

BUCHER

Sustainability
report

2020



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Cover picture: Better working conditions, lower electricity consumption and longer useful life of hydraulic oil at the test benches of Bucher Hydraulics' production facilities in India, all thanks to several environmental initiatives the company launched in recent years.



Jacques Sanche,
Chief Executive Officer

Dear Readers,

The year 2020 was a difficult one and our primary focus was to keep our employees safe during the pandemic. Our business developed robustly despite the challenges. Thanks to our long-term planning and solid financial performance, we were able to maintain our important strategic investments and continue launching new products to help our customers be more productive, conduct their work safely, lower costs and reduce their ecological footprint.

Our lead topic for the 2020 reporting period is customer service: We are committed to being there for our customers – wherever and whenever they need us – with fast and reliable support, in-depth knowledge and access to original parts. In this sustainability report, we’ve highlighted the voices and stories of our customers to share with you what they think of our services.

We also launched a review of our sustainability strategy in 2020. Through this process, we not only reaffirmed our four pillars of “Customers”, “Employees”, “Environment”, and “Compliance”, we also added three more topics, namely “Innovative products and optimal solutions”, relating to customers, as well as “Solutions with a purpose” and “Good corporate governance”, both of which are core to the foundation of our company.

As our most powerful lever to lower our ecological footprint, our commitment to further developing the efficiency and sustainability of our products was unchanged in 2020. We are also striving to reduce CO₂ emissions in our own production – an ambition we will pursue more strongly as we emerge from the COVID-19 crisis.

I hope you enjoy reading our sustainability report 2020 with a cover page showcasing our production site in India, which received the Indian VDMA Excellence award for “Initiatives for Energy Efficiency and Conservation” for the year 2020 (see page 47).

A handwritten signature in black ink that reads "J. Sanche". The signature is fluid and cursive, with a large initial "J" and a stylized "S".

Jacques Sanche
Chief Executive Officer

About us

Bucher Industries is a global technology group focused on meeting fundamental human needs. With production sites on five continents, approximately 12'600 employees and leading market positions in mechanical and vehicle engineering, the Group generated sales of over CHF 2.7 billion in 2020.

Bucher at a glance

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

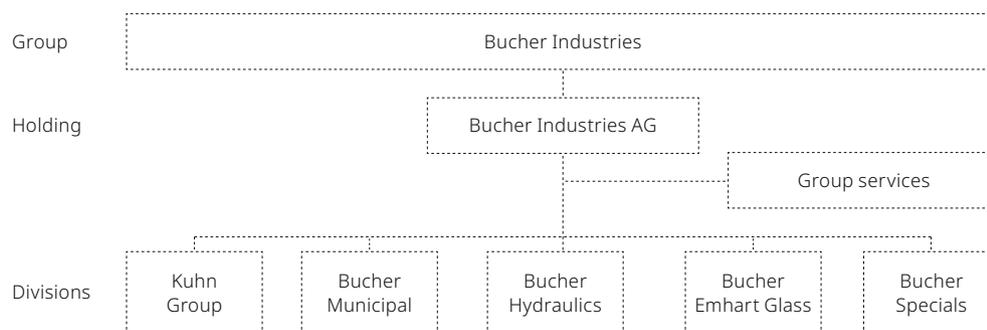
Group structure

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

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

- **Kuhn Group**, a leading manufacturer of specialised agricultural machinery worldwide
- **Bucher Municipal**, a leading supplier of municipal vehicles and equipment
- **Bucher Hydraulics**, a leading international manufacturer of electrohydraulic systems
- **Bucher Emhart Glass**, the world's leading supplier of advanced technologies for manufacturing and inspecting glass containers
- **Bucher Specials**, a group of four individual business units with a focus on equipment for the production of wine (Bucher Vaslin) and fruit juice, beer and instant products (Bucher Unipektin), the Swiss distributorship for tractors and specialised agricultural machinery (Bucher Landtechnik) as well as automation solutions (Jetter).

Operational group structure



Purpose of the company

Bucher Industries began as a blacksmith's shop over 200 years ago, and its vision is to continue its success well into the future with long-term sustainability and a broad stakeholder approach as a driving force. The company's divisions align closely with their customers' needs and focus on products that add societal value while also reducing negative environmental impacts.

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.

Solutions with a purpose

Bucher Industries' divisions manufacture capital goods that fulfil essential societal needs. This is ingrained in their mission statements and is part of the company's DNA. All divisions strive to constantly improve their respective products to add environmental and social value and anticipate future regulations and customer requirements so as 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 gains in importance, so do the needs for food, bio-energy and bio-materials. With a finite area of land available for growing agricultural commodities and supporting livestock, manufacturers such as Bucher's Kuhn Group innovate constantly to create solutions that help farm producers reduce their use of inputs and optimise the output from their farming operations. The division strives to ensure its equipment and services actively contribute to minimising the impact of farming on the environment and to enable farmers and ranchers to produce food and other products from nature as sustainably and efficiently as possible through customer training and support services and techniques such as advanced equipment design engineering and precision farming.

Bucher Municipal's products enhance the safety and cleanliness 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 uses 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 is working hard to reduce energy and heat loss in hydraulics by making improvements to hydraulic circuits. These improvements include reducing pressure losses, regulating power demand and providing intelligent hydraulic systems with sensors and software. The division's goal is to combine electrotechnology and hydraulics to create highly energy-efficient solutions in response to the megatrend of energy efficiency and electrification.

Glass is a renewable and sustainable material, but its production requires significant amounts of energy. Bucher Emhart Glass strives to improve the efficiency of the manufacturing process by using end-to-end technologies to interconnect data with glass production machinery. 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 at Bucher Industries is traditional, down to earth and based on trust. 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 quite 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. 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 as well as standard values and prescribed governance requirements. These are documented in the Group-wide Code of Conduct, additional directives and guidelines (see Compliance), as well as in an internal control system framework. These documents provide the basis for the Bucher values and principles in a very pragmatic and down-to-earth manner, which ensures they are lived by every division every day.

The board of directors consists of six to seven members with a broad array of backgrounds, though primarily in the manufacturing industry. Bucher believes it is important to have long-standing board members that have acquired deep insight into the company and its eight business areas so they can contribute fully to the strategic management and oversight of the diversified Group.

Economic value creation

Although the financial year 2020 was defined by the impacts of the global pandemic, Bucher Industries' business developed robustly overall. While demand declined notably in the first half of 2020 as a consequence of the spread of COVID-19, a recovery set in at mid-year and gained momentum towards the end of the reporting period. Order intake and sales were nevertheless lower overall.

Robust profitability and successful cash management in a difficult year

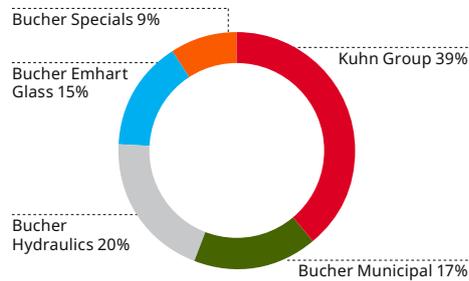
The pandemic led to reduced customer activity, delays and interruptions in the supply chain and temporary site closures. At the middle of the year, the situation began to normalise. Certain restrictions, especially concerning international travel, remained in place. While this hampered business, especially with respect to the sale and servicing of equipment for the beverage industry, it was partially offset by a strong recovery in the agricultural machinery market in the second half of the year.

