

**BUCHER**

**BUCHER**  
emhart glass

Sustainability  
report

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20  
19

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Jacques Sanche,  
Chief Executive Officer

# Dear Readers,

In 2019, our markets became more challenging and demand for our products and services declined. We nevertheless pursued our sustainability strategy with great commitment.

We believe that the biggest lever we have to contribute to a sustainable future is the steady development of our products to increase their efficiency and productivity. We thus enable our customers to use less resources and reduce the impact on the environment when operating our machines and vehicles, and, at the same time, to be more profitable.

This also meets the increasing demand from our customers for more efficient, automated and digitised products which use less input resources and produce less emissions. Only by fulfilling customers' requirements and working together to achieve the best possible output we can be successful in the long term.

To achieve this objective we need committed, motivated and qualified employees. We put a lot of emphasis on developing employees, making sure they have opportunities to grow within the company, and that they feel valued and respected.

The COVID-19 pandemic has interfered with business plans, production and everyday life all over the world in a way we couldn't imagine. Despite the more difficult circumstances, Bucher Industries remains committed to its sustainability strategy. We are reassessing the strategy in order to focus on the topics we consider material and to ensure that we can move forward in these areas.

I hope you enjoy reading our sustainability report 2019.

A handwritten signature in black ink that reads "J. Sanche". The signature is written in a cursive, flowing style.

Jacques Sanche  
Chief Executive Officer

# About us

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Bucher Industries is a global technology group focused on meeting fundamental human needs. With production sites on five continents, over 13'000 employees and leading market positions in mechanical and vehicle engineering, the Group generated sales of over CHF 3 billion in 2019.

# Bucher at a glance

The five divisions of Bucher Industries build specialised, state-of-the-art machines and vehicles that combine durability and high efficiency. They are engineered to meet economic demands while conserving natural resources.

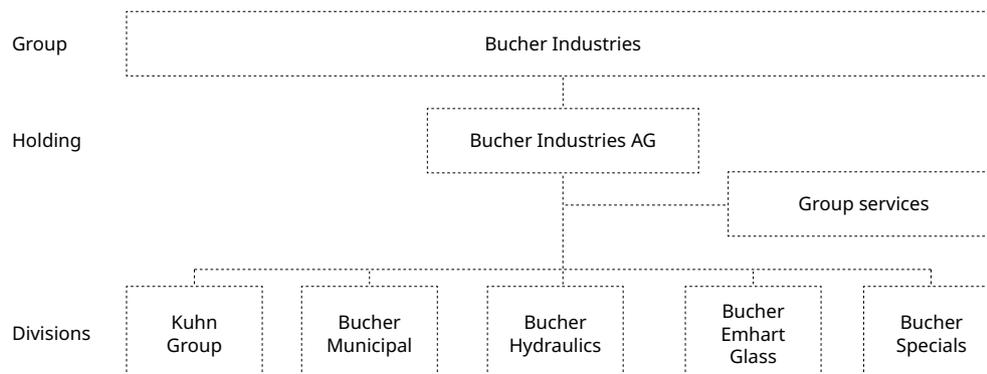
## Group structure

Bucher Industries AG is headquartered in Niederweningen, Switzerland, and publicly traded on the SIX Swiss Exchange. With more than 50 production and development sites on five continents, the company's main markets are specialised agricultural machinery, municipal vehicles, customised hydraulic solutions, glass container manufacturing technologies and beverage production equipment.

The Group comprises five specialised divisions in industrially related areas with high growth and earnings potential:

- **Kuhn Group**, a leading manufacturer of specialised agricultural machinery worldwide
- **Bucher Municipal**, a leading supplier of municipal vehicles and equipment
- **Bucher Hydraulics**, a leading international manufacturer of hydraulic systems
- **Bucher Emhart Glass**, the world's leading supplier of advanced technologies for manufacturing and inspecting glass containers
- **Bucher Specials**, a group of four individual businesses, comprising equipment for winemaking (Bucher Vaslin), machinery and technologies for processing fruit juice, beer and instant products (Bucher Unipektin), a Swiss distributorship for tractors and specialised agricultural machinery (Bucher Landtechnik), as well as control systems for automation technology (Jetter).

## Operational group structure



## Corporate governance

A clear divisional structure with decentralised management and profit responsibility makes Bucher Industries a flexible and adaptable group. This structure offers the divisional management teams the necessary flexibility to systematically adapt their product and service offerings to customers' requirements. The rules and principles of corporate governance are set forth on the company's website. Bucher Industries discloses its organisation and structure in a transparent manner for its stakeholders.

## Our 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

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.

# -CO<sub>2</sub>

Reduction in diesel results  
in less emissions

# +Bio

Better soil Bio-diversity and reduced  
erosion and soil disturbance

It all started with a tweet from Kuhn Group in the UK. Since then, the Aurock seed drill has enabled farmer Martin Lines to transfer to a no-till system. His use of cover crops in-between cash crops has allowed him to reduce the use of crop protection products and improve the biodiversity of the soil on his fields. Martin Lines achieves higher yields with significantly less effort and cost.



Read more about the  
Aurock in operation on  
[bucherindustries.com](http://bucherindustries.com)



# Less

crop protection products required  
due to the use of cover crops

# Economic value creation

The financial year 2019 was defined by a challenging market environment, with demand still very high but slowing. The Group's sales rose again slightly to reach a new record high and the operating profit margin was 9.2%.

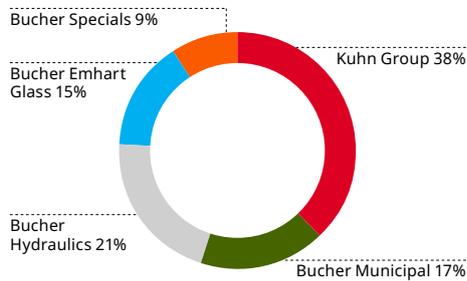
In 2019, the Group significantly increased its capital expenditure on expanding production infrastructure and modernising and automating production equipment. This led to a slight increase in net operating assets as a percentage of sales. At 19.0%, the return on net operating assets (RONOA) after tax once again significantly exceeded the cost of capital. A further CHF 20 million was invested in acquisitions. In spite of this brisk investment activity and a higher dividend payment compared to the previous year, the free cash flow was positive, leading to an increase in net cash/debt to CHF 215 million. With an equity ratio of 55% and a continued high level of liquid assets, the company remains very solid.

Profit for the year was CHF 228 million in 2019, in line with the previous year. The dividend per registered share amounted to CHF 8.00. Bucher Industries ensures that the payout ratio to shareholders over a long-term period retains the majority of the profit within the Group for its future development.

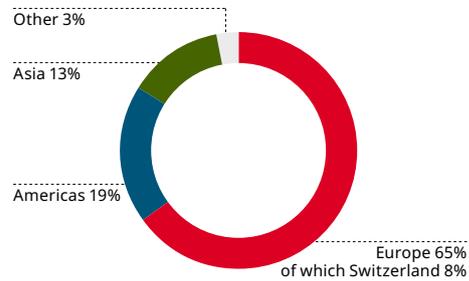
For more detailed information about Bucher Industries' financial performance in 2019, please visit the annual report 2019.

# Facts and figures

Net sales by division



Number of employees by region




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More than  
50 production and  
development sites

Represented  
on 5 continents

---

11% turnover rate

On average  
20 training hours

4% of sales  
spent on research  
and development

- 8% energy consumption  
in MWh

- 9% CO<sub>2</sub> emissions

# Sustainability strategy

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Corporate sustainability principles are anchored in Bucher Industries' mission and vision. Ensuring sustainable growth by taking a consistent long-term view, coupled with decentralised responsibility for management and performance, is integral to Bucher Industries' corporate strategy.

# The four pillars

Bucher Industries' sustainability strategy is an extension of the sustainable orientation of its core business. It consists of the four pillars of Environment, Customers, Employees and Compliance.



Environment



Customers



Employees



Compliance

## Fundamental approach to strategy implementation

The sustainability strategy is based on the sustainability topics that are deemed most relevant by group management and by employees, customers and shareholder representatives. Several production sites employ certified quality management (ISO 9001), environmental management (ISO 14001), energy management (ISO 50001) and occupational health and safety management systems (OHSAS 18001/ISO 45001) as elements of their sustainability strategy implementation.

### Environment

The divisions of Bucher Industries develop and manufacture economical, state-of-the-art, environmentally sustainable machinery and systems. In addition, in its production process, the company aims to continuously reduce resource consumption and emissions. This pillar of the sustainability strategy addresses the material topics "Environmental impact of products and services" and "Resource efficiency of production".

### Customers

The divisions of Bucher Industries systematically align their activities with customer needs. Customers benefit from effective, innovative products with high quality standards, underpinned by outstanding service. Great importance is attached to protecting customers' health and safety at all stages, from development to production, operation and disposal. This pillar of the sustainability strategy comprises the material topics "Customer satisfaction" and "Customer health and safety".

### Employees

Highly qualified and talented employees are essential to succeed in the specialised machinery and vehicle engineering sector. Thus, all divisions offer their employees attractive working conditions and development opportunities, as well as individual training and continuing education. This pillar of the sustainability strategy encompasses the material topics “Qualified employees”, “Employee satisfaction”, “Health and safety at work” and “Diversity and equal opportunities”.

