

Sustainability report 2018



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Cover picture: The new AX line of pumps and motors from Bucher Hydraulics is based on a revolutionary new hydraulics concept, which make these hydraulic components ideal for the use in electrified machinery.

# Sustainability strategy



## Editorial

(102-14)

Dear readers,

Throughout the corporate history of Bucher Industries, which stretches back more than 200 years, we have been known for our focus on mobile mechanisation and on beverage technologies, as well as for our long-term thinking as a key aspect of our business strategy. What does this mean exactly?

We produce components, machinery and equipment that enable our customers to operate efficiently and productively. To ensure this also in the long term, we continuously develop our products. The aim is to increase their efficiency and productivity and to enable our customers to be more profitable, while at the same time reducing the consumption of resources and the impact of our products on the environment. We believe this is the best way of guaranteeing that our customers and us can be successful together.

By steadily reducing our products' environmental impact in use, Bucher Industries makes an important contribution to building a sustainable future. In this report, we will highlight some examples of how we do this, including ways of working soil intensively without depleting it, rendering machinery more energy efficient with our hydraulic compo-

nents and reducing the use of plastics for food packaging by 700 kilometres per year and machine through intelligent steering and control solutions.

The other topics we consider to be material are the health and safety of our customers, our diverse and highly qualified workforce, competition law and the prevention of corruption. We also strive to make our production increasingly resource efficient, as the example of one of our production plants in Malaysia shows: just a few simple measures can be enough to markedly reduce energy consumption.

I hope you enjoy reading our report and that it gives you a good insight into the day-to-day efforts we make to treat our customers, employees and natural resources with care and respect.

A handwritten signature in black ink, appearing to read 'J. Sanche', written in a cursive style.

Jacques Sanche  
Chief Executive Officer

# Bucher at a glance – simply great machines

(102-1, 102-2, 102,7, 102-16, 102-18)

Bucher Industries is a global technology group with leading market positions in speciality areas of machinery and vehicle manufacturing. The Group's 13 100 employees generated sales of over CHF 3 billion in 2018.

**Our mission and vision** Our success is built on strong market positions, innovation and flexible, efficient structures. The consistent long-term orientation of our corporate strategy, coupled with decentralised responsibility for management and performance, ensures sustainable corporate development.

**Our mission** We develop and manufacture economical state-of-the-art and environmentally sustainable machinery and systems. We systematically align our activities with customer needs. Our machines combine durability with great efficiency and are wide-ranging in their application: harvesting, producing and packaging foods, keeping roads and public spaces clean and safe, or providing hydraulic drive systems for high-performance equipment. Our customers benefit from effective, innovative products with high quality standards underpinned by outstanding service. Our committed, highly skilled employees enjoy attractive jobs and training opportunities adapted to individual needs.

**Our goals<sup>1</sup>** We seek to achieve superior profitability and a sound balance sheet through technological leadership, a strong market position and strict cost management. We will continue to build the Group through organic growth and innovation, as well as by acquiring and integrating selected, complementary businesses.

<sup>1</sup> Our sustainability-related goals are set out in the sections regarding the material topics (see p. 12 ff.).

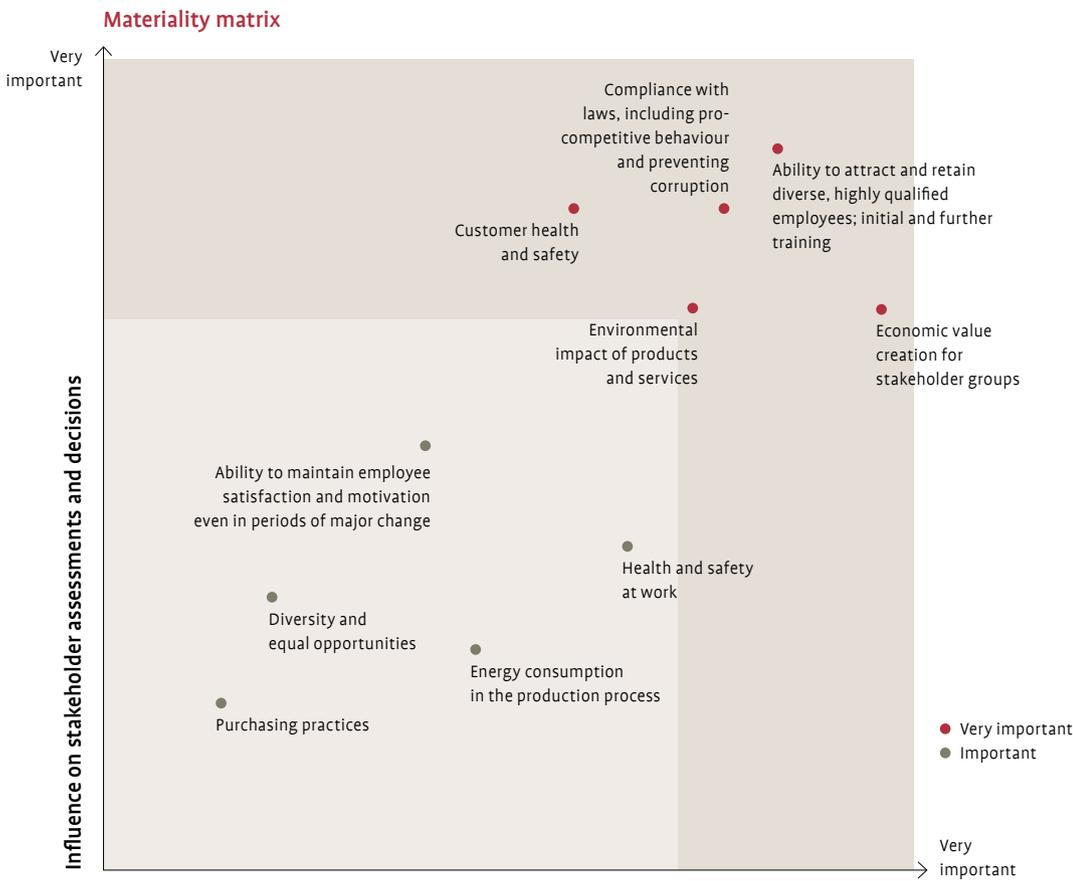
## Our activities

The business lines of our five divisions comprise specialised agricultural machinery (Kuhn Group), municipal vehicles (Bucher Municipal), hydraulic components (Bucher Hydraulics), manufacturing equipment for the glass container industry (Bucher Emhart Glass), equipment for the production of wine, fruit juice, beer and instant products, a Swiss distributorship for tractors and specialised agricultural machinery, as well as control systems for automation technology (Bucher Specials).

# Core aspects of the sustainability strategy

(102-11, 102-16, 102-18, 102-42, 102-46, 103-1, 103-3)

Taking a long-term view has been integral to the corporate strategy and the success of Bucher Industries for more than 200 years. The sustainability strategy, which rests on four thematic pillars, is an expression and extension of Bucher Industries' long-term perspective in its core business.



In discussion with employees, customers and shareholder representatives, Bucher Industries evaluated the Group's most relevant sustainability topics. These form the basis of the sustainability strategy and are visualised in the materiality matrix. The materiality matrix remained unchanged in 2018, with the exception of "Customer satisfaction", which, under the newly applied GRI standards, is subject to mandatory reporting (see p. 8 ff.).

## Significance of economic, environmental and social impacts on Bucher Industries

**General management approach to sustainability?** The group management and division management of Bucher Industries take equal account of economic, environmental and social criteria, and by doing so act in accordance with the precautionary principle. The Group has adopted a management approach based on decentralised responsibility for management and performance, thereby taking into account not only the diverse requirements of the divisions, but also of the regions. In addition, all the divisions rely on certified management, environmental and safety systems.

<sup>2</sup> The management approach applied in the material topics is described at the beginning of each chapter on the material topic in question.

## Core aspects of the sustainability strategy

(103-1, 103-3)

**The four pillars of the sustainability strategy** Based on the materiality matrix, the sustainability strategy of Bucher Industries focuses on the four topics below, rated as very significant, and on the measures required to reach the associated targets. The targets associated with competition law and the prevention of corruption are group-wide targets. For at least two of the remaining three topics, the divisions have defined their own targets and implementation measures.



### Impact of our products on the environment

The divisions of Bucher Industries develop and manufacture economical state-of-the-art, environmentally sustainable machinery and systems. We aim to make them as environmentally friendly and eco-efficient in use as possible. The goal is to minimise the impact on society and the environment (see p. 12 ff.).



### Customers' health and safety

The customers of Bucher Industries' divisions across the world benefit from innovative and effective products and services. We attach great importance to protecting customers' health and safety at all stages, from development to production, operation and disposal. Moreover, this is a topic of growing relevance given the emergence of new technologies and the Internet of Things (see p. 21 ff.).



### Diverse and highly qualified employees

It is thanks to our highly qualified and talented employees that we are able to develop and manufacture our products in the specialised machinery and vehicle engineering sector with such success. All divisions of Bucher Industries offer their employees attractive working conditions and development opportunities as well as individual training and continuing education (see p. 25 ff.).



### Competition law and the prevention of corruption

Bucher Industries' group-wide Code of Conduct focuses on compliance with competition law and the prevention of corruption. Employees are duty bound to comply with every aspect of the relevant laws and to conduct business in accordance with the practices of fair competition. They are supported in this endeavour through regular training and timely updates to directives (see p. 33 ff.).

**Economic value creation** Group management and stakeholders also regard economic value creation as a material topic. However, as economic value creation is considered a fundamental element of our operations, it is not defined as a pillar of the sustainability strategy (for more information about economic value creation, see p. 37 ff.).

# Stakeholder dialogue and customer satisfaction

(102-40, 102-43, 102-44)

Bucher Industries engages in regular dialogue with many internal and external stakeholder groups, such as its employees and, in particular, its customers and suppliers. This section addresses the topics that were of particular importance to stakeholders in the reporting period.

Daily contact with customers and partners and personal discussions with and among the employees in the divisions shed light on the issues that are important to our stakeholder groups.

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## Employees

The Group and its divisions maintain a constant dialogue with employees through regular staff meetings, surveys and informal discussions. This helps us to understand our employees' points of view and wishes, address development opportunities and discuss improvements in the workplace. In this way we strive to work together to find measures that make sense to both employees and the company.

Like every year, we staged a number of group-level "Eurocommittees" in 2018. In these two-hour meetings or video conferences, delegates of our European employee representative committees discussed current topics with management.

One of the key topics in the reporting period was the recruitment and retention of qualified staff in the context of the expansion of production. Labour markets have been very competitive, especially in Western Europe and the US, and finding technical experts, machine operators and engineers has been extremely challenging (see p. 25 ff.).

Kuhn Group celebrated its 190<sup>th</sup> anniversary in the reporting period and used this special occasion to host a number of events, including open days, throughout the year. The family events, at which employees could give members of their family a tour of their workplace and the company, proved particularly popular.

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## Customers

Bucher Industries regards customer satisfaction as one of the core elements of its group activity. Regular dialogue with customers – whether in the form of satisfaction surveys, informal discussions or institutionalised exchange – gives the divisions insight into customers' concerns.

The primary challenge in the reporting period was to deliver customer orders on time and in the customary quality. The extraordinary level of production capacity utilisation meant this could at times be very challenging. Consequently, the divisions expanded their production capacity and recruited additional staff.

