Stürm AG and Eduard Stürm Immobilien AG, Chairman
- Holz Michel AG, Member of the Board (until 31.05.2024)

**Previous professional activities:**

- UBS AG, Operational Risk Control and Wealth Management Controlling (2001–2024)
- UBS Wealth Management Switzerland AG, Risk Management (2008–2024)
- Auditor with KPMG Zurich and London (1997–2000)

**Training—final qualification on completion of studies:**

- Lic. oec. HSG (University of St. Gallen)

If not otherwise specified under “Previous activities for Starrag and Tornos” no Board member is or was a member of the management of StarragTornos Group AG or of any other StarragTornos Group company in the last three financial years up to December 31, 2024, or has or had, a significant business relationship with StarragTornos Group AG or of any other StarragTornos Group company.

## Maximum Number of Permissible Mandates

The members of the Board of Directors may not hold more than 15 mandates in other companies. Of these, a maximum of five mandates may be held in companies listed on the stock exchange. The following mandates are not subject to the aforementioned limitations:

- 1 Mandates in companies that are controlled by the company;
- 2 Mandates held at the request of the company or companies controlled by it; no member of the Board of Directors or the Executive Board shall hold more than ten such mandates; and
- 3 Mandates in associations, charitable foundations, staff welfare foundations and associations; no member of the Board of Directors or the Executive Board may hold more than six such mandates.

Mandates are defined as mandates in comparable positions in other undertakings with commercial objects. Mandates in different legal entities that are under joint control are deemed to be a single mandate.

## Election and Term of Office

The members of the Board of Directors, the Chairman of the Board of the Directors, the members of the Compensation Committee and the independent proxies are elected annually at the Annual General Meeting of the Shareholders. There are no restrictions on terms of office.

The terms of office of the incumbent members of the Board of Directors are as follows:

<b>Board of Directors</b>	<b>First time election</b>	<b>Expiry of term of office</b>
Michael Hauser, President	2018	2025
Walter Fust, Vice-President	1988	2025
Adrian Stürm	2008	2025
Christian Androschin	2022	2025
Bernhard Iseli	2022	2025
Till Fust	(Tornos Holding Ltd.: 2019) 2023	2025

## Internal Organization

The Board of Directors shall constitute itself, unless otherwise provided by law. The Chairman shall convene meetings of the Board of Directors if and when the need arises or upon the written request of any other member, at least four times a year. Except in urgent cases, callings for meetings are to be sent out five days before the meeting, stating the items for discussion.



All resolutions and summaries of the discussions must be recorded in the minutes. Minutes are to be signed by the Chairman and the Board Secretary. The Board Secretary is designated by the Board of Directors. He does not need to be Board Member of the Board of Directors. A majority of the Board of Directors must be present in order for resolutions to be validly adopted. No attendance quorum is required to determine the execution of a capital increase and to resolve the subsequent amendment of the Articles of Association. Resolutions shall be passed by a simple majority of the votes cast. In the event of a tied vote, the Chairman, who shall always cast a vote, shall have the casting vote. Resolutions can also be passed in writing by way of circular letter, provided no members request a verbal discussion of the item in question. These are to be included in the minutes.

In the reporting year, a total of five ordinary and four extraordinary Board meetings took place, with an average duration of four hours. Five of the meetings were held by conference call. Michel Rollier and François Frôté were excused at two extraordinary meetings. Walter Fust was excused at three meetings. Apart from that, all members of the Board of Directors participated at all meetings.

The tasks and responsibilities of the Remuneration Committee are presented in the Remuneration Report (from page 160).

In accordance with the simplifications stated in the Swiss Code of Best Practice for Corporate Governance, the Board of Directors has decided not to appoint an audit committee. The codex implies corresponding simplifications for small and medium companies as well as for companies with active majority shareholders.

## Definition of Areas of Responsibility

The Board of Directors has the overall responsibility for the management of the company as well as the supervision of the executive management. The Board of Directors has delegated most of the executive management powers to the CEO and the Executive Board. However, the Board of Directors remains responsible for tasks that legally cannot be delegated and other important business. These include in particular matters such as business strategy, approval of the annual budget, decisions with regard to acquisitions and important personnel matters.

## Information and Control Instruments Vis-à-Vis the Executive Board

Executive management control is exercised primarily through regular reporting by the Executive Board to the Board of Directors, in particular by means of:

- monthly and quarterly financial reports including commentary on the corresponding key figures (incoming orders, sales revenues, margins, profits, investments, liquidity, capital commitment);
- regular information about market and business developments as well as important projects;
- detailed information about market and business developments at every Board meeting, which are partially attended by the CEO and CFO and by other members of the Executive Board as required.

In addition, the Chairman of the Board of Directors discusses current developments with the CEO on a regular basis. Walter Fust as a member of the Board of Directors of Starrag Vuadens SA exercised further control functions.



## Risk Management

As a leading global manufacturer of precision machine tools, the StarragTornos Group is faced with various risks.

The most significant risks include:

- the weakening of the economic environment in customer markets as well as business cycles could lead to a reduction in demand,
- misjudgments of developments in customer markets or in the competitive environment could lead to missed business opportunities or losses,
- failure in research and development as well as other innovation-based activities could prevent business potential from being realized,
- a lack of availability of financial resources could impair the performance and operations of the StarragTornos Group,
- cyber attacks could affect operations across the Group and
- natural events (such as fires) could impair operating activities.

The Board of Directors and the Executive Board give high priority to the careful handling of strategic, financial and operational risks. The StarragTornos Group has a holistic risk management process which is analyzed every year by the Executive Board and the Board of Directors.

The following goals are pursued:

- systematically identifying special risks,
- establishing processes to monitor, reduce and ideally to prevent risks and
- finding the right balance between risks and opportunities.

The risk management system is based on a classic risk matrix involving the probability of occurrence and possible extent of damage (identification and classification) and includes internal instructions as well as a risk log, in which operational data as well as action planning for risk management are documented.

The Executive Board has appointed an officer to implement and moderate risk management, who reports directly to the CFO, as well as a responsible member of the Executive Board for each risk area. In the annual risk review, the risks are carefully identified, analyzed and evaluated, and appropriate measures are defined to reduce the risks. This information is documented in a comprehensive group-wide risk matrix. The implementation of the measures is monitored by the risk management officer. In business processes with recurring risks, the resolved measures are integrated as process steps in the operative processes of the daily business.

On an annual basis, the Executive Board reports on the nature, extent and assessment of significant risks and the measures taken for risk minimization to the Board of Directors. Risks in the area of accounting and financial reporting are monitored and reduced by a suitable internal control system. Additional information on financial risk management can be found on pages 188 to 190.

## Internal Auditing

In accordance with the simplifications stated in the Swiss Code of Best Practice for Corporate Governance, the Board of Directors has decided not to implement an internal audit.

The codex implies corresponding simplifications for small and medium companies as well as for companies with active majority shareholders.



# Executive Board

## Members of the Executive Board

The Board of Directors has appointed an Executive Board and has specified its powers and responsibilities in organisational guidelines and an accompanying functional chart.

### **Martin Buyle**

CEO (since 01.06.2024) and Division CEO Starrag Austrian, born 1974

#### **Previous activities for Starrag and Tornos:**

- CEO of the Starrag Group (2023)
- Managing Director of Starrag Technology GmbH (2020–2022)

#### **Committees:**

- None

#### **Mandates in listed companies:**

- None

#### **Mandates in non-listed companies and organizations:**

- Mozaiq Switzerland AG, Member of the Board

#### **Previous professional activities:**

- Orell Füssli, CEO (2014–2019)
- Jakob Müller AG, CEO and member of the Group Management (2009–2014, from 2013 Chairman)
- Kramer Werke GmbH, Managing Director (2005–2009)
- Roland Berger Strategy Consultants in Munich, Senior Consultant Competence Center Engineered Products/High-Tech (2002–2005)
- MTU Friedrichshafen GmbH, Development Engineer (1997–2000)

#### **Training—final qualification on completion of studies:**

- Degree in mechanical engineering, MBA (IESE Business School)



## **Jens Thing**

Division CEO Tornos

Swiss and Danish, born 1964

### **Previous activities for Starrag and Tornos:**

- CSO of the Tornos Group and member of the General Management (2020–2023)

### **Committees:**

- None

### **Mandates in listed companies:**

- None

### **Mandates in non-listed companies and organizations:**

- None

### **Previous professional activities:**

- Mikron Ltd. in Nidau, Regional Sales Manager (1987–1994)
- Mikron Ltd. in Hannover, Managing Director (1994–2000)
- Mikron Agie Charmilles Ltd. in Nidau, Head of Marketing and Sales Support Milling (2000–2008)
- Agie Charmilles Management Ltd. in Geneva, Head of Global Marketing (2008–2011) and Head of Business Unit Services and Group Management member (2011–2014)
- Haas Automation Europe NV in Brussels, Managing Director (2014–2020)

### **Training—final qualification on completion of studies:**

- Executive Master of Business Administration (MBA) degree from the University of Toronto (Canada), the University of St. Gallen (Switzerland), and the Rotman School of Management (Canada)

## **Markus Jäger**

Chief Financial Officer

Austrian and Liechtenstein, born 1962

### **Previous activities for Starrag and Tornos:**

- Senior Controller Division Starrag (03–09/2024)

### **Committees:**

- None

### **Mandates in listed companies:**

- None

### **Mandates in non-listed companies and organizations:**

- Jäger Markus Consulting GmbH, Schaan, Liechtenstein

### **Previous professional activities:**

- Hilti Group Liechtenstein and United States, Corporate Finance and various Controlling positions (1990–2004)
- Briggs & Stratton AG in Freienbach, CFO and Director Distribution (2004–2007)
- SFS Services AG in Heerbrugg, Head of Corporate Controlling (2008–2015)
- VAT AG in Haag, Head of Controlling, Treasury and Accounting (2015–2019)
- University of Liechtenstein in Vaduz, Rector and Executive Director (2019–2023)
- Jäger Markus Consulting GmbH in Schaan, Managing Partner (from 2024 and onwards)

### **Training—final qualification on completion and studies:**

- University of Innsbruck (Austria), Master's degree in Social and Economic Sciences, Executive Management programs at Thunderbird School of Global Management, Phoenix AZ (United States), Executive management programs at University of Zurich (Switzerland), IMD Lausanne (Switzerland)



## Maximum Number of Permissible Mandates

The members of the Executive Board may not hold more than 3 mandates in other companies, The following mandates are not subject to the aforementioned limitations:

- 1 Mandates in companies that are controlled by the company;
- 2 Mandates held at the request of the company or companies controlled by it; no member of the Board of Directors or the Executive Board may hold more than ten such mandates; and
- 3 Mandates in associations, charitable foundations, staff welfare foundations and associations; no member of the Board of Directors or the Executive Board may hold more than six such mandates.

Mandates are defined as mandates in comparable positions in other undertakings with commercial objects. Mandates in different legal entities that are under joint control are deemed to be a single mandate.

Acceptance of mandates/appointments outside the StarragTornos Group by members of the Executive Board requires prior approval by the Board of Directors.

## Management Contracts

There are no management contracts with companies outside the StarragTornos Group.





# Compensation, Loans and Participation

Information on compensation and loans are specified in the Remuneration Report (from page 160) and information regarding participation can be found in the Notes to the Financial Statement (from page 222).



# Shareholders' Participation Rights

Shareholders of Swiss stock corporations have extensive participation and protective rights. The protective rights include the right to inspection and information, the right to a special audit, the right to convene a General Meeting, the right to add topics to the agenda, the right to challenge resolutions and the right to raise claims regarding responsibility.

The participation rights include, in particular, the right to participate in General Meetings, the right to express opinions and the right to vote.

## Voting Rights Restrictions and Representation

There are no restrictions on voting rights for shareholders entered in the share register with voting rights. Every shareholder is entitled to be represented at the Annual General Meeting by a representative of their choice or by the independent proxy.

The Board of Directors determines the requirements for proxy and the instructions given to the independent voting representative.

## Statutory Quorum

There is no statutory quorum.

## Convening of the Annual General Meeting

The AGM must be held within six months of the end of our financial year (December 31), and normally takes place in April. The Board may at any time until June 30, 2028 also order that the AGM be held electronically without a venue.

Extraordinary General Meetings may be requested by the Board, the external auditor, or shareholders representing at least 3% of the share capital. A notice convening a General Meeting must be sent in writing or by electronic message to shareholders at least 20 days before the scheduled date of the General Meeting.



## Additions to the Agenda

The notice convening a General Meeting shall state the agenda items and the motions of the Board of Directors as well as any proposals by shareholders who have duly requested that a General Meeting be called or that an item be included in the agenda. Shareholders representing at least 0.5% of the share capital can request the addition to the agenda of an item to be discussed. Such inclusion must be requested in writing at least 40 days prior to the next scheduled General Meeting, specifying the agenda items to be discussed and shareholder proposals to be voted on.

## Registrations in the Share Register

The key date for the registration of registered shareholders in the share register with regard to attendance of the General Meeting will be set on a date about 10 days before the General Meeting.



# Changes in Control and Defense Measures

## Obligation to Make an Offer

There are no statutory regulations regarding “opting out” and “opting-up” which differ from law.

## Clauses on Changes in Control

There are no clauses on changes in control.



# Auditors

## Duration of the Mandate and Term of Office of the Auditor in Charge

PricewaterhouseCoopers AG, St. Gallen, has been the statutory and consolidated financial statement auditor since 1981. They are elected for a term of office of one year by the General Meeting. The auditor in charge, Oliver Kuntze, was first assigned the auditing mandate with the auditing of the 2019 financial statement. The rotation rhythm of the leading auditor corresponds to the maximum duration of seven years legally applicable for Swiss companies.

## Audit Fees

PricewaterhouseCoopers invoiced the StarragTornos Group CHF 451,000 in the 2024 financial year for services in connection with auditing the annual statements of StarragTornos Group AG and the Group companies (Starrag and Tornos), as well as the consolidated statements of the StarragTornos Group.

## Additional audit fees

During the 2024 financial year, PricewaterhouseCoopers invoiced additional fees amounting to a total of CHF 182,000. This comprises additional audit work closely related to the merger of Starrag and Tornos, such as merger audit, auditors work on the pro forma financials, etc.

## Supervisory and Control Instruments Pertaining to the Auditors

The external audit is supervised by the Board of Directors. The Board of Directors assesses the audit plan, the audit scope, the audit and the results of the audit. The auditor's report significant findings directly to the Board of Directors. In the reporting year, the auditor in charge attended one meeting of the Board of Directors. At this meetings, the audit plan, scope, and results of the audit, as well as other important aspects of auditing were discussed.



# Information Policy

The company informs its shareholders and the capital market in an open and timely fashion and with the highest possible levels of transparency. The most important information tools are the Annual and Half-year Reports, the [www.starragtornos.com](http://www.starragtornos.com) website, media releases, presentations for the media and analysts and the Annual General Meeting.

As a company listed on the stock exchange, the StarragTornos Group AG is required to disclose information relevant to the share price in accordance with the ad hoc publicity guidelines of the listing regulations of the SIX Swiss stock exchange. Any interested party can register at [www.starragtornos.com/en/e-mail-distribution/subscribe/](http://www.starragtornos.com/en/e-mail-distribution/subscribe/) to receive potential information relevant to the share price directly from the company via the e-mail distribution list.

## Calendar

### **17.04.2025**

Annual General Meeting 2025 in Rorschach, Switzerland

### **25.07.2025**

Publication of Half-year Report 2025

### **30.01.2026**

Sales and order situation 2025

### **13.03.2026**

Annual Report 2025, Media and Analysts' Conference

### **17.04.2026**

Annual General Meeting 2026 in Rorschach, Switzerland

The information mentioned will be published on our website [www.starragtornos.com](http://www.starragtornos.com) as far as possible.