Staying true to its long-term perspective, the Group remained committed to important strategic investments while also implementing various measures to safeguard liquidity. Profit for the year declined to CHF 152 million, while earnings per share were CHF 14.71. Bucher Industries invested CHF 747 million in its employees and CHF 1'369 million in raw materials, components and consumables. The return on net operating assets (RONOA) was 13.5%, significantly below the long-term target of 20%, but still above the cost of capital of 8%. The equity ratio was 57%. This solid financial position continues to secure the flexibility of Bucher Industries and lay the foundation for further growth.

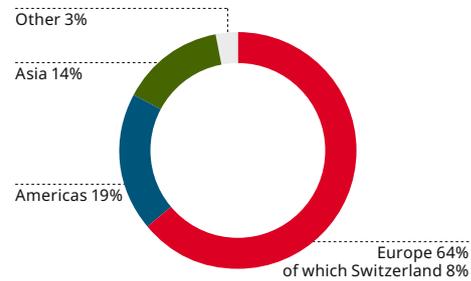
For more detailed information about Bucher Industries' financial performance in 2020, please refer to the annual report 2020.

Facts and figures

Net sales by division



Number of employees by region



More than
50 production and
development sites

Represented
on 5 continents

4% of sales spent on
research and development

5% voluntary terminations

Most top management
positions filled with
an internal successor

6% reduction in
energy consumption

7% reduction
in CO₂ emissions

Sustainability strategy

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

The four pillars

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



Customers



Employees



Environment



Compliance

Customers

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

This pillar comprises the material topics "Satisfied customers", "Innovative products and optimal solutions" and "Customer health and safety".

Employees

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

This pillar encompasses the material topics "Satisfied employees", "Qualified employees", "Health and safety at work" and "Diversity and equal opportunities".

Environment

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

This pillar addresses the material topics “Environmental impact of products and services” and “Resource efficiency of production with a special focus on CO₂ emissions”.

Compliance

Our compliance with all applicable laws and regulations is the foundation of our business success. We are duty bound to adhere to every aspect of the relevant laws and conduct business in accordance with the practices of fair competition.

This pillar consists of the material topics “General compliance with laws” and “Supply chain – sound procurement practices”.

Strategy implementation

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

Material topics

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

Reassessing the materiality of sustainability topics

The topics prioritised as most material in collaboration with employees, customers and shareholder representatives in 2015 are regularly reviewed and continue to inform Bucher Industries' current sustainability strategy. In 2019, the company updated certain material topic labels. In 2020, it conducted a broader internal reassessment, informed 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.

"Good corporate governance" and "Solutions with a purpose" are essential principles of Bucher Industries and were identified as topics material to the company. Responding to a shift in customer demand away from individual products and toward customised solutions – largely driven by new technological developments – Bucher Industries also added "Innovative products and optimal solutions" to its list of material topics. In alignment with rising awareness and an increased push to action regarding climate change, the topic of "Resource efficiency of production" was extended "with a special focus on CO₂ emissions". The company also recognises that, apart from the environmental impact of its products, its energy consumption and greenhouse gas emissions represent the most significant levers for reducing its environmental impact. Since the Group's divisions are mainly active in the assembly rather than the primary manufacturing of 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
Diversity and equal opportunities



Environment

Environmental impact of products and services
Resource efficiency of production with a special focus on CO₂ emissions



Compliance

General compliance with laws
Supply chain – sound procurement practices

Stakeholder engagement

Maintaining good relationships with all stakeholders is critically important for long-term business success. Bucher Industries regularly engages with them to understand their needs and gain insights into changing market requirements, trends and developments.

Approach to stakeholder engagement

The Group maintains close contact with its stakeholders in various ways. 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 shareholders.

Key stakeholder concerns

Bucher Industries' customers faced considerable uncertainty during the first half of 2020. Although the company received fewer orders as a result, it succeeded in delivering reliable customer service in the midst of the pandemic. The Group experienced great customer loyalty and a pronounced improvement in demand in the second half of the year. The trend toward increasingly efficient, automated and digitised products seen in recent years persisted in 2020. The growing complexity of automated and digitised products also presents a new challenge for customers regarding cyber security. As a result, the divisions must meet additional requirements, particularly in the areas of product safety and security (see Customer health and safety). Customers also continued to prioritise products with a lower environmental impact with regard to 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. To learn more about Bucher Industries' efforts to foster successful long-term customer relationships, see Customers.

In 2020, employees' main concerns were their health and job security in the face of the pandemic. Bucher Industries attached great importance to being a reliable employer during this difficult year. As the crisis significantly influenced the labour market, Bucher Industries shifted its focus from recruiting to retaining existing employees and keeping them safe. The constant dialogue which the Group and the divisions maintain with their employees to understand their viewpoints and needs proved particularly important in 2020 in order to navigate the challenges posed by the pandemic. All divisions opened new digital channels and communication formats and prioritised support for employees working in the factories, offices and from home (see Protecting employees during the pandemic). Development opportunities and improvements in the workplace remained important. To read more about Bucher Industries' workforce initiatives, refer to Employees.

The company's suppliers experienced supply bottlenecks during the first half of 2020, most of which were resolved during the second half. As with all other stakeholders, flexible communication and solutions proved essential during this challenging year. To learn more about Bucher Industries' approach to supply chain management, see Supply chain – sound procurement practices.

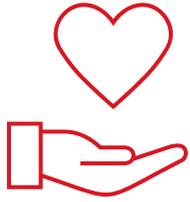
Investors and the general public continued to intensify their focus on the disclosure of environmental, social and governance figures in 2020. Regulatory developments also indicate that requirements regarding non-financial disclosures will increase.

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	<ul style="list-style-type: none"> - Daily interaction - Regular personal contact - Customer surveys - Video conferences - Workshops/visits - Conferences - Social media, newsletters, emails - Trade fairs (virtual and physical) - Industry associations 	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Regular meetings - Trade fairs (virtual and physical) - Technical training programmes 	<ul style="list-style-type: none"> - More support requests by end users due to higher complexity of machines
Employees	<ul style="list-style-type: none"> - Daily interaction - Regular staff meetings - Intranet, newsletters - Trainings - Employee representatives - "Eurocommittees" 	<ul style="list-style-type: none"> - Health and safety - Job security - Flexible virtual communications - Workload - Compensation - Training and education
Suppliers	<ul style="list-style-type: none"> - Regular interaction - Supplier days - Forecasting systems 	<ul style="list-style-type: none"> - Prices - Required volumes - Clear specifications
Shareholders/financial institutions	<ul style="list-style-type: none"> - Financial reports and press releases - Sustainability report - Annual general meeting - Analyst conferences and calls - Investor days and roadshows 	<ul style="list-style-type: none"> - Growth - Profitability - Return on net operating assets (RONOA) - Sustainability - Long-term success - Reputation
Local communities	<ul style="list-style-type: none"> - Engagement projects - Funding requests - Open-door events 	<ul style="list-style-type: none"> - Sponsorship, financial contributions - Support with personnel - Other contributions and support
Regulators/authorities	<ul style="list-style-type: none"> - Memberships in industry associations 	<ul style="list-style-type: none"> - Compliance/conformity to laws and regulations - Tax contribution - Environmental impact of products - Sustainable agriculture - Certifications

¹⁾ In 2020, the COVID-19 pandemic impacted all physical engagement formats. Bucher Industries and its divisions used digital formats, such as video conferences and virtual fairs and customer and employee training, instead.



Customers

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

Satisfied customers

Customer satisfaction is central to Bucher Industries' long-term success. All five divisions engage with their customers on a regular basis to understand their requirements, continuously optimise products and solutions, and ensure they receive the service and support they need.

Satisfied customers are long-term 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 the decentralised structure and regional set-up with over 100 locations, Bucher 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 specialised in very specific products (see Innovative products and optimal solutions).

