BUCHER

Sustainability
report

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Cover picture The pursuit of continuous innovation: this is what drives Arnaud Tiha (right) in his work as an engineer in Kuhn Group's R&D department. He develops new prototypes of agricultural machinery to help farmers and ranchers optimise food production while minimising the environmental impact of farming practices.

Dear Readers,

2021 was a year of strong demand for our products and services. At the same time, we faced challenges in production that intensified over the year: bottlenecks and delays in the supply chain, a tight labour market, and ongoing COVID-19 measures.

Our employees did everything in their power to ensure that customers received their orders on time. We believe that one reason for our employees' enormous commitment is the value Bucher creates for society, our lead topic for the 2021 reporting period. The awareness that our products and services contribute to a greater purpose is an important driver of employee satisfaction. In this report, five employees talk about their motivation for their work.

We finalised the review of our sustainability strategy and started implementing it. One major focus was on reducing CO_2 intensity at our production sites: We installed additional photovoltaic capacity on our roofs, increased the share of renewable electricity from the grid and replaced older production equipment with more energy-efficient machines.

Our commitment to further developing the efficiency and sustainability of our products, our strongest lever for lowering our ecological footprint, remained unchanged in 2021. The most important innovations are highlighted in this report.

I hope you enjoy reading our sustainability report 2021.

Jacques Sanche
Chief Executive Officer

About us

Our passion is to engineer trusted machinery solutions to sustainably feed the world, produce and preserve beverages, and to create, maintain and clean infrastructure for a safe and healthy life for all.

Our mission and vision

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

Our mission

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

Our goals

We seek to achieve superior profitability and a sound balance sheet through technological leadership, a strong market position and strict cost management. We will continue to build the Group through organic growth and innovation, as well as by acquiring and integrating selected, complementary businesses. We invest to reduce our ecological footprint.
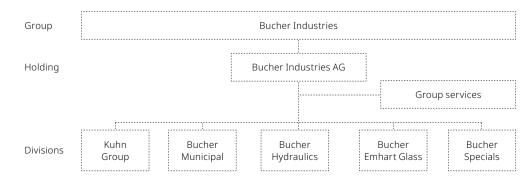
Bucher at a glance

Bucher Industries is a global technology group focused on meeting fundamental human needs. With production sites on five continents, approximately 13'600 employees and leading market positions in mechanical and vehicle engineering, the Group generated sales of CHF 3.2 billion in 2021. As a company with a long-term orientation, we strive to create value for all stakeholder groups.

Group structure

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

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

– **Kuhn Group,** a leading manufacturer of specialised agricultural machinery worldwide
– **Bucher Municipal,** a leading supplier of municipal vehicles and equipment worldwide
– **Bucher Hydraulics,** a leading international manufacturer of hydraulic and electrohydraulic systems
– **Bucher Emhart Glass,** the world's leading supplier of advanced technologies for the manufacturing and inspection of glass containers
– **Bucher Specials,** which comprises four individual business units (Bucher Vaslin, Bucher Unipektin, Bucher Landtechnik and Jetter).

Operational group structure

Group	Bucher Industries				
Holding		Bucher Industries AG			
			Group services		
Divisions	Kuhn Group	Bucher Municipal	Bucher Hydraulics	Bucher Emhart Glass	Bucher Specials

Solutions with a purpose

Bucher Industries' divisions manufacture capital goods that fulfil fundamental human needs. This commitment is ingrained in their mission statements and is part of the company's DNA. All divisions strive to constantly improve their products by adding environmental and social value, and work hard to anticipate future regulations and customer requirements to integrate them into their research and development projects.

Half of the Group's activities revolve around agriculture. As the world population increases and the focus on renewable resources intensifies, the need for food, bio-energy and bio-materials is also rising. Land and resources available for growing agricultural commodities and supporting livestock are finite. Therefore, Kuhn Group innovates constantly to create solutions that help agricultural producers reduce inputs and optimise the output from their farming operations. The division strives to ensure its equipment and services help minimise the environmental impact of farming practices, while enabling farmers and ranchers to produce food and other products as sustainably and efficiently as possible by utilising practices such as precision farming and conservation agriculture.

Bucher Municipal's products enhance the cleanliness and safety of public spaces and infrastructures. A major strategic initiative of the division revolves around the electrification of municipal vehicles to limit emissions and noise. In addition, the division offers digital services to support customers in managing their fleet as efficiently as possible, including data analysis to increase vehicle use efficiency and life span. For instance, its products can define the appropriate salt mix for various conditions.

Bucher Hydraulics components and solutions enable machines to perform heavy work with utmost precision, even in harsh environments. The division is working hard to reduce energy and heat loss in hydraulics by making improvements to hydraulic circuits. These include reducing pressure losses, regulating power demand and providing intelligent hydraulic systems with sensors and software. The trend toward the electrification of utility and specialty vehicles, driven by legal requirements to reduce CO_2 emissions, will cause demand for electrohydraulic systems to increase. Hence, the division strives to successfully combine electrotechnology and hydraulics to create highly energy-efficient solutions.

Glass is a renewable and sustainable material, but its production requires a significant amount of energy. Bucher Emhart Glass strives to improve the efficiency of the manufacturing process by using "End to End" technologies to interconnect the forming and inspection of glass containers by collecting data along the glass production line. This enables fine-tuned processes and real-time adjustments, which in turn optimise efficiency, limit the number of rejects and ultimately reduce associated emissions and costs.

The four businesses of Bucher Specials all work to improve the sustainability and efficiency of their products. Bucher Landtechnik, for instance, is working to integrate data into agricultural machinery. Likewise, the control systems manufactured by Jetter increase the efficiency and precision of the products into which they are integrated.

Good corporate governance

Corporate governance has traditionally been a high priority at Bucher Industries. Central management and oversight ensure that the company-wide values and standards are fulfilled and embraced in each division, every day.

High level of independence for divisions

Bucher Industries' five divisions are active in industrially related yet diverse markets. Each division has different customers with different needs, demands and requirements. Bucher Industries' decentralised structure is the heart of the company's success, providing a high level of independence to the divisions to enable strong alignment with the respective markets. This decentralised approach puts responsibility for management, performance and profit in the same place as the knowledge – at the division and site level. Bucher Industries trusts its divisions to succeed according to the demands of their industries.

At the central management level, the focus is on strategic planning, key financial figures, talent management, as well as standard values and prescribed governance requirements. These are documented in Group-wide policies, regulations and frameworks.

Group principles
Articles of association
Rules of organisation
Code of Conduct
Bucher Internal Control System (BICS)

Additional directives and guidelines at Group level define Bucher's internal organisation and the cooperation between the divisions and the Group. A policy on cyber security and directives on tax, financial management and reporting ensure that Group-wide standards and rules are upheld. The Group compensation system and the participation plan regulate compensation for top and upper management (see Employees and Compliance for further directives in these areas). These documents lay the basis for implementing the Bucher values, principles and organisation in a very pragmatic and down-to-earth manner. That ensures they are embodied by every division every day, each in line with their own directives and guidelines.

The board of directors consists of six to seven members with a broad array of backgrounds, though primarily from the manufacturing industry. Bucher believes having long-standing board members that have acquired deep insights into the company and its eight business areas is important so they can contribute fully to the strategic management and oversight of the diversified Group. To assist with its responsibilities, the board has an audit committee and a compensation committee.

Bucher Industries shares are registered on the main board of SIX Swiss Exchange. They are widely held by public shareholders. A group of shareholders organised under a shareholders' agreement, represented by Rudolf Hauser, Zurich, holds a total of 35.2% of the voting rights, as published in the latest Swiss Official Gazette of Commerce (SOGC) on 10 May 2005 and subsequent to the share capital reduction in June 2012.

Economic value creation

Bucher Industries' products and services enjoyed very strong demand during the reporting period. That was largely attributable to the very good economic development but also to catch-up effects and precautionary orders. Like the entire industrial sector worldwide, the divisions found themselves faced with bottlenecks and delays in the supply chain and logistics as well as rising material and transport costs. While these resulted in production challenges that intensified over the course of the reporting period, the divisions managed to cope with those challenges very well. Recruiting qualified employees became increasingly difficult. Sales were up 16% year on year and slightly exceeded the 2019 figures.