Official announcements and invitations will be sent by post or electronically to shareholders using the addresses recorded in the share register. Public announcements prescribed by law are made by publication in the Swiss Official Gazette of Commerce.



## Trading blackout periods

### General trading restrictions

Purchase and sale of share of StarragTornos Group AG and corresponding financial instruments is prohibited for members of the Board of Directors, members of the Executive Board, members of the Division Management and employees of the accounting departments in Rorschacherberg, Moutier, Vuadens, Chemnitz and Mönchengladbach from the beginning of the year until the publication of the Annual Report and from July 1 until the publication of the Half-year Report.

### Special trading blackout periods

Both the Chairman (or the Vice-Chairman if the Chairman is prevented from attending or is absent) and the CEO are entitled in individual cases to set additional trading blackout periods for individual persons and to designate those persons who must comply with them. These trading blackout periods must be observed regardless of the personal assessment of their necessity and duration.

### Contact

Markus Jäger, CFO  
+41 71 858 81 11  
[investor@starragtornos.com](mailto:investor@starragtornos.com)



# Remuneration Report

162	1	Remuneration at a Glance
163	2	Governance Framework for Remuneration
166	3	Remuneration System and Elements
169	4	Remuneration of the Board of Directors
171	5	Remuneration of the Executive Board
174	6	Information on Shareholdings
175	7	Information on Functions in other Companies and Associations

---





This report sets out the principles, programs, and governance framework for the remuneration of the Board of Directors and members of the Executive Board of the StarragTornos Group. In addition, the report contains detailed information on the remuneration programs and remuneration paid to the Board of Directors and to the Executive Board for the 2024 financial year.

The report conforms to the relevant regulatory provisions, i.e. the revised law on companies limited by shares, the SIX Swiss Exchange Directive on Information relating to Corporate Governance, and the Swiss Code of Best Practice for Corporate Governance of the Swiss umbrella organisation *economiesuisse*.



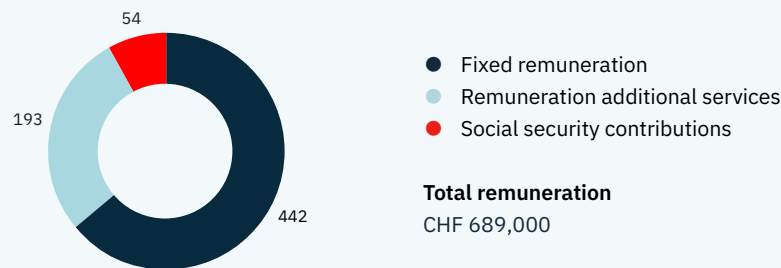
# 1 Remuneration at a Glance

## 1.1 Remuneration of the Board of Directors

The total remuneration of the Board of Directors (BoD), consisting of eight members until the Annual General Meeting on April 20, 2024, were composed as follows for the reporting period. The variable compensation of the Board of Directors is paid out after the Annual General Meeting of the following year provided that the business results for the year in question allow for such payment.

### Total remuneration BoD 2024 financial year

CHF 1 000

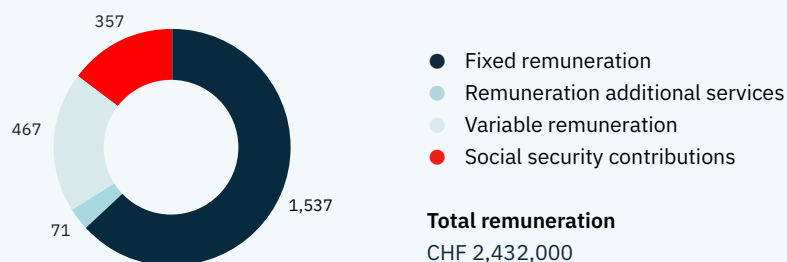


## 1.2 Remuneration of the Executive Board

The Executive Board consisted of four members (Michael Hauser, Martin Buyle, Jens Thing, Stéphane Pittet) in the first half of the reporting year. Michael Hauser, who has led the Group as both CEO and Chairman of the Board of Directors since the successful merger of Starrag and Tornos, handed over operational responsibility to Martin Buyle on June 1, 2024, and stepped down from his position as Chairman of the Board of Directors. From that date, the Executive Board comprised three members (Martin Buyle, Jens Thing and Stéphane Pittet). The Board of Directors of StarragTornos Group AG appointed Markus Jäger as the new Chief Financial Officer (CFO) and a member of the Executive Board of the StarragTornos Group effective October 1, 2024, replacing Stéphane Pittet.

### Total remuneration Executive Board 2024 financial year

CHF 1 000





## 2 Governance Framework for Remuneration

### 2.1 Involvement of shareholders

Over the past few years, the shareholders have played an increasingly important role in matters relating to remuneration. In particular, the Annual General Meeting approves the Articles of Association and their remuneration-related provisions (§ 17a–17e). These can be viewed under the heading “Governance” on the StarragTornos Group website. The General Meeting has in accordance with § 13 of the Articles of Association the following powers:

- Election and dismissal of members of the Remuneration Committee (section 3)
- Approval of the remuneration of the Board of Directors and the Executive Board (section 10)

The Annual General Meeting approves the maximum aggregate compensation of the Board of Directors for the period until the next Annual General Meeting as well as the maximum aggregate compensation of the Executive Board for the financial year following the Annual General Meeting. The Board of Directors may submit deviating or additional proposals to the Annual General Meeting for the same or a different period for approval (§ 17b para. 4 of the Articles of Association).

Pursuant to §17b para. 6 of the Articles of Association, for members of the Executive Board, who are appointed after the approval of the maximum total amount, an additional amount in accordance with Art. 735a of the Swiss Code of Obligations exists in the amount of 40% of the approved total amount for the Executive Board.

Pursuant to Art. 735 para. 3 section 4 of the Swiss Code of Obligations and § 17b para. 8 of the Articles of Association, the Board of Directors submits the Remuneration Report to the Annual General Meeting for a consultative vote on an annual basis.

Pursuant to §17e of the Articles of Association, loans and credits granted by the company to a member of the Executive Board or guarantees of other forms of security may not exceed three times the annual salary of the respective member of the Executive Board.

Pension benefits for members of the Board of Directors and the Executive Board are only paid out in the context of domestic and foreign pension plans and comparable plans of the company or its group companies. The benefits for the insured and the employer contributions arise from the above-mentioned plans and the corresponding regulations.



## 2.2 Remuneration Committee

### 2.2.1 Organization and tasks

According to the Articles of Association (§ 17a), the Remuneration Committee consists of one or more members. The Annual General Meeting individually elects the members of the Remuneration Committee for the term of office until the conclusion of the next Annual General Meeting. At the Annual General Meeting on April 20, 2024, Walter Fust and Bernhard Iseli were re-elected to the Remuneration Committee, Walter Fust as its Chairman.

The Remuneration Committee convenes as often as business requires. In the year under review, the Remuneration Committee held several meetings, both via video link and in person. The tasks and responsibilities of the Remuneration Committee comprise the following:

- Preparation and periodic review of the remuneration policy and principles of StarragTornos— Review of the remuneration system, the resulting payments to the Executive Board, and the compliance of these with the Articles of Association
- Annual review of the individual remuneration of the CEO, the members of the Executive Board, and the members of the Board of Directors, as well as regular benchmarking with regard to remuneration
- Review, adaptation, and approval of the performance assessment of the CEO and the other members of the Executive Board
- Preparation of all relevant decisions of the Board of Directors in relation to remuneration of the members of the Board of Directors and the Executive Board, and discussion of the Remuneration Report with the external auditors

As required, the Remuneration Committee consulted with the Chairman of the Board of Directors, the CEO, the CFO and the Head of Human Resources. The Committee Chairman may also invite other individuals as appropriate. The CEO does not participate in the meeting when their own remuneration is under discussion.

The Remuneration Committee reports on its activities at each meeting of the Board of Directors and submits the corresponding proposals to the Board of Directors.

The table on the next page summarizes the decision-making powers for the most important remuneration-related topics as stipulated by the Articles of Association and the Organizational Regulations of StarragTornos:



Decision-making powers	CEO	Remuneration Committee	Board of Directors	Annual General Meeting
<b>Topic</b>				
Remuneration policy		proposes	approves	
Maximum total remuneration of the Board of Directors		proposes	proposes	approves (binding vote)
Individual remuneration of the members of the Board of Directors		proposes	approves	
Maximum total remuneration of the Executive Committee		proposes	proposes	approves (binding vote)
Individual remuneration and terms of employment of the CEO		proposes	approves	
Individual remuneration and terms of employment of the members of the Executive Committee	proposes	proposes	approves	
Remuneration Report		proposes	approves	approves (consultative vote)

The Board of Directors is responsible for approving the actual remuneration of the individual members of the Board of Directors and the Executive Board within the limits of the maximum remuneration approved by the Annual General Meeting.

### 2.2.2 Focus topics in the reporting year

In the reporting year, the Remuneration Committee held several meetings in accordance with a predefined annual schedule focusing on the following topics:

#### Review of the remuneration strategy, policy, and governance

Proposal to the Board of Directors on the remuneration policy for members of the Board of Directors and of the Executive Board

Introduction of a new incentive plan for the members of the Executive Board and Division Management

Preparation of proposals to the Annual General Meeting on the maximum total remuneration of the Board of Directors and Executive Board for the attention of the Board of Directors

Preparation of the Remuneration Report for approval by the members of the Board of Directors

#### Remuneration of the Board of Directors

Proposal for remuneration for the next term of office

#### Remuneration of the Executive Board

Setting of management KPIs and objectives

Benchmark studies related to the remuneration matrix



## 3 Remuneration System and Elements

### 3.1 Remuneration of the Board of Directors

#### 3.1.1 Principles of the remuneration policy

The remuneration of the Board of Directors is guided by the market situation and specific tasks.

The structure and amount of the remuneration of the Board of Directors are periodically reviewed on the basis of publicly available information on comparable Swiss companies. Comparable companies are defined as globally active companies listed in Switzerland of a similar size (market capitalization, sales, number of employees) and complexity. No such review was carried out in the reporting year.

#### 3.1.2 Remuneration matrix

+ Fixed remuneration
+ Remuneration additional services
+ Variable remuneration
+ Social security contributions
<b>= Total remuneration</b>

#### 3.1.3 Description of remuneration elements

##### Fixed remuneration

The annual base fee in cash is CHF 130,000 for the Chairman of the Board of Directors and CHF 50,000 for the remaining members. The fees are paid monthly.

##### Remuneration additional services

The members of the Remuneration Committee (including the Chairman) receive an annual additional fee of CHF 5,000. The additional fee for the members of the Remuneration Committee and lump-sum expenses are paid out in cash annually after the Annual General Meeting. The latter amount to CHF 36,000 per annum for the Chairman of the Board of Directors and CHF 12,000 for the other members of the Board of Directors. Other services provided by individual members of the Board of Directors on behalf of the Board of Directors are also reported under this heading.



### Variable remuneration

The basis for determining the variable performance-based compensation for the members of the Board of Directors is the net profit, reduced by a preliminary interest on equity. The Board of Directors determines the amount of the preliminary interest, the share of each individual member of the Board of Directors in the calculation basis, as well as other details (payment conditions, payment timing, any limitation of the variable performance-based compensation, etc.) annually based on the budget and amounts to 50% of the maximum amount of CHF 125,000 provided that the budget target is met in full.

### Social security contributions

The social security contributions comprise the statutory Swiss social security contributions on the total remuneration, the employer's share of the statutory social security contributions, and lump-sum expenses. The Board of Directors' fees are not insured in the pension fund of StarragTornos.

## 3.2 Remuneration of the Executive Board

### 3.2.1 Principles of the remuneration policy

The StarragTornos Group is committed to ensuring modern, attractive, and competitive conditions of employment, and pays variable salary components to the members of the Executive Board and Division Management.

### 3.2.2 Remuneration matrix and overview of variable remuneration plans

+ Fixed remuneration
+ Remuneration additional services
+ Variable remuneration
+ Social security contributions
<b>= Total remuneration</b>

### 3.2.3 Description of remuneration elements

#### Fixed remuneration

The fixed base salary is paid out monthly in cash and is based on the following factors:

- Scope and responsibilities of the respective function (job profile)
- Market value of the role (competitiveness)
- Internal peer comparisons (internal equity)
- Individual profile of the employee (skills, expertise, experience, and performance)

#### Variable remuneration

The Board of Directors determines the variable performance-based compensation for the members of the Executive Board based on individual, area-specific, and/or collective success components



dependent on consolidated results. Success components may include, in particular, order intake, revenue, operating profit (EBIT), net profit, and other key performance indicators. The Board of Directors may also link the variable performance-based compensation to the achievement of other company objectives. All targets are agreed in writing at the beginning of the year.

The amount of variable remuneration is determined as follows:

	CEO	Head of Division	CFO
Fixed remuneration	100%	100%	100%
Variable remuneration	100%	80%	50%
Multiplier target -> max.	1.5	1.5	1.5
Variable remuneration max.	150%	120%	75%
<b>Total remuneration max.</b>	<b>250%</b>	<b>220%</b>	<b>175%</b>

The financial performance measurement was based on the following key performance indicators (KPIs):

- Net sales
- Operating result (EBIT)
- Net working capital (NWC)

Based on the results achieved, the payment factor is determined for each agreed performance indicator.

#### **Social security contributions**

The members of the Executive Board are covered by social security in accordance with the statutory regulations and participate in the social security and pension plans. The primary purpose of this is to ensure an appropriate standard of living for the members of the Executive Board and their dependents after retirement or in the event of sickness, disability, or death.

The salaries of members of the Executive Board are insured up to a defined limit through the regular pension fund for employees in Switzerland, as well as through a separate pension plan for additional amounts. The plan benefits exceed the statutory provisions of the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVG) and correspond to the standard market practice of other industrial companies in Switzerland.

In addition, members of the Executive Board are entitled to certain customary fringe benefits such as a company car and other benefits in kind. Executive Board members also receive a lump-sum expense allowance in line with the applicable expense regulations approved by the tax authorities.





## 4 Remuneration of the Board of Directors

The following tables in sections 4.1 and 4.2 list the remuneration of the individual members of the Board of Directors for 2024 (8 members) and 2023 (8 members) terms of office.

### 4.1 Remuneration of the Board of Directors for the 2024 term of office (audited)

						2024
CHF 1 000	Fixed remuneration	Remuneration additional services <sup>1)</sup>	Variable remuneration	Social security contributions		Total
<b>Total amount Board of Directors (StarragTornos Group AG)</b>						<b>689</b>
	<b>442</b>	<b>193</b>	-	<b>54</b>		
<i>Variable as percentage of the sum of fix and variable remuneration</i>			0%			
Walter Fust	50	17	-	7		<b>74</b>
Michael Hauser (Chairman)	130	36	-	15		<b>181</b>
Bernhard Iseli	50	17	-	10		<b>77</b>
Adrian Stürm	50	12	-	10		<b>72</b>
Christian Androschin	50	103	-	3		<b>156</b>
Till Fust	60	8	-	5		<b>73</b>
François Frôté (pro-rata until April 20, 2024)	26	-	-	2		<b>28</b>
Michel Rollier (pro-rata until April 20, 2024)	26	-	-	2		<b>28</b>

<sup>1)</sup> Christian Androschin received an additional remuneration for his activities in connection with post merger consulting services.