The uncertainty and volatility of 2020 required flexibility and adaptability, especially when it came to providing reliable customer service, as COVID-19 limited interactions with customers by preventing on-site visits. All divisions used virtual formats, such as video conferencing and training, virtual shows and remote access to products, to assist customers and keep them engaged and informed. While some divisions were forced to delay customer surveys or reduce their scope, others were able to proceed with surveys and other forms of evaluation as planned. Customer feedback received in 2020 was generally very positive for all divisions.

Apart from concerns related to the pandemic, the environmental impact of Bucher's machines and vehicles continued to be a priority customer concern in 2020, and the company responded in many ways to reduce energy use, inputs, waste, noise and emissions (see Environmental impact of products and services). Ensuring the safety of the customers' employees is also a concern that Bucher takes very seriously (see Customer health and safety).

Bucher Industries assesses customer satisfaction through regular interaction, which is managed by divisional sales, marketing and customer service departments and varies across divisions. Customer surveys and targeted product surveys are key tools used by all divisions. 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". All divisions use the knowledge gained to continuously improve practices and inform product development.

There for our customers

With 2020 marked by COVID-19, the company focused on one goal: to ensure that its customers receive high-quality machinery accompanied by expertise, services, digital solutions and spare parts – far beyond the delivery of the product. Customers from five different locations around the world share with us what sets our support apart – even during a pandemic.

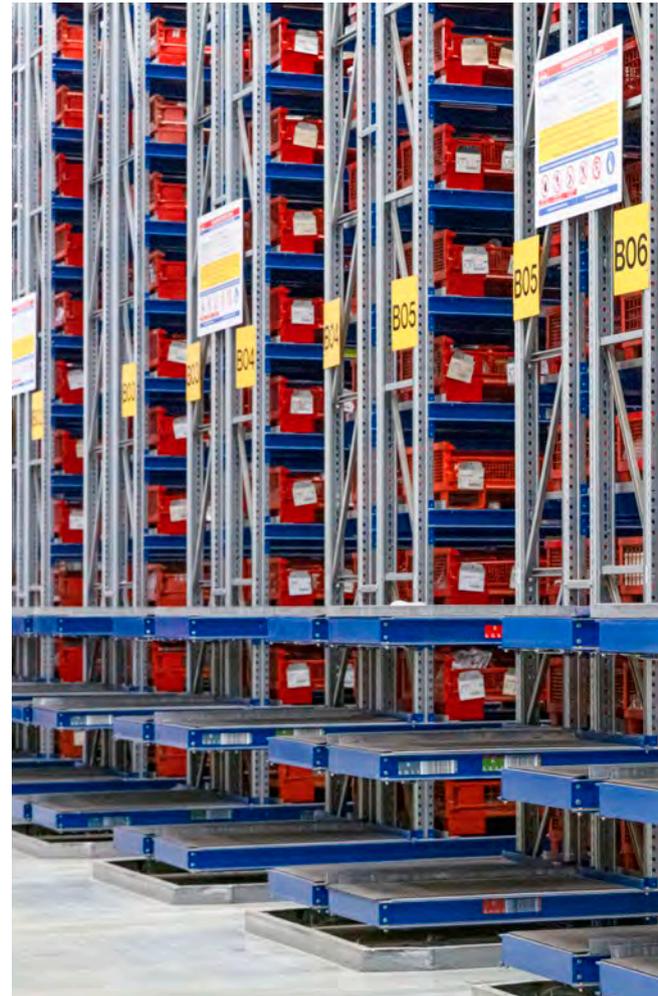


“Because the part could be picked up that same evening, our customer was back working in the field the same night. This was critical because the pressure of changing weather conditions was high that day. This is what we call excellent Kuhn service.”

Johan Meinderts (left), owner Meinderts Wergea, Netherlands



See how we deliver the right part at the right time to the right place.



“More often than not, our customers are the community. Bucher Municipal’s support gives us the confidence to meet their demands.”

James Conn, contracts manager
Continental Landscapes, UK



Find out more
about our assistance –
anywhere, anytime.



Read about our superior support that meets extreme requirements.



“Our customers depend on a solid working machine and rely on the ‘PistenBully’ quality and ‘PistenBully’ service. This can only function properly if we receive very good support from suppliers like Bucher Hydraulics. If this chain works perfectly, it leads to a high level of customer satisfaction.”

Alexander Dehm, head of technical customer service
Kässbohrer, Germany

“I am very proud of what our teams at Bucher Emhart Glass and Fevisa have achieved while working together remotely.”

Victor de la Torre, plant manager
Fevisa, Mexico



See how we ensured close guidance through remote support.



“When a grape press loses air pressure because of a defective seal, the seal must be replaced as soon as possible. The Bucher Vaslin monitoring programme alerts us immediately and we can take action.”

Yvo Mathier, winemaker and owner
Cave Fin Bec, Switzerland



Find out how we support winemakers to get from pressure to serenity.

Innovative products and optimal solutions

Customer satisfaction requires effective, leading-edge products with high quality standards, underpinned by outstanding service. Customers demand ever-improving products with innovations that help them increase efficiency, reduce environmental impacts, lower costs and remain competitive. Bucher is increasingly focusing on offering solutions and integrating new technology in a way that delivers optimised value to customers.

Delivering the right solutions for the future

Research and development form an integral part of Bucher's strategy. Supporting innovation is therefore increasingly becoming a long-term, Group-wide priority. Within this framework, projects emerge from each division with at least 4% of sales allocated to research and development. 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 help customers use them.

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.

2020 division highlights

Improving efficiency with robotics for livestock farmers

Kuhn Group launched "AURA", an autonomous feed loading and mixing solution that allows livestock farmers to reduce their labour expenses and focus their time on higher value-added operational tasks. "AURA" manages the complete cycle of silage loading, mixing rations and precise distribution of the feed to the livestock multiple times a day. Maintaining consistent feeding times and rations is beneficial for quality milk production. "AURA" doesn't require any additional infrastructure on the farm and is an innovative feeding robot equipped with sensor technology, allowing it to safely accomplish its mission on the farm. AURA will be available to its first customers in a pilot production phase in 2021.

Advancing electric options for winter maintenance

Bucher Municipal built on its strategy to advance electrification in 2020 (see Environmental impact of products and services). The division launched the "Husky Le": a fully electric liquid brine sprayer, which uses a unique battery buffer system and can be mounted on both conventional and electric vehicles. It is specifically designed for the "CityCat V20e", which means that this new compact sweeper is not only fully electric, it can also be used multifunctionally throughout the year: in the winter as a brine sprayer and in the summer as a street sweeper. Brine spraying offers the additional environmental advantage of using less salt while still melting snow more quickly than non-dissolved salt.

Reducing emissions through innovative hydraulics solutions

Bucher Hydraulics' further developed the AX series of innovative pumps and motors which, due to their innovative construction principle, are especially well suited for electric-powered machinery. With this pump as a basis, the new electrohydraulic linear actuator system called "HELAX" was developed. The electrohydraulic subsystem is composed of a hydraulic cylinder, which is controlled by an electric motor in combination with the AX pump. This decentralised linear drive solution permits continuous operation at the highest level of energy efficiency, meaning it produces hardly any waste heat. Because of this, it has aroused interest among customers working on next-generation machines, which will need to reduce their CO₂ emissions significantly to be compliant with upcoming legal requirements. A further advantage is that "HELAX" can be easily integrated into a machine without any need for in-depth hydraulics knowledge on the customer's end.

Reducing the need for rinse water with award-winning technology

Bucher Vaslin launched the "AQUA PULSE" accessory, a semi-automatic system for rinsing grape press tanks. The specially designed spraying head is automatically directed inside the press tank and uses a high-pressure jet of cold water to clean the surfaces in a predefined washing sequence. The new designs and processes used for "AQUA PULSE" reduce water consumption by at least 30% compared to traditional rinsing processes. It was awarded a bronze innovation trophy at the Vinitech-Sifel 2020 virtual tradeshow.