The operating profit margin rose to 11.1% and profit for the year increased to CHF 269 million. The return on net operating assets after tax (RONOA) was 25.6%, above the long-term target of 20%. The equity ratio remained strong and nearly unchanged at 55%. Employment costs were at CHF 814 million and expenses for raw materials, components and consumables at CHF 1'703 million. The reporting period saw the Group make further investments in projects aimed at securing its long-term success. The main focus was on the construction projects of Bucher Municipal in the UK and Bucher Hydraulics in Germany. Investments were also made in external growth through several acquisitions.

For more detailed information about Bucher Industries' financial performance in 2021, please refer to the annual report 2021.

Sustainability strategy

Corporate sustainability principles are firmly anchored in Bucher Industries' mission and vision. Ensuring sustainable growth by taking a consistent, long-term view and applying a broad stakeholder approach is integral to Bucher Industries' corporate strategy. We use resources with care and aim to continuously reduce our ecological footprint.

Material topics

Bucher Industries identified the most relevant economic, environmental, social and governance topics for the company in consultation with employees, customers and investor representatives. The resultant material topics are integral to the company's four-pillar sustainability strategy.

The topics prioritised as most material in collaboration with employees, customers and investor representatives are reviewed on a regular basis. Certain material topics were updated in 2019 whereas 2020 brought a broader internal reassessment shaped by recent stakeholder trends and societal developments. The perspectives of Bucher Industries' stakeholders and group management, as well as the Group's impact on sustainable development, were considered in this reassessment. The annual Group-wide situation analysis of trends, developments and resulting risks and opportunities was also taken into consideration. In 2021, there was no change in the material topics.

As the divisions are mainly active in the machining of steel and assembly of machines and vehicles rather than the manufacturing and processing of potentially hazardous materials and components, topics such as water consumption, hazardous waste and the use of problematic materials, such as rare earths or conflict minerals, are not a significant concern.

List of material topics

(GRI 102-47)

Principles
Solutions with a purpose
Good corporate governance
Economic value creation

Customers
Satisfied customers
Innovative products and optimal solutions
Customer health and safety

Employees
Satisfied employees
Qualified employees
Health and safety at work
Equal opportunities

Environment
Environmental impact of products and services
Resource efficiency of production with a special focus on CO_2 emissions

Compliance
General compliance with laws and regulations
Supply chain – sound procurement practices

The four pillars

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

Customers

We systematically align our activities with our customers' needs. Our customers benefit from high-performing, innovative products and solutions of the highest quality, along with outstanding service. We prioritise protecting customer health and safety, from product development to product manufacturing, use and final disposal.

Employees

To be successful in mechanical and vehicle engineering, we need highly qualified and dedicated employees. We offer attractive and safe working conditions and development opportunities with individualised further training. Our culture is characterised by appreciation, mutual respect and equal opportunities as well as expertise.

Environment

We develop and manufacture economical, state-of-the-art and environmentally sustainable machinery and systems that enable our customers to reduce their ecological footprint. We also seek to continually decrease resource consumption and emissions related to our manufacturing.

Compliance

Our business success is built on our compliance with all applicable laws and regulations, our culture of integrity and professionalism, and our ethical and fair behaviour toward all involved.

Stakeholder engagement

Maintaining good relationships with stakeholders is critically important for long-term business success. Bucher Industries regularly engages with all stakeholders to understand their needs and gain insights into changing market requirements, trends and developments. Above all, day-to-day communications are considered the most important form of interaction. Daily contact with customers and partners as well as personal discussions among employees shed light on the topics important to the company's stakeholders.

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

Key stakeholder concerns

The main concern of Bucher Industries' customers in 2021 was receiving the products ordered in the right quality, at the right time and in the right quantity. The bottlenecks and delays in the supply chain and logistics caused strong disruptions in the entire industrial sector with difficulties for production processes and deliveries of products and services to customers. In addition, due to COVID-19 related travel restrictions, installation and commissioning at the customers' sites by Bucher specialists was often very difficult or impossible. The trend toward increasingly efficient, automated and digitised products seen in recent years persisted in 2021. The growing complexity of automated and digitised products presents a new challenge for customers regarding cyber security, as well. Customers also continued to prioritise products with a lower environmental impact regarding factors such as carbon emissions, noise pollution, energy and water consumption, and overuse of road salt, crop protection products and fertilisers. Specifically, demand for vehicles with electrical drive systems was strong (see Customers).

In 2021, employees main concerns revolved around their ability to deliver to customers on-time and in the quantity required when materials and components were scarce. Employees did everything in their power to cope with inefficiencies in production to ensure that customers received the products and services they had ordered at the desired point in time. Recruiting qualified employees was difficult in 2021, especially in the USA. Bucher Industries focus was therefore on recruiting new and retaining existing employees through development opportunities and improvements in the workplace. Flexibility at work as well as digital channels and communication formats continued to be a priority (see Employees).

The company's suppliers were under strong pressure as the sharp economic upturn led to heavy demand for raw materials, components and electronics. The divisions had to interact with their suppliers even more than usual to ensure they could receive the products needed to satisfy their customers (see Supply chain – sound procurement practices).

Investors and the general public continued to intensify their focus on the disclosure of environmental, social and governance figures in 2021. Regulatory developments indicate that requirements regarding non-financial disclosures will increase.

Examples of Bucher's stakeholder engagement

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

Stakeholder group	Examples of stakeholder engagement formats[1]	Key needs and concerns
Customers	– Daily interaction – Regular personal contact – Customer surveys – Workshops/visits – Conferences – Social media, newsletters, emails – Trade fairs (virtual and physical) – Industry associations	– Flexible virtual communications – Reliable customer service – Quality/good-value products – Fast response times – Reliable on-time delivery – Efficient, automated and digitised products – Vehicles with electrical drive systems – Environmental impact of products (for example: carbon emissions, noise pollution, energy and water consumption, road salt, crop protection products, fertilisers) – Health and safety impacts of products
Dealers/distributors	– Regular meetings – Trade fairs (virtual and physical) – Technical training programmes	– More support requests by end users due to higher complexity of machines
Employees	– Daily interaction – Regular staff meetings – Intranet, newsletters – Trainings – Employee representatives – "Eurocommittees"	– Health and safety – Job security – Flexible communications – Workload – Challenges resulting from disruptions in the supply chain – Compensation – Training and education
Suppliers	– Regular interaction – Supplier days – Forecasting systems	– Prices – Required volumes – Clear specifications
Investors/financial institutions	– Financial reports and press releases – Sustainability report – Annual general meeting – Analyst conferences and calls – Roadshows and conferences	– Growth – Profitability – Return on net operating assets (RONOA) – Sustainability – Long-term success – Reputation
Local communities	– Engagement projects – Funding requests – Open-door events	– Sponsorship, financial contributions – Support with personnel – Other contributions and support
Regulators/authorities	– Memberships in industry associations	– Compliance/conformity with laws and regulations – Tax contribution – Environmental impact of products – Sustainable agriculture – Certifications

[1] In 2021, the COVID-19 pandemic still impacted some physical engagement formats. Where necessary, Bucher Industries and its divisions instead used digital formats, such as video conferences, and virtual fairs and customer and employee training.

Strategy implementation

The company's sustainability strategy is based on the previously described four pillars and the corresponding material topics that have been deemed most relevant by group management as well as by employees, customers and investor representatives.

In 2021, the strategy review was finalised and an ambition, objectives and key performance indicators were defined for each material topic within the four pillars. Monitoring of the Group's performance will be integrated into the existing processes, thereby ensuring a consistent approach for all material topics. Sustainability workgroups were formed at group level with the task to provide this framework.

Information and insights regarding new sustainability initiatives and ideas are regularly shared across the Group. The resulting core principles and values regarding the company are included in group policies and regulations (see Good corporate governance and Compliance) and implemented in a top-down manner. In alignment with Bucher Industries' decentralised structure, the divisions are entrusted with ensuring trainings and further measures to bring the sustainability strategy into action.

Several production sites employ certified quality management (ISO 9001), environmental management (ISO 14001), energy management (ISO 50001) and occupational health and safety management systems (OHSAS 18001/ISO 45001) as elements of their sustainability strategy implementation.

Customers

Bucher Industries' decentralised divisions cultivate close relationships with their customers. They develop effective, innovative and safe products, services and solutions with high quality standards to meet customers' needs. Customer satisfaction is the backbone of sustainable business development and the main focus of Bucher Industries' business activities.