### Compliance

Compliance with all applicable laws and regulations is the basis for business success. Employees are duty bound to uphold every aspect of relevant laws and conduct business in accordance with the practices of fair competition. This pillar consists of the material topic “Compliance with law” with a particular focus on competition law and prevention of corruption.

Group management and stakeholders also regard economic value creation as a material topic. However, as economic value creation is considered a fundamental element of operations, it is not defined as a pillar of the sustainability strategy (for more information about economic value creation, see p. 8). The topic of the supply chain is also not included in the four sustainability pillars. Instead, the supply chain is described in the chapter on stakeholder engagement (see p. 16).

## Material topics

In communication with employees, customers and shareholder representatives, Bucher Industries identified the most relevant economic, environmental, social and governance topics for the company. The resultant material topics are integral to Bucher Industries’ four-pillar sustainability strategy.

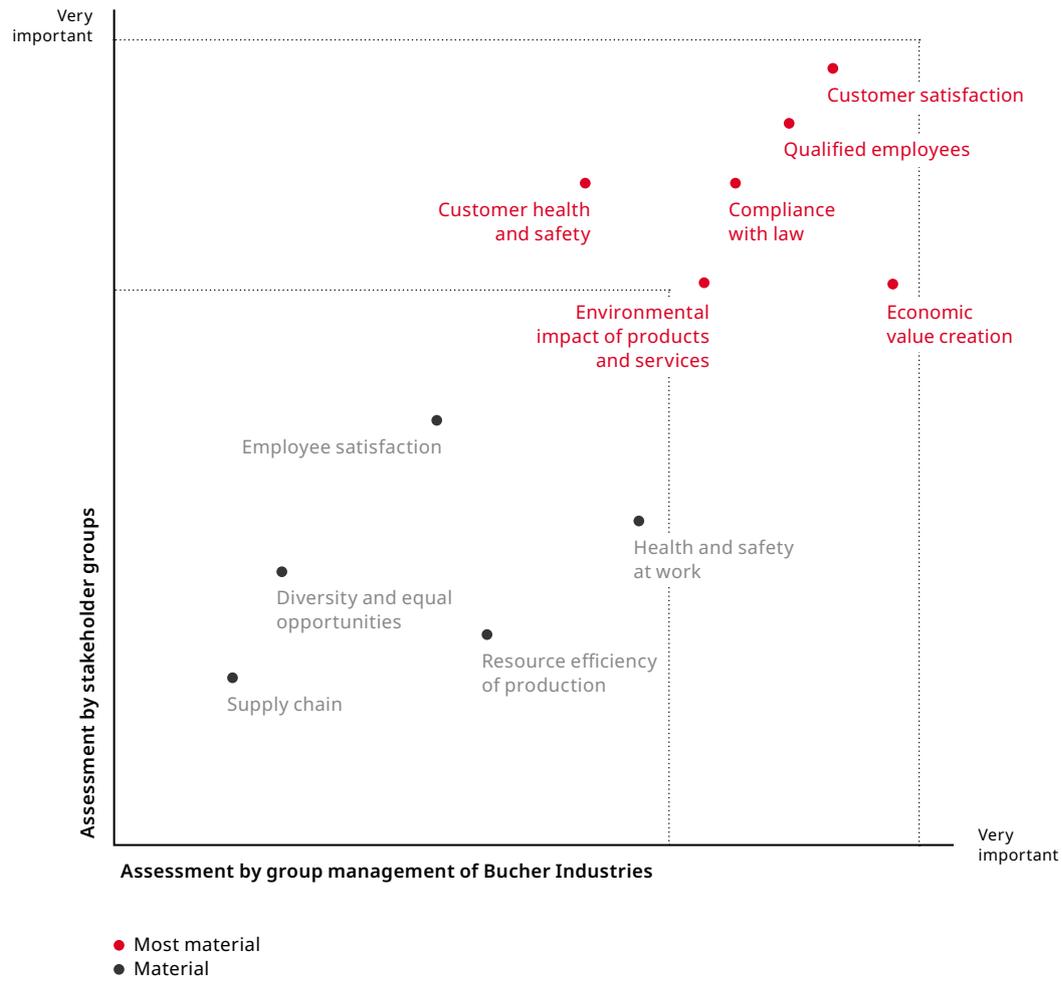
### Reviewing the materiality of sustainability topics

Bucher Industries regularly reviews the materiality of sustainability topics. In 2015, the company worked with employees, customers and shareholder representatives to identify and prioritise its most relevant sustainability topics, which now inform its current sustainability strategy. In 2019, Bucher Industries updated some labels of the material topics to facilitate understanding and to better reflect ongoing sustainability trends and developments. A broader re-assessment will be conducted in 2020.

The materiality matrix shows which economic, environmental, social and governance topics are deemed relevant by stakeholders on the vertical axis and by group management on the horizontal axis. The topics in red are considered the most material topics.

## Materiality matrix

(GRI 102-47)



# Stakeholder engagement

Maintaining good relationships with key stakeholders such as employees, customers and suppliers is critically important for business success. To know their needs and gain insights into changing market requirements, trends and developments, Bucher Industries regularly engages with its stakeholders.

## Approach to stakeholder engagement

Bucher Industries maintains close contact with its key stakeholders in various forms. Above all, day-to-day communications are considered the most important form of interaction. Daily contact with customers and partners, as well as personal discussions with and among employees in the divisions, shed light on the topics that are important to the company's stakeholders.

Each division individually identifies and prioritises stakeholders through management reviews, SWOT-analyses or dedicated stakeholder analyses as part of an ISO certification process (GRI 102-42). Overall, Bucher Industries defines stakeholders as entities that engage in economic transactions with the company or are affected by its actions. The company's key stakeholders are employees, customers, suppliers and shareholders.

## Key stakeholder concerns

Recruiting and retaining qualified employees such as technical experts, machine operators and engineers continued to be a challenge in 2019, as labour markets were still very competitive, especially in Western Europe and the US. Therefore, Bucher Industries places great importance on its employees' needs and concerns. The Group and the divisions maintain a constant dialogue with employees to understand their viewpoints and needs, to address development opportunities and discuss improvements in the workplace. To learn more about Bucher Industries' workforce initiatives see Employees (p. 30).

The trend of customers demanding ever more efficient, automated and digitised products persisted in 2019. Specifically, demand for vehicles with electrical drive systems was strong. Customers also continued to address the issue of the environmental impact of products, including carbon emissions, noise pollution, energy and water consumption and the use of road salt, crop protection products and fertilisers. 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 products presents a new challenge for customers. Especially in the area of health and safety, the divisions must meet additional requirements as a result. To learn more about Bucher Industries' efforts to foster successful long-term customer relationships see Customers (p. 26).

The 2018 supply bottlenecks and high commodity prices were less persistent in 2019. However, suppliers were not always willing to reduce prices despite lower price levels for their products.

## Examples of stakeholder engagement

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

Stakeholder group	Examples of stakeholder engagement formats	Key needs and concerns
<b>Employees</b>	<ul style="list-style-type: none"> <li>- Daily interaction</li> <li>- Regular staff meetings</li> <li>- Intranet, newsletter</li> <li>- Trainings</li> <li>- Employee representatives</li> <li>- "Eurocommittees"</li> </ul>	<ul style="list-style-type: none"> <li>- Workload</li> <li>- Compensation</li> <li>- Training and education</li> <li>- Health and safety, ergonomics</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>- Daily interaction</li> <li>- Regular personal contact</li> <li>- Workshops/visits</li> <li>- Conferences</li> <li>- Social media, newsletter</li> <li>- Customer surveys</li> <li>- Trade fairs</li> <li>- Industry associations</li> </ul>	<ul style="list-style-type: none"> <li>- Quality/good-value products</li> <li>- Fast response times</li> <li>- Reliable on-time delivery</li> <li>- Efficient, automated and digitised products</li> <li>- Vehicles with electrical drive systems</li> <li>- Environmental impact of products (for example: carbon emissions, noise pollution, energy and water consumption, road salt, crop protection products, fertilisers)</li> <li>- Health and safety of products</li> </ul>
<b>Dealers/distributors</b>	<ul style="list-style-type: none"> <li>- Regular meetings</li> <li>- Trade fairs</li> <li>- Technical training programmes</li> </ul>	<ul style="list-style-type: none"> <li>- More support requests by end users due to higher complexity of machines</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>- Regular interaction</li> <li>- Supplier days</li> <li>- Forecasting systems</li> </ul>	<ul style="list-style-type: none"> <li>- Prices</li> <li>- Required volumes</li> <li>- Clear specifications</li> </ul>
<b>Shareholders/financial institutions</b>	<ul style="list-style-type: none"> <li>- Financial reports and press releases</li> <li>- Sustainability report</li> <li>- Annual general meeting</li> <li>- Analyst conferences and calls</li> <li>- Investor days and roadshows</li> </ul>	<ul style="list-style-type: none"> <li>- Growth</li> <li>- Profitability</li> <li>- Return on net operating assets (RONOA)</li> <li>- Sustainability</li> <li>- Reputation</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>- Engagement projects</li> <li>- Funding requests</li> <li>- Open-door events</li> </ul>	<ul style="list-style-type: none"> <li>- Sponsoring, financial contributions</li> <li>- Support with personnel</li> <li>- Other contributions and support</li> </ul>
<b>Regulators/authorities</b>	<ul style="list-style-type: none"> <li>- Memberships in industry associations</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance/conformity to laws and regulations</li> <li>- Tax contribution</li> <li>- Environmental impact of products</li> <li>- "Greening" agriculture</li> <li>- Certifications</li> </ul>

## Supply chain

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 as outlined in divisional or location-specific purchasing or supplier policies. However, quality, competence, reliability and compliance with laws and regulations, as well as cost-optimisation measures, are group-wide criteria for selecting suppliers. Local providers are preferred, where possible. In 2019, CHF 2 billion was purchased across the Group from its 13'800 suppliers. Compliance with supplier guidelines is checked through regular audits, supplier evaluations or as part of internal management systems.