## Stakeholder dialogue and customer satisfaction

(102-40, 102-43, 102-44)

The trend of customers wanting ever more efficient, automated and digitised products persisted in 2018. Customers also continued to address the issue of the environmental impact of products, including CO<sub>2</sub> emissions, noise pollution, energy and water consumption, or the use of road salt, crop protection products and fertilisers. Respective regulations in Western Europe drove this demand to some extent, as did greater public awareness.

At the same time, the increasing complexity of automated and digitised vehicles and machinery presents a new challenge for customers. Especially in the area of health and safety, the divisions must meet additional requirements as a result.

**Kuhn Group** High-precision farming, bigger machines to cover wider areas, more efficient equipment that uses less energy and helps better manage the soil and plants, and more automation without compromising on safety are key trends that Kuhn Group is addressing in order to assist its customers in their quests for productivity and profitability. The division integrates these trends into the product development process (see p. 12 ff.). Additional IoT (Internet of Things) solutions and digital applications (MyKuhn, RedVista, Kuhn EasyMaps etc.) have been developed or are in development which support producers in their decision-making and enable them to optimise the operation of their machines. They can manage their fields more efficiently while maintaining or, if possible, increasing production levels and reducing costs. To ensure health and safety in operating the ever more complex products, Kuhn Group provides training to dealers and end customers as well as technical documentation (see p. 22). Kuhn Group was ranked 7<sup>th</sup> in the 2018 DLG Image Barometer in Germany, in which the image and brand awareness of farm machinery manufacturers are assessed. The division was the first non-German manufacturer to be listed in this barometer.

**Bucher Municipal** Demand from customers of Bucher Municipal for vehicles and equipment that require less fuel or road salt, produce lower CO<sub>2</sub> and noise emissions and consume less water is increasing. It is no longer only major cities that want municipal vehicles with alternative drive systems. Medium-sized cities are also adopting this approach, which is why Bucher Municipal is accelerating the development of such products (see p. 15 ff.). Health and safety is also an important issue, for customers operating the vehicles as well as for the people in the immediate vicinity, as the division's machinery tends to be used in areas frequented by large numbers of pedestrians and on roads and sites with heavy traffic (see p. 22). Bucher Municipal uses a newly introduced customer relationship management (CRM) system, to systematically track customer satisfaction.

**Bucher Hydraulics** The customers of Bucher Hydraulics are seeking ever more efficient hydraulic components and solutions. One answer to these needs is the new AX line of pumps and motors, which increases the efficiency of hydraulic systems markedly (see p. 17 f.). Due to the very high level of capacity utilisation at all production sites in the reporting period, the division was not always able to fulfil its promise of "superior service". This led customers to rate delivery times less favourably than last year. Bucher Hydraulics expanded its capacity, though, and can now work on eliminating the order backlog, which should raise customer satisfaction again.

## Stakeholder dialogue and customer satisfaction

(102-40, 102-43, 102-44)

**Bucher Emhart Glass** Product safety is a major concern of Bucher Emhart Glass and its customers, which is addressed through a range of documentation and new developments (see p. 23). Customer feedback is systematically recorded in a quality management system and analysed by an interdisciplinary team with a view to identifying opportunities for improvement. Emhart Glass Malaysia conducted a customer satisfaction survey among the customers visiting its plant in the reporting period. The findings are displayed in its lobby. A total of 46 customers participated in the survey. At over 90%, customer satisfaction in the categories punctuality, product and service quality, addressing customer needs and communication was rated very high.

**Bucher Specials** With more than 80%, Bucher Vaslin achieved again a high level of customer satisfaction in 2018. Bucher Unipektin received good to excellent feedback from a customer in Germany after retrofitting an MVR evaporator at their premises. Bucher Landtechnik did not conduct any surveys. However, given its high market share across the entire dealer network seem to be highly satisfied with the product quality as well as distribution and service support across the entire portfolio of brands. The annual customer satisfaction survey conducted by Jetter revealed that customer satisfaction averaged higher in general and, in particular, for one major customer in the municipal vehicles segment.

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### Suppliers

Discussions with suppliers during the reporting period revealed that the main issues were supply bottlenecks and high commodity prices, especially for steel (see p. 38 f.).

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### Shareholders/ financial institutions

Investors expressed growing interest in sustainability issues, with institutional investors in particular attaching growing importance to associated ratings. Bucher Industries understands the importance of sustainability as a topic and constantly strives to further develop its reporting in this context.

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### Local communities/ regulators/ authorities

The EU and various national authorities once again amended or issued new laws and regulations in 2018. The group companies are aligning their production sites, work processes and machinery and vehicle certification to the new conditions as quickly as possible.

A particular driver in this context is the increasing electrification of products, which requires relevant certification in the various sales markets. A key measure in addressing this issue is the collaboration with organisations that create such certifications and standards.

# The four pillars of the sustainability strategy



## Impact of our products on the environment

(103-1, 103-2, 103-3, 302-5)

Whether it's reducing the consumption of resources such as energy and water, the use of crop protection products, fertilisers and road salt, or the emission of CO<sub>2</sub> and particulate matter, the efforts of all divisions of Bucher Industries to develop new machinery and equipment are guided by the motivation to reduce the impact of our products on the environment.

Demand from customers of Bucher Industries is growing for products and services that are highly energy-efficient and require little water, that reduce the need for fuel, fertilisers, crop protection agents or road salt, and that emit less CO<sub>2</sub>, noise and particulate matter. Among the main reasons for this are efforts to lower operating costs, to protect the soil, products and equipment, and to meet current and future legal and regulatory requirements. Increased demand from end users for sustainably produced goods is another driver of this demand.

The divisions of Bucher Industries systematically consider the environmental impact of all new products and services already at the development stage, taking account of the entire life cycle from manufacture to operation to disposal. The research and development units try to identify the existing requirements of the market and to anticipate future needs with the aim of continuously improving products. Some business units systematically gather information about environmental impacts and use this to improve products.

For Bucher Industries, this topic is central to its sustainability strategy. Minimising the impact of its products and services on the environment is the most important way in which Bucher Industries makes a contribution to building a sustainable future.

Of the 38 sites covered by the survey, 15 have environmental management systems certified under ISO 14001; five have energy management systems compliant with ISO 50001.

### Kuhn Group

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**Operative goals for 2018 and 2019** Harness new precision agriculture technologies in 2018 by launching ten new farm machines with a specially developed function for variable control of the application rate and/or section control (products applied only where needed and in the right quantity). The goal for 2019 is to introduce enhanced section control or variable rate features on nine additional machines.

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Kuhn Group has set itself the goal of launching new machines that use GPS precision farming technologies in order to work the fields with as much precision as possible. Section control and/or variable rate technologies are used to shut on and off sections of a machine to limit overlapping application of seeds, fertiliser or crop protection agents and to apply the right amount of these products based on prescription maps. In the reporting period, ten such new machines were launched by Kuhn Group.

## Impact of our products on the environment

(103-1, 103-2, 103-3, 302-5)

The “electric continuous circulation” (CCE) equipment for sprayers is an example of such a high-precision function. Individual electrical motorised nozzle bodies allow for nozzle-by-nozzle shut-off, thereby ensuring that the dosage of the crop protection product is limited to the necessary amount and location. CCE reduces spraying overlap by nine times compared with a traditional system. Furthermore, Kuhn Group started a collaboration with Carbon Bee AgTech, a start-up specialised in agronomic imaging, with the goal of analysing weed images for targeted spot spraying.

Other examples include the Prime, Versa and Gran Prime pneumatic planters in Brazil. Equipped with row-by-row control, these high-performance machines are precision-farming-ready and save both seeds and fertiliser. Another is the newly developed Smart Ploughing GPS-controlled body lift system, which allows each body of the plough to be controlled independently. This helps the agricultural producer to better manage the land and improves operator comfort.

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### Continuing the journey of conservation agriculture

Kuhn Group has developed the new AUROCK 6000R and AUROCK 6000RC seed drills, designed for use in conservation agriculture. This new technique aims at increasing the use of cover crops – which is also enforced by EU regulatory laws – as well as the number of crop species in the rotation and at reducing tillage to a minimum. The benefits to the environment and the field ecosystem are multiple. First, the permanent organic canopy protects the soil from erosion. Second, the soil’s moisture content is greater. Third, direct seeding limits soil disturbance and promotes increased soil biodiversity.

At the same time, the AUROCK seed drill offers producers the flexibility to seed any fields, whether they are tilled or under dense cover crop. Only one seeding machine is necessary for the entire farming operation. This reduces the producer’s purchasing costs and saves time as the land only needs to be worked once, which in turn also reduces fuel consumption and CO<sub>2</sub> emissions.

The introduction of this new machine highlights Kuhn Group’s ambition to continuously improve its products and reduce their impact on the environment – while at the same time reducing the agricultural producers’ operating costs.

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**Awards** The Oceanis trailed sprayer successfully passed the ENTAM test, a European recognition test for performance, safety and environmental aspects of agricultural machinery and tools. The Master L plough received awards in Spain, Italy and Denmark for its Smart Ploughing system.



Kuhn Group  
The AUROCK seed drill

# 1

machine only needed for seeding the fields, whether they are tilled or under dense cover crops.

## Multiple benefits

for the environment and the field ecosystem, as well as economic benefits for the agricultural producer.

## Fewer passes in the field

means more time available for the producer for other tasks, as well as less soil compaction, fuel consumption and CO<sub>2</sub> emissions.

## Impact of our products on the environment

(103-1, 103-2, 103-3, 302-5)

### Bucher Municipal

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**Operative goals for 2018 and 2019** Introduce an environmental management system certified in accordance with ISO 14001 at all production sites by the end of 2019.

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Bucher Municipal made good progress on its way to achieving its operative goal in the reporting period. The environmental management system at all the production sites within the Sweeper business unit was certified in accordance with ISO 14001. The winter maintenance equipment production sites had already been certified. In the refuse collection vehicles business, the level 1 audits for ISO 14001 were concluded in 2018, and the certification process should be completed in the course of this year.

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#### Higher productivity and lower environmental impact with the new SPORT Gen 6 Side Loader

With the SPORT Gen 6 Side Loader, Bucher Municipal has developed a new “Single Person Operated Refuse Truck”, or SPORT. The high productivity of this driver-only operated vehicle is further increased by the new innovative bin grabber, which provides easier access to multiple bins placed together, ensuring that the driver does not have to exit the vehicle to reposition the bins. This increases the amount of bins emptied per hour by 20%.

The new Bucher IQ CANBus Controls, coupled with the adaptive load-sensing hydraulic system, enable the compaction process to operate at idle for most of the collection run; garbage is only compressed at the frequency and pressure required, which reduces CO<sub>2</sub> emissions and the costs for the operator.

The vehicle’s short wheelbase and adaptive hydraulic system reduce noise and lower fuel consumption by 7% as bins can be collected and garbage compacted more efficiently. The fully integrated camera system provides the driver with visual notifications for himself and pedestrians in close proximity of the machine, and the short wheelbase makes it easier to manoeuvre the vehicle in narrow streets for optimum safety.

Thanks to the new hydraulic oil tank, oil consumption is reduced by 30%. Together with the improved vehicle design and material specification, the operator profits from a 35% reduction in parts and maintenance costs over the life of the vehicle.