Satisfied customers

Bucher Industries' business model focuses on the long term. The company values sustainable customer relationships built on trust, constant dialogue and exceptional service and has a strong understanding of what its customers need. Through its decentralised structure and regional set-up with over 100 locations, the divisions are close to their customers and can support them in the continuous operation of their machines. An in-depth knowledge of the applications they sell is another differentiator, with highly specialised business units or competence centres focused on very specific products (see Innovative products and optimal solutions).

Customer satisfaction is assessed through direct exchange, customer surveys and targeted product surveys. The divisions vary in their approach according to the size and needs of their customer base, with customer interaction being managed by sales, marketing and customer service departments. Those divisions that predominantly rely on a smaller number of larger customers interact with them regularly, sometimes on a daily basis. Divisions with many smaller customers and end-users rely on CRM tools and online portals such as "MyKUHN" and "Bucher Connect". Similarly, the periodic or randomly conducted surveys provide instant and unfiltered feedback, which helps the divisions identify relevant areas of improvement. They use the knowledge gained to continuously improve practices and inform product development. In annual reviews, the divisions assess their market positions to evaluate the development of their market share.

One of Bucher Industries' key priorities in 2021 was minimising the impact on customers of bottlenecks and delays in the supply chain and logistics as well as of ongoing COVID-19 measures. Major difficulties were posed by shortages of raw materials and electronic components on the world market, bottlenecks in logistics, as well as travel restrictions preventing installation and commissioning specialists from visiting customer sites. The divisions made special efforts to meet customers' needs and ensure timely deliveries to keep customers satisfied. Through active communication efforts as well as pragmatic and professional problem solving, such as utilising remote assistance tools, customer satisfaction was achieved overall.

2021 division highlights

Ability to deliver service parts is key
Kuhn Group develops and manufactures machinery that is used for agricultural production. Due to high cost pressure and the weather-related time constraints under which agricultural producers operate, the uptime – and therefore the regular servicing – of this machinery is very important. Kuhn Group is a leader in its segment, not only because it offers high-quality products, but because it provides very reliable services. Despite supply chain disruptions, logistics issues and labour limitations related to the pandemic, the division maintained this high level of service in 2021. One example is the industry-leading fill-rate of over 95% provided by the division's largest "Kuhn Parts" distribution centre, meaning that 95% of orders could be fulfilled with service parts on hand at the warehouse. This is essential to the farmers as end customers because it means they receive replacement parts when needed so they remain productive throughout the year.

Remote support to commission a complex plant

The commissioning of Bucher Unipektin's machines and systems for the beverage and food industry requires a lot of experience and know-how. Cooperation with the customer and joint work on the new line are essential. This was a major challenge in light of the restrictions associated with the COVID-19 pandemic, especially when working with customers in Asia. Despite the major restrictions, Bucher Unipektin successfully put a newly designed line for processing extracts from various vegetables into operation in China in 2021. The process is highly automated, energy-efficient and hygienic. The process design required different equipment from a specialised supplier to be combined with core components from Bucher Unipektin's portfolio, as well as numerous customised tanks, reactors and conveyors. To get a plant like this installed and commissioned on time, the specialists in Switzerland used remote assistance tools to help the client's workers on-site. For the customer, this pragmatic and professional approach was very important as it helped them reach their production targets and avoid severe losses.

Innovative products and optimal solutions

Customers demand ever-improved products with innovations that help them increase efficiency, reduce environmental impacts , lower costs and remain competitive. To satisfy this demand, research and development are essential and therefore an integral part of Bucher's strategy. Innovation is a long-term, Group-wide priority and within this framework, projects emerge from each division.

Besides continuous efforts to improve the efficiency and environmental impact of products and services (see Environmental impact of products and services), the company is expanding its innovation focus from merely products to also include related services, solutions and software. A key Group focus is the use of smartification, electrification and digitalisation to provide customers with Bucher products that are more efficient, safer and more convenient to use. To this end, the hardware and software engineers work with mechanical engineers and machine builders in product development and manufacturing. The divisions continuously research and evaluate available technologies, such as various sensors, monitors, software and cloud-based solutions to optimise the functionality of Bucher machines and vehicles while also providing superior service to customers.

Through strong customer relationships and regular interaction and dialogue, Bucher's divisions keep close tabs on their customers' needs and apply the knowledge gained to the product development process. Some products and applications are developed through collaborative projects involving the divisions and their customers.

In 2021, Bucher Industries continued to innovate and develop technologies for its customers. 3.7% of sales were invested in research and development, close to the long-term range of 4% of sales. Several innovations won awards or were reported on positively by news organisations during the year. One focus in 2021 was on electrification and the energy efficiency of machinery as a means of reducing fuel usage as well as the CO_2 and noise

emissions of Bucher products. Customers further benefited from Bucher Industries' drive for automation within its product range, which increases the efficiency of customers' operations while also reducing the risk of error.

2021 division highlights

Ease of use, safety and fuel efficiency

Sewer cleaning units from Bucher Municipal play a central role in ensuring a sustainable approach to the use of water and profitable business for customers. At the beginning of 2021, Bucher Municipal launched the new M20 control system for sewer cleaning products. The intuitive design and easy access to the different menus in the control system make it easier to operate the sewer cleaning vehicles, which is especially valuable for new operators. Many of the processes needed to operate the machine have been automated, as well. For example, the movement of the movable partition was previously a multi-step process on the control system. With the new M20 system, the operator simply enters where the movable partition should be placed and the system automatically moves the partition to the requested position. This also reduces the risk of human error and improves the safety of the machine. Last but not least, fuel consumption has been improved as the machine automatically reduces engine revolution speeds to the minimum required for the mode of operation in use at any given time.

Innovative electrohydraulic solutions for electrified mobile machines

The trend toward the electrification of utility and specialty vehicles will continue, driven by legal requirements to reduce CO_2 emissions. This will strengthen demand for electrohydraulic power take-offs, which are innovative solutions that replace mechanical power take-offs. Electrohydraulic subsystems like these are required in electrified mobile machines, as they no longer have a diesel engine that mechanically rotates a shaft to power working functions. Thanks to its expertise in hydraulic components and customer-specific solutions, Bucher Hydraulics has established ideal conditions for developing customised electrohydraulic solutions, as well as plug-and-play solutions that include all hardware and software components. Thanks to the acquisition of the mobile electric drive technology business of Lenze Schmidhauser, Bucher Hydraulics' product offering now also includes inverters and converters, which are an important element for highly efficient electrohydraulic subsystems. As a result, the division can design sub-systems such as these using its own core components of inverters, pumps, motors, valves and software, and set new energy efficiency standards in the relevant applications.

Artificial intelligence for closer glass inspection

Glass is an outstanding packaging material from many points of view. However, impeccable quality management is central – especially when it comes to end consumer safety. The reliability of optical quality controls is immensely important during glass container production. The objective is to identify all defective containers and prevent any good items from being sorted out by mistake. How can this be achieved? For a human, it can be hard to tell what is a real defect and what is a normal reflection caused by a feature in the glass. Conventional inspection algorithms identify defective containers if camera images indicate that threshold values are exceeded at defined points that might be too dark, light, thick or narrow, for example. Artificial intelligence (AI) can improve these recognition rates greatly as neural networks learn to discriminate these differences. With every new training image, the network gets a little bit better at distinguishing between defective and good items. Bucher Emhart Glass has launched a product that employs AI: the "FleXinspect BC" inspection machine. Such systems are now running on the production line continuously with only an occasional training update required to compensate for production variances. Any time a defect develops in the glass production run, the system

identifies it early on so that the machine's settings can be adjusted. For glass manufacturers, this state-of-the-art AI technology translates to major savings in terms of both production time and energy consumption.

Flexible configuration reduces complexity in farming

In 2021, in addition to its established automation solutions for manure spreaders and slurry tankers, Jetter introduced even more complete solutions for loader wagons and harrows for agricultural machinery into the market, thus expanding the portfolio. Customers benefit from various configuration options and the expandability of the solutions. Today, each overall system for a particular manure spreader consists of a combination of subsystems. Hence, vehicle manufacturers can select all hydraulic and electrical subfunctions themselves in a configuration file and put together an individual solution for their vehicle or machine. In addition to activating the functional options, the system parameters also include all variable settings, such as valve flow rates or the specific weights of the material to be spread. The manufacturer can change the preset values on the PC or directly on the device. That makes hydraulic systems, controllers and HMIs (human machine interfaces) easily scalable in terms of their range of functions: from basic to fully equipped configurations. This allows manufacturers to opt for visualisation solutions, controllers, input and output modules, central electric units and plug-and-play cabling solutions. Jetter's modular system offers manufacturers the additional advantage of reducing the time from development to market launch for new devices.