In 2019, Bucher Emhart Glass implemented a new methodology to proactively manage supplier relationships, supply chain risks and costs. As part of this process, new job roles, titles and descriptions were created and authorisation levels were harmonised globally. In addition, collaboration among the departments "Technology", "Research, Development and Engineering" and "Product Management" were increased to improve the efficiency of new product development and costs. The continued bottlenecks and capacity shortages from both external and internal Bucher suppliers were addressed by broadening the supplier base and more actively working with risk management. To further promote proactivity, long-term collaborations with other internal departments and training sessions were ramped up.

0

tail-pipe emissions with fully electric truck-mounted sweeper

50%

increase in pick-up performance with new air flow technology

The new V65e was launched by Bucher Municipal in 2019. With a six-tonne payload, a 3'260 mm wheelbase and an on-board battery management system, the V65e provides ease of use, manoeuvrability and a full eight hours sweeping on a single charge at low operational cost. It has already proven the quality of its cleaning on roads in UK municipal areas.

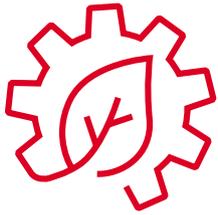


Find out more about the V65e on [bucherindustries.com](https://www.bucherindustries.com)

8

hours of operation on a single charge from any power source





# Environment

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Bucher Industries strives to maximise its resource consumption efficiency and enable its customers to lower their environmental footprint. In 2019, renewable energy capacity was installed, and additional sites were certified according to ISO 14001. The focus of product design was on energy and fuel efficiency and optimised usage of fertilisers.

# Environmental impact of products and services

Reducing the impact of products and services is a central component of the sustainability strategy and the biggest lever for making a positive contribution to sustainable development. Bucher Industries believes in technological leadership and strives to develop new machinery and equipment that not only meets economic demands but also enables customers to improve their environmental sustainability.

## Lowering customers' environmental footprint

Demand from customers for products and services that are highly resource efficient and generate less emissions or other harmful substances continues to grow. Among the main reasons for this demand are rising energy costs, customers' internal governing rules and, especially for farmers in Western European countries, increasingly strong social and regulatory pressure to reduce chemical applications. Increased interest from end users for sustainably produced goods also continues to be a driver. Bucher Industries' products can help customers reduce their consumption of energy, fuel, water and agricultural chemicals.

At Bucher Industries, factoring in the environmental impact of all new products and services begins at the research and development stage, where performance targets are set for some product groups. The company carefully follows and anticipates market and regulatory requirements and takes into account the entire life cycle from manufacturing to operation to disposal. The environmental performance of products is assessed at each step of the development cycle, in some cases as part of ISO 14001 certifications. Some business units systematically gather information about environmental impacts, which is used to improve products. While complete, quantifiable data on all products cannot be collected with justifiable effort, individual examples of new products with significant reductions in resource and energy requirements are presented in this report.

## 2019 division highlights

In 2019, Kuhn Group continued its efforts in developing and introducing new products, equipment and services with high-precision farming capabilities, such as automated machine guiding systems, section control and variable rate functionalities. These solutions provide direct financial and environmental benefits, as they reduce the amount of required inputs. Overlapping applications of seeds, fertiliser or crop protection agents are reduced, as

product is applied only where it is needed based on prescription maps. For example, among eleven new precision farming products and services introduced in 2019, the “Maxima 3” planter equipped with the TF front fertiliser hopper is now able to perform section control for both seeds and fertiliser and use variable rate prescription maps for both products independently. Applications are done at the right place in the right amounts for each product, providing the best crop nutrition and care possible.

Bucher Municipal continued to make progress in fuel efficiency. With the “CityCat V20e”, the division is taking another logical step toward electrification. The battery used in this vehicle is based on the latest technology and has been specially developed for use in this compact sweeper. The division also launched the industry’s first fully electric truck-mounted sweeper in 2019 (see p. 17). In the area of refuse vehicles, the prototype of an electric rear loader was tested in Australia. Further test programmes are planned in 2020. In the winter maintenance equipment segment, Bucher Municipal sold its first all-electric vehicle – the “Phoenix Electra” spreader – that is mounted on a fully electric chassis.

Bucher Vaslin is continuing to develop presses that conserve both water and energy. 20% water savings versus the 2018 field test were demonstrated in the “Cleaning in Place” programme, and an implementation of this innovation is planned for the next exhibition in Bordeaux (Vinitech 2020). Bucher Unipektin is focused on increasing energy efficiency for its fruit and liquid food processing products. As water evaporation is by far the most energy-consuming process step, Bucher Unipektin developed evaporators based on mechanical vapour re-compression (MVR) technology, which save up to 50% primary energy compared to conventional multi-effect technology. In 2019, three MVR evaporators were installed in the juice and dairy industry and three existing multi-effect evaporators were upgraded, reducing their energy consumption by 15 to 20%. Jetter developed a modular software and hardware solution for slurry tankers in 2019, which allows slurry to be used intelligently and in well-dosed quantities.

# Resource efficiency of production

Continuously reducing resource consumption and emissions in Bucher Industries' own production is another priority for the company. Fuel and electricity use and associated emissions are carefully monitored. In 2019, solar installations were added at several production sites, resulting in a 9% reduction in CO<sub>2</sub> emissions.

## Managing Bucher Industries' environmental impact

Resource consumption is not only an environmental concern, but also an important expense factor. Thus, fuel and electricity use, and the associated emissions, are monitored rigorously. 17 of the 37 most important sites have environmental management systems certified under ISO 14001, and five have energy management systems compliant with ISO 50001. Additional internal and external quality audits and benchmarking exercises occur on a divisional or site basis.

## 2019 environmental performance on group level

In 2019, Bucher Industries' energy consumption decreased by 8% and corresponding carbon emissions decreased by 9%. This was primarily driven by the rebuilding of the furnace at Bucher Emhart Glass's research and development centre in Windsor, USA, and the sale of the division's refractory business with its production site in the USA. Another important contributor to overall lower carbon emissions was the low-emission wood-chip heating system in Niederweningen, Switzerland. The system had its first fully operational year in 2019, providing heat to the production sites of Bucher Municipal, Bucher Unipektin and Bucher Landtechnik in Niederweningen. Excess heat produced was sold to local communities.

In addition, consumption of motor fuels decreased, with the exception of the increased use of biofuels, leading to an overall reduction in related emissions of 6%. Emissions from electricity consumption were 5% lower than in 2018, reflecting lower consumption, efficiency upgrades and renewable energy installations.

The Group runs several other small and large initiatives to increase environmental resource efficiency (see p. 24).

## Overview: net sales, energy consumption and CO<sub>2</sub> emissions

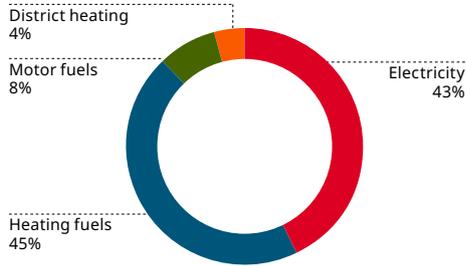
	Change in		
	2019	2018	%
<b>Net sales in CHF million</b>	<b>3'106</b>	<b>3'065</b>	<b>+1</b>
<b>Energy consumption in MWh</b>	<b>351'632</b>	<b>380'506</b>	<b>-8</b>
<b>Electricity</b>	<b>150'259</b>	<b>155'597</b>	<b>-3</b>
<b>District heating</b>	<b>14'377</b>	<b>12'198</b>	<b>+18</b>
<b>Heating fuel</b>	<b>158'763</b>	<b>182'964</b>	<b>-13</b>
Heating oil	3'095	6'145	
Natural gas	144'620	167'999	
LPG/propane	7'667	7'549	
Wood	2'876	692	
Diesel (emergency power)	505	579	
<b>Motor fuel</b>	<b>28'234</b>	<b>29'747</b>	<b>-5</b>
Diesel	14'827	15'830	
Petrol	8'015	8'152	
LPG/propane	4'251	4'831	
Biodiesel	135	130	
Bioethanol	1'006	805	
<b>CO<sub>2</sub> emissions in tCO<sub>2</sub>e</b>	<b>85'288</b>	<b>93'624</b>	<b>-9</b>
<b>Scope 1</b>	<b>42'288</b>	<b>48'818</b>	<b>-13</b>
Heating fuel	32'886	38'691	
Motor fuel	6'971	7'408	
Volatile gases (e.g. refrigerants)	1'332	1'661	
Process emissions (e.g. welding processes)	1'099	1'059	
<b>Scope 2</b>	<b>43'000</b>	<b>44'806</b>	<b>-4</b>
Electricity	39'897	42'164	
District heating	3'103	2'642	
<b>Biogenic CO<sub>2</sub> emissions</b>	<b>1'471</b>	<b>523</b>	<b>+181</b>
<b>Energy sold to third parties</b>	<b>-514</b>	<b>-435</b>	<b>+18</b>

**Data scope:** The environmental assessment, which forms the basis for all environmental figures in this chapter, includes the consumption of resources by the 36 (2018: 37) most important production sites and one research centre. The greenhouse gas inventory is calculated in accordance with the Greenhouse Gas Protocol and ISO standard 14064. Scope 1 emissions stem from direct energy use and non-energy processes. Scope 2 emissions are from indirect energy use. The greenhouse gas emissions associated with electricity consumption are reported in accordance with the location-based approach; according to the market-based approach, these would amount to 36'758 tCO<sub>2</sub>e for 2019.

