



1 Environmental, Social and Governance (ESG) at Bystronic (CSRD)

1.1 Introduction

This 2025 report marks our first Sustainability Report aligned with the Corporate Sustainability Reporting Directive (CSRD) under the European Sustainability Reporting Standards (ESRS). It represents an important milestone, reflecting our approach to managing sustainability as an integral part of our business to create value and strengthen long-term business continuity. The report also reflects a step change in transparency, with expanded and more robust sustainability disclosures. For example, we published our EU Taxonomy alignment for the first time, demonstrating our commitment to advancing cleantech solutions in our product portfolio. During 2025, we advanced substantially on our decarbonization journey.

Our U.S. facilities transitioned to 100% renewable electricity in June 2025. At Bystronic Laser AG in Switzerland, we eliminated natural gas consumption at our headquarters through geothermal heating implementation. In addition, the site achieved ISO 14001 environmental certification. Critically, the Science-Based Targets initiative (SBTi)¹⁾ validated our climate targets in April 2025.

In our supply chain, we achieved an A- score in the Carbon Disclosure Project (CDP) supplier engagement assessment, and strengthened our partnership with Swedish steel manufacturer, SSAB, for innovative materials including recycled and fossil-free steel.

For our workforce, our efforts in health and safety paid off, reducing the level of injuries across all operations and demonstrating our commitment to safety, development, and ethical business conduct. In addition, we delivered 16 average training hours per employee and recorded zero Code of Conduct violations.

We are committed to continued transparency, stakeholder responsiveness, and innovation, and we invite all stakeholders – employees, customers, suppliers and investors – to join us on this journey.

¹⁾ Science-Based Targets

1.2 2025 Performance overview

The table below summarizes progress against our key 2030 sustainability targets as of year-end 2025.

Target	Baseline	2025 Status	2030 Targets	Status
 Scope 1 & 2 emissions	12,028 tCO ₂ e (2021)	8,687 tCO ₂ e	6,976 tCO ₂ e (-42%)	AHEAD
 Scope 3 emissions	785,261 tCO ₂ e (2023)	672,699 tCO ₂ e	530,051 tCO ₂ e (-32.5%)	AHEAD
 Women in management	20% (2023)	26%	≥25%	AHEAD
 Safety TRIR	1.59 (2021)	1.15	≤0.8	ON TRACK
 Waste reduction	4,267 tons (2021)	2,150 tons	3,413 tons (-20%)	EXCEEDED

Key achievements during 2025 include:

- **Environment**
 - Science-Based Targets validated by SBTi in April 2025 for near-term emission reduction commitments: Scope 1 & 2 a 42% reduction from 2021 baseline by 2030, and Scope 3 a 32.5% reduction from 2023 baseline by 2033.
 - U.S. renewable energy transition completed in June 2025 as Bystronic Manufacturing Americas LLC and Bystronic Inc. transitioned to 100% renewable electricity through a Power Purchase Agreement with Verde. This switch covers approximately 4.6% of Bystronic’s total 2024 energy consumption and avoids approximately 700 tCO₂e annually, representing around 6% of baseline Scope 1 & 2 emissions.
 - Geothermal heating system is operational at Bystronic Laser AG headquarters, eliminating natural gas consumption and reducing Scope 1 emissions by approximately 160 tCO₂e annually based on Swiss-standard emission factors.
 - ISO 14001 certification achieved at Bystronic Laser AG in March 2025, following implementation program initiated in January 2025.
- **Supply chain**
 - EcoVadis²⁾ supplier coverage kept at 20% of purchase volume in 2025, supporting suppliers in establishing their own Science-Based Targets. Bystronic achieved an A- score in the CDP supplier engagement assessment, placing the company in the leadership category for supply chain climate action.
 - Material innovation partnership with Swedish steel manufacturer SSAB renewed in 2025 to advance laser cutting and bending technologies for innovative materials including alloys, recycled steel, and fossil-free steel. This collaboration supports the transition to lower-carbon material options across the value chain. Initial tests show fossil-free steel can be processed with comparable quality to conventional steel, enabling customer decarbonization.

²⁾ EcoVadis

– **Circularity**

- The Innosuisse circular economy project Circulus (see [section 2.5](#)) continues collaboration with the Swiss Innovation Agency. As a key member, Bystronic works with Zurich University of Applied Sciences (ZHAW) and industry partners to advance innovative solutions that enhance resource efficiency, strengthen circular value chains, and promote sustainable business practices.
- The deep refurbishment program for BySprint laser cutting systems aims to extend the operational life of existing customer equipment by five or more years and reduce the need for new system production. In 2025, 34 refurbished machines were sold, avoiding approximately 3,500 tCO₂e of embodied emissions compared to new production. Circular design integration focuses on new laser cutting system development from the earliest design stages.

1.3 Basis for preparation (BP)

1.3.1 General basis for preparation (BP-1)

This report covers the period from January 1 to December 31, 2025, and includes all entities under Bystronic's operational control as of December 31, 2025. Unless stated otherwise, data is consolidated at the Group level. Where boundaries differ for specific metrics is explicitly indicated in the relevant sections. Reporting boundaries are consistent with those used in the Consolidated Financial Statements.

- **Group Structure:** Bystronic Group operates with nine manufacturing sites in Switzerland, Germany, Italy, the Netherlands, China and the USA; more than 30 sales entities worldwide; and approximately 3,000 employees on a full-time equivalent basis. We consolidated and upgraded our refurbishing business in a new facility in the Netherlands and closed our Romanian refurbishment workshop in July 2025. In addition, we shifted former Bystronic-owned sales entities in Hungary and South Africa into dealer relationships in the second half of 2025. These had minimum impact on CO₂e emissions (<5%).

1.3.2 Disclosures in relation to specific circumstances (BP-2)

- **Reporting standards:** The report has been prepared in reference to the ESRS under CSRD. It also fulfills the disclosure requirements of the Swiss Code of Obligations, articles 964a-c and 964j-l, concerning non-financial reporting. In previous years, we used the Global Reporting Initiative (GRI) standard.
- **Accounting framework:** Financial data follows Swiss GAAP FER accounting principles. EU Taxonomy KPIs are prepared in accordance with Delegated Regulation (EU) 2021/2178.
- **Data management:** Data collection and validation processes follow Bystronic's internal ESG reporting & controls framework, supported by the Jedox and Qlik platforms. All quantitative information is subject to quarterly internal collection and validation with defined data owners and maker-checker review processes regarding database management.
- **Data quality:** Comparative figures have been restated where relevant to ensure consistency. Estimation methodologies are disclosed where data is based on assumptions or extrapolations. Significant estimation uncertainty remains in calculating Scope 3 Category 11 as the lifetime of machines and lifetime electricity consumption is subject to customer usage, into which we don't have enough visibility yet. Ongoing measurement, customer data analysis, and Life Cycle Assessments (LCA) are helping us to improve accuracy. For example, this year we improved our ability to define the lifetime of a machine, a critical factor in our calculations. This improvement affected more than 5% of the baseline, leading us to recalculate Scope 3, Category 11, since the original 2023 baseline. Calculating Scope 3 Category 1 depends on accurate material categorization and data maintenance. Ongoing refinement of the SAP categories and improved weight data maintenance across the Group are helping improve precision.

1.4 Governance (GOV)

1.4.1 Role of administrative, management and supervisory bodies (GOV-1)

- **Board of Directors** (Chair: Dr. Heinz O. Baumgartner) Has ultimate responsibility for sustainability matters. Approves CSRD Sustainability Report. Sets strategic direction for sustainability commitments. Reviews material ESG risks and opportunities.
- **Audit Committee** (Chair: Dr. Roland Abt) Supervises sustainability reporting processes and quality. Oversees ESG risk management integration into Enterprise Risk Management. Comprises three independent Board members with relevant financial, risk management, and sustainability expertise.
- **Human Resources Committee** (Chair: Urs Riedener) Oversees sustainability-related human capital topics, including workforce policies, diversity and inclusion, health and safety, and training. Supervises the integration of sustainability and ESG objectives into remuneration and incentive systems. Reviews people-related ESG risks, succession planning, and the consistency of social data relevant for sustainability reporting.
- **Executive Committee** (CEO: Domenico Iacovelli) Embeds sustainability into operational plans and performance targets. Sets annual ESG performance targets aligned with strategy. Allocates resources to sustainability initiatives. Ensures alignment between sustainability and corporate strategy. Reviews annual ESG performance dashboards. The Executive Committee was streamlined from 10 to four members in early 2025 as part of the CORE restructuring, enhancing decision-making efficiency while maintaining rigorous sustainability oversight.
- **Group ESG Officer** (Michael Präger: reports to CEO) Ensures implementation of the sustainability strategy, CSRD compliance, and regulatory alignment. Coordinates ESG data collection and validation across global operations. Manages stakeholder engagement on sustainability topics. Oversees ESG project portfolio execution. Serves as primary contact for ESG rating agencies and investors. Prepares materials for Board and Audit Committee reviews.
- **Sustainability Council** (cross-functional) Comprises leaders from Operations, Procurement, R&D, HR, and regional management. Connects functions and regions to drive sustainability initiative implementation. Shares best practices across departments. Monitors KPI performance against targets. Escalates issues to the Executive Committee when necessary.

1.4.2 Information provided to and sustainability matters addressed (GOV-2)

The Board of Directors Human Resources Committee and Audit Committee receive annual updates covering progress against Science-Based Targets for Scope 1, 2 and 3 emissions, disclosure gap analysis, employee engagement survey results, material ESG risks and mitigation actions, and regulatory developments including CSRD, EU Taxonomy, Carbon Border Adjustment Mechanism (CBAM), and emerging requirements.

The Executive Committee receives annual updates on ESG KPI dashboard performance, sustainability initiative progress, supplier sustainability performance, employee engagement and safety metrics, and customer sustainability feedback.

1.4.3 Integration of sustainability performance in incentive schemes (GOV-3)

Sustainability is embedded across our corporate strategy, from development processes and capital allocation decisions that prioritize low-carbon investments, to risk management frameworks incorporating climate and ESG risks, performance management with executive compensation linked to ESG KPIs, and an innovation roadmap focused on cleantech solutions.

Executive compensation includes ESG components covering climate target achievement and employee engagement advancement. In 2025, ESG components were achieved at 100% of target, reflecting climate performance ahead of trajectory in operations, while value chain GHG emissions intensity remained below target. Social performance was strong, with a high engagement score reflecting an inclusive culture and a diverse workforce.

1.4.4 Statement on due diligence (GOV-4)

Bystronic applies systematic due diligence processes across its value chain.

- **Supplier sustainability assessment:** The EcoVadis platform is the primary tool for supplier sustainability assessment (see [section 4.2 for coverage details](#)). Risk screening evaluates all new suppliers for environmental, social, governance, and geographic risks. A Supplier Code of Conduct acknowledgment is required from all suppliers. Contracts with suppliers (80% of purchase volume) include supplier partner agreements with sustainability clauses. There were five system audits in 2025, including sustainability assessments. Findings were integrated into supplier performance ratings and sourcing decisions through the Jasper supplier management system.
- **Facility environmental & social management:** ISO 14001 certification covers three of nine manufacturing plants. ISO 45001 certification covers two of nine manufacturing plants. ISO 9001 certification covers seven of nine manufacturing plants. ISO 50001 certification covers one plant. An annual internal audit is conducted at major facilities. Water risk assessment is carried out at all sites using the WRI Aqueduct Water Risk Atlas.³
- **Human rights due diligence:** Supply chain risk mapping assesses Tier One suppliers for human rights risks including forced labor, child labor, and conflict minerals. A standard grievance mechanism via the Business Ethics Hotline is available to suppliers and third parties. In 2025, there were no human rights violations identified in supplier audits or in risk mapping assessments.

³⁾ WRI Aqueduct

1.4.5 Risk management and internal controls (GOV-5)

Bystronic has established robust processes to ensure ESG data quality, accuracy, and reliability. Quarterly data collection uses standardized templates in the Jedox platform from all entities. Data owners at each site validate data accuracy and completeness. Maker-checker processes provide independent review of data entries. Consolidation and analysis is performed centrally by the ESG function. Internal control testing over ESG data is conducted annually.

1.5 Strategy and business model (SBM)

1.5.1 Strategy, business model and value chain (SBM-1)

Bystronic is a global technology company specializing in sheet-metal processing systems, automation, and digital solutions. We empower customers worldwide to increase productivity while reducing resource use and emissions.

- **Core business:** Our offerings encompass laser cutting systems for precision metal fabrication, press brakes for sheet metal bending, automation solutions integrating material handling and workflow optimization, digital manufacturing software including nesting and production planning tools, and comprehensive service programs with training, consulting, and support.
- **Markets served:** Bystronic serves the global sheet metal processing market, providing solutions to original equipment manufacturers, contract manufacturers, and industrial fabricators across a wide range of sectors. Our customers operate in machinery, construction, energy, appliances, transportation, and other industrial applications where precision metal components are required. Through our systems, software, and services, we help manufacturers increase efficiency, material and energy savings, and competitiveness in their respective markets.
- **Geographic presence:** Our manufacturing hubs operate in Switzerland (headquarters), Italy, Germany, China, and the USA. Sales and service networks span over 30 countries, with a strong presence in Europe, North America, and Asia. Regional demo centers provide customer training, application development support, and opportunities to test and optimize processes locally.
- **Inputs:** Our value creation begins with technical expertise in laser and automation technology, manufacturing capabilities across global facilities, R&D investments driving innovation, a skilled workforce in engineering, software development, and manufacturing, and supplier partnerships providing high-quality components and materials.
- **Business activities:** We engage in product development that integrates customer feedback and market trends, precision manufacturing with strict quality control, customer service providing technical support and maintenance, digital solutions development creating software for production optimization and connectivity, and training and consulting that enable customer success.
- **Outputs:** We deliver cutting-edge systems that set industry performance standards, automation solutions that increase productivity and quality, digital tools that optimize material use and production planning, technical support that ensures system uptime and performance, and training programs that build customer capabilities.