Customer health and safety

Bucher Industries holds the health and safety of its customers and end-users in the highest regard. The divisions strictly observe the comprehensive legal requirements and standards that regulate their industries. Various employees are involved in relevant organisations at the national and international levels, where they help shape corresponding guidelines. All divisions assess health and safety risks at every stage of the product development process, involving both internal specialists and independent bodies. To ensure the continuously safe operation and maintenance of Bucher machinery, they routinely provide their customers with specialised safety trainings and support. Protecting the health and safety of customers is a critical necessity for customer satisfaction and the company's reputation.

Steady advances in digitalisation and increasingly automated, interconnected machines and vehicles improve the performance and user-friendliness of machines, creating opportunities in the field of health and safety. However, such technological progress is accompanied by heightened cyber security requirements, which was a key topic Group-wide in 2021. The products' security is as important to the company as their safety – and often inseparable. Bucher Industries is constantly assessing product and product development maturity regarding cyber risk exposure across divisions and consequently evaluating cyber risk measures for future service offerings. As a result, cyber security has become a key topic in the research and development processes.

The safety of Bucher's products is ensured through continuous interaction with customers and safety certifications such as RoHS, REACH and CE, as well as sector-specific certifications. There are also strict regulatory homologation requirements for agricultural and municipal vehicles to ensure the operator's health and safety. Legal and regulatory requirements related to cyber security are addressed by in close communication with experienced teams in the divisions to ensure the security of developed products in the context of cyber risks. This is also verified during the regular internal and external general cyber security audits as well as automated testing.

In 2021, no incidents of non-compliance were registered concerning the health and safety impacts of products and services. There were accidents at individual machines or plants that resulted in a few cases that are pending in court. However, the accidents occurred because safety instructions were disregarded on the operators' side.

2021 division highlight

Simultaneous increase in safety and efficiency
Another crucial element in glass manufacturing is the safety of the operator in the glass plant. The "FlexRobot", Bucher Emhart Glass' automated system for swabbing blank moulds and neck rings, takes over a rough, repetitive task for humans, which means less interaction for the operator, creating a much safer working environment as a result. On top of this, "FlexRobot" reduces wear and tear and prolongs mould lifespan. It also saves material and costs by using less swab liquid than during manual intervention. Consistent swabbing by FlexRobot helps achieve outstanding process stability, reducing the incidence of certain defects and improving pack-to-melt ratios. With the time saved through this automation, operators can focus their attention on processing sensor systems while improving the performance of the process.

Employees

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

Employee structure

	2021	2020	Change in %
Total number of employees (headcount)	**10'078**	**10'046**	**0.3**
Permanent	9'785	9'725	0.6
Temporary	293	321	−8.7
Part-time	459	447	2.7
Percentage part-time	**4.6%**	**4.4%**	
Regional structure			
Switzerland	907	857	5.8
Europe	5'687	5'660	0.5
Asia	1'201	1'271	−5.5
Americas	2'165	2'123	2.0
Others	118	135	−12.6
Employees covered by a collective agreement	5'838	5'366	8.8
Percentage of employees covered by collective agreements (GRI 102-41)	**57.9%**	**53.4%**	

Data scope: The assessment on employees includes personnel at the 39 (2020: 39) most important production sites and one research centre, excluding apprentices, trainees, interns and temporary personnel. It forms the basis for all employee-related figures presented in the Employees section.

The common values, principles and standards of how the company interacts with its employees are currently being documented in a Group-wide policy. Implementation of these and responsibility for the employee topics lies within the divisions and their HR departments.

European employee representative committees ("Eurocommittees") are informed about relevant current topics and business development on a yearly basis.

Satisfied employees

Satisfied employees are more productive, enable innovation and serve customers best. Engaged and dedicated employees are essential to long-term economic success and good customer relationships. The qualified people sought by Bucher Industries continue to be in great demand, especially technical personnel such as engineers and machine operators. The company thus makes long-term investments in attracting new employees and retaining its workforce. Bucher employees are highly valued and can derive additional satisfaction from knowing that their personal contribution adds to products and services that address fundamental human needs and create value for the world we live in.

To be an employer of choice, the company collaborates with schools and universities to increase employment interest from young professionals and graduates. It creates new ways to keep employees engaged, offers competitive compensation and provides a variety of training and development opportunities. The company also maintains a healthy and safe work environment and promotes diversity and equal opportunities.

All divisions cultivate an environment of appreciation, respect and encouragement to develop expertise. They assess employee satisfaction by monitoring turnover and employee absenteeism, conducting surveys, interviewing employees who have resigned, evaluating employee communication with management and conducting annual appraisal interviews. As part of these, performance against set objectives is assessed for most employees and – mainly for management functions – linked to a cash bonus.
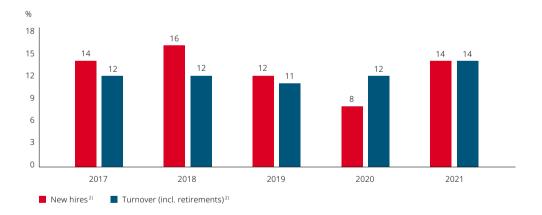
Key performance indicators, such as fluctuation measured as voluntary resignations in percentage of total employees are tracked for the Group as a whole.

In 2021, the difficulties related to the supply chain and logistics impacted virtually all employees. They had to ensure that customers received the products and services they ordered in the usual quality and at the desired point in time despite bottlenecks, very long lead times, delays for raw materials and components, as well as a scarcity in means of transport for delivery. These challenges came on top of the ongoing COVID-19-related measures. The divisions provided the best possible environment to ensure employees could cope with these challenges and that employee satisfaction wasn't heavily impacted. Throughout 2021, several initiatives to motivate employees and improve workplaces and working atmosphere were put into effect and employee surveys were conducted at some sites. Company events, such as the "Group meeting", which usually brings worldwide management together once a year, were reinstated as physical events.

Employee turnover was 14% – slightly higher than in the previous year. Voluntary terminations increased to 7%. This dynamic was driven by developments on the labour market, which created strong demand for qualified workers and engineers. The divisions enlarged their workforces primarily by means of temporary workers but were unable to fill vacancies to the desired extent, particularly in the USA. As temporary personnel are not included in the tables in the Employees section, the numbers shown in this report increased only slightly (for further information, see annual report 2021, page 8).

New hires and turnover

	2021				2020			
	Employees joining (headcount)	Rate of new hires in %	Employees leaving (headcount)	Turnover rate in %	Employees joining (headcount)	Rate of new hires in %	Employees leaving (headcount)	Turnover rate in %
Total	**1'372**	**14.0**	**1'327**	**13.6**	**729**	**7.5**	**1'160**	**11.9**
Gender								
Female	239	17.0	182	13.0	142	10.3	194	14.1
Male	1'133	13.1	1'145	13.2	587	6.8	966	11.1
Age								
Under 30	584	37.0	374	23.7	312	17.8	301	17.2
30–50	625	11.7	591	11.0	325	6.1	487	9.2
Over 50	163	5.2	362	11.5	92	3.1	372	12.5
Region								
Switzerland	132	14.6	88	9.7	57	6.7	63	7.4
Europe	569	10.0	620	10.9	400	7.1	560	9.9
Asia	118	9.8	134	11.2	55	4.3	177	13.9
Americas	537	24.8	450	20.8	199	9.4	336	15.8
Others	16	13.6	35	29.7	18	13.3	24	17.8

Legend: New hires[2] Turnover (incl. retirements)[2]

"Employees leaving" includes retirements, layoffs, resignations and other reasons.
The rates of new hires and employee turnover refer to the respective employee groups. For example, to calculate the turnover rate for female employees, the total number of female employees who left the company was divided by the total number of female employees in the respective year.

Creating value for society – a driver for our employees

What drives our employees to work with dedication every day?
What fuels their motivation and commitment? We believe
it is the awareness that we at Bucher create value for the world
we live in and that our products and services contribute to
a greater purpose. Five employees from around the world talk
about their motivation for their work.

The pursuit of continuous innovation in farm machinery has been part of Arnaud's daily work and fuelled his motivation since 2012. He finds his main task of developing new prototypes to be a challenging but welcome one. It requires him to meet expectations with respect to performance, customer benefits and cost.

"Our machines need to adapt to different farming practices, conditions and soils, offer new technology and be both reliable and affordable. That's the challenge that drives us."