## 4.2 Remuneration of the Board of Directors for the 2023 term of office (audited)

						2023
CHF 1 000	Fixed remuneration <sup>1)</sup>	Remuneration additional services <sup>2)</sup>	Variable remuneration	Social security contributions		Total
<b>Total amount Board of Directors (former Starrag Group Holding AG and Tornos Holding Ltd.)</b>	<b>537</b>	<b>72</b>	<b>360</b>	<b>52</b>		<b>1.021</b>
<i>Variable as percentage of the sum of fix and variable remuneration</i>			40%			
Walter Fust <sup>1)</sup>	90	5	72	9		<b>176</b>
Michael Hauser (Chairman)	130	-	72	13		<b>215</b>
Bernhard Iseli <sup>2)</sup>	50	39	72	10		<b>171</b>
Adrian Stürm	50	-	72	8		<b>130</b>
Christian Androschin <sup>2)</sup>	50	28	72	10		<b>159</b>
Till Fust	40			3		<b>43</b>
François Frôté	84	-	-	-		<b>84</b>
Michel Rollier	43	-	-	-		<b>43</b>

<sup>1)</sup> Walter Fust was a member of the BoD of Starrag Group Holding AG and Tornos Holding Ltd.

<sup>2)</sup> Christian Androschin received additional remuneration for his activities in connection with the merger and Bernhard Iseli for his activities alternate until Martin Buyle took up his position.

## 4.3 Development of remuneration paid to the Board of Directors

The total remuneration for the Board of Directors decreased by CHF 0.33 million in the year under review compared to the prior year. This reduction is attributable to the fact that the Board of Directors had fewer members, but also to the absence of variable fees on account of insufficient net profit. No adjustments were made to the fees for the Board of Directors during the reporting year.

## 4.4 Compliance of remuneration paid to the Board of Directors

At the Annual General Meeting on April 20, 2024, a maximum amount of CHF 1.25 million was approved for the total remuneration for the Board of Directors for the period from the 2024 Annual General Meeting to the 2025 Annual General Meeting. The actual total remuneration of the members of the Board of Directors in the year 2024 amounted to CHF 0.69 million (prior year: CHF 1.02 million).

The remuneration paid is in accordance with Swiss law, the provisions of the Articles of Association, and the regulations for the remuneration of the Board of Directors.

No loans or credits were granted to members of the Board of Directors or related parties in the reporting year.



# 5 Remuneration of the Executive Board

## 5.1 Remuneration of the Executive Board for the 2024 financial year (audited)

						2024
CHF 1 000	Fixed remuneration	Remuneration additional services	Variable remuneration	Social security contributions		Total
<b>Total amount Executive Board (StarragTornos Group AG)</b>	<b>1 537</b>	<b>71</b>	<b>467</b>	<b>357</b>		<b>2 432</b>
<i>Variable as percentage of the sum of fix and variable remuneration</i>			23%			
Thereof:						
Martin Buyle CEO (from 01.06.2024)	346	12	60	91		<b>509</b>
<i>Variable as percentage of total remuneration</i>			15%			
Thereof:						
Michael Hauser CEO (until 31.05.2024)	545	31	222	129		<b>927</b>
<i>Variable as percentage of total remuneration</i>			29%			

Remuneration is reported on a gross basis (including 13<sup>th</sup> month's salary and company car salary component).

Remuneration for additional services includes a lump-sum.

The reported pension and social security contributions include the employer contributions.

Michael Hauser (CEO until May 31, 2024), salary for the whole of 2024 (according to working and separation agreement).

Martin Buyle (CEO from June 1, 2024), salary for full year 2024.

## 5.2 Disclosure of performance in the reporting year

At StarragTornos level, the pay-out factors (referring to the proportionate variable target remuneration) per performance parameter in the reporting year are as follows:

Performance indicator	Target achievement	Minimum target value pay-out factor 0%	Target value pay-out factor 100%	Maximum target value pay-out factor 150%
Net sales	79%	●		
EBIT	38%	●		
Net working capital	74%		●	

Payout factor based on consolidated Group result.



The target attainment factors amount to less than 100% because the sales figures, EBIT margins, and reduction in net working capital achieved were below the respective budgets. The factors influencing these results included:

- Continuous strengthening of the Swiss franc
- Generally cautious investment activity among customers
- A weak economic situation in Asia and particularly in China
- A weak business climate in the medtech and luxury goods sectors
- Reduction of OPEX costs failed to match the fall in sales
- Inventory reduction did not match the fall in sales.

The average pay-out factor for all active members of the Group Executive Board is 18% below the target value (previous year: not comparable, different models). This means that the variable compensation in 2024 for the members of the Group Executive Board is between 4% and 56% of the fixed base salary (previous year: not comparable, different models). The total variable compensation for the Group Executive Board is 29% of the fixed compensation (previous year: 96%).

### 5.3 Remuneration of the Executive Board for the 2023 financial year (audited)

						2023
CHF 1 000	Fixed remuneration	Remuneration additional services	Variable remuneration	Social security contributions	Total	
<b>Total amount Executive Board (former Starrag Group Holding AG)</b>	<b>2 359</b>	<b>15</b>	<b>2 690</b>	<b>760</b>	<b>5 824</b>	
<i>Variable as percentage of the sum of fix and variable remuneration</i>			53%			
Thereof:						
Christian Walti (CEO)	381	-	358	111	<b>850</b>	
<i>Variable as percentag of the sum of fix and variable remuneration</i>			48%			
<b>Total amount Executive Board (former Tornos Holding Ltd. as of 01.07.2023)</b>	<b>575</b>	<b>-</b>	<b>133</b>	<b>179</b>	<b>887</b>	
<i>Variable as percentag of the sum of fix and variable remuneration</i>			19%			
Thereof:						
Michael Hauser CEO (from 01.07.2023)	283	-	71	69	<b>423</b>	
<i>Variable as percentag of the sum of fix and variable remuneration</i>			20%			
<b>Total amount Executive Board</b>	<b>2 934</b>	<b>15</b>	<b>2 823</b>	<b>939</b>	<b>6 711</b>	



## 5.4 Development of remuneration paid to the Executive Board

The total remuneration for the active Executive Board decreased to CHF 2.43 million in the year under review compared to the previous year. This decrease is primarily attributable to the following:

- The number of members of the Executive Board in 2024 was lower than in the prior year.
- New calculation model for variable remuneration in relation to the performance criteria of sales, EBIT, and net working capital.
- As announced at the time of the merger, the 2025 forecast was used as the target value for the performance calculation. This forecast was not met.
- Lower figures for variable remuneration. The variable remuneration decreased by CHF 2,36 million in the year under review compared to the previous year.

## 5.5 Compliance of remuneration to the Executive Board

For the 2024 financial year, the active and former members of the Executive Board received total remuneration amounting to CHF 2.43 million (previous year: CHF 6.71 million). This complied with the maximum total remuneration for the Executive Board of CHF 5.6 million approved at the Annual General Meeting of April 21, 2023.

The remuneration paid out is in accordance with Swiss law and the law of the country of employment, the provisions of the Articles of Association, and internal regulations.

On December 31, 2024, there were no open loan or credit contracts between the company and members of the Executive Board or related third parties.



## 6 Information on Shareholdings

### 6.1 Equity holdings of the members of the Board of Directors

The shareholdings of the members of the Board of Directors are verified by the external statutory auditors within the scope of the audit of the statutory Annual Financial Statements of StarragTornos. The following table lists the shareholdings of the individual members of the Board of Directors and of related parties.

	Number at 31.12.2024		Number at 31.12.2023	
	Shares	Options	Shares	Options
Michael Hauser, Chairman	12 687	6 354	12 687	6 354
Walter Fust, Vice-Chairman	2 846 564	-	2 846 564	-
François Frôté, Member (until 25.04.2024)	n/a	n/a	22 942	1 694
Till Fust, Member	846	1 271	846	1 695
Michel Rollier, Member (until 25.04.2024)	n/a	n/a	302 209	2 541
Adrian Stürm, Member	41 687	-	41 187	-

### 6.2 Equity holdings of the members of the Executive Board

The shareholdings of the members of the Executive Board are verified by the external statutory auditors within the scope of the audit of the statutory Annual Financial Statements of StarragTornos. The table below shows the shareholdings of the individual members of the Executive Board and of related parties.

	Number at 31.12.2024		Number at 31.12.2023	
	Shares	Options	Shares	Options
Jens Thing, Division CEO Tornos	6 354	-	6 354	3 706
Stéphane Pittet, CFO (until 30.09.2024)	n/a	n/a	2 118	4 236



## 7 Information on Functions in other Companies and Associations

### 7.1 Functions of the members of the Board of Directors in other companies and associations (audited)

The table below lists all the functions of the individual members of the Board of Directors in other companies and associations that pursue an economic purpose.

In 2024	Company	Function
Michael Hauser	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Chair of the Board and CEO (until 31.05.2024)
	Schlatter Industries AG	Member of the Board (Chair of the Remuneration and Compensation Committee)
	<b>Mandates in non-listed companies and organizations</b>	
	SWISSMEM Swiss Association of Mechanical, Metal and Electric Engineering Industries	Member of the Board
	CECIMO European Association of Manufacturing Technologies	Swiss Delegate and Member of the Board
	L'incubateur i-moutier	Chair of the Board
<hr/>		
In 2024	Company	Function
Fust Walter	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Member of the Board
	<b>Mandates in non-listed companies and organizations</b>	
	Starrag Vuadens SA	Chairman of the Board of Directors (2017–2024) Member of the Board of Directors (2012–2016)
	Immofust AG	Chair of the Board
	L'incubateur i-moutier	Member of the Board
	Fraunhofer Institute IWU University of Chemnitz	Member of the council (until 30.06.2024)
<hr/>		
In 2024	Company	Function
Christian Androschin	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Member of the Board



<b>Mandates in non-listed companies and organizations</b>		
	Androschin & Partner Management Consulting GmbH	Managing Director
	A&P Consulting GmbH	Managing Director
	Rhein Management AG	Member of the Board
	Weber Ultrasonics AG	Member of the Board
	Hübers Beteiligungs GmbH	Member of the Board
	tmax Holding GmbH	Member of the Board

<b>In 2024</b>	<b>Company</b>	<b>Function</b>
Till Fust	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Member of the Board
	<b>Mandates in non-listed companies and organizations</b>	
	Solarify GmbH	Managing Partner
	Solarify Holding AG	Managing Partner

<b>In 2024</b>	<b>Company</b>	<b>Function</b>
Bernhard Iseli	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Member of the Board
	<b>Mandates in non-listed companies and organizations</b>	
	scenarioC GmbH	Managing Partner
	Krämer AG	Member of the Board

<b>In 2024</b>	<b>Company</b>	<b>Function</b>
Adrian Stürm	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Member of the Board
	<b>Mandates in non-listed companies and organizations</b>	
	Eduard Stürm AG	Chair of the Board
	Holz Stürm AG	Chair of the Board
	Eduard Stürm Immobilien AG	Chair of the Board
	Holz Michel AG	Member of the Board (until 31.05.2024)





## 7.2 Functions of the members of the Executive Board in other companies and associations (audited)

The table below lists all the functions of the individual members of the Executive Board in other companies and associations that pursue an economic purpose.

In 2024	Company	Function
Martin Buyle	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	CEO (from 01.06.2024) and Division CEO Starrag
	<b>Mandates in non-listed companies and organizations</b>	
	Mozaiq Switzerland AG	Member of the Board
<hr/>		
In 2024	Company	Function
Jens Thing	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Division CEO Tornos
	<b>Mandates in non-listed companies and organizations</b>	
-		
<hr/>		
In 2024	Company	Function
Markus Jäger	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	CFO (from 01.10.2024)
	<b>Mandates in non-listed companies and organizations</b>	
Jäger Markus Consulting GmbH	Managing Director	



## Report of the statutory auditor



### Report of the statutory auditor to the General Meeting of StarragTornos Group AG, Rorschacherberg

#### Report on the audit of the Remuneration Report

##### Opinion

We have audited the remuneration report of StarragTornos Group AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to article 734a-734f of the Swiss Code of Obligations (CO) in the tables (4.1, 4.2, 5.1, 5.3, 7.1 and 7.2) marked 'audited' on pages 169-172 and 175-177 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the remuneration report (pages 169-172 and 175-177) complies with Swiss law and the Company's articles of incorporation.

##### Basis for opinion

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

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

##### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the tables marked 'audited' in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

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

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

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

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

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

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

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

PricewaterhouseCoopers AG, Kornhausstrasse 25, 9000 St. Gallen  
Telefon: +41 58 792 72 00, [www.pwc.ch](http://www.pwc.ch)

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.



error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

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

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

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

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

PricewaterhouseCoopers AG

Oliver Kuntze  
Licensed audit expert  
Auditor in charge

Kirsten Bodyl  
Licensed audit expert

St. Gallen, 13 March 2025



# Financial Report

## Consolidated Financial Statement

182	Consolidated Income Statement
183	Consolidated Balance Sheet
184	Consolidated Cash Flow Statement
185	Consolidated Statement of Shareholders' Equity
186	Notes to the Consolidated Financial Statements
213	Report of the Statutory Auditor

## Financial Statement StarragTornos Group AG

220	Income Statement
221	Balance Sheet
222	Notes to the Financial Statements
227	Appropriation of Retained Earnings
228	Report of the Statutory Auditor

---



# Consolidated Income Statement

	CHF 1 000	2024 01.01. – 31.12.	2023 01.01. – 31.12.
Net sales	1	494 056	409 000
Other operating income	2	5 860	3 054
Change in inventory of finished and unfinished goods		-5 620	12 816
Cost of materials and components		-207 434	-189 949
Personnel expenses	3	-183 288	-136 700
Other operating expenses	4	-76 041	-54 730
<b>EBITDA</b>		<b>27 533</b>	<b>43 491</b>
Depreciation on tangible fixed assets	10	-10 329	-6 488
Amortization on intangible fixed assets	11	-1 781	-1 317
<b>Operating result EBIT</b>		<b>15 423</b>	<b>35 686</b>
Financial result	5	-2 893	-3 993
<b>Ordinary result</b>		<b>12 530</b>	<b>31 693</b>
Non-operating result	6	2 483	-73
<b>Earnings before income taxes</b>		<b>15 013</b>	<b>31 620</b>
Income tax expenses	17	-3 163	-6 444
<b>Net profit</b>		<b>11 850</b>	<b>25 176</b>
Thereof Shareholders of the company		11 850	25 176
Earnings per share in CHF	7	2.17	7.21
Diluted earnings per share in CHF	7	2.17	7.21

The enclosed notes are part of the consolidated financial statements.



# Consolidated Balance Sheet

	CHF 1 000	31.12.2024	31.12.2023
Cash and cash equivalents		60 701	60 232
Receivables from goods and services	8, 16	113 814	102 730
Other receivables		8 456	7 751
Inventories	9	215 520	231 022
Prepaid expenses and accrued income		2 234	3 751
<b>Total current assets</b>		<b>400 725</b>	<b>405 486</b>
Tangible fixed assets	10	135 267	130 635
Intangible fixed assets	11	3 066	2 238
Deferred tax assets	17	11 812	8 827
<b>Total non-current assets</b>		<b>150 145</b>	<b>141 700</b>
<b>Total assets</b>		<b>550 870</b>	<b>547 186</b>

	CHF 1 000	31.12.2024	31.12.2023
Current borrowings	12	36 501	18 284
Trade payables from goods and services		29 626	37 295
Other current liabilities		24 856	21 914
Current provisions	13	6 939	7 200
Current accrued liabilities and deferred income	14, 16	86 516	99 432
<b>Total current liabilities</b>		<b>184 438</b>	<b>184 125</b>
Non-current borrowings	12	24 471	22 117
Non-current provisions	13	25 851	24 634
<b>Total non-current liabilities</b>		<b>50 322</b>	<b>46 751</b>
<b>Total liabilities</b>		<b>234 760</b>	<b>230 876</b>
Share capital	23	46 437	46 437
Capital reserves		128 331	135 160
Retained earnings		141 342	134 713
<b>Total shareholders' equity</b>	15	<b>316 110</b>	<b>316 310</b>
<b>Total liabilities and shareholders' equity</b>		<b>550 870</b>	<b>547 186</b>

The enclosed notes are part of the consolidated financial statements.



