

Bucher Sustainability Report 2014
GRI Index

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About this report

This fourth sustainability report from Bucher Industries AG draws on data from the 2013 and 2014 reporting years. A reporting year covers the period from 1 January to 31 December of the relevant year. Since 2012, the reports have presented key data relating to production, employees and suppliers from the divisions as well as from the Group. For the 2014 reporting year, the basis for data collection was extended by one production site (Jetter AG), making 32 altogether. The basis for data collection covers about 80% of Group sales and 90% of all employees. To ensure comparability of the data, all sustainability key figures for 2013 were restated.

The Bucher Industries sustainability report is published once a year: the present report in June 2015, the previous one in June 2014. Bucher Industries has compiled this report on the basis of the G3 standard of the Global Reporting Initiative (GRI). It is planned to base next year's report on the new GRI G4 Guidelines. GRI is the world's leading index. More information can be accessed at www.globalreporting.org. GRI confirms that the sustainability report and the complementary GRI Index, which are published as two separate documents, were prepared according to the GRI 3 guidelines of Application Level C.

Application of GRI (G3) Level C guidelines requires information relating to:

- all points in the "G3 Profile Disclosures" covering strategy and analysis, organisational profile, reporting parameters, governance, commitments and engagement
- at least ten performance indicators relating to economic (EC), environmental (EN), human rights (HR), labour (LA), social (SO) and product responsibility (PR) issues

The GRI Guidance on Defining Report Content and associated principles were applied as far as possible in the reporting process. In 2012, more than 50 members of management from right across the Group attended a workshop to discuss questions of sustainability and related matters at the Bucher Group. They determined which topics and indicators are important for the report and the data that should be gathered. By this means, the following topics were defined as important and prioritised: economic performance, energy, water, emissions and waste, employees (diversity, training and continuing education), compliance (combating corruption), customer safety and customer satisfaction. With a view to the forthcoming implementation of the GRI G4 guidelines, these priorities will be reviewed in the course of the current year both through internal discussion and in dialogue with stakeholder groups (cf. GRI Index, stakeholder dialogue, p. 12 – 13).

The GRI Index that is published annually in addition to the sustainability report contains a table summarising what information is published and where it can be found. The GRI Index also contains information on profile disclosures and performance indicators not already published in the annual report, sustainability report or on the Bucher Industries website.

The sustainability report and the GRI Index are available exclusively online at <http://www.bucherindustries.com/en/about-us/sustainability>.

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GRI G3 Contents Index

No.	GRI G3 Contents Index/Topic	Status ¹⁾ /Reference
1	Strategy and analysis	
1.1	Statement by the CEO	Sustainability Report 2014, pp. 4–5
1.2	Description of key impacts	Not reported
2	Organisational profile	
2.1	Name of the organisation	Annual Report 2014, p. 42 GRI Index 2014, p. 3–4
2.2	Primary brands, products and/or services	Annual Report 2014, pp. 2–3 GRI Index 2014, p. 11
2.3	Organisational structure	Annual Report 2014, pp. 2–3, 42, 117–119
2.4	Location of the organisation's headquarters	Annual Report 2014, p. 131
2.5	Locations	Annual Report 2014, pp. 117–119, 131–133
2.6	Nature of ownership and legal form	Annual Report 2014, pp. 42, 124
2.7	Markets served	Annual Report 2014, pp. 12–39
2.8	Organisational scale	Annual Report 2014, cover pages, pp. 2–3, 42, 117–119 Sustainability Report 2014, pp. 4–5
2.9	Structural changes	Annual Report 2014, pp. 85–86
2.10	Awards received	GRI Index 2014, p. 11

¹ All the indicators shown in the GRI Index can be regarded as fully reported; specific reference is made ("partial information") where an indicator is only partly reported. All indicators not needed at Level C are shown with the status "not reported". Those indicators identified by Bucher Industries as not material are shown as "not material for Bucher".

