



Sustainability strategy and management

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Cover picture: The Multispray system in Kuhn Group's OCEANIS 2 protects grain crops, soil and groundwater.



Editorial

(G4-1)



Dear Readers

Two years ago, Bucher Industries identified key topics to ensure the implementation of improved sustainability. Over the past year, we have prioritised and set up projects designed to increase sustainability at Bucher Industries.

Starting on page 14, you can read how our divisions put these sustainability priorities into practice in everyday business: As a manufacturer of agricultural sprayers for crop protection, Kuhn Group focuses on sparing, precise use of protection agents and maximum safety for operators; Bucher Municipal is transforming the sweeper market with a vehicle that is energy-efficient and has low CO₂ emissions; the efficiency of the valves produced by Bucher Hydraulics increases the service life of electrically operated farm loaders; Bucher Emhart Glass, a manufacturer of glass-forming and inspection machinery, transfers its employees' expertise to younger colleagues, thereby enhancing job satisfaction; Bucher Unipektin, a business unit of the Bucher Specials division, is investing in improved occupational safety for customers operating its fruit-juice-processing equipment.

These topics are of vital importance to us and will remain priorities well beyond the reporting year as we progress towards achieving greater sustainability.

Jacques Sanche, CEO

Bucher has a long-term perspective

(G4-4/G4-56)

For 210 years, our success has been built on strong market positions, innovative power and flexible, efficient structures. The long-term orientation of our corporate strategy coupled with decentralised responsibility for management and performance, ensures sustainable corporate development.

Our sphere of activity We are a globally oriented Group engaged in machinery and vehicle construction. We run plants and companies on four continents for the development, manufacture, distribution and servicing of specialised agricultural machinery (Kuhn Group), municipal vehicles (Bucher Municipal), customised hydraulic systems (Bucher Hydraulics), machinery for the production and testing of glass containers (Bucher Emhart Glass), beverage technologies and automation solutions, and a Swiss distributorship for agricultural machinery (Bucher Specials).

Our mission Bucher Industries develops and manufactures economical, state-of-the-art and environmentally sustainable machinery and equipment. We systematically align our activities with customer requirements in the certain knowledge that satisfied customers are the best guarantee for the successful future of our company. Our customers in the specialised machinery and vehicle construction sectors benefit from effective, innovative and safe products and services, developed and manufactured through the efforts of our highly skilled and committed employees. We are intent on ensuring that our products and activities are sustainable both now and in the future.





From key topics to sustainability strategy

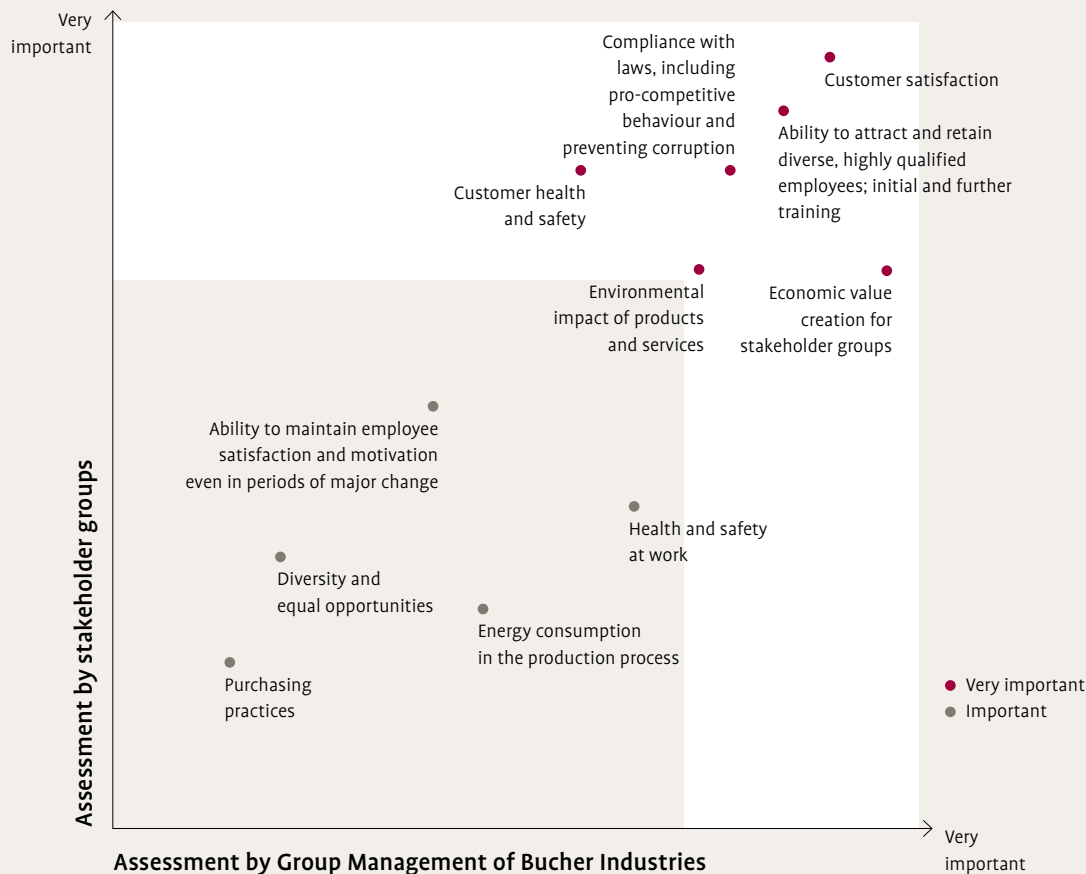
(G4-18/G4-19/G4-24/G4-25)

In 2015, Bucher Industries identified sustainability priorities for the Group based on surveys carried out by employees, customers and shareholder representatives.

Dialogue on key topics The key sustainability topics were selected and prioritised by the above-mentioned stakeholder groups as well as by Group Management. In contrast to the previous year's presentation, the summary this year shows the connection between related issues: compliance with laws, including conformity with

competition law and combating corruption; training and continuing education correlated with the ability to attract and retain diverse, highly qualified employees. These key topics are highlighted in the white area of the matrix shown below.

Materiality matrix



Four priority areas for sustainability

(G4-DMA)

From the topics considered of key importance Group Management selected four priorities that we want to intensify our focus on in the coming years.



Competition law and corruption

Bucher Industries' Code of Conduct focuses on compliance with competition law and the prevention of corruption. Employees are duty bound to comply with every aspect of the relevant laws and conduct business in accordance with the practices of fair competition.



Customers' health and safety

Bucher Industries' customers across the world benefit from innovative and effective products and services. Customer health and safety are already a high priority during development and production, and remain so after commissioning.



Diverse and highly qualified employees

It is entirely thanks to our highly qualified and talented employees that we are able to develop and manufacture our products in the specialised machinery and vehicle engineering sector with such success. Accordingly, Bucher Industries strives to be an attractive employer, offering opportunities for individual training and continuing education.



Impact of our machinery and systems on the environment

Bucher Industries develops and manufactures economical, state-of-the-art and environmentally sustainable machinery and systems. We aim to make them as environmentally friendly and eco-efficient as possible. In this respect, the careful use of scarce resources such as seeds, crop protection agents and energy is a crucial factor. The goal is to minimise the impact on society and the environment.

Sustainability strategy

(G4-DMA/G4-19/G4-SO7)

The five divisions of Bucher Industries have defined goals for the key sustainability issues of customer health and safety, environmental protection, as well as diverse and highly qualified employees. The Group attaches great importance to observance of the Code of Conduct and has set goals for the prevention of corruption and compliance with competition law.

Defining and achieving goals During the reporting year, the goals to be implemented in 2017 and 2018 were defined for the Group and divisions with the aim of making the four priorities an integral part of Bucher Industries' core business. Details of the objectives for each division are provided at the end of the respective sustainability stories on pages 14 to 23.

Competition law and corruption Compliance with the Code of Conduct is a high priority for the entire Group. A number of relevant training courses have been conducted on a group-wide basis. Three goals were set in relation to compliance with competition law and the prevention of corruption:

- A new directive on competition law was introduced in 2017. Selected employees in exposed positions are undergoing and completing compulsory online training courses.
- Further training courses relating to the prevention of corruption will be conducted and completed in 2018 for all recipients of the anti-corruption directive.
- No further violations of the directives on competition law or anti-corruption.

On 14 March 2017, the Swiss Competition Commission (COMCO), based on a complaint, conducted an inspection on the premises of Bucher Landtechnik AG in Niederweningen, Switzerland. The investigation concerns the alleged restriction of competition relating to the distribution of spare parts for tractors and alleged territorial restrictions for retailers. Bucher Industries AG is cooperating with COMCO and is seeking to fully clarify the facts of this matter.

Each division has defined goals relating to two of the three remaining priority areas.

Customers' health and safety Kuhn Group, Bucher Municipal, Bucher Emhart Glass and Bucher Specials are focusing on goals in this area.

Impact of our machinery and systems on the environment Kuhn Group, Bucher Municipal, Bucher Hydraulics and Bucher Specials are committed to further reducing the impact of their products and services on the environment.

Diverse and highly qualified employees Bucher Municipal, Bucher Hydraulics and Bucher Emhart Glass have defined goals aimed at ensuring they will continue to attract and retain highly skilled employees.

Reporting on other key topics In addition to the four priorities set out for the sustainability strategy, this Sustainability Report in accordance with GRI-G4 Guidelines also provides information on two other important topics: customer satisfaction (page 26) and generating economic added value for stakeholder groups (page 25). However, both these topics are considered fundamental elements of good business practice at Bucher Industries and are thus not included in the sustainability strategy as priorities.

Stakeholder dialogue

(G4-24/G4-25/G4-26/G4-27)

Bucher Industries operates in a context that entails social, environmental, political and economic responsibilities. It takes these responsibilities seriously and engages in regular dialogue with numerous stakeholder groups.

Foremost among these – in addition to the employees – are the customers (see pages 26 to 29) and suppliers. Other important groups are the shareholders, financial institutions, neighbouring communities, industry associations and the general public.

Within the divisions and companies that constitute Bucher Industries, great importance is attached to direct contact with employees and a culture that fosters personal discussions.

Dialogue topics and measures adopted by Bucher Bucher industries conducted a dialogue on the following topics raised by stakeholders during the year under review:

Customers In addition to reliability and safety as well as the high performance and precision of products, customers are increasingly focusing on the environmental impact of CO₂ and noise emissions. The various divisions satisfied these requirements with a range of innovations and intelligent software systems. One challenge

dealers and offer them even better and more extensive technical support. Direct contact with end-users remains of key importance and the individual companies are constantly organising new ways of facilitating the dialogue.

Employees The effects of a possible raising of the pensionable age and the appropriate responses, occupational safety and healthcare provision for employees, and support for upcoming middle management were important topics in the reporting year. Individual Group companies conducted employee surveys in 2016, the results of which were used as the basis for plans of action and an internal Code of Conduct. At the Erding plant, Bucher Hydraulics negotiated a new collective agreement in 2016. This came into effect in January 2017 with provisions covering the employer-employee relationship over the long term. At the Bucher Unipektin plant in Niederweningen, the introduction of short-time working owing to the weak order situation in the first quarter of 2016 caused uncertainty.



Great importance is attached to one-to-one contacts and a culture of personal interchange.

for the plants concerned were the increasingly short delivery times demanded by customers as well as requests for changes at short notice. In addition to new web-based systems for recording customer satisfaction and requirements, the Group business units also launched various cross-functional projects to facilitate access to information and services for customers and

Board of Directors and management The reporting year saw the election of a new Chairman of the Board, fresh appointments to the posts of CEO and CFO in Group Management, and a change at the top of the Bucher Municipal division. An appropriate period was scheduled to facilitate the handover of these top management positions.

(G4-24/G4-25/G4-26/G4-27)

Shareholders In addition to the Brexit vote in Great Britain, investors were also concerned about the continuing worldwide decline in the agricultural machinery market, a key segment for Bucher Industries. In the reporting year, the agricultural machinery market was in the grip of its longest and deepest crisis in 25 years. The effects and countermeasures adopted by the individual companies were addressed in a number of news

Regulators/authorities Production, environmental and safety regulations issued by the EU – as well as those from national authorities – were amended. Group companies implemented the amended standards that were relevant to them as swiftly as possible. For example, preparations were made and/or resources set aside to meet the new specifications of the European road homologation applying to trailers. Steps were taken to

Amendments to production, environmental and safety regulations are implemented as quickly as possible by Group companies.

releases issued by the Group. Thanks to strict measures to control costs and adapt capacity levels in the divisions affected, as well as selected acquisitions, the Group was able to absorb the adverse effects. At the same time, the Group is also committed to the internationalisation of the businesses over several years as a means of reducing dependency on regional economic fluctuations.

implement the new stipulations of the European Union regarding signage on special waste consignments. Production plants belonging to Kuhn Group, Bucher Municipal, Bucher Emhart Glass and Bucher Specials adopted specific measures aimed at reducing waste and energy costs. Bucher Vaslin, a Bucher Specials business unit, is meeting electrical power requirements from 100% renewable energy sources.