Reducing the impact of recalls through optimised product tracing

The more precisely food producers can track raw materials from their origin to the final product destination, the lesser the impact of potential product recalls due to contamination or non-compliance. Bucher Unipektin responded to this need of its customers and developed a new product tracing module for the "SCADA 4.0" control system for the fruit juice industry. The system closely tracks the journey of raw materials and production batches and provides the data to meet the most stringent requirements for product tracing as required by law and international trade standards. This highly automated failsafe documentation feature saves the customer many working hours for manual data capture and helps limit the volume of recalled products.

Customer health and safety

Bucher invests heavily in health and safety considerations when developing and manufacturing its products. Protecting customers begins there and continues into training and support throughout the products' lifespan. An increasing focus lies on the security of ever-more automated and interconnected machines and vehicles.

Ensuring product safety and security

Protecting the health and safety of our customers is a critical necessity for customer satisfaction and the company's reputation. Bucher's 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 such 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.

Steady advances in digitalisation and increasingly automated and interconnected machines and vehicles improve the performance and user-friendliness of machines, thereby creating opportunities in the field of health and safety. However, such technological progress is accompanied by heightened vulnerability with respect to cyber security – a central topic Group-wide, also in 2020. Today, the products' security is as important to the company as their safety. Bucher Industries analysed product and product development maturity with regard to cyber risk exposure across divisions and evaluated cyber risk measures for future service offerings. Next steps were defined, including the integration of penetration testing early during the product development stage.

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. Cyber security is addressed centrally, with the Group Chief Information Security Officer working closely 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.

In 2020, no incidents of non-compliance were registered concerning health and safety impacts of products and services. There were accidents at individual machines or plants, with a few resulting cases pending in court. However, the accidents occurred due to disregard of safety instructions on the operators' side.

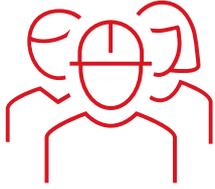
2020 division highlights

Heightened refuse collection safety with automated object detection

As technology inside driver cabins has advanced (such as onboard computers, fleet routing maps, weighing systems and cameras), so has drivers' risk of distraction. Customers are increasingly looking for ways to help drivers of side and front loader refuse vehicles, who often sit in the driver's cabin alone for extended periods of time, to operate safely in public places. In response, Bucher Municipal developed an object detection system. When people or objects enter a danger zone around the vehicle, it issues warnings and ultimately prevents the bin lifting mechanism from being lowered until the danger zone is clear. In 2020, 73 side loader vehicles were outfitted with this new object detection system.

Standardising safety features to protect glass plant workers

Bucher Emhart Glass continued to advance the safety of operators of glass container forming machines. The "Blank side Barrier" (BsB) is now included with all its forming machine types, even though the corresponding C-Standard EN 13042-3 does not explicitly require this additional safety measure. The barrier is in the up position during automatic operation. At swab cycle, the operator has to stop the section proactively for the barrier to move down and provide access to the section for swab intervention. Bucher Emhart Glass is also actively contributing to the official EU review committee for forming machine users and builders, ensuring that the BsB becomes a safety standard for the entire industry.



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

	Change in		
	2020	2019	%
Total number of employees (headcount)	10'046	10'097	-0.5
Permanent	9'725	9'761	-0.4
Fixed-term	321	336	-4.5
Part-time	447	468	-4.5
Percentage part-time	4.4%	4.6%	
Regional structure¹⁾			
Switzerland	857	891	-3.8
Europe	5'660	5'743	-1.4
Asia	1'271	1'045	21.6
Americas	2'123	2'283	-7.0
Others	135	135	0.0
Employees covered by a collective agreement	5'366	5'377	-0.2
Percentage of employees covered by collective agreements (GRI 102-41)	53.4%	53.3%	

Data scope: The assessment on employees includes personnel at the 39 (2019: 36) 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.

¹⁾ In 2020, two production sites in China that had been acquired in recent years were added to the scope, which accounts for the increase of Asia with respect to the regional structure.

Satisfied employees

Engaged, dedicated, well-trained, safe and proud employees are essential to long-term economic success and good customer relationships. Thus, Bucher Industries is committed to being an employer of choice and promoting job satisfaction for its workforce.

Attracting and engaging employees

Satisfied employees are more productive, enable innovation and serve customers best. The qualified people sought by Bucher Industries continue to be in great demand, especially technical personnel such as engineers and machine operators. At Bucher, multilingualism is also often needed. 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 societal needs and help create a better world.

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. Through “Eurocommittees”, two-hour meetings or video conferences, management informs delegates of European employee representative committees about relevant current topics.

In 2020, a major focus was to offer employees the safety and flexibility required as a result of the COVID-19 pandemic (see Protecting employees during the pandemic). Due to the pandemic, only a few employee surveys could be conducted. Regular employee surveys are scheduled to resume in 2021. The regular “Group Meeting”, which brings worldwide management together once a year, didn’t take place but was instead conducted as two virtual meetings.

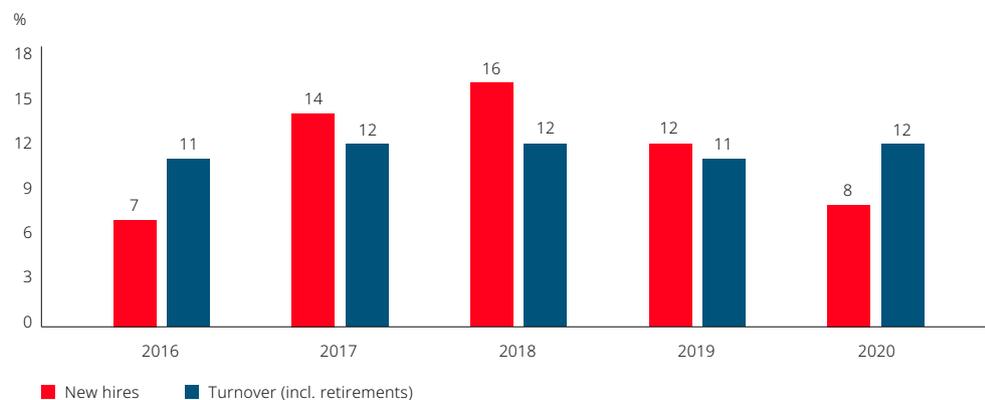
An integral part of employee development is conducting regular appraisal interviews, generally on a yearly basis. As part of these, performance against set objectives is assessed for most employees and – mainly for management functions – linked to a cash bonus.

While responsibility for employee topics lies with the divisions and their HR departments, all 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. Key performance indicators, such as voluntary resignations and internal promotions to top management positions, are also tracked for the Group as a whole and targets are developed.

Employee turnover in 2020 was 12% and therefor on a similar level to 2019. Voluntary terminations, which the company considers an important indicator of employee satisfaction, remained at 5% of turnover. Despite the pandemic and the resulting economic downturn, Bucher Industries was able to keep its workforce at a more or less stable level over the course of 2020, in part due to short-time work. Job cuts mainly affected temporary personnel and staff with a fixed-term contract. As temporary personnel are not included in the tables in the Employees section, the numbers shown in this report decreased only slightly (for further information see annual report 2020, page 8). For most top management positions that opened up in 2020, an internal successor was promoted.