No.	GRI G3 Contents Index/Topic	Status ¹ /Reference
3	Report parameters	
3.1	Reporting period	Sustainability Report 2014, p. 24
3.2	Date of most recent report	GRI Index 2014, p. 3
3.3	Reporting cycle	Sustainability Report 2014, p. 24 GRI Index 2014, p. 3
3.4	Contact point	GRI Index 2014, p. 3
3.5	Process for defining report content	Sustainability Report 2014, p. 24 GRI Index 2014, p. 3
3.6	Boundary of the report	Sustainability Report 2014, p. 24 GRI Index 2014, p. 3
3.7	Limitations	Sustainability Report 2014, p. 24 GRI Index 2014, p. 3
3.8	Basis for reporting	Sustainability Report 2014, p. 24 GRI Index 2014, p. 3
3.9	Data measurement techniques and bases for calculations	Not reported
3.10	Restatements of information	Sustainability Report 2014, p. 24 GRI Index 2014, p. 3
3.11	Changes in the scope, boundary or measurement methods	Sustainability Report 2014, p. 24 GRI Index 2014, p. 3
3.12	GRI contents index	GRI Index 2014, pp. 5 – 10
3.13	External assurance for the report	Not executed
4	Governance, commitments and engagement	
4.1	Governance structure	Annual Report 2014, pp. 42 – 47 Rules of Organisation: http://www.bucherindustries.com/en/investor-relations/corporate-governance
4.2	Independence of the board of directors	Annual Report 2014, p. 44
4.3	Number of independent members of the highest governance body	Annual Report 2014, p. 44
4.4	Right of shareholders and employees to codetermination	Annual Report 2014, pp. 49-50 Employees: cf. Rules of Organisation at http://www.bucherindustries.com/en/investor-relations/corporate-governance
4.5	Compensation policy	Annual Report 2014, pp. 52 – 58
4.6	Avoidance of conflicts of interest	Annual Report 2014, p. 44
4.7	Expertise of the highest governance bodies in the area of sustainability	Annual Report 2014, pp. 44 and 47 – 48
4.8	Policies, values, code of conduct	Mission statement: http://www.bucherindustries.com/en/about-us/mission-vision Code of Conduct: http://www.bucherindustries.com/en/investor-relations/corporate-governance GRI Index 2014, p. 12
4.9	Monitoring sustainability performance by the board of directors and executive committee	Annual Report 2014, pp. 45 – 46

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No.	GRI G3 Contents Index/Topic	Status ¹ /Reference
4.10	Evaluating the performance of the board of directors and executive committee with respect to sustainability	Annual Report 2014, pp. 52–53
4.11	Addressing the precautionary principle	Not reported
4.12	Support for external initiatives	Not reported
4.13	Memberships	Not reported
4.14	Stakeholder groups	GRI Index 2014, pp. 12–13
4.15	Selection of stakeholders	GRI Index 2014, pp. 12–13
4.16	Type and frequency of stakeholder engagement	GRI Index 2014, pp. 12–13
4.17	Feedback from stakeholder engagement	GRI Index 2014, pp. 12–13
5	Economy	
EC1	Economic value generated and distributed	Partial information: Sustainability Report 2014, p. 5 Annual Report 2014, cover pages, pp. 12, 18, 24, 30, 36 as well as Financial Report from p. 62 http://www.bucherindustries.com/en/about-us/key-figures http://www.bucherindustries.com/en/investor-relations/key-figures
EC2	Financial implications, risks and opportunities of climate change	Not material for Bucher
EC3	Scope of defined benefit plan obligations	Not material for Bucher
EC4	Financial assistance received from government	Not material for Bucher
EC5	Ratios of standard entry-level wage compared with local minimum wage at significant locations of operation	Not material for Bucher
EC6	Local suppliers	Sustainability Report 2014, p. 23 Code of Conduct: http://www.bucherindustries.com/en/investor-relations/corporate-governance GRI Index 2014, p. 14
EC7	Local hiring	Not material for Bucher
EC8	Infrastructure investments	GRI Index 2014, p. 14
EC9	Type and scope of significant indirect economic impacts	Not material for Bucher
6	Environment	
EN1	Materials used	Not essential for Bucher
EN2	Recycled input materials	Not essential for Bucher
EN3	Direct energy consumption	Sustainability Report 2014, pp. 16–19 GRI Index 2014, p. 15
EN4	Indirect energy consumption	Sustainability Report 2014, pp. 16–19 GRI Index 2014, p. 15
EN5	Energy saved	Sustainability Report 2014, p. 19 GRI Index 2014, pp. 15–16
EN6	Energy-efficient products	Annual Report 2014, pp. 2, 9, 16, 20, 26, 38 GRI Index 2014, pp. 16–17