Local population There were isolated instances of complaints about noise. The production sites involved took steps to reduce the noise emissions.

Management approach to sustainability

(G4-DMA/G4-14/G4-34/G4-56)

Bucher Industries embraces the precautionary principle¹, taking into account not only commercial interests but also ecological and social criteria in the corporate management principles applied by the individual Group companies.

A sustainable approach to corporate management is an integral part of Bucher Industries' mission and vision. The Group-wide Code of Conduct² provides employees with specific guidelines relevant to everyday working practice.

To meet the goals of the four priorities set out in the sustainability strategy (cf. page 8), the Group's approach to management relies on effective, decentralised responsibility for management and performance, thereby taking into account the diverse requirements of the divisions and regions. All the divisions rely on certified management, environmental and safety systems.

Kuhn Group is committed to the following areas: staff, energy consumption, use of resources in production, waste management, product development, environmental impact of products and their contribution to environmental integrity. The quality management systems at six of the division's production plants have ISO-9001 certification. Some new electronic control systems to be used on Kuhn Group's machinery are currently developed to fulfil the safety requirements as set out in the ISO-25119 standard.

Bucher Municipal All seven of Bucher Municipal's production sites have quality management systems with ISO-9001 certification; three have environmental management systems compliant with the ISO-14001 standard. The other four sites plan to implement this system in the next two years. One of the plants recently obtained ISO-50001 certification for energy management. Two of the production sites have occupational safety management systems with OHSAS-18001 certification. All the division's other plants aim to achieve this standard by 2019.

Bucher Hydraulics At Bucher Hydraulics, the quality management of all eight production plants is ISO-9001 certified; the six largest plants also have environmental management systems with ISO-14001 certification. To date, three plants have an energy management system with ISO-50001 certification. The occupational safety management system at two plants meets the OHSAS-18001 standard.

Bucher Emhart Glass Quality management at four of the six production plants operated by Bucher Emhart Glass is certified in accordance with the ISO-9001 standard. Four plants also have an environmental management system with ISO-14001 certification. The occupational safety management system at one production site already meets the OHSAS-18001 standard and all the other Bucher Emhart Glass production sites are seeking certification for this occupational safety management system.

Bucher Specials Bucher Unipektin, which is part of Bucher Specials, updated, improved and simplified its integrated management system in the reporting year; all internal processes are being reviewed, redefined and organised on a new graphical platform. The company also aims to obtain ISO-14001 certification for its environmental management system in the next few years. All but one of the production sites in the Bucher Specials division have an ISO-9001-certified integrated quality management system. The occupational safety management system at two production sites also satisfies the OHSAS-18001 standard for occupational health and safety.

1 Cf. www.unglobalcompact.org/what-is-gc/mission/principles/principle-7

2 <http://www.bucherindustries.com/en/investor-relations/corporate-governance>





Kuhn Group agricultural sprayers protect the farmer and the environment

(G4-PR2/G4-EN27)

For Kuhn Group, the safe operation of their agricultural machinery coupled with sparing use of crop protection agents is a high priority. Kuhn's new OCEANIS 2 trailed sprayers combine features that protect health and the environment.

Safe handling of protection agents To ensure a high level of protection for farmers, Kuhn Group equips its new OCEANIS 2 trailed sprayers with the Easyflow system. This allows for the uncomplicated, contact-free supply of liquid crop protection agents. Connecting the container is very simple with the Easyflow system, which pierces the container's protective seal automatically. The system precludes the need to manually empty or clean the container, protecting the operator from contact with liquids and ensuring maximum safety for farmers.

Environmentally friendly application of crop protection agents To ensure the precise application of crop protection agents, Kuhn Group has equipped the new OCEANIS 2 trailed sprayers with the Multispray system. The system automatically selects the spray nozzles required with reference to the amount of liquid to be applied and the tractor speed. Each individual nozzle can be activated or shut off using real-time GPS positioning. The Multispray system not only ensures the precision-controlled delivery of crop protection agents but also achieves a ninefold reduction of section overlap, with a marked protective effect on crops, soil and groundwater. It also reduces farmer's costs.

Goals for 2017/2018 (G4-DMA)



Customers' health and safety

- Improving the safety of electronics and newly developed agricultural machinery, in conformity with the ISO 25119 standard.
- Achieving European road homologation for the first five vehicles in 2017 and 50% of all vehicles by 2018.



Environmental impact of our machines and services

- Harnessing new precision agriculture technologies through market launch in 2017 of ten new farm machines with specially developed function for variable control of application rate and/or section control (fertiliser applied only within set boundaries).
- Market launch by 2018 of eight further Kuhn farm machines featuring one or more of these additional functions.



1
OCEANIS 2
agricultural sprayer.

2/3
The Multispray
system automatically
selects the spray
nozzles as required,
thus reducing envi-
ronmental impact.
The Easyflow system
protects farmers
from contact with
liquids.



1
Fully electric City Cat 2020ev sweeper in operation in Barcelona.

2/3
The all-electric drive significantly reduces operating costs. Low-noise operation makes it possible to work in the early hours of the morning as well.



Bucher Municipal sweeper helps ensure peaceful sleep and lowers operating costs by 70%

(G4-EN27)

It is already being used successfully in some cities: apart from making sure the inhabitants of Basel and Zurich sleep more peacefully, the fully electric (2m³) sweeper, the CityCat 2020ev from Bucher Municipal, also saves tons of CO₂ emissions.

75% quieter vehicle Partly in view of ever stricter environmental regulations, municipal authorities are in search of utility vehicles that can travel through town centres quietly and without giving off harmful emissions, thereby helping to protect the climate. Bucher Municipal's fully electric CityCat 2020ev offers a unique solution: carbon dioxide (CO₂) emissions can be cut by around 26 tonnes per year and noise by 75%. This makes the vehicles suitable for use, even in the very early hours of the morning.

Operating costs down 70% But the vehicle is also an outstanding performer in day-to-day operations. It goes for a total of eight hours per day before needing a recharge – recharging takes two to three hours. Operating costs are about 70% lower than its diesel-powered counterpart, the CityCat 2020, because regular, costly engine maintenance is unnecessary and electrical power is significantly more economical than diesel fuel.

Accustomed efficiency and high performance The electric sweeper delivers the same full sweeping and suction performance as the classic CityCat 2020, while maintaining its great manoeuvrability and hopper capacity. The fully electric version of the vehicle is no different from the conventional model in terms of operation, maintenance and servicing, but it does make town centres a lot more environmentally friendly as well as more liveable for residents.

Goals for 2017/2018 (G4-DMA)



Customers' health and safety

- Reduction of warranty costs as percentage of net sales to below 1%.
- Certification of all products and services in accordance with the OHSAS-18001 occupational safety management system.



Diverse and highly qualified employees

- Filling 70% of the vacant management positions with internal candidates.



Environmental impact of our machines and services

- Introduction of an environmental management system certified in accordance with ISO-14001 at all production sites by the end of 2017.



Bucher Hydraulics helps farmers work in a more eco-friendly way

(G4-EN27)

The number of electrically powered loaders working on farms continues to rise. It is partly thanks to Bucher Hydraulics that these environmentally friendly vehicles can compete against diesel-driven farm loaders as a result of the intelligent and efficient increasing of their service life.

Quieter farm loaders with low emissions Using battery-operated farm loaders will soon make economic sense for farmers: the impact of noxious emissions, such as exhaust gases and fine dust particles, on humans and animals is eliminated when loaders work in stables and around the farmyard. Immediate neighbours benefit because the vehicles' noise emissions are reduced by half, so they can keep operating longer into the evening.

Targeted deployment of energy reserves Bucher Hydraulics helps make selective use of the limited energy reserves of these environmentally friendly vehicles. Battery life has to last for several hours to enable farmers to use their electric farm loaders efficiently – but whenever one of the vehicle's functions is activated there is some consumption of energy. The solutions for reducing this consumption include a smart valve developed by Bucher Hydraulics.

Smart valve communicates with electromotor Thanks to sophisticated sensor technology, the valve has the capacity to communicate with the electric motor to tell it when it should switch on and then off again. This avoids energy and pressure loss, which significantly increases the efficiency of the farm loader and its service life.

Driving further development Bucher Hydraulics is playing an active role in the further development of these battery-powered vehicles. The division is currently using computer simulations to test the intelligent combination of hydraulic elements to ensure the vehicles of tomorrow will be capable of working even longer on one battery charge.

Goals for 2017/2018 (G4-DMA)



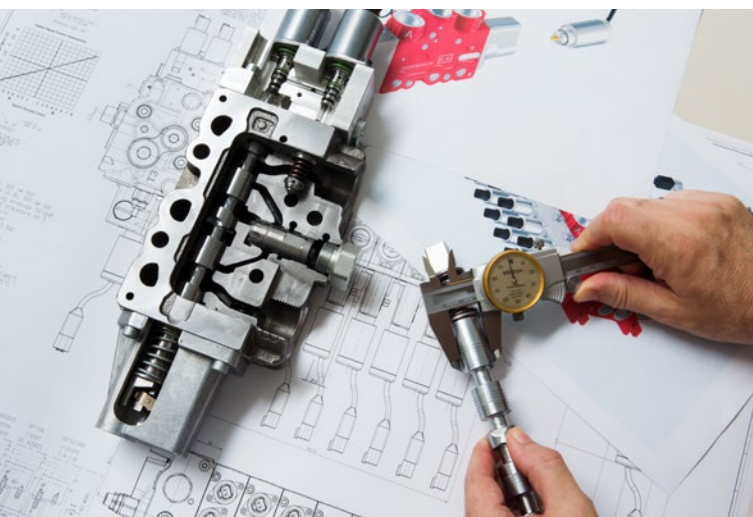
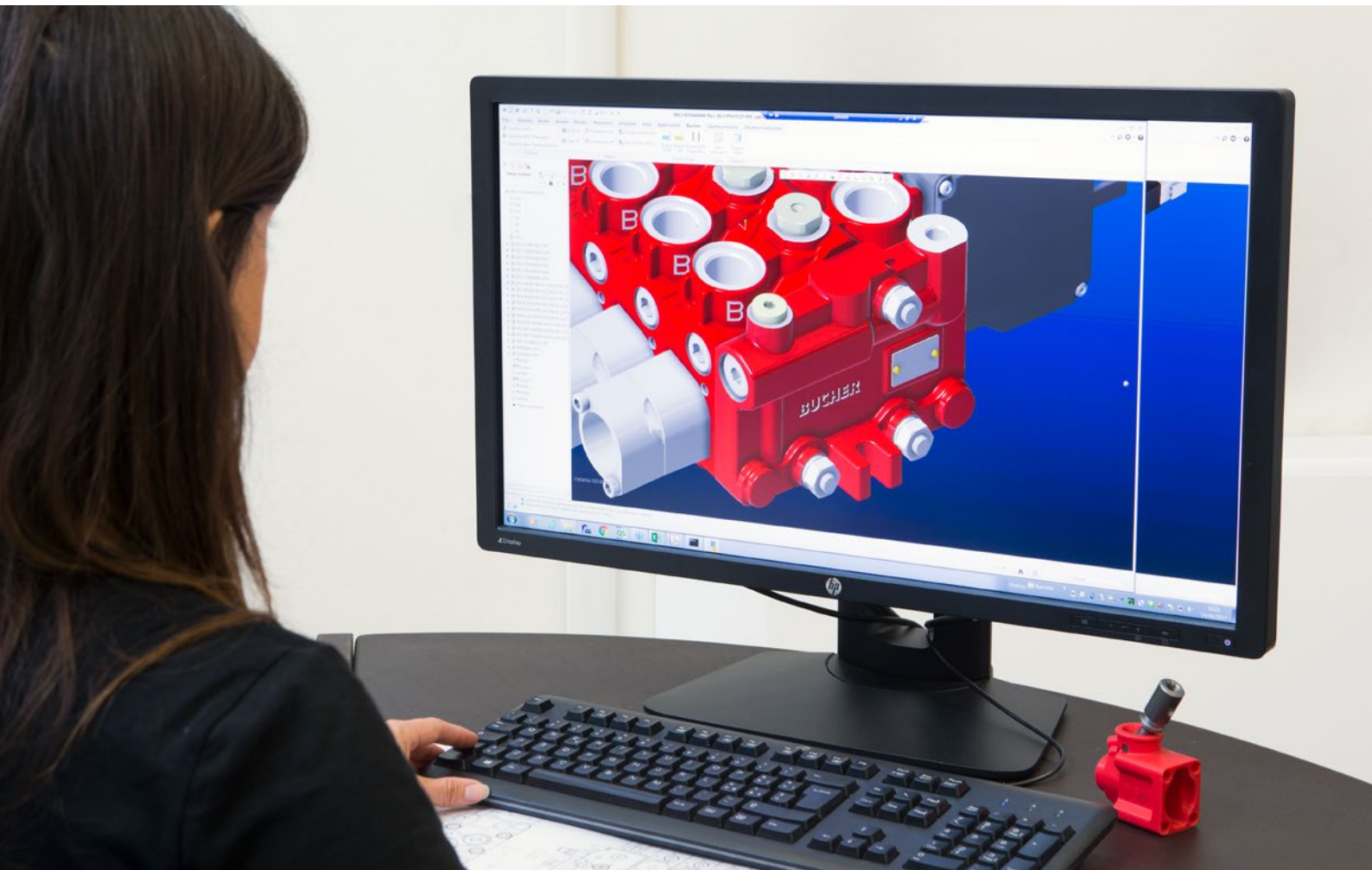
Diverse and highly qualified employees

- Reduction of staff turnover rate per production site to 2%.
- Improvement of staff qualification through continuing education for an average of 0.4 hours per week per employee.
- Integration of diversity management into HR processes by enlarging the HR cockpit in 2017 and setting a measurable, internal benchmark in 2018.