# Consolidated Cash Flow Statement

	CHF 1 000	2024 01.01. – 31.12.	2023 01.01. – 31.12.
Net profit		11 850	25 176
Depreciation / Amortization of tangible fixed and intangible fixed assets	10, 11	12 365	7 805
Change in non-current provisions and deferred tax assets		-1 744	2 657
Other non-cash items		-60	-3 380
Change in			
Receivables from goods and services		-13 389	12 507
Inventories		16 926	-9 829
Other receivables and deferred expenses		878	4 484
Trade payables		-5 998	4 862
Other current liabilities and accrued expenses and deferred income		-13 108	-21 843
<b>Cash flow from operating activities, net</b>		<b>7 720</b>	<b>22 439</b>
Capital expenditure for:			
Acquisition Tornos Holding Ltd.	27	-	15 848
Tangible fixed assets		-15 317	-9 467
Intangible fixed assets		-2 613	-682
Disposals of fixed assets		3 181	56
<b>Cash flow from investing activities, net</b>		<b>-14 749</b>	<b>5 755</b>
Decrease in current borrowings		-	-
Increase in current borrowings		18 167	18 087
Increase in non-current borrowings		2 285	-
Dividend payment		-13 658	-6 720
<b>Cash flow from financing activities, net</b>		<b>6 794</b>	<b>11 367</b>
Currency translation		704	-811
Net change in cash and cash equivalents		469	38 750
Cash and cash equivalents at beginning of period		60 232	21 482
<b>Cash and cash equivalents at end of period</b>		<b>60 701</b>	<b>60 232</b>

Starrag Group Holding AG and Tornos Holding Ltd. have merged on December 7, 2023 by a non-cash transaction. The share capital has been increased and additional capital has been paid-in (consolidated statement of shareholders' equity) (page 185). The capital expenditure for this business combination CHF 15.8 million includes the cash taken over at acquisition date subtracted by transaction costs.

The enclosed notes are part of the consolidated financial statements.





# Consolidated Statement of Shareholders' Equity

CHF 1 000	Share capital	Capital reserves	Currency translation	Goodwill/ neg. goodwill/ offset	Other reserves	Retained earnings	Shareholders' equity of the company	Total Shareholders' equity
<b>01.01.2023</b>	<b>28 560</b>	<b>50 204</b>	<b>-10 450</b>	<b>-26 206</b>	<b>130 372</b>	<b>93 716</b>	<b>172 480</b>	<b>172 480</b>
Increase in share capital	17 877	88 316	-	-	-	-	106 193	106 193
Negative Goodwill	-	-	-	23 335	-	23 335	23 335	23 335
Net income	-	-	-	-	25 176	25 176	25 176	25 176
Currency translation	-	-	-5 689	1 135	400	-4 154	-4 154	-4 154
Dividend payment	-	-3 360	-	-	-3 360	-3 360	-6 720	-6 720
<b>31.12.2023</b>	<b>46 437</b>	<b>135 160</b>	<b>-16 139</b>	<b>-1 736</b>	<b>152 588</b>	<b>134 713</b>	<b>316 310</b>	<b>316 310</b>
Net income	-	-	-	-	11 850	11 850	11 850	11 850
Share-based compensation	-	-	-	-	252	252	252	252
Currency translation	-	-	1 541	-185	-	1 356	1 356	1 356
Dividend payment	-	-6 829	-	-	-6 829	-6 829	-13 658	-13 658
<b>31.12.2024</b>	<b>46 437</b>	<b>128 331</b>	<b>-14 598</b>	<b>-1 921</b>	<b>157 861</b>	<b>141 342</b>	<b>316 110</b>	<b>316 110</b>

The enclosed notes are part of the consolidated financial statements.



# Notes to the Consolidated Financial Statement

StarragTornos Group is one of the world's leading suppliers in the machine tool industry. In its two divisions, Starrag and Tornos, the Group develops, manufactures, and distributes precision machine tools for milling, turning, boring, grinding, and complete machining of workpieces made of metal, composite materials, and ceramics.

StarragTornos's customers include leading companies in the medical and dental technology, luxury goods, aerospace, energy, and transportation industries. In addition to its machine tool portfolio, StarragTornos Group offers comprehensive technology and after-sales services. StarragTornos Group employs a total of around 2,000 people.

The Group's headquarters are located in Rorschacherberg (Switzerland). StarragTornos Group operates sales and service, production and development sites in Switzerland, Germany, France, Italy, Spain, Poland, UK, USA, Mexico, Brazil, China, Thailand, the Taiwan region, and India. The Group also has sales and service companies in all major customers' countries.

StarragTornos Group AG is listed on SIX Swiss Exchange (ticker symbol STGN, security number 236106, ISIN CH0002361068).

As of December 31, 2024, and as of the end of the prior year, the company held the following direct or significant indirect shareholdings, each of which representing an equity share and voting rights of 100% (unless otherwise indicated):

- Starrag Group Holding GmbH, Chemnitz, Germany (capital share 100%, share capital EUR 4,500,000)
- Starrag Group Holdings Ltd., Birmingham, UK (capital share 100%, share capital GBP 50,000)
- Starrag AG, Rorschacherberg, Switzerland (capital share 100%, share capital CHF 10,000,000)
- Starrag GmbH, Chemnitz, Germany (capital share 100%, share capital EUR 5,113,000)
- Starrag SAS, Saint-Etienne, France (capital share 100%, share capital EUR 3,300,000)
- Starrag Service Center GmbH & Co. KG, Ichttershausen, Germany (capital share 100%, share capital EUR 77,000)
- Starrag Technology GmbH, Mönchengladbach, Germany (capital share 100%, share capital EUR 2,500,000)
- Starrag Vuadens SA, Vuadens, Switzerland (capital share 100%, share capital EUR 487,000)
- Toolroom Technology Limited, Haddenham, UK (capital share 100%, share capital GBP 20,000)
- Starrag (Shanghai) Co. Ltd., Shanghai, China (capital share 100%, share capital CNY 1,548,000)
- Starrag India Private Limited, Bangalore, India (capital share 100%, share capital INR 848,351,000)
- Starrag Italia Sri, Rivoli, Italy (capital share 100%, share capital EUR 10,000)
- Starrag RU Ltd., Moscow, Russia (in the process of liquidation) (capital share 100%, share capital RUB 2,000,000)



- Starrag UK Limited, Birmingham, UK (capital share 100%, share capital GBP 1,000,000)
- Starrag USA Inc., Hebron USA (capital share 100%, share capital USD 30,000)
- Starrag Makina Ticaret ve Servis Ltd., Ankara, Turkey (in the process of liquidation) (capital share 100%, share capital TRY 5,000)
- Starrag Mexico, S. de R.L. de C.V., San Pedro Garcia, Mexico (capital share 100%, share capital MXN 3,000)
- Starrag Grundstücksvermietungsgesellschaft mbH, Mönchengladbach, Germany (capital share 100%, share capital EUR 2,500,000)
- Scharmann GmbH, Mönchengladbach, Germany (capital share 100%, share capital EUR 26,000)
- Starrag Vermietungs-Servicegesellschaft mbH, Mönchengladbach, Germany (capital share 100%, share capital EUR 24,000)
- Tornos Ltd., Moutier, Switzerland (capital share 100%, share capital CHF 650,000)
- Tornos Technologies Deutschland GmbH, Pforzheim, Germany (capital share 100%, share capital EUR 511,000)
- Tornos Technologies Iberica SA, Granollers, Spain (capital share 100%, share capital 60,000)
- Tornos Technologies Italia Srl, Rho/MI, Italy (capital share 100%, share capital EUR 94,000)
- Tornos Technologies Poland Sp. z o.o., Katy Wroclawskie, Poland (capital share 100%, share capital PLN 50,000)
- Tornos Technologies SAS, St-Pierre-en-Faucigny, France (capital share 100%, share capital EUR 310,000)
- Tornos Technologies U.S. Corp. Des Plaines, IL, USA (capital share 100%, share capital USD 2,400,000)
- Tornos Technologies Brazil Ltda., São Paulo, Brazil (capital share 100%, share capital BRL 1,000,000)
- Tornos Technologies Asia Limited, Hong Kong City (capital share 100%, share capital HKD 10,000)
- Tornos Technologies (Thailand) Co, Ltd., Bangkok, Thailand (capital share 100%, share capital THB 3,000,000)
- Tornos Technologies (Shanghai) Co. Ltd., Shanghai, China (capital share 100%, share capital CNY 3,420,000)
- Tornos (Taichung) Machine Works Ltd., Taichung, Taiwan Region (capital share 100%, share capital TWD 60,250,000)
- Tornos (Xi'an) Machine Works Co., Ltd., Xi'an, China (capital share 100%, share capital CNY 25,000,000)
- Tornos (Milan) Machine Works Srl, Rho/MI, Italy (capital share 100%, share capital EUR 10,000)

On December 7, 2023, the Starrag Group Holding AG acquired 100% of Tornos Holding Ltd., located in Moutier, Switzerland, by a share deal. The new StarragTornos Group AG shares have been listed at the Swiss Exchange since December 8, 2023.



## Capital management

The managed capital corresponds to the shareholders' equity shown in the consolidated balance sheet. The main goals of capital management are to ensure the necessary financial flexibility and to optimize the capital structure for reducing capital costs in order to create additional value for shareholders and other stakeholders.

The equity base is periodically reviewed and adjusted, taking into consideration economic conditions and loan agreements (see note 12). In particular, the General Meeting of the shareholders passes resolutions each year on the appropriation of profits and thus the dividend payment.

Business performance is measured using an internal income statement. The results can then be classified and analyzed in various different ways within this income statement. The primary control key figure is the earnings before interest and taxes (EBIT) and sales revenues. Additionally, a balanced set of key figures is reported on a regular basis, which gives consideration to the areas of conflict of liquidity, growth and profitability.

## Segment information

StarragTornos Group discloses net sales from the perspective of the two divisions **Starrag** and **Tornos**. After the merger December 7, 2023, both divisions are managed separately. The external segment reporting is based on the internal divisional reporting, which is used by Group Management and the Board of Directors for corporate management purposes.

The Starrag division consists of the business units **High Performance Machining System**, responsible for the product lines Starrag, Ecospeed, Heckert and Scharmann, **Large Parts Machining Systems** including the product lines Dörries, Berthiez and Droop+Rein and the **Ultra Precision Machining System**, responsible for Bumotec and SIP. The Tornos division includes the product lines **CNC sliding headstock Swiss-Type automatic lathes, multit spindle machines** and **precision machining centers** for complex parts.

## Risk management

As a leading global manufacturer of precision machine tools, the StarragTornos Group is faced with various risks.

### The most significant risks include:

- The weakening of the economic environment in customer markets as well as business cycles could lead to a reduction in demand,
- misjudgements of developments in customer markets or in the competitive environment could lead to missed business opportunities or losses,
- failure in research and development as well as other innovation-based activities could prevent business potential from being realized,
- a lack of availability of financial resources could have an impact on the performance and operating activity of the StarragTornos Group and
- natural events (such as fires) could impair operating activities.

The Board of Directors and the Executive Board give high priority to the careful handling of strategic, financial and operational risks. The StarragTornos Group has a holistic risk management process which is analyzed every year by the Executive Board and the Board of Directors.

**The following goals are pursued:**

- systematically identifying special risks,
- establishing processes to monitor, reduce and ideally to prevent risks and
- finding the right balance between risks and opportunities.

The risk management system is based on a classic risk matrix involving the probability of occurrence and possible extent of damage (identification and classification) and includes internal instructions as well as a risk log, in which operational data as well as an action plan for risk management are documented. The Executive Board has designated an officer for implementing and moderating risk management, who reports directly to the CFO.

An annual risk review includes diligent identification, analysis and evaluation of risks and a definition of appropriate measures to reduce the risks. This information is documented in a group-wide risk matrix. The risk management officer monitors the implementation of the measures. In business processes with recurring risks, the resolved measures are integrated as process steps in the operative processes of the daily business. On an annual basis, the Executive Board reports on the nature, extent and assessment of significant risks and the measures taken for risk minimization to the Board of Directors. Risks in accounting and financial reporting are monitored and reduced by a suitable internal control system.

## Financial risk management

The main risks occurring from the group's financial instruments consist of risk of receivables default, counterparty risk, foreign currency risk, interest rate risk and liquidity risk.

### Risk of receivables default

The risk of receivables default is limited by the number and the geographical spread of customer credit balances. In addition, it is limited by adequately examining the financial circumstances of customers before entering into a contract. In most transactions, customers make advance payments upon order confirmation. Delivery might only follow against prepayment or credit. The outstanding receivables are continuously monitored.

### Counterparty risk

The StarragTornos Group mainly holds its liquid assets as deposits or current account deposits with major creditworthy banks. These deposits generally have a term of less than three months. Transactions with derivative financial instruments are also only concluded with major creditworthy banks.

### Foreign currency risk

The StarragTornos Group does not engage in business operations in foreign currencies which show an unusual volatility. The foreign currency risk results mainly from sales and purchases which are not made in a functional currency. In the case of orders in foreign currencies, hedging transactions (forward exchange contracts and currency options) are sometimes deployed with major credit institutions as a counterparty in order to hedge foreign currency risks. Probable future orders will also be hedged in certain cases. Foreign currency risks arising from the conversion of income statement and balance sheet items of foreign group companies are not hedged.

On top of that the Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risks.



### **Interest rate risk**

Interest rate risk results primarily from variable interest rates for financial liabilities. In some cases, these interest rates are fixed through fixed advances and fixed interest rates in the short- or long-term.

### **Liquidity risk**

The liquidity risk is limited by contractually agreed cash lines and a shareholder loan which cover the peak demand for operating resources. It is continuously monitored.

## **Management assumptions and estimates**

Estimates and assumptions are continually evaluated and are based on experience values and other factors, including the expectation and assessment of future events that are believed to be reasonable under the prevailing circumstances. The resulting accounting estimates will by definition seldom comply with the actual subsequent outcome. The main sources of estimation uncertainties are:

### **Determination of net realizable values and profit shares in the case of machine tool contracts valued with percentage of completion**

While preparing the financial statement, the Group continuously examines the valuation of various balance sheet items which are connected with the regular machine tool business. In this connection, assumptions must be made with regard to costs for completion and realizable market prices. Should situations occur which change original assumptions regarding realizable income, costs that are still necessary or work progress, these assumptions will be adjusted.

These adjustments may lead to adjustments affecting the net profit of the balance sheet items concerned. The book value of the balance sheet items concerned is shown in note 16 (Construction Contracts).

### **Provisions for warranty obligations and onerous contracts**

In the ordinary course of business, the Group may be involved in legal disputes. Provisions for pending disputes are measured on the basis of available information based on a realistically expected cash outflow. The final outcome of such a dispute might require recognition of adjustments in provisions in the income statement (see note 13).

### **Income taxes**

The evaluation of current tax liabilities is subject to an interpretation of the tax laws in the respective countries, the suitability of which will be mostly assessed retrospectively for several financial years in the context of the final assessment and during tax audits by the tax authorities. Substantial adjustments in tax expenses may occur as a result (see note 17).

## **Significant accounting principles**

### **Principles of presentation**

The consolidated financial statement of the StarragTornos Group has been prepared in accordance with the Guidelines of the Accounting Regulations (Swiss GAAP FER). In addition, the provisions of the Listing Rules of the SIX Swiss Exchange as well as Swiss accounting legislation have been complied with. This consolidated financial statement is based on historical costs, with the exception of



liquid assets and derivative financial instruments, which are valued at market value. Reporting is in Swiss Francs (CHF). This financial statement includes estimates and assumptions that affect the reported figures and related disclosures. Actual results may differ from these estimates.