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No.	GRI G3 Contents Index/Topic	Status ¹ /Reference
EN7	Reduction in indirect energy consumption	Not material for Bucher
EN8	Water withdrawal	Sustainability Report 2014, pp. 17-18
EN9	Water sources	Not material for Bucher
EN10	Water recycled and reused	Not material for Bucher
EN11	Location and size of land with high biodiversity value	Not material for Bucher
EN12	Impacts of activities on biodiversity in areas of high biodiversity value	Not material for Bucher
EN13	Habitats protected or restored	Not material for Bucher
EN14	Managing impacts on biodiversity	Not material for Bucher
EN15	Number of Red List species in areas affected by operations of the reporting organisation	Not material for Bucher
EN16	Direct and indirect greenhouse gas emissions	Sustainability Report 2014, pp. 17–18
EN17	Other relevant greenhouse gas emissions	Not material for Bucher
EN18	Initiatives to reduce greenhouse gas emissions	Not material for Bucher
EN19	Emissions of ozone-depleting substances	Not material for Bucher
EN20	NOx, SOx and other significant air emissions	Not material for Bucher
EN21	Water discharge	Sustainability Report 2014, pp. 17–18
EN22	Waste	Not material for Bucher
EN23	Incidents	Sustainability Report 2014, p. 19
EN24	Hazardous waste and percentage of transported waste shipped internationally	Not material for Bucher
EN25	Water bodies and related habitats affected by the reporting organisation's discharges of water and runoff	Not material for Bucher
EN26	Product ecology initiatives	Annual Report 2014, pp. 2, 16, 20, 32, 38 Sustainability Report 2014, pp. 6–7 GRI Index 2014, pp. 16–17
EN27	Packaging materials returned	Not material for Bucher
EN28	Fines and sanctions for non-compliance with environmental laws and regulations	Sustainability Report 2014, p. 19 GRI Index 2014, p. 17
EN29	Environmental impacts of transporting goods and persons	Not material for Bucher
EN30	Expenditure on environmental protection	Not material for Bucher
7	Society: Labour practices and decent work	
LA1	Total workforce by region and type of employment	Sustainability Report 2014, p. 21
LA2	Employee turnover	Partial information: Sustainability Report 2014, p. 23
LA3	Benefits provided to full- and part-time employees	Not material for Bucher
LA4	Percentage of employees covered by collective bargaining agreements	Not material for Bucher
LA5	Minimum notice period(s) regarding operational changes	Not material for Bucher
LA6	Occupational health and safety committees	Not material for Bucher

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No.	GRI G3 Contents Index/Topic	Status ¹ /Reference
LA7	Work-related injuries, illnesses, absences and fatalities	Sustainability Report 2014, p. 22 GRI Index 2014, p. 17
LA8	Preventive health care	Not material for Bucher
LA9	Occupational safety agreements with trade unions	Not material for Bucher
LA10	Scope of training	Partial information: Sustainability Report 2014, p. 23
LA11	Professional development programmes	GRI Index 2014, pp. 17 – 19
LA12	Performance reviews and career planning	GRI Index 2014, p. 18
LA13	Diversity of governance bodies and employees	Partial information: Sustainability Report 2013, p. 22
LA14	Salaries of women and men	Not material for Bucher
8	Society: Human rights	
HR1	Investments that take human rights into account	Not material for Bucher
HR2	Supplier screening on human rights	Not material for Bucher
HR3	Employee training on human rights	Not material for Bucher
HR4	Discrimination	GRI Index 2014, p. 18
HR5	Freedom of association and collective bargaining	Not material for Bucher
HR6	Child labour	Not material for Bucher
HR7	Forced labour	Not material for Bucher
HR8	Training of security personnel	Not material for Bucher
HR9	Incidents of violations involving rights of indigenous people	Not material for Bucher
9	Society: Social impacts	
SO1	Impacts of operations on communities	Not material for Bucher
SO2	Risk analysis for corruption	Partial information: GRI Index 2014, pp. 18 – 19
SO3	Anti-corruption training	Partial information: GRI Index 2014, pp. 18 – 19
SO4	Anti-corruption measures	GRI Index 2014, pp. 18 – 19
SO5	Politics and lobbying	GRI Index 2014, p. 19
SO6	Contributions to political parties and related institutions	Not material for Bucher
SO7	Legal actions for anti-competitive behaviour	GRI Index 2014, p. 19
SO8	Fines and sanctions for non-compliance with laws	GRI Index 2014, p. 19

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No.	GRI G3 Contents Index/Topic	Status ¹ /Reference
10	Society: Product responsibility	
PR1	Product safety	GRI Index 2014, pp. 19 Sustainability Report 2014, pp. 12 – 15
PR2	Regulations and codes on product safety	Not material for Bucher
PR3	Product information	GRI Index 2014, p. 19
PR4	Non-compliance with regulations concerning product labelling	Not material for Bucher
PR5	Customer satisfaction	GRI Index 2014, p. 19
PR6	Adherence to laws, standards and voluntary codes relating to marketing communications	Not material for Bucher
PR7	Non-compliance with regulations concerning advertising	Not material for Bucher
PR8	Complaints regarding breaches of customer privacy	Not material for Bucher
PR9	Fines for non-compliance with laws regarding the provision and use of products	Not material for Bucher

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Profile

Organisational profile of Bucher Industries AG

Bucher Industries AG comprises five specialised divisions in industrially related areas of mechanical and vehicle engineering. Their operations are geared towards fundamental human needs and have substantial worldwide growth and earnings potential.