- **Outcomes:** Value created includes customer productivity gains through reduced cycle times and increased throughput, reduced customer emissions—particularly through Scope 3 Category 11 use-phase efficiency, job creation across manufacturing and service operations, innovation in metalworking that advances industry capabilities, and industry leadership in cleantech solutions.

1.5.2 Interests and views of stakeholders (SBM-2)

We engage stakeholders through multiple channels to understand expectations and integrate feedback into decision-making.

- **Employees:** Engagement channels include an employee engagement survey covering sustainability awareness, values alignment, and workplace experience. Regular town halls provide transparent communication of sustainability progress. An internal ambassador network shares best practices and drives local initiatives. Expectations include a safe and healthy workplace, career development opportunities, and purpose-driven work contributing to sustainability goals.
- **Customers:** There is regular interaction through demo center visits, technical consultations, and service touchpoints. Customer feedback is integrated into product development priorities. Expectations include providing energy-efficient equipment that reduces operating costs, material optimization features, sustainability data for their own reporting, and reliable equipment minimizing downtime.
- **Investors:** Channels include the Annual General Meeting, investor presentations, and dedicated ESG discussions with institutional investors. Expectations include transparent sustainability performance disclosure, alignment with international frameworks, clear progress on climate commitments, and the integration of ESG into business strategy and risk management.
- **Suppliers:** Supplier are engaged through procurement processes, EcoVadis assessments, and collaborative development partnerships. Expectations include clear sustainability requirements, support for capability building, fair business practices, and partnership development opportunities.
- **Regulators:** Engagement is through industry associations and direct dialogue. Compliance with Swiss non-financial reporting, CSRD, EU Taxonomy, and upcoming regulations. Expectations include accurate and complete sustainability disclosure, alignment with reporting frameworks, and sustainability.

1.5.3 Sustainability journey

Bystronic's sustainability reporting has evolved significantly over the past five years, demonstrating systematic capacity building and commitment to transparency and continuous improvement.

- **2019–2021:** GRI-aligned reporting framework established. First Group-wide greenhouse gas (GHG) baseline developed. Initial materiality assessment completed identifying key sustainability topics.
- **2022:** Scope 3 emissions mapped across two main categories. Energy-efficiency KPIs introduced for operational monitoring. Renewable energy procurement expanded across European facilities. First external assurance on Scope 1 & 2 data.
- **2023:** Science-Based Targets initiative (SBTi) commitment submitted. Full Scope 3 calculation completed per GHG Protocol covering all 15 categories. Double materiality assessment initiated. External assurance extended to Scope 3 data.
- **2024:** Digital ESG data collection platforms improved, enabling quarterly data collection and validation. Two new policies introduced related to human rights and environmental matters.
- **2025:** CSRD alignment achieved across all material topics. Full double materiality assessment completed with internal representative participants and external advisor. Science-Based Targets validated by SBTi in April 2025. EU Taxonomy assessment completed for revenue and CapEx.

1.6 Impact, risk and opportunity management (IRO)

1.6.1 Description of processes to identify and assess material IROs (IRO-1)

Bystronic completed its first full double materiality assessment (DMA) in 2025, building on a preliminary assessment initiated in 2023. The assessment was conducted in two structured workshops during August 2025, facilitated by an external sustainability advisor.

- **Process:** The DMA followed a four-step approach: (1) identification of a long list of potentially material topics based on ESRS topical standards, sector-specific guidance, and peer benchmarking; (2) subtopic-level scoring by workshop participants across both impact materiality and financial materiality dimensions; (3) aggregation and threshold application; and (4) validation by management and approval by the Board.
- **Participants:** The assessment involved 10 participants selected for representing cross-functional expertise and key areas of the business: an Executive Committee member, function heads from Sustainability, Finance, Procurement, Operations, HR, R&D, and Compliance, supported by external sustainability advisors. Scores were weighted by participant expertise in each domain.
- **Scoring method:** Each ESRS topic was assessed at the subtopic level (e.g., E1 Climate Change was evaluated across 10 sub-disclosures including transition planning, energy mix, GHG emissions, and climate adaptation). Subtopics were rated on a 1–3 scale for both impact materiality (considering severity: scale, scope, and irremediability of impacts on people and environment) and financial materiality (considering likelihood and magnitude of financial effects). Subtopic scores were then aggregated to the topic level. Topics scoring ≥ 1.45 on either the impact or financial dimension were classified as material.
- **IRO classification:** Each topic was further characterized by: impact direction (positive or negative), whether it primarily represents a risk or opportunity, and its location in the value chain (own operations, upstream, or downstream). An urgency assessment was also conducted to inform prioritization.
- **Stakeholder input:** The assessment was informed by insights from Bystronic's ongoing stakeholder engagement processes described in SBM-2, including employee engagement survey results, customer feedback through demo centers and service touchpoints, investor ESG dialogue, and supplier interactions through EcoVadis assessments. While external stakeholders did not directly participate in the scoring workshops, their documented expectations and feedback were considered as inputs to the assessment.
- **Validation:** Results were reviewed by management, challenged against industry peer benchmarks, and approved by the Board of Directors.

1.6.1.1 Identifying material topics across our value chain

The following illustration maps our material and monitored sustainability topics across Bystronic’s value chain, showing where impacts, risks and opportunities arise – from upstream suppliers through our own operations to downstream customers and end users.



Based on the double materiality assessment described above, seven topics met the materiality threshold and require detailed disclosure under the corresponding ESRS topical standards. Three additional topics are monitored but assessed as non-material for this reporting period.

1.6.1.2 Environmental

- **E1 Climate Change** (high impact, high financial): Climate change creates both risks and opportunities. Transition risks include carbon pricing, energy costs, and regulatory requirements. Physical risks include supply chain disruptions and facility vulnerability. Opportunities arise from customer demand for energy-efficient cleantech solutions enabling their decarbonization (mainly original equipment manufacturers). Our response includes validated Science-Based Targets scope, renewable energy procurement, product energy efficiency improvements, and climate scenario analysis informing adaptation strategy.
- **E3 Water & Marine Resources** (low impact, medium financial): While direct water consumption is modest, certain facilities operate in water-stressed regions, notably Tianjin, China. Supply chain water risks could create business continuity challenges. Water management supports a license to operate. Our response includes the WRI Aqueduct⁴ risk assessment for all sites, water consumption monitoring, closed-loop systems where feasible, and wastewater treatment compliance.
- **E5 Circular Economy & Resource Use** (high impact, high financial): Material efficiency and waste reduction address costs, supply constraints, and environmental impacts. Our approach is to create customer value through refurbishment and upgrading services. Our actions include participation in the Innosuisse circular economy project Circulus, early achievement of waste reduction targets, modular product platforms for upgrades, and product features that enhance maintenance and material efficiency.

⁴⁾ Aqueduct | World Resources Institute

1.6.1.3 Social

- **S1 Own Workforce** (high impact, high financial): Success depends on attracting, developing, and retaining skilled employees in engineering, manufacturing and customer service in competitive talent markets. Material sub-topics include occupational health and safety, diversity and inclusion, training and development, and fair compensation. Our response includes ISO 45001 certification expansion, females proactively included in leadership development programs with coaching tailored to their needs, training investment averaging 16 hours per employee, and fair compensation policies.
- **S2 Workers in Value Chain** (medium impact, high financial): Supply chain labor practices create reputational risks and potential business continuity issues. Our response includes Supplier Code of Conduct implementation, a Human Rights Policy published in 2024, an annual procurement investigation for child labor and conflict minerals in first tiers of the supply chain, EcoVadis assessments and zero human rights violations identified in 2025.
- **S4 Consumers & End-Users** (high impact, high financial): Product safety, reliability, and performance are fundamental to customer satisfaction and reputation. Enabling customer sustainability through product features creates competitive differentiation and market opportunities. Our response includes ISO 9001 quality management, extremely low significant product safety incidents, energy efficiency features reducing customer operational costs, LCA data supporting customer Scope 3 reporting, and a responsive service network.

1.6.1.4 Governance

- **G1 Business Conduct** (medium impact, medium financial): Ethical business practices, anti-corruption controls, data protection, and fair competition are essential for stakeholder trust, regulatory compliance, and sustainable long-term value creation. Governance failures create legal, financial, and reputational risks. Our response includes Code of Conduct and anti-corruption policies, a Business Ethics Hotline with zero retaliation, a goal of zero corruption incidents, General Data Protection Regulation (GDPR) compliance, and regular ethics training.
- **Non-material topics** (E2 Pollution, E4 Biodiversity, S3 Affected Communities) are monitored for changes and will be re-evaluated in the next assessment cycle in 2027. These topics may become material as regulations evolve or if Bystronic's activities change significantly.

1.6.2 Disclosure requirements in ESRS covered by sustainability statement (IRO-2)

The matrix confirms seven material topics requiring detailed topical disclosure. The table below lists all ESRS topics evaluated, indicating which are covered in this statement and which have been assessed as non-material.

Environment

- E1 Climate Change
- E2 Pollution
- E3 Water & Marine Resources
- E4 Biodiversity & Ecosystem
- E5 Resource Use & Circular Economy

Social

- S1 Own Workforce
- S2 Value Chain Workers
- S3 Affected Communities
- S4 Consumers & End-Users

Governance

- G1 Business Conduct



This sustainability statement covers disclosures required under ESRS 2 General Disclosures and the following topical standards based on materiality assessment results:

- **Environmental:** ESRS E1 Climate Change (all disclosure requirements), ESRS E3 Water and Marine Resources (E3-1 to E3-3), ESRS E5 Resource Use and Circular Economy (E5-1 to E5-5).
- **Social:** ESRS S1 Own Workforce (S1-1 to S1-15), ESRS S2 Workers in the Value Chain (S2-1 to S2-5), ESRS S4 Consumers and End-Users (S4-1 to S4-5).
- **Governance:** ESRS G1 Business Conduct (G1-1 to G1-7).

At Bystronic, we address these disclosures within a sustainability management framework:

1. **Sustainable solutions:** Enable customer decarbonization through energy-efficient products, reducing operational emissions, material optimization software minimizing waste generation, lifecycle extension, and services extending equipment productive life. Our solutions help customers reduce their Scope 1 & 2 emissions while maintaining or improving productivity. For example, product efficiency features include the deep standby chiller achieving up to 50% idle energy reduction, nesting software delivering up to 8% average material waste reduction, and modular platforms enabling upgrades that extend lifecycles five or more years.
2. **Engaged people:** Strengthen workplace safety through health and safety programs. Promote diversity and inclusion with gender balance targets and inclusive culture initiatives. Invest in continuous learning providing technical, leadership, and digital skills development. Ensure fair compensation through market-competitive pay and equal pay for equal work principles.
3. **Responsible business:** Govern transparently with Board of Directors oversight of sustainability and stakeholder engagement. Reduce operational footprint through renewable energy procurement, energy efficiency improvements, and waste reduction. Build resilient and ethical supply chains via supplier assessments, Code of Conduct requirements, and collaborative development. Maintain the highest standards of business conduct through anti-corruption programs, whistleblowing mechanisms, and ethics training.

2 Sustainable solutions (environmental matters)

2.1 Climate scenario analysis (ESRS 2 IRO-1)

Bystronic conducted a climate scenario analysis aligned with the TCFD framework, evaluating business resilience under 1.5°C and 3°C scenarios.

We are changing our scenario from 4°C (2024) to 3°C as several recent scientific assessments suggest that the likely global warming by the end of the century may be somewhere between +2 and +3°C, lower than the previously feared +4°C scenario. But this depends heavily on global emissions, trajectories and climate policies. Global temperatures in the last 12-18 months have consistently been ~1.3°C above pre-industrial levels. This leaves an extremely low remaining carbon budget to remain below 1.5°C.

While organizations should continue to align with 1.5°C pathways whenever possible – because these trajectories drive the deepest, fastest and most transformative decarbonization – they must also realistically prepare for the physical impacts associated with a 2–3°C world, which is increasingly becoming more likely. In this context, climate adaptation becomes as essential as mitigation, requiring companies to strengthen their resilience to extreme weather, supply-chain disruptions, and regulatory shifts. Those that decarbonize early will be significantly better positioned under tightening climate policies and escalating physical climate risks, gaining strategic advantages in competitiveness, compliance, and long-term value creation.

2.1.1 Scenarios evaluated

- **1.5°C scenario (Paris Agreement):** Rapid transition to low-carbon economy. Strong carbon pricing. Accelerated renewable energy deployment. Stringent regulations on industrial emissions. Increased demand for low-carbon technologies.
- **3°C scenario (current policies):** Limited climate action. Physical climate impacts intensify. Extreme weather events increase in frequency and severity. Supply chain disruptions from climate events. Reduced regulatory pressure but higher physical risks.

