



PROVEN

# Sustainability

SUSTAINABILITY &  
SOCIAL RESPONSIBILITY 2019

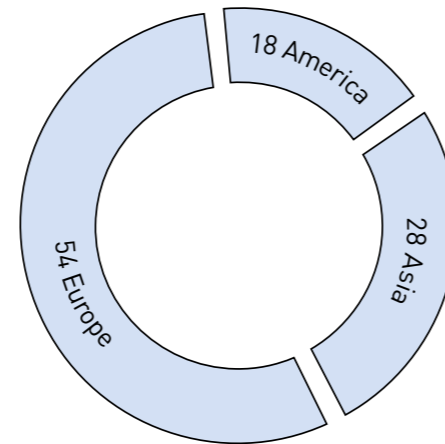
## Geographical sales distribution

in %



## Employees by region

in %



### About Bossard

The Bossard Group is a leading international supplier of premium product solutions and services in industrial fastener and assembly technology. With a product range of over 1,000,000 items and recognized expertise in innovative engineering and logistics services, Bossard is active in all the major industrial regions of the world. Our customer base includes local, regional, and multinational industrial enterprises. Bossard supplies them with specific fastening solutions for top-quality products. At the same time, we support our customers in their efforts to boost productivity through process-optimizing solutions. Our products and services are used in a wide range of industrial sectors. One growth sector includes aircraft and automobile manufacturing where maximum reliability and compliance with the highest quality standards are crucial.

Bossard maintains a global network of over 3,800 suppliers committed to the values laid down in our supplier code of conduct. All of these suppliers went through a selection process before being accepted as partners in our

network. This rigorous screening creates a solid basis on which Bossard can maintain and expand its high level of performance – of vital importance in light of our commitment to sustainability.

The Bossard Group has enjoyed continuous growth in recent years. With our strategy of profitable growth, the number of employees has also continued to rise. With approximately 2,500 employees in over 80 locations worldwide, the Bossard Group generated CHF 876,2 million in sales in 2019. Bossard is traded on the SIX Swiss Exchange.

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## EDITORIAL

### by Daniel Bossard

#### Dear Reader,

For many generations, the Bossard Group has been committed to sustainable corporate development. Through responsible long-term strategies, we are creating the foundation for economic, social, and ecological progress for our company and our stakeholders. Our shared values are laid down in a code of conduct that is binding across the Bossard Group. These ethical principles inform all decisions and actions of the Bossard Group.

On the following pages we give to all our stakeholders the attention they deserve for their active support of our company. We truly believe that without stakeholder involvement in Bossard's strategic goals, we would never be able to make the progress we have been able to report year after year. We rely on close partnerships with our suppliers and customers, particularly in the area of sustainability and social responsibility and we strive for an attractive and modern personnel policy.

Our report lays out the criteria we use in selecting our suppliers. A rigorous selection process is necessary to maintain and improve our high level of performance. In keeping with this goal, new suppliers are required to sign our supplier code of conduct to ensure that every new partner company will uphold Bossard's values.

To promote greater awareness for environmental issues among our suppliers, we have defined a number of requirements based on the ISO 14001 series of environmental standards. These efforts to achieve progress in meeting ecological challenges benefit all stakeholders – especially our customers. They can rest assured that fastening solutions from Bossard meet the highest standards in every respect.

At this point I would like to point out that, as a provider of premium fastening solutions, Bossard strives not only for economical use of materials and energy. Our company also offers recognized engineering services and logistics solutions, which many of our customers use to optimize their own production, assembly, and logistics processes. Our holistic Proven Productivity concept frequently reveals remarkable savings opportunities. By applying our engineering and logistics expertise, we uncover savings potential



in a number of areas, e.g., in product design, on the production line, in the procurement of B- and C-parts, and in assortment configuration. It all boils down to this: Our technical and technological competence encourages leaner – and hence more sustainable – processes in the business world.

By and large, we see motivated employees as the key to our success. We are therefore committed to creating a work environment in which our employees can fully realize and expand their skills and abilities. Many employees view Bossard as an attractive employer and remain loyal to the company for years, if not decades. We see Bossard's appeal as a respected employer as a far-reaching promise for the future of our company.

Dr. Daniel Bossard  
CEO

## STRATEGY AND VALUES

### Our mission – healthy growth for the long term

The Bossard Group's strategic objective is healthy long-term growth. As a value-conscious company, we believe in sustainable growth and, from this perspective, foster ethical behavior and a sense of responsibility in our employees. Similarly, we treat all our stakeholders with the fairness they deserve. In keeping with the healthy, sustainable growth of our company, we are committed to making targeted investments and acquisitions that strengthen our long-term growth. We are aware that our business activities can succeed only if Bossard moves into the future in step with society and the environment. Accordingly, we accept the responsibility to act sustainably both in environmental and social matters. On this basis, we are confident that Bossard's growth will be solid in the new decade and beyond.

As part of our strategy, we have defined various areas of activity in which Bossard will progress. We know that such development work – on the basis of a targeted investment policy – can deliver the hoped-for results often only over the medium and long term. However, in order to secure the future of our company and hence the interests of all our stakeholders, we feel compelled to pursue that work.

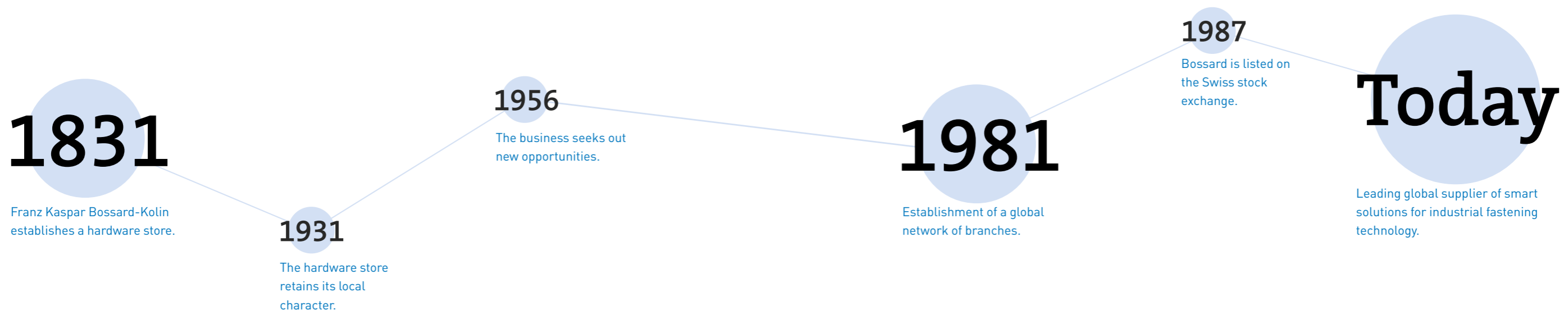
Our commitment to future markets is testimony to our sustainability-driven development work. Noteworthy activities include digitalization projects that enable resource savings across a wide range of areas. To this end, we have made initial investments in 3D printing over recent years. We believe that this manufacturing technology will become increasingly important for certain production sectors.

Overall, Bossard is convinced of the need for profound structural change in our business world and can facilitate this transformation toward greater sustainability with practical solution approaches – such as our recognized logistics expertise. We strive to continuously modernize our product and services portfolio and adapt to new challenges. In addition, thanks to our subsidiaries in nearly 30 countries, we are able to offer customers in emerging markets innovative and sustainable solutions.

### A community of values