Arnaud Tiha (right), engineer in the R&D department, Kuhn Group, Saverne, France

Arnaud on what drives him to work with Kuhn Group.

"The Bucher Municipal culture is priceless. I'm amazed by it. And everything we do as a company is geared toward maintaining the health of our surroundings."

Lonnitta Reid, HR and compliance manager,
Bucher Municipal, Mooresville, NC, USA

Learn more about what excites Lonnitta when working with Bucher Municipal.

As an HR and compliance manager, Lonnitta makes sure Bucher Municipal adheres to legal standards and inhouse policies. However, her door is also wide open for her colleagues to address all kinds of matters. This sense of unity and the culture of mutual respect across the board is what has excited and motivated her ever since she joined in 2012.

Christian is responsible for the production of hydraulic shafts at Bucher Hydraulics – from the blank to the finished part. Knowing what he's making a product for, where it will be used and whether it works or not is what motivates him. His ambition is to always improve products together with the customers – something he's already been doing for 39 years.

"With every component we create, we're making something that moves the world and the people in it."

Christian Schilling, CNC specialist, Bucher Hydraulics, Klettgau, Germany

Christian on what drives him to work with Bucher Hydraulics.

Bryant is in charge of all production in Malaysia, ensuring that the level of performance expected is achieved. The trust, confidence and empowerment he receives from the management, as well as his ever-changing work environment – from machines to solutions – have been a driving force for him at Bucher Emhart Glass since 2010.

"It's all about innovative technologies. Today, we can control various parameters of each gob. We can reduce and specify the amount of glass, cutting the cost and carbon footprint of each glass container."

Bryant Wong, site manager,
Bucher Emhart Glass, Johor Bahru, Malaysia

Learn more about
Bryant's motivation
to work with
Bucher Emhart Glass.

"Our products have a long life cycle. But what if consumer demands change? Retrofitting lets us implement new features on our customers' existing machines. That's good for their budget, the environment and consumers – the people."

Karine Galland, industrial manager,
Bucher Vaslin, Chalonnes-sur-Loire, France

Karine on what makes
working for Bucher Vaslin
so special to her.

Despite Karine's manifold duties as an industrial manager, she points out that there is room for close dialogue with customers, oenologists in the field and colleagues on site. To her, this makes working at Bucher Vaslin particularly special. Bucher Vaslin's constant drive to innovate, aiming to remain a world leader, is what keeps her motivated – since 2015.
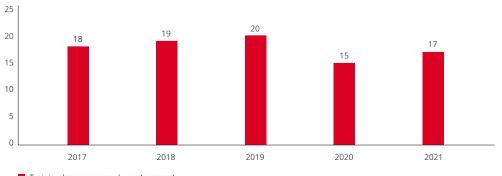
Qualified employees

Bucher Industries' worldwide employees are responsible for its success in designing, engineering and manufacturing specialised machinery and vehicles. To achieve this, Bucher Industries develops its employees' capabilities for the long term with training, continuing education as well as professional development opportunities that are adapted to individual needs and the changing requirements of the market. These trainings are subject-specific and aimed at achieving certain qualifications or certifications or at honing employees' social skills.

The divisions and their HR departments assess the success of their training programmes as part of their employee satisfaction evaluation (see Satisfied employees) and monitor key performance indicators, such as training hours. To capitalise on this experience and training, while also ensuring continuity, the Group strives to fill two-thirds of upper management positions from within the company.

As such, the Group offers excellent internal leadership development prospects. The annual Group-level management development programme, introduced in 2020, selects middle managers for a retreat workshop. The annual "Bucher Management Training", held since 2004, is designed for junior management staff and is based on the following four modules: strategic management, financial and risk management, processes and instruments, and leadership skills and personnel management.

In 2021, all Bucher Industries companies were once again able to offer more training, both in person and virtual, compared to 2020. Overall, however, the pre-pandemic level has not yet been reached due to ongoing restrictions on face-to-face meetings in many places during the reporting year and employee absences due to the pandemic. The focus was therefore on mandatory training, especially in the area of health and safety, to keep operations running smoothly and catch up on delayed training topics. The above-mentioned trainings at Group level had to be postponed.

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

Hours

Year	Training hours per employee (average)
2017	18
2018	19
2019	20
2020	15
2021	17

■ Training hours per employee (average)

Health and safety at work

Keeping all employees safe and healthy, regardless of where in the world they work, is a prerequisite for a productive, engaged and motivated workforce as well as for the company's reputation as a great place to work. Bucher Industries puts the health and safety of workers at the forefront so they can focus on the work that matters. All divisions aim to keep incidents low and provide employees with the right tools, training and conditions so they can do their work without any negative impacts on their health.

The company complies with all health and safety laws and regulations in its jurisdictions, often exceeding standards. All divisions have health and safety policies as well as appointed health and safety managers or officers either at the divisional or site level. They conduct regular health and safety audits and trainings at all locations. Additional measures include external audits, health and safety committees, procedures, action plans, inspections, safety control and monitoring systems, and incentive and award programmes to recognise safe practices and results. Moreover, health and safety measures are continually monitored and upgraded. When acquiring a new location, working conditions are evaluated and improved where necessary by bringing them up to Bucher Industries' standards.

Much of the work performed at Bucher Industries takes place in factories. Therefore, the company's approach focuses on a safe production environment, high air quality and adequate lighting and temperatures. Increasingly, Bucher Industries is automating or transitioning tasks with a higher level of safety risk to robots.

Bucher Industries' divisions evaluate their health and safety performance by keeping track of incident rates and by employing health and safety management systems, such as ISO 45001.

The number of production sites certified according to OHSAS 18001 or ISO 45001 increased from 15 in 2020 to 17 in 2021, which corresponds to around 42% of the Group's sales. Despite the challenges, health and safety audits and training were conducted at most sites, in a virtual format where necessary, including both internal and external audits.

Proactive approach to managing the pandemic

COVID-19 measures continued in 2021, limiting the effect of the virus on business. These measures were administered in-line with local government standards and guidelines across the divisions, and swiftly updated to adhere to the changing advice. Facilities were regularly sanitised, work-from-home policies were put in place where possible and procedures and employee management practices such as social distancing and shift patterns were routinely revised. All divisions utilised videoconferencing and other virtual communication formats to keep employees engaged and supported as well as maintain training and development activities. The divisions' responsive and proactive approach to managing the pandemic at work resulted in relatively few cases of infection throughout the year.

Equal opportunities

Understanding that diversity offers more perspectives and strengthens resiliency, Bucher Industries fosters a company culture in which everyone has equal opportunities and feels valued and heard. The company is proud of the natural diversity reflected by its many locations and facilitates cross-cultural communication and collaboration wherever possible. Due to the regional distribution, the Group's divisions operate in small units for which cultural compatibility is very important. The company therefore believes in hiring locally and promoting from within to reflect the communities of each of its locations. This applies to all levels of employment and explicitly to leadership positions.

The company's Group-wide Code of Conduct expressly forbids any form of discrimination, ensuring equal opportunity to every employee based on skill, ability and performance as well as attitude. All divisions adhere to the practice of equal pay for equal qualifications. A programme for handling discrimination complaints gives employees a clear path to calling attention to instances of discrimination. If an employee files a complaint, the company takes immediate action. In 2021, no specific cases of discrimination were recorded within Bucher Industries.
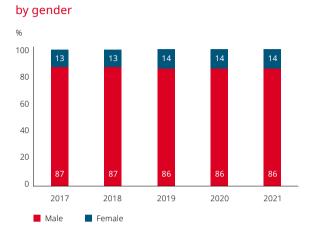
The company continues to address the challenge of gender diversity within a recruiting pool that, due to the technical nature of most jobs, is still overwhelmingly male. In the reporting period, the compensation committee also put a heightened focus on promoting gender diversity within the Group. Bucher is working with educational institutions to increase interest in engineering and technical careers among female students. The company also works hard to retain female employees and encourage upward mobility. Providing greater flexibility, for instance, helps all employees with family responsibilities. In 2021, the share of female employees remained stable compared to 2020.

The divisions monitor diversity statistics and evaluate feedback from employees to confirm that diversity and equal opportunity practices are being followed. The company is aiming to promote gender diversity in its management bodies to better reflect the composition of the whole workforce.