2.1.2 Key findings¹

- **Steel price:** in a 1.5°C scenario, increased demand for renewable energy technologies and low-carbon products could drive demand for steel, potentially leading to higher prices. However, increased investment in steelmaking technologies could mitigate price increases. In a 3°C scenario, decreased demand due to reduced economic activity could lead to lower prices, but increased physical risks could disrupt supply chains.
- **Carbon price:** in a 1.5°C scenario, increased adoption of carbon-pricing policies could lead to higher carbon prices over time. In a 3°C scenario, less political will for carbon pricing could lead to lower prices or insignificant carbon pricing.
- **Regulation:** in a 1.5°C scenario, increased regulatory pressure to reduce emissions potentially leads to new regulations on industrial emissions and investment in low-carbon technologies. In a 3°C scenario, there would be less regulatory pressure in the short term.
- **Electronic price/supply chain disruption:** in both scenarios, increased physical risks from climate change such as extreme weather events could disrupt the supply chain for electronic components. In a 1.5°C scenario, increased investment in low-carbon technologies could drive demand for electronic components used in renewable energy technologies, potentially driving up prices. In a 3°C scenario, decreased demand could lead to lower prices, but increased physical risks could create supply disruptions.
- **Implications:** findings help fine-tune key development areas to enable active contribution to a low-carbon transition, notably development of sustainability portfolio offers. Bystronic's cleantech solutions position the company to benefit from a 1.5°C scenario through increased customer demand while physical risk adaptation ensures resilience in 3°C+ scenario.

¹ UNEP Emissions Gap Report 2025 | Climate Action Tracker | NGFS Phase V Climate Scenarios | IEA World Energy Outlook 2024 | EU ETS price forecasts, EUROMETAL/Fastmarkets, Bruegel Working Paper 20/2025

2.2 EU Taxonomy disclosure

- **Introduction:** The EU Taxonomy is a classification system that establishes a list of environmentally sustainable economic activities. Bystronic has conducted a comprehensive assessment of its activities using EU Taxonomy technical screening criteria.
- **Reporting framework:** This disclosure is prepared in accordance with Article 8 of the EU Taxonomy Regulation (2020/852) and Commission Delegated Regulation (EU) 2021/2178. Financial data follows Swiss GAAP FER accounting principles.
- **Eligible economic activities identified:** Based on the Climate Delegated Act, Bystronic has identified the following eligible activities.
 - **Activity 3.6 – manufacturing of other low carbon technologies:** Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy. Bystronic’s laser cutting and bending systems enable material efficiency and energy savings in customer operations across automotive, aerospace, construction, and general fabrication sectors.
 - **Activity 5.1 – repair, refurbishment and remanufacturing:** Extension of product lifespans through professional servicing, refurbishment, and remanufacturing activities. Bystronic’s service contracts and refurbishment services extend equipment lifecycles and reduce embodied emissions from new equipment manufacturing.

2.2.1 Alignment assessment approach

- **Activity 3.6 – technical screening criteria:** Requires that manufacturing technologies lead to substantial GHG emission reductions compared to best-performing alternative technologies. Bystronic’s systems demonstrate energy efficiency improvements and material waste reduction compared to alternative metalworking technologies.
- **Activity 5.1 – technical screening criteria:** Requires that repair, refurbishment, or remanufacturing activities extend the useful life of products and components, thereby reducing resource consumption and lifecycle emissions. Bystronic’s service contracts maintain equipment performance and extend machine lifetimes, while refurbishment activities return used equipment to operational condition. This activity represents the primary source of Bystronic’s taxonomy-aligned revenue.
- **DNSH assessment:** Activities assessed against “Do No Significant Harm” criteria for all environmental objectives. Manufacturing operations maintain environmental compliance, manage water and waste responsibly, follow circular economy principles, and avoid significant pollution or biodiversity impacts.
- **Minimum safeguards:** Bystronic maintains a Code of Conduct aligned with international standards, whistleblowing mechanisms, human rights policies, and supplier due diligence processes ensuring alignment with minimum safeguard requirements.

2.2.2 KPI definitions–revenue

- **Total revenue (denominator):** Consolidated revenue per company Financial Statement. Machine sales revenue recognized at delivery/commissioning; service contracts recognized over contract period; software licenses recognized over term or at delivery for perpetual licenses.
- **Taxonomy-aligned revenue (numerator):** Revenue from activities meeting technical screening criteria, Do No Significant Harm (DNSH), and Minimum Safeguards. Service contracts are recognized as aligned revenue due to their significant positive effect on machine lifetime under activities 3.6 and 5.1. In the absence of standard criteria to evaluate alignment on machine sales, only eligible revenue was quantified.

2.2.3 KPI definitions – capital expenditures (CapEx)

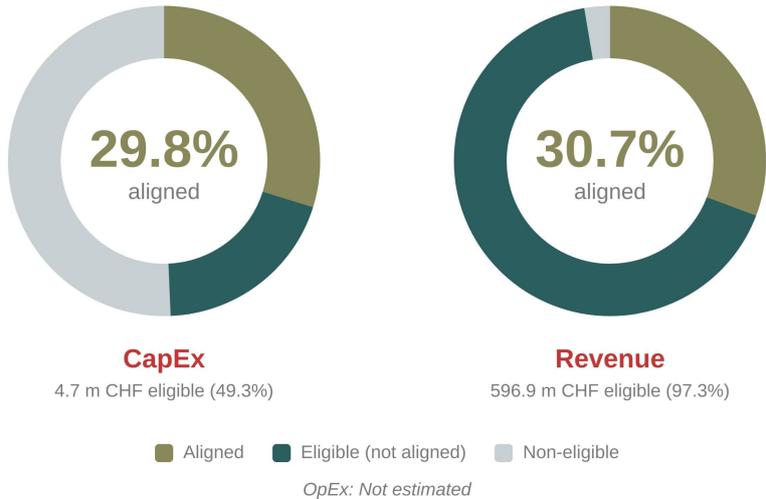
- **Total CapEx (denominator):** Additions to property, plant & equipment (PPE) and intangible assets during reporting period, excluding assets acquired through business combinations, per Swiss GAAP FER.
- **Taxonomy-aligned CapEx (numerator):** CapEx directly supports aligned activities, including R&D facilities, production equipment for aligned products, and renewable energy infrastructure. Full disclosure available in EU Taxonomy tables.

2.2.4 KPI definitions – operating expenditures (OpEx)

- **Total OpEx (denominator):** Direct non-capitalized costs per EU Taxonomy definition: research & development, building renovation measures, short-term leases, maintenance and repair, and training and upskilling activities. Note: This is not total operating expenses but rather specific categories per the EU Taxonomy definition.
- **Taxonomy-aligned OpEx (numerator):** OpEx reporting has been omitted due to immateriality (less than 1% of total operating expenses).

EU Taxonomy	Eligible	Aligned	% Eligible	% Aligned
Revenue	596.9 m CHF	188.2 m CHF	97.3%	30.7%
CapEx	4.7 m CHF	2.8 m CHF	49.3%	29.8%
OpEx	Not estimated	-	-	-

EU Taxonomy Alignment



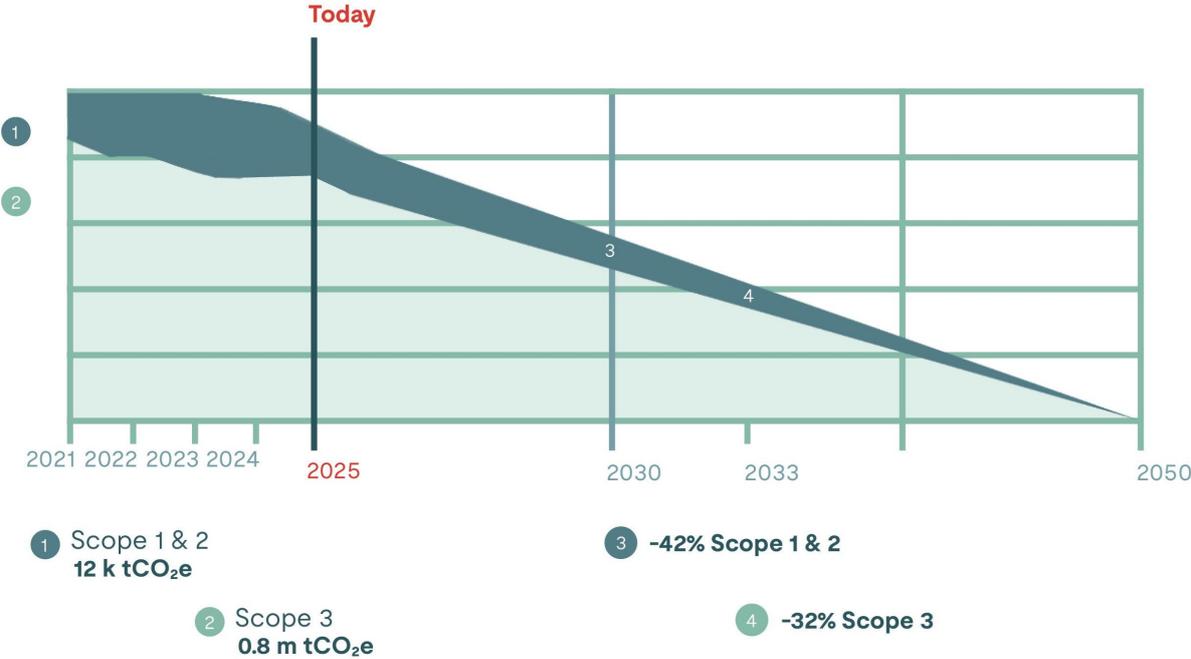
- **External assurance:** EU Taxonomy KPIs presented in this disclosure are not yet subject to limited assurance.

2.3 Climate Change (ESRS E1)

Bystronic joined the Science-Based Targets initiative in 2023 and received validation of near-term targets in April 2025. The Group aims for a net-zero operations and net-zero value chain by 2050.

Climate Transition Roadmap

Our pathway to net-zero emissions by 2050



2.3.1 Transition plan (E1-1)

- **Renewable electricity procurement:** target 60% by 2027, 100% by 2030 (where possible)
- **On-site renewable generation:** solar installations at all major owned facilities by 2027
- **Heating electrification:** phase out natural gas heating at major owned facilities using geothermal and heat pumps (partially done)
- **Fleet transition:** 30% hybrid vehicles by 2027, 50% electric vehicles by 2030

2.3.2 Policies (E1-2)

- **Supplier engagement:** 30% EcoVadis coverage by 2026; encourage supplier SBTi adoption
- **Low-carbon materials:** 30% recycled steel content by 2028; fossil-free steel pilots by 2027
- **Product efficiency:** improved energy efficiency through optimized configuration and chiller
- **Customer engagement:** Life Cycle Assessment (LCA) data for 100% of products by 2027 available on demand
- **Circular economy:** Circulus project and upgrade services expansion

2.3.3 Actions and resources (E1-3)

- **Climate policy:** Board-approved climate strategy aligned with the Paris Agreement. Comprehensive emissions reduction roadmap covering all scopes. Regular progress monitoring through quarterly KPI reviews.

2.3.3.1 SBTi-validated targets

- **Scope 1 & 2:** 42% absolute reduction by 2030 from 2021 baseline
- **Scope 3:** 32.5% absolute reduction by 2033 from 2023 baseline
- **Net-zero:** operations and value chain by 2050

The baseline year for Scope 3 was updated to 2023 to reflect improved data quality and expanded category coverage achieved in 2023. In 2025, Scope 3 was recalculated to consider method improvement and Life Cycle Assessment results.

2.3.4 Decarbonization actions

2.3.4.1 Operational decarbonization

Bystronic advanced its renewable energy and low-carbon initiatives in 2025. Solar installations were completed at Niederönz (Switzerland), Hoffman Estates (USA), and Tianjin (China), with Foshan (China) finalized in late 2025. Geothermal heating became operational at Bystronic Laser AG in 2024, eliminating natural gas consumption and reducing Scope 1 emissions. In the USA, a Power Purchase Agreement with Verde Energy has supplied 100% renewable electricity to our facilities since June 2025. Renewable electricity contracts are active at Niederönz, Gotha (Germany), and Hoffman Estates, with a Foshan contract planned for 2026, subject to government grid operations.

2.3.4.2 Value chain decarbonization

Bystronic supports suppliers in establishing their own Science-Based Targets through workshops and guidance.

SSAB partnership renewed in 2025 for collaboration on fossil-free and recycled steel solutions. Pilot projects are ongoing with initial tests demonstrating comparable processing quality for fossil-free steel compared to conventional steel.

2.3.4.3 Product innovation

Bystronic products and solutions actively support customer sustainability and emissions reduction. Deep standby chillers, standard on all ByCut Fiber systems, achieve up to 50% idle energy reduction, lowering operational emissions during non-production periods. Nesting software provides digital optimization, achieving an average of 8% material waste reduction, which decreases both material costs and associated embodied emissions. Modular ByCut platforms use standardized designs that enable upgrades, extending system lifecycles by five or more years and reducing the need for equipment replacement and related production emissions. In addition, Bystronic’s Life Cycle Assessment (LCA) program is expanding coverage of the product portfolio, providing customers with data to support Scope 3 reporting under emerging regulations.