### **Changes in accounting policy and disclosure**

The entry into force of the new standards (FER 28 – Government grants and FER 30 – Consolidated financial statement) had no material impact on the consolidated financial statements of StarragTornos Group.

### **Principles of consolidation**

The scope of consolidation comprises the annual statements of StarragTornos Group AG and all directly or indirectly controlled subsidiaries. Assets and liabilities as well as income and expenses are fully included in the consolidated financial statement using the full consolidation method. All intra-group relationships (income and expenses, receivables and liabilities) as well as intercompany profits on intra-group transactions and inventories are eliminated.

Capital consolidation is based on the purchase method, i.e. the acquisition costs of an acquired company are offset against the net assets measured at fair value at the time of acquisition. Any resulting goodwill is offset directly with the retained earnings in shareholders' equity by purchase. In the Notes to the Financial Statement, the effects of a theoretical capitalization and any value impairment are shown by applying a depreciation period of five years. In the event of a possible subsequent sale, the goodwill offset against shareholders' capital at the time of the acquisition is calculated in profit or loss against the proceeds of the sale. The earnings of acquired companies are included in the consolidated accounts as of the acquisition date (see note 27).

### **Currency conversion**

Foreign currency transactions are converted at the exchange rate of the transaction date. Outstanding foreign currency receivables and payables at balance sheet date are converted using the exchange rate of that date. The resulting exchange rate differences are recorded in the income statement. Non-monetary items are not revaluated at the balance sheet date. Assets and borrowed capital of foreign subsidiaries are converted to CHF using the exchange rates at the balance sheet date. Annual average exchange rates are applied to convert the income statements. Conversion differences arising from the consolidation of foreign currency financial statements are recorded directly in retained earnings.

### **Net sales and profit realization**

The Group uses two different methods in the revenue recognition due to the machines' sizes and production lead time.

For the first group of machines with greater lead times the sales revenue is recorded at the transition of benefit and risk. Sales revenue from construction contracts at fixed prices is reported including a profit share, depending on the percentage of completion (percentage of completion method). Percentage of completion is defined by the direct order costs excluding material costs. In the balance sheet, the order value after deduction of advance payments received is reported under receivables or accrued expenses and deferred income from construction contracts valued using the percentage of completion method.

For a second group of machines produced to stock net sales is recognized on the full completion of the delivery or service (upon delivery of products or customer acceptance in the case of "bill and



hold” sales, or performance of services), net of sales taxes and discounts. Sales are recognized if it is probable that the economic benefit will flow to the Group and the amount can be reliably estimated. Net sales represent total revenues net of rebates and discounts granted after billing.

### **Research and development**

Research costs are charged to the income statement on a continuous basis. Development costs will only be capitalized to the extent that the amount to be capitalized is covered by corresponding expected income. Capitalized developments are reassessed annually with regard to impairment. All other research and development costs are charged to the income statement.

### **Income taxes**

Income tax expense includes all income tax levied on the taxable profits of the group. For tax, in particular withholding tax levied on dividend payments of retained earnings (mainly of group companies), provisions are only set up if the distribution of such profits is probable. Provisions for deferred income taxes will be set up according to the liability method.

This takes into account the income tax effects of temporary differences between the intercompany and the tax-related assets and liabilities. Tax losses carried forward are only taken into account in the calculation of deferred income tax to the extent that it is probable that sufficient future taxable profit will be available to be set off against the tax loss carry forward.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, postal cheque and bank balances as well as sight and deposit money with an original term of less than 3 months. These are valued at market value.

### **Receivables**

Receivables are balanced at their nominal value less necessary value adjustments. The value adjustment is determined on the basis of due dates and recognizable credit risks. Receivables include the value from construction contracts valued according to percentage of completion after deduction of received payments.

### **Inventories**

Raw materials and supplies as well as trading goods are assessed at average purchase costs, manufactured products at average manufacturing costs. Discounts are recognized as purchase cost reductions. If the realizable net value is lower, valuation adjustments are made accordingly. Manufacturing costs include the direct costs of materials used, labor and operating costs as well as an appropriate portion of production and construction overhead costs. Obsolete and slow-moving items are adjusted appropriately. Inventories also include advance payments to suppliers.

### **Inventories and allowance for obsolescence (change in estimates)**

In the month following the merger of Starrag Group Holding AG and Tornos Holding Ltd. on December 7, 2023, management reviewed the strategic position and the business model of the new combined Group. As a result, StarragTornos has also reviewed the methodology of calculating the future provision for inventories of raw materials, components, semi-finished goods, and spare parts. Based on the current and expected economic environment and the Group's strategy, the following accounting estimates have been refined, to reflect recent developments: Due to the high level of customer specific installations for most of the production, StarragTornos will start recording provisions when an item has an inventory life of more than 36 months (previously 12 months). StarragTornos will update the level for the maximum calculated depreciation, thereby reducing the financial risk in the event of obsolescence. The maximum level of provisions to be booked will be





80% (previously 72%). Machines in the inventory will have a 12-month grace period before depreciation begins. This applies to all machines kept in stock without being used in any way (showroom, test cuts, parts production, etc.)

After a careful review, it is considered that the refined estimation methodology in the area of inventory valuation better reflects the economic substance going forward and better responds to the business cycles of Starrag and Tornos as experienced in recent periods. The change in estimation methodology results in the release of a provision of CHF 6.0 million (representing 2.8% of total inventory) as of December 31, 2024, mainly related to the Starrag division.

### **Tangible fixed assets**

Tangible fixed assets are carried at acquisition costs or manufacturing costs less depreciation required for business purposes. Depreciation of tangible fixed assets is calculated using the straight line method for the estimated useful lives of: buildings 20 to 50 years, technical equipment and machines 4 to 12 years, IT hardware and communication 3 to 8 years. Land is not depreciated.

All gains and losses resulting from the disposal of tangible fixed assets are recognized in the income statement. Expenditure for goods of low value are debited directly to operating expenses in the income statement.

### **Intangible assets**

Goodwill as well as negative Goodwill resulting from the acquisition of a company is offset against retained earnings in shareholders' equity at the time of an acquisition. In the Notes to the Financial Statement, the effects of a theoretical capitalization and any impairment of value are shown using a depreciation period of five years.

Other intangible assets are carried at acquisition or manufacturing costs less depreciation required for business purposes. These intangible assets are amortized on a straight-line basis over their estimated useful lives, which is 3 to 8 years for software and 5 to 10 years for development costs.

### **Leased assets**

Leases with terms for which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the leases, less accumulated depreciation and impairment losses, if any. Each lease payment is allocated between the liability and financial charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of financial charges, are included in interest bearing borrowings. The interest element is recognized in the income statement over the lease period. Operating lease payments are treated as operating expenses and charged to the income statement as incurred.

### **Impairment of assets**

Tangible and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount, being the higher of the asset's net selling price and value in use, is estimated. The carrying amounts of the Group's other assets, other than inventories, deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. For tangible and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognized whenever the



carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### **Provisions**

Provisions are made if a legal or constructive obligation resulting from a past event exists at the key date, the use of resources for the settlement of such an obligation is probable and a reliable estimation of the amount of the obligation can be made. The amount of provisions depends on the expected use of funds needed to cover the obligation.

### **Employee benefits**

The professional pension situation for the StarragTornos Group companies' personnel is governed by the legal regulations and practices of the respective country and is correspondingly different.

The economic obligations or benefits of Swiss pension plans are determined on the basis of the financial statement prepared in accordance with Swiss GAAP FER 26 "Accounting of Pension Plans" accounting standard. The economic impact of pension plans of foreign subsidiaries is determined according to the valuation methods applied locally. Employer contribution reserves and comparable items are capitalised in accordance with Swiss GAAP FER 16.

The Swiss pension funds for Starrag Vuadens SA and Starrag AG are governed by the provisions of the Swiss Federal Law on Occupational Benefits. The pension funds are foundations which are legally independent of the StarragTornos Group, and which have reinsured the pension plans (according to the contribution plans defined by law) with an insurance company in a congruent manner. The plans are financed by employer and employee contributions, which are periodically determined such that the insurance premiums due can be financed. The Swiss pension plan for Tornos SA is jointly financed by the employer and the employees. The contributions are fixed in the plan rules.

The German companies do not maintain any professional pension plans. Staff are insured with the national pension insurance scheme of Germany. For the other countries, there are either lump sum plans, or plans in collaboration with insurances.

### **Interest bearing borrowings**

Interest bearing borrowings are recognized at nominal value.

Interest bearing borrowings are classified on the balance sheet pursuant to the maturity date either under current (due within 12 months after the balance sheet date) or non-current liabilities (beyond 12 months).

### **Share-based compensation**

The Group operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognized as a personnel expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.



When the options are exercised, the Company issues new shares or alternatively sells treasury shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and capital reserve when the options are exercised.

The plan will not be renewed and the options granted prior to the merger will expire in 2026 (see note 25).

### **Financial instruments**

Financial assets include liquid assets and receivables. Financial liabilities mainly include financial debts and operating liabilities. These are valued according to the “effective interest method” at discounted costs. In addition to the effective interest payments, interest expenses also include the annual compound interest and pro-rata transaction costs.

In order to be able to react to short-term foreign exchange fluctuations, derivative currency hedge instruments can be held. Financial instruments held for trading are recognized at market value. Changes in market value are included in the financial result.

The hedging of future cash flows (“cash flow hedges”), whose underlying transactions have not yet been recognized in the balance sheet, are disclosed in the Notes to the Financial Statement, if future cash flows will occur with high probability.

## **1. Segment information**

The StarragTornos Group reports net sales from the perspective of the two operating divisions, Starrag and Tornos. Since the merger on December 7, 2023, both divisions have been managed separately. External segment reporting is based on internal reporting by the divisions, which is used by the Executive Board and the Board of Directors for corporate management purposes.

Due to possible competitive disadvantages, further segment results in accordance with Swiss GAAP FER 31/8 are not disclosed. Compared to relevant competitors in the same market segments, this would otherwise lead to significantly higher transparency in terms of cost and margin structure, i.e. StarragTornos would disclose more detailed information on profitability than its competitors. Most of the relevant competitors are companies for which no published financial information is available or are large companies with large reporting segments and diluted comparative information.



CHF 1 000	Tornos Division	Starrag Division	Interdivisional Material	Group
<b>01.01. – 31.12.2023</b>				
Sales of goods and services to third-party customers	17 020*	391 980	-	409 000
Interdivisional sales	-	-	-	-
<b>Total sales of goods and services</b>	<b>17 020</b>	<b>391 980</b>	<b>-</b>	<b>409 000</b>
Operating profit				35 686
EBIT margin				8.7%
Investments in tangible fixed and intangible fixed assets				10 149
Depreciation/Amortisation/Impairment				7 805

\* Tornos merged with Starrag on December 7, 2023.

CHF 1 000	Tornos Division	Starrag Division	Interdivisional Material	Group
<b>01.01. – 31.12.2024</b>				
Sales of goods and services to third-party customers	128 469	365 587	-	494 056
Interdivisional sales	107	-	- 107	-
<b>Total sales of goods and services</b>	<b>128 576</b>	<b>365 587</b>	<b>- 107</b>	<b>494 056</b>
Operating profit				15 423
EBIT margin				3.1%
Investments in tangible fixed and intangible fixed assets				17 930
Depreciation/Amortisation/Impairment				12 110

In 2024, depreciation of buildings and installations for non-operating activities of CHF 255,000 (2023: CHF 21,000) is included in the non-operating result.



## Net sales of goods and services by region

	CHF 1 000	2024 01.01. – 31.12.	2023 01.01. – 31.12.
Switzerland		87 192	91 034
Europe		253 815	187 667
Asia		72 670	71 228
America		80 486	59 071
Interdivisional sales		-107	-
<b>Total</b>		<b>494 056</b>	<b>409 000</b>

Sales of goods and services are reported by geographical location in accordance with the invoice address.

The Starrag Group merged with Tornos Group on December 7, 2023. Out of the total net sales of CHF 409.0 million, the Tornos Group generated net sales of CHF 17.0 million in the period from the merger to December 31, 2023.

## 2. Other operating income

Other operating income includes compensation payments from insurance companies, income from subleases and gains on the sale of fixed assets. In 2024, CHF 0.7 million were confirmed and paid out late to Starrag USA Inc. due to a US government program to support companies in the Covid 19 pandemic crisis.

## 3. Personnel expenses

	CHF 1 000	2024	2023
Wages and salaries		145 435	109 457
Pension benefit expenses		5 307	3 113
Other social benefit expenses		24 067	18 596
Restructuring costs		1 274	132
Other personnel expenses		7 205	5 402
<b>Total personnel expenses</b>		<b>183 288</b>	<b>136 700</b>

## 4. Other operating expenses

Other operating expenses include in particular travel expenses, sales expenses, administration expenses, vehicle and transport charges, expenses for premises, repair and maintenance of tangible fixed assets as well as other expenses.



## 5. Financial result

	CHF 1 000	2024	2023
Interest income		176	137
Interest expenses		-1 998	-1 499
Currency result		-127	-1 301
Other financial expenses (net)		-944	-1 330
<b>Total financial result</b>		<b>-2 893</b>	<b>-3 993</b>
<b>Thereof:</b>			
Financial income		1 576	91
Financial expenses		-4 469	-4 084

## 6. Non-operating result

A non-operating selling of land property at the plant of Starrag AG in Rorschacherberg generated non-operating income of CHF 2.5 million.

A non-operating building with a net book value of CHF 6.4 million (2023: CHF 6.6 million) generated rental income of CHF 352,000 (2023: CHF 95,000) and ancillary costs of CHF 332,000 (2023: CHF 21,000). At the end of December 2024, the building was fully let.

## 7. Earnings per share

Earnings per share are calculated from earnings after income taxes less share of minority interest based on the average number of shares outstanding. In December 2023, Starrag Group Holding AG merged with Tornos Holding Ltd. and the number of shares were increased to 5,463,121. The share capital of StarragTornos Group AG (after the merger with Tornos Holding Ltd.) increased by 2,103,121 registered shares with a nominal value of CHF 8.50 each to 5,463,121 registered shares, which corresponds to share capital of CHF 46,436,528.50.

Based on the net result attributable to the shareholders of the company of CHF 11.9 million (2023: CHF 25.2 million) earnings per share amounted to CHF 2.17 (2023: CHF 7.21). Net profit per share is calculated by dividing the net profit attributable to equity holder of StarragTornos Group by the weighted average number of ordinary shares in issue during the year.

	2024	2023
Net result attributable to equity holders of StarragTornos Group (in CHF 1 000)	11 850	25 176
Weighted average number of ordinary shares issue (in 1 000)	5 463	3 493
<b>Basic result per share (in CHF per share)</b>	<b>2.17</b>	<b>7.21</b>



## Diluted

Diluted result per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. StarragTornos Group has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of StarragTornos Group' shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The StarragTornos Group currently disposes of conditional shares capital to issue in the case when the share options are exercised.

	2024	2023
Net result attributable to equity holders of StarragTornos Group (in CHF 1 000)	11 850	25 176
Weighted average number of ordinary shares issue (in 1 000)	5 463	3 493
Adjustment for share options (in 1 000)	-	-
Weighted average number of ordinary shares for diluted earnings per share (in 1 000)	5 463	3 493
<b>Diluted result per share (in CHF per share)</b>	<b>2.17</b>	<b>7.21</b>

## 8. Receivables from goods and services

Receivables are stated net of value adjustments of CHF 1.3 million (2023: CHF 1.1 million).