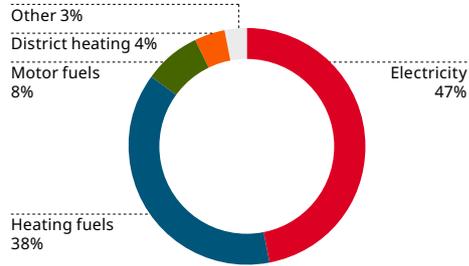
Due to increased data quality for some production sites, a few consumption figures were adjusted retrospectively. Consequently, figures for 2018 data may differ from the figures reported the previous year.

As Bucher Industries production is not water intensive overall, water consumption figures are no longer published. Net sales are referring to Group net sales reported in the annual report 2019.

### Energy consumption by category



### Greenhouse gas emissions by category

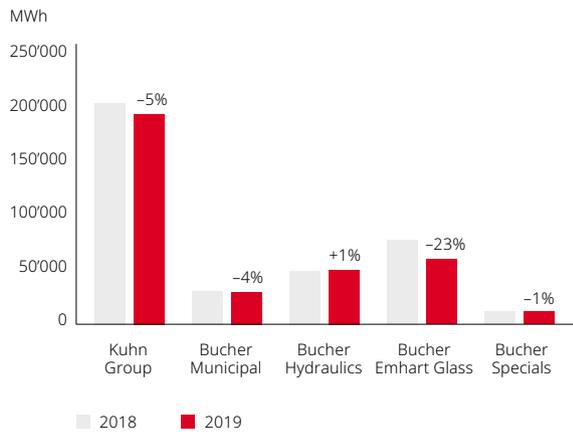


In 2019 (as in 2018), Bucher Industries did not receive significant fines or non-monetary sanctions for non-compliance with environmental laws or regulations.

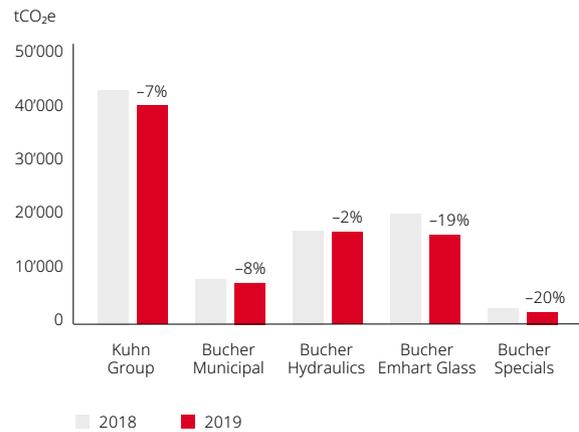
## 2019 environmental performance on division level

All divisions contributed to the reduction of Bucher Industries' CO<sub>2</sub> emissions in 2019. Markedly lower energy consumption and emissions for Bucher Emhart Glass were strongly driven by the rebuilding of the furnace at its research and development centre in Windsor, USA, and the sale of the refractory business with its US production site. The strong reduction for Bucher Specials was largely due to the new low-emission wood heating system installed in Niederweningen.

### Energy consumption by division



### Greenhouse gas emissions by division



## 2019 division highlights

From changing lighting systems to implementing sustainable construction and installing solar panels, 2019 saw a variety of initiatives among the divisions.

Kuhn Group replaced most of the lighting with LED technology at its sites in North America and in Saverne, France. These changes resulted in combined energy savings of approximately 1'400 MWh. Also in Saverne, the replacement of the heat treatment installation, including new energy-efficient furnaces, was completed in late 2019. This replacement will result in reduced gas consumption and related emissions in the future.

At Bucher Municipal, resource efficiency is part of all LEAN Management projects at the production sites, which are all certified according to ISO 14001. At the main production site for refuse vehicles and equipment business in Melbourne, Australia, solar panels were installed in 2019, which led to a significant reduction in electricity consumption and costs from the grid.

Due to an increase in demand, Bucher Hydraulics constructed two new factory buildings in 2019. Care was taken to ensure that the buildings were constructed as sustainably as possible in terms of materials used, energy efficiency measures, and health and safety protections for the employees. The installed solar system on the new factory building in India, for example, significantly surpasses the legal requirements.

In 2019, Bucher Emhart Glass continued its path toward carbon efficiency by mounting 940 photovoltaic solar panels on the roof of its production facility in Malaysia. The panels are expected to generate 470 MWh annually starting 2020. This is about a third of the site's energy consumption in past years and is anticipated to reduce the site's CO<sub>2</sub> emissions to 315 tCO<sub>2</sub>e per year.

Bucher Unipektin's sites in Niederweningen and St. Gallen, Switzerland, were successfully certified according to ISO 14001 in 2019.

# -135t

CO<sub>2</sub> emission per annum

New environmental directives require major reductions in CO<sub>2</sub> emissions. These requirements are met by the AX linear drive, a decentralised electro-hydraulic drive solution, as proven by a series of tests conducted by Bucher Hydraulics in its new testing facility. Increased net power output combined with a massive reduction in power losses makes for a revolutionary improvement in the drives' carbon footprint.

# -90%

power loss



More details on these estimations on [bucherindustries.com](http://bucherindustries.com)

# >80%

overall system efficiency





# Customers

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Bucher Industries prioritises the development of effective, innovative and safe products and services for its valued customers. Customer satisfaction, crucial for sustainable business development and long-term customer relationships, is the main focus of all Bucher Industries business activities.

# Customer satisfaction

All divisions engage customers and address their concerns through constant dialogue to gather feedback, assess customer satisfaction and continuously improve practices and products to meet customers' needs in a timely manner.

## Engaging customers as key stakeholders

In 2019, Bucher Industries focused on responding to customer demand for more efficient, automated and digitised products and services, and on delivering the required quality on time. In particular, the company saw an increase in demand for vehicles with electrical drive systems. Bucher Industries also focused on addressing concerns about products' environmental impacts such as CO<sub>2</sub> emissions, noise pollution, and energy and water consumption. In Western Europe, public discussion about the effects of agriculture on climate change and the environment impacted Bucher customers in the farming sector. To respond to these market shifts, the divisions worked closely with customers to understand and respond to their individual requests.

## 2019 division highlights

Kuhn Group offers online solutions to assist the distribution network in its efforts to serve and satisfy customers ("KUHN-i-Tech" and "KUHN-e-Techdoc" for dealers). The "MyKUHN" portal offers registered retail customers – namely agricultural producers and farm contractors – easy access to many support services related to their Kuhn machinery. In 2019, the number of registrations more than doubled to approximately 10'000 "MyKUHN" users. Customer satisfaction is assessed in different ways across Kuhn Group to best match the various sales regions, customer segments and machine applications.

In 2019, Bucher Municipal introduced a customer relationship management (CRM) system with a customised visit report structure to systematically track customer information, including satisfaction. The division's warranty costs in 2019 amounted to 1.1% of net sales, just slightly short of its goal of under 1%. The 2019 survey of the truck-mounted sweepers business in the UK showed that customers place great importance on reducing downtime and are looking for high reliability and availability of parts as well as speed in fixing breakdowns.

In 2019, Bucher Emhart Glass experienced an extraordinary level of production capacity utilisation. The division expanded its production capacity through additional shifts and recruited additional staff in order to deliver customer orders on time and in the required quality.

The 2019 customer survey at Bucher Vaslin revealed that the business was able to improve customer satisfaction largely due to its increased focus on on-time delivery. Through its annual distributor's enquiry, the business also learned about areas for improvement and issues with customer malfunctions. This feedback is systematically recorded and analysed to quickly introduce corrective actions. Bucher Vaslin is particularly attentive to its customers during the harvest when most difficulties due to equipment use are recorded and adapted services are proposed. In 2019, Bucher Unipektin introduced a customer relationship management (CRM) system and a customer satisfaction survey after on-site service visits.

## Customer health and safety

Bucher Industries continuously improves its customer health and safety practices and procedures. Customers demand safe equipment, products and services, and the business is vigilant in its efforts to ensure that all equipment complies with applicable health and safety laws and regulations.

### Meeting customer health and safety needs

As a matter of course, Bucher Industries strictly observes and applies all customer health and safety norms, standards and regulations related to its products and services. Various employees are involved in relevant organisations at the national and international level, where they can help determine guidelines and requirements. All divisions are called upon to design products to be manufactured, operated and disposed of in the healthiest and safest manner possible.