2.3.5 Targets (E1-4)

GHG targets	Baseline	Target	Status	2025
Scope 1+2 (tCO ₂ e)	12,028 (2021)	6,976 (-42% by 2030)	On track	8,687
Scope 3 (tCO ₂ e)	785,261 (2023)	530,051 (-32.5% by 2033)	Ahead	672,699

2.3.6 Energy consumption and mix (E1-5)

The following table provides a detailed view of Bystronic's energy consumption over the last three years, categorized by activity type:

Energy consumption	YoY	2025	2024	2023	2022	2021
Total energy consumption (MWh)	-8%	35,407	38,509	39,576	41,664	43,861
Fuel for fleet		14,520	15,139	14,268	15,042	14,949
Stationary energy (buildings)		4,979	6,398	8,183	9,297	10,014
District heating		2,347	2,490	2,905	2,246	2,226
Non-renewable electricity		6,225	8,168	7,708	7,680	14,759
Renewable electricity		7,335	6,314	6,513	7,399	1,912
Energy intensity (MWh/million CHF)		57.7	59.4	42.6	41	46.7
Share of renewable electricity		54%	44%	46%	49%	11%
Share of renewable energy		21%	16%	16%	18%	4%

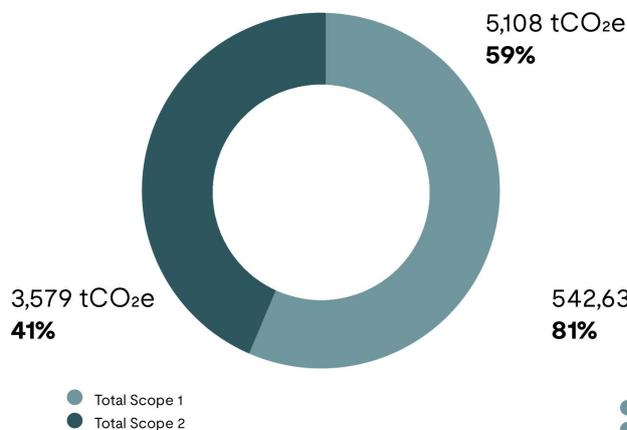
Analysis of energy consumption and intensity evolution

The data indicates an 8% year-over-year decrease in total energy consumption in 2025, highlighting effective energy management strategies and a decrease in manufacturing activities. The increase in the share of renewable electricity from 11% in 2021 to 54% in 2025 demonstrates a significant shift towards more sustainable energy sources. The energy intensity saw a peak in 2024 due to reduced revenue during the CORE restructuring period.

2.3.7 GHG emissions (E1-6)

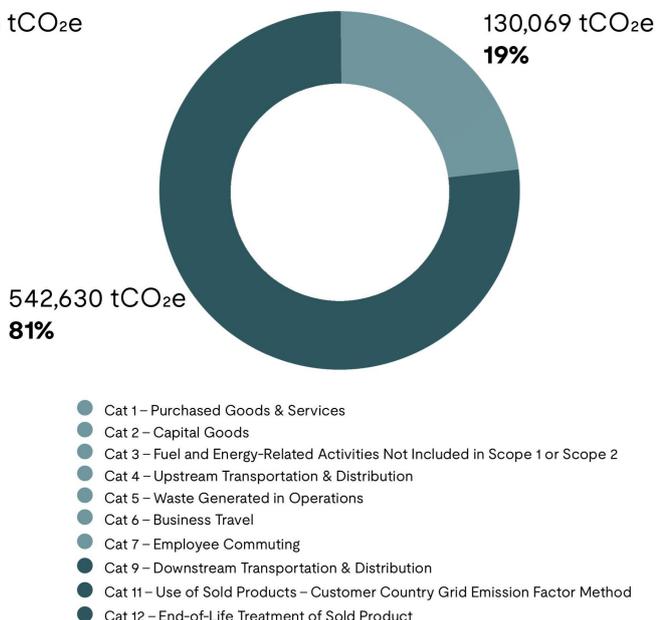
Scope 1 and 2 CO₂e emissions in 2025

Tons of CO₂e and in %



Scope 3 CO₂e emissions in 2025

Tons of CO₂e and in %



Scope 1, 2 emissions

GHG emissions Scope 1 & 2	2025	2024	2023	2022	2021
Scope 1 (tCO₂e)	5,108	5,559	6,126	7,110	6,678
Fuel for fleet	3,937	4,035	3,871	4,236	4,197
Stationary energy	1,102	1,428	1,836	2,119	2,265
Refrigerants	69	97	419	755	216
Scope 2 market-based (tCO₂e)	3,579	4,567	4,384	4,303	5,350
Non-renewable electricity	2,864	3,807	3,543	3,464	4,509
District heating	715	761	840	840	841
Scope 1+2 total (tCO₂e)	8,687	10,127	10,510	11,413	12,028
GHG intensity (tCO₂e/million CHF)	14.2	15.6	11.3	11.2	12.8

Analysis of GHG emissions and intensity evolution

Scope 1 emissions decreased 24% from 2021 baseline, driven by natural gas elimination through geothermal heating and fleet efficiency improvements. Scope 2 market-based emissions decreased 33% from baseline through renewable electricity procurement. Decreased manufacturing activities in Europe were a strong contributor to Scope 1 and 2 emission reductions, while being a non-structural factor. Total Scope 1 +2 emissions of 8,687 tCO₂e in 2025 represent a 28% reduction from 2021 baseline, tracking ahead of 2030 target trajectory.

Although sales have not yet recovered, Scope 1 & 2 CO₂e emissions intensity has decreased thanks to strong decarbonization measures in 2025, more than offsetting the revenue decline.

Scope 3 emissions by category

GHG emissions Scope 3	Since 2023	YoY	2025	2024	2023
Scope 3 total emissions (tCO₂e)	-14%	6%	672,699	632,262	785,261
Cat 1 - Purchased goods & services			111,552	109,777	124,524
Cat 2 - Capital goods			523	444	557
Cat 3 - Fuel- and energy-related activities			1,917	2,190	1,970
Cat 4 - Upstream transportation and distribution			2,006	1,795	2,002
Cat 5 - Waste generated in operations			194	200	263
Cat 6 - Business travel			5,835	6,078	4,078
Cat 7 - Employee commuting			8,042	8,617	10,049
Scope 3 upstream emissions			130,069	129,101	143,443
Cat 9 - Downstream transportation and distribution			10,564	9,797	13,303
Cat 11 - Use of sold products			529,376	490,613	624,744
Cat 12 - End-of-life treatment			2,690	2,751	3,770
Scope 3 downstream emissions			542,630	503,161	641,818

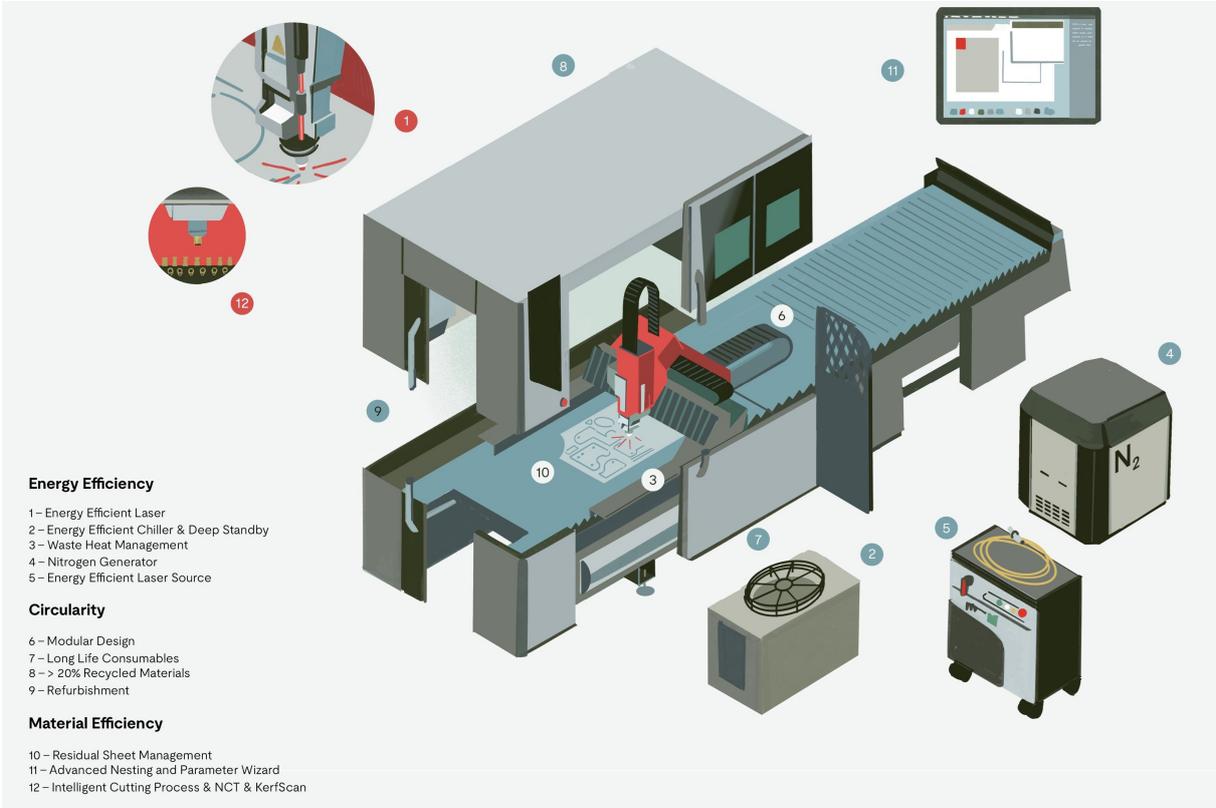
Analysis of GHG emissions and intensity evolution

Scope 3 emissions account for 99% of Bystronic's carbon footprint. Category 11 (use of sold products) represents 79%, based on electricity consumption throughout the entire product lifecycle per GHG protocol guidelines. Category 1 (purchased goods and services) represents 17%. Scope 3 emissions increased 6% year-over-year. While manufacturing volumes remained stable – offering no volume-driven emission reduction – the product mix shifted toward higher-powered laser systems, which carry higher lifetime energy consumption and therefore higher estimated use-phase emissions.

New calculation method reduced Scope 3 by 30% compared to previous results (see previous reports). Scope 3 emissions have been recalculated to incorporate new Life Cycle Assessment data in Scope 3 Category 11 – Use of sold products (flat laser machine lifetime has been reduced from 20 years to 10 years) and in Scope 3 Category 1 – purchased goods and services (spend method has been replaced by weight method for accuracy improvement). Baseline and target years have been recalculated according to the Science-Based Target reduction plan of 32.5% over the 2023–2033 period.

2.3.8 Customer decarbonization impact

Bystronic's laser cutting systems integrate sustainability features across three dimensions – energy efficiency, circularity, and material efficiency – that directly reduce customers' operational emissions, resource consumption, and total cost of ownership. The illustration below shows how these features are embedded across the system architecture.



2.3.8.1 Product efficiency features

- **Deep standby chiller:** Achieves up to 50% reduction in idle energy consumption compared to the previous generation. Standard on all ByCut Fiber systems. Reduces customer operational emissions during non-production periods such as nights and weekends. Annual energy savings per system estimated to reach return on investment within three years for most customers.
- **Nesting software:** Digital optimization tool analyzes part layouts to maximize material utilization. Achieves 8% average material waste reduction across customer applications. Reduces both material costs and associated embodied emissions from steel production. Annual material savings per customer site estimated at one week of annual purchased steel.
- **Intelligent Cutting Process (ICP):** A coaxial camera monitors the cutting process through the nozzle of the fiber laser and ensures reliability through proactive and reactive measures. This reduces downtime and material waste in case of nozzle loss. By preventing unrecognized cut interruptions, the ICP feature helps minimize waste.
- **Parameter Wizard with Artificial Intelligence (AI):** This feature combines intelligent human-machine interaction and AI-based optimization to support the operator when a new type of metal is introduced. Leveraging AI helps to quickly and precisely define the correct parameters to optimize cutting quality, eliminating the need for time-consuming trial and error methods.
- **Nozzle Control Tool (NCT) & KerfScan:** NCT enables automatic nozzle centering in seconds and monitors nozzle condition and type. KerfScan examines the oxygen cut to detect residual slag inside the cutting gap/kerf, which allows parts to be recut as needed. This combination ensures a consistent, high-quality cutting process that reduces waste and rejected parts.

- **Laser Angle Measurement System (LAMS):** This feature ensures precision and productivity in the bending process by eliminating the need for time-intensive measuring and part correcting. LAMS optimizes metal waste reduction by achieving precise angles and minimizing misshaping, ensuring that the first bend is flawless.
- **Nitrogen generators:** Nitrogen generators, like NitroCube and Airco System, enable in-house production of high-purity nitrogen for fiber laser cutting systems, reducing energy use and carbon emissions. In Bystronic's life cycle assessment, nitrogen use was the largest contributor to indirect CO₂ emissions. Traditional methods require substantial power and transportation, increasing the carbon footprint. In-house generation eliminates the need for transport and allows efficient, on-demand nitrogen production, offering environmental and financial benefits.
- **Modular platforms:** ByCut standardization enables component upgrades rather than complete system replacement. Extends productive lifecycle five or more years beyond traditional replacement cycles. Reduces the need for new system production and associated manufacturing emissions. Customer investment in upgrades is typically 30–40% of new system cost with comparable performance improvements.
- **Material innovation:** Partnership with SSAB advances technologies for innovative materials including high-strength alloys, recycled steel content, and fossil-free steel production. This collaboration supports the transition toward lower-carbon material options across the value chain.
- **Fossil-free steel:** Initial tests conducted in 2025 demonstrate that fossil-free steel can be processed with comparable quality to conventional steel. Cutting quality, edge characteristics, and processing speeds meet customer specifications. Enables customer decarbonization pathways as fossil-free steel becomes commercially available. Potential emission reduction of up to 95% compared to conventional steel production.
- **Recycled steel:** Laser cutting and bending systems optimized for recycled steel grades with varying material properties. Material database includes processing parameters for multiple recycled content levels. Supports customer sustainability goals through use of secondary materials.