Kuhn Group is the world's leading supplier of specialised agricultural machinery for tillage, seeding, fertilisation, spraying, landscape maintenance, hay and forage harvesting, livestock bedding and feeding.

Bucher Municipal is the market leader in Europe and Australia for municipal vehicles for cleaning and removing snow from public and private areas. Its range encompasses compact and truck-mounted sweepers, winter maintenance equipment and refuse collection vehicles.

Bucher Hydraulics is a leading international manufacturer of customised hydraulic systems. The wide range of products includes pumps, motors, valves, cylinders, power units, elevator drives and control systems with integrated electronics.

Bucher Emhart Glass is the world's leading supplier of advanced technologies for manufacturing and inspecting glass containers. Its portfolio consists of glass-forming and inspection machinery, systems, components, spare parts, advice and services for the glass container industry.

Bucher Specials comprises machinery and technologies for winemaking (Bucher Vaslin), technologies for processing fruit juice, instant products and beer and for dewatering sewage sludge (Bucher Unipektin), a Swiss distributorship for tractors and specialised agricultural machinery (Bucher Landtechnik) and control systems for automation technology (Jetter).

Awards received Kuhn Group products received the following prizes in the reporting period:

- The AXMAT function of the AXIS fertiliser spreader was awarded a gold medal at EIMA in Bologna, Italy.
- The PRIMOR 4060 straw litter and bale ejection machine received a silver medal at AGROSALON in Moscow, Russia.
- Certification of the Kuhn-Blanchard sprayer control tests received an award at the SIMA show in Paris, France, for the presentation of the exemplary benchmarking process.
- The 1290iD large square baler received the "Coup de Cœur du Jury" ("Jury's favourite") award at Innov'Agri in France and a gold medal at the EIMA show in Bologna, Italy.
- The PDM PG 900 was awarded the gold medal in the category "Customer testimonials" at the Prêmio Gerdau in Porto Alegre, Brazil.

2014 Johnston Sweepers won the Gatwick Diamond Award in the 'Innovation and technology' category. Johnston Sweepers also reached the short list in the 'Sustainability' category in the Manufacturer of the Year Awards.

Bucher Vaslin products won the following prizes in 2014:

- The Delta Rflow high-throughput sorting machine won a silver medal at the SIVAL fair in Paris, France, and the innovation cup at Agrovina in Martigny, Switzerland.
- The new application of Bucher's Inertys press, producing red wine under inert gas, received a special mention at Vinitech in Bordeaux, France.

Code of Conduct Bucher Industries' Code of Conduct (see: <http://www.bucherindustries.com/en/investor-relations/corporate-governance>) was introduced in 2009 and is valid throughout the Group. At Group level, in the divisions and locally, compliance officers are on hand to provide support in implementing the code of conduct and the relevant directives. These officers report regularly to group management and are also contact persons for management and personnel who have queries on compliance and related matters. All employees receive a copy of the Code of Conduct. Those with company e-mail addresses receive online training. In the reporting year, a refresher course on the Code of Conduct was compiled. This is being introduced throughout the Group during 2015. To provide a greater insight into the subject of anti-corruption that is dealt with in the Code of Conduct, the Group introduced an Anti-Corruption Directive worldwide in 2013. All target personnel across the entire organisation took the online training course in the reporting year or during the first half of 2015. In the reporting year, a directive dealing with questions of competition law was prepared. This is due to be approved in 2015 and will then be implemented worldwide.

Stakeholder dialogue The Industries Group as well as its divisions and independent companies conduct a regular exchange of views with numerous stakeholder groups. Foremost among these – in addition to the employees and management – are end users, dealers and suppliers. Other important groups are the shareholders, financial institutions, investors, analysts, media representatives and industrial associations and organisations. Local authorities and neighbouring communities are also stakeholders.

Determining the relative importance of stakeholders and the key stakeholder groups is based on two criteria, as follows:

1. Does the stakeholder group strongly influence the economic, environmental and social impact of Bucher Industries?
2. Is the stakeholder group strongly affected by the economic, environmental and social impact of Bucher Industries?