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**Further measures** Further important progress was made in the area of truck-mounted sweepers in 2018. The division developed a new truck-mounted sweeper named Evie. “Evie” stands for “electric vehicle/ intelligent electronics” and is the first fully electrically operated truck-mounted sweeper in the industry. It is emission-free and virtually silent. Evie is designed to handle a full shift and its batteries can be recharged overnight at the depot.



Bucher Municipal  
The SPORT Gen 6 Side Loader

**20%**  
more

bins emptied per hour thanks to the new bin grabbers, which provide easier access to multiple bins placed together.

**7%**  
less CO<sub>2</sub>

emissions by only compressing garbage at the frequency and pressure required.

**7%**  
less

fuel consumption due to higher efficiency in bin collection and garbage compaction.

**30%**

less oil consumption thanks to the new hydraulic oil tank.

## Impact of our products on the environment

(103-1, 103-2, 103-3, 302-5)

In the area of winter maintenance equipment, the 2018 version of the Phoenix Electra salt spreader was equipped with a new electric motor that consumes even less energy, thereby prolonging the potential operating time. This all-electric salt spreader can thus fully replace conventional spreaders in terms of purpose and performance but consumes no fuel and emits no CO<sub>2</sub>. Furthermore, due to a newly introduced sensor with the Bucher Assist system, the quantity of road salt can be adjusted exactly to the amount required by the prevailing road conditions. Road salt is thereby reduced by around 30% (also see p. 22).

**Awards** At the Commercial Motor Awards in the UK, Bucher Municipal's new truck-mounted sweeper, Evie, was named the "Bodywork Innovation of the Year 2018".

## Bucher Hydraulics

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**Operative goals for 2018 and 2019** Measure and analyse energy consumption and noise emissions for selected customer projects.

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Bucher Hydraulics installed a new test rig in the Advanced Technology department in 2018 which tests and measures the environmental impacts of new energy-optimised hydraulics solutions. The division thus ensures that its manufacture of hydraulic components and systems meets customers' growing energy efficiency requirements. It also facilitates the anticipation of future trends so that the development of hydraulic solutions can respond early on.

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### AX – hydraulics for electric drives

Electric drives are in ever greater demand because they are free of CO<sub>2</sub> emissions and produce less noise. The AX line of pumps and motors developed by Bucher Hydraulics is based on a revolutionary new hydraulics concept and is of high value for electrified machinery.

First, because of its efficiency: Battery capacity is expensive. To save battery capacity, the efficiency of electrical machinery must be as high as possible. The efficiency of the new AX pumps and motors is a high 94%, which is 5 to 10% better than the products available on the market up until now. Power dissipation can be reduced by up to 50%, which can be transferred 1:1 to the saving of battery capacity. Second, the AX can also operate at very low speeds and high loads without wear and tear and, thanks to its high starting efficiency of 99%, reduces the ripple effect by 80%. This results in very slow, uniform and precise movements, as required by modern hydraulic motors. Third because it reduces noise: In contrast to combustion engines, electric drives are quiet. So the hydraulic components they use should also be quiet, which the AX line is with around 70 decibels.

Moreover, these pumps and motors are made almost exclusively of cast iron and steel and contain no components made of non-ferrous metals. They can be completely and above all easily recycled, which is not the case with comparable conventional pumps and motors.

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Bucher Hydraulics  
AX pumps and motors

**Less  
CO<sub>2</sub>**

The AX line is of high value for electrified machinery.

**Noise  
reduction**

70 decibels is all the noise AX products produce – ideal for quite electric drives.

**94%  
100%  
recyclable**

efficiency to save expensive battery capacity.

as AX products contain no components made of non-ferrous metals.

## Impact of our products on the environment

(103-1, 103-2, 103-3, 302-5)

### Bucher Specials

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**Operative goals for 2018 and 2019** **Bucher Vaslin** Reduce water consumption by 30% for future products.

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Bucher Vaslin made further progress in 2018. Measurements of water consumption were done and a new cleaning protocol was tested on the Xplus 40 wine press. The business unit is studying different devices which permit to reduce and survey water consumption in the new product range of Xplus.

Jetter developed a control solution that sets new standards for the optimisation in plastic food packaging.

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#### **Jetter Motion Control: “no product – no bag”**

Every year, tons of plastic are burned as rubbish or are disposed of in landfills and in the sea. That the consumption of plastic should be reduced is undisputed. However, replacing plastic is very difficult. This is especially true when it comes to food packaging, as hygiene considerations play a big role.

There is nevertheless major potential for savings. Jetter has developed the Jetter Motion Control solution for this purpose. Sensors measure the exact shape and size of the food to be packaged and deliver this information to the packaging machine. The bag with the three different-coloured peppers is a good illustration of the kind of savings potential that exists here. The packaging machine receives the information that it needs from the sensor so it can pack the three peppers in a compact package using as little plastic as possible, rather than in a larger plastic bag of uniform size. Approximately 3 to 4 centimetres of plastic are saved this way per package. This reduces packaging costs, allows more goods to be transported per pallet and reduces plastic consumption by an impressive 700 kilometres per year and machine.

The packaging machines are usually synchronised with the production machinery. If the packaging machine does not recognise in time when there is a gap in production, it may turn out empty packages. Jetter Motion Control reduces the large quantity of such empty packages by means of product recognition and a “no product – no bag” function.

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Bucher Specials  
Jetter Motion Control

**700**  
km

less plastic consumed per  
year and machine.

**3 to 4**  
cm

less plastic used to pack  
three peppers in  
a compact package.

**No product**  
**no bag**

Jetter Motion Control  
reduces the large quantity  
of empty packages.



## Customers' health and safety

(103-1, 103-2, 103-3)

The health and safety of customers is at the heart of Bucher Industries' business, at every stage in a product's life, from development and production to operation and disposal. This topic is gaining in importance as new technologies emerge, the Internet of Things develops and more and more devices are being linked together in networks.

The divisions of Bucher Industries endeavour to strictly observe and apply all norms, standards and regulations related to product safety and health. Various employees are involved in the relevant organisations at national and international level, where they can help determine guidelines and requirements. In addition to regulatory requirements, the needs of customers with regard to health and safety are also integrated into the product development process.

Bucher Industries' products are designed in such a way that they can be manufactured and operated safely and efficiently. During the development of new machines and equipment, potential risks and dangers are identified by means of analyses and tests. If not all risks and dangers can be completely eliminated, they are noted in the technical documentation, along with instructions for operation. Before a new product is launched on the market, it is ensured that it conforms to the requirements. For certain highly specialised products, training is provided on request directly on site to ensure correct and safe use by customers.

The further automation and interconnectedness of machines and vehicles through to completely autonomous solutions opens up new opportunities, but also holds additional risks in the context of customer health and safety. In order to ensure the latter, cyber security has become crucial in this regard, and Bucher Industries addresses this holistically at group level. When developing new products and services, appropriate considerations are systematically incorporated into the process.

The quality management systems of 24 of the 38 sites covered by the survey have ISO 9001 certification; seven have an occupational safety management system certified under OHSAS 18001. One production facility of Kuhn Group has an inspection unit for crop protection sprayers certified under ISO 17020, and another one holds the ISO 25119 certificate, which defines the safety requirements of electronic control systems for agricultural machinery.

### Kuhn Group

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**Operative goals for 2018 and 2019** 1. Improve the safety of electronics and newly developed agricultural machinery, in conformity with the ISO 25119 standard 2. Achieve European road homologation for 50% of all vehicles by 2018 and 80% by the end of 2019.

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In 2018, Kuhn Group further developed new on-board electronic systems to meet the ISO 25119 functional safety standards. In addition, the internal process related to the application of these standards was further defined.

## Customers' health and safety

(103-1, 103-2, 103-3)

By the end of the reporting period, 19 machine types out of 51 were homologated under the new EU road homologation rules, representing 37% of all the machine types. In terms of homologation files submitted to the authorities (one file per type), these percentages grow to 59% of all machine models and 51% of all machine types. In some countries, file processing delays are exceeding six months due to the administrative workloads created by the EU road homologation process. Kuhn Group's goal is still to achieve road homologation for 80% of all machine types by the end of 2019.

In order to help customers operate their machines safely, Kuhn Group provided technical documentation, trainings and videos to dealers and end-users.

## Bucher Municipal

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**Operative goals for 2018 and 2019** 1. Reduce warranty costs as a percentage of sales to below 1%  
2. Certify all products and services in accordance with the OHSAS 18001 occupational safety management system (or the subsequent certification standard, ISO 45001).

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Overall, warranty costs as a percentage of sales were down compared to the previous year. In particular, a reduction to just over 1% was achieved in the important sweeper business, primarily due to the newly introduced quality management system set up in England and Latvia in the course of concentrating production. For sewer cleaning vehicles, warranty costs were well below 1% of sales. This can be attributed to the internal campaign "Delivering quality on time". In the winter maintenance equipment business, warranty costs were also reduced, primarily as a result of improved processes. The main focus was on the paint shop, because the coating of the equipment against corrosion is very important.

Regarding the occupational health and safety management system certified according to OHSAS 18001, the production sites for sweepers and winter maintenance equipment that are already certified are preparing for certification according to the successor standard ISO 45001. The other production sites are preparing and planning for certification in accordance with the new standard.

**Further measures** In the area of refuse collection vehicles, various measures were taken on the basis of customer feedback to increase the safety not only of drivers but also of pedestrians in the surrounding area. These measures include pedestrian detection, mechanisms for automatically applying the handbrake when the driver is not in the cab, and 360-degree cameras.

On winter maintenance equipment, the Bucher Assist system was equipped with a sensor that informs the customer of the momentary road conditions by means of an instant recording, so the driver can drive with a maximum of safety and also adjust the quantity of road salt exactly to the quantity required by the prevailing road conditions (also see p. 17).

## Customers' health and safety

(103-1, 103-2, 103-3)

### Bucher Hydraulics

Bucher Hydraulics introduced quality management at divisional level in 2018. The aim is to strengthen the “culture of quality” throughout the division. The focus on quality is being intensified at all locations. At the same time, the way of working and thinking with respect to quality is to be better harmonised within the division.

### Bucher Emhart Glass

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**Operative goals for 2018 and 2019** 1. Continuously improve products and documentation, taking into account the findings from accident analysis 2. Develop and launch new auto-swab technologies, protection systems and side barriers for glass-forming machinery.

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Bucher Emhart Glass analyses all the accidents and incidents its customers have, and based on its findings makes ongoing improvements to products and services. In the reporting period, the division produced further videos documenting the standard operation of the machines.

Various new technologies were developed and introduced which improve customer health and safety. All related documentation and manuals were updated accordingly. A concrete example of this is the FlexRobot, which was launched on the market at the end of 2018. It replaces the manual lubrication of blank moulds and neck rings, which increases work safety for machine operators. At the same time, it reduces the quantity of lubricants used by 85% and diminishes the fumes produced during application.

### Bucher Specials

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**Operative goals for 2018 and 2019** **Bucher Unipektin** Improve safety through free offer of two hours' training per customer per year.

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Customer safety training sessions (CST), for which preparations were made in 2017, were carried out by Bucher Unipektin for the first time in 2018. Bucher Unipektin's specially trained employees conducted the customer training on site at the buyer's for 14 operators of a new evaporator. The customers and, in particular, the employees who operate the plant are made aware of the risks and dangers, which significantly increases their safety. Further CST sessions are planned for 2019. Customer feedback and responses to previous training courses will be used to improve future training as necessary.