Bucher Industries assesses and analyses product health and safety risks at each stage of the product development process. This ensures they go to market only after being thoroughly tested and approved by internal specialised health and safety staff or committees, as well as independent bodies. Bucher Industries provides product safety training on standard operating procedures for customers to optimise correct and safe use of products. In 2019 (as in 2018), no incidents of non-compliance concerning health and safety impacts of products and services were registered. There were accidents at individual machines or plants, however, they occurred due to disregard of safety instructions on the operators' side. One such incident involving a Kuhn Group machine that occurred in 2013 resulted in a case that is still pending. As Bucher Industries does not consider it an incident of non-compliance on the company's side and given the time that has passed since its occurrence, Bucher Industries will stop reporting on the development of this particular case.

The steady progress of ever-more automated and interconnected machines and vehicles opens up new opportunities, but also holds additional risks in the context of customer health and safety. Cyber security has become crucial in this regard. Bucher Industries systematically incorporates cyber security considerations in its product development processes.

## 2019 division highlights

At Kuhn Group, the health and safety of customers remains a top priority as it develops, tests and introduces numerous new products to all regions of the world every year. Risks are thoroughly evaluated and mitigated, and all applicable standards and regulations are rigorously applied and implemented on all new products. To ensure an optimum level of health and safety while operating increasingly more complex products, Kuhn Group provides an extensive training programme to dealers and end-customers. As in past years, a special focus continued in 2019 on the implementation of the functional safety of electronics, as products are featuring more electronic controls with increasing levels of automation, all in conformity with the ISO 25119 standard. The further implementation of the evolving road homologation regulations both at the EU level and in several member states also continued to be a focus in 2019. At the end of 2019, approximately 60% of all machine types of Kuhn Group received the new EU road homologation, and over 90% of the certification files were filed with the authorities.

Bucher Municipal's truck-mounted sweeper business analyses all of its customers' accidents and incidents, and based on these findings makes ongoing improvements to products and services. The refuse vehicles and equipment business continuously innovates for customer health and safety. For example, in 2019 a side loader bin lifter collision avoidance system was released that stops the bin lifter if a person or object is in the working zone.

Bucher Emhart Glass analyses customer accidents and incidents and, based on findings, makes ongoing improvements to products and services. For example, since 2019 the "Blank Side Barrier", which restricts uncontrolled operator access to a running machine, is offered as an option on all IS machines. The division continued to develop and record "Standard Operating Procedures" in writing and videos for the benefit of customer health and safety. At its research and development centre in Windsor, Connecticut, USA, Bucher Emhart Glass uses its complete production line including the furnace to offer its customers "training on glass". This is a significant contribution to customer health and safety as the theoretical part of the training is supplemented by a practical component, giving participants first-hand experience on the production line.

Bucher Unipektin's machines and plants are delivered in compliance with the applicable CE directives. Therefore, by law they are designed, assembled, installed and operated considering customer safety at all times. In addition, the business offers free "Customer Safety Training" at the end of each newly delivered project. This training is often included in the standard operator training. In 2019, for example, training was conducted at a customer site for five operators of a new absorber plant.



# Employees

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A company is only as strong as its workforce. Bucher Industries invests in its most valuable asset – employees – for the long haul. The company is committed to recruiting, retaining and training highly qualified talent, creating a work environment that facilitates job satisfaction, ensuring a safe and healthy workplace, and fostering a diverse and inclusive culture.

## Employee structure

	Change in		
	2019	2018	%
<b>Total number of employees (headcount)</b>	<b>10'097</b>	<b>9'795</b>	<b>3.1</b>
Permanent	9'761	9'488	2.9
Temporary	336	307	9.4
Part-time	468	432	8.3
<b>Percentage part-time</b>	<b>4.6%</b>	<b>4.4%</b>	
<b>Regional structure</b>			
Switzerland	891	836	6.6
Europe	5'743	5'576	3.0
Asia	1'045	1'000	4.5
Americas	2'283	2'261	1.0
Others	135	122	10.7
Employees under collective agreement	5'377	5'493	-2.1
<b>Percentage of employees under collective agreement (GRI 102-41)</b>	<b>53.3%</b>	<b>56.1%</b>	

**Data scope:** The assessment on employees includes personnel at the 36 (2018: 37) most important production sites and one research centre, excluding apprentices, trainees, interns and contractors. It forms the basis for all employee-related figures presented in the Employees section.

# Qualified employees

Thanks to the expertise, commitment and experience of Bucher's worldwide employees, the company is able to develop and manufacture products in the specialised machinery and vehicle engineering sector with great success. To continue these achievements, the company aims to attract, retain, promote and develop highly qualified employees.

## Attracting and developing employees

In 2019, qualified talent, especially technical personnel such as engineers and machine operators, continued to be in great demand. As Bucher Industries did not significantly expand production capacities, the company focused on retaining talent amidst a competitive labour market environment. In certain divisions, recruiting and retaining properly qualified employees is difficult because employees must not only have experience in the

latest technologies of the company's products but also be able to speak multiple languages. In addition, professionals with a dual vocational education and training with corresponding further education in a specific field are often difficult to find in some locations.

To make Bucher Industries an attractive place to work, the company implements a number of initiatives including: collaborating with schools and universities to increase employment interest from young professionals and graduates; presenting competitive compensation proposals to new employees; offering a variety of training and development opportunities; promoting diverse and equal opportunities; maintaining a healthy and safe work environment; and creating new ways to keep employees engaged. In addition, Bucher Industries also focuses on measures for work-life balance including options to work remotely.

Bucher employees can take advantage of several training, continuing education and professional development opportunities that are adapted to individual needs and the changing requirements of the market. On average, employees received 19.9 hours of training in 2019, up from 18.7 hours in 2018.

Since 2004, a group-level management development programme for junior staff has been in place that comprises the following four modules: strategic management, financial and risk management, processes and instruments, and leadership skills and personnel management. One module took place in 2019.

## 2019 division highlights

Bucher Municipal focused on identifying internal career opportunities, targeted development of potential junior managers and developing and managing appointments in 2019. Overall, 65% of vacant leadership positions were filled with internal candidates. In the truck-mounted sweeper business, of the 19 management positions available in 2019, 52% were filled internally, a significant improvement from 31% in 2018. The business sponsored eleven individuals pursuing master's degrees, of which six already hold management or supervisory roles and the remaining have potential to hold management positions in the future. Eight additional apprentices were hired in 2019, bringing the total to 20. The refuse vehicles and equipment business continued its leadership development by building management strength and capability across leadership roles and conducting targeted training for managers just below the executive level. The winter maintenance equipment business launched a high-potential annual training programme in 2019 to identify people with potential for future management roles.

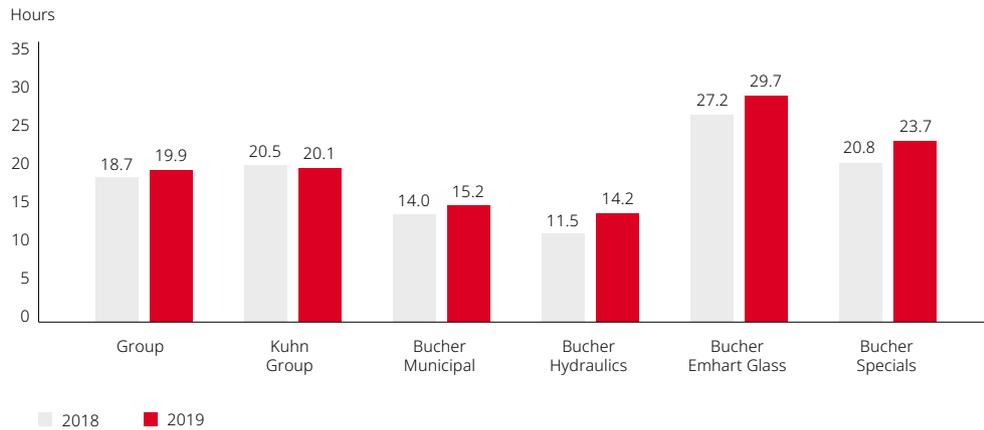
Bucher Hydraulics continued implementing several training and development programmes to upskill employees. 25 international young talents enrolled in the "Bucher Hydraulics Talent Development" programme, which prepares them to take over national and international management tasks or leadership positions. They will complete their qualification in 2021. Also in 2019, the "Bucher Hydraulics Management Training", which targets higher level managers, was complemented by a third module. The first group of participants (almost 50 in total) finished the programme in December 2019. Bucher Hydraulics' commitment to professional training also continues unabated. In order to grow sustainably and profitably in the Asian markets for the long term, knowledge transfer to India and China takes place through local or European training.

Bucher Emhart Glass leveraged its internal communication tools to keep employees informed about its "End to End" initiative, continued implementing its performance review processes and engaged in programmes to promote young talent. In 2019, a strong focus

was on training for the new ERP product management system, which was implemented at the turn of 2020. The implementation was on schedule and successful thanks to extensive preparations and employee training. The division invested the equivalent of over 4'000 worker days in training for the new system. On top of this, the division continued to carry out product and sales training for all sales and service staff (approximately 54 service engineers and 25 sales managers), albeit it on a reduced level.