New hires and turnover

	2020				2019			
	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	729	7.5	1'160	11.9	1'185	12.1	1'092	11.2
Gender								
Female	142	10.3	194	14.1	195	14.1	185	13.4
Male	587	6.8	966	11.1	990	11.4	907	10.4
Age								
Under 30	312	17.8	301	17.2	485	28.3	277	16.2
30-50	325	6.1	487	9.2	570	10.8	499	9.5
Over 50	92	3.1	372	12.5	130	4.2	316	10.2
Region								
Switzerland	57	6.7	63	7.4	142	15.9	87	9.8
Europe	400	7.1	560	9.9	595	10.4	530	9.2
Asia	55	4.3	177	13.9	132	12.6	101	9.7
Americas	199	9.4	336	15.8	279	12.2	345	15.1
Others	18	13.3	24	17.8	37	27.4	29	21.5



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

Qualified employees

Bucher Industries' success in designing, engineering and manufacturing specialised machinery and vehicles is due to the excellent work of the company's employees worldwide. To continue this success, the company aims to attract, retain, develop and promote employees with a combination of knowledge, expertise and passion for the industries Bucher serves.

Developing employees

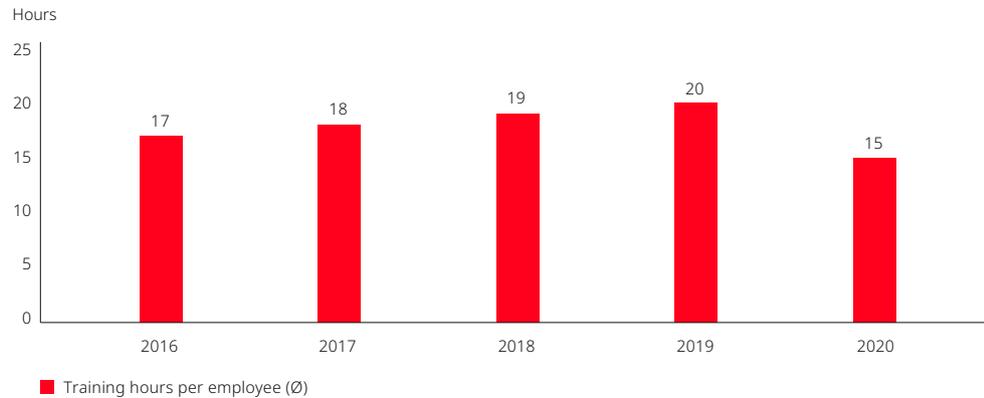
Bucher Industries values relationships and trust and believes in developing employees for the long term. Employees can benefit from training, continuing education and professional development opportunities that are adapted to individual needs and the changing requirements of the market. In 2020, training took place whenever possible and was adjusted to the pandemic through greater use of electronic channels, such as training videos.

A priority goal of Bucher Industries is to offer excellent internal leadership development prospects. A new Group-level management development programme took place for the first time in 2020, prior to the pandemic. The programme invited select middle managers to a retreat workshop led by external specialists, and participant feedback following this experience was highly positive. The annual "Bucher Management Training" had to be postponed, however. This 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.

The divisions and their HR departments assess the success of their programmes as part of their employee satisfaction evaluation. They closely monitor key performance indicators, such as training hours.

On average, employees received 15 hours of training in 2020 (20 hours in 2019). The reduction in average training hours was mainly caused by travel restrictions, social distancing guidelines and cancellations due to the pandemic. However, at Bucher Municipal, training activities increased in 2020 compared to 2019, which was mainly due to the launch of innovative products that required specific training.

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



2020 division highlights

New on-demand knowledge and training hub

Bucher Hydraulics launched the new online training platform, "TeachMe", which provides employees with easy access to training relevant to their function and allows them to continually expand their knowledge on their own time, while keeping HR departments updated on the training activities of their employees. The knowledge application is accessible on Bucher Hydraulics' intranet, where employees can take available courses and keep track of active and completed courses.

Pivoting to remote training for complex machine assembly

Faced with pandemic travel restrictions, Bucher Emhart Glass showed flexibility, creativity and a collaborative spirit, which was highlighted by a remote training plan for the final assembly of an NIS glass forming machine. This was the first NIS project that the team at the Sanjin site in China was to assemble, and it couldn't be accomplished without support. Normally, this would have involved travelling to the site in Sundsvall, Sweden, to be trained on the final assembly and then completing the assembly in China with trainers from Europe present to explain and oversee the process. As an alternative, Bucher Emhart Glass hired a professional film crew to record the entire assembly, disassembly and packaging process. The resulting video was shared with the Sanjin team, accompanied by constant communication between the Sundsvall and Sanjin teams. The Sanjin team successfully completed the assembly of the NIS machine and started the on-site installation. The videos will be used in future training on these complex glass forming machines.

Retooling an internal training programme from in-person to remote

Jetter also found creative ways to respond to the restrictions imposed by the pandemic. In 2020, the business unit held cross-site and cross-functional in-house training on three different quality management instruments. Forty employees participated, partly in person and partly online. The training was successful despite the complex arrangement, which included three companies in separate locations (Jetter in Ludwigsburg, futronic in Tettang, Germany, and Jetter Hungary in Budapest), seven areas (development, product management, production, work preparation, construction, warehouse team leader and management), and exercises in smaller subgroups.

Health and safety at work

Keeping all employees safe and healthy, wherever in the world they are operating, is a prerequisite for a productive, engaged and motivated workforce and 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.

Keeping employees safe

Workers who are safe and healthy are also more productive, loyal and satisfied in their jobs. All divisions aim to keep incidents low and provide all employees with the right tools, training and conditions so they can do their work without it having any negative impact on their health.

The company complies with all health and safety laws and regulations in all of its jurisdictions, often exceeding standards. Various measures are in place to maintain and improve employee health and safety. 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. Despite the challenges caused by the pandemic in 2020, health and safety audits and training were still conducted at most sites, often in a virtual format. When acquiring a new location, working conditions are evaluated and improved where necessary by bringing them up to Bucher Industries' standards. The number of production sites certified according to OHSAS 18001 or ISO 45001, the standard that succeeded it, increased further from 12 in 2019 to 15 in 2020, and three additional sites are currently in the certification process.

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. The approach also includes a focus on ergonomics and even well-being classes at some sites.

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

Protecting employees during the pandemic

Responding to the pandemic was at the centre of Bucher Industries' health and safety initiatives in 2020. All divisions reacted swiftly, thereby limiting COVID-19 workplace infections among employees. Wherever possible, employees were allowed to work from home; in the factories, strict sanitary measures, distancing guidelines and non-overlapping shifts were implemented. All divisions invested in videoconferencing and other virtual communication formats to keep employees engaged, supported and able to continue performing their work as well as their training and development activities. Despite the challenges, health and safety audits and training were conducted at most sites, where necessary in virtual format. In 2020, training also focused on ways to avoid transmitting the virus. For Bucher Industries, keeping employees safe during the pandemic also meant keeping layoffs of permanent employees to a minimum (see Satisfied employees).

Diversity and equal opportunities

Bucher Industries believes in the importance of making sure each employee feels valued and heard. The Group is naturally diverse due to having over 100 locations across five continents. Discrimination is never tolerated and Bucher grants equal opportunities to every employee. The Group is committed to local hiring and diversity at all employment levels.

Fostering a culture of respect and opportunity

Understanding that diversity offers more perspectives and strengthens resiliency, Bucher Industries fosters a company culture in which everyone feels valued and heard and has a seat at the table. 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. 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 2020, 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. 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 2020, the share of female employees remained stable compared to 2019.