## Customers' health and safety

(416-2)

### Breaches related to the health and safety impacts of products and services

In 2018, there were no incidents of non-compliance with regulations or voluntary codes in the divisions of Bucher Industries. There were accidents at individual machines or plants, however, they occurred due to disregard of safety instructions on the operators' side. One such incident with a Kuhn Group machine resulted in a case which is still pending. All information on accidents or safety-related incidents reported to the divisions of Bucher Industries is reviewed for any potential for improvement. For example, Bucher Unipektin reacted immediately to an accident on a screw conveyor for pomace in the year under review and introduced an additional safety switch as standard on the machine concerned in order to prevent similar incidents immediately. Also this incident occurred because the operator disregarded the safety instructions.



## Diverse and highly qualified employees

(102-8, 103-1, 103-2, 103-3)

Some 13 100 employees worldwide contribute through their expertise, commitment and experience to the continuing success of Bucher Industries. The company aims to retain these diverse and highly qualified employees, to promote and develop them, and to attract new employees of similar calibre.

2018 was a very successful year for Bucher Industries. The divisions expanded their capacities and recruited new employees accordingly. The workforce grew by almost 8% to around 13 100 employees (group figures). However, finding qualified personnel proved difficult, especially in Western Europe and the USA. Due to the good economic situation, engineers, machine operators and other technical specialists were in great demand.

In the competitive labour market environment of the past year, it was particularly important for Bucher Industries to be perceived as an attractive employer, not only to attract new employees, but also to keep fluctuation low. The divisions are striving to achieve this through a wide range of measures: career prospects and development opportunities within the company, targeted further training, promotion of diversity and ensuring equal opportunities, as well as flexible working hours and locations. Health and safety in the workplace are consistently enforced. Attention is paid to ergonomics, daylight and air quality, also in production. Risky tasks are increasingly being performed by robots. As in the previous year, the turnover rate was slightly above 10% (see chart on p. 28).

Bucher Industries collaborates with schools and universities to attract young professionals and graduates by giving them insight into the company's various divisions. They see which products the company manufactures, how digitisation is used to improve these products, and what interesting job prospects there are at Bucher Industries, especially for technical specialists.

### Group: general information about employees (FTE)

	2018	2017	Change in %
<b>Total number of employees</b>	<b>13 054</b>	<b>12 108</b>	<b>7.8</b>
Permanent	10 875	10 199	6.6
Temporary	2 179	1 909	14.1
Switzerland	1 011	940	7.6
Europe	7 433	7 021	5.9
Asia	1 670	1 273	31.2
Americas	2 581	2 544	1.5
Others	359	330	8.8

**Data source:** All employees of the Group within the scope of consolidation as per the 2018 annual report. Temporary employees also include trainees. In 2018, there were 310 vacancies for trainees; in the previous year, the number was 292 (in FTE). The data source otherwise quoted in this section based on the 37 most important production sites and one research centre covered 78% of group sales and 87% of the Group's employees in 2018.

## Diverse and highly qualified employees

(102-8, 102-41, 103-1, 103-2)

### Most important production sites: general information about employees (headcount)

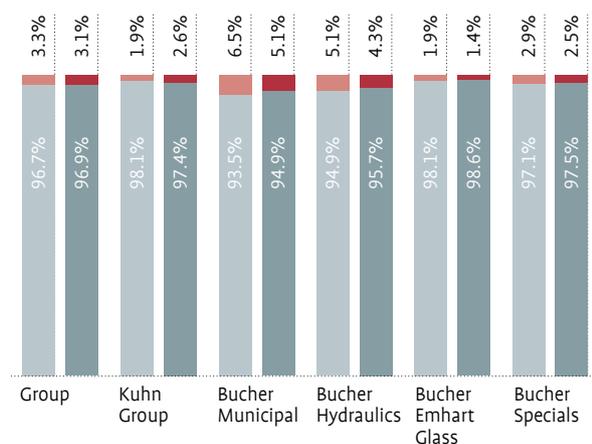
	Female	Male	Total	Total	Change in
			2018	2017	%
<b>Total number of employees</b>	<b>1 314</b>	<b>8 481</b>	<b>9 795</b>	<b>9 298</b>	<b>5.3</b>
Permanent	–	–	9 488	8 993	5.5
Temporary	–	–	307	305	0.7
Part-time	–	–	432	394	9.6
Percentage part-time	–	–	4.4%	4.2%	
Switzerland	158	678	836	796	5.0
Europe	675	4 901	5 576	5 251	6.2
Asia	145	855	1 000	1 002	-0.2
Americas	322	1 939	2 261	2 147	5.3
Others	14	108	122	102	19.6
Employees with collective agreement	–	–	5 493	4 981	12.1
Percentage of employees with collective agreement	–	–	56.1%	53.6%	

**Data source:** Employees at the 37 (2017: 38) most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff. Variations in the group figures and the production sites figures regarding contract type are not only due to the survey scope but also to the survey method (FTE vs. headcount). For temporary workers, this can lead to important differences.

#### By contract type

■ Permanent ■ Temporary

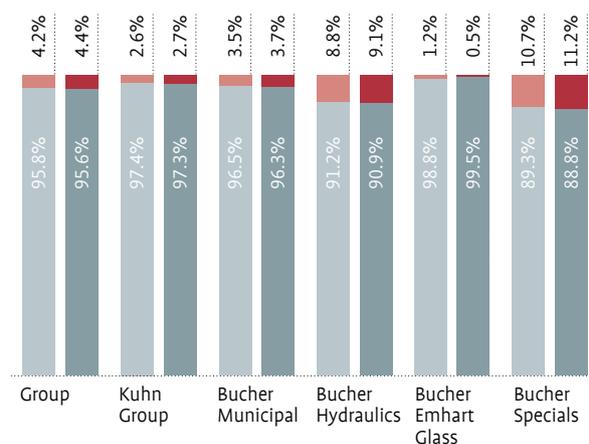
2017 2018



#### By employment type

■ Full-time ■ Part-time

2017 2018



**Data source:** Employees at the 37 (2017: 38) most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff.

## Diverse and highly qualified employees

(103-1, 103-2, 103-3, 401-1)

## Bucher Municipal

**Operative goals for 2018 and 2019** Fill 70% of the vacant management positions with internal candidates.

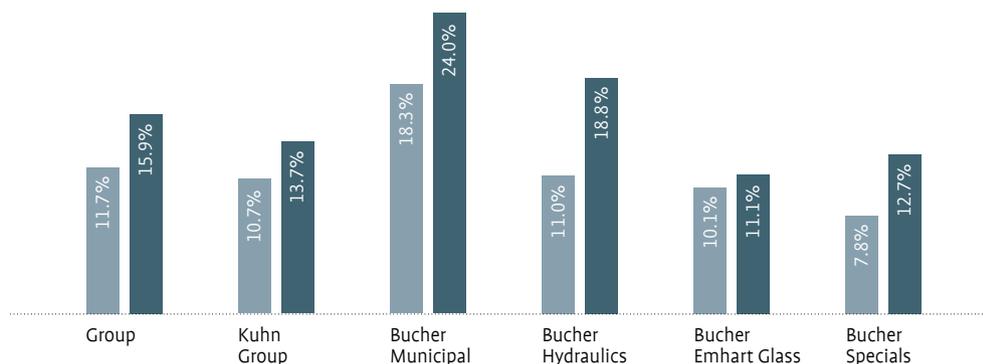
The division is using various measures to work towards filling more than two-thirds of its management positions with internal candidates. Progress was made in the reporting period, but the target was not achieved and still applies in 2019. Measures include the targeted development of potential junior managers, development and identification of career opportunities within the company, further training of management staff and increased awareness of the importance of internal management appointments.

**Further measures** Bucher Municipal positions itself as an interesting, attractive employer through various activities: on the occasion of open days as well as through its cooperation with universities and schools, the division demonstrates the exciting, modern products it manufactures. Vocational training is strongly anchored at Bucher Municipal, not only in Switzerland, but also in Latvia, Denmark and the UK. Further training is always a central topic – be it for management, finance, languages or technical subjects, and also with regard to certifications, in particular security certificates.

These measures also include efforts to attract more young people to technical and engineering professions. For example, Bucher Municipal in the UK supports a non-profit organisation called Greenpower, which aims to motivate young people to become engineers. The project sponsored by Bucher Municipal works with students from a local school to design, build and test drive their own electric race cars on top tracks such as Goodwood.

### New hires and turnover rate in 2018

■ Leavers (including retirement) ■ New hires



**Data source:** Employees at the 37 (2017: 38) most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff. The rates refer to permanent employees and also take retirement into account.

## Diverse and highly qualified employees

(103-1, 103-2, 103-3, 401-1, 405-1)

### New hires and staff turnover

	Employees joining (headcount)	Rate of new hires in %	Employees leaving (headcount)	Turnover rate in %	Rate of new hires in %	Turnover rate in %
				2018	2017	
<b>Total</b>	<b>1 506</b>	<b>15.9</b>	<b>1 110</b>	<b>11.7</b>	<b>13.8</b>	<b>11.9</b>
Female	225	17.1	157	11.9	13.1	13.0
Male	1 281	15.1	953	11.2	13.4	11.3
Under 30	593	35.6	326	19.6	33.7	19.2
Age 30–50	731	13.9	490	9.3	11.1	9.5
Over 50	182	6.3	294	10.2	5.1	10.7
Switzerland	135	16.1	72	8.6	13.5	16.1
Europe	728	13.1	537	9.6	13.6	9.8
Asia	107	10.7	96	9.6	4.8	10.7
Americas	502	22.2	388	17.2	18.6	16.1
Others	34	27.9	17	13.9	16.3	9.2

**Data source:** Employees at the 37 (2017: 38) most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff. The rates refer to permanent employees and also take retirement into account. In the data collection by gender and age group, the rates refer to permanent and temporary employment contracts. The data basis does not permit the calculation of rates solely for permanent staff. The resulting inaccuracy is very slight because the proportion of temporary hires is low.

## Bucher Hydraulics

**Operative goals for 2018 and 2019** 1. Reduce staff turnover at every production site to 2% 2. Improve staff qualification through continuing education for an average of 0.4 hours per week per employee 3. Integrate diversity management into HR processes by expanding the HR cockpit.

The fluctuation rate could not be reduced in the reporting period. The labour market situation in Germany, Switzerland and the USA, which are important production countries for the division, was very difficult, especially given the exceptionally good economic situation. In order to nevertheless find and retain the right employees, a strong focus was placed on further training, employee development, including internal development opportunities, and increased personnel marketing. One success was that former employees returned to Bucher Hydraulics and that the majority of vacancies were successfully filled with new employees.

Regarding continuing education, some progress was made despite the turbulent environment, the high order book and very good capacity utilisation (see chart on p. 31). However, the targeted 1% of annual working hours (0.4 hours per week) was not achieved. The division hopes that the Bucher Hydraulics Training Center will provide important impetus in the form of an e-learning programme giving employees worldwide access to specific training. Furthermore, the Bucher Hydraulics Management Training was expanded by two to three modules. In September 2019, the first of six modules of the new Bucher Hydraulics Junior Management Training programme will take place. 25 participants will undergo training

## Diverse and highly qualified employees

(103-1, 103-2, 103-3, 405-1)

over a period of three years. The programme is intended as a foundation on which to build by further developing these employees within the company.