Bucher Vaslin was working on a whole HR panel in 2019, including an attractive 2020 training plan, work-life quality measures, a focus on professional equality between women and men, and the development of teleworking options. Bucher Unipektin raised the training goal to an average of two and a half days per employee each year. This objective was significantly exceeded in 2019, with an average of four and a half training days per employee. Twelve members of middle management completed the “Bucher Leadership Programme”, in cooperation with Swissmem. In addition, Bucher Unipektin initiated a “Process engineering for machine and plant construction” course at Swissmem run by the Lucerne University of Applied Sciences and Arts, in which ten of its engineers took part during the reporting period. Bucher Landtechnik achieved its goal to increase its attractiveness as an employer by providing further training for 80% of all employees for two days per year. As the market leader in Switzerland, the business unit is a very attractive employer. The constant change and increasing digitalisation of its products and services enhance the attractiveness of Bucher Landtechnik as an employer. In addition, with the newly founded Precision Center, the business unit offers additional attractive jobs in the area of precision farming to highly qualified employees (see p. 41).

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



# Higher

pack-to-melt ratio with  
Bucher Emhart Glass technology

# -CO<sub>2</sub>

Less CO<sub>2</sub> emissions thanks  
to higher pack-to-melt ratio

The better the quality of the glass containers, the lower the losses in the manufacturing process. This means that more of the raw material gets packed, less goes back to melting and the pack-to-melt ratio is thus higher. This in turn means less energy input and less CO<sub>2</sub> emissions per glass container and at the same time a higher output for the manufacturer. Thanks to Bucher Emhart Glass technology.



For examples visit  
[bucherindustries.com](http://bucherindustries.com)

# More

output for the manufacturer  
of the glass containers



# Employee satisfaction

Engaged, dedicated, well-trained and proud employees are essential to sustain good customer relationships and secure the company's long-term success. Thus, Bucher Industries is committed to maintaining a satisfied workforce.

## Engaging employees

Bucher Industries promotes a culture of appreciation, mutual respect and expertise at all locations around the world. It enables dialogue with employees through regular staff meetings, informal discussions and surveys. These efforts enhance the understanding of employees' needs and wishes and allow the company to develop and improve the work environment. Satisfied employees increase productivity, enable innovation and serve customers best. The company continued to host several group-level "Eurocommittees" in 2019. In these two-hour meetings or video conferences, delegates of European employee representative committees are informed about current topics by management.

The divisions assess employee satisfaction by monitoring turnover and employee absenteeism, conducting surveys, interviewing employees that resigned, drawing conclusions from employee communication with management and conducting annual review meetings that allow employee feedback and feedback concerning management.

At 11%, employee turnover in 2019 was slightly lower than in 2018 (12%). Employee turnover refers to employees leaving due to retirement, lay-off, resignation or other reasons. The company considers voluntary terminations an important indicator of employee satisfaction. In 2019, only 5% of turnover was due to resignations, down from 6% in 2018.

## 2019 division highlights

Kuhn Group held several events in 2019 to increase employee engagement, including a "Kuhn Summer Fest" in Saverne, France, and an employee family event at a site in Brazil. In Western France, Kuhn-Huard celebrated the 20th anniversary of the grand opening of its new factory. All Kuhn employees worldwide received a book on Kuhn's 190-year history, which was published in 2019.

Bucher Hydraulics has not yet reached its self-imposed benchmark of 2% voluntary employee resignations. However, the rate varied strongly from location to location, ranging from no voluntary resignations to more than 8%. In 2019, the division focused on improving the work infrastructure, which is expected to improve employee satisfaction. For example, a new ventilation system was installed while renovating the factory buildings in Klettgau, Germany. In sites in India and Italy, new production areas were opened and office spaces added.

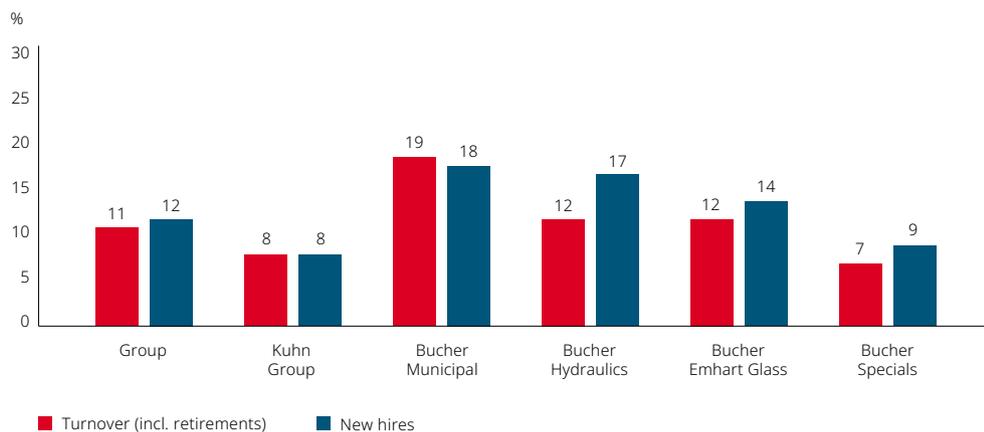
While employee turnover has been a challenge at the Bucher Emhart Glass site in Malaysia for years, in 2019 the site's workforce retention was the best it's ever been. This occurred

despite the heavy workload in 2019, which led to extensive overtime for the employees. Since 2017, employee satisfaction has continuously improved, as illustrated by feedback during annual performance and development discussions.

In 2019, Jetter met its goal of keeping voluntary resignations below 5% while also recording a high number of new hires despite a difficult recruitment scenario due to full employment in the engineering sector.

### New hires and turnover

	2019				2018			
	Employees joining (headcount)	Rate of new hires in %	Employees leaving (headcount)	Turnover rate in %	Employees joining (headcount)	Rate of new hires in %	Employees leaving (headcount)	Turnover rate in %
<b>Total</b>	<b>1'185</b>	<b>12.1</b>	<b>1'092</b>	<b>11.2</b>	<b>1'506</b>	<b>15.9</b>	<b>1'110</b>	<b>11.7</b>
<b>Gender</b>								
Female	195	14.1	185	13.4	225	17.1	157	11.9
Male	990	11.4	907	10.4	1'281	15.1	953	11.2
<b>Age</b>								
Under 30	485	28.3	277	16.2	593	35.6	326	19.6
30-50	570	10.8	499	9.5	731	13.9	490	9.3
Over 50	130	4.2	316	10.2	182	6.3	294	10.2
<b>Region</b>								
Switzerland	142	15.9	87	9.8	135	16.1	72	8.6
Europe	595	10.4	530	9.2	728	13.1	537	9.6
Asia	132	12.6	101	9.7	107	10.7	96	9.6
Americas	279	12.2	345	15.1	502	22.2	388	17.2
Others	37	27.4	29	21.5	34	27.9	17	13.9



The rates of new hires and turnover rates refer to the respective employee groups. For example, to calculate the turnover rate for female employees, the total number of female employees who left the company was divided by the total number of female employees in the respective year.

# Health and safety at work

Bucher Industries puts the health and safety of workers at the forefront so they can focus on the work that matters. The company is vigilant about complying with all health and safety laws and regulations and works to exceed these standards by staying up to speed on the latest trends in workplace health and safety measures.

## Creating a safe and healthy workplace

Keeping all employees healthy and safe wherever they are operating in the world is a responsibility Bucher Industries takes seriously. Various measures are in place to maintain and improve employee health and safety including health and safety committees, policies, procedures, training, action plans, inspections, safety control and monitoring systems, and incentive and award programmes to recognise safe practices and results. Twelve production sites are certified according to OHSAS 18001 or its successor standard ISO 45001.

The company goes beyond what is required and takes into consideration added value measures such as ergonomics, daylight and air quality in all facilities. Increasingly, Bucher Industries is automating or transitioning tasks with a higher level of safety risk to robots. The company also makes sure that all employees have the right equipment to do their work, allowing them to perform their job without any negative impact on their health.

## 2019 division highlights

Kuhn Group's sites in Saverne, France, recorded the lowest work accident social cost rate ever in 2019. The Kuhn-Blanchard site in France was granted a certification agreement for its crop protection sprayer inspection under ISO 17020. With a record low of 0.744, Kuhn North America exceeded its goal of achieving an OSHA DART (Days Away, Restricted, or Transferred Rate) rate of 1.6 or lower, and the second-lowest incident rate in 15 years was recorded. Lastly, the Kuhn Brazil production site prepared to implement the "e-social" health and safety control system introduced by the Brazilian government.

At Bucher Municipal, all main production sites employ a certified health and safety management system according to ISO 45001 or OHSAS 18001 or will receive certification in 2020. In 2019, the truck-mounted sweeper business saw a reduction in minor accidents, partly due to an increased focus on "near miss" reporting and therefore learning lessons and implementing controls to prevent accidents occurring. With zero reportable accidents (RIDDOR) and a 10% reduction in minor accidents, the business set new targets for 2020

for its operations in the UK. The refuse vehicles and equipment business rolled out a health and safety plan up to 2022 to further drive a safety culture.

Bucher Unipektin obtained ISO 45001 certification in 2019. A new mobile elevating work platform with self-propelled mobile boom was introduced for working safely at height. In 2019, Jetter hosted a “health day” with its health insurance company that offered presentations, health checks and personal advice. Also, the business unit permanently runs a tax-incentivised programme that promotes bicycle use among its employees. Approximately 15% of the staff have taken advantage of this programme, saving up to 40% off a bike’s regular price.

# Diversity and equal opportunities

Bucher Industries believes making sure each employee feels valued and heard is important. To that end, the company is committed to taking steps to increase diversity among its workforce, foster inclusion within the organisation and provide equal opportunity for all.