In view of the key importance of the employees and management in the divisions and independent companies, internal communication with these groups is a top priority. The larger production sites have various platforms for direct exchanges between employees and management. In the Group, one-to-one contacts and a culture of personal interchange prevail. Individual Group companies conduct employee satisfaction surveys or have plans to carry out such surveys in 2015.

Another central concern at Bucher Industries is to know what customers think of Group companies' products and technologies and how satisfied they are with them. All Group companies maintain a regular dialogue with their customers at trade shows, dealer conventions and training events, at open days and via surveys, one-to-one conversations and online. This is part of an ongoing drive to improve product quality and the ability to respond locally to individual requirements. In addition to image videos and publications, Group companies publish product information, instruction manuals and other technical information. Customers can also call on technical specialists for expert advice.

Bucher Industries conducted a dialogue on the following topics raised by a number of stakeholders during the year under review:

- Current trends in key markets and changes in the legal framework (e.g. the popular initiative against mass immigration in Switzerland) and its impact on the business development of the Group
- Corporate governance (announcement of change of chairman of the board and CEO, implementation of the popular initiative against excessive compensation)
- Occupational safety and preventive health care
- Product ecology (minimisation of waste, waste water, CO₂ and noise emissions)
- Economic situation of suppliers
- Implementation of regulations (compliance)

The Group corporate governance and remuneration reports were amended to bring them into line with the new Swiss regulations pursuant to the Ordinance against Excessive Compensation in Listed Corporations.

Feedback from employees, customers and dealers relating to occupational safety, preventive health care and product ecology was systematically evaluated for improvement potential. This process has already led to changes in the development and production process and to an improvement in product ecology.

During 2015, Bucher Industries will seek a dialogue with employees, customers and shareholder representatives to assess the "key" sustainability topics pertaining to Bucher and determine new ones. The aim is to identify those topics that, from the perspective of the stakeholder groups, represent important economic, environmental and social impacts of Bucher Industries or which significantly influence the stakeholder's judgements and decisions in relation to Bucher Industries. The stakeholders' judgement, alongside that of group management, is the basis for developing a sustainability strategy and setting corresponding targets. This process also affords the opportunity to determine the basis for future sustainability reporting, which will take the GRI G4 guidelines as its frame of reference.

Performance indicators

Local suppliers / supplier policy There are no formal, group-wide guidelines regarding reliance on local suppliers. The Group's production sites obtain around 59% of their materials and services locally. The criteria Bucher Industries applies when selecting suppliers, in addition to cost optimisation, are quality, competence and reliability. Bucher practises active supply chain management aimed at building long-term relationships. Even when times are tough, the Group endeavours to avoid completely scaling down orders to suppliers. The principle of fairness in competition is laid down in the Code of Conduct (see: <http://www.bucherindustries.com/en/investor-relations/corporate-governance>).

In the reporting year, Kuhn Group reacted to the tight situation facing some suppliers by deploying specialist engineers to support suppliers in improving the efficiency of their processes. Audits were again carried out at suppliers, this time also covering the areas of occupational safety and environmental impacts.

Bucher Emhart Glass, for example, has a checklist it applies when selecting suppliers. It encompasses the ten principles of the UN Global Compact and includes a customer-supplier risk analysis that focuses on financial aspects.

Overall, Bucher Industries is following the worldwide trend and increasingly making sustainability criteria the basis for its decisions on supplier selection.

Infrastructure investments/sponsoring In the various divisions and companies, sponsorship activities and charitable donations vary widely. Generally, social commitments are entered into in connection with employees on the ground, or they serve to strengthen the reputation of the local Group company.

In the reporting year, the Group supported two activities in Switzerland. On the one hand, it provided financial support for the "Swiss Skills" championships in Bern. This major event gave around 1 000 young talents, representing some 70 different professions and every region of Switzerland, the opportunity to measure their skills in a competition to decide the Swiss champion. The event also featured public presentations of over 130 craft, industry and service professions. On the other hand, in Niederweningen where the Group has its headquarters, Bucher Industries supported a community farm project. The aim of this project is to create a community farm that will enable local people to remain in the village in a residential community and lead an autonomous life after retirement.

One of the Kuhn Group companies in the USA sponsors scholarships for the educational organisation "Future Farmers of America" (FFA) and is involved in local chambers of commerce and initiatives promoting local business.