2.3.8.2 Life Cycle Assessment program

Standardized Life Cycle Assessment methodology per ISO 14040/14044 applied to product portfolio. LCA scope includes raw material extraction and processing, component manufacturing and assembly, transportation and distribution, use-phase energy consumption, and end-of-life treatment options.

Coverage expanding from current ~60% to 100% of standard products by 2027. Results provided to customers to support their Scope 3 reporting requirements under emerging regulations including CSRD and SEC climate disclosure rules. Data enables customers to quantify emissions associated with capital equipment purchases.

2.3.8.3 Customer engagement

Joint pilot projects with lead customers test new sustainability features before commercial launch. Industry partnerships through associations advance sustainability standards and benchmarks collaboratively. Transparency through publicly available sustainability datasheets for all products. Integration with customer carbon accounting software platforms facilitates emissions tracking and reporting.

2.4 Water & Marine Resources (ESRS E3)

2.4.1 Policies (E3-1)

Environmental management systems cover water management at ISO 14001 certified sites. Site-specific water efficiency programs identify reduction opportunities. Wastewater treatment ensures discharge compliance with local regulations.

2.4.2 Actions and resources (E3-2)

Water consumption monitoring implemented at manufacturing sites with quarterly reporting. Closed-loop water systems installed where technically and economically feasible, particularly at headquarters. Discharge permit compliance maintained at all facilities with wastewater treatment requirements.

WRI Aqueduct Water Risk Atlas used to assess water stress at all facility locations. Tianjin (China) site classified as high baseline water stress.

2.4.3 Metrics and targets (E3-3 & E3-4)

Water withdrawal and consumption in manufacturing plants (m³)

Water management	YoY	2025	2024	2023	2022
Water consumption in manufacturing plants (m³)	-21%	18,532	23,562	23,664	12,274
Water withdrawal		18,659	24,259	23,664	12,274
Water discharged		127	697		
Water intensity per net sales (m³/million CHF)		30.2	36.3	25.4	12.1

Analysis: We started monitoring water consumption in 2022 with a limited number of manufacturing plants. In 2025 we had data coverage for six of nine manufacturing sites. Coverage expansion remains a priority.

Water stress assessment: 39% of total water withdrawal occurs in medium-high to extremely high water stress areas. This concentration drives focused risk management and adaptation efforts.

Water by location	Water stress	% of Total	Actions	2025	2024
Bystronic Tianjin (China)	Extremely High (4-5)	39%	Monitoring	7,267	8,146
Bystronic Laser (Romania)	High (3-4)	3%	Closed plant	617	987
Bystronic Manufacturing (USA)	Medium-High (2-3)	7%	Monitoring	1,289	1,336
Bystronic Tube Processing (Italy)	Medium-High (2-3)	6%	Monitoring	1,146	2,242
Other locations	Low to Medium (0-2)	45%	-	8,213	11,548

2.5 Resource Use & Circular Economy (ESRS E5)

2.5.1 Policies (E5-1)

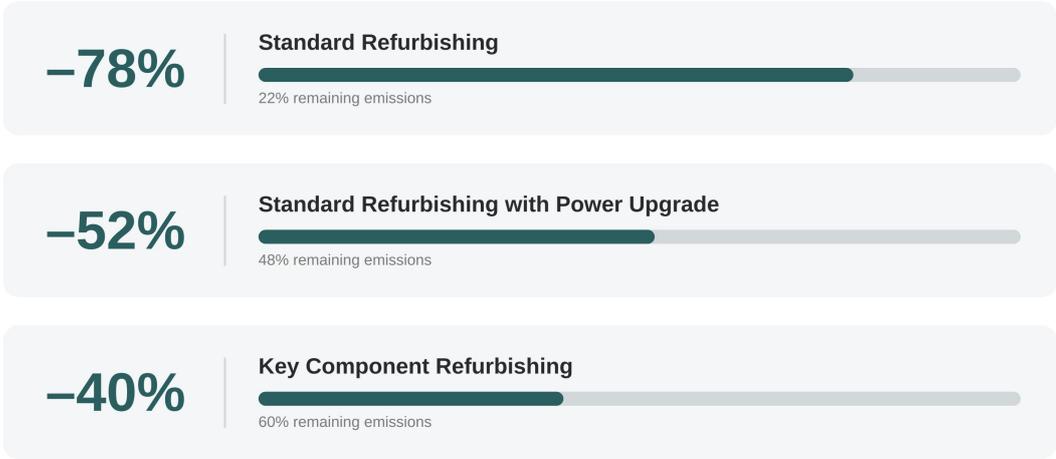
Bystronic's circular economy strategy follows the waste hierarchy, focusing first on preventing waste through product design, reducing material consumption via process and software optimization, reusing components and materials where feasible, recycling materials at end-of-life, and recovering energy only as a last resort. Material efficiency targets have been established for both product design and manufacturing operations to drive continuous improvements and support sustainable resource use.

2.5.2 Actions and resources (E5-2)

- **Innosuisse circular economy project Circulus:** Four-year collaboration with Swiss Innovation Agency focuses on circularity use cases with completion targeted for 2028.
- **Use case 1 – deep refurbishment program:** Program extends operational life of BySprint laser cutting systems by five or more years through comprehensive refurbishment. Bystronic is developing a refurbishing kit for the BySprint laser cutting machine, forming the basis of a new circular business model that extends the lifetime of the installed machine base. The approach focuses on replacing only components that have reached end-of-life, offering customers a cost-effective alternative to purchasing new equipment. Three refurbishing options are available: (i) standard refurbishing, extending machine lifetime by five years; (ii) standard refurbishing with power upgrades to enhance performance; and (iii) optional refurbishment with replacement of key components. Initial life-cycle assessments indicate significant GHG emission reductions compared to new machines, amounting to 77%, 49%, and 36% respectively.

GHG Reduction emission impact refurbishing options

GHG emission reduction vs. manufacturing a new machine (100%)



[Read more about the Circulus project here.](#)

- **Use case 2 – circular design integration:** Program integrates circular economy principles into new laser cutting system development from earliest design stages. Focus areas include improved material selection through higher recycled content and mono-materials simplifying recycling, enhanced modularity enabling component upgrades without full system replacement, facilitated component reuse through standardized interfaces and documentation, and simplified end-of-life disassembly through design for disassembly principles.

Extending product life through laser module refurbishment

Bystronic’s laser module refurbishment program demonstrates how circular economy principles translate into measurable impact. Rather than replacing high-value components at end-of-service, we developed an industrial refurbishment process that recovers usable assemblies, recalibrates optical paths, and restores cutting heads to original performance standards – often with enhanced monitoring capabilities. This approach goes beyond basic repair: each laser module is stripped, cleaned, realigned, and rebuilt from the optics upward, delivering performance-secure components with significantly reduced resource consumption compared to new production. The program delivers environmental and economic value. From a circularity perspective, refurbished laser modules avoid the material extraction, machining, and manufacturing emissions associated with new component production while keeping structurally sound parts in the use cycle, embodying the principle of reuse over replacement. Customers benefit from reduced capital expenditure, minimized downtime, and the confidence that older machines remain competitive in demanding production environments.

These initiatives position Bystronic as a circular economy leader in the capital equipment industry, creating value through resource efficiency while meeting increasing customer and regulatory demands for circularity.

2.5.3 Metrics and performance (E5-4)

Resource inflows in manufacturing plants:

Resource inflows	2025	2024	2023
Total purchased goods (tons)	26,261	22,738	29,423
Amount of metals (tons)	23,970	20,963	27,517
Share of recycled steel (%)	27%	27%	27%
Estimated recycled content (tons)	6,472	5,660	7,429

Analysis: Total purchased goods increased due to the increased number of large size machines produced in China. Recycled steel content remained at 27%, meeting minimum target. Opportunities exist to increase recycled content through supplier collaboration and specification changes.

2.5.4 Material flow analysis (E5-5)

Waste generation and management

Waste in manufacturing plants	YoY	2025	2024	2023	2022	2021
Waste, total amount in manufacturing plants (tons)	-6%	2,150	2,288	3,323	3,860	4,267
Non-hazardous waste		2,103	2,241	3,266	3,785	4,213
Metals		1,511	1,593	2,400	2,989	3,253
Wood		160	176	375	465	575
Paper & cardboard		116	102	117	137	218
Plastics		5	4	6	6	7
Domestic		307	346	354	176	156
Special non-hazardous waste		4	18	13	11	4
Hazardous waste & toxic material		47	47	57	75	54
Waste by disposal methods (%)						
Landfill		0%	1%	1%	1%	
Incineration		15%	15%	10%	5%	
Share of metal waste (mostly recycled)		83%	81%	87%	92%	
Other disposal methods		2%	3%	2%	2%	
Waste intensity per net sales (tons/ million CHF)		2.7	2.9	3.6	3.8	4.5

Analysis: Total waste generation in 2025 was 2,150 ton compared to the 4,267 ton baseline in 2021, representing a 50% reduction and exceeding the 2030 target of 3,413 tons early. This achievement reflects reduced manufacturing activity during CORE restructuring and improved material efficiency. Recycling rate is at 83% as most metal waste (70%) and wood, paper and cardboard waste (pallet, packaging) is recycled.

With the closure of our plant in Romania, we ended all waste to landfill in 2025.

Waste by disposal method

- **Recycling, reuse & recovery:** 83% (metal, wood, paper and cardboard waste)
- **Incineration:** 15% (plastic and domestic waste)
- **Other disposal methods:** 2% (special and hazardous waste)
- **Landfill:** 0%

2.5.5 Outlook and priorities

2.5.5.1 2025–2027 Circular economy priorities

- **Product design:** Complete Innosuisse Circulus deep refurbishment project for BySprint Fiber systems and commercialize refurbishment offerings across European markets. Integrate Design for Disassembly (DfD) criteria into new product development stage-gate process by 2026. Increase material recovery rate through improved disassembly processes and component documentation. Expand LCA coverage to 100% of product portfolio from current ~60%.
- **Supplier collaboration:** Increase recycled steel content to 30% by 2028 through supplier partnerships and material specification updates. Develop circular packaging standards with top suppliers to reduce single-use packaging. Engage suppliers on material passport development providing composition and recyclability data for major components.
- **Customer circular economy:** Expand refurbished machine offerings across all product lines with standardized quality and warranty programs. Develop deep refurbishment service centers in Europe and North America. Create “Upgrade-as-a-Service” offerings enabling customers to access latest technology through modular upgrades rather than full replacement. Provide component remanufacturing services to extend life of high-value components.
- **Manufacturing:** Improve overall waste recycling rate to 90% by 2027.
- **Long-term ambitions (2030):** 100% of standard product lines with circular design certification from third-party verifier. 50% recycled content in purchased materials (mainly steel). Improved material recovery rate from end-of-life equipment through take-back programs. Circular economy services represent major part of total revenue.

3 Engaged people (social issues)

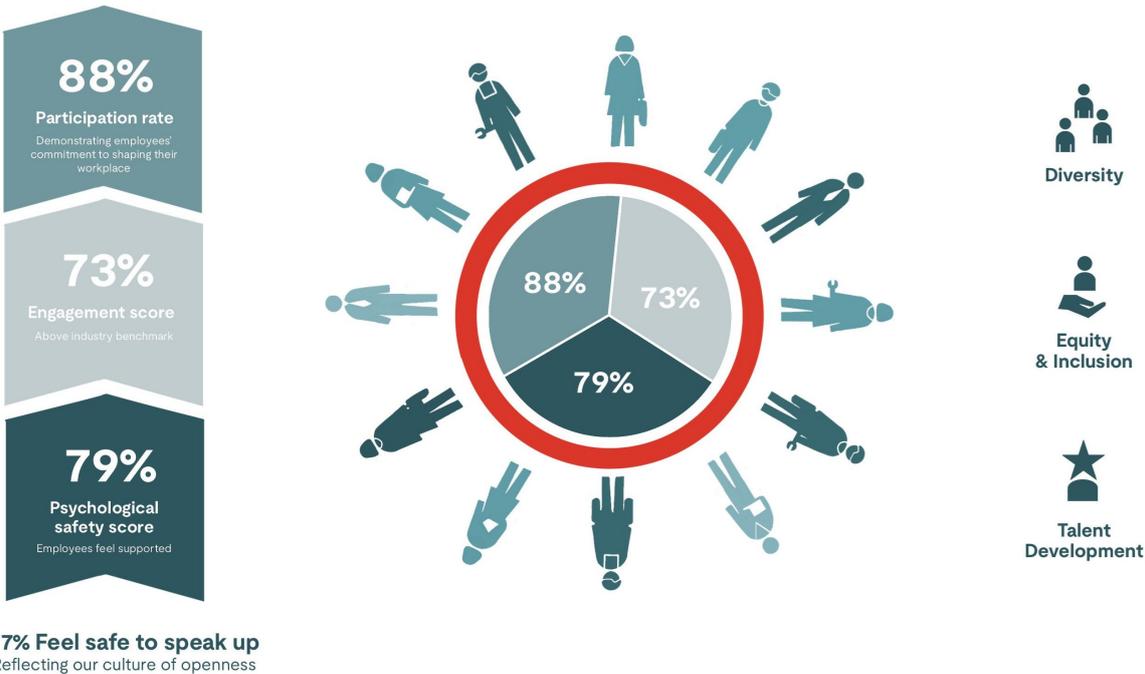
3.1 Own Workforce (ESRS S1)

3.1.1 Policies related to own workforce (S1-1)

- **Code of Conduct:** Defines expectations for ethical behavior, respect, inclusion, and human rights compliance across all operations.
- **Health & safety policy:** Commitment to zero harm through continuous safety improvement.
- **Diversity & inclusion policy:** Equal opportunity employment regardless of gender, ethnicity, age, or background. Gender balance targets for management positions. Zero tolerance for discrimination or harassment.
- **Training & development policy:** Support for continuous learning through technical, leadership, and digital skills programs. Career growth opportunities through internal mobility. Individual development plans for all employees.
- **Compensation policy:** Fair and competitive remuneration based on role, performance, market benchmarks, and equal pay for equal work principles.