Due to the tight labour market, Bucher Hydraulics was not able to treat diversity management as a priority in the reporting period. Top priority had to be given to filling the vacancies. However, diversity is very important to the division. Because of its international positioning, Bucher Hydraulics has employees from many different countries. Equal wages for equal qualifications is a principle followed throughout the division. Bucher Hydraulics is striving to increase the proportion of women on staff and to be gender-neutral. It also outlined career prospects for migrants in a dedicated training programme.

### Diversity of personnel (percentage share)

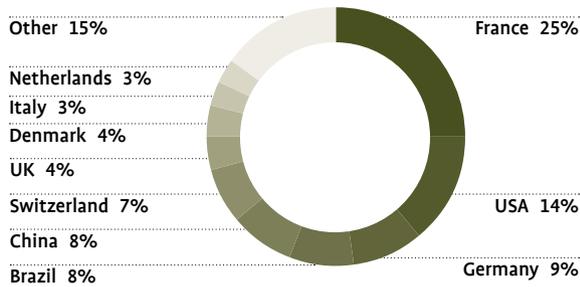
	Employees at the most important production sites	Management	Group management	Board of directors
				<b>2018</b>
Female	13.4	2.6	14.3	14.3
Male	86.6	97.4	85.7	85.7
Under 30	17.0	0.0	0.0	0.0
Age 30–50	53.5	35.9	28.6	42.9
Over 50	29.5	64.1	71.4	57.1
				<b>2017</b>
Female	13.2	5.1	14.3	16.7
Male	86.8	94.9	85.7	83.3
Under 30	17.6	0.0	0.0	0.0
Age 30–50	54.1	41.0	14.3	33.3
Over 50	28.3	59.0	85.7	66.7

**Data source:** Employees at the 37 (2017: 38) most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff, as well as management, group management and the board of directors of the Group as a whole.

## Diverse and highly qualified employees

(103-1, 103-2, 103-3, 405-1)

### Top 10 nationalities in 2018

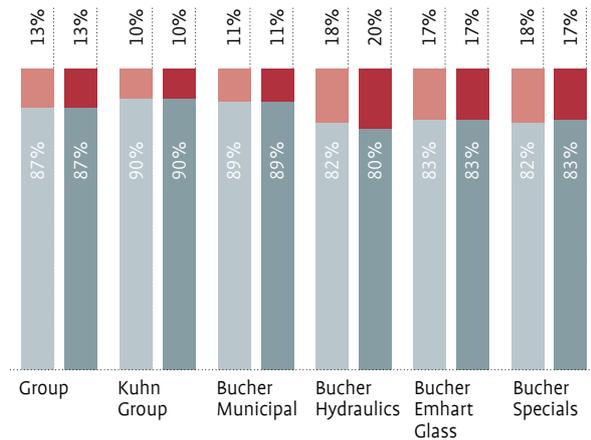


**Data source:** Employees at the 37 most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff, as well as management, group management and the board of directors of the Group as a whole.

### By gender

■ Male ■ Female

2017 2018

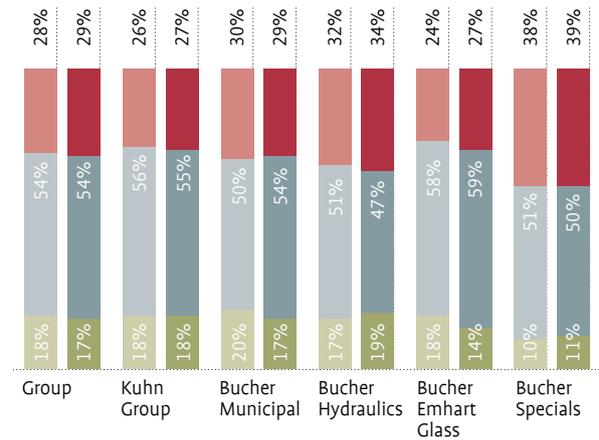


**Data source:** Employees at the 37 (2017: 38) most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff.

### By age group

■ Under 30 ■ 30 to 50 ■ Over 50

2017 2018



## Diverse and highly qualified employees

(103-1, 103-2, 103-3, 404-1)

## Bucher Emhart Glass

**Operative goals for 2018 and 2019** Increase staff loyalty, motivation and qualifications through additional training measures and introduce a new performance review process.

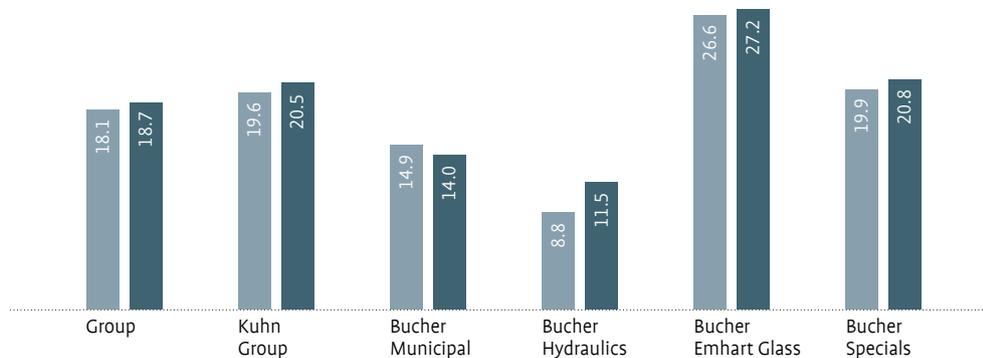
In an environment where it is difficult to find well-trained engineers and machine operators, Bucher Emhart Glass is focusing on strengthening employee loyalty with special on-the-job training, good cooperation with vocational schools and universities, fair wages compared to competitors, a good working environment, as well as career prospects and development opportunities.

The performance review process now introduced at all locations and further measures to strengthen employee loyalty had a very positive effect and staff turnover was further reduced. The division is also involved in various initiatives to promote young talent.

Bucher Emhart Glass continued its global training programme with 36 employees in the reporting period. It also conducted product and sales training for all sales staff. In addition, the division has created internal communication tools about its end-to-end initiative to better inform all employees about this strategic initiative.

### Average number of hours training and education per employee (internal and external)

■ 2017 ■ 2018



**Data source:** Employees at the 37 (2017: 38) most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff.

## Diverse and highly qualified employees

(103-1, 103-2, 103-3)

## Bucher Specials

Bucher Unipektin has set itself the goal of offering all employees an average of two days of further training per year. This goal was exceeded in 2018, with particular attention being paid to ensuring that as many employees as possible benefited. A programme of special note is the Bucher Leadership Programme, which was offered to twelve members of middle management in cooperation with Swissmem. The training programme will be concluded in 2019 and can be supplemented with a Certificate of Advanced Studies (CAS, see annual report 2018, p. 46).

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**Operative goals for 2018 and 2019** **Bucher Landtechnik** Increase attractiveness as an employer by providing additional training for 80% of all employees for two days per year **Jetter** Keep the rate of voluntary resignations below 5%.

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As in the previous year, Bucher Landtechnik achieved its target. This business unit of Bucher Specials is the market leader in Switzerland and a very attractive employer. In order to keep this position, Bucher Landtechnik will continue to offer its employees further training measures and courses so as to maintain a highly qualified, motivated team and will encourage employees to take advantage of these opportunities. In a new profit centre, Bucher Landtechnik began training employees and managers in the field of precision farming in the reporting period.

Jetter successfully introduced a new personnel marketing concept in 2018 to attract new employees. A record number of new hires was recorded, despite a difficult recruitment situation and full employment in the engineering sector. The company is also making every effort to remain an attractive employer through systematic health management, targeted further training, occupational safety measures and the promotion of trainees.

**Awards** Jetter was recognised as Germany's "Top Medium-Sized Employer 2019" by the news magazine Focus and the employer rating platform kununu.com.

## Group

Since 2004, a group-level management development programme for junior staff has been in place which comprises the following four modules: strategic management, financial and risk management, processes and instruments, and leadership skills and personnel management.



## Competition law and the prevention of corruption

(103-1, 103-2, 103-3, 419-1)

In 2009, Bucher Industries introduced the group-wide Code of Conduct and has reinforced this among all employees through regular training sessions. This creates the basis for a corporate culture that ensures legally compliant, ethical conduct.

All new employees in group companies receive a copy of the Code of Conduct when they join, along with the compliance regulations applicable to their function. New employees who have a company e-mail address complete an online training on the Code of Conduct as well as on the subjects of anti-corruption and competition law, commensurate with their function. The most recent group-wide refresher course on the Code of Conduct was conducted in 2015. All group directives on the subject of compliance are based on the Code of Conduct.

Compliance officers at group, division and local level help with the implementation of the Code of Conduct and directives. They report regularly to group management and are contact persons for management and personnel who have queries on compliance. In this function, they ensure that compliance questions are forwarded to the body responsible for processing. An internal newsletter provides the group compliance organisation with information on developments and planned compliance activities. There is also detailed documentation on compliance issues. In addition, compliance officers undergo training and attend specific courses twice a year. The implementation of compliance is checked during annual internal audits.

If employees observe something suspicious, they can turn to divisional compliance officers, a group compliance officer, their superior or the group CEO as contact persons. In cases of suspected corruption, it is not necessary to follow the line management chain.

In 2018, the Group also introduced a company-wide data protection directive in order to implement the requirements of the EU's general data protection regulation (GDPR) in the countries concerned. In 2019, employees working in these countries will be familiarised with the new directive in online training sessions.

During the reporting period (as in 2017), no significant fines or non-monetary sanctions for breaches of legal regulations were imposed on Bucher Industries.

## Competition law and the prevention of corruption

(103-1, 103-2, 103-3, 206-1, 205-3)

## Compliance with competition law

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**Operative goals for 2018 and 2019** 1. Continue online training courses for new, exposed employees  
2. Ensure there are no further major violations of the directive on competition law.

---

The Group's Code of Conduct includes principles based on competition law. The guidelines on competition law introduced in 2017 formulate these principles as group-wide directives. The first online training course to raise awareness and educate employees was carried out the same year.

In line with the potential risk involved, the **directive on competition law** is intended for all management roles in the Group and other functional areas that are exposed to this issue. This includes members of group management, division management and the management boards of subsidiaries; managers in purchasing, logistics, sales, marketing, finance and controlling; HR and legal departments; and all compliance officers. All employees in these functions were issued the directive as part of their induction and, once they had a company e-mail address, completed an online training course on competition law. New employees receive the directive and complete the online training in the same way. Participation in the training is compulsory and monitored. Members of group management and division management along with other selected persons received additional training in classroom courses.

In the reporting period (as in 2017), there were no further major violations of the directive on competition law. The proceedings opened by the Swiss Competition Commission on 14 March 2017 against Bucher Landtechnik AG are still ongoing.

## Combating corruption

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**Operative goals for 2018 and 2019** 1. Implement further online training on the topic of combating corruption  
2. Ensure there are no further major violations of the directive on combating corruption.

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The Group's Code of Conduct includes principles on combating corruption. The anti-corruption guidelines and the guidelines on collaboration with intermediaries formulate these principles as group-wide directives. To raise awareness among employees and educate them on these issues, online training is conducted on a regular basis. In the reporting period, all employees for whom the subject is relevant completed a new online training course.