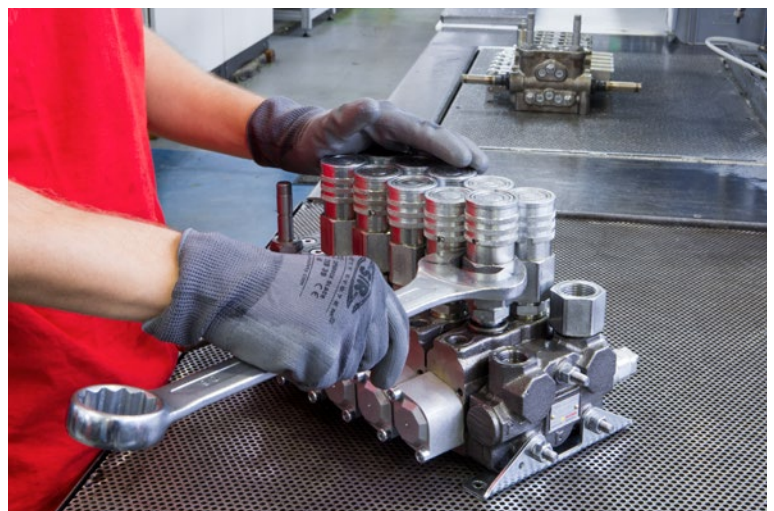
Environmental impact of our machines and services

- Measurement and analysis of energy and noise emissions at selected customer projects in 2017.



1
The intelligent combination of hydraulic elements is crucial.

2/3
The Bucher Hydraulics valve uses sophisticated sensor technology to communicate with the electric motor.





The new training programme at Bucher Emhart Glass promotes the enjoyment of work and facilitates the transfer of knowledge from experienced employees to younger colleagues.





Bucher Emhart Glass is banking on its employees

(G4-LA9)

The new training programme at Bucher Emhart Glass promotes the enjoyment of work and encourages the continuing professional development of its highly skilled employees. This increases their job satisfaction and desire to give their best in teamwork.

Transfer of specific know-how Bucher Emhart Glass is responding to its customers' requirements with an "end-to-end" vision for the future of automatic glass container manufacture. This combines manufacturing with the previously separate processes of forming and inspection of glass containers. This manufacturing principle is predicated on the highly specialised know-how of employees being deployed and passed on to new or younger colleagues. Another aspect is to encourage a different kind of collaboration between the glass-container forming and inspection teams.

Managers leading by example Last year, members of management from all over the world convened at a strategy conference where this important topic was discussed. One conclusion the conference reached was that, in addition to specialist training in their respective fields, managers should attend courses in human resource management, communication, teamwork, conflict

management and intercultural collaboration to enable them to provide effective support in this change process. The aim of teamwork in the future should be to create benefits for all concerned. This is a precondition for the acceptance of the decisions taken. Managers themselves play an important part as role models.

Benefits for employees and companies The training courses were devised in 2016, and the first members of management have already participated in the programme. By the end of 2017, around 90 members of management will have attended training. The training courses will probably be held every two years and gradually extended to all employees. In this way, Bucher Emhart Glass is fostering a new culture of teamwork and job satisfaction which will benefit both employees and companies.

Goals for 2017/2018 (G4-DMA)



Customers' health and safety

- Continuous improvement of products and documentation, taking into account findings of accident analysis.
- Development and market launch of new auto-swab technologies, protection systems and side barriers for glass-forming machinery.



Diverse and highly qualified employees

- Increasing staff loyalty, motivation and qualifications through additional training measures and introduction of a new performance review process.



Bucher Unipektin uses training courses to ensure the occupational safety of its customers

(G4-PR2)

In signing up to the SUVA Safety Charter, Bucher Unipektin has shown its commitment to the prevention of accidents. The business unit analyses potential hazards and provides targeted training in occupational safety for its employees and customers.

A firm commitment Bucher Unipektin, a business unit of the Bucher Specials division, is sending out a clear message about occupational safety to its staff and external partners. By signing up to the SUVA Safety Charter, the company is acknowledging its commitment to imposing targeted measures to ensure the occupational safety of its employees and customers. As the biggest risk factor involved with machinery is not the technology but people, the importance of training is clear.

Exposing risks The training includes teaching customers to spot obvious and concealed accident risks which may arise in a workplace involving machines and installations. These are hazards which can occur when using equipment or during cleaning or maintenance work. Bucher Unipektin has identified the potential safety risks for each type of machine and installation and is passes on this knowledge to its customers through the training sessions.

Success through training and clear rules In a theoretical session, Bucher Unipektin presents the portfolio of risks involved in using machines and installations and raises customers' awareness of "essential rules and safety measures". A practical session demonstrates the preventive measures on the machinery itself and teaches users how to apply the safe working principle of "Stop in case of danger, eliminate hazard, resume working".

Goals for 2017/2018 (G4-DMA)



Customers' health and safety

- Bucher Unipektin: improving safety through free offer of two hours' training per customer per year.



Diverse and highly qualified employees

- Bucher Landtechnik: increasing attractiveness as an employer by providing continuing education courses for 80% of all employees for two days per year.
- Jetter: keeping the rate of voluntary resignations below 5%.



Environmental impact of our machines and services

- Bucher Vaslin: reduction of water consumption by presses thanks to Cleaning in Place (CIP) process.



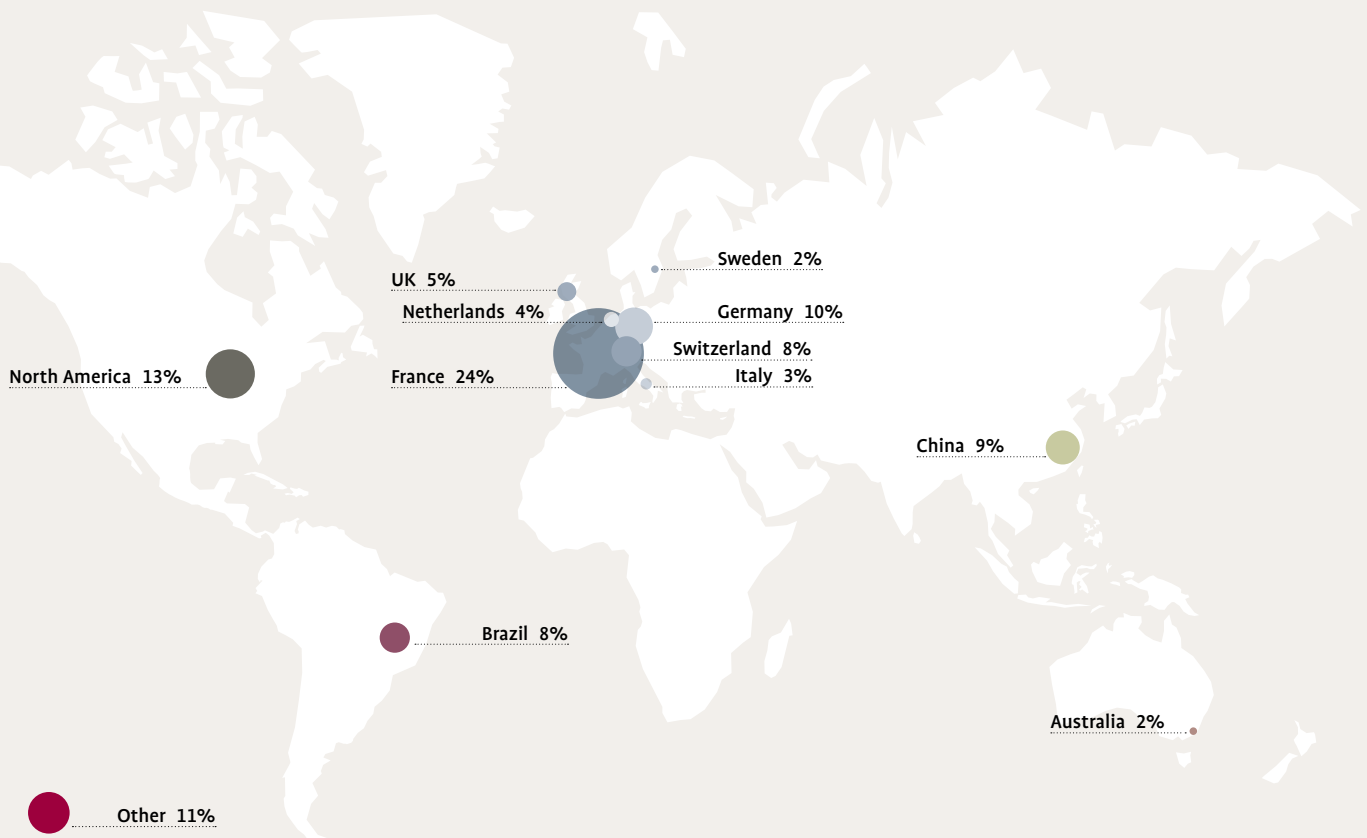
1
Customers undergo training to increase awareness of the need for safe working practices.

2/3
Protective measures and clear marking help prevent dangerous accidents.

Key figures at a glance

Number of employees in 2016, by region (G4-6/G4-10) The figures on the world map refer to all 11 175 Group employees. The data collection process for the other key figures in this report took into consideration 36 important production sites and one research centre which account for 80% of sales and 90% of employees.

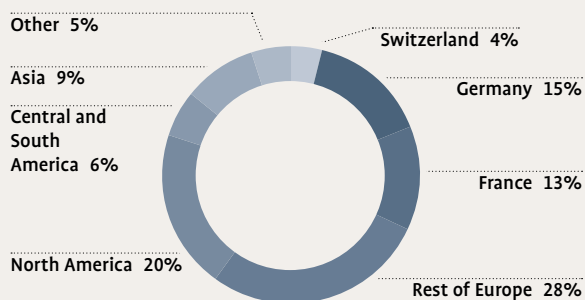
Data source: 31 December 2016



Direct economic value generated, by region

(G4-EC1)

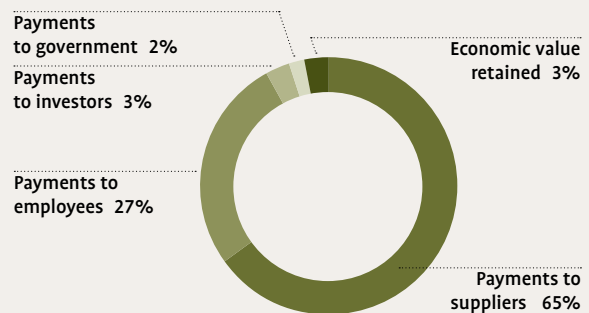
2016



Breakdown by economic value distributed and retained

(G4-EC1)

2016



Data source: Figures and consolidation taken from consolidated financial statements in Annual Report 2016.