3.1.2 Processes for engaging with own workers about impacts (S1-2)

Our 2025 global employee engagement survey, conducted across all operations with an 88% participation rate, provided key indicators on how employees experience their workplace through engagement, psychological safety, and culture dimensions.



- **Safety committees:** Established at all major sites with worker representation ensuring employee voice in safety decisions. Committees meet monthly to review incidents and improvement opportunities.
- **Employee engagement surveys:** Achieved an impressive 88% participation rate (2023: 90%). This score is a strong indication of employee commitment to shaping their workplace.
- **Regular communication:**
 - Quarterly CEO town halls provide company updates and strategic direction.
 - Local town halls organized by managing directors in German, Swiss and U.S. manufacturing plants provide updates on operational information.
 - Q&A sessions enable direct dialogue between leadership and employees.
- **Recognition programs:** Innovation awards celebrate creative problem-solving and continuous improvement.
- **Development conversations:** Individual development plans established for employees identifying career goals, skill development needs, and action plans.
- **Employee engagement metrics:** Overall, the survey results show areas of both strength and challenge.
 - **Employee Net Promoter Score (eNPS):** Dropped sharply to -20 (2023: +6) during CORE restructuring period.
 - **Employee engagement score:** Remains steady at 73 (2023: 77), which is still above the benchmark.
 - **Psychological safety survey result:** 79 (2023: 81)

3.1.3 Processes to remediate negative impacts for own workers to raise concerns (S1-3)

- **Business Ethics Hotline:** Three incidents reported to Bystronic's Business Ethics Hotline in 2025 (2024: four incidents) – all investigated and closed as unfounded.
- **Speak-up culture:** 77% of employees feel safe to speak up (2025).
- **Grievance mechanisms:** Established channels for employees to raise concerns confidentially and with non-retaliation protection.
- **Equal pay audits:** Audit conducted at Niederönz plant (Switzerland) in 2021 identified no significant gender pay gaps for comparable roles and experience levels. Audits to be repeated in 2026.
- **Root cause analysis:** Conducted for all recordable safety injuries with corrective actions implemented.

3.1.4 Taking action on material impacts on own workforce (S1-4)

3.1.4.1 Employee engagement

Based on the global employee survey analysis, Bystronic maintains strong fundamentals in engagement and culture, with employees generally feeling motivated, supported, and able to be themselves. Team spirit, collaboration within local teams, and trust in immediate managers remain key strengths, alongside a strong client focus and respectful leadership. These results confirm that most employees clearly understand expectations and feel empowered in their daily work, even if overall outcomes show a slight decline compared to previous years.

However, the survey, conducted after the company's restructuring and reorganization, highlights opportunities to improve alignment and collaboration across the organization. Employees find it difficult to see how their daily work links to the broader company strategy, and cross-functional cooperation remains limited due to silos and unclear accountability. Core processes require simplification, and while managers encourage development, tangible growth opportunities are lacking. The results also suggest a need for more open dialogue to foster innovation and constructive discussions.

Bystronic takes this feedback seriously. The top management and senior leaders have already reviewed key measures in dedicated workshops and defined further actions. At the team level, all managers have conducted follow-up discussions with their teams to agree on concrete actions. Sustainable improvement will depend on everyone's contribution – strengthening collaboration, transparency, and shared ownership across all levels of the company.

3.1.4.2 Health and safety actions

- **ISO 45001 certification:** Achieved at Bystronic Laser AG (Switzerland) and Bystronic Tianjin Laser Ltd. (China). Target: expand certification coverage.
- **Machine safety upgrades:** Existing equipment retrofitted with latest guarding and interlock systems.
- **Unconscious bias training for managers:** Addresses implicit biases in hiring, promotion, and performance evaluation decisions.
- **Mentorship program:** Pairs female high potentials with senior leaders for career guidance and sponsorship.
- **Promotion policies:** Explicitly prioritize female candidates when qualifications are equal.

3.1.4.3 Training and development actions

- **Technical skills training:**
 - CNC programming for press brake operations
 - Laser technology fundamentals and advanced applications
 - Automation systems integration and programming
 - Quality control and measurement techniques
- **Leadership development programs:**
 - Management fundamentals for new supervisors
 - Coaching and feedback skills for experienced managers
 - Change management during organizational transitions
 - Strategic thinking for senior leaders
- **Foundational Leadership Onboarding Training (new program of seven modules):**
 - Foundations of finance (e-learning)
 - Recruiting as a leader (e-learning)
 - Recruiting as a leader practical exercise (virtual instructor)
 - Principles of self-management (e-learning)
 - Principles of team-management (virtual instructor)
 - Message delivery (virtual instructor)
 - Performance management process (e-learning)
- **Digital skills upskilling:**
 - Data analytics and visualization
 - Industry 4.0 concepts and applications
 - AI and machine learning basics
 - Software tools for engineering and operations
- **Apprenticeship programs:** There were 66 apprentices across the Group in 2025 (2024: 81). Focus areas: mechatronics, industrial engineering, software development, business administration.
- **Flexible working arrangements:** Available where operationally feasible for office-based employees using hybrid working arrangements combining office and remote work.
- **Health promotion initiatives:**
 - Health screenings at major sites
 - Fitness program subsidies
 - Ergonomics assessments and workstation optimization
 - Mental health awareness campaigns
- **Sustainable commuting:**
 - EBuxi shuttle service renewed 2025 in Niederönz connecting public transport to facility
 - Bike programs at major sites with secure storage and shower facilities
 - Carpooling matching services
- **Parental leave:** 14 weeks paid leave for primary caregiver and two weeks for secondary caregiver in Switzerland, with country-specific policies meeting or exceeding local requirements in other locations.

3.1.4.4 Fair compensation actions

- **Compensation philosophy:** Fair and competitive pay based on role, performance, market benchmarks, and equal pay for equal work, supported by a globally implemented job architecture that ensures consistency, transparency, and comparability across the organization.
- **Transparent salary bands:** Provides clarity on compensation ranges for each role level.
- **Annual market benchmarking:** Ensures competitiveness with industry peers and regional labor markets.
- **Performance-based compensation:** Links individual performance to annual merit increases and bonuses.

3.1.5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

Gender diversity targets	Baseline	2030 target	2025	2024	2023	2022	2021
Women in management	20% (2023)	≥25%	26%	19%	20%		
Overall workforce female			17%	16%	16%	15%	15%

3.1.5.1 Status 2025

Management diversity increased from 20% in 2023 to 26% in 2025, exceeding our 2030 target (>25%).

This development reflects several organizational changes. As part of Bystronic's restructuring, some administrative and part-time roles were phased out, and a hiring freeze affected recruitment into certain non-management positions. At the same time, the reorganization reduced hierarchies, leading to a redefinition of management scope. Management positions are now defined at the N-2 level rather than N-3, which has increased the proportion of women within the management population.

3.1.5.2 Outlook 2026

Hierarchical levels alone are not a fully meaningful metric, as they reflect organizational design rather than job responsibility or remuneration. To enable a more robust and comparable monitoring of diversity, we will introduce job grades as complementary metrics.

Health & safety targets	2030 target	2025	2024	2023	2022	2021
Total recordable injury rate (TRIR)	≤0.8	1.15	1.59	1.94	1.4	1.59

TRIR = total recordable injuries per 100 full-time employees (per 200,000 worked hours)

Analysis: TRI rate now at 1.15, showing positive effect of accelerated actions implemented to reach 2030 target of ≤0.8. Zero fatalities in 2025.

3.1.6 Characteristics of the company's employees (S1-6)

Total workforce	2025	2024	2023	2022	2021
Total employees	2,899	3,193	3,498	3,609	3,543
Male	83%	84%	84%	85%	85%
Female	17%	16%	16%	15%	15%

Employment type

Permanent contracts	2025	2024	2023	2022	2021
Total permanent	2,891	3,155	3,455	3,550	3,474
Male	83%	84%	84%	85%	85%
Female	17%	16%	16%	15%	15%
Temporary contracts	2025	2024	2023	2022	2021
Total temporary	8	38	43	59	69
Male	25%	87%	81%	77%	72%
Female	75%	13%	19%	23%	28%

As part of the CORE restructuring, several administrative and temporary contracts were eliminated.

Full-time vs part-time

Working time	2025	2024	2023	2022	2021
Full-time	2,763	3,075			
Male	84%	85%	85%	86%	86%
Female	16%	15%	15%	14%	14%
Part-time	128	118			
Male	73%	70%	70%	65%	61%
Female	27%	30%	30%	35%	39%
By region	2025	2024	2023	2022	2021
Americas	11%	10%	11%	10%	8%
EMEA	54%	58%	57%	55%	53%
APAC	6%	6%	6%	6%	6%
China	29%	26%	26%	29%	33%
By age group	2025	2024	2023		
< 30 years	12%	11%	12%		
30-50 years	64%	65%	54%		
> 50 years	24%	24%	21%		
Employee turnover	2025	2024	2023	2022	2021
Total turnover rate	22%	17%	16%	17%	13%
Total turnover (#)	750	492	461	464	440
Voluntary turnover rate	6.8%	9.0%	8.9%	5.4%	6.8%
New hires	2025	2024	2023	2022	2021
New employees hired	436	253	474	739	858
Male	75%	77%	78%	81%	84%
Female	25%	23%	22%	19%	16%

3.1.7 Characteristics of non-employee workers in the company's own workforce (S1-7)

Apprentices	2025	2024	2023	2022	2021
Number of apprentices	66	81	84	95	101

Focus areas: Mechatronics, industrial engineering, software development, business administration.

3.1.8 Collective bargaining coverage and social dialogue (S1-8)

Collective bargaining	2025	2024	2023	2022	2021
Employees under collective bargaining agreement (#)	1,128	1,039	1,198	1,213	1,130
Share of employees (%)	39%	33%	34%	34%	32%

3.1.9 Diversity metrics (S1-9)

The post-restructuring organization became flatter, requiring a redefinition of management scope. Management positions are now defined at the N-2 level rather than N-3, which resulted in the inclusion of a higher proportion of women in the management population.

Gender distribution – governance bodies

Board of Directors (BoD)	2025	2024	2023	2022	2021
Total members	8	8	8	7	7
Male	6	6	6	6	7
Female	2	2	2	1	0
Female %	25%	25%	25%	14%	0%

Extended Executive Committee (EEC) through 2024 and then Executive Committee (EC) in 2025:

Executive Committee (EC)	2025	2024	2023	2022	2021
Total members	4	10	13	13	13
Male %	100%	90%	92%	85%	85%
Female %	0%	10%	8%	15%	15%

Analysis: As part of a comprehensive restructuring in 2024, Bystronic replaced its regional structure with a divisional one and reduced the size of the Executive Committee to four members.

Employees reporting directly to EEC through 2024 and then Executive Committee in 2025:

EC direct reports	2025	2024	2023	2022	2021
Total	46	83	93	96	90
Male %	78%	78%	76%	78%	79%
Female %	22%	22%	24%	22%	21%

– Age distribution – reports to EC:

- < 30 years: 3%
- 30–50 years: 54%
- > 50 years: 43%

Gender distribution – management

Management positions up to N-3 until 2024 and up to N-2 in 2025:

Managers	2030 target	2025	2024	2023
Total managers		119	257	262
Male %	<75%	74%	81%	80%
Female %	>25%	26%	19%	20%

Analysis: The post-restructuring organization became flatter, requiring a redefinition of management scope. Management positions are now defined at the N-2 level rather than N-3, which resulted in the inclusion of a higher proportion of women in the management population.

– Regional distribution – management N-2:

- EMEA: 68%
- Americas: 7%
- APAC: 6%
- China: 19%

– Age distribution – management N-2:

- < 30 years: 3%
- 30–50 years: 54%
- > 50 years: 43%

3.1.10 Adequate wages (S1-10)

Compensation ratio:

Compensation ratio	2025	2024	2023	2022	2021
Annual total compensation ratio	18:1	14.1:1	19:1	13.9:1	14:1

- **Adequate wage commitment:** Fair and competitive remuneration based on role, performance, market benchmarks, and equal pay for equal work principles.
- **Market benchmarking:** Annual market benchmarking ensures competitiveness with industry peers and regional labor markets.