## Cultivating an inclusive and diverse culture

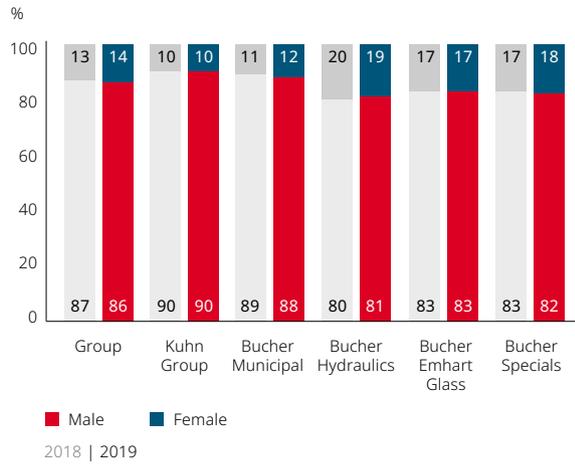
As a global company with production sites and service facilities all over the world, diversity is a matter of course. Bucher Industries has employees in many countries with varied cultural backgrounds. They also encompass a wide range of ages, work experiences and training and education programmes. Bucher Industries works to give everyone a seat at the table and facilitates cross-cultural communication and collaboration, understanding that different perspectives help the business be more successful. The company therefore strives to increase diversity in its teams on all levels.

In accordance with its Code of Conduct, Bucher Industries does not tolerate any form of discrimination and grants equal opportunity to every employee based on personal skills, abilities and performance. All divisions follow the principle of equal wages for equal qualifications. Management evaluates feedback from employees to check the effectiveness of the company’s handling of diversity and equal opportunity.

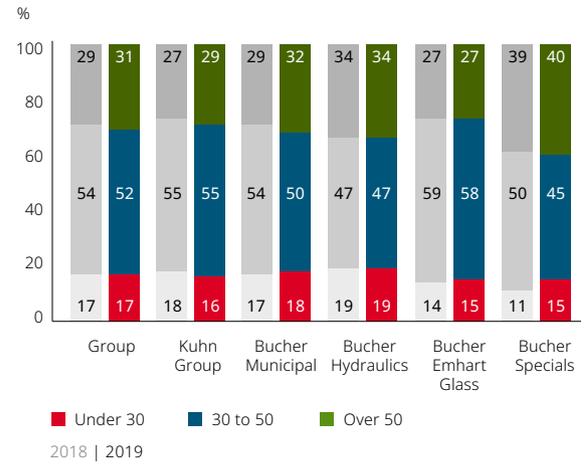
Bucher Industries continued to find it challenging to recruit women and is working with educational institutions to encourage female applicants for all positions, especially in engineering and technical areas.

### Diversity of workforce

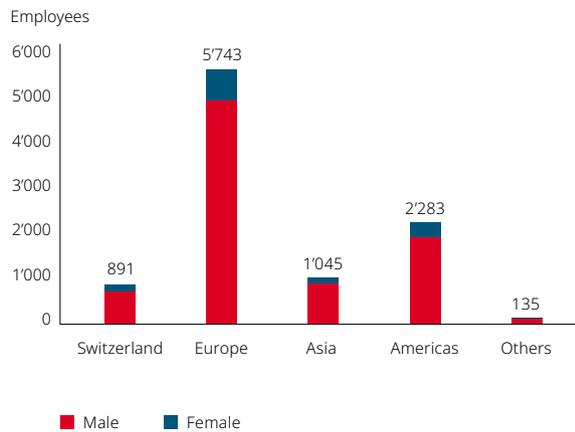
#### By gender



#### By age group



#### By region and gender



#### Of governance bodies (of the Group as a whole)

in %	Management	Group management	Board of directors
Female	2.6	14.3	14.3
Male	97.4	85.7	85.7
Under 30	0.0	0.0	0.0
30-50	36.8	28.6	28.6
Over 50	63.2	71.4	71.4

## 2019 division highlights

Kuhn Group is a respectful, socially responsible and non-discriminatory employer, upholding this commitment through early compliance with new applicable laws and regulations. For instance, in France the new government imposed an index on gender equality, which Kuhn Group calculated and communicated publicly. The corresponding required agreements were signed with the employee committees at each location. The employee representative board appointed a commission responsible for the gender equality plan that meets once a year. This commission is informed about and consulted on the application of gender and equal pay parity based on various available metrics. In Brazil, the site in Passo Fundo was the only company out of 49 in the city to reach the quota of inclusion of people with disabilities, as well as the quota of inclusion of young people in the labour market (Jovem Aprendiz). This is a legal requirement of the Brazilian Ministry of Labour.

In 2019, Bucher Vaslin implemented the new index on gender equality measurement and demonstrated that it conforms to the limit fixed by the French government (75/100). Bucher Landtechnik introduced a new regulation on remote work that promotes a future-oriented work culture and takes into account employees' individual needs. This regulation not only supports a healthy work-life balance, but also reduces CO<sub>2</sub> emissions due to decreased employee commuting. A wage analysis recognised by the Swiss government confirmed that the principles of equal pay for men and women are being observed. As recruiting women for technical professions is generally difficult, Bucher Landtechnik was proud to train two very successful women as a logistics specialist and an agricultural machinery mechanic in 2019.

# 8%

less seed, fertiliser and crop protection product needed

# 5%

fewer passes, which protects the soil

Contractor R+M Haller in Birrhard, Switzerland, works with smart farming solutions, supported by specialists of the Bucher Landtechnik Precision Center. GPS steering systems mounted on the tractors and section control on the seeding machines and the sprayer reduce overlap in the application of seeds, fertiliser and crop protection product. All of this conserves resources in multiple ways.



More details on these estimations on [bucherindustries.com](http://bucherindustries.com)

# Much

better, healthier and consistent harvest, thanks to precise work





# Compliance

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A key aspect of Bucher Industries' long success story is its corporate culture, which is based on fair conduct with customers, colleagues, business partners, competitors and the relevant authorities. The company's Code of Conduct builds the foundation for a corporate culture that ensures legal compliance and ethical conduct.

# Code of Conduct

Bucher Industries introduced its group-wide Code of Conduct in 2009. It has reinforced this code among all employees through regular training sessions. Group-wide directives further specify the principles laid out in the Code of Conduct. Compliance officers at group, division and local level help with the implementation of the Code of Conduct and directives.

## Ensuring compliance with the Code of Conduct

All new employees in group companies receive a copy of the Code of Conduct at hiring, along with the compliance regulations applicable to their function. New employees who have a company e-mail address complete online training on the Code of Conduct as well as on the subjects of anti-corruption, competition law and data protection, commensurate with their function. All group directives on the subject of compliance are based on the Code of Conduct.

Compliance officers at group, division and local level support the implementation of the Code of Conduct and directives and report regularly to group management. They also serve as contact people for management and personnel for compliance questions and ensure that questions are forwarded to the body responsible for processing. Compliance officers meet periodically for training and specific courses, and compliance implementation is checked in internal audits. Employees can turn to local or divisional compliance officers, the group compliance officer, their superior or the group CEO as contact persons to report compliance breaches or suspicions. In cases of suspected compliance breaches, it is not necessary to follow the management line.

In 2018, the Group introduced a data protection directive in order to implement the requirements of the EU's general data protection regulation (GDPR) in the countries concerned. In the reporting year, affected employees were familiarised with the new legislation and the directive in online training sessions. In total, 4'027 employees have completed this training.

In 2019 (as in 2018), no significant fines or non-monetary sanctions for breaches of legal regulations were imposed on Bucher Industries.

# 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 into group-wide directives. Classroom training and the first online training course to raise awareness and educate employees were carried out the same year.

## Ensuring compliance with competition law

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 and completed an online training course on competition law. New employees receive the directive as part of their induction and complete the online training in the same way. Members of group management and division management along with other selected persons received additional training in classroom courses. In 2019, 192 new employees completed the online training. Participation in the training is compulsory and monitored.

In 2019 (as in 2018), there were no further major violations of the directive on competition law. The proceedings opened by the Swiss Competition Commission (COMCO) on 14 March 2017 against Bucher Landtechnik AG were closed in 2019. On 17 July 2019, COMCO announced that it had reached an amicable settlement with Bucher Landtechnik AG, imposing a fine of CHF 150'000 for breaching Swiss competition law.

# Prevention of corruption

The Group's Code of Conduct includes principles on corruption prevention. 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.

## Ensuring the prevention of corruption

In line with the potential risk involved, the corruption prevention 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 and completed an online training course on corruption prevention. New employees receive the directive as part of their induction and complete the online training in the same way. In the reporting period, 658 new employees completed the online training. Participation in the training is compulsory and monitored.

The guidelines on collaboration with intermediaries set out binding measures to prevent corruption. Engaging with new intermediaries is only possible if a specific audit and risk assessment is carried out and the intermediary has been authorised in an internal approval procedure. The guidelines were implemented in 2016 and compliance is checked during annual internal audits.

In 2019 (as in 2018), no corruption-related proceedings were pending. Once again, attempts at corruption by suppliers were prevented in 2019 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.

# GRI reporting

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Bucher Industries utilises the Standards of the Global Reporting Initiative (GRI) to transparently report its sustainability efforts and key performance indicators.

# About this report

The Global Reporting Initiative (GRI) provides the world's most widely used framework for sustainability reporting, offering a structured format to coherently and comprehensively share information about material issues, performance metrics and the management of sustainability-related issues.