Bucher Municipal contributed to a project called ASSIST (Advanced Snowplough and Salt Spreader based on Innovative Space Technologies) whose aim is to investigate the feasibility of using space-based services in winter maintenance with the idea of making additional

digital information on road conditions and weather forecasts available to vehicle operators in situations of poor visibility, extreme weather conditions or after heavy snowfalls. This will increase occupational safety and help reduce accidents.

Bucher Hydraulics supports the non-profit organisation “Feeding Greater Elgin” in Illinois, USA. Its declared aim is to campaign against hunger and poverty in the immediate neighbourhood. The company also gives financial support to cultural and sporting associations in which employees are involved.

Energy consumption

Direct energy consumption	2014	2013
Heating fuels	164 488	188 619
Heating oil	8 422	11 318
Natural gas	143 495	164 791
LPG/propane	11 581	11 651
Wood	664	535
Diesel (emergency power)	326	324
Motor fuels	27 808	27 731
Diesel	15 439	15 672
Petrol	6 910	5 578
LPG/propane	5 165	6 175
Biodiesel	25	31
Bioethanol	268	275
Indirect energy consumption	2014	2013
Electricity	42 011	40 482
District heating	6 279	4 899

Energy saved In view of the challenges of climate change and the rising price of energy and raw materials, one of Bucher Industries’ primary goals is to reduce consumption of energy and materials. Responsible use of water resources and reduction of solvent consumption are both targets of the Group’s environmental policies. Specific examples from the Group companies in the reporting year:

At Kuhn Group manufacturing sites in France, improved heating regulation and centralised heating control helped save 1 115 000 kWh of energy. The number of waste transport runs required was cut by more than 50% thanks to the purchase of a compactor. The reporting year saw the introduction of remediation measures at various Kuhn Group companies to remove asbestos from building fabric. At the manufacturing sites in North America air conveyance

and possible sources of contaminants were inspected and certain improvements carried out. Kuhn Group employees' awareness of environmental and energy measures was raised through various internal communiqués.

A Bucher Municipal manufacturing site in Great Britain took the first steps in the introduction of an energy management system. The goal is to attain the ISO 50001 certification and have it verified by independent audit. In this way, the company is documenting its intention of improving its energy efficiency. For the first time, the manufacturing site published its own sustainability report for customers. Bucher Municipal operates two manufacturing sites which are ISO 14001-certified. The division is planning to extend this certification to other sites. In Italy, two of Bucher Municipal's manufacturing sites are merging to create a single centre of operations. This will obviate the need to transport semi-finished products between the two sites.

A further Bucher Hydraulics site was awarded ISO 14001 certification in the reporting year, making a total of four locations in Germany, Italy and Switzerland to hold the certification.

In the reporting year, Bucher Vaslin, part of the Bucher Specials division, carried out a study into ways of reducing the volume of waste water it generates. This led to part of its operations introducing waste water treatment through active carbon filters. Increased use of video conferences reduced travelling by Bucher Vaslin personnel.

Energy-efficient products and product ecology initiatives Long service life and high efficiency are key quality characteristics of Bucher Group products. In 2014, Group companies invested a total of CHF 91 million in the renewal and expansion of the product and service offering. Continuous improvement in efficiency is the goal – as well as improved energy efficiency and other aspects of product ecology. Concrete examples of energy-efficient products and improvements in product ecology at the Group companies during the reporting year are:

New universal seed drills from Kuhn feature low tractive power requirements and precise seed placement, even in high-speed sowing operations. In the new Kuhn product range of mowers and tractor-mounted ploughs, the lower traction power required is achieved by a corresponding reduction in energy consumption. New generations of Kuhn field sprayers need less water to operate them and reduce the quantity of fertiliser required thanks to greater precision.

Bucher Municipal changed its design processes in the reporting year to give greater priority to energy efficiency and the reduction of emissions. Energy consumption and noise emissions are now crucial factors in the development of components for Bucher Municipal products. After conclusion of a joint project with a customer in Switzerland to develop a hybrid sweeper that was supported by the Swiss Federal Commission for Technology and Innovation (CTI), Bucher Municipal has made a fresh start on the development of a fully electronic street sweeper. After a development process lasting four years, the reporting year saw the market launch of the Gillette ONE Elektra, the first automatic spreader in Bucher Municipal's extensive product range to be completely electrically powered. In addition to energy efficiency (improvement by 60% compared with an automatic spreader driven by an auxiliary motor), thereby reducing CO₂ emissions (a reduction of 2.6 tonnes of CO₂ over the useful life of the product), this made it possible to improve product ecology in other areas: emissions (reduced

by 70%), no need for oil and oil filters. And Bucher Municipal in Great Britain has developed a special monitoring system to reduce particulate emissions. The goal is to bring all Bucher Municipal products up to the PM10 standard.