3.1.11 Social protection (S1-11)

- **Parental leave policy:**
 - Primary caregiver: 14 weeks paid leave (Switzerland)
 - Secondary caregiver: 2 weeks paid leave (Switzerland)
 - Country-specific policies meet or exceed local requirements.
- **Health insurance/pension/social security:**
 - Employees of Bystronic are covered by social protection systems, including social security, health care, accident insurance, and old-age and retirement benefits. In Switzerland, employees benefit from statutory social security programs covering old-age and survivors' benefits, disability, unemployment, health and accident insurance, complemented by occupational pension arrangements with employer and employee contributions. Employees in other countries are covered by applicable local statutory social protection systems and, where relevant, employer-supported supplementary benefits.

3.1.12 Training and skills development metrics (S1-13)

Training hours

Training	2,025	2,024	2,023	2,022	2,021
Total training hours	47,676	74,104	-	-	-
Average hours per employee	16	23	-	-	-
Average hours - male	19	26	-	-	-
Average hours - female	5	10	-	-	-

Analysis: Reduced number of trainings in the DNE business unit while the Systems division maintained its number of trainings. The gender gap in average training hours reflects the composition of training programs: a significant share of total training hours is allocated to technical service and maintenance roles, which are predominantly filled by males.

- **Training programs**
 - **Technical skills:** CNC programming, laser technology, automation systems, quality control
 - **Leadership development:** management fundamentals, coaching, change management, strategic thinking
 - **Digital skills:** data analytics, Industry 4.0, AI/ML basics, software tools

3.1.13 Health and safety metrics (S1-14)

3.1.13.1 Management system coverage

- **Safety training:** Annual safety training programs for manufacturing employees
- **Safety committees:** Active at all major sites with worker participation in monthly meetings

Incident metrics at manufacturing sites

Workplace safety	2025	2024	2023	2022	2021
Total recordable injury rate (TRIR)	1.15	1.59	1.94	1.4	1.59
Total recordable injuries (#)	17	25	35	27	31
Days lost due to injuries	245	374	354	147	0
High consequence injuries (#)	0	0	0	1	0
Fatalities (#)	0	0	1	0	0
Hours worked (manufacturing)	2,966,466	3,136,998	3,603,464	3,863,592	3,911,171

TRIR = Total recordable injuries per 100 full-time employees (per 200,000 worked hours)

Analysis: Injury types – typical injuries associated with bending and automation machines include cuts and abrasions from sheet metal edges, pinching of fingers, bruises, and musculoskeletal strain related to manual handling or repetitive movements.

Number of injuries at manufacturing sites decreased in 2025. Important steps such as ISO 45001 in Niederösterreich had good results, however we acknowledge further progress is required to reach our target in 2030.

– **Safety audits:** At Bystronic Laser AG, we conduct a safety inspection every two weeks and an annual internal audit.

Psychological safety

Psychological safety	2025	2024	2023	2022	2021
Survey result (scale 1-100)	79	No survey	81	No survey	80

3.1.14 Work-life balance (S1-15)

– **Flexible working arrangements:** available where operationally feasible for office-based employees using hybrid working arrangements combining office and remote work.

3.2 Workers in the Value Chain (ESRS S2)

3.2.1 Policies related to value chain workers (S2-1)

Bystronic's Supplier Code of Conduct, implemented in 2023–2024, prohibits forced labor, human trafficking, and child labor (minimum age 15), while requiring freedom of association, non-discrimination, fair wages that meet living wage minimums, reasonable working hours (maximum 60 hours per week), and safe working conditions. Coverage reaches 100% of new suppliers with active acknowledgment among existing suppliers. The Human Rights Policy published in 2024 establishes a commitment to international standards, due diligence processes, and remediation procedures consistent with UN Guiding Principles on Business and Human Rights.

3.2.2 Processes for engaging with value chain workers and workers' representatives about impacts (S2-2)

The Human Rights Due Diligence process screens over 2,000 suppliers for conflict minerals, child labor and forced labor risks. Suppliers flagged undergo a detailed assessment through questionnaires, documentation review, and audits. The EcoVadis platform coverage reached 20% of purchase volume in 2025, representing 120 suppliers assessed; targeting 30% by 2026.

3.2.3 Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

The Business Ethics Hotline provides confidential 24/7 reporting in multiple languages with a zero-retaliation policy. Three incidents were reported in 2025. Suppliers with confirmed risks implement remediation plans with Bystronic support. Suppliers scoring below 45/100 on EcoVadis develop Corrective Action Plans with a 12-month reassessment.

3.2.4 Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities (S2-4)

Value chain workers	2025	2024	2023
Suppliers screened	2,000+	2,000+	-
Confirmed violations	0	0	-
Supplier audits conducted	5	4	-
Average EcoVadis labor & HR score	54	52	-

Analysis: Zero confirmed violations across 2,000+ suppliers indicate effective selection and management. Five total audits were conducted: China (3), Poland (1) and Italy (1). Resulted in zero critical findings. Average Labor & HR score improved to 54/100, above industry average of 48. Salient risks include excessive working hours and occupational health and safety (moderate risk). Child labor, forced labor, and discrimination assessed as low risk in Tier 1 and 2 suppliers.

3.2.5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5)

EcoVadis coverage	2026 target	2025	2024	2023	2022
Coverage (% purchase volume)	30%	20%	15%	10%	5%
Average EcoVadis labor & HR score	60	54	52	-	-

3.3 Consumers and End-Users (ESRS S4)

3.3.1 Policies related to consumers and end-users (S4-1)

The Board-approved Product Safety and Quality Policies in each plant commit to compliance with all local safety regulations (like CE¹, UL² in EMEA, America), continuous safety improvement, clear documentation and support, and integration of safety throughout the product lifecycle. ISO 9001:2015 certification covers 78% of manufacturing sites with comprehensive quality controls and traceability systems. For connected equipment, GDPR compliance, data encryption, and security assessments protect customer data. The Product Eco-design Policy integrates energy efficiency, material selection, and recyclability into design, conducts lifecycle assessments, and provides sustainability data supporting customer reporting needs.

¹ CE marking

² Certification & safety standards

3.3.2 Processes for engaging with consumers and end-users about impacts (S4-2)

Demo centers in Switzerland, USA, China, Germany, UK, Sweden and Korea host approximately 500 customer visits annually. Technical training programs build operator and maintenance skills through classroom, on-site, and online training with thousands trained annually. The CRM system monitors feedback and safety incidents, processing over 100,000 customer requests in 2025.

3.3.3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)

Customers report safety concerns through the CRM customer portal (myBystronic), by direct contact, and through our service network. Root cause analysis is conducted for all significant incidents, followed by design improvements, field modifications, and customer communications. Our service network provides regional centers, certified technicians, remote diagnostics, and spare parts availability.

3.3.4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities (S4-4)

Products incorporate comprehensive safety features. Laser systems include protective cabins, safety interlocks, emergency stops, and exhaust systems. Press brakes feature two-hand controls, light curtains, and finger guards. Automation systems include safety fencing, presence detection, and safe stop functions. Our products support high safety standards and undergo CE, UL certification testing required in some regions (EMEA/Americas) before release.

Energy efficiency features include next-generation chillers targeting an over 30% improvement versus current generation. AI-powered process optimization reduces material waste. Modular architecture enables upgrades and component reuse. LCA data supports customer Scope 3 reporting including energy consumption, material composition, and end-of-life scenarios.

3.3.5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

Product safety	2025	2024	2023	2022	2021
Product-related fatalities reported	0	0	0	0	0
Customer injuries reported	5	2	1	1	3
Product recalls	0	0	0	0	0

Analysis: Zero fatalities and zero recalls in 2025. Five customer injuries reported, requiring continued focus on training and safety features.

4 Responsible business (combating corruption & safeguarding human rights)

Business Conduct (ESRS G1)

4.1 Materiality assessment

Business conduct was assessed as material in the double materiality assessment. Ethical business practices create both impact materiality (affecting stakeholders' rights and trust) and financial materiality (regulatory compliance, reputational risks, and license to operate).

Governance: The Board of Director's Audit and Risk Committees oversee business conduct with annual reviews of the ethics program effectiveness, investigation outcomes, and key performance metrics.

4.2 Business Conduct Policies and Corporate Culture (G1-1)

- **Code of Conduct:** Bystronic's Code of Conduct (updated 2023) establishes ethical principles covering anti-corruption, fair competition, human rights, environmental responsibility, data privacy, conflicts of interest, and accurate reporting.
- **Coverage:** Mandatory for all employees, Board members, and contractors.
- **Corporate culture:** Bystronic fosters an ethical culture through leadership commitment, speak-up culture, ethics guidance, and recognition of ethical behavior. Violations result in disciplinary action up to termination.
- **Training:**
 - New employees: mandatory Code of Conduct training
 - Functions-at-risk: enhanced anti-corruption training for Sales, Procurement, Government Affairs, Finance
- **Whistleblowing mechanism:** Independent third-party hotline (EthicsPoint) accessible 24/7 in 40+ countries via telephone, web portal, mobile app, email, and in-person reporting.
- **Scope:** Corruption, bribery, fraud, conflicts of interest, discrimination, harassment, environmental violations, data breaches, human rights violations, supplier code violations, and retaliation.
- **Protections:** Confidential and anonymous (where permitted by law).
- **Zero-tolerance for retaliation:** Investigation process: report → assessment → investigation (30–60 days) → findings → remediation → report to governance.
- **2025 performance:** Three total reports received; all investigated and closed as unfounded. Zero retaliation incidents.

4.3 Management of Relationships with Suppliers (G1-2)

- **Supplier Code of Conduct:** Establishes minimum requirements for labor practices, human rights, environmental responsibility, business ethics, and management systems. Contractually binding through purchase agreements.
- **Risk-based due diligence:** Suppliers categorized by risk (spend, geography, product category, strategic importance):
 - **High risk:** comprehensive ESG assessment (EcoVadis) required
 - **Medium risk:** self-assessment questionnaire
 - **Low risk:** standard contractual requirements
- **Supplier development:** Corrective action plans for low performers, capability building support, re-assessment after 12–18 months, recognition for high performers.
- **Engagement:** Annual supplier summit, quarterly webinars, carbon disclosure program (target 50% key suppliers by 2030), collaborative innovation (SSAB partnership on recycled/fossil-free steel).
- **Human Rights Due Diligence (HRDD):** First HRDD conducted in 2023. Zero confirmed violations among assessed suppliers. Human Rights Policy published in 2024.

4.4 Prevention and Detection of Corruption and Bribery (G1-3)

- **Anti-Corruption Policy:** Zero-tolerance for all forms of corruption including bribery, facilitation payments, kickbacks, political contributions, charitable donations as bribes, and improper gifts/hospitality.
- **Gift & Hospitality Policy:** Must not exceed the local limit (Max CHF 100/gift in Switzerland).
- **Third-party due diligence:** Comprehensive screening of agents, distributors, and consultants, including integrity questionnaires, sanctions checks, adverse media reviews, and verification of beneficial ownership.
- **Internal controls:**
 - automated payment system controls
 - management review of high-value transactions
- **Training:** Anti-corruption training mandatory for at-risk functions (Sales, Procurement, Government Affairs, Finance).

4.5 Confirmed Incidents of Corruption or Bribery (G1-4)

Performance: Zero confirmed incidents of corruption or bribery for four-year period (2022-2025).

Ethics Hotline	2025	2024	2023	2022
Incidents reported to Business Ethics Hotline	3	4	4	0
Confirmed corruption/bribery incidents	0	0	0	0

Analysis: Three allegations reported and investigated; concluded unfounded

4.6 Political Influence and Lobbying Activities (G1-5)

The company participates in industry associations relevant to its business activities. These memberships are primarily aimed at technical exchange, market development, and regulatory monitoring. During the reporting period, the company did not engage in material political influence or lobbying activities, nor did it make political contributions or mandate industry associations to lobby on its behalf.

- **Key associations:** VDMA (German machinery manufacturers), Swissmem (Swiss engineering), CECIMO (European machine tools), AMT (U.S. manufacturing technology), CMTBA (China machinery).
- **Governance:** Association policy positions reviewed for alignment with Bystronic values.

4.7 Payment Practices (G1-6)

Standard payment terms: Standard payment terms from Bystronic to suppliers are typically net 60 days from the invoice date, though this can vary by contract and location. In some cases, payment terms are net 30 days from the invoice date for specific types of agreements. To be paid, suppliers must first meet prerequisites like providing signed lien waivers and properly executed invoices.

4.8 Data Privacy and Cybersecurity (G1-7)

Bystronic manages data privacy and cybersecurity as core components of its governance and risk management framework. The company complies with the EU General Data Protection Regulation (GDPR) and maintains privacy notices in line with local legal requirements, outlining the purposes and legal basis for personal data processing as well as data subject rights. Dedicated privacy documentation, including a business partner data protection notice, is publicly available on Bystronic's website.

Cybersecurity is overseen by the Group IT and Security function and regularly reviewed by the Audit Committee of the Board of Directors. Bystronic has implemented ISO 27001-aligned information security controls covering access management, endpoint protection, network segmentation, and multi-factor authentication. The company partners with external specialists such as NanoLock Security to strengthen machine-level and operational technology (OT) protection. Independent audits and assessments are carried out to evaluate IT resilience and the effectiveness of cybersecurity measures.