Equal pay analysis

At 13 sites (which correspond to about 46% of the Group's sales), an equal pay analysis was conducted in 2021 that focused on the gender pay gap and was driven by regulation. None of them showed significant and unexplained wage differences between women and men.
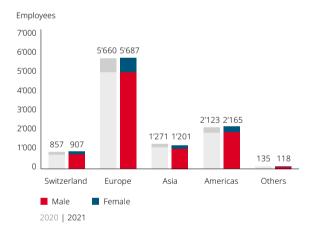
Diversity of workforce

by gender

%

	Male	Female

by age group

%

Under 30   30 to 50   Over 50

by region and gender

Employees

Male   Female

2020 | 2021

Diversity of governance bodies
(of the Group as a whole) by gender and age

in %	Senior management		Group management		Board of directors	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Female	2.4	2.4	14.3	14.3	16.7	14.3
Male	97.6	97.6	85.7	85.7	83.3	85.7
30–50	39.0	28.6	42.9	28.6	16.7	28.6
Over 50	61.0	71.4	57.1	71.4	83.3	71.4

Environment

Bucher Industries strives to enable its customers to reduce their ecological footprint – its most powerful lever for contributing to sustainable development. The company launched several environmentally friendly innovations in 2021 in response to persistent demand from its customers and also worked to lower its ecological footprint in the production process.

The company's environmental management activities and the respective common values, principles and standards are currently being documented in a Group-wide policy. Implementation of these and responsibility for the environmental topics lies within the divisions.

Environmental impact of products and services

Reducing the impact of products and services is a key element of Bucher Industries' sustainability strategy and its most important and impactful contribution to sustainable development. The company believes in solving challenges through technology and strives to develop new machinery and equipment that not only maximise uptime and deliver the best return on investment for the customers but also enable them to reduce their environmental impacts.

Enabling customers to improve their environmental sustainability

As reducing their environmental impact is a high priority for Bucher Industries' customers, they are interested in machinery and equipment that generate fewer emissions and require lower energy, fuel, water and agricultural inputs. The main drivers of this demand are emerging regulations and mandates, particularly regarding CO_2 emissions, such as the EU's Green Deal, rising energy costs, customers' internal governance rules, end-user interest, and social and regulatory pressure to reduce the use of fertiliser and crop protection inputs in agriculture. Electrification of municipal vehicles and mobile specialty and utility vehicles continued to be an important trend in 2021.

Bucher Industries understands that the most effective way to improve a product's environmental impact is at the development stage. The company thus always takes the environment into consideration when developing a new product. Divisional developers account for the entire product life cycle, from manufacturing to the product's end of life, carefully following and anticipating market and regulatory requirements. One strategy is to use technology, such as electronics and control algorithms, to support the most

efficient use of machinery. The resource consumption and associated emissions of products is closely monitored, and performance targets are set for some groups.

The diversity and multitude of products across all five divisions make it difficult to set a common target. While complete, quantifiable data on all products cannot be collected, individual examples of new products with significant reductions in resource and energy requirements are presented in this report.

Bucher assesses the environmental performance of its products at every step of development and as part of ISO 14001 certifications, which were held by 20 of the most important sites in 2021, corresponding to 48% of the Group's sales.

2021 division highlights

Precision nutrient and seedbed management protects the environment and saves money

With the new "GLADIATOR 1210" strip-till product range, Kuhn Group continues its efforts in conservation agriculture solutions. Over the years, the "GLADIATOR" product group has become the market leader and reference for strip tillage equipment thanks to its soil working performance, ruggedness, ease of adjustment and maintenance-free design. Strip-till is the practice of tilling only the row of soil where the seed and fertiliser will be placed, leaving the soil and residue between the rows undisturbed. It reduces soil erosion, improves soil health, and saves time and fuel as most strip-till systems rely on one tillage pass in the fall and no tillage in the spring, which translates to a reduced number of passes compared to conventional tillage. This technology and practice are also beneficial for the use of cover crops as they allow a cover crop to grow in between the strip-tilled rows. Fertiliser application is localised in the tilled row where the planted crop will need it, therefore saving on fertiliser usage overall. The division is noticing growing customer interest in this strip-till solution.

Diesel vehicles with lower emissions at consistently high performance

On Bucher Municipal's "MaxPowa" truck-mounted and "XPowa" special truck-mounted sweeper series, the fan power packs were updated with a new stage 5 engine pack. With this update, these two series live up to the newest Euro norm with both an "AdBlue" and a diesel catalyst to reduce emissions significantly. With an increasing global focus on emissions, this update has been well received as it allows the customers to comply with the latest legal requirements without having to compromise on performance and suction power.

Closing the agricultural methane cycle

Although methane is a greenhouse gas when used as a fuel, it is much more climate-friendly than diesel. The combustion process in the engine splits the methane into carbon dioxide and water. Agricultural or animal waste (as well as specially cultivated energy crops) can be used to produce this biogas. In 2021, Bucher Landtechnik launched the CNH New Holland "T6 Methane Power", the world's first 100% methane-powered production tractor. Using biomethane, the T6 Methane Power tractor produces 99% less particulate matter, 10% fewer CO_2 emissions and 80% fewer overall emissions. This makes it the key to completing the concept of the "Energy Independent FarmSM" and closes the loop of a complete CO_2-neutral cycle – from the field to energy production and back to the field.

Resource efficiency of production with a special focus on CO$_2$ emissions

Ambitious efforts to reduce resource consumption and CO$_2$ emissions have become an expectation among regulators, investors and many other stakeholder groups. Bucher Industries shares their conviction and, in addition to minimising the impacts of its products and services, prioritises the environmental efficiency of its own production.

Reducing Bucher Industries' environmental impact

Reducing resource consumption in Bucher Industries' own operations is both an environmental and an economic concern. The company's main environmental impacts and efforts relate to energy consumption and CO$_2$ emissions. Although Bucher Industries' production is not water-intensive (see Material topics), minimising water consumption, especially in water-stressed areas, is still a part of some sites' approach to efficiency in production.

Bucher Industries' divisions evaluate their environmental performance by employing management systems, such as ISO 14001 and ISO 50001. To address Scope 1 and 2 emissions in an active and systematic way, the company has identified the locations with the highest CO$_2$ emissions and started to develop action plans. Fuel, gas and electricity use are monitored along with the associated emissions. While not a major contributor to the company's emissions, reducing business travel will also be a goal, supported by lessons learned and skills gained during the pandemic. The Group aspires to reduce Scope 1 and 2 CO$_2$ emissions in relation to production volume by 10% over five years.

20 production sites are certified according to the environmental management standard ISO 14001 and four are certified according to the energy management system ISO 50001; this corresponds to 48% and 12% of sales, respectively. Renewable energy is generated at several sites.
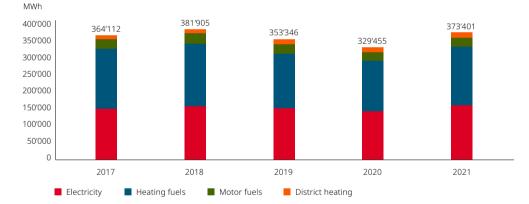
2021 performance

In 2021, business activities of Bucher Industries were returning to normal levels after the disruptions experienced in 2020 due to the COVID-19 pandemic. Accordingly, energy consumption and the associated emissions also increased again after a brief decline from 2019 to 2020. However, both energy consumption and emissions increased at a lower rate than sales. This was achieved thanks to continuous efforts to implement the Group's environmental goals.
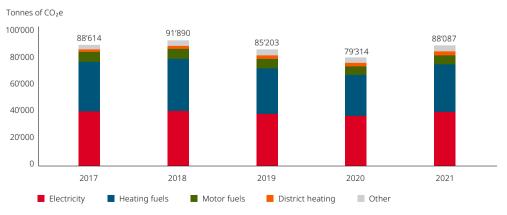
In 2021, the total photovoltaic capacity at Bucher Industries' production sites increased by 10% to 1'124 kWp. This capacity is installed at six plants, which collectively produced 957 MWh of green electricity in 2021. One site switched its diesel oil-fuelled local heating system to a woodchip-fuelled district heating system, which reduced emissions from heating oil by around 30%. Two sites switched to certified green electricity in 2021. For the glass furnace at its research centre in Windsor, Connecticut (USA), Bucher Emhart Glass started to replace the conventional liquid oxygen with CO_2-neutral liquid oxygen generated from renewable resources.

Some of the wide-ranging initiatives in the areas of energy-saving and emission reduction included switching to LED lighting, using newer technology and energy efficient equipment (such as the full implementation of a new high-capacity industrial chiller at one site), upgrading heating systems as well as measures to raise employee awareness of easy-to-implement energy-saving measures in everyday operations (e.g. close doors to reduce heat loss).