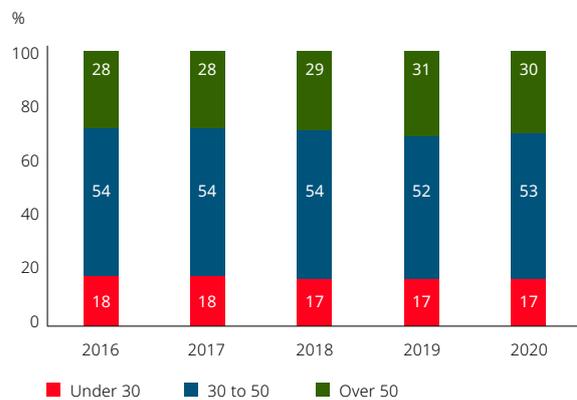
The divisions closely monitor diversity statistics and evaluate feedback from employees to confirm that diversity and equal opportunity practices are being followed.

Diversity of workforce

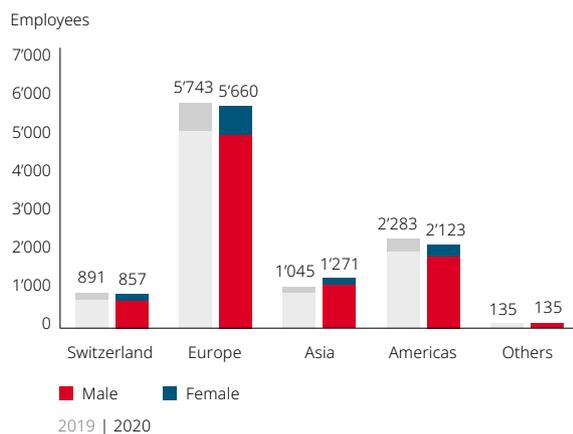
By gender



By age group



By region and gender



Of governance bodies (of the Group as a whole)

in %	Senior management		Group management		Board of directors	
	2020	2019	2020	2019	2020	2019
Female	2.4	2.6	14.3	14.3	14.3	14.3
Male	97.6	97.4	85.7	85.7	85.7	85.7
30-50	28.6	36.8	28.6	28.6	28.6	28.6
Over 50	71.4	63.2	71.4	71.4	71.4	71.4

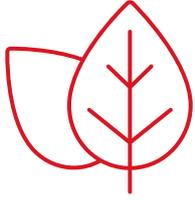
Focus on equal remuneration

Proactively addressing regulatory changes is a priority across all divisions, particularly when it comes to equal remuneration.

At Bucher Municipal in the UK, an analysis is conducted each year to determine whether there is a gender difference in remuneration. While the government's target is to bring the gender pay gap to zero, the industry average reveals that women are still being paid 14% less than their male counterparts. Bucher Municipal's data for 2020 showed that the company's mean hourly rates for women were on a similar level to that for men. Despite having a predominantly male headcount, the female members of the company are employed across all areas of the business, from the lower-paid roles through to senior management positions. In light of this encouraging results, Bucher Municipal in the UK is now focused on maintaining this position and keeping the gender pay gap close to the government's target of zero.

Developing a methodical process of ensuring equal pay for equal work in Sweden was a major initiative at Bucher Emhart Glass. Moving forward, each position will be analysed with respect to multiple parameters such as job responsibilities, required level of education and experience, and impact on the company's bottom line. An external provider will then compare salaries between genders in equivalent positions. Any unjustified compensation differences will be disclosed and addressed. This initiative was launched in response to local requirements in Sweden but will be reviewed and discussed for possible implementation in other locations.

Bucher Vaslin signed a professional equality agreement with all trade unions with the goal of reducing the gender pay gap. The agreement requires Bucher Vaslin to develop performance indicators and disclose how they will be monitored.



Environment

Bucher Industries strives to enable its customers to reduce their environmental footprint, which is its most powerful lever for contributing to sustainable development. The company launched a number of environmentally friendly innovations in 2020, meeting an unabated customer demand in this area, and also strives to lower its ecological footprint in the production process.

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

Reducing their environmental impact is a high priority for Bucher Industries' customers, and they are thus interested in machinery and equipment that generate less emissions and need less energy, fuel, water and agricultural inputs. The main drivers of this demand are emerging regulations and mandates particularly regarding CO₂ 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 fertilising and crop protection inputs in agriculture. In 2020, the increased demand in electric municipal vehicles was particularly pronounced.

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 end of product life, carefully following and anticipating market and regulatory requirements. One strategy is to use technology, such as electronics and control algorithms that 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 with justifiable effort at this point, 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 21 of the most important sites in 2020, up from 17 in 2019.

2020 division highlights

Helping farmers preserve soil biodiversity and reduce herbicide use

Kuhn Group continued to support farmers in the practice of conservation and organic agriculture. In 2020, the division launched the “EL 162-300 BIOMULCH”, a power tiller that removes cover crops or previous crop residues mechanically, thereby replacing the application of crop protection products. This machine mulches just the top three to six centimetres of soil, mixing it together with vegetal residues without disturbing biological life deeper in the ground. The “EL 162-300 BIOMULCH” joins other conservation and organic agriculture products from Kuhn Group such as the “AUROCK” seed drill launched in 2019, which sows seeds directly into cover crops or crop residues. With both machines, biodiversity and organic matter in the soil are increased.

Advancing electrification in municipal cleaning and clearing operations

Bucher Municipal introduced the “UrBin RL110e”, an electric rear loader refuse vehicle. It consists of the division’s standard refuse compactor mounted onto a fully electric chassis. The division also made significant progress in optimising the electrical and hydraulic control system to reduce power consumption: a smaller, more efficient hydraulic pump runs at higher speed but draws less energy, while on-demand operation prevents the hydraulics from working unnecessarily, enabling cycle times of up to 12 hours between charges. The “UrBin RL110e” allows customers to use an electric vehicle with performance and productivity equivalent to that of a conventional diesel refuse vehicle with no impact on the existing workday for their drivers but with reduced emissions. Another example of Bucher Municipal’s electrification strategy is the “Phoenix Electra” spreader, for which a test showed an increase in efficiency of nearly 20% compared to a conventional hydraulic spreader. In fleet trials in the UK during the 2020/21 winter season, three equivalent hydraulic spreaders and three electric spreaders were tested in live winter operations on the same kind of diesel chassis. Truck telematics monitored fuel consumption during the tests and the final result showed fuel savings of 19% and a corresponding drop in CO₂ emissions versus the diesel-powered vehicle. According to the test results, around 1 tonne of CO₂ emissions from the truck is saved for every 2,500 miles travelled by the spreader. In the sweeper product group, the new fully electric “CityCat V20e” received design awards for its formal and functional sustainability features, advanced and innovative technology, functionality and user-friendliness.

Reducing the carbon footprint of a glass container through gob size control

Furnaces for glass production must hold temperatures of around 1’500°C. Reducing losses in the glass container manufacturing process can hence significantly lower emissions. This can be achieved with Bucher Emhart Glass’ “GobRadar”, a closed-loop control that uses a camera-based sensor to optically monitor the weight and shape of each individual gob during forming and automatically adjusts the feeder as required. With more accurate gob weight control, the amount of glass per container can be reduced close to specified weight limits, lowering the carbon footprint of each container. Assuming typical production conditions for 370-gram glass containers at 360 bottles per minute, a reduction of 1% weight variation would result in savings of 700 tonnes of glass per year and a CO₂ reduction of approximately 200 tonnes annually for such a production line. Additionally, more consistent gob weights reduce variations in the forming process, resulting in fewer container defects and decreased losses, further reducing the carbon footprint.