In line with the potential risk involved, the **anti-corruption guidelines** are intended for all management roles and other functional areas that are exposed to this issue. This includes members of group management, division management and the management boards of subsidiaries; managers in purchasing, logistics, sales, marketing, finance and controlling; HR and legal departments; staff in all sales, purchasing and customer service departments; controlling and finance personnel with internal or external signatory authorisation and all compliance officers. All employees in these functions were issued the directive as part of their induction and, once they had a company e-mail address, completed an online training course on combating corruption. New employees receive the directive and complete the online training in the same way. Participation in the training is compulsory and monitored.

## Competition law and the prevention of corruption

(103-1, 103-2, 103-3, 205-3)

The **guidelines on collaboration with intermediaries** also set out binding measures to prevent corruption. A specific audit and risk assessment are always carried out before engaging with new intermediaries. An internal approval procedure is also in place. The guidelines were implemented in 2016 and compliance is checked during annual internal audits.

In the reporting period (as in 2017), no corruption-related proceedings were pending. Once again, attempts at corruption by suppliers were prevented in 2018 thanks to the vigilance of employees across the Group. Certain suppliers and employees were sent a written reminder of the applicable rules. In consultation with compliance officers, the exceptional acceptance of gifts from suppliers is reviewed on a case-by-case basis by divisional management.

# Further topics

## Economic performance and supply chain

(103-1, 103-2, 103-3, 201-1)

Bucher Industries had a successful financial year in 2018. The value directly generated increased by 16% to more than CHF 3 billion, with all divisions contributing to the result. The operating profit margin was 9.1% and profit for the year rose significantly to CHF 215 million.

Economic value creation is a fundamental element of Bucher Industries' business. It is our declared goal to continuously and sustainably develop the Group through internal growth, innovation and the acquisition of selected, complementary business activities.

The Group's capital expenditure was higher again in 2018 as compared with the previous year. The Group invested more than CHF 100 million in capacity expansion and just under CHF 120 million in research and development. In the course of 2018, a wide variety of acquisitions were made, through which the divisions further expanded their product portfolios and strengthened their presence, particularly in the Asian market. They are thus well positioned for the future and regionally diversified.

### Group: direct economic value generated and distributed

CHF million	2018		2017		Change	
	absolute	in %	absolute	in %	absolute	in %
<b>1. Calculation of directly generated value</b>						
Directly generated value	3 097.1	100%	2 676.0	100%	421.1	15.7
<b>2. Calculation of distributed economic value</b>						
Operating costs (payments to suppliers)	-2 002.1	65%	-1 714.0	64%	-288.1	16.8
Wages and other operating benefits (payments to employees)	-791.0	25%	-708.4	26%	-82.6	11.7
Payments to capital investors	-89.7	3%	-75.4	3%	-14.3	19.0
Payments to public authorities	-81.0	3%	-77.1	3%	-3.9	5.1
Investments in the community	n.a.		n.a.		n.a.	n.a.
<b>Retained economic value</b>	<b>133.3</b>	<b>4%</b>	<b>101.1</b>	<b>4%</b>	<b>32.2</b>	<b>31.8</b>
<b>3. Directly generated value by region</b>						
Switzerland		3%		4%		
Germany		14%		14%		
France		12%		12%		
Rest of Europe		33%		30%		
North America		19%		20%		
Central and South America		5%		5%		
Asia		9%		9%		
Others		5%		6%		

Data source: Figures and consolidation taken from the consolidated financial statements in the annual report 2018.

## Economic performance and supply chain

(102-9, 102-10)

### Suppliers

The Bucher Industries Code of Conduct demands fair competition. Owing to the decentralised responsibility for management and performance, the divisions each have individual guidelines for evaluating suppliers. Quality, competence and reliability, as well as cost-optimisation measures, are however group-wide criteria for selecting suppliers. Local providers are preferred, where possible. In 2018, CHF 2 billion was paid out across the Group to suppliers.

Owing to the very good economic situation in the reporting period, most divisions experienced bottlenecks on the supplier side, with delivery delays and quality problems as a result. The high prices for raw materials, especially steel, also caused problems. The divisions took various measures to remedy the situation, ranging from adjustments in planning and the transfer of previously purchased materials into own production, to negotiations with or changes of suppliers, to price increases.

**Kuhn Group** The division's standardised procurement process specifies the vendor selection criteria and the procedures for purchasing equipment and services. As was the case the previous year, Kuhn Group purchased materials and services from about 3 600 suppliers. A cross-divisional coordination team ensures that synergies are optimally exploited within Kuhn Group's business units. Regular audits also check suppliers' compliance with occupational safety and environment standards. The central procurement organisation based in Europe makes sure that a standardised relationship management system is implemented with suppliers and therefore similar, competitive prices are guaranteed. Actions are still in progress to locate a supplier network in China and Russia to provide locally produced components to the assembly lines established in these countries. In 2018, the division tried to reduce its dependency on some suppliers by substituting them with suppliers from other countries or by insourcing.

**Bucher Municipal** The division purchased materials and services from some 4 400 suppliers in 2018. Every production site has its own local operational and strategic procurement management. However, regular meetings are held at divisional level to coordinate the strategy and material procurement with the goals and requirements of the individual divisions. In the sweeper business, rationalisation of the supply base for the factories in Latvia and the UK was continued. In preparation for a possible Brexit, the division increased safety stocks, reviewed the consequences for the supply chain, and recorded tariff codes for all parts. In the winter maintenance equipment business, a project to improve metal processing was launched. The aim is to increase flexibility by reducing production lead times and material, transport and internal handling costs. This project is due to be completed in the course of 2019.

**Bucher Hydraulics** The division continued to work with around 3 000 suppliers in 2018. By harmonising IT, the various competence centres, which are responsible for their own supplier bases, can better exploit synergies among themselves. As part of the new company-wide quality management, the supply chain was reviewed in 2018. As a result, one supplier was dropped because basic rules of health and safety were not observed in the supplier's plant.

**Bucher Emhart Glass** The division continued the supply chain harmonisation process begun in 2015. It expanded the "one purchaser" concept introduced in 2017 with the aim of increasing responsibility for supplier performance and inventory management. In addition, transport from China to the European locations was largely consolidated, thus reducing costs. The division plans to introduce a new process in 2019 to cope with the increased demand for materials and the greater number of supply contracts. In 2018, the division worked with around 300 suppliers.

## Economic performance and supply chain

(102-9, 102-10)

**Bucher Specials** As in the previous year, Bucher Vaslin obtained the majority of its purchases from about 500 suppliers in Europe. The small number of suppliers of raw materials is monitored by means of a specific risk management system. The supplier management methodology has been set and started at the end of 2018. Objectives have been shared with the purchasing team. Bucher Unipektin continues to cover the material requirements of approximately 700 suppliers, mainly from Western and Eastern Europe and Switzerland. Special attention is paid to reusable packaging material. Wooden crates are reused, damaged cardboard boxes are used as filling material, etc. Bucher Landtechnik has acquired two further European manufacturers through the partial takeover of Grunderco. Bucher Landtechnik is now also an importer of New Holland harvesting machinery and Pronar loader wagons. A service business for harvesting technology in western Switzerland was also acquired. Jetter is still working with around 900 suppliers, mainly from Switzerland and Germany. Due to delivery difficulties, one supplier from Slovakia was replaced by another from Germany.

## Resource efficiency in the production process

In addition to the continuous further development of its products to reduce their impact on the environment, Bucher Industries also aims to further reduce energy and material consumption in its production operations. A lot can be achieved with just a few small adjustments, as the production facility of Bucher Emhart Glass in Malaysia shows.

In the reporting period, demand for Bucher Industries' products was strong, with currency- and acquisition-adjusted sales up 13%. In order to meet the strong demand, the divisions expanded their production capacities. More than CHF 100 million was invested in the expansion, maintenance and modernisation of production facilities (group figures).

The increase in production was also reflected in the consumption of resources. Energy consumption and CO<sub>2</sub> emissions rose by 5% in the reporting period, markedly less than the increase in production. Water consumption/collection and waste water increased significantly more strongly, largely due to the increase in rainwater collected at Kuhn Group.

Of the 38 sites covered by the survey, 15 have environmental management systems certified under ISO 14001; five have energy management systems compliant with ISO 50001.

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### Small effort, big impact at Bucher Emhart Glass in Malaysia

Due to the rising demand for glass production equipment, in 2013 Bucher Emhart Glass practically doubled the production area at the Johor Bahru site in Malaysia to 11 000 m<sup>2</sup> and significantly increased assembly hours. Electricity consumption thus increased markedly. The energy guzzlers were older compressors, air conditioning, high bay lighting and fans. The division launched an initiative to reduce electricity consumption in 2017. Just a few measures sufficed to achieve significant improvements.

In 2017 and 2018, around 150 lamps for hall and office lighting were replaced with more energy-efficient LEDs. Smart sensors for the available light and for movement in the vicinity control the on/off switching of lights and the optimal light intensity, which, at approximately 280 lumens, has a positive effect on the well-being of the employees. Another measure was the replacement of 91 conventional, smaller fans by ten large industrial fans. These move large amounts of air in the production hall, creating a more pleasant working environment, lowering the temperature by 1 to 2 degrees and reducing power consumption.

Last but not least, Bucher Emhart Glass replaced water-cooled air compressors with air-cooled, oil-lubricated screw compressors, which, owing to their variable output, avoid overproduction of compressed air. In the reporting period, the division thus achieved a significant 10% reduction in electricity consumption at its Malaysian site compared with the previous year, despite a 22% increase in production hours.

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Bucher Emhart Glass  
Malaysia

**150**  
lamps

were replaced with more  
energy-efficient LEDs.

**280**  
lumens

is the optimal light  
intensity for the well-being  
of the employees, con-  
trolled for by smart sensors.

**91**

conventional, smaller fans  
were replaced by  
10 large industrial fans.

**10%**

less power consumption  
in 2018 despite 22%  
more production hours.