In 2021, no cases of non-conformity with environmental laws and regulations were recorded at Bucher Industries' production sites and, thus, no fines or sanctions were issued.

Energy consumption by category

MWh

Legend: ■ Electricity ■ Heating fuels ■ Motor fuels ■ District heating

CO_2 emissions by category

Tonnes of CO_2e

Legend: ■ Electricity ■ Heating fuels ■ Motor fuels ■ District heating ■ Other

Overview: net sales, energy consumption and CO_2 emissions

	2021	2020	Change in %
Net sales in CHF million	**3'176**	**2'741**	**16**
Energy consumption in MWh	**373'401**	**329'455**	**13**
Electricity	**159'708**	**140'881**	**13**
District heating	**15'740**	**14'042**	**12**
Heating fuels	**170'249**	**148'375**	**15**
Natural gas	152'483	134'008	14
LPG/propane	12'579	8'583	47
Heating oil	2'822	3'883	−27
Wood	2'365	1'901	24
Motor fuels	**27'704**	**26'157**	**6**
Diesel	15'772	15'371	3
Petrol	6'217	5'693	9
LPG/propane	4'868	4'212	16
Biodiesel	142	149	−5
Bioethanol	705	732	−4
CO_2 emissions in tCO_2e	**88'087**	**79'314**	**11**
Scope 1	**45'843**	**40'586**	**13**
Heating fuels	34'583	30'188	15
Motor fuels	6'947	6'555	6
Volatile gases (e.g. refrigerants)	3'001	2'800	7
Process emissions (e.g. welding)	1'312	1'043	26
Scope 2	**42'244**	**38'728**	**9**
Electricity	39'555	36'330	9
District heating	2'688	2'398	12
Biogenic CO_2 emissions	**1'186**	**1'005**	**18**

Data scope: The environmental assessment, which forms the basis for all environmental figures in this chapter, includes the resource consumption of the 39 (2020: 39) most important production sites and one research centre.
Due to increased data quality at some production sites, a few consumption figures were adjusted retrospectively. Furthermore, the energy conversion and emission factors were updated. Consequently, figures for 2020 may differ slightly from the figures reported in the previous year.
The greenhouse gas inventory has been calculated in accordance with the Greenhouse Gas Protocol and ISO standard 14064. Scope 1 emissions stem from direct energy use and non-energy processes. Scope 2 emissions stem from indirect energy use. Greenhouse gas emissions associated with electricity consumption are reported in accordance with the location-based approach except for three sites that are purchasing certified renewable electricity; for these sites, the market-based approach has been applied. If the location-based approach was applied to all sites, emissions from purchased electricity would amount to 40'675 tCO_2e.
As Bucher Industries' production is not water intensive overall, water consumption figures have not been published.
Net sales refer to Group net sales reported in the annual report 2021.

Compliance

A key aspect of Bucher Industries' long success story is its strong corporate culture. The foundation of this culture is the Code of Conduct, which ensures legal compliance as well as fair and ethical conduct toward customers, colleagues, business partners, competitors and the relevant authorities.

General compliance with laws and regulations

For more than 200 years, Bucher Industries has been recognised worldwide for its development and production of high-quality machinery and vehicles. An essential foundation of this long success story is a corporate culture that ensures all employees treat customers, colleagues, business partners, competitors and authorities with respect.

Bucher Industries' Code of Conduct defines the Group's expectations for the legal, social and ethical behaviour of every employee. In addition, areas of particular importance are outlined in more detail in its Group-wide directives including:

– Code of Conduct
– Anti-Corruption Directive
– Intermediaries Directive
– Competition Law Directive
– Trade Compliance Directive
– Data Protection Directive
– Insider Directive

While the implementation of compliance principles and guidelines is monitored centrally, responsibility for their realisation lies with the divisions, allowing for adaptations to their specific businesses. Overseen by their line managers, local and divisional compliance officers support the implementation of directives and compliance training at their sites and act as contact persons for employees with questions or concerns. They report to the group compliance officer twice a year and escalate serious issues immediately.

Employees can also report violations or breaches of the Code of Conduct and the directives to their line manager, division president, Bucher Industries' CEO or the group compliance officer. The company follows up on anonymous reports and reporting in good faith does not result in any disadvantage to the reporting employee. In addition, actual or suspected serious violations can be reported effortlessly and anonymously via the newly implemented online whistleblower reporting system at the Group and division websites.

All employees receive a copy of the Code of Conduct and, commensurate with their function, additional directives on anti-corruption, competition law, trade compliance, data protection and insider rules when hired. They are also trained on the applicable rules, followed by annual compliance trainings on the Group's compliance programme, applicable rules and reporting system. General training by group compliance is offered online, and divisions provide further specific trainings in specialist areas (e.g. trade compliance). Local and divisional compliance officers are trained on their responsibilities on a regular basis.

Compliance is monitored through careful analysis of compliance reporting and included in the regular internal audits. In Bucher Industries' Internal Control System (BICS), compliance-relevant features were complemented and made more explicit, which will lend even greater importance to the topic of compliance.

In 2021, no significant fines or non-monetary sanctions for breaches of legal regulations were imposed on Bucher Industries. There were no pending or completed legal actions for anti-competitive behaviour or anti-trust or monopoly practices. In China, a division reviewed specific practices of doing business with customers, reinforced the anti-corruption rules and re-trains management and exposed employees during classroom training. Once again, undue attempts by suppliers to influence decisions were prevented in 2021 thanks to the vigilance of employees across the Group. Certain suppliers and employees were sent a written reminder of the applicable rules. In consultation with compliance officers, the acceptance of gifts from suppliers may be allowed within reason and as an exception, but needs to be reviewed on a case-by-case basis by the general manager of the site or by divisional management.

Supply chain – sound procurement practices

For a manufacturing and engineering company such as Bucher Industries, well-managed supply chains are paramount for success. Regulatory developments such as the Corporate Responsibility Initiative in Switzerland and similar regulatory developments in Europe and other countries put an increased focus on supply chain sustainability. Bucher Industries' objective is to minimise the environmental and social risks associated with suppliers while maximising reliability and resilience.

Working primarily with regional suppliers is part of Bucher Industries' decentralised strategy. Therefore, serious risks originating from direct suppliers, including those for rare earths or conflict minerals, are minimal.

Bucher Industries expects its supply chain partners to uphold the highest standards. Bucher Industries confers full responsibility for supply chains to the divisions and business units, allowing them to define their own vendor selection guidelines according to the requirements of their business. These are outlined as part of standardised procurement processes and in divisional or site-specific purchasing or supplier policies. While some

divisions have a specific supplier code of conduct, others request that their suppliers adhere to the general Bucher Code of Conduct. However, quality, competence, reliability and compliance with laws and regulations, as well as cost-optimisation measures, are Group-wide criteria for selecting suppliers.

The Kuhn Group's standardised procurement system, for instance, specifies the vendor selection criteria and procedures for purchasing equipment and services. A cross-divisional coordination team ensures that synergies are optimally exploited within Kuhn Group's business units. The cross-divisional procurement synergy team includes a number of lead buyers who make sure that a standardised relationship management system is implemented with key suppliers and, therefore, that similar competitive prices are guaranteed.

To evaluate suppliers' adherence to standards, the divisions track defined key performance indicators and conduct regular environmental, health and safety risk assessments. Such criteria are evaluated during the qualification process for new suppliers and as part of regular supplier compliance audits. The Group's directive on Trade Compliance, issued in 2020, prescribes an internal trade compliance program that each division must implement, ensuring compliance with applicable export control and customs regulations.

In 2021, the Group's expenses for raw materials, components and consumables amounted to CHF 1'703 million and it worked with around 14'000 direct suppliers.

In 2021, like the entire industrial sector, all divisions and business units found themselves faced with bottlenecks and delays in the supply chain, as well as rising material costs. On the other hand, pandemic-related constraints were relaxed somewhat compared to 2020, which facilitated supply chain management and even enabled the resumption of supplier audits.

About this report

This report has been prepared in accordance wiht the GRI Standards: Core option. GRI provides the world's most widely used framework for sustainability reporting, offering a structured format to coherently and comprehensively share information about material issues, performance metrics and the management of sustainability-related issues.