Economic value generated and distributed

(G4-EC1)

Bucher Industries saw a 2% fall in order intake and a decrease in direct economic value generated of 4% to CHF 2.4 billion in 2016. The main reason for this was the continuing global decline in Bucher Industries' important agricultural machinery market.

The fall in orders and production came hand-in-hand with a 5% drop in payments to suppliers in 2016. In particular, there was a reduction of 7% in the purchase of materials, while write-downs rose by 7%. Bucher Industries applied a variety of measures to coordinate staffing levels with seasonal factors and local economic trends as far as possible. The changes were not enough to compensate entirely for the 4% decline in sales, however. In the reporting year, shareholders received a 9% lower dividend payment and tax payments to public authorities fell significantly, by 16%. The reasons for this included the lower profits of the individual Group companies in countries with higher rates of taxation. Income tax fell by 22%, while tax on capital saw a 4% rise.

Group: Direct economic value generated and distributed

| CHF million | Change | | | |
|---|----------------|----------------|----------------|----------------|
| | 2016 | 2015 | absolute | in % |
| 1. Direct economic value generated | 2 404.4 | 2 515.7 | - 111.3 | - 4.4% |
| 2. Economic value distributed | | | | |
| Payments to suppliers | - 1 561.7 | - 1 640.4 | 78.7 | - 4.8% |
| Payments to employees | - 652.2 | - 648.7 | - 3.5 | 0.5% |
| Payments to capital investors | - 63.7 | - 72.3 | 8.6 | - 11.9% |
| Payments to public authorities | - 59.7 | - 70.7 | 11.0 | - 15.6% |
| Investments in the community | n.a. | n.a. | n.a. | n.a. |
| 3. Retained economic value | 67.1 | 83.6 | - 16.5 | - 19.7% |

Data source: Figures and consolidation taken from consolidated financial statements in Annual Report 2016.

The Group has adopted a global approach for many years, as is demonstrated by the wide geographical distribution of the direct economic value generated. In the reporting year, there was a slight shift in this geographical distribution from the locations in North America to those in Germany, France, Central and South America, and Asia. 92% of the economic value generated went to suppliers and employees (2015: 91%).

Customer satisfaction

(G4-DMA/G4-PR5)

Bucher Industries develops and manufactures economical, state-of-the-art and environmentally sustainable machinery and systems. All Group companies focus consistently on the needs of their customers. Their satisfaction with the products and technologies is paramount. Major customers are regularly invited to evaluate products and prototypes and are consulted during the development process for new products from the initial stages onwards.

Group companies engage in regular interchange with customer groups in order to explore their requirements and improve product quality. The companies' customer service provision also involves publishing product information, operating instructions and other technical information. Customer service experts are on hand to help in the event of any technical problems.

Kuhn Group continued in 2016 to implement actions aimed at continuously improving its customer experience and satisfaction levels with dealers and farm customers. In France and Germany, Kuhn Group visited customers of its large square balers in person to find out about their future requirements regarding this type of machine. In the US, the Product Management and Engineering teams conducted customer visits with the aim of finding out about satisfaction levels and future requirements relating to feed mixers, manure spreaders and disc mower conditioners. In a survey regarding its SW4014 baler wrapper with its patented auto-load function, Kuhn Group scored 8.9 points out of 10 for customer satisfaction.

8.9 points

Kuhn Group scored 8.9 points out of 10 for satisfaction with its SW4014 baler.

During the reporting year, **Bucher Municipal** wrote to all its customers who use the latest generation of the V-series sweepers with the aim of receiving direct feedback on the performance and reliability of the machines. New design features were introduced based on the results. In the sewer-cleaning business, customer surveys revealed that the targets set in the various countries were not being met in full. The company implemented an action plan which includes the introduction of more customer visits and a more efficient complaints management system. The winter maintenance equipment business focused its annual survey on seven topics: submission of tenders, the ordering process, quality of products and

(G4-24/G4-25/G4-26/G4-27)

documentation, delivery, customer services, invoicing and the quality of customer relationships. The results of the survey were slightly below those of the previous year. This was primarily due to the fact that the company was engaging in new markets where dealers first had to become familiar with the products, training and services.

Bucher Hydraulics analysed its performance for the first time according to specific criteria relating to its slogan “Smart Solutions – Superior Support”. The results will form the basis for future comparisons. Initial findings reveal that the best combination of “smart solutions” and “superior support” is found in the German-speaking countries. In India, there is still potential for improvement in the area of “superior support” and in North America, there is a backlog of demand for “smart solutions”.

Bucher Emhart Glass did not carry out any customer surveys in 2016. Instead, the company decided to simplify its existing quality management system. This involved defining new roles and responsibilities to ensure that customer feedback can be responded to promptly and efficiently.

Jetter scored well in a customer survey, both for the quality of its products and customer contact.

The **Bucher Specials** business unit Bucher Vaslin conducted a customer survey in 2016. It served primarily to investigate satisfaction levels among users of its winemaking equipment. In 2017, Bucher Unipektin will launch an online survey prepared during the reporting year for its customers of equipment for processing fruit juice, beer and instant products. A customer survey conducted by Jetter addressing aspects of automation technology yielded very positive feedback, with the business unit scoring well in both on customer contact and the quality of its products.

Customer health and safety

(G4-DMA/G4-PR2)

All products from Group companies meet a high standard in terms of user health and safety. High safety criteria are applied from the development phase through to use by the customer and the final disposal of the machinery, vehicles or other products.

Legal requirements call for products to be self-certified or have certification from a government or officially recognised testing station. There are also detailed descriptions and instructions pertaining to their safe and legal use. All Group companies comply with the relevant applicable legal requirements governing product information and operating manuals. The certification of Group production sites in accordance with OHSAS-18001 (see page 12) not only increases the level of health and safety protection offered to employees, but also has positive implications for customer health and product safety. There were no incidents concerning the effects of products on the health and safety of customers during the reporting year. Legal requirements and voluntary codes of behaviour were complied with.

In Europe, **Kuhn Group's** safety criteria meet the requirements of the "Machine Directive" (EU directive 2006/42/EC) and the relevant harmonised standards. The division's production plants outside Europe use a similar risk assessment and risk reduction process during the design process of their product lines. Depending on the product, additional safety regulations (such as road traffic regulations) are taken into consideration during the development process. In the reporting year, Kuhn Group made improvements in Brazil to its planters, seed drills and fertiliser spreaders. New platform access stairs and additional protective devices for moving parts were fitted to the machines. In North America, dealers now have online access to assembly videos for certain machines.



Bucher Municipal implemented a safety system for pedestrians in its FORCE front loader.

The sweepers manufactured by **Bucher Municipal** for sale in Europe come under the EN13019:2008 standard as far as health and safety are concerned. This is currently being revised by a European Union working group in which Bucher Municipal is also involved. A highlight of the reporting year was the introduction of a safety system for pedestrians designed for the FORCE front loader refuse collection vehicle. Other safety features of the vehicles, such as the automatic hopper safety supports, are major selling points which clearly differentiate Bucher Municipal machines from the rest of the market.

(G4-DMA/G4-PR2)

The products made by **Bucher Hydraulics** are developed in accordance with customer requirements and the comprehensive, strict legal safety standards governing the end products in which the hydraulic components are used. All standard products made by Bucher Hydraulics are tested to ensure compliance with safety standards before they leave the plant. One major challenge currently facing Bucher Hydraulics is the fact that the European Union has identified chromium (VI) as being particularly hazardous to health and intends to ban its use from autumn 2017. Bucher Hydraulics has made strenuous efforts to replace parts processed with chromium (VI) in recent years.

Bucher Emhart Glass extended its safety strategy in 2016: along with safety improvements implemented through design modifications, protective devices and monitoring functions for its machines, the division also decided to focus on solutions involving automation. These included the use of servo-technology and sensor systems to create self-regulating process systems. These enabled a reduction in the number of interactions between the user and the machine. The extended safety strategy also demonstrates to customers that the division recognises their needs and is committed to the ongoing improvement of safety through the application of the latest technological developments. This is something Bucher Emhart Glass intends to put into practice with targeted further developments in 2017 and 2018 (see page 21).



Bucher Landtechnik introduced the SkyConnect GPS system for its tractors to enable safe working.

The **Bucher Specials** business unit Bucher Unipektin focused on safety in work processes during the reporting year. The company organised training courses for employees on the topic of working in high-risk situations: 17 employees were given training in working safely at height, eight were trained in the use of mobile lifting platforms and nine learned about safe practices involving hazardous materials. All new employees in 2016 were given basic training in occupational safety on their first day. Bucher Landtechnik, another Bucher Specials business unit, introduced the SkyConnect service, a high-precision track guidance system for agricultural machinery, in 2016 to allow fatigue-free working. The company offered dealers regular training courses, test drives and comprehensive manuals to support the correct use of its machines.

Environmental impact of products

(G4-DMA/G4-EN27)

A long service life and high levels of efficiency are important qualities offered by the products produced by Bucher Industries. In 2016, a total of CHF 99 million was invested by the Group's companies in modernising and adding to the product and service portfolio (2015: CHF 96 million). At the same time, improvements were made to products in order to reduce their impact on the environment.

Kuhn Group unveiled a new mechanical drive transmission for its self-propelled agricultural sprayers with the aim of reducing fuel consumption. New self-propelled sprayers and fertiliser spreaders with a 50-metre working widths have been developed making it possible to reduce the number of passes in the field. In Brazil, the division adapted its entire product line of diesel-powered machinery to comply with the MAR-1 regulation governing the reduction of exhaust emissions. The new trailed ACCURA 7000 fertiliser spreader and the QUADRA AIRFLOW sowing machine with increased output allow the amounts of fertiliser and seed used to be reduced to a minimum. The introduction of the AXENT large-area trailed fertilizer spreader and the fully automatic AXIS EMC dosing system has greatly reduced the amount of fertiliser used and the associated impact on the environment. Thanks to the automatic dosing system, the spreading precision increased to over 98%. AXENT also offers GPS integration which enables accurate spreading within precisely predefined zones. In North America, Kuhn Group joined forces with Rauch to introduce new machinery featuring combined vertical tillage and cover crop seeding. This process protects the soil from excessive erosion and nutrient loss.



Bucher Industries implemented a variety of product improvements designed to reduce environmental impact.

The development team at **Bucher Municipal** is also involved in an ongoing search for new solutions to minimise fuel consumption. The division is developing and manufacturing lighter vehicles, making more efficient hydraulic systems and attaching the engine more effectively to the cab frame. The world's first fully electric spreader, the Phoenix Electra, achieved average energy savings of 40%. Bucher Municipal's business in winter maintenance equipment patented a new snow plough with neoprene blades and an integrated gritting system capable of melting compacted snow. This reduces the amount of gritting salt used by 30 to 60 per cent. The fully electric CityCat 2020ev sweeper is presented in detail on pages 16 and 17.

(G4-DMA/G4-EN27)

The hydraulic components produced and continually optimised by **Bucher Hydraulics** make a significant contribution to the energy efficiency of the machines developed by its customers. In the reporting year, the new, fully electric wheel loader made by Kramer and featuring all-wheel steering was nominated “Best Innovation 2016” at the most important trade fair for construction equipment. The machine, powered by an electric motor (battery-powered), is equipped with the hydraulic system supplied by Bucher Hydraulics. The contribution made by Bucher Hydraulics to low-emission farm loaders is described on pages 18 and 19.

Bucher Emhart Glass Energy efficiency can be maximised by the use of servo technology. This is already available and ready for use. In contrast with traditional pneumatic machines, electrical power consumption can be almost halved in this way. Nevertheless, Bucher Emhart Glass is looking to persuade customers to make the change from pneumatically driven machines, which are still widely used, to the servo machines.



Servo technology from Bucher Emhart Glass enables customers to reduce their electrical energy consumption by almost half.

In 2016, the **Bucher Specials** business unit Bucher Unipektin launched a new, larger fruit press with an increase in capacity of up to 1.8 times yet boasting a 30% reduction in energy consumption compared with previous models.

Description of the supply chain

(G4-12/G4-13)

Bucher Industries does not have any formal group-wide guidelines covering the selection of suppliers. Quality, competence and reliability are important factors together with cost optimisation. Local suppliers are preferred where possible. Payments to suppliers amounted to a total of CHF 1.6 billion in 2016.

Bucher Industries practises active supply chain management aimed at building long-term relationships: in economically challenging times, the Group makes every effort not to cut orders to its suppliers entirely. The notion of fair competition is set out in the Bucher Industries Code of Conduct.