Minimising crop protection products needed in agriculture through precision spraying

Bucher Landtechnik has entered into a strategic partnership with the company Ecorobotix. The collaboration was launched with “ARA”, a tractor-mounted, high-precision sprayer that greatly reduces the use of herbicides in plane fields and row crops. Using cutting-edge artificial intelligence, its multi-camera vision and computer systems allow it to detect and selectively spray weeds with a micro-dose of herbicide thereby reducing the amounts used by 95%. Its centimetre-precision also ensures the chemicals do not affect the crops themselves. In addition to weeding, “ARA” can selectively apply insecticides, fungicides and fertilisers, reducing the required volume of those chemicals as well.

Resource efficiency of production with a special focus on CO₂ emissions

Ambitious efforts to reduce resource consumption and CO₂ 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 economic concern. The company’s main environmental impacts and efforts relate to energy consumption and CO₂ emissions. Despite the fact that Bucher Industries’ production is not water-intensive (see Reassessing the materiality of sustainability topics), minimising water consumption, especially in water-stressed areas, is still a part of some sites’ approach to efficiency in production.

To address scope 1 and 2 emissions in a both active and systematic way, the company has identified the locations with the highest CO₂ emissions and is currently in the process of developing Group-wide reduction targets and action plans. 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.

Renewable energy is generated at several sites. In 2020, the total photovoltaic capacity at Bucher Industries production sites increased to 1'023 kWp. This capacity is installed at five plants, which collectively produced 976 MWh of green electricity in 2020. Twenty-one production sites are certified according to the environmental management standard ISO 14001, five are certified according to the energy management system ISO 50001, and two other sites are in the process of obtaining this certification. Fuel, gas and electricity use, and the associated emissions, are monitored rigorously. In 2020, 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.

2020 performance

With its long-term perspective and a solid financial basis, the Group continued with its most important strategic investments in 2020 (see Economic value creation). However, as part of its efforts to safeguard liquidity, other investments were postponed, amongst them larger projects to reduce CO₂ emissions. Nevertheless, energy consumption decreased by 6% and carbon emissions by 7% compared to 2019, even though three sites were newly included in the data scope. This was mainly caused by reduced production, travel and transportation volumes due to the pandemic, and a number of efficiency and renewable energy measures conducted at Bucher Industries' sites (see 2020 division highlights). In addition, a mild winter in 2019/2020 led to a decrease in the consumption of heating fuels.

Overview: net sales, energy consumption and CO₂ emissions

	Change in		
	2020	2019	%
Net sales in CHF million	2'741	3'106	-12
Energy consumption in MWh	329'119	353'009	-6
Electricity	140'855	150'239	-7
District heating	14'042	14'377	-2
Heating fuels	148'220	159'371	-7
Natural gas	133'783	144'620	
LPG/propane	8'566	8'392	
Heating oil	3'971	4'293	
Wood	1'901	2'066	
Motor fuels	26'002	29'022	-10
Diesel	15'315	15'616	
Petrol	5'627	8'015	
LPG/propane	4'178	4'251	
Biodiesel	149	135	
Bioethanol	732	1'006	
CO₂ emissions in tCO₂e	80'227	86'147	-7
Scope 1	40'781	44'939	-9
Heating fuels	30'457	33'572	
Motor fuels	6'481	7'182	
Volatile gases (e.g. refrigerants)	2'800	3'087	
Process emissions (e.g. welding)	1'043	1'099	
Scope 2	39'446	41'209	-4
Electricity	36'328	38'017	
District heat	3'118	3'192	
Biogenic CO₂ emissions	1'005	1'139	-12

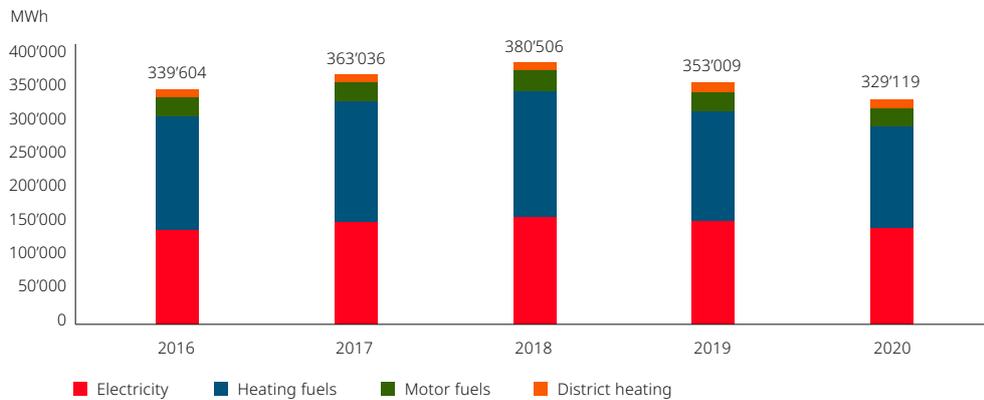
Data scope: The environmental assessment that forms the basis for all environmental figures in this chapter includes the resource consumption of the 39 (2019: 36) most important production sites and one research centre.

Due to their insignificance, diesel used for emergency power and energy sold to third parties were omitted from reporting. In addition, due to increased data quality for some production sites, a few consumption figures were adjusted retrospectively. Consequently, figures for 2019 may differ slightly from the figures reported in the previous year.

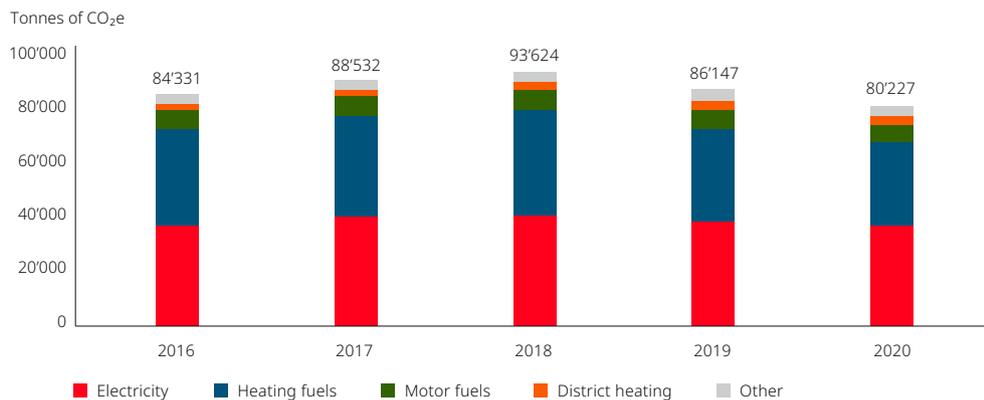
As Bucher Industries production is not water intensive overall, water consumption figures have not been published since 2019. Net sales refer to Group net sales reported in the annual report 2020.

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 one site that purchases certified renewable electricity; for this site, the market-based approach has been applied. If the location-based approach were applied to all sites, emissions from purchased electricity would amount to 36'535 tCO₂e.

Energy consumption by category



CO₂ emissions by category



2020 division highlights

Replacing a large facility chiller to save energy and reduce emissions

Taking advantage of an incentive programme available from the French government, Kuhn Group replaced a large chiller to achieve greater efficiency and reduce emissions. The new chiller captures and reuses excess heat that would otherwise be discharged to the outside. In winter, it is now used to heat buildings, and in summer, it is repurposed for water heating, for example in the company employee restaurant. The new chiller cuts 690 tonnes of CO₂ emissions annually by significantly reducing the consumption of natural gas.

Taking advantage of solar panels on plant in Italy

Bucher Municipal's Revello plant in Italy has been purchasing 100% certified renewable energy from an external provider since 2017. Thanks to a change in law, since June 2020 Bucher Municipal has also been using the electricity generated by the solar panels that cover the roof of its plant. Previously, this electricity had to be sold on the market, but it can now substitute for the purchased renewable energy. Hence, since 2017 almost all electricity used came from renewable sources, advancing the site's objective to increase the environmental sustainability of production.