Bucher Unipektin, part of the Bucher Specials division, was able to reduce energy consumption by more than 30% thanks to a new hydraulic concept. The newly developed concept will be used in all other Bucher Unipektin presses in 2015.

Fines and sanctions for non-compliance with environmental laws and regulations In the 2014 reporting year, there were no significant fines or other, non-monetary, sanctions in the environmental field.

Work-related injuries, illnesses, absences and fatalities

Days lost per employee in 2014

	Accidents	Illness	Strike
Group	0.55	5.47	0.03
Kuhn Group	0.55	4.68	0.00
Bucher Municipal	0.77	6.36	0.00
Bucher Hydraulics	0.19	6.52	0.20
Bucher Emhart Glass	0.81	5.72	0.00
Bucher Specials	0.36	5.65	0.00

Bucher Industries places great emphasis on safety in the company and at the individual workstation. This principle is laid down in the Code of Conduct (see: <http://www.bucher-industries.com/en/investor-relations/corporate-governance>). Bucher Industries is dutybound to operate its facilities in accordance with all applicable local regulations. All employees concerned are given very precise instructions about the Group's manufacturing processes and machinery. They also receive internal training in occupational safety and health protection at the workplace.

Professional development programmes As a globally operating technology group, lifelong learning is a natural part of business and a central element of long-term personal development. In-house and external training courses at all Group levels are important success factors.

At Group level, Bucher Industries promotes young management talent as part of a programme that has been a fixture since 2004: Bucher Management Training. Promising and successful young managers proposed by the divisions are selected to attend a course with four modules where they can familiarise themselves with the Group's understanding of its role and the tasks it faces. Key topics are the Group's structure and responsibilities, strategic management, financial and risk management, processes and instruments as well as leadership skills and human resource management. Since 2004, over a hundred executives have attended these courses. The training events, which are led by the CEO, also represent an opportunity to get to know the chairman of the board of directors and members of group management, and to strengthen identification with the company. Online training in the compliance field is a requirement and is offered group-wide. Online anti-corruption training was carried out across the Group – with the exception of Kuhn Group – in the reporting year. Kuhn Group will provide this training in 2015. In the reporting year, a refresher course on the Code of Conduct was compiled. This is being introduced throughout the Group during 2015. In the

framework of group-wide continuing education programmes, two meetings of compliance officers took place in the reporting year: a get-together of all divisional officers and a meeting of all compliance officers in North and South America.

Continuing education is an important topic, particularly on the level of individual Group companies, not least as an argument in the challenging search for qualified, specialist staff. All Group companies offer long-term career prospects and flat hierarchies. Accordingly, they enjoy a good reputation in the employment market. Right from the beginning, when they are first welcomed to their new job, employees in the different Group companies are introduced to the Bucher corporate culture and leadership approach. There is also a broad range of opportunities open to them to improve their qualifications on a continuous basis. Participation in specialist training is actively encouraged. The focus of specialist training opportunities is on the disciplines of engineering, IT and software, management and leadership, compliance, health and safety as well as languages and communication. Technical skills are particularly in demand, and training has been offered in laser and robot-controlled welding and safe operation of forklift trucks and machinery. During the reporting year, one Group company took steps to help overcome bottlenecks in the local labour market by introducing a 12-week course to train new employees in specialist welding techniques. Other training courses include lean management as well as quality management with ISO certification and Six Sigma methods. Subjects covered in IT include CAD and ERP systems. In the field of leadership and management, there are in-house and external seminars on topics such as conflict management and self-management, team development, change management and leadership skills as well as whole courses of study that can lead on to an MBA.

Performance reviews and career planning Annual appraisals and individual interviews conducted by line managers are the rule for all employees. The different companies have their own ways of handling the interchange with employees. The processes are being developed further in keeping with the respective local requirements and the latest know-how and standards in the field.

Non-discrimination Equal treatment is an important principle at Bucher Industries. That is why it is mentioned explicitly in the Code of Conduct that applies throughout the Group and is valid worldwide at all Bucher Group companies. In their implementation of equal treatment, Group companies respect regional and cultural differences as long as they are not in contravention of the Bucher Code of Conduct. In 2014 no incidences of discrimination were reported.