Kuhn Group has a division-wide standardised procurement process which specifies the vendor selection criteria and the procedures for purchasing materials and services. A coordinating team ensures that synergies are optimally exploited within the companies. Audits are regularly carried out among suppliers; these also include checks relating to occupational safety and the environment. In Europe, a purchasers' organisation ensures that relationship management is standardised and that pricing is homogeneous and competitive. For its western French production sites, Kuhn Group introduced a new logistics programme in 2016 to shorten delivery times and reduce the shortage of parts and components. In China, two local Chinese suppliers were commissioned for local welding work. Overall in 2016, Kuhn Group purchased materials and services from around 3 600 suppliers.

Bucher Industries practises active supply chain management aimed at building long-term relationships.

The production sites of **Bucher Municipal** are responsible for their own suppliers but are supported by the division. Bucher Municipal's winter maintenance equipment business has agreed framework contracts with its most important suppliers of frequently used components. Each business unit makes purchases within the conditions of the framework contracts whilst operating in its own right and according to its needs. Bucher Municipal used the closure of one of its biggest suppliers of components' plants in 2016 as an opportunity to step up its own production of product parts once more. The division purchased materials and services from some 3 800 suppliers in 2016.

(G4-12/G4-13)

Bucher Hydraulics works with around 700 suppliers. Although each competence centre within the division is responsible for its supplier base, the number of suppliers serving more than one production site is going up every year. This is in line with the aim of obtaining 80% of purchase volume from key partners of the division. In the reporting year, Bucher Hydraulics reduced the number of its “conditional suppliers”. Together, the individual competence centres and suppliers evaluated a total of nine criteria. Points were allocated to each criterion according to target achievement. Suppliers were grouped into performance categories based on the points score they achieved.

Bucher Emhart Glass has a group-wide purchasing department: it links up the decentralised purchasing functions and establishes the purchasing process, the relevant procedures and the basic direction for the purchasing department. Functional teams are responsible for individual areas. The division continued the harmonisation process within its global supply chain by strengthening the collaboration between the regional teams responsible for purchasing and warehousing. In the reporting year, Bucher Emhart Glass also reduced its number of suppliers to 320. This measure will continue to be applied in the coming years and will guarantee improved relationships with individual suppliers.

In 2016, Bucher Vaslin made the majority of its purchases from suppliers in Europe.

The **Bucher Specials** business unit Bucher Vaslin made the majority of its purchases from suppliers in Europe in 2016. The company works with a small number of suppliers in the purchase of its raw materials; they are selected and monitored using a specific risk management system. Due to its very high proportion of exports, Bucher Unipektin was forced to relocate its local purchasing volume to “best-cost countries” following the rise in the value of the Swiss franc. In 2016, the company only purchased 28% of its material requirements in Switzerland. The remainder was mainly purchased in western and eastern Europe. As part of its “Local Content Initiative”, Bucher Unipektin is continuing to increase the proportion of materials purchased in its local sales markets. Along with the construction of complete filtration systems for the local market, the first vacuum drying cabinet was manufactured in China in 2016. Bucher Landtechnik is a company trading in agricultural machinery with a focus on the Swiss market. In 2016, it purchased all products from three European manufacturers. In the reporting year, Jetter worked with around 900 suppliers, mainly from Germany and Switzerland.

Awards

Three of Bucher Industries' five divisions received awards for sustainability in the reporting year.

Bucher Municipal The division-owned Johnston Sweepers in Great Britain received the Toast of Surrey Green Award for investment in a new company building in 2016.

Bucher Emhart Glass received the American Society for Quality (ASQ) Team Award for its extracontractual franchising process which uses the "TrackWise" quality management system.

The **Bucher Specials** business unit Bucher Unipektin won the IFU Award for Significant Contribution in 2016 for its many years of active support for the fruit juice industry.

Number and composition of employees

(G4-10)

The creative ideas and dedication of our 11 175 employees worldwide are vital to the creation of real and enduring value for our customers.

The number of employees at the end of 2016 was nearly 1% higher than the previous year, adjusted for acquisitions the decrease was around 2%. The regional structure of employees reveals the extent of the internationalisation of the Group's business: around 64% of Group employees work in Europe, 21% in North and South America, 12% in Asia and 3% in other continents.

Group: general information about employees (FTE)

| | Change in | | |
|----------------------------------|---------------|---------------|-------------|
| | 2016 | 2015 | % |
| Number of employees | | | |
| Permanent | 9 953 | 9 888 | 0.7% |
| Temporary | 1 222 | 1 184 | 3.2% |
| Total number of employees | 11 175 | 11 072 | 0.9% |
| Regional structure | | | |
| Switzerland | 930 | 968 | -3.9% |
| Europe | 6 211 | 5 967 | 4.1% |
| Asia | 1 360 | 1 396 | -2.6% |
| America | 2 398 | 2 490 | -3.7% |
| Other | 276 | 251 | 10.0% |
| Total number of employees | 11 175 | 11 072 | 0.9% |

Data source: All employees of the Group as per consolidation in the accounts in the Annual Report 2016. Temporary employees also include trainees. In 2016 there were 282 places for trainees; in 2015 the number was 263 (in FTE).

At the most important production sites, the number of employees decreased year on year. At the end of 2016, the headcount was 9 077, i.e. 3% less than the previous year. The proportion of employees on temporary contracts showed a particularly marked decline, falling by 27%. The ratio of part-time employees remained unchanged at about 4%. The proportion of female employees at the production sites was constant at 13.6%. The proportion was higher in Switzerland, Asia and America; in the other European countries and other continents, the proportion was below average.

(G4-10/G4-11)

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

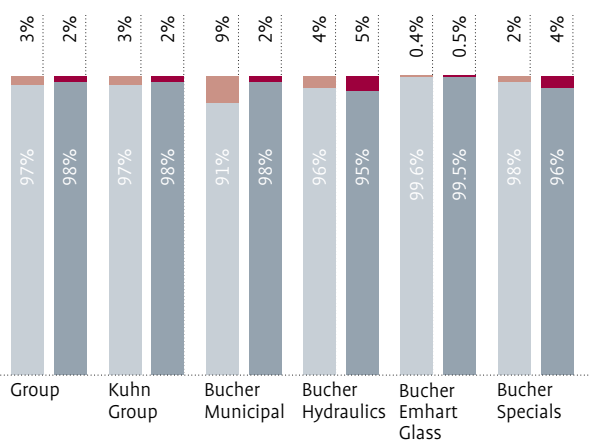
| | Female | Male | Total | Total | Change in |
|---|--------------|--------------|--------------|--------------|--------------|
| | | | 2016 | 2015 | % |
| Number of employees | | | | | |
| Permanent | n.a. | n.a. | 8 853 | 9 046 | -2.1% |
| Temporary | n.a. | n.a. | 224 | 308 | -27.3% |
| Total employees (headcount) | 1 230 | 7 847 | 9 077 | 9 354 | -3.0% |
| Part-time | n.a. | n.a. | 361 | 366 | -1.4% |
| Percentage part-time | n.a. | n.a. | 4.0% | 3.9% | 2.0% |
| Regional structure | | | | | |
| Switzerland | 132 | 638 | 770 | 793 | -2.9% |
| Europe | 599 | 4 316 | 4 915 | 4 999 | -1.7% |
| Asia | 179 | 927 | 1 106 | 1 140 | -3.0% |
| America | 309 | 1 870 | 2 179 | 2 296 | -5.1% |
| Other | 11 | 96 | 107 | 126 | -15.1% |
| Total employees (headcount) | 1 230 | 7 847 | 9 077 | 9 354 | -3.0% |
| Employees with collective agreement | n.a. | n.a. | 4 792 | 4 887 | -1.9% |
| Percentage with collective agreement | n.a. | n.a. | 52.8% | 52.2% | 1.1% |

Data source: Employees at the 36 most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff.

By contract type

■ Permanent ■ Temporary

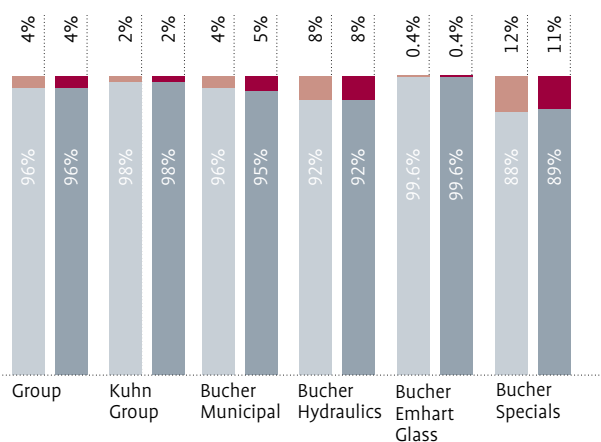
2015 2016



By employment type

■ Full-time ■ Part-time

2015 2016



Diversity of employees

(G4-DMA/G4-LA12)

The high technological, commercial and environmental demands placed on the machinery and facilities developed and produced by Bucher Industries could not be met without a wide range of well-qualified employees. The Group offers employees attractive jobs and opportunities for personal development.

The age profile of the workforce at the 36 most important production plants across the Group showed a further slight increase in the number of employees aged over 50. The proportion of staff in this age group at management level fell by as much as 10 percentage points, while the proportion of 30 to 50 year olds increased. The distribution of staff by gender at the production plants remained stable. Women continue to be underrepresented in management and the general workforce. Christina Johansson took over as the new CFO with effect from the fourth quarter of 2016, becoming the first female member of Group Management.

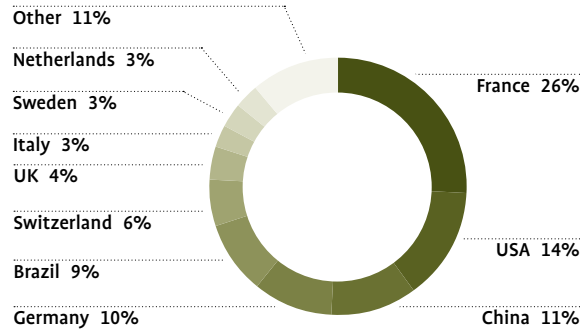
Diversity of personnel (percentage share)

| | Employees at the most important production sites | Management | Group Management | Board of Directors |
|----------|--|------------|---------------------|--------------------|
| | 2016 | | | |
| Female | 13.6% | 5.3% | 14.3% | 14.3% |
| Male | 86.4% | 94.7% | 85.7% | 85.7% |
| Under 30 | 17.7% | 0.0% | 0.0% | 0.0% |
| 30–50 | 53.7% | 44.7% | 28.6% | 28.6% |
| Over 50 | 28.6% | 55.3% | 71.4% | 71.4% |
| | 2015 | | | |
| Female | 13.6% | 7.9% | 0.0% | 14.3% |
| Male | 86.4% | 92.1% | 100.0% | 85.7% |
| Under 30 | 19.7% | 0.0% | 0.0% | 0.0% |
| 30–50 | 53.9% | 34.2% | 28.6% | 28.6% |
| Over 50 | 26.4% | 65.8% | 71.4% | 71.4% |

Data source: Employees at the 36 most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff, as well as management, Group Management and the Board of Directors of the Group as a whole.

(G4-DMA/G4-LA12)

Top 10 nationalities



Data source: Employees at the 36 most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff.

More than half of all employees (over 55%) come from Europe. The nationalities most commonly employed are French (26%), German (10%) and Swiss (6%). 14% of the workforce is from the USA, 11% from China and 9% from Brazil.

Diversity in the divisions

Kuhn Group is currently facing tough competition in the labour market. It is a challenge to compete for the best talent with larger companies that can offer their employees higher wages or better benefits packages. This primarily concerns well-qualified and specialised positions such as engineers and welders. The high level of seasonality and cyclical nature of the agricultural industry is another challenging factor, as it means that well-qualified or temporary employees may have to be found at short notice when there is an economic upturn. Kuhn Group aims to reinforce its reputation as an attractive local and international employer through its presence at important job fairs and by organising open days. Current employees are being offered attractive terms of employment and interesting opportunities for initial training and further professional development. As part of a targeted programme, young employees in key positions are being given the opportunity to spend extended periods working at different Kuhn Group sites to promote the interchange of experience.

Bucher Municipal was similarly affected by an increasingly competitive labour market in 2016. The division also set itself the ambitious goal of taking on more women at the industrial plants, which are still predominantly male. There were some isolated success stories, such as the hiring of well-qualified women in a paint shop. In Denmark, Ireland and the USA, suitable candidates were found for the advertised vacancies, despite the low unemployment rate. To increase the attractiveness of the company for well-trained workers, Bucher Municipal works in close cooperation with universities and other training facilities. Various plants also offer training places for apprentices as well as internships. The exchange of workers between the different production sites is also encouraged to ensure employees can build up international experience.