	CHF 1 000	31.12.2024	31.12.2023
Trade receivables from goods and services		46 187	48 928
Receivables from construction contracts		67 627	53 802
<b>Total receivables</b>		<b>113 814</b>	<b>102 730</b>
<b>Thereof:</b>			
not due		103 905	90 231
past due < 90 days		8 585	11 570
past due >= 90 days		1 324	929

## 9. Inventories

	CHF 1 000	31.12.2024	31.12.2023
Raw materials and components		115 968	123 454
Work in progress		54 976	59 202
Finished products		37 522	43 353
Prepayments to suppliers		7 054	5 013
<b>Total inventories</b>		<b>215 520</b>	<b>231 022</b>



Inventories are stated net of value adjustments of CHF 49.2 million (2023: CHF 45.7 million). Changes in estimates have been explained under "significant accounting principles" and "inventories and allowance for obsolescence (change in estimates)".

## 10. Tangible fixed assets

	2024				2023				
	CHF 1 000	Land and buildings	Machinery and equipment	Other tangible fixed assets	Total	Land and buildings	Machinery and equipment	Other tangible fixed assets	Total
Cost at beginning of year		157 301	44 522	14 606	216 429	109 422	38 148	12 711	160 281
Change in consolidated companies		-	-	-	-	46 455	4 256	1 156	51 867
Additions		4 061	7 292	3 964	15 317	3 662	3 974	1 771	9 407
Disposals		- 658	-2 987	-	-3 645	-	-747	-570	-1 317
Currency translation		564	248	64	876	-2 238	-1 109	-462	-3 809
<b>Cost at year end</b>		<b>161 268</b>	<b>49 075</b>	<b>18 634</b>	<b>228 977</b>	<b>157 301</b>	<b>44 522</b>	<b>14 606</b>	<b>216 429</b>
Accumulated depreciation at beginning of year		46 207	29 201	10 386	85 794	44 177	28 209	9 955	82 341
Depreciation	7	4 929	3 281	2 374	10 584	2 745	2 443	1 300	6 488
Disposals		-91	-2 966	-	-3 057	-	-691	-531	-1 222
Currency translation		137	191	61	389	-715	-760	-338	-1 813
<b>Accumulated depreciation at year end</b>		<b>51 182</b>	<b>29 707</b>	<b>12 821</b>	<b>93 710</b>	<b>46 207</b>	<b>29 201</b>	<b>10 386</b>	<b>85 794</b>
Net carrying value at beginning of year		111 094	15 321	4 220	130 635	65 245	9 939	2 756	77 940
<b>Net carrying value at year end</b>		<b>110 086</b>	<b>19 356</b>	<b>5 825</b>	<b>135 267</b>	<b>111 094</b>	<b>15 321</b>	<b>4 220</b>	<b>130 635</b>
Fire insurance value at year end (unaudited)		292 059	131 987		424 046	287 412	112 905		400 317

A non-operating building with a net book value of CHF 6.4 million (2023: CHF 6.6 million) generated rental income of CHF 352,000 (2023: CHF 95,000) and ancillary costs of CHF 332,000 (2023: CHF 21,000). At the end of December 2024, the building was fully let.

In 2024, depreciation of buildings and installations for non-operating activities of CHF 255,000 (2023: CHF 21,000) is included in the non-operating result.

The StarragTornos Group owns land, which is not developed, with a book value of CHF 1.4 million (2023: CHF 1.9 million).

At December 31, 2024, the new building in Taichung has had a book value of CHF 16.2 million (2023: CHF 15.0 million).





## 11. Intangible fixed assets

	2024			2023			
	CHF 1 000	Software	Development cost	Total	Software	Development cost	Total
Cost at beginning of year		15 421	9 311	24 732	14 479	9 500	23 979
Change in consolidated companies		-	-	-	792	-	792
Additions		2 613	-	2 613	682	-	682
Disposals		-41	-	-41	-200	-40	-240
Currency translation		43	20	63	-332	-149	-481
<b>Cost at year end</b>		<b>18 036</b>	<b>9 331</b>	<b>27 367</b>	<b>15 421</b>	<b>9 311</b>	<b>24 732</b>
Accumulated depreciation at beginning of year		13 226	9 268	22 494	12 472	9 400	21 872
Depreciation		1 766	15	1 781	1 261	56	1 317
Disposals		-41	-	-41	-191	-40	-231
Currency translation		47	20	67	-316	-148	-464
<b>Accumulated depreciation at year end</b>		<b>14 998</b>	<b>9 303</b>	<b>24 301</b>	<b>13 226</b>	<b>9 268</b>	<b>22 494</b>
Net carrying value at beginning of year		2 195	43	2 238	2 007	100	2 107
<b>Net carrying value at year end</b>		<b>3 038</b>	<b>28</b>	<b>3 066</b>	<b>2 195</b>	<b>43</b>	<b>2 238</b>

Goodwill and negative goodwill is offset against Group shareholders' equity upon the acquisition of a subsidiary or the interest in an associated company. Assuming a useful life of five years for productive companies acquired (including the Tornos Group acquired this year), plus depreciation on a straight-line basis, the theoretical capitalization of goodwill and negative goodwill would have the following impact on the consolidated balance sheet:



	CHF 1 000	2024	2023
<b>Historical costs as at 1 January</b>		<b>1 736</b>	<b>26 206</b>
Additions (negative goodwill)		-	-23 335
Currency differences		185	-1 135
<b>Historical costs as at 31 December</b>		<b>1 921</b>	<b>1 736</b>
<b>Theoretical accumulated depreciation as at 1 January</b>		<b>24 682</b>	<b>26 206</b>
Theoretical attribution		-4 667	-389
Currency differences		185	-1 135
<b>Theoretical accumulated attribution as at 31 December</b>		<b>20 200</b>	<b>24 682</b>
<b>Theoretical net book value as at 1 January</b>		<b>-22 946</b>	<b>-</b>
<b>Theoretical net book value as at 31 December</b>		<b>-18 279</b>	<b>-22 946</b>

The capitalization and depreciation of goodwill and negative goodwill would have the following theoretical impacts on shareholders' equity and Group earnings after taxes:

	CHF 1 000	31.12.2024	31.12.2023
Shareholders' equity according to balance sheet		316 110	316 310
Theoretical capitalization of net book value of goodwill/ neg. goodwill		-18 279	-22 946
<b>Theoretical shareholders' equity</b>		<b>297 831</b>	<b>293 364</b>

	CHF 1 000	2024	2023
Group earnings after taxes (EAT) according to income statement		11 850	25 176
Theoretical goodwill/ neg. goodwill depreciation/ attribution		4 667	389
<b>Theoretical Group earnings after taxes (EAT)</b>		<b>16 517</b>	<b>25 565</b>

Previous goodwill resulting from acquisitions in the past are offset against retained earnings in shareholders' equity and have been completely written off.



## 12. Financial liabilities/borrowings

	CHF 1 000	31.12.2024	31.12.2023
Current financial liabilities		36 501	18 284
Non-current financial liabilities		24 471	22 117
<b>Total financial liabilities</b>		<b>60 972</b>	<b>40 401</b>
<b>Thereof in:</b>			
EUR		30 615	18 743
CHF		16 000	10 022
TWD		14 357	11 636
Average interest rate		2.5%	1.3%
Unused short-term cash credit line		76 093	74 236

Credit agreements contain partly financial covenants and other conditions under which banks are able to terminate financial liabilities which are recorded as non-current at short notice. These financial covenants are based on key figures, resulting from EBITDA, net equity and net debt. The financial covenants were complied with in 2024 and 2023.

As non-current borrowings a local government-supported loan has been granted in Taiwan Dollar for the construction of a new factory in Taiwan, as of December 31, 2024, CHF 14.1 million were granted (2023: CHF 11.6 million). The loan is fixed with a floated rate within the frame of a state supported investment program for that local business park. For 2024 the interest rate has been 1.48% (2023: 1.34%) and from 2025 onwards it is expected to remain in between 0.9% to 1.6% interest rate. The duration of the loan has been set for 10 years. The interest subsidy is valid for 3 years (starting 2022) and is 0.7% per year.

Also loan facility agreements have been granted for a total value of CHF 15 million by one shareholder. Only in 2023 the agreement also included the provision securities of CHF 10 million for bank guarantees. The aforementioned shareholder loan facilities granted bear fixed interest rates of 1.0%.

The maturity schedule for non-current borrowings has developed as follows:

	CHF 1 000	31.12.2024	31.12.2023
Between 1 and 2 years		10 379	10 481
Between 2 and 5 years		-	-
After 5 years		14 092	11 636
<b>Total borrowings</b>		<b>24 471</b>	<b>22 117</b>



### 13. Current and non-current provisions

	2024				2023			
CHF 1 000	Deferred income taxes	Warranty	Other Provisions	Total	Deferred income taxes	Warranty	Other Provisions	Total
Value at beginning of year	21 288	8 301	2 245	31 834	13 990	7 236	1 322	22 548
Change in consolidated companies	-	-	-	-	4 956	1 871	1 019	7 846
Addition	668	3 712	1	4 381	2 650	2 622	26	5 298
Use	1 544	-4 001	-60	-2 517	- 14	-2 853	-54	-2 921
Release	-712	-316	-	-1 028	-147	-298	-	- 445
Currency translation	67	41	12	120	-147	-277	-68	-492
<b>Value at year end</b>	<b>22 855</b>	<b>7 737</b>	<b>2 198</b>	<b>32 790</b>	<b>21 288</b>	<b>8 301</b>	<b>2 245</b>	<b>31 834</b>
<b>Thereof:</b>								
Current	-	5 840	1 099	6 939	-	5 972	1 228	7 200
Non-current	22 855	1 897	1 099	25 851	21 288	2 329	1 017	24 634

In other provisions, pension benefit obligations with the value of CHF 1.1 million have been included (2023: CHF 1.0 million).

### 14. Accrued expenses and deferred income

	CHF 1 000	31.12.2024	31.12.2023
Project costs		7 579	9 588
POC-valued construction contracts		41 564	45 901
Personnel		16 975	19 686
Commissions		675	665
Current income taxes		12 433	12 302
Other		7 290	11 290
<b>Total accrued expenses and deferred income</b>		<b>86 516</b>	<b>99 432</b>

### 15. Shareholders' equity

As at 31 December 2024, non-distributable reserves amounted to CHF 9.3 million (2023: CHF 9.3 million).

The negative goodwill related to the acquired Tornos Holding Ltd. has been offset against the equity at the time of acquisition in December 2023.

Goodwill resulting from the former acquisition of a company is offset against retained earnings in shareholders' equity at the time of an acquisition.



## 16. Construction contracts

	CHF 1 000	2024	2023
Revenue from contracts valued using the Percentage of completion method		352 782	303 789
	CHF 1 000	31.12.2024	31.12.2023
Contract costs incurred and recognized profit share		230 154	225 782
Advance payments received		-204 091	-217 881
<b>Net carrying value</b>		<b>26 063</b>	<b>7 901</b>
<b>Thereof:</b>			
Receivables from goods and services		67 627	53 802
Accrued expenses and deferred income		-41 564	-45 901

## 17. Income tax expenses

	CHF 1 000	2024	2023
Ordinary income before taxes		15 013	31 620
Expected tax rate		14.3%	14,3%
Expected income tax expenses		2 147	4 522
Debits/credits from prior reporting period		694	176
Non-deductable expenses / non-taxable income		768	230
Non-capitalised tax loss carry forwards		794	2 502
Effects from the application of different tax rates		-1 239	-986
<b>Income tax expenses</b>		<b>3 163</b>	<b>6 444</b>
<b>Thereof:</b>			
Current income tax expenses		4 276	4 183
Deferred income tax expenses		-1 113	2 261

The applicable tax rate of the municipality of Rorschacherberg SG, domicile of Starrag Group Holding AG, was used for the calculation of the expected income tax expenses. Due to the volatility of the results of the various Group companies, the Group considers the tax rate of 14.3% (previous year: 14.3%) to be appropriate.



The claims for unused tax loss carry forwards have developed as follows:

	CHF 1 000	2024	2023
Opening balance		12 653	8 668
Addition of loss carry forwards		2 087	4 941
Release of loss carry forwards		-1 015	-
Used loss carry forwards		-962	-
Currency effects		49	-404
Thereof not activated		-372	-552
<b>Capitalized loss carry forwards</b>		<b>12 440</b>	<b>12 653</b>
Thereof netted with deferred tax liability		-628	-3 826
Total deferred tax assets		11 812	8 827

In Switzerland, USA, China and India, tax loss carryforwards expire after a maximum of 7 years.

The StarragTornos Group has unexpired loss carryforwards of CHF 59.5 million (prior year: CHF 60.1 million), out of which CHF 36.5 million (prior year: CHF 39.2 million) will not expire and CHF 23.0 million (2023 CHF 20.9 million) will expire within one to seven years.

These loss carryforwards represent total deferred tax assets of CHF 16.8 million (prior year: CHF 17.1 million), out of which CHF 8.3 million (prior year: CHF 12.3 million) will not expire, CHF 3.8 million (prior year: CHF 0.8 million) will expire within one to three years, and CHF 1.7 million (prior year: CHF 4.0 million) within four to seven years and CHF 3.0 million after 7 years (prior year: CHF 0). In 2024, deferred taxes of CHF 5.0 million (prior year: CHF 4.4 million) have not been recognized.

The average applicable tax rate in relation to the ordinary result, calculated on the basis of absolute values and excluding the holding company, is 28.4% (prior year: 25.9%).

## 18. Pension benefits

CHF 1 000	2024				2023			
	Patronage funds	Employee benefit plans without surplus/deficit	Employee benefit plans with surplus	Total	Patronage funds	Employee benefit plans without surplus/deficit	Employee benefit plans with surplus	Total
Surplus/deficit pension benefit plan at end of year	8 030	-	-	8 030	7 398	-	-	7 398
Economic benefit at end of year	-	-	-	-	-	-	-	-
Change in economic benefit	-	-	-	-	-	-	-	-
Accrued contributions	-	5 307	-	5 307	-	3 113	-	3 113
Pension benefit expenses	-	5 307	-	5 307	-	3 113	-	3 113
Pension plans without assets		226		226	-	-	-	-



The StarragTornos Group operates various pension plans in different jurisdictions and countries for employees who qualify to participate.

Starrag's pension fund has been affiliated with the ALSA pension fund since 2022. The employee pension fund operates the occupational pension scheme for both the statutory minimum benefits (BVG) and for non-compulsory benefits. The pension fund of Starrag has not entered into any further financial obligations towards the employee benefit institution and does not bear any investment or actuarial risks. According to the latest actuarial balance sheet of the ALSA pension fund, the economic coverage ratio (BW2) as at September 30, 2024, is 110.61% (previous year: 107.14%); the technical interest rate applied is 2.00% (previous year: 2.00%) A welfare fund was established from the Starrag pension fund as at January 1, 2022. This has an endowment capital of CHF 8.0 million as at December 31, 2024.

Tornos employees in Switzerland are insured through the Tornos pension fund, a foundation which is legally independent from the StarragTornos Group. The pension fund provides benefits in accordance with the Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG) and is equally financed by contributions of the employer and the employees. Individual's benefits are mainly depending on a retirement savings account. The savings account will be credited by the employers' and employee's contributions based on the annual salary and by an interest depending on the performance of the pension fund's plan assets. However, the BVG defines the minimum pensionable salary and the minimum retirement credits. The interest rate applicable to these minimum retirement savings is set by the Swiss Federal Council. In 2024, the rate was at 1.25% (2023: 1.00%). Upon retirement (at age of 65 for men and women) an individual may choose a lump-sum payment or an annuity based on a conversion factor as specified in the plan's regulation. In case of leaving the company prior to retirement the retirement savings earned will be transferred to the pension plan of the individual's new employer. As of December 31, 2024, there is no employer's contribution reserve. The information on the economic benefit as at December 31, 2024 for the Swiss-Pension Plan is based on the last annual financial statements of the Tornos pension fund preceding the balance sheet date, i.e. the financial statements as at December 31, 2023. The pension fund reported a coverage rate of 106.2% in its Swiss GAAP FER 26 financial statements 2023, resp 101.4% in the financial statements 2022. Due to Tornos pension fund pension benefit obligations with the value of CHF 1.1 million have been recognised in the provisions (note 13).