Anti-corruption policy and training Overriding principles relating to the subject of corruption and anti-corruption measures are set out in the Group Code of Conduct, which was introduced in 2009 (see: <http://www.bucherindustries.com/en/investor-relations/corporate-governance>). A new group-wide anti-corruption directive came into force in 2013. Group-wide introduction in all Bucher Industries companies was concluded in the reporting year. All employees with company e-mail addresses have received the new directive. These include members of group management, the management of the divisions, subsidiaries and business units; managers of the procurement, logistics, sales, marketing, finance and controlling, HR and legal functions; sales, procurement and customer service staff; controlling and finance staff with internal or external right of signature; and all compliance officers.

Throughout the Group, with the exception of Kuhn Group, all employees with company e-mail addresses have received online training in combatting corruption. Kuhn Group will carry out this training in 2015.

In the period under review no corruption-related proceedings were pending.

Anti-corruption measures Questionable business practices were uncovered in the course of due diligence prior to an acquisition. After purchase of the company in question, several of its management personnel were dismissed during the integration process. Several other personnel were dismissed on grounds of embezzlement, attempted embezzlement, theft and other practices not compatible with the Bucher Industries Code of Conduct. Alert employees in various parts of the group were able to stop several attempts at corruption.

Politics and lobbying Bucher Industries supported the work of industry associations in Switzerland to promote Swiss economic interests and make the concerns of the business community known to the Swiss electorate.

Legal actions for anti-competitive behaviour In the reporting period, no legal actions were pending for anti-competitive behaviour and anti-trust or monopoly practices.

Fines and sanctions for non-compliance with laws In the period under review, no significant fines or non-monetary sanctions were imposed for non-compliance with laws and regulations.

Product safety Every product from the companies of the Group has to satisfy a high standard with regard to the safety and health of users. Compliance with the relevant safety criteria is assured for all machines, vehicles and other products, from the development stage right through to deployment and ultimate disposal.

Legal requirements regarding product and service information Every product from the companies of the Group has to satisfy a high standard with regard to the safety and health of users. These comply with the applicable legal requirements for product information and instruction manuals.

Customer satisfaction Bucher Industries aspires to develop and manufacture machinery and systems which are convincing in technological, economic and ecological terms. All Group companies focus systematically on customers' needs and want to know what they think of the Group's products and technologies and how satisfied they are with them. All Group companies maintain a regular dialogue with their customers at trade shows, dealer conventions and training events, at open days and via surveys, one-to-one conversations and online. This is part of an ongoing drive to improve product quality and the ability to respond locally to individual requirements.

Kuhn Group measures end-customer satisfaction in all its companies a few weeks after purchase of a Kuhn machine. During the reporting year, dealers in North America were asked about product trends, their expectations and the customer service provided. Customer satisfaction with the Kuhn drum mowers was the subject of a survey in Germany, Austria and Switzerland in 2014. In a number of other countries surveys were conducted by telephone or questionnaire. Based on the results of the surveys, various measures were introduced

in the reporting year (such as product improvements and avoidance of warranty cases). In North America a focus group of dealers served to identify possible product improvements in truck-mounted equipment.

Bucher Municipal conducted a survey to establish the satisfaction of new customers in the refuse collection vehicles segment. In 2015, a similar survey is planned in the sweeper segment. The service department at Johnston Sweepers conducted telephone interviews after carrying out service work, asking customers how satisfied they were with the work done. Any expression of dissatisfaction led to the introduction of appropriate measures. Responses were analysed as a basis for general measures to improve customer satisfaction. Special product improvement teams were formed in the refuse collection vehicles segment with the aim of using customer responses to develop more specific improvements. In the run-up to the launch of a new sweeper at Bucher Municipal, a focus group comprising customers and dealers was closely involved in the development process. The customer service department at Johnston Sweepers initiated a project in the area of spare parts handling based on feedback from customers. The project concluded in the reporting year with the opening of a new, more efficient, fully automated spare parts store.

Bucher Hydraulics does not conduct any surveys. Instead, the division bases its assessment of customer satisfaction on feedback from suppliers and the results of audits carried out by key customers. Bucher Hydraulics reacted to the audit findings by procuring equipment to measure the cleanliness of the products and their compliance with the ISO 18413, ISO 16232 and VDA 19 standards.

Having conducted a comprehensive customer survey in 2013, Bucher Emhart Glass did not carry out another in the reporting year. However, global quality management logged all customer complaints and, where appropriate, took immediate corrective action. The data was analysed to identify trends which could provide pointers for improvements.

The various companies consolidated under Bucher Specials also conduct regular customer surveys and act on their findings by adopting appropriate measures.

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