(G4-DMA/G4-LA12)

Bucher Hydraulics Employees with hydraulics expertise are in particularly short supply. The dearth of experienced specialists prompted Bucher Hydraulics to transfer manufacturing operations from one location to another. And to increase the chances of beating the competition for well-qualified IT specialists, Bucher Hydraulics concentrated its IT activities at a site that is more attractive for candidates.

At **Bucher Emhart Glass** the challenges in recruiting employees vary from region to region: although there were sufficient specialists available in Sweden in 2015, it was more difficult to find qualified engineers and machine operators in the reporting year. In the USA, software engineers are in particular demand. In view of the big difference in salary levels between Malaysia and neighbouring Singapore there is growing competition for highly qualified employees, making it difficult to find and retain the necessary skills.



Finding well-qualified specialised engineers remains a challenge.

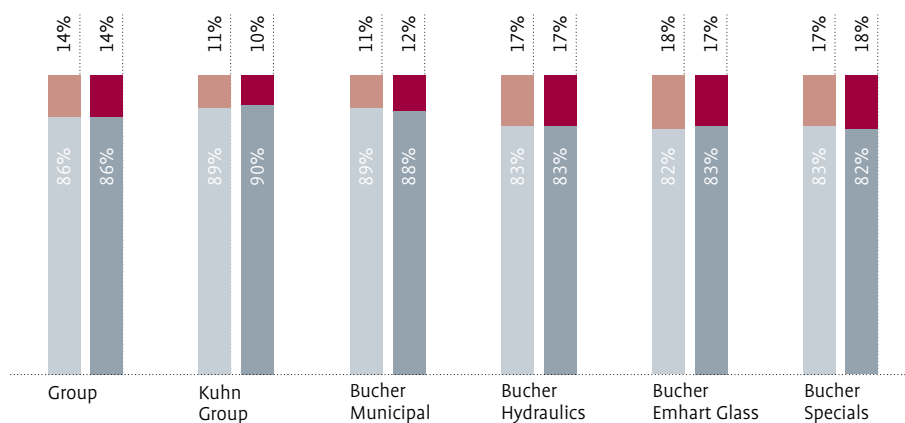
Bucher Vaslin, which is part of **Bucher Specials**, has great difficulty finding professional stainless steel welders and electricians. The biggest challenge at Bucher Unipektin is to attract and retain young, highly qualified specialists. Accordingly, the company is strengthening its presence on specific online platforms and stepping up its cooperation with Swiss and German universities. Internal training and knowledge transfer are promoted through specific training programmes. Thanks to Bucher Landtechnik's strong brands, the business unit has no problem recruiting well-trained employees and is constantly investing in training. Jetter is seeking more research and development specialists with specific know-how in the field of functional safety. A further challenge is finding experienced application engineers. For clearly defined projects, the company is increasingly relying on recruitment agencies for temporary staff.

(G4-LA12)

By gender

Male Female

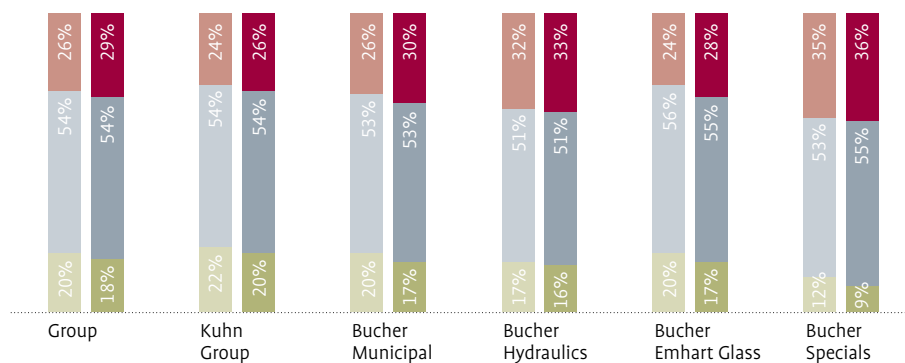
2015 2016



By age group

Under 30 30 to 50 Over 50

2015 2016



Data source: Employees at the 36 most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff. Note: As a result of rounding differences, the individual values in the graphic may not add up to exactly 100%.

New hires and staff turnover

(G4-DMA/G4-LA1)

Bucher Industries wishes to retain its highly qualified employees and, in view of the older age structure of the workforce, recruit young and female staff to strengthen diversity and know-how within the Group.

The rate of new hires on average across the Group was 7% in 2016. The average turnover rate at the most important production sites fell to 11% in 2016 (2015: 12%). In the reporting year, the female staff turnover rate was 12% (2015: 15%), while that of workers under 30 years of age was above average at 19%. The latter figure was reduced significantly year-on-year and was almost at the same level as the rate of new hires (19%). The proportion of women among the new hires was below average.

New hires and staff turnover

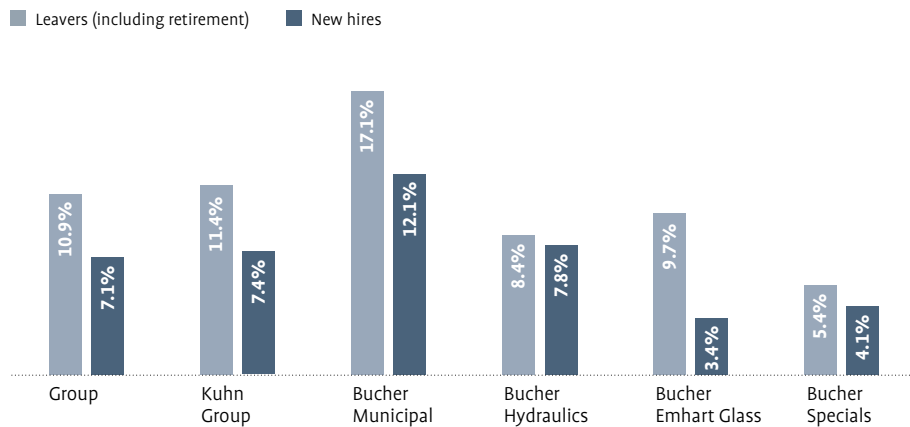
| | Employees joining (Headcount) | Rate of new hires | Employees leaving (Headcount) | Turnover rate | Employees leaving (Headcount) | Turnover rate |
|--------------|-------------------------------------|----------------------|-------------------------------------|---------------|-------------------------------------|---------------|
| | 2016 | | | | 2015 | |
| Female | 83 | 6.7% | 150 | 12.2% | 189 | 14.9% |
| Male | 548 | 7.0% | 811 | 10.3% | 941 | 11.6% |
| Total | 631 | 7.1% | 961 | 10.9% | 1 130 | 12.4% |
| under 30 | 299 | 18.6% | 303 | 18.9% | 432 | 23.4% |
| 30-50 | 282 | 5.8% | 395 | 8.1% | 446 | 8.8% |
| Over 50 | 50 | 1.9% | 263 | 10.1% | 252 | 10.1% |
| Total | 631 | 7.1% | 961 | 10.9% | 1 130 | 12.4% |
| Switzerland | 48 | 6.3% | 74 | 9.8% | 78 | 10.0% |
| Europe | 263 | 5.6% | 338 | 7.2% | 406 | 8.5% |
| Asia | 24 | 2.2% | 126 | 11.4% | 103 | 9.0% |
| America | 279 | 12.8% | 396 | 18.2% | 531 | 23.2% |
| Other | 17 | 16.2% | 27 | 25.8% | 12 | 10.6% |
| Total | 631 | 7.1% | 961 | 10.9% | 1 130 | 12.4% |

Data source: Employees at the 36 most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff. The rates refer to permanent employees and also take retirement into account. In the data collection by gender and age group, the rates refer to permanent and temporary staff. The data basis does not permit calculation of rates solely for permanent staff. The resulting inaccuracy is very slight because the proportion of temporary staff is low. Retrospective retrieval of the number of new hires for 2015 was no longer possible.

(GG4-DMA/G4-LA1)

In the other countries, the turnover rate saw a sharp increase. The turnover rate remained above average at the production sites in North and South America. Asia showed a marked rise in turnover rate from 9% to 11%, coming in slightly above average. Moreover, the number of new hires compared with other regions was the lowest (2%). Europe saw the most marked reduction in turnover rate, falling to the lowest level group-wide of 7%. In Switzerland, the rate fell to slightly below 10%.

New hires and staff turnover in 2016



Data source: Employees at the 36 most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff.

In 2016, departures outnumbered new hires in all divisions. Bucher Hydraulics and Bucher Specials showed the least difference between departures and new hires. At Bucher Municipal (17%), Kuhn Group (11%) and Bucher Emhart Glass (10%), the rate of departures was highest. Bucher Municipal recorded the most new hires at 12%, while Kuhn Group was only slightly above the average for the whole Group. Bucher Emhart Glass made the fewest new hires and showed the biggest difference between departures and new hires.

Training and education

(G4-DMA/G4-LA9)

Lifelong learning is a central part of long-term personal development. In-house and external training courses at all Group levels are important success factors.

Since 2004, Bucher Industries has organised a targeted development scheme for upcoming members of management at Group level. Talented young managers are recommended at divisional level for courses of four modules providing an insight into the tasks and roles involved in the Group. Key topics are strategic management, financial and risk management, processes and instruments as well as leadership skills and human resource management. Since 2004, over 130 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.



Talented young managers are selected and actively promoted.

Ongoing training of employees is of central importance in the individual Group companies as well. Induction days for new staff help them gain an insight into the corporate culture and approaches to management as soon as they take up their positions. Bucher Industries also offers a broad range of opportunities to improve their qualifications on a continuous basis. Specialist training opportunities focus on engineering, IT and software, management and leadership, compliance, health, safety and environmental protection, project management and communication. Technical skills are in particularly high demand. Other training courses include lean management as well as quality management with ISO certification and Six Sigma methods. The IT training focuses mainly on CAD and ERP systems. In the field of leadership and management, there are internal and external seminars on topics such as conflict management and self-management, team development, change management and managerial skills as well as courses of study that lead on to an MBA.

Bucher Municipal started a three-stage training programme for service technicians at its refuse collection vehicles business in 2016. At its customer service centre, the company set up a permanent training facility, supported by a mobile training programme for international service technicians.

Bucher Hydraulics focused in the reporting year on the education and training of its field service: the marketing department organised targeted product/application training for sales personnel.

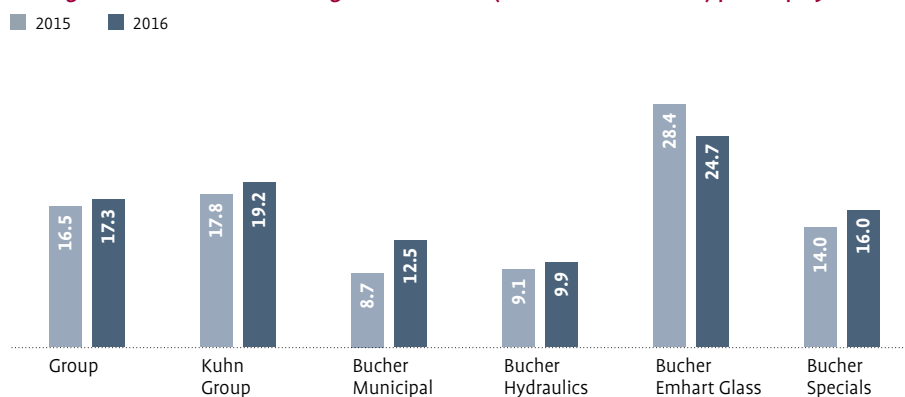
(G4-DMA/G4-LA9)

Bucher Emhart Glass introduced a training platform in Malaysia. The platform offers employees goal-oriented training courses put together by divisional heads with the human resources department.

The companies belonging to **Bucher Specials** improved and standardised the induction process for new employees and conducted product/application training for sales personnel. Bucher Landtechnik conducted a web-based training course on combating corruption. Jetter offered internships in external and internal services.

The average number of hours of internal and external training and education at the 36 most important production sites during the reporting year was 17.3 hours per employee (2015: 16.5 hours). Only the Bucher Emhart Glass division saw the number of hours decrease year on year. The most marked increase in the number of hours was at Bucher Municipal. Many Bucher Industries Group companies provide placements for apprentices, interns and trainees. In the reporting year, the Group had 282 apprenticeships (in full-time equivalents / 2015: 263).

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



Data source: Employees at the 36 most important production sites and one research centre, not including apprentices, trainees, interns and temporary staff.