This report has been prepared in accordance with the GRI Standards: Core option (GRI 102-54). It encompasses headquarters in Switzerland and the 36 most important production sites and one research center worldwide. The entities included in the consolidated financial statement of Bucher Industries can be found in the annual report 2019 (GRI 102-45). The reporting period comprises the calendar year 2019 (GRI 102-50). Bucher Industries commits to an annual reporting process (GRI 102-52). The last report was published in June 2019 (GRI 102-51). Any restatement of previously reported data is explained in a footnote under the respective disclosure (GRI 102-48).

The reporting principles for defining report content and quality have been applied throughout the information collection and report development process (GRI 102-46). There were no significant changes to the size, structure, ownership or supply chain of Bucher Industries in 2019 (GRI 102-10). In 2015, a comprehensive materiality assessment identified and prioritised the issues that were most relevant to Bucher Industries and its stakeholders. In 2019, there were no significant changes from previous reporting periods in the list of material topics and topic boundaries (GRI 102-49). Bucher Industries will reassess the materiality of economic, environmental, social and governance topics in 2020. The contents of the sustainability report have not been externally assured (GRI 102-56).

**Questions about this report can be addressed to (GRI 102-53):**

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## Mapping Bucher Industries' material topics against the GRI Standards

The materiality assessment identified the sustainability topics most relevant to the company and its stakeholders. Bucher Industries mapped these topics to the corresponding GRI Standards where applicable.

Material topic Bucher Industries	Corresponding GRI Standard
Compliance with law	GRI 205: 2016 Anti-Corruption
	GRI 206: 2016 Anti-Competitive Behavior
	GRI 419: 2016 Socioeconomic Compliance
Customer health and safety	GRI 416: 2016 Customer Health and Safety
Customer satisfaction	N/A
Diversity and equal opportunities	GRI 405: 2016 Diversity and Equal Opportunity
Economic value creation	GRI 201: 2016 Economic Performance
Employee satisfaction	GRI 401: 2016 Employment
Environmental impact of products and services	GRI 302: 2016 Energy
Health and safety at work	GRI 403: 2018 Occupational Health and Safety
Qualified employees	GRI 404: 2016 Training and Education
Resource efficiency of production	GRI 302: 2016 Energy
	GRI 305: 2016 Emissions
Supply chain	GRI 102: 2016 General Disclosures – 102-9 Supply Chain

## Memberships and initiatives

Bucher Industries and its divisions endorse or subscribe to the following economic, environmental and social charters, principles or other initiatives:

<b>Group</b>	Global Reporting Initiative (GRI)
	CDP
	Swiss GAAP FER
<b>Kuhn Group</b>	Authorized Economic Operator (AEO)
<b>Bucher Hydraulics</b>	VDMA Blue Competence Alliance Member
<b>Bucher Unipektin</b>	SUVA Safety Charter

Bucher Industries and its divisions are members of the following industry or other associations and advocacy organizations:

<b>Group</b>	Swissholdings
	Swissmem
	Swiss-American Chamber of Commerce
	Swiss-Chinese Chamber of Commerce
<b>Kuhn Group</b>	German Mechanical Engineering Industry Association (VDMA)
	Member of the ID4CAR cluster for agro equipment (Vehicle Smart Manufacturing and Digital Mobility Services Innovation Hub)
	Groupement d'intérêt Public Pulvés (GIP Pulvés)
	Comité interprofessionnel Diagnostics, Inspections et formations Phytosanitaires (CRODIP)
	Federation Metal and Electrics (Netherlands)

<b>Bucher Municipal</b>	EUnited
	Advisory board IFAT
	Switzerland Joint Chamber of Commerce
	Verband der Arbeitsgeräte und Kommunalfahrzeug-Industrie E.V.
<b>Bucher Hydraulics</b>	German Mechanical Engineering Industry Association (VDMA)
	Assofluid
	National Fluid Power Association (NFPA) in the USA
	China Fluid Power Association
	Wirtschaftsverband industrieller Unternehmen Baden Württemberg (WVIB)
<b>Emhart Glass</b>	The Association of German Engineers (VDI)
	International Partners in Glass Research
	Food Packaging Forum (FPF)
	Federation of Malaysian Manufacturers
	Swiss Malaysian Business Association
<b>Bucher Specials</b>	Association of Swedish Engineering Industries
	Glass Packaging Institute
	Union des Industriels de l'Agroéquipement (AXEMA) (Bucher Vaslin)
	ADPETA (Bucher Vaslin)
	France Agri Mer (Bucher Vaslin)
	Vignerons Indépendants de France (Bucher Vaslin)
	International Fruit and Vegetable Juice Association (Bucher Unipektin)
	European Fruit Juice Association (Bucher Unipektin)
	European Cider and Fruit Wine Association (Bucher Unipektin)
	Swiss Installation Management Association (Bucher Unipektin)
	Zurich Chamber of Commerce (Bucher Unipektin)
	Ostschweizer Interessengemeinschaft (Bucher Unipektin)
	Schweizerischer Verband der Direktverkaufsfirmen (Bucher Unipektin)
	Swissfruit – Schweizer Obstverband (Bucher Unipektin)
	Swiss Association for Quality (Bucher Unipektin)
	Switzerland Global Enterprise (Bucher Unipektin)
	German Fruit Juice Industry Association (Bucher Unipektin)
	Technische Kundendienst-Kammer Schweiz (Bucher Unipektin)
	Verband der Agrargewerblichen Wirtschaft (Bucher Unipektin)
	Barley, Malt, Hops, Beer and Beverage Union in Russia (Bucher Unipektin)
	Versuchs- und Lehranstalt für Brauerei in Berlin (Bucher Unipektin)
	Swiss Agricultural Machinery Association (Bucher Landtechnik)
	Schweizerische Interessengemeinschaft für Kommunaltechnik (SIK) (Bucher Landtechnik)
	German Mechanical Engineering Industry Association (Jetter)
Agricultural Industry Electronics Foundation (Jetter)	

# GRI Content Index



For the Materiality Disclosures Service, the GRI Services team reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

## Universal Standards

GRI 101: 2016 Foundation

GRI 102: 2016 General Disclosures

		Page/reference
<b>Organizational profile</b>		
102-1	Name of the organization	5
102-2	Activities, brands, products, and services	5
102-3	Location of headquarters	5
102-4	Location of operations	5
102-5	Ownership and legal form	5
102-6	Markets served	5
102-7	Scale of the organization	4
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<b>Ethics and integrity</b>		
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<b>Governance</b>		
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102-40	List of stakeholder groups	15
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## Topic-Specific Standards

### GRI 200 Economic Standards

GRI Standard		Page/ reference	Reason for omission
<b>GRI 201: 2016 Economic Performance</b>			
GRI 103: 2016	Management approach	8	
103-1 / 103-2 / 103-3			
201-1	Direct economic value generated and distributed	8	
<b>GRI 205: 2016 Anti-Corruption</b>			
GRI 103: 2016	Management approach	45	
103-1 / 103-2 / 103-3			
205-3	Confirmed incidents of corruption and actions taken	45	
<b>GRI 206: 2016 Anti-Competitive Behavior</b>			
GRI 103: 2016	Management approach	44	
103-1 / 103-2 / 103-3			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	44	

### GRI 300 Environmental Standards

GRI Standard		Page/ reference	Reason for omission
<b>GRI 302: 2016 Energy</b>			
GRI 103: 2016	Management approach	19, 21	
103-1 / 103-2 / 103-3			
302-1	Energy consumption within the organization	22	
302-5	Reductions in energy requirements of products and services	19	Information unavailable
<b>GRI 305: 2016 Emissions</b>			
GRI 103: 2016	Management approach	19, 21	
103-1 / 103-2 / 103-3			
305-1	Direct (Scope 1) GHG emissions	22	
305-2	Energy indirect (Scope 2) GHG emissions	22	

## GRI 400 Social Standards

GRI Standard		Page/ reference	Reason for omission
<b>GRI 401: 2016 Employment</b>			
GRI 103: 2016	Management approach	35	
103-1 / 103-2 / 103-3			
401-1	New employee hires and employee turnover	36	
<b>GRI 403: 2018 Occupational Health and Safety</b>			
GRI 103: 2016	Management approach	37	
103-1 / 103-2 / 103-3			
403-1	Occupational health and safety management system	37, 38	
403-2	Hazard identification, risk assessment, and incident investigation	37, 38	
403-3	Occupational health services		Information unavailable
403-4	Worker participation, consultation, and communication on occupational health and safety	37, 38	
403-5	Worker training on occupational health and safety		Information unavailable
403-6	Promotion of worker health	37, 38	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Information unavailable
<b>GRI 404: 2016 Training and Education</b>			
GRI 103: 2016	Management approach	31	
103-1 / 103-2 / 103-3			
404-1	Average hours of training per year per employee	33	
<b>GRI 405: 2016 Diversity and Equal Opportunity</b>			
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103-1 / 103-2 / 103-3			
405-1	Diversity of governance bodies and employees	39	
<b>GRI 416: 2016 Customer Health and Safety</b>			
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<b>GRI 419: 2016 Socioeconomic Compliance</b>			
GRI 103: 2016	Management approach	43	
103-1 / 103-2 / 103-3			
419-1	Non-compliance with laws and regulations in the social and economic area	43	

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## Sustainability report 2019

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