Receiving recognition for water conservation and energy efficiency efforts

Bucher Hydraulics' production site in Gurgaon, India, implemented a couple of initiatives to conserve water. In the area, the water table fell around seven metres from 2013 to 2018 due to excessive water extraction. The law now requires all new buildings to implement rain catchment systems. Bucher Hydraulics built such a system with the ability to recharge up to 4.5 million litres of water (600 millimetre average rainfall) every year. Connected to deep bore water wells, it ensures that all rooftop rainwater is used to recharge the local groundwater table. Whereas the law required the installation of two pits, the production site opted for five to prevent as much rain water as possible from being wasted in storm drains. In addition, with its sewage treatment plant, the production site recycles 100% of its domestic waste water and reutilises it for air conditioning, toilet flushing and watering local grounds. These efforts were part of a larger initiative that also included energy efficiency measures and the expansion of solar capacity installed at the site. They were recognised with the Indian VDMA Excellence award for "Initiatives for Energy Efficiency and Conservation" for the year 2020.

"At Bucher Hydraulics, our products and solutions are examples of our commitment to both energy efficiency and the environment. Therefore, it is natural for us that our manufacturing facility and processes adopt and utilise technologies that help conserve energy and natural resources. Water being an important natural resource, implementation of rain-water harvesting and recycling domestic sewage is our small contribution towards its conservation and our sustainable future."

Kapil Sehgal, Managing Director
Bucher Hydraulics India



Find out more about
our environmental
efforts in India.



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 and fair and ethical conduct toward customers, colleagues, business partners, competitors and the relevant authorities.

General compliance with laws

For more than 200 years, Bucher Industries has been appreciated worldwide for the development and production of high-quality machinery and vehicles. An essential foundation of this long success story is a corporate culture that provides guidelines for proper conduct toward customers, colleagues, business partners, competitors and authorities by every employee.

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

- Code of Conduct
- Competition Law Directive
- Anti-Corruption Directive
- Intermediaries Directive
- Data Protection Directive
- Trade Compliance Directive (added in 2020)
- Insider Directive

While compliance principles and guidelines are prescribed and their implementation is monitored centrally, the responsibility for their realisation lies with the divisions, allowing for adaptations to the specific conditions of their 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.

In addition to the compliance officers, employees can 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 also follows up on anonymous reports, and reporting in good faith does not result in any disadvantage to the reporting employee. Bucher Industries is currently in the process of implementing the EU Whistleblower Directive.

All employees receive a copy of the Code of Conduct and training at hiring, followed by annual training on the Code of Conduct and the Group's compliance programme and reporting system. Commensurate with their function, employees receive additional documentation and training on anti-corruption, competition law and data protection. Local and divisional compliance officers are trained in their responsibilities for two days at least every three years. All training is offered online and was thus not impacted by the pandemic in 2020.

Compliance is monitored through careful analysis of compliance reporting and regular internal audits. Bucher Industries' Internal Control System (BICS) includes newly added compliance-relevant features, and compliance will gain even more importance as a result. Implementation of the revised internal control system is in process.

In 2020, 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 and no confirmed incidents of corruption. Once again, undue attempts by suppliers to influence decisions were prevented in 2020 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, acceptance of gifts from suppliers may be allowed as an exception, but is reviewed on a case-by-case basis 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 put an increased focus on supply chain sustainability. Bucher Industries' objective is to minimise environmental and social risks associated with suppliers while maximising reliability and resilience.

Working primarily with regional suppliers is part of Bucher Industries' decentralised strategy. Steel for instance, a major purchase item for the Group, is generally sourced from within the continent. Serious risks originating from direct suppliers, including those for rare earths or conflict minerals, can therefore be considered minimal.

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. Quality, competence, reliability and compliance with laws and regulations, as well as cost-optimisation measures, however, 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, similar, competitive prices are guaranteed.

In 2020, the Group invested CHF 1'369 million in raw materials, components and consumables and worked with more than 14'000 suppliers.

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 pandemic made it impossible to conduct all scheduled on-site audits in 2020. Some were replaced by virtual formats, and regular quality controls could still be conducted. The Group's new directive on Trade Compliance, issued in 2020, prescribes a Group-wide risk assessment framework for sanction screenings of suppliers.

About this report

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

This report has been prepared in accordance with the GRI Standards: Core option (GRI 102-54). It encompasses headquarters in Switzerland and the 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 2020 (GRI 102-45). The reporting period comprises the calendar year 2020. Bucher Industries commits to an annual reporting process. The last report was published in June 2020. 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 2020. 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:

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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
Diversity and equal opportunities	GRI 405: 2016 Diversity and Equal Opportunity GRI 406: 2016 Non-Discrimination
Environmental impact of products and services	GRI 302: 2016 Energy
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	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 Hydraulics	VDMA Blue Competence Alliance Member
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)
	National Fluid Power Association (NFPA, 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



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

Universal Standards

GRI 101: 2016 Foundation

GRI 102: 2016 General Disclosures

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Organizational profile		
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GRI Standard		Page/ reference	Reason for omission
GRI 201: 2016 Economic Performance			
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201-1	Direct economic value generated and distributed	9	
GRI 205: 2016 Anti-Corruption			
GRI 103: 2016	Management approach	49, 50	
103-1 / 103-2 / 103-3			
205-3	Confirmed incidents of corruption and actions taken	50	
GRI 206: 2016 Anti-Competitive Behavior			
GRI 103: 2016	Management approach	49, 50	
103-1 / 103-2 / 103-3			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	50	

GRI 300 Environmental Standards

GRI Standard		Page/ reference	Reason for omission
GRI 302: 2016 Energy			
GRI 103: 2016	Management approach	43, 44	
103-1 / 103-2 / 103-3			
302-1	Energy consumption within the organization	45	
302-5	Reductions in energy requirements of products and services		Information unavailable
GRI 305: 2016 Emissions			
GRI 103: 2016	Management approach	43, 44	
103-1 / 103-2 / 103-3			
305-1	Direct (Scope 1) GHG emissions	45	
305-2	Energy indirect (Scope 2) GHG emissions	45	
GRI 307: 2016 Environmental Compliance			
GRI 103: 2016	Management approach	43, 44	
103-1 / 103-2 / 103-3			
307-1	Non-compliance with environmental laws and regulations	44	

GRI 400 Social Standards

GRI Standard		Page/ reference	Reason for omission
GRI 401: 2016 Employment			
GRI 103: 2016	Management approach	31, 32	
103-1 / 103-2 / 103-3			
401-1	New employee hires and employee turnover	33	
GRI 403: 2018 Occupational Health and Safety			
GRI 103: 2016	Management approach	36	
103-1 / 103-2 / 103-3			
403-1	Occupational health and safety management system	36	
403-2	Hazard identification, risk assessment, and incident investigation	36	
403-3	Occupational health services		Information unavailable
403-4	Worker participation, consultation, and communication on occupational health and safety	36	
403-5	Worker training on occupational health and safety	36	
403-6	Promotion of worker health	36	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Information unavailable
GRI 404: 2016 Training and Education			
GRI 103: 2016	Management approach	34	
103-1 / 103-2 / 103-3			
404-1	Average hours of training per year per employee	35	
404-3	Percentage of employees receiving regular performance and career development reviews	32	
GRI 405: 2016 Diversity and Equal Opportunity			
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GRI 416: 2016 Customer Health and Safety			
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103-1 / 103-2 / 103-3			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	29	
GRI 419: 2016 Socioeconomic Compliance			
GRI 103: 2016	Management approach	49, 50	
103-1 / 103-2 / 103-3			
419-1	Non-compliance with laws and regulations in the social and economic area	50	

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