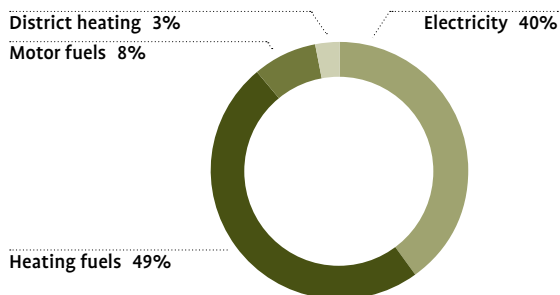
Environmental indicators

Bucher Industries takes the challenges of climate change seriously and aims to make further reductions in the consumption of energy and materials. The Group invests continuously in the maintenance and modernisation of its production plants. The volume of relevant investment in the reporting year was CHF 76 million (2015: CHF 75 million).

In 2016, energy consumption by the Group decreased as in the previous year by 3%, while sales fell by 7% after adjustment for currency and acquisition effects. Measured against sales, energy consumption in production processes rose at various locations, despite the saving measures introduced. Bucher Municipal, for example, was able to save 271 963 KWh by installing new LED lighting systems in production plants. The cost of energy consumption at the most important production plants fell by CHF 2 million, a decrease of 9% compared with 2015. The main drivers were the reduction of energy consumption (–3%) and lower energy prices. CO₂ emissions across the Group were also reduced by 3% in the reporting year (previous year: –1%).

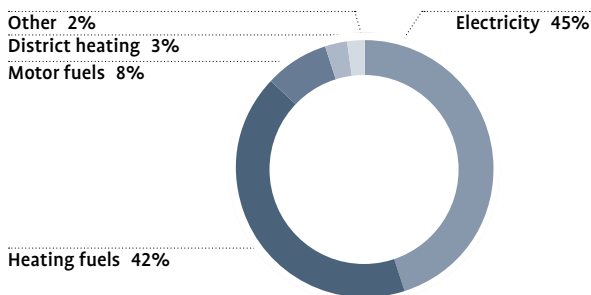
Energy consumption, by activity

Total 337 741 MWh



Greenhouse gas emissions, by activity

Total 83 778 tCO₂e



Data source: Consumption of resources by the 36 most important production sites and one research centre

Energy consumption by the most important production plants showed a slight shift towards heating fuels (+1 percentage point), while the share of electricity and motor fuel consumption was slightly down (–1 percentage point). The share of district heating remained constant. Electricity usage continues to account for the biggest proportion of greenhouse gas emissions. However, these decreased year on year (–1 percentage point). The proportion of heating fuel increased at the same rate as consumption (+1 percentage point).

Environmental indicators – Group

| | | 2016 | 2015 ¹⁾ | Change |
|---|--------------|----------------|--------------------|---------------------------|
| Energy consumption in MWh | | 337 741 | 349 466 | – 3% |
| Electricity | | 135 039 | 142 344 | – 5% |
| District heating | | 10 279 | 10 304 | – 0% |
| Heating fuels | Total | 165 044 | 167 277 | – 1% |
| Heating oil | | 8 390 | 7 489 | |
| Natural gas | | 146 864 | 148 637 | |
| LPG/propane | | 8 869 | 10 176 | |
| Wood | | 555 | 690 | |
| Diesel (emergency power) | | 366 | 285 | |
| Motor fuels | Total | 27 379 | 29 541 | – 7% |
| Diesel | | 14 821 | 15 971 | |
| Petrol | | 7 891 | 8 046 | |
| LPG/propane | | 4 216 | 4 932 | |
| Biodiesel | | 24 | 25 | |
| Bioethanol | | 427 | 568 | |
| CO₂ emissions in tCO₂e | Total | 83 778 | 86 436 | – 3% ²⁾ |
| Scope 1 | Total | 43 588 | 44 435 | – 2% ³⁾ |
| Heating fuels | | 35 206 | 35 864 | |
| Motor fuels | | 6 930 | 7 442 | |
| Volatile gases (e.g. refrigerants) | | 1 317 | 1 004 | |
| Process emissions (e.g. welding processes) | | 135 | 125 | |
| Scope 2 | Total | 40 190 | 42 001 | – 4% ⁴⁾ |
| Electricity | | 37 908 | 39 713 | |
| District heating | | 2 282 | 2 288 | |
| Biogenic CO₂ emissions | | 343 | 434 | |
| Energy sold to third parties | | – 491 | – 691 | |
| Water consumption in m³ | Total | 334 209 | 379 662 | – 12% |
| Drinking water | | 192 565 | 207 992 | |
| Process water | | 80 392 | 89 829 | |
| Collected rainwater | | 61 252 | 81 842 | |
| Waste water in m³ | Total | 327 592 | 369 785 | – 11% |
| Municipal sewage plant | | 325 665 | 368 071 | |
| Seepage water | | 675 | 622 | |
| Release into water bodies | | 515 | 510 | |
| External processing | | 737 | 582 | |

Data source: Consumption of resources by the 36 most important production sites and one research centre. Note:

As a result of rounding differences the individual values in the graphic may not add up exactly to the total values.

¹⁾ Individual consumption values for energy, water and waste water were adjusted retrospectively for 2015. The data for 2015 therefore differs to some extent from the values reported the previous year.

²⁾ The greenhouse gas emissions were calculated in accordance with the Greenhouse Gas Protocol and ISO standard 14064. CO₂ emissions from electricity usage were calculated using the location-based approach. These values are also approximately valid for the market-based approach. More up-to-date emissions factors and the latest global warming potentials (GWPs) from the fifth IPCC (AR5) report were used. The data for 2015 therefore differs to some extent from the values reported the previous year.

³⁾ Scope 1: Emissions from direct energy usage and non-energetic processes.

⁴⁾ Scope 2: Emissions from indirect energy usage. The greenhouse gas emissions associated with electricity consumption are reported in line with a location-based approach in accordance with the Greenhouse Gas Protocol scope 2 standards and are also approximately valid for the market-based approach.

Dynamics of consumption vary across the divisions At Kuhn Group the marked decline in production resulted in lower energy consumption (–6%). In addition, the division recorded an even greater reduction in water consumption (–16%). At Bucher Municipal, energy consumption rose by 3%. This was due to increased production in Great Britain and the weather-related increase in heating requirements. On the other hand, the merger of two production plants in Great Britain resulted in a significant reduction in water consumption (–15%). At Bucher Hydraulics, energy consumption remained constant, despite the growth in sales; water consumption was slightly lower. At Bucher Emhart Glass, energy consumption (–3%) and water consumption (–5%) were lower despite an increase in sales. The companies consolidated under Bucher Specials reported a marked increase in energy consumption (+7%) in 2016. Water consumption decreased by 7%.

Environmental indicators – Divisions

| | Energy consumption in MWh | | | CO ₂ emissions in tCO ₂ e | | | Water consumption in m ³ | | |
|---------------------|---------------------------|---------|--------|---|--------|--------|-------------------------------------|---------|--------|
| | 2016 | 2015 | Change | 2016 | 2015 | Change | 2016 | 2015 | Change |
| Kuhn Group | 186 821 | 198 421 | – 6% | 37 814 | 39 580 | – 4% | 181 230 | 216 044 | – 16% |
| Bucher Municipal | 25 706 | 24 956 | + 3% | 7 528 | 7 618 | – 1% | 26 857 | 31 441 | – 15% |
| Bucher Hydraulics | 42 980 | 42 766 | + 0% | 14 457 | 14 375 | + 1% | 34 253 | 35 347 | – 3% |
| Bucher Emhart Glass | 69 920 | 71 762 | – 3% | 21 274 | 22 214 | – 4% | 85 140 | 89 612 | – 5% |
| Bucher Specials | 12 314 | 11 562 | + 7% | 2 704 | 2 648 | + 2% | 6 730 | 7 218 | – 7% |

Data source: Consumption of resources by the 36 most important production sites and one research centre.

Note: As a result of rounding differences the individual values in the graphic may not add up exactly to the total values at Group level.

No environmental pollution, environmental incidents or fines In the reporting year (as in the previous year), there were no incidents involving significant releases of chemicals or emissions. There were no legal proceedings involving significant environmental incidents pending against any Group company. In the reporting year (as in 2015), there were no significant fines or other (i.e. non-monetary) sanctions for environmental issues.

Compliance with laws

(G4-56/G4-DMA/G4-SO7/G4-SO8)

Compliance with laws is an essential prerequisite for sustainable corporate development. The Code of Conduct, which was introduced in 2009 and applies across the whole Group, forms the basis for an appropriate corporate culture.

All staff at Group companies received the Code of Conduct when it was introduced. Employees with company e-mail addresses undergo online training when they join. The most recent group-wide refresher course was conducted in 2015. All the Group guidelines on the subject of compliance are based on the Code of Conduct.

At Group level, in the divisions and locally, compliance officers are available to give advice. They help with the implementation of the Code of Conduct and the guidelines, report regularly to Group Management and are contact persons for management and personnel who have queries on compliance. The monitoring and implementation of compliance is checked by internal audits. In the reporting year, an internal newsletter was launched to address the issue of the group-wide organisation of compliance. It is distributed on a regular basis.

Two meetings are held every year for group-wide training of compliance officers. The compliance officers will also receive special further training courses and they will have access to detailed documentation on various compliance-related issues.

As already mentioned on page 9, the Swiss Competition Commission (COMCO) is currently conducting an investigation into Bucher Landtechnik AG in Niederweningen, Switzerland. Bucher Industries AG is cooperating fully with COMCO and assisting in every way to help clear the matter up.

During the reporting period (as in 2015), no significant fines or non-monetary sanctions for breaches of legal regulations were imposed on Bucher Industries.

Anti-corruption

(G4-DMA/G4-SO4/G4-SO5)

Overriding principles on the issue of corruption and combating corruption are set out in the Group's Code of Conduct, introduced in 2009. Two group-wide directives provide further specific detail: the anti-corruption guideline and the guideline on collaboration with intermediaries.

The **anti-corruption guideline** addresses the risks relevant to all management roles in the Group and all other employees in exposed functional areas. These include 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. The guideline was distributed to employees during its introduction. All employees with company e-mail addresses have completed an online training session on the subject of anti-corruption. Participation in the training is compulsory and is monitored. The guideline and online training are also made available to new employees in the same way.

The **guideline on collaboration with intermediaries** describes binding measures to prevent corruption. Before collaboration with a new intermediary can be commenced, a specific examination and risk assessment takes place. An internal approval procedure must also be complied with. The introduction of the guideline began in the reporting year and its implementation will be checked by means of an internal audit.

In cases of suspected corruption, employees can turn to divisional compliance officers, a Group compliance officer, their superior or the Group CEO as contact persons. It is not necessary to follow the line management chain in such circumstances.

In the period under review (as in 2015), no corruption-related proceedings were pending. Alert employees were able to stop some isolated attempts at corruption by suppliers group-wide. In a few cases, suppliers and employees received written warnings. In individual cases, acceptance of gifts from suppliers was monitored by divisional management in consultation with compliance.