## Resource efficiency in the production process

### Environmental disclosures

		2018	2017	Change in %
<b>Energy consumption in MWh</b>		<b>380 506</b>	<b>363 036</b>	<b>+5</b>
<b>Electricity</b>		<b>155 597</b>	<b>148 787</b>	<b>+5</b>
<b>District heating</b>		<b>12 198</b>	<b>10 769</b>	<b>+13</b>
<b>Fuel</b>	<b>Total</b>	<b>182 964</b>	<b>174 697</b>	<b>+5</b>
Heating oil		6 145	9 162	
Natural gas		167 999	156 522	
LPG/propane		7 549	8 332	
Wood		692	124	
Diesel (emergency power)		579	556	
<b>Motor fuel</b>	<b>Total</b>	<b>29 747</b>	<b>28 784</b>	<b>+3</b>
Diesel		15 830	15 427	
Petrol		8 152	7 871	
LPG/propane		4 831	4 593	
Biodiesel		130	172	
Bioethanol		805	721	
<b>CO<sub>2</sub>-emissions in tCO<sub>2</sub>e</b>	<b>Total</b>	<b>93 270</b>	<b>88 532</b>	<b>+5</b>
<b>Scope 1</b>	<b>Total</b>	<b>48 398</b>	<b>46 320</b>	<b>+4</b>
Fuel		38 407	37 019	
Motor fuel		7 408	7 174	
Volatile gases (e.g. refrigerants)		1 540	1 161	
Process emissions (e.g. welding processes)		1 043	966	
<b>Scope 2</b>	<b>Total</b>	<b>44 872</b>	<b>42 212</b>	<b>+6</b>
Electricity		42 164	39 821	
District heating		2 708	2 391	
<b>Biogenic CO<sub>2</sub> emissions</b>		<b>523</b>	<b>279</b>	
<b>Energy sold to third parties</b>		<b>- 435</b>	<b>- 368</b>	
<b>Water consumption/collection in m<sup>3</sup></b>	<b>Total</b>	<b>505 170</b>	<b>380 935</b>	<b>+33</b>
Drinking water		288 623	249 323	
Process water		85 282	76 083	
Collected rainwater		131 266	55 530	
<b>Waste water in m<sup>3</sup></b>	<b>Total</b>	<b>497 015</b>	<b>365 463</b>	<b>+36</b>
Municipal sewage plant		475 800	350 621	
Seepage water		12 880	9 278	
Release into water bodies		7 979	5 027	
External processing		356	537	

**Data source:** Consumption of resources by the 37 (2017: 38) most important production sites and one research centre.

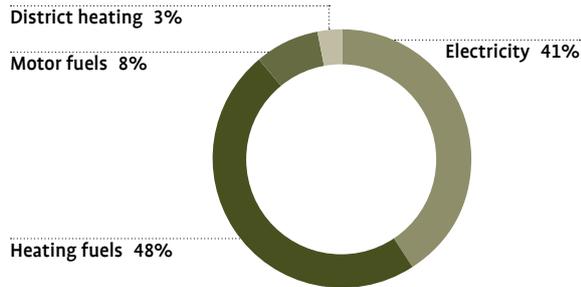
Note:

- Greenhouse gas inventory: calculated in accordance with the Greenhouse Gas Protocol and ISO standard 14064.
- Scope 1: emissions from direct energy use and non-energy processes.
- Scope 2: emissions from indirect energy use. The greenhouse gas emissions associated with electricity consumption are reported in accordance with the location-based approach according to the Greenhouse Gas Protocol Scope 2 Standard and apply approximately also for the market-based approach.
- Some consumption figures had to be adjusted retroactively for some production sites as a result of improved data. Consequently, some figures for 2017 differ by a few percent from the figures reported in the previous year.
- As a result of rounding differences, individual values at division level may not add up exactly to the total values at group level.

## Resource efficiency in the production process

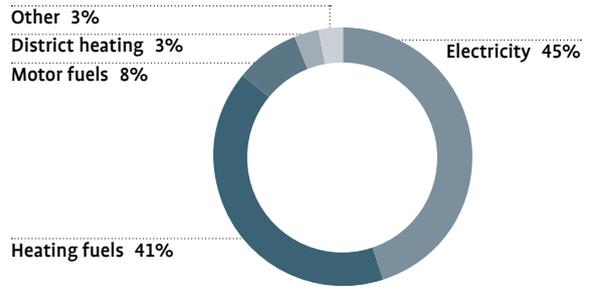
### Energy consumption, by category in 2018

Total 380 506 MWh



### Greenhouse gas emissions, by category in 2018

Total 93 270 tCO<sub>2</sub>e



**Data source:** Consumption of resources by the 37 most important production sites and one research centre.

### Divisions: environmental disclosures

	Energy consumption in MWh			CO <sub>2</sub> emissions in tCO <sub>2</sub> e			Water consumption/collection in m <sup>3</sup>		
	2018	2017	Change in %	2018	2017	Change in %	2018	2017	Change in %
Kuhn Group	207 891	198 971	4	43 983	42 263	4	264 574	174 417	52
Bucher Municipal	31 400	28 891	9	8 330	7 785	7	38 216	36 328	5
Bucher Hydraulics	50 286	48 072	5	17 554	16 302	8	53 820	41 787	29
Bucher Emhart Glass	79 094	74 665	6	20 650	19 262	7	139 814	117 931	19
Bucher Specials	11 836	12 437	-5	2 754	2 921	-6	8 746	10 471	-16

**Data source:** Consumption of resources by the 37 (2017: 38) most important production sites and one research centre.

Note:

- Greenhouse gas inventory: calculated in accordance with the Greenhouse Gas Protocol and ISO standard 14064.
- Some consumption figures had to be adjusted retroactively for some production sites as a result of improved data. Consequently, some figures for 2017 differ by a few percent from the figures reported in the previous year.
- As a result of rounding differences, individual values at division level may not add up exactly to the total values at group level.

## No environmental pollution, environmental incidents or fines

In the reporting period (as in 2017), there were no incidents involving significant releases of chemicals or emissions. There are no legal proceedings involving significant environmental incidents pending against any group company. Furthermore, there were once again no significant fines or other (i.e. non-monetary) sanctions for environmental issues.

# Memberships and supported initiatives

(102-12, 102-13)

## Memberships

Bucher Industries or one or more group companies are members of the following national and international interest groups:

- SwissHoldings (Bucher Industries)
- Swissmem (Bucher Industries and various group companies)
- Economiesuisse (Bucher Industries)
- American Chamber of Commerce (Bucher Industries)
- Agricultural Industry Electronics Foundation (Kuhn Group, Jetter)
- AXEMA, Union des Industriels de l'Agroéquipement (Kuhn France, Bucher Vaslin)
- German Mechanical Engineering Industry Association (Kuhn Europe, Bucher Hydraulics, Jetter)
- CEMA (Kuhn Europa)
- American Society of Agricultural and Biological Engineers (Kuhn USA)
- Association of Equipment Manufacturers (Kuhn USA)
- Associação Brasileira da Indústria de Máquinas e Equipamentos (Kuhn Brazil)
- Sindicato das Indústrias de Máquinas e Implementos Agrícolas no Rio Grande do Sul (Kuhn Brazil)
- Farm Equipment Manufacturers Association (Kuhn USA)
- National Agri-Marketing Association (Kuhn USA)
- Union des Industries et des Métiers de la Métallurgie (Kuhn France)
- ISO working groups (various Kuhn Group companies)
- Groupement d'Intérêt Public Pulvés (Kuhn Blanchard)
- CRODIP Comité interprofessionnel Diagnostics, Inspections et formations Phytosanitaires (Kuhn Blanchard)
- Sindicato das Indústrias de Máquinas e Implementos Agrícolas do RS, SIMERS (Kuhn Brazil)
- AgGateway (Kuhn North America)
- 4R Nutrient Stewardship (Kuhn North America)
- American Society of Mechanical Engineers (Kuhn North America)
- EUnited Sweeper Association (Johnston Sweepers, Bucher Municipal Sweepers)
- Chartered Institute of Waste Management (Johnston Sweepers, UK)
- European Normalisation Committee (Bucher Municipal Winter)
- United Municipal Equipment European Association – Winter Maintenance (Bucher Municipal Winter)
- Italian Automotive Industry Association: environmental vehicles section (Bucher Municipal Winter, Italy)
- Municipal Vehicles and Equipment Industry Association (VAK) (Bucher Municipal Winter, Germany)
- CISMA France (Bucher Municipal Winter, France)
- World Road Association PIARC (Bucher Municipal Winter, Italy)
- Road and Transportation Research Association (FGSV) (Bucher Municipal Winter, Germany)
- Assofluid (Bucher Hydraulics, Italy)
- National Fire Protection Association (Bucher Hydraulics, USA)
- China Fluid Power Association (Bucher Hydraulics)
- International Partners in Glass Research (Bucher Emhart Glass)
- Food Packaging Forum (Bucher Emhart Glass)
- Federation of Malaysian Manufacturers (Bucher Emhart Glass, Malaysia)
- Association of Swedish Engineering Industries (Bucher Emhart Glass, Sweden)
- Glass Packaging Institute (Bucher Emhart Glass, USA)
- Swiss Malaysian Business Association (Emhart Glass Malaysia)
- ADPETA (Bucher Vaslin)
- France Agri Mer (Bucher Vaslin)
- Vignerons Indépendants de France (Bucher Vaslin)
- European Fruit Juice Association (Bucher Unipektin)
- European Cider and Fruit Wine Association (Bucher Unipektin)
- International Fruit and Vegetable Juice Association (Bucher Unipektin)
- Swiss Installation Management Association (Bucher Unipektin)
- Zurich Chamber of Commerce (Bucher Unipektin)
- Ostschweizer Interessengemeinschaft (Bucher Unipektin)
- Schweizerischer Verband der Direktverkaufsfirmlen (Bucher Unipektin)
- Schweizer Obstverband – swissfruit (Bucher Unipektin)
- Swiss Association for Quality (Bucher Unipektin)
- Switzerland Global Enterprise (Bucher Unipektin)
- Technische Kundendienst-Kammer (Bucher Unipektin)
- Verband der Agrargewerblichen Wirtschaft (Bucher Unipektin)
- German Fruit Juice Industry Association (Bucher Unipektin)
- Swiss Agricultural Machinery Association (Bucher Landtechnik)
- Schweizerische Interessengemeinschaft der Fabrikanten und Händler von Kommunalmaschinen und Kommunalgeräten (Bucher Landtechnik)
- Deutsche Gesellschaft für Qualität (Jetter)
- Zentrum für Lebensmittel- und Verpackungstechnologie e.V. (Jetter)
- Packaging Excellence Center (Jetter)
- Industrie- und Handelskammer Ludwigsburg (Jetter)

## External initiatives

The following sustainability charters, principles and initiatives are supported by Bucher Industries, or one or more group companies:

- Global Reporting Initiative (Bucher Industries)
- CDP
- IFRS, change to Swiss GAAP FER for financial year 2019
- Authorized Economic Operator (various Kuhn Group subsidiaries)
- Conflict Minerals Act (Bucher Emhart Glass)
- SUVA Safety Charter (Bucher Unipektin)

# GRI content index

(102-55, 102-56)

The GRI content index shows where in the Annual report 2018 or Sustainability report 2018 information on the various disclosures is given. For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

All disclosures are considered to be reported in full; explicit reference is made (with the comment: “partial omission”) where a disclosure is only partly provided.

The remuneration report, consolidated financial statements and the accounts of the holding company in the Annual report 2018 were examined by the external auditing company PricewaterhouseCoopers AG (see Annual report 2018, pages 71, 124 and 134, see <https://www.bucherindustries.com/en/investors/financial-reports>). The Sustainability report was not subjected to any external examination.