This report encompasses headquarters in Switzerland and the 39 most important production sites and one research centre worldwide. The entities included in the consolidated financial statement of Bucher Industries can be found in the annual report 2021 (GRI 102-45). The reporting period comprises the calendar year 2021. Bucher Industries commits to an annual reporting process. The last report was published in June 2021. Any restatement of previously reported data is explained in a footnote under the respective disclosure (GRI 102-48).

The reporting principles for defining report content and quality have been applied throughout the information collection and report development process (GRI 102-46). There were no significant changes to the size, structure, ownership or supply chain of Bucher Industries in 2021. In 2015, a comprehensive materiality assessment identified and prioritised the issues that were most relevant to Bucher Industries and its stakeholders. In 2020, Bucher Industries reassessed the materiality of economic, environmental, social and governance topics and the topic "Innovative products and optimal solutions" was added. There were no further significant changes from previous reporting periods in the list of material topics and topic boundaries (GRI 102-49). The contents of the sustainability report have not been externally assured.

Questions about this report can be addressed to:
Bucher Industries AG
8166 Niederweningen, Switzerland
Group Communications
T +41 58 750 15 40
media@bucherindustries.com

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Mapping Bucher Industries' material topics against the GRI Standards

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

Material topic Bucher Industries	Corresponding GRI Standard
Economic value creation	GRI 201: 2016 Economic Performance
Satisfied customers	N/A
Innovative products and optimal solutions	N/A
Customer health and safety	GRI 416: 2016 Customer Health and Safety
Satisfied employees	GRI 401: 2016 Employment
Qualified employees	GRI 404: 2016 Training and Education
Health and safety at work	GRI 403: 2018 Occupational Health and Safety
Equal opportunities	GRI 405: 2016 Diversity and Equal Opportunity
	GRI 406: 2016 Non-Discrimination
Environmental impact of products and services	N/A
Resource efficiency of production with a special focus on CO_2 emissions	GRI 302: 2016 Energy
	GRI 305: 2016 Emissions
	GRI 307: Environmental Compliance
General compliance with laws and regulations	GRI 205: 2016 Anti-Corruption
	GRI 206: 2016 Anti-Competitive Behavior
	GRI 419: 2016 Socioeconomic Compliance
Supply chain – sound procurement practices	GRI 102: 2016 General Disclosures – 102-9 Supply Chain

Memberships and initiatives

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

Group	Global Reporting Initiative (GRI)
	CDP
	Swiss GAAP FER
Kuhn Group	Authorized Economic Operator (AEO)
Bucher Emhart Glass	Food Packaging Forum (FPF)
Bucher Unipektin	SUVA Safety Charter

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

Group	Swissholdings
	Swissmem
	Swiss-American Chamber of Commerce
	Swiss-Chinese Chamber of Commerce
Kuhn Group	Union des Industries et Métiers de la Métallurgie (UIMM, France)
	Association of Equipment Manufacturers (AEM, USA)
	European Agricultural Machinery Association (CEMA, Europe)
Bucher Municipal	EUnited (Europe)
	European Committee for Standardization (CEN, Europe)
	World Road Association (PIARC Italy)
Bucher Hydraulics	German Mechanical Engineering Industry Association (VDMA, Germany)
	Swissmechanic
	National Fluid Power Association (NFPA, USA)
	National Truck Equipment Association (USA)
Bucher Emhart Glass	International Partners in Glass Research (IPGR)
	Cétie, standards for Glass and PET packaging
Bucher Specials	Union des Industriels de l'Agroéquipement (AXEMA) (Bucher Vaslin, France)
	International Fruit and Vegetable Juice Association (Bucher Unipektin)
	Swiss Agricultural Machinery Association (Bucher Landtechnik, Switzerland)
	Agricultural Industry Electronics Foundation (Jetter)

GRI Content Index

This report has been prepared in accordance with the GRI Standards: Core option (GRI 102-54). For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

Universal Standards

GRI 101: 2016 Foundation
GRI 102: 2016 General Disclosures

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Organizational profile		
102-1	Name of the organization	6
102-2	Activities, brands, products, and services	6, 7
102-3	Location of headquarters	6
102-4	Location of operations	6
102-5	Ownership and legal form	6, 9
102-6	Markets served	6, 7
102-7	Scale of the organization	6
102-8	Information on employees and other workers	23
102-9	Supply chain	44
102-10	Significant changes to the organization and its supply chain	46
102-11	Precautionary Principle or approach	12, 15
102-12	External initiatives	48
102-13	Membership of associations	48
Strategy		
102-14	Statement from senior decision-maker	3
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	43
Governance		
102-18	Governance structure	8, 9
Stakeholder engagement		
102-40	List of stakeholder groups	14
102-41	Collective bargaining agreements	23
102-42	Identifying and selecting stakeholders	13
102-43	Approach to stakeholder engagement	14
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Reporting practice		
102-45	Entities included in the consolidated financial statements	46
102-46	Defining report content and topic Boundaries	46
102-47	List of material topics	11
102-48	Restatements of information	46
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102-50	Reporting period	46

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102-51	Date of most recent report	46
102-52	Reporting cycle	46
102-53	Contact point for questions regarding the report	46
102-54	Claims of reporting in accordance with the GRI Standards	46
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Topic-Specific Standards

GRI 200 Economic Standards

GRI Standard		Page/reference	Reason for omission
GRI 201: 2016 Economic Performance			
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	9	
201-1	Direct economic value generated and distributed	9	
GRI 205: 2016 Anti-Corruption			
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	43	
205-3	Confirmed incidents of corruption and actions taken	44	
GRI 206: 2016 Anti-Competitive Behavior			
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	43	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	44	

GRI 300 Environmental Standards

GRI Standard		Page/reference	Reason for omission
GRI 302: 2016 Energy			
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	37	
302-1	Energy consumption within the organization	41	
302-4	Reductions in energy consumption	41	
GRI 305: 2016 Emissions			
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	37	
305-1	Direct (Scope 1) GHG emissions	41	
305-2	Energy indirect (Scope 2) GHG emissions	41	
GRI 307: 2016 Environmental Compliance			
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	39	
307-1	Non-compliance with environmental laws and regulations	40	

GRI 400 Social Standards

GRI Standard		Page/ reference	Reason for omission
GRI 401: 2016 Employment			
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	23	
401-1	New employee hires and employee turnover	25	
GRI 403: 2018 Occupational Health and Safety			
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	33	
403-1	Occupational health and safety management system	33	
403-2	Hazard identification, risk assessment, and incident investigation	33	
403-3	Occupational health services		Information unavailable
403-4	Worker participation, consultation, and communication on occupational health and safety	33	
403-5	Worker training on occupational health and safety	33	
403-6	Promotion of worker health	33	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Information unavailable
403-8	Workers covered by an occupational health and safety management system	33	
403-9	Work-related injuries		Data system under development
GRI 404: 2016 Training and Education			
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	32	
404-1	Average hours of training per year per employee	32	
404-3	Percentage of employees receiving regular performance and career development reviews	24	
GRI 405: 2016 Diversity and Equal Opportunity			
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	34	
405-1	Diversity of governance bodies and employees	35	
GRI 406: 2016 Non-Discrimination			
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	34	
406-1	Incidents of discrimination and corrective actions taken	34	
GRI 416: 2016 Customer Health and Safety			
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	20	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	21	
GRI 419: 2016 Socioeconomic Compliance			
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	43	
419-1	Non-compliance with laws and regulations in the social and economic area	44	

UN Global Compact progress report

This sustainability report 2021 is Bucher Industries' progress report relating to the ten principles of the UN Global Compact.

The ten principles of the UN Global Compact	Relevant company guidelines	Report reference
1. Companies should support and respect the protection of internationally proclaimed human rights.	Code of Conduct	8, 43
2. Companies should make sure that they are not complicit in human rights abuses.		
3. Companies should uphold the freedom of association and recognition of the right to collective bargaining.	Purpose Statement Code of Conduct	4, 5, 7 23, 34
4. Companies should work toward the elimination of all forms of forced and compulsory labor.		
5. Companies should work toward the effective abolition of child labor.		
6. Companies should work toward the elimination of discrimination in respect of employment and occupation.		
7. Companies should support a precautionary approach to environmental challenges.	Purpose statement Code of Conduct	4, 5, 7 18, 19
8. Companies should undertake initiatives to promote greater environmental responsibility.		37, 38 39, 40, 41
9. Companies should encourage the development and diffusion of environmentally friendly technologies.		
10. Companies should work against corruption in all its forms, including extortion and bribery.	Code of Conduct Anti-Corruption Directive	43, 44

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