## 19. Pledged assets

	CHF 1 000	31.12.2024	31.12.2023
<b>To ensure financial liabilities in the amount of the following land and buildings are mortgaged:</b>		<b>24 782</b>	<b>23 696</b>
Net carrying value		24 782	23 696
Charge		-	-

At December 31, 2024, the total value of the pledged to shareholders mortgage notes related to land and buildings amounted to CHF 18.0 million (prior year CHF 23.2 million).

At December 31, 2024, the new building in Taichung, Taiwan region has been pledged for CHF 14.0 million in relation to bank agreements (prior year CHF 11.6 million).



## 20. Derivative financial instruments

	CHF 1 000	31.12.2024	31.12.2023
<b>Forward currency exchange contracts:</b>			
<b>Contract value</b>		<b>30 226</b>	<b>17 030</b>
Replacement value:			
positive		-	32
negative		738	46

## 21. Operating lease liabilities

	CHF 1 000	31.12.2024	31.12.2023
Due within 1 year		3 980	4 106
Due to 2 to 5 years		5 583	6 034
Due after 5 years		1 311	525
<b>Total operating lease liabilities</b>		<b>10 874</b>	<b>10 665</b>

## 22. Other unrecognized obligations

The StarragTornos Group is occasionally confronted with claims for damages, which are to be regarded as a normal side effect of ordinary business activities. These mainly relate to warranties, property and financial damages as well as product liability. Provisions and sureties exist for these claims, which the StarragTornos Group assumes will cover all foreseeable risks.

## 23. Share capital

In the prior year, the share capital of StarragTornos Group AG (after the merger with Tornos Holding Ltd.) increased by 2,103,121 registered shares with a nominal value of CHF 8.50 each to 5,463,121 registered shares, which corresponds to share capital of CHF 46,436,528.50.





## 24. Conditional share capital

	2024		2023	
	Number of shares	Amount (in CHF 1 000)	Number of shares	Amount (in CHF 1 000)
<b>At beginning of year</b>	<b>70 000</b>	<b>595</b>	-	-
Creation	-	-	70 000	595
<b>At end of year</b>	<b>70 000</b>	<b>595</b>	<b>70 000</b>	<b>595</b>

In 2023, a conditional share capital has been created and amounts to CHF 595,000. It is reserved for the issuance of shares that may be used to satisfy the stock option plans of the former Tornos Holding Ltd. (CHE-101.020.773).

## 25. Stock compensation plan

There is one stock participation plan in 2024, namely the Management and Board Participation Plan (MBP07) of the former Tornos Holding Ltd. (CHE-101.020.773). The plan will not be renewed and the options granted prior to the merger will expire in 2026.

Compensation expense under this plan is recognized in accordance with the provisions of Swiss GAAP FER, for options over the vesting period and for shares purchased immediately as the shares do not need to be returned in case the employment contract is terminated. The expense recorded in the income statement spreads the cost of each option equally over the vesting period. Assumptions are made concerning the forfeiture rate which is adjusted during the vesting period so that at the end of the vesting period there is only a charge for vested amounts. Compensation expense of CHF 252,055 was recorded for the year ended December 31, 2024 (2023: CHF 39,219). Compensation expense arising from stock options outstanding at December 31, 2024 to be recognized in future periods amounts to CHF 58,325 (December 31, 2023: CHF 356,000).

### Stock option program under MBP07

Each participant did receive free of charge each year starting on May 1 (for the last time in 2023) the number of options chosen (within the number of shares/options attributed by the Remuneration Committee and not used for the share purchasing program). The options vest after two years and can be exercised only in the third year. The exercise price is the weighted average price paid at the SIX Swiss Exchange within the 12 months (May 1 to April 30) preceding the allocation of the options. A possible share capital increase or reduction or dividend payment has no impact on the option rights pursuant to this program as the exercise price will not be adjusted should these events take place in the future. Options not exercised generally need to be returned at the time the employment contract is terminated. However, they can be exercised without any restriction in case of a change of control transaction. Total expenses recorded in the income statement for the year ended December 31, 2024, as part of this option program amounted to CHF 252,055 (2023: CHF 39,129).

The fair value of the grants under the MBP07 stock option plan is estimated using the Black-Scholes valuation model.

The volatility measured is based on statistical analysis of daily share prices over the last 2.5 years.



A summary of MBP07 stock option plan at December 31, 2024 is as follows:

44,421 stock options outstanding at a weighted average price of CHF 60.50 of which 23,591 stock options exercisable at a price of CHF 65.72 until April 30, 2025.

## 26. Related parties

During 2024, a consulting agreement with Androschin & Partner Management Consulting GmbH was in place with regard to activities in connection with post merger activities. Consulting fees were charged in the amount of CHF 91,000.

During 2023, sales were generated with companies in which two directors of StarragTornos Group AG hold a significant interest. The amount of sales for one month of December amounted to CHF 30,000.

No loan or advances were granted to related parties in 2024 and 2023. As of December 31, 2024, a loan of CHF 10.0 million was granted by the main shareholder (December 31, 2023: CHF 10.0 million) in accordance with note 12.

## 27. Acquisition of Tornos Holding Ltd.

Recognizing the significant potential for growth opportunities and added value due to synergistic effects, Starrag and Tornos on December 7, 2023, officially merged to form the StarragTornos Group and started at the SIX Swiss Exchange. The Group brings together the technologies of two world-leading companies with deep roots in Switzerland, combining their technical know-how in the field of precision machine tools and their complementary technologies to form a strong, broad-based Group that will play a major role in shaping the future of the global metal-cutting machine tool industry. From this position of strength, StarragTornos establishes the conditions for new innovations, technological progress, and improved profitability of the shared value adding chain, including combined procurement, production networks, and a strong joint service organization. The Group with its excellent product portfolio, strong brands, and shareholder value is positioned for long-term, profitable growth by focusing on growth segments with attractive margins; expansion of its geographical presence in the Americas and Asia and strengthening of its market position in Europe; development of cutting-edge technology for customers in its markets.

Between the merge date and December 31, 2023, Tornos Group generated net sales of CHF 17.0 million and a net profit of CHF -0.3 million. Had the company been included in the consolidated financial statement from January 1, 2023, StarragTornos Group's net sales in the first eleven months of 2023 would have been CHF 155.7 million higher, with net profit of CHF 3.7 million.



**The provisionally recognized net assets and the resultant negative goodwill for these present financial statements are listed as follows:**

	CHF million Fair value	2023
Cash and cash equivalents		16.6
Receivables		15.5
Other financial assets		4.2
Inventories		103.2
Tangible fixed assets		51.9
Intangible assets		0.8
Non-current financial borrowings		-21.6
Other liabilities		-38.3
Pension liabilities		-1.0
Deferred income tax		-1.7
<b>Acquired net assets</b>		<b>129.5</b>
Value of shares issued of Starrag Group Holding AG		-106.2
<b>Negative goodwill</b>		<b>23.3</b>
Cash and cash equivalents acquired		16.6
Less transaction cost paid		-0.9
<b>Net cash flow from acquisition</b>		<b>15.8</b>

The purchase price was calculated by multiplying the number of issued shares (2,103,121) and the opening share price as of December 8, 2023 of CHF 50.50, which was the first trading day of the new StarragTornos Group AG share.

## 28. Events after the balance sheet date

At February 4, 2025, the StarragTornos CEO has informed the workers' council and the total staff of the legal entity in Chemnitz that the organization will be restructured and reorganized during the year 2025. The amount of the restructuring costs is not yet clear and is currently being determined in collaboration with the workers' council.

The consolidated financial statement was approved and released for publication by the Board of Directors on March 13, 2025. It is also subject to approval by the Annual General Meeting of the shareholders scheduled for April 17, 2025.



## 29. Exchange rates

	CHF	2024	2023
Average rates (for income statement and Cashflow statement)			
1 EUR		0.9638	0.9826
1 USD		0.8872	0.9092
1 GBP		1.1338	1.1293
1 CNY		0.1236	0.1286
1 TWD		0.0278	0.0292

	CHF	31.12.2024	31.12.2023
Year end rates (for balance sheet)			
1 EUR		0.9495	0.9424
1 USD		0.9119	0.8513
1 GBP		1.1449	1.0840
1 CNY		0.1250	0.1198
1 TWD		0.0278	0.0277



## Report of the statutory auditor



# Report of the statutory auditor to the General Meeting of StarragTornos Group AG, Rorschacherberg

## Report on the audit of the consolidated financial statements

### Opinion

We have audited the consolidated financial statements of StarragTornos Group AG and its subsidiaries (the Group), which comprise the Consolidated Income Statement for the year ended 31 December 2024, the Consolidated Balance Sheet as at 31 December 2024, the Consolidated Cash Flow Statement and the Consolidated Statement of Shareholders' Equity for the year then ended, and Notes to the Consolidated Financial Statement, including a summary of significant accounting principles.

In our opinion, the consolidated financial statements (pages 182 to 212) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

### Basis for opinion

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

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

### Our audit approach



#### Overview

Overall group materiality: CHF 3.5 million

We concluded full scope audit work at seven components in two countries. Our audit scope addressed over 76% of the Group's revenue. In addition, specific scope audits were performed representing a further 13% of the Group's revenue.

As key audit matters the following areas of focus have been identified:

- Recognition of construction contracts
- Valuation of inventories

### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit

PricewaterhouseCoopers AG, Kornhausstrasse 25, 9000 St. Gallen  
Telefon: +41 58 792 72 00, [www.pwc.ch](http://www.pwc.ch)

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.



procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

<b>Overall group materiality</b>	CHF 3.5 million
<b>Benchmark applied</b>	Sales revenue (net sales)
<b>Rationale for the materiality benchmark applied</b>	We chose sales revenue as the benchmark for determining materiality. This basis takes into account the volatility of the business environment and is a generally accepted benchmark for materiality considerations.

We agreed with the Board of Directors that we would report to them misstatements above CHF 350'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

#### Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The audit strategy for the audit of the consolidated financial statements was determined taking into account the work of the component auditors from the PwC network. The audit of the consolidation, disclosure and presentation of the consolidated financial statements was performed by us as the group auditor. As the group auditor, we ensured sufficient involvement in the audits of the component auditors in order to assess whether sufficient appropriate audit evidence was obtained from the activities of the component auditors on the financial information of the components as a basis for the group audit opinion. Our involvement included reviewing the reports, holding telephone conferences with the component auditors during the interim and final audit, reviewing certain documentation of the component auditor, communicating risks identified at group level, specifying audit procedures relating to the accounting treatment of construction contracts and the measurement of inventories, and specifying the materiality thresholds to be applied.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



### Recognition of construction contracts

#### Key audit matter

StarragTornos Group AG has construction contracts which are recognised in accordance with Swiss GAAP FER 22 "Long-term contracts" using the percentage of completion method (POCM). Revenue from construction contracts at fixed prices is recognised including a profit share depending on the percentage of completion. The percentage of completion is determined using the efforts-expended method.

The progress of the project on the balance sheet date and the future costs incurred until completion must be estimated by management. A misstatement could have a significant impact on the result for the period (receivables from construction contracts in progress amount to CHF 67.6 million and liabilities from construction contracts in progress amount to CHF 41.6 million, see Note 16), which is why we consider the recognition of construction contracts to be a key audit matter.

Please refer to page 190 (Management assumptions and estimates), page 191 (Significant accounting principles – Net sales and profit realization) and Note 16 (Construction contracts) in the notes to the consolidated financial statements.

#### How our audit addressed the key audit matter

We performed the following audit procedures in particular to audit the accounting for construction contracts using the percentage of completion method (POCM):

- We gained an understanding of the process of accounting for construction contracts and tested selected internal controls in this area.
- We selected a sample of construction contracts based on sales volume, the contribution margin and the change in margin compared to the planning phase and performed the following audit procedures:
  - We assessed the contract calculations to determine whether the contract terms, such as sales revenue and contractual penalties, are appropriately recognised.
  - We discussed the progress of the project with the project controllers and project managers on the basis of the current project accounting, the costs still to be incurred until completion and the margin development.
  - We obtained written information from the Group's legal representatives. We reviewed these letters for indications of possible quality deficiencies or penalties and assessed whether the matters referred to are appropriately reflected in the consolidated financial statements.
- During the audit, we inspected various machines under construction and assessed the progress of the project.
- For the construction contracts concluded in the reporting year, we compared various definitive parameters with the estimates in the planning phase or with those at the last balance sheet date in order to be able to assess the accuracy of management's estimates in retrospect.
- We checked the mathematical accuracy of the relevant analyses with regard to the progress of the project, future costs and sales.
- We have assessed whether the disclosures in the consolidated financial statements have been made in accordance with the provisions of Swiss GAAP FER 22 "Long-term contracts".

Our audit approach allowed us to conclude on the recognition of construction contracts.



### Valuation of inventories

#### Key audit matter

The valuation of inventories is a key audit matter for us, as inventories of CHF 215.5 million account for a significant proportion of total assets as at 31 December 2024.

Sales of industrial machinery (including services) are subject to market fluctuations. These fluctuations and the complexity of inventories - raw materials and components, semi-finished goods, spare parts and finished goods – require estimates and judgements by management when valuing inventories.

In particular, the following risks exist in connection with the valuation of inventories by management:

- Inventories are not measured at the lower of either standard cost or net realisable value (lower of cost or market principle).
- Valuation allowances for non-current inventories (obsolete or slow-moving inventories) are insufficient.

Please refer to page 192 (Significant accounting principles – Inventories and Inventories and allowance for obsolescence (change in estimates)) and Note 9 (Inventories) in the notes to the consolidated financial statements.

#### How our audit addressed the key audit matter

In particular, we performed the following audit procedures to test the recoverability of inventories:

- We conducted sample-based inspections to verify compliance with the lower of cost or market principle.
- We performed sample-based inspections to determine whether management's calculation of valuation allowances for non-current inventories was mathematically correct and appropriate.
- We assessed the intercompany profit elimination process at group level. In doing so, we verified that the inventories in the consolidated financial statements do not contain any material unrealised gains.
- We have examined whether the disclosures in the consolidated financial statements have been made in accordance with the provisions of Swiss GAAP FER 17 "Inventories".

The information provided to us by management in the course of our audit and the assumptions used provide an reasonable basis to conclude on the valuation of inventories.

### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

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

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

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

### Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.





#### Auditor's responsibilities for the audit of the consolidated financial statements

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

#### Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Oliver Kuntze  
Licensed audit expert  
Auditor in charge

Kirsten Bodyl  
Licensed audit expert

St. Gallen, 13 March 2025



# Supplementary Definitions of Non-GAAP Financial Measures

The financial information in this Annual Report contains certain additional performance indicators, which are not defined by Swiss GAAP FER. These are used by management to measure the performance of the company. They may differ from similar performance measures used by other companies and should not be seen as a substitute for the Swiss GAAP FER key figures.

## **Order intake**

Order intake include all the orders that have been received during the reporting period, including products (new machines, modernisation, maintenance and repairs).

## **Order backlog**

The order backlog include all orders that have not yet been completed, net after deduction of the revenue already recognised.

## **Currency-adjusted changes**

To calculate the currency-adjusted changes, the corresponding key indicators are translated at the exchange rates of the comparative period.

## **EBITDA**

The operating result before depreciation and amortization of fixed assets and intangible assets.

## **EBIT**

The operating result before financial result, non-operating result and income tax expenses.

## **Free cash flow**

The free cash flow is calculated as follows:

- + Cash flow from operating activities, net
- + Cash flow from investing activities, net

## **Net liquidity**

The net liquidity is calculated as follows:

- + Cash and cash equivalents
- Current borrowings
- Non-current borrowings

## **Equity ratio**

To calculate the equity ratio, the equity is divided by the total of the assets.