Memberships and initiatives

(G4-15/G4-16)

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

- SwissHoldings (Bucher Industries)
- Swissmem (Bucher Industries and various Group companies)
- Swiss Employers' Association (Bucher Industries)
- American Chamber of Commerce (Bucher Industries)
- Swiss-Chinese Chamber of Commerce (Bucher Industries)
- Agricultural Industry Electronics Foundation (Kuhn Group)
- AXEMA, Union des Industriels de l'Agroéquipement (Kuhn France, Bucher Vaslin)
- German Mechanical Engineering Industry Association (Kuhn Europe, Bucher Hydraulics, Jetter)
- CEMA (Kuhn Europa)
- American Society of Agricultural and Biological Engineers (Kuhn USA)
- Association of Equipment Manufacturers (Kuhn USA)
- Associação Brasileira da Indústria de Máquinas e Equipamentos (Kuhn Brazil)
- Farm Equipment Manufacturers Association (Kuhn USA)
- National Agri-Marketing Association (Kuhn USA)
- Association of Equipment Manufacturers (Kuhn USA)
- Union des Industries et des Métiers de la Métallurgie (Kuhn France)
- ISO working groups (various Kuhn Group companies)
- EUnited Association (Johnston Sweepers, Bucher Municipal Winter)
- Chartered Institute of Waste Management (Johnston Sweepers, UK)
- Keep Britain Tidy (Johnston Sweepers, UK)
- Institute of Customer Service (Johnston Sweepers, UK)
- European Normalisation Committee (Bucher Municipal Winter)
- United Municipal Equipment European Association – Winter Maintenance (Bucher Municipal Winter)
- Italian Automotive Industry Association: environmental vehicles section (Bucher Municipal Winter)
- Municipal Vehicles and Equipment Industry Association (VAK) (Bucher Municipal Winter, Deutschland)
- CISMA France (Bucher Municipal Winter, France)
- Assofluid (Bucher Hydraulics, Italy)
- National Fire Protection Association (Bucher Hydraulics, USA)
- International Partners in Glass Research (Bucher Emhart Glass)
- Food Packaging Forum (Bucher Emhart Glass)
- Federation of Malaysian Manufacturers (Bucher Emhart Glass, Malaysia)
- Association of Swedish Engineering Industries (Bucher Emhart Glass, Sweden)
- Glass Packaging Institute (Bucher Emhart Glass, USA)
- ADPETA (Bucher Vaslin)
- France Agri Mer (Bucher Vaslin)
- Vignerons indépendants de France (Bucher Vaslin)
- European Fruit Juice Association (Bucher Unipektin)
- European Cider and Fruit Wine Association (Bucher Unipektin)
- International Fruit and Vegetable Juice Association (Bucher Unipektin)
- Zurich Chamber of Commerce (Bucher Unipektin)
- Ostschweizer Interessengemeinschaft (Bucher Unipektin)
- Schweizerischer Verband der Direktverkaufsfirmer (Bucher Unipektin)
- Schweizer Obstverband – swissfruit (Bucher Unipektin)
- Switzerland Global Enterprise (Bucher Unipektin)
- Technische Kundendienst-Kammer (Bucher Unipektin)
- Verband der Agrargewerblichen Wirtschaft (Bucher Unipektin)
- German Fruit Juice Industry Association (Bucher Unipektin)
- Swiss Agricultural Machinery Association (Bucher Landtechnik)
- Schweizerische Interessengemeinschaft der Fabrikanten und Händler von Kommunalmaschinen und Kommunalgeräten (Bucher Landtechnik)

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

- Global Reporting Initiative (Bucher Industries)
- Authorized Economic Operator (various Kuhn Group subsidiaries)
- Blue Competence, Germany (Bucher Hydraulics)
- Conflict Minerals Act (Bucher Emhart Glass)
- SUVA Safety Charter (Bucher Unipektin)

GRI content index

(G4-32/G4-33)



The GRI content index shows where in the Annual Report 2016 or Sustainability Report 2016 information on the various performance indicators is given. The Sustainability Report 2016 by Bucher Industries was submitted to the GRI Content Index Service for checking. After successfully completing the Content Index service, GRI verified the accuracy of the GRI Content Index of the report.

All indicators discussed are considered to be reported in full; explicit reference is made (with the comment: "partial information") where an indicator is only partly reported.

The remuneration report, consolidated financial statements and the accounts of the holding company in the Annual Report 2016 were examined by the external auditing company Price-waterhouseCoopers AG (see Annual Report 2016, pages 62, 112 and 122). The Sustainability Report was not subjected to any external examination.

General standard disclosures

(G4-32)

| General Standard Disclosures | Page |
|---|--|
| Strategy and Analysis | |
| G4-1 | Sustainability Report 2016, p. 3 |
| Organisational Profile | |
| G4-3 | Sustainability Report 2016, p.55 |
| G4-4 | Annual Report 2016, pp. 10–11 Sustainability Report 2016, p. 4 |
| G4-5 | Annual Report 2016, p. 118 |
| G4-6 | Annual Report 2016, pp. 109–111 Sustainability Report 2016, p. 24 |
| G4-7 | Annual Report 2016, pp. 44–45 |
| G4-8 | Annual Report 2016, pp. 14, 20, 26, 32, 38 |
| G4-9 | Annual Report 2016, inside cover and pp. 125–128 |
| G4-10 | Sustainability Report 2016, pp. 24, 35–36 |
| G4-11 | Sustainability Report 2016, p. 36 |
| G4-12 | Sustainability Report 2016, pp. 32–33 |
| G4-13 | Annual Report 2016, pp. 84–86 Sustainability Report 2016, pp. 32–33 |
| G4-14 | Sustainability Report 2016, p. 12 |
| G4-15 | Sustainability Report 2016, p. 50 |
| G4-16 | Sustainability Report 2016, p. 50 |
| Identified Material Aspects and Boundaries | |
| G4-17 | Annual Report 2016, pp. 109–111 Sustainability Report 2016, p. 55 |
| G4-18 | Sustainability Report 2016, p. 7 |
| G4-19 | Sustainability Report 2016, pp. 7, 9, 56 |
| G4-20 | Sustainability Report 2016, p. 56 |
| G4-21 | Sustainability Report 2016, p. 56 |
| G4-22 | Sustainability Report 2016, p. 55 |
| G4-23 | Sustainability Report 2016, p. 55 |
| Stakeholder Engagement | |
| G4-24 | Sustainability Report 2016, pp. 7, 10–11 |
| G4-25 | Sustainability Report 2016, pp. 7, 10–11 |
| G4-26 | Sustainability Report 2016, pp. 10–11 |
| G4-27 | Sustainability Report 2016, pp. 10–11 |

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| General Standard Disclosures | Page |
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| Report Profile | |
| G4-28 | Sustainability Report 2016, p. 55 |
| G4-29 | Sustainability Report 2016, p. 55 |
| G4-30 | Sustainability Report 2016, p. 55 |
| G4-31 | Sustainability Report 2016, p. 55 |
| G4-32 | Sustainability Report 2016, pp. 51 – 54 |
| G4-33 | Sustainability Report 2016, p. 51 |
| Governance | |
| G4-34 | Annual Report 2016, pp. 47 – 49 Sustainability Report 2016, p. 12 Rules of organisation: http://www.bucherindustries.com/en/investor-relations/corporate-governance |
| Ethics and Integrity | |
| G4-56 | Policies: http://www.bucherindustries.com/en/about-us/mission-vision Code of Conduct: http://www.bucherindustries.com/en/investor-relations/corporate-governance Sustainability Report 2016, pp. 4, 12, 48 |

Specific standard disclosures

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| DMA and Indicators | Page | Omissions |
|--|---|-----------|
| Category: Economic | | |
| Material Aspect: Economic Performance | | |
| G4-DMA | Sustainability Report 2016, pp. 9, 12 | |
| G4-EC1 | Sustainability Report 2016, pp. 24–25 | |
| Category: Environmental | | |
| Material Aspect: Products and Services | | |
| G4-DMA | Sustainability Report 2016, pp. 8–9, 12, 14, 18, 22, 30–31 | |
| G4-EN27 | Sustainability Report 2016, pp. 14, 17, 18, 30–31 | |
| Category: Social | | |
| Sub-Category: Labor Practices and Decent Work | | |
| Material Aspect: Employment | | |
| G4-DMA | Sustainability Report 2016, pp. 8–9, 12, 17–18, 21–22, 41–42 | |
| G4-LA1 | Sustainability Report 2016, pp. 41–42 | |
| Material Aspect: Training and Education | | |
| G4-DMA | Sustainability Report 2016, pp. 8–9, 12, 18, 21–22, 43–44 | |
| G4-LA9 | Sustainability Report 2016, pp. 21, 43–44 | |
| Material Aspect: Diversity and Equal Opportunity | | |
| G4-DMA | Sustainability Report 2016, pp. 8–9, 12, 17–18, 21–22, 37–39 | |
| G4-LA12 | Sustainability Report 2016, pp. 37–40 | |
| Sub-Category: Society | | |
| Material Aspect: Anti-corruption | | |
| G4-DMA | Sustainability Report 2016, pp. 8–9, 49 | |
| G4-SO4 | Sustainability Report 2016, p. 49 | |
| G4-SO5 | Sustainability Report 2016, p. 49 | |
| Material Aspect: Anti-competition Behavior | | |
| G4-DMA | Sustainability Report 2016, pp. 8–9, 48 | |
| G4-SO7 | Sustainability Report 2016, pp. 9, 48 | |
| Material Aspect: Compliance | | |
| G4-DMA | Sustainability Report 2016, pp. 8–9, 48 | |
| G4-SO8 | Sustainability Report 2016, p. 48 | |
| Sub-Category: Product Responsibility | | |
| Material Aspect: Customer Health and Safety | | |
| G4-DMA | Sustainability Report 2016, pp. 8–9, 12, 14, 17, 21–22, 28–29 | |
| G4-PR2 | Sustainability Report 2016, pp. 14, 22, 28–29 | |
| Material Aspect: Products and Service Labeling | | |
| G4-DMA | Sustainability Report 2016, pp. 9, 12, 17, 26–27 | |
| G4-PR5 | Sustainability Report 2016, pp. 26–27 | |

About this report

(G4-3/G4-17/G4-22/G4-23/G4-28/G4-29/G4-30/G4-31)

This Sustainability Report 2016 from Bucher Industries draws on data from the 2015 and 2016 reporting years. A reporting year covers the period from 1 January to 31 December of the relevant year.

Scope of the report For the 2016 reporting year, all data in the sections on employees (pages 35 to 44) and on efficient use of resources in the production process (pages 45 to 49) for the 36 most important production sites and one research centre was collected in the same way as the previous year. In these cases, the data source covers around 80% of Group sales or 90% of Group employees. All other versions and data refer to the Group as a whole (as per the consolidated financial statements in the Annual Report 2016; for scope of consolidation see pages 109 to 111).

Adjustment of method of data collection / reformulation of information The greenhouse gas emissions were calculated in accordance with the Greenhouse Gas Protocol and ISO standard 14064. More up-to-date emissions factors and the latest Global Warming Potentials (GWPs) from the fifth IPCC report (AR5) were used. Some of the figures for 2015 are therefore different from those reported the previous year (see also footnote 2 to the table on page 46). As a result of corrections to various figures for the consumption of energy, water and waste water some of the figures shown here for 2015 differ from those reported the previous year. The figure for the number of hours of training per employee was recalculated using employee numbers excluding apprentices, trainees, interns and temporary staff. As such the basis for the calculation is now consistent with the other key figures reported. The adjustments were also applied retrospectively for 2015. The results therefore differ only little from the figures published previously.

The Bucher Industries Sustainability Report is published once a year, in June. Since 2015, the G4 guidelines of the Global Reporting Initiative (GRI) have been applied in accordance with the “core” option. Up to 2014, the GRI’s G3 Level C guidelines were used. GRI is the world’s leading index. More information can be accessed at www.globalreporting.org.

In the section on specific standard disclosures the report was limited to the material aspects, as per the GRI G4 guideline. For the breakdown of the material aspects, see page 7. An overview of the material aspects and the report boundaries within and outside the organisation is shown in the table on the following pages. At least one indicator per aspect is used for the report. Aspects not considered to be material aspects were not reported on (with the exception of the data on the environment).

The Bucher Industries Sustainability Report 2016 is only published online and in German and English (www.bucherindustries.com/en/about-us/sustainability).

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Material aspects and report boundaries within and outside the organisation

(G4-19/G4-20/G4-21)

| Material aspect | Indicator | Reference | Report boundaries within the organisation | | | Report boundaries outside the organisation | | | |
|---|--|-----------|---|------------------|-----------|--|-----------|-----------|---------|
| | | | Company overall | Production sites | Employees | Owner | Customers | Suppliers | Society |
| Economic value creation for stakeholders | Direct economic value generated and distributed (G4-EC1) | p. 25 | X | | X | X | X | X | X |
| Customer satisfaction | Results of customer satisfaction surveys (G4-PR5) | p. 26 | X | | | | X | | |
| Customer health and safety | Total number of instances of non-compliance with regulations and voluntary codes of conduct related to the impact of products and services on health and safety (G4-PR2) | p. 28 | X | X | | | X | | |
| Environmental impact of products and services | Scope of measures taken to combat the environmental impact of products and services (G4-EN27) | p. 30 | X | X | | | X | | X |
| Ability to attract and retain diverse, highly qualified employees | Diversity of personnel (G4-LA12) | p. 37 | X | | X | | | | |
| Ability to attract and retain diverse, highly qualified employees | Newly appointed staff and employee turnover (GA-LA1) | p. 41 | X | | X | | | | |
| Training and continuing education (including life-long learning) | Annual hours of training per employee (G4-LA9) | p. 43 | X | | X | | | | |
| Compliance with laws | Compliance (G4-SO8) | p. 48 | X | X | X | | | | X |
| Compliance with laws | Fair competition (G4-SO7) | p. 48 | X | X | X | | | | X |
| Combating corruption | Information and training on combating corruption (G4-SO4) | p. 49 | X | X | X | | | | X |
| Combating corruption | Confirmed cases of corruption and measures taken (G4-SO5) | p. 49 | X | X | X | | | | X |