In 2025, the company reported no material data privacy breaches or confirmed cybersecurity incidents. Employee awareness remains a central preventive measure, supported by mandatory information-security training and periodic phishing simulations. Bystronic continues to enhance its cyber risk management through regular monitoring, continuous improvement, and quantification of cyber risk exposure using external benchmarking tools.

About this report

Conclusion and forward-looking statement

Sustainability is not a separate initiative at Bystronic – it is integrated into strategy, operations, products, and culture. This report reflects our commitment to transparency and accountability. We acknowledge that the journey is ongoing, challenges remain, and continuous improvement is essential.

Key 2025 achievements

SBTi validation in April 2025 confirming near-term targets. The U.S. renewable transition contributes to ongoing emission reductions. Zero confirmed corruption incidents maintaining ethical conduct. Strong safety commitment with decreasing TRIR. Waste reduction target exceeded early.

Areas for acceleration

Employee engagement and satisfaction (eNPS down during CORE restructuring). Women in management advancement using improved measurement (job grades deployment). Supply chain sustainability deepening through expanded EcoVadis coverage and supplier capability building. Product LCA expansion to 100% of portfolio supporting customer reporting. Circular economy scaling through commercialization of refurbishment services.

We thank all stakeholders – employees, customers, suppliers, investors, and communities – for their support, collaboration, and constructive engagement. Together, we are helping shape a sustainable future for sheet metal and more.

Report approval

This Bystronic CSRD Sustainability Report 2025 has been prepared in reference to the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD).

Report scope

January 1–December 31, 2025

Reporting standards

ESRS (main topic compliance); EU Taxonomy regulation (main topic disclosure); TCFD (integrated within ESRS E1)

Board approval

This report was reviewed and approved by the Board of Directors of Bystronic AG on February 23, 2026.

Contact information

For questions, feedback, or additional information regarding this Sustainability Report or Bystronic's ESG performance, please contact:

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General Information

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Report downloads

This report, along with prior Sustainability Reports, methodology report and supporting documentation is available for download at: www.bystronic.com/sustainability

Feedback

Bystronic welcomes stakeholder feedback on this report and our sustainability performance. Please submit comments, questions, or suggestions [here](#).

Zurich, February 26, 2026



Dr. Heinz O. Baumgartner
Chairman of the Board of
Directors



Dr. Roland Abt
Chairman of the Audit
Committee

Annex

ESRS Content Index

The following tables provide an overview of the European Sustainability Reporting Standards (ESRS) disclosures included in this report, their locations, and explanations for any omissions. This index is provided as a voluntary navigability aid. The mandatory list of material topics and disclosure coverage is presented in [section 1.6.2 \(IRO-2\)](#).

ESRS 2 – General Disclosures

ESRS	Disclosure	Location	Omission / Notes
Basis for preparation			
ESRS 2	General basis for preparation (BP-1)	Section 1.3.1	
ESRS 2	Disclosures in relation to specific circumstances (BP-2)	Section 1.3.2	
Governance			
ESRS 2	Role of administrative, management and supervisory bodies (GOV-1)	Section 1.4.1; Corporate Governance Report	
ESRS 2	Information provided to and sustainability matters addressed (GOV-2)	Section 1.4.2	
ESRS 2	Integration of sustainability performance in incentive schemes (GOV-3)	Section 1.4.3; Compensation Report	
ESRS 2	Statement on due diligence (GOV-4)	Section 1.4.4	
ESRS 2	Risk management and internal controls (GOV-5)	Section 1.4.5	Integrated in identification of material IROs
Strategy and business model			
ESRS 2	Strategy, business model and value chain (SBM-1)	Section 1.5.1	
ESRS 2	Interests and views of stakeholders (SBM-2)	Section 1.5.2	
ESRS 2	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)	Sections 1.6.1.1 – 1.6.1.4	
Impact, risk and opportunity management			
ESRS 2	Description of processes to identify and assess material IROs (IRO-1)	Section 1.6.1	
ESRS 2	Disclosure requirements in ESRS covered by sustainability statement (IRO-2)	Section 1.6.2	
ESRS 2	Climate Scenario Analysis (IRO-1)	Section 2.1	
EU Taxonomy			
EU Taxonomy Reg.	EU Taxonomy Disclosure (Article 8)	Section 2.2	
EU Taxonomy Reg.	Alignment assessment approach	Section 2.2.1	
EU Taxonomy Reg.	KPI definitions (revenue, CapEx, OpEx)	Sections 2.2.2 – 2.2.4	OpEx omitted due to immateriality (<1%)

Environmental Disclosures

ESRS	Disclosure	Location	Omission / notes
Climate change (ESRS E1)			
ESRS E1	Transition plan for climate change mitigation (E1-1)	Section 2.3.1	
ESRS E1	Policies related to climate change mitigation and adaptation (E1-2)	Section 2.3.2	
ESRS E1	Actions and resources in relation to climate change policies (E1-3)	Section 2.3.3	
ESRS E1	SBTi-validated targets	Section 2.3.3.1	
ESRS E1	Decarbonization actions (operational, value chain, product innovation)	Section 2.3.4	
ESRS E1	Targets related to climate change mitigation and adaptation (E1-4)	Section 2.3.5	
ESRS E1	Energy consumption and mix (E1-5)	Section 2.3.6	
ESRS E1	Scopes 1, 2, 3 and total GHG emissions (E1-6)	Section 2.3.7	
ESRS E1	GHG removals and GHG mitigation projects financed through carbon credits (E1-7)	—	Not applicable. Bystronic does not use carbon credits or claim GHG removals.
ESRS E1	Internal carbon pricing (E1-8)	—	Not applicable. Internal carbon pricing not yet implemented; under evaluation for future reporting.
ESRS E1	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities (E1-9)	—	Information unavailable. Quantification of financial effects in progress; qualitative assessment in Section 2.1.
ESRS E1	Customer decarbonization impact	Section 2.3.8	Own disclosure
ESRS E1	Product efficiency features	Section 2.3.8.1	Own disclosure
ESRS E1	Life Cycle Assessment program	Section 2.3.8.2	Own disclosure
ESRS E1	Customer engagement	Section 2.3.8.3	Own disclosure
Water & marine resources (ESRS E3)			
ESRS E3	Policies related to water and marine resources (E3-1)	Section 2.4.1	
ESRS E3	Actions and resources related to water and marine resources (E3-2)	Section 2.4.2	
ESRS E3	Targets related to water and marine resources (E3-3)	Section 2.4.3	Data coverage: 6 of 9 manufacturing sites. Expansion in progress.
ESRS E3	Water consumption performance in areas at water risk (E3-4)	Section 2.4.3	Partial. Tianjin site identified as high water stress.
ESRS E3	Anticipated financial effects from water and marine resources (E3-5)	—	Information unavailable. Quantification in progress for future periods.
Resource use & circular economy (ESRS E5)			
ESRS E5	Policies related to resource use and circular economy (E5-1)	Section 2.5.1	
ESRS E5	Actions and resources related to resource use and circular economy (E5-2)	Section 2.5.2	
ESRS E5	Resource inflows (E5-4)	Section 2.5.3	
ESRS E5	Resource outflows – waste (E5-5)	Section 2.5.4	
ESRS E5	Anticipated financial effects from resource use and circular economy (E5-6)	Section 2.5.5	Qualitative outlook. Full financial quantification in progress.
Non-material environmental topics			
ESRS E2	Pollution	—	Not material per double materiality assessment (Section 1.6.2). Reassessment planned 2027.
ESRS E4	Biodiversity and ecosystems	—	Not material per double materiality assessment (Section 1.6.2). Reassessment planned 2027.

Social Disclosures

ESRS	Disclosure	Location	Omission / notes
Own workforce (ESRS S1)			
ESRS S1	Policies related to own workforce (S1-1)	Section 3.1.1	
ESRS S1	Processes for engaging with own workers about impacts (S1-2)	Section 3.1.2	
ESRS S1	Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)	Section 3.1.3	
ESRS S1	Taking action on material impacts on own workforce (S1-4)	Section 3.1.4	
ESRS S1	Targets related to managing material impacts, advancing positive impacts, and managing risks and opportunities (S1-5)	Section 3.1.5	
ESRS S1	Characteristics of the company's employees (S1-6)	Section 3.1.6	
ESRS S1	Characteristics of non-employee workers in own workforce (S1-7)	Section 3.1.7	Limited to apprentices. Bystronic does not have material non-employee workers.
ESRS S1	Collective bargaining coverage and social dialogue (S1-8)	Section 3.1.8	
ESRS S1	Diversity metrics (S1-9)	Section 3.1.9	
ESRS S1	Adequate wages (S1-10)	Section 3.1.10; Compensation Report	
ESRS S1	Social protection (S1-11)	Section 3.1.11	
ESRS S1	Persons with disabilities (S1-12)	—	Information unavailable. Bystronic does not currently collect consolidated disability data. Improvement planned.
ESRS S1	Training and skills development metrics (S1-13)	Section 3.1.12	
ESRS S1	Health and safety metrics (S1-14)	Section 3.1.13	Work-related ill health not tracked; improvement planned.
ESRS S1	Work-life balance (S1-15)	Section 3.1.14	
ESRS S1	Compensation metrics (pay gap) (S1-16)	—	Information unavailable. Equal pay audit conducted in 2021 at Niederönz; next audit planned 2026. Group-wide data in development.
ESRS S1	Incidents, complaints and severe human rights impacts (S1-17)	Section 3.1.3	3 Business Ethics Hotline reports in 2025; all investigated, concluded unfounded.
Workers in the value chain (ESRS S2)			
ESRS S2	Policies related to value chain workers (S2-1)	Section 3.2.1	
ESRS S2	Processes for engaging with value chain workers about impacts (S2-2)	Section 3.2.2	
ESRS S2	Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)	Section 3.2.3	
ESRS S2	Taking action on material impacts on value chain workers (S2-4)	Section 3.2.4	
ESRS S2	Targets related to managing material impacts (S2-5)	Section 3.2.5	

Consumers and end-users (ESRS S4)

ESRS S4	Policies related to consumers and end-users (S4-1)	Section 3.3.1
ESRS S4	Processes for engaging with consumers and end-users about impacts (S4-2)	Section 3.3.2
ESRS S4	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)	Section 3.3.3
ESRS S4	Taking action on material impacts on consumers and end-users (S4-4)	Section 3.3.4
ESRS S4	Targets related to managing material impacts (S4-5)	Section 3.3.5

Non-material social topics

ESRS S3	Affected communities	—	Not material per double materiality assessment (Section 1.6.2). Reassessment planned in 2027.
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Governance Disclosures

ESRS	Disclosure	Location	Omission / notes
Business conduct (ESRS G1)			
ESRS G1	Materiality assessment	Section 4.1	
ESRS G1	Business conduct policies and corporate culture (G1-1)	Section 4.2	
ESRS G1	Management of relationships with suppliers (G1-2)	Section 4.3	
ESRS G1	Prevention and detection of corruption and bribery (G1-3)	Section 4.4	
ESRS G1	Confirmed incidents of corruption or bribery (G1-4)	Section 4.5	Zero confirmed incidents 2022–2025.
ESRS G1	Political influence and lobbying activities (G1-5)	Section 4.6	No material political contributions or lobbying.
ESRS G1	Payment practices (G1-6)	Section 4.7	
ESRS G1	Data privacy and cybersecurity (G1-7)	Section 4.8	Zero material breaches in 2025.

OR 964**Disclosures in accordance with Art. 964a–c and Art. 964j–l Swiss Code of Obligations**

This report fulfills the non-financial reporting requirements under Swiss law. The table below maps each requirement to the relevant sections of this CSRD-aligned Sustainability Report.

Art. 964 CO requirement	Location
General Information	
Business model and strategy	Section 1.1 Introduction Section 1.5.1 Strategy, business model and value chain (SBM-1)
Sustainability strategy and approach	Section 1.3 Basis for preparation Section 1.5.3 Sustainability journey
Material topics and materiality assessment	Section 1.6.1 Double materiality assessment (IRO-1) Section 1.6.2 Disclosure requirements (IRO-2)
Non-financial matters	
Environmental matters – climate change	Section 2.1 Climate scenario analysis Section 2.2 EU Taxonomy Disclosure Section 2.3 Climate Change (ESRS E1)
Environmental matters – water	Section 2.4 Water & Marine Resources (ESRS E3)
Environmental matters – circular economy	Section 2.5 Resource Use & Circular Economy (ESRS E5) Section 3.3 Consumers and End-Users (ESRS S4)
Employee-related issues – diversity & inclusion	Section 3.1.5 Gender Diversity Targets (S1-5) Section 3.1.9 Diversity Metrics (S1-9)
Employee-related issues – talent attraction & development	Section 3.1.4 Taking Action on Own Workforce (S1-4) Section 3.1.12 Training Metrics (S1-13)
Employee-related issues – occupational health & safety	Section 3.1.4 Taking Action on Own Workforce (S1-4) Section 3.1.13 Health and Safety Metrics (S1-14)
Social-related issues – value chain workers	Section 3.2 Workers in the Value Chain (ESRS S2)
Respect for human rights	Section 1.4.4 Statement on Due Diligence (GOV-4) Section 3.2.1 Supplier Code of Conduct (S2-1) Section 4.2 Business Conduct Policies (G1-1) Section 4.3 Supplier Relationships (G1-2)
Combating corruption	Section 4.4 Prevention and Detection of Corruption (G1-3) Section 4.5 Confirmed Incidents (G1-4)