## **Return on equity ROE**

To calculate the return on equity, the net profit is divided by the equity at the start of the reporting period.

## **Restructuring costs**

Restructuring costs include costs in conjunction with strategic restructuring.



# Financial Statements StarragTornos Group AG



# Income Statement

	CHF 1 000	2024 01.01.–31.12.	2023 01.01.–31.12.
Management fees		2 300	0
Financial income		3 959	3 446
<b>Total financial income</b>		<b>6 259</b>	<b>3 446</b>
Operating expenses		-2 901	-631
Other operating expenses		-2 286	-2 359
Depreciation and value adjustments of fixed assets		-431	-431
Financial expenses		-454	-3 587
Income tax expenses		-68	-155
<b>Net income</b>		<b>117</b>	<b>-3 717</b>



# Balance Sheet

	CHF 1 000	31.12.2024	31.12.2023
Cash and cash equivalents		30	31
Other receivables:			
from group companies		36 396	34 982
from third parties		61	65
Prepaid expenses		6	16
<b>Total current assets</b>		<b>36 493</b>	<b>35 094</b>
Financial assets:			
Loans to group companies		66 126	57 157
Investments	7	209 141	209 141
<b>Total fixed assets</b>		<b>275 267</b>	<b>266 298</b>
<b>Total assets</b>		<b>311 761</b>	<b>301 392</b>

	CHF 1 000	31.12.2024	31.12.2023
Other liabilities:			
to group companies		52 634	26 199
to third parties		245	461
Accrued expenses and deferred income		418	2 729
<b>Total current liabilities</b>		<b>53 298</b>	<b>29 389</b>
<b>Total liabilities</b>		<b>53 298</b>	<b>29 389</b>
Share capital	8	46 437	46 437
Legal capital reserves:			
Capital contribution reserves	12	120 247	127 076
Other legal capital reserves		1 222	1 222
Voluntary retained earnings			
Retained earnings		90 440	100 986
Net income		117	-3 717
<b>Total shareholders' equity</b>		<b>258 463</b>	<b>272 003</b>
<b>Total liabilities and shareholders' equity</b>		<b>311 761</b>	<b>301 392</b>



# Notes to the Financial Statement

## Accounting principles

### 1. Principles of presentation

The financial statement of StarragTornos Group AG, Rorschacherberg was prepared in accordance with the provisions of the Swiss Law on Commercial Accounting defined by the Swiss Code of Obligations.

The company prepares a consolidated financial statement in accordance with the Swiss GAAP FER accounting standards. Correspondingly, the company does not prepare any additional Notes to the Financial Statement, a management report or a cash flow statement.

The main balance sheet items are accounted for as explained below.

### 2. Other current receivables and liabilities

Other current receivables and liabilities are carried at their nominal value. Individual value adjustments on other current receivables are recognized taking into account the maturity structure and identifiable credit risks. For the remainder, general value adjustments are created at the discretion of the Board of Directors as permitted by tax legislation.

### 3. Financial assets

The financial assets include long-term loans to Group companies. Loans granted in foreign currency are valued at the current year-end exchange rate, whereby unrealized losses are recognized but unrealized gains are not recognized.

### 4. Shareholdings

Shareholdings are reported in the balance sheet at the cost of acquisition less appropriate value adjustments for impairments that are anticipated to be permanent.



## 5. Currency conversion

Transactions in foreign currencies are converted into Swiss Francs at the exchange rate valid at the time of the transaction. Pursuant to the imparity principle, assets and liabilities in foreign currencies are converted into Swiss Francs at the year-end rate.

## Supplementary information and explanations on the financial statement

## 6. Full-time employees

The company does not have any employees.

## 7. Shareholdings

As of December 31, 2024, and as of the end of the prior year, the company held the following direct or significant indirect shareholdings, each of which representing an equity share and voting rights of 100% (unless otherwise indicated):

- Starrag Group Holding GmbH, Chemnitz, Germany (capital share 100%, share capital EUR 4,500,000)
- Starrag Group Holdings Ltd., Birmingham, UK (capital share 100%, share capital GBP 50,000)
- Starrag AG, Rorschacherberg, Switzerland (capital share 100%, share capital CHF 10,000,000)
- Starrag GmbH, Chemnitz, Germany (capital share 100%, share capital EUR 5,113,000)
- Starrag SAS, Saint-Etienne, France (capital share 100%, share capital EUR 3,300,000)
- Starrag Service Center GmbH & Co. KG, Ichttershausen, Germany (capital share 100%, share capital EUR 77,000)
- Starrag Technology GmbH, Mönchengladbach, Germany (capital share 100%, share capital EUR 2,500,000)
- Starrag Vuadens SA, Vuadens, Switzerland (capital share 100%, share capital EUR 487,000)
- Toolroom Technology Limited, Haddenham, UK (capital share 100%, share capital GBP 20,000)
- Starrag (Shanghai) Co. Ltd., Shanghai, China (capital share 100%, share capital CNY 1,548,000)
- Starrag India Private Limited, Bangalore, India (capital share 100%, share capital INR 848,351,000)
- Starrag Italia Sri, Rivoli, Italy (capital share 100%, share capital EUR 10,000)
- Starrag RU Ltd., Moscow, Russia (in the process of liquidation) (capital share 100%, share capital RUB 2,000,000)
- Starrag UK Limited, Birmingham, UK (capital share 100%, share capital GBP 1,000,000)
- Starrag USA Inc., Hebron USA (capital share 100%, share capital USD 30,000)
- Starrag Makina Ticaret ve Servis Ltd., Ankara, Turkey (in the process of liquidation) (capital share 100%, share capital TRY 5,000)
- Starrag Mexico, S. de R.L. de C.V., San Pedro Garcia, Mexico (capital share 100%, share capital MXN 3,000)
- Starrag Grundstücksvermietungsgesellschaft mbH, Mönchengladbach, Germany (capital share 100%, share capital EUR 2,500,000)
- Scharmman GmbH, Mönchengladbach, Germany (capital share 100%, share capital EUR 26,000)



- Starrag Vermietungs-Servicegesellschaft mbH, Mönchengladbach, Germany (capital share 100%, share capital EUR 24,000)
- Tornos Ltd., Moutier, Switzerland (capital share 100%, share capital CHF 650,000)
- Tornos Technologies Deutschland GmbH, Pforzheim, Germany (capital share 100%, share capital EUR 511,000)
- Tornos Technologies Iberica SA, Granollers, Spain (capital share 100%, share capital 60,000)
- Tornos Technologies Italia Srl, Rho/MI, Italy (capital share 100%, share capital EUR 94,000)
- Tornos Technologies Poland Sp. z o.o., Katy Wroclawskie, Poland (capital share 100%, share capital PLN 50,000)
- Tornos Technologies SAS, St-Pierre-en-Faucigny, France (capital share 100%, share capital EUR 310,000)
- Tornos Technologies U.S. Corp. Des Plaines, IL, USA (capital share 100%, share capital USD 2,400,000)
- Tornos Technologies Brazil Ltda., São Paulo, Brazil (capital share 100%, share capital BRL 1,000,000)
- Tornos Technologies Asia Limited, Hong Kong City (capital share 100%, share capital HKD 10,000)
- Tornos Technologies (Thailand) Co, Ltd., Bangkok, Thailand (capital share 100%, share capital THB 3,000,000)
- Tornos Technologies (Shanghai) Co. Ltd., Shanghai, China (capital share 100%, share capital CNY 3,420,000)
- Tornos (Taichung) Machine Works Ltd., Taichung, Taiwan Region (capital share 100%, share capital TWD 60,250,000)
- Tornos (Xi'an) Machine Works Co., Ltd., Xi'an, China (capital share 100%, share capital CNY 25,000,000)
- Tornos (Milan) Machine Works Srl, Rho/MI, Italy (capital share 100%, share capital EUR 10,000)

According to the merger agreement dated October 25, 2023, Starrag Group Holding AG absorbed Tornos Holding Ltd. retroactively as of July 1, 2023, through a merger under Article 3, paragraph 1, letter a of the Swiss Merger Act. As a result, all assets and liabilities of Tornos Holding Ltd. have been transferred to Starrag Group Holding AG. Subsequently, Starrag Group Holding AG was renamed StarragTornos Group AG.

## 8. Share capital, conditional capital and authorized capital

### 8.1 Share capital

The share capital of CHF 46.4 million consists of 5,463,121 registered shares with the nominal value of CHF 8.50 each.

### 8.2 Conditional share capital

	2024		2023	
	Number of shares	Amount (in CHF 1 000)	Number of shares	Amount (in CHF 1 000)
At beginning of year	70 000	595	-	-
Creation			70 000	595
At end of year	70 000	595	70 000	595

In 2024, no conditional share capital has been created (2023: CHF 595,000).





### 8.3 Authorized share capital

StarragTornos Group AG does not have any authorized capital.

## 9. Major shareholders

The following major shareholders hold more than 3% of the voting rights:

	31.12.2024	31.12.2023
Walter Fust, Freienbach, Switzerland	52.11%	52.11%
Eduard Stürm AG, Goldach, Switzerland	5.69%	5.69%
Michel Rollier / Rollomatic Holding AG, Le Landeron, Switzerland	5.53%	5.53%
Max Rössler / Parmino Holding AG, Goldach, Switzerland	3.63%	4.62%

## 10. Compensations

Compensations to the Board of Directors and to the Executive Board are disclosed in the compensation report from page 160 of the Annual Report.

## 11. Participations of the Board of Directors and Executive Board

	Number at 31.12.2024		Number at 31.12.2023	
	Shares	Options	Shares	Options
Michael Hauser, Chairman (CEO until 31.05.2024)	12 687	6 354	12 687	6 354
Walter Fust, Vice-President	2 846 564	-	2 846 564	-
François Frôté, Member (until 25.04.2024)	n/a	n/a	22 942	1 694
Till Fust, Member	846	1 271	846	1 695
Michel Rollier, Member (until 25.04.2024)	n/a	n/a	302 209	2 541
Adrian Stürm, Member	41 687	-	41 187	-
Jens Thing, Division CEO Tornos	6 354	-	6 354	3 706
Stéphane Pittet, CFO (until 31.10.2024)	n/a	n/a	2 118	4 236

Starrag Group Holding AG did not operate a stock option plan. Therefore, no Starrag Group Holding AG options were held by Starrag Board of Directors and Executive Board as of December 31, 2022. In the course of the merger of Starrag Holding AG with Tornos Holding Ltd. it was decided, that existing Tornos Holding Ltd. options held by Tornos Board of Director and Executive Board members will be converted into Starrag options. The outstanding options as of December 31, 2024 reflect the number of options as a result of the merger. No StarragTornos Group AG shares have been allocated to members of the Board of Directors and Executive Board during 2024. Further, no Starrag options, other than the ones converted as explained before, have been granted.



## **12. Capital contribution reserves**

The reported legal capital contribution reserves at December 31, 2024 amounted to CHF 120.2 million (prior year CHF 127.1 million). The current capital contribution reserve of 120.2 million is subject to approval by the Swiss Federal Tax Administration with the meaning of Article 20 (3) of the federal Income Tax Act and Article 5 (1) of the Federal Withholding Tax Act.

## **13. Securities for the benefit of Group companies**

The total amount of securities furnished for third-party liabilities amounts to CHF 277.1 million (prior year CHF 255.5 million).

## **14. Contingent liabilities**

The company is part of the VAT group of Starrag AG and thus jointly liable for VAT debts of the whole group to the Swiss Federal Tax Administration.

## **15. Events after the balance sheet date**

No events occurred after the balance sheet date that would have an impact on the financial statement.



# Appropriation of Retained Earnings

## Proposal of the Board of Directors for the appropriation of retained earnings

	CHF 1 000	2024	2023
Retained earnings		90 440	95 483
Merger effect		0	5 503
Net income		117	-3 717
Retained earnings		90 557	97 269
Dividend CHF 0.50 (50%), prior year CHF 1.25		-2 732	-6 829
<b>To be carried forward</b>		<b>87 825</b>	<b>90 440</b>

## Proposal of the Board of Directors for the appropriation of legal capital contribution reserves

The Board of Directors proposes to pay out to the Annual General Meeting of April 17, 2025, a dividend of CHF 1.00 CHF, 0.50 CHF tax-free from reserves from capital contributions, and CHF 0.50 from retained earnings. Due to the applicable tax law, no more than 50% of the dividend may be distributed from tax-advantaged reserves from capital contributions.

	CHF 1 000	2024	2023
Available capital contribution reserves	12	120 247	127 076
Withholding tax free distribution CHF 0.50 per registered share (50%), prior year CHF 1.25		-2 732	-6 829
<b>To be carried forward</b>		<b>117 515</b>	<b>120 247</b>



## Report of the statutory auditor



# Report of the statutory auditor to the General Meeting of StarragTornos Group AG, Rorschacherberg

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of StarragTornos Group AG (the Company), which comprise the Income Statement for the year ended 31 December 2024, the Balance Sheet as at 31 December 2024 and Notes to the Financial Statement, including a summary of significant accounting principles.

In our opinion, the financial statements (pages 220 to 227) comply with Swiss law and the Company's articles of incorporation.

### Basis for opinion

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

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

### Our audit approach



### Overview

Overall materiality: CHF 1.5 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

- Impairment testing of investments in subsidiaries

### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

PricewaterhouseCoopers AG, Kornhausstrasse 25, 9000 St. Gallen  
Telefon: +41 58 792 72 00, [www.pwc.ch](http://www.pwc.ch)

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.



<b>Overall materiality</b>	CHF 1.5 million
<b>Benchmark applied</b>	Total assets
<b>Rationale for the materiality benchmark applied</b>	We chose total assets as the benchmark because, in our view, it is a relevant benchmark for a holding company, and it is a generally accepted benchmark for holding companies.

We agreed with the Board of Directors that we would report to them misstatements above CHF 150'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

**Audit scope**

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Impairment testing of investments in subsidiaries**

Key audit matter	How our audit addressed the key audit matter
Investments in subsidiaries is a significant asset category on the balance sheet (CHF 209.1 million). Impairment testing of investments whose book value is greater than the book value of the underlying net assets (company's equity) requires Management to consider capitalised earnings. Doing so involves significant scope for judgement, particularly to determine the assumptions to use concerning future business results. In identifying the potential need for impairment of investments in subsidiaries, Management uses a predefined impairment testing process. Please refer to Note 4 (Shareholdings) of the notes to the financial statement.	In our audit of investments in subsidiaries, we performed the following main audit procedures: <ul style="list-style-type: none"> <li>We compared the book value of the investments in the year under review with their pro-rata share of the respective company's equity or the company's valuation, based on capitalised earnings.</li> <li>We checked for plausibility the key assumptions applied by Management (revenue, margin growth and discount rate). We consider the valuation process and the assumptions used to be a reasonable basis for the impairment testing of the investments in subsidiaries as at 31 December 2024.</li> </ul>

**Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

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

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



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

#### **Board of Directors' responsibilities for the financial statements**

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

#### **Report on other legal and regulatory requirements**

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Appropriation of Retained Earnings (Proposal of the Board of Directors for the appropriation of retained earnings and Proposal of the Board of Directors for the appropriation of legal capital contribution reserves) complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Oliver Kuntze  
Licensed audit expert  
Auditor in charge

Kirsten Bodyl  
Licensed audit expert

St. Gallen, 13 March 2025



# Financial Calendar and Contact Information

## Financial calendar

April 17, 2025      Annual General Meeting 2025

July 25, 2025      Half-year report 2025

January 30, 2026      Sales and orders 2025

March 13, 2026      Annual Report 2025, media and analysts' conference 2026

April 17, 2026      Annual General Meeting 2026

## Contact information

Markus Jäger, CFO

[investor@starrag.com](mailto:investor@starrag.com)