## General Disclosures

GRI-Standard	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 101: Foundation 2016	No specific disclosures		
GRI 102: General Disclosures 2016	102-1 Name of the organization	Sustainability report 2018, page 5	
GRI 102: General Disclosures 2016	102-2 Activities, brands, products, and services	Sustainability report 2018, page 5	
GRI 102: General Disclosures 2016	102-3 Location of headquarters	Annual report 2018, page 83 (see <a href="https://www.bucherindustries.com/en/investors/financial-reports">https://www.bucherindustries.com/en/investors/financial-reports</a> )	
GRI 102: General Disclosures 2016	102-4 Location of operations	Annual report 2018, pages 121 and 122 (see <a href="https://www.bucherindustries.com/en/investors/financial-reports">https://www.bucherindustries.com/en/investors/financial-reports</a> )	
GRI 102: General Disclosures 2016	102-5 Ownership and legal form	Annual report 2018, page 83 (see <a href="https://www.bucherindustries.com/en/investors/financial-reports">https://www.bucherindustries.com/en/investors/financial-reports</a> )	
GRI 102: General Disclosures 2016	102-6 Markets served	Annual report 2018, pages 17 to 45 (see <a href="https://www.bucherindustries.com/en/investors/financial-reports">https://www.bucherindustries.com/en/investors/financial-reports</a> ).	
GRI 102: General Disclosures 2016	102-7 Scale of the organization	Sustainability report 2018, page 5 Annual report 2018, pages 121, 122 and 138 ( <a href="https://www.bucherindustries.com/en/investors/financial-reports">https://www.bucherindustries.com/en/investors/financial-reports</a> )	
GRI 102: General Disclosures 2016	102-8 Information on employees and other workers	Sustainability report 2018, pages 25 and 26	
GRI 102: General Disclosures 2016	102-9 Supply chain	Sustainability report 2018, pages 38 and 39	
GRI 102: General Disclosures 2016	102-10 Significant changes to the organization and its supply chain	Sustainability report 2018, pages 38 and 39	
GRI 102: General Disclosures 2016	102-11 Precautionary Principle or approach	Sustainability report 2018, page 6	

## GRI content index

(102-55)

GRI-Standard	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 102: General Disclosures 2016	102-12 External initiatives	Sustainability report 2018, page 44	
GRI 102: General Disclosures 2016	102-13 Membership of associations	Sustainability report 2018, page 44	
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	Sustainability report 2018, page 4	
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behavior	Mission statement: <a href="https://www.bucherindustries.com/en/about-us/mission-and-vision/">https://www.bucherindustries.com/en/about-us/mission-and-vision/</a> Code of conduct: <a href="https://www.bucherindustries.com/en/investors/corporate-governance/">https://www.bucherindustries.com/en/investors/corporate-governance/</a> Sustainability report 2018, pages 5 and 6	
GRI 102: General Disclosures 2016	102-18 Governance structure	Sustainability report 2018, pages 5 and 6 Annual report 2018, pages 49 to 61 (see <a href="https://www.bucherindustries.com/en/investors/financial-reports">https://www.bucherindustries.com/en/investors/financial-reports</a> ) Rules of organisation: <a href="https://www.bucherindustries.com/en/investors/corporate-governance/">https://www.bucherindustries.com/en/investors/corporate-governance/</a>	
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	Sustainability report 2018, pages 8 to 10	
GRI 102: General Disclosures 2016	102-41 Collective bargaining agreements	Sustainability report 2018, page 26	
GRI 102: General Disclosures 2016	102-42 Identifying and selecting stakeholders	Sustainability report 2018, page 6	
GRI 102: General Disclosures 2016	102-43 Approach to stakeholder engagement	Sustainability report 2018, pages 8 to 10	
GRI 102: General Disclosures 2016	102-44 Key topics and concerns raised	Sustainability report 2018, pages 8 to 10	
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	Annual report 2018, pages 121 and 122 (see <a href="https://www.bucherindustries.com/en/investors/financial-reports">https://www.bucherindustries.com/en/investors/financial-reports</a> ) Sustainability report 2018, page 50	
GRI 102: General Disclosures 2016	102-46 Defining report content and topic boundaries	Sustainability report 2018, page 6	
GRI 102: General Disclosures 2016	102-47 List of material topics	Sustainability report 2018, page 51	
GRI 102: General Disclosures 2016	102-48 Restatements of information	Sustainability report 2018, page 50	
GRI 102: General Disclosures 2016	102-49 Changes in reporting	Sustainability report 2018, page 50	
GRI 102: General Disclosures 2016	102-50 Reporting period	Sustainability report 2018, page 50	
GRI 102: General Disclosures 2016	102-51 Date of most recent report	Sustainability report 2018, page 50	
GRI 102: General Disclosures 2016	102-52 Reporting cycle	Sustainability report 2018, page 50	
GRI 102: General Disclosures 2016	102-53 Contact point for questions regarding the report	Sustainability report 2018, page 50	
GRI 102: General Disclosures 2016	102-54 Claims of reporting in accordance with the GRI Standards	Sustainability report 2018, page 50	
GRI 102: General Disclosures 2016	102-55 GRI content index	Sustainability report 2018, pages 45 to 49	
GRI 102: General Disclosures 2016	102-56 External assurance	Sustainability report 2018, page 45	

## GRI content index

(102-55)

## Material topics

### Economic value creation for stakeholder groups

GRI-Standard	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability report 2018, pages 6, 7, 37, 51 Annual report 2018, pages 10 to 13 (see <a href="https://www.bucherindustries.com/en/investors/financial-reports">https://www.bucherindustries.com/en/investors/financial-reports</a> )	
GRI 103: Management approach 2016	103-2 The management approach and its components	Sustainability report 2018, page 37 Annual report 2018, pages 10 to 13 (see <a href="https://www.bucherindustries.com/en/investors/financial-reports">https://www.bucherindustries.com/en/investors/financial-reports</a> )	
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	Sustainability report 2018, pages 6, 7 and 37 Annual report 2018, pages 10 to 13 (see <a href="https://www.bucherindustries.com/en/investors/financial-reports">https://www.bucherindustries.com/en/investors/financial-reports</a> )	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Sustainability report 2018, page 37	

### Customer health and safety

GRI-Standard	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability report 2018, pages 6, 7, 21 to 23 and 51	
GRI 103: Management approach 2016	103-2 The management approach and its components	Sustainability report 2018, pages 21 to 23	
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	Sustainability report 2018, pages 6, 7, 21 to 23	
GRI 416: Customer health and safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability report 2018, page 24	

### Environmental impact of products and services

GRI-Standard	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability report 2018, pages 6, 7, 12, 13, 15, 17, 19, 51	
GRI 103: Management approach 2016	103-2 The management approach and its components	Sustainability report 2018, pages 12, 13, 15, 17, 19	
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	Sustainability report 2018, pages 6, 7, 12, 13, 15, 17, 19	
GRI 302: Energy 2016	302-5 Reduction in energy requirements of products and services	Sustainability report 2018, pages 12, 13, 15, 17, 19	Partial omission / Not applicable: Complete data on the effective energy demand of all products and services are not available to Bucher Industries in quantitative form and cannot be collected with justifiable effort. Instead, the report contains individual examples of new products, which have led to a significant reduction in energy requirements.

## GRI content index

(102-55)

### Ability to attract and retain diverse, highly qualified employees

GRI-Standard	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability report 2018, pages 6, 7, 25 to 30 and 51	
GRI 103: Management approach 2016	103-2 The management approach and its components	Sustainability report 2018, pages 25 to 30	
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	Sustainability report 2018, pages 6 and 7	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability report 2018, pages 27 and 28	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability report 2018, pages 28 to 30	

### Initial and further training (incl. lifelong learning)

GRI-Standard	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability report 2018, pages 6, 7, 25, 27 to 32, 51	
GRI 103: Management approach 2016	103-2 The management approach and its components	Sustainability report 2018, pages 25, 27 to 32	
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	Sustainability report 2018, pages 6, 7, 25, 27 to 32	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Sustainability report 2018, page 31	

### Compliance with laws

GRI-Standard	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability report 2018, pages 6, 7, 33 and 51	
GRI 103: Management approach 2016	103-2 The management approach and its components	Sustainability report 2018, page 33	
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	Sustainability report 2018, pages 6, 7 and 33	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Sustainability report 2018, page 33	

## GRI content index

(102-55)

### Pro-competitive behaviour

GRI-Standard	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability report 2018, pages 6, 7, 33, 34 and 51	
GRI 103: Management approach 2016	103-2 The management approach and its components	Sustainability report 2018, pages 33 and 34	
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	Sustainability report 2018, pages 6, 7, 33 and 34	
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainability report 2018, page 34	

### Preventing corruption

GRI-Standard	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability report 2018, pages 6, 7, 33 to 35 and 51	
GRI 103: Management approach 2016	103-2 The management approach and its components	Sustainability report 2018, pages 33 to 35	
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	Sustainability report 2018, pages 6, 7, 33 to 35	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Sustainability report 2018, pages 34 and 35	

## About this report

(102-45, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54)

This sustainability report for 2018 from Bucher Industries draws on data from the 2017 and 2018 reporting periods. A reporting period covers the period from 1 January to 31 December of the relevant year.

**Scope of the report** Information on management systems as well as data in the sections on employees (pages 25 to 32) and on efficient use of resources in the production process (pages 40 to 43) were collected for the 37 most important production sites and one research centre in 2018. For 2017, these data were collected for the 38 most important production sites and one research centre. One production site was excluded in the 2018 reporting period for materiality reasons. This data covered 78% of group sales and 87% of the Group's employees in 2018. The other details and data in the report refer to the Group as a whole (as per the consolidated financial statements in the annual report 2018; for consolidation see pages 121 to 123). For the tables and figures, the data source is specified individually.

**Adjustment of method of data collection / reformulation of information** The greenhouse gas emissions were calculated in accordance with the Greenhouse Gas Protocol and ISO standard 14064. The most up-to-date emissions factors from IEA and DEFRA and the latest Global Warming Potentials (GWPs) from the fifth IPCC report (AR5) were used. Some consumption figures had to be adjusted retroactively for some production sites as a result of improved data. Consequently, some figures for 2017 differ by a few percent from the figures reported in the previous year (see also footnotes to the tables on p. 42 and 43).

**Reporting standard and scope** Bucher Industries publishes its sustainability report once a year, in June. This report has been prepared in accordance with the GRI Standards, Core option. More information is available at [www.globalreporting.org](http://www.globalreporting.org). Until 2014, the sustainability report was based on the G3 guidelines of GRI, application level C. From 2015 to 2017, the "Core" option under the G4 guidelines of GRI was used.

In line with GRI Standards, the reporting was limited to material topics (see page 6). The table on the next page gives an overview of all material topics and the topic boundaries within and outside the organisation. At least one topic-specific disclosure per material topic is reported. Topics not considered to be material were not reported on (with the exception of environmental data).

The sustainability report 2018 of Bucher Industries is published online in English and German ([www.bucherindustries.com/en/media/publications/#sustainability-report](http://www.bucherindustries.com/en/media/publications/#sustainability-report)).

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**Publication date** 27 June 2019

## About this report

(102-47, 103-1)

## Material topics and topic boundaries within and outside the organisation

Material topic	Disclosure	Reference	Topic boundaries within the organisation			Topic boundaries outside the organisation			
			Company overall	Production plants	Employees	Owners	Customers	Suppliers	Society
Economic value creation for stakeholders	Direct economic value generated and distributed (201-1)	P. 37 ff.	X		X	X	X	X	X
Customer health and safety	Incidents of non-compliance concerning the health and safety impacts of products and services (416-2)	P. 21 ff.	X	X				X	
Environmental impact of products and services	Reduction in energy requirements of products and services (302-5)	P. 12 ff.	X	X				X	X
Ability to attract and retain diverse, highly qualified employees	New employee hires and employee turnover (401-1)	P. 27 ff.	X		X				
Ability to attract and retain diverse, highly qualified employees	Diversity of governance bodies and employees (405-1)	P. 29 ff.	X		X				
Initial and further training (incl. lifelong learning)	Average hours of training per year per employee (404-1)	P. 31	X		X				
Compliance with laws	Non-compliance with laws and regulations in the social and economic area (419-1)	P. 33	X	X	X				X
Pro-competitive behaviour	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices (206-1)	P. 34	X	X	X				X
Preventing corruption	Confirmed incidents of corruption and actions taken (205-3)	P. 34 ff.	X	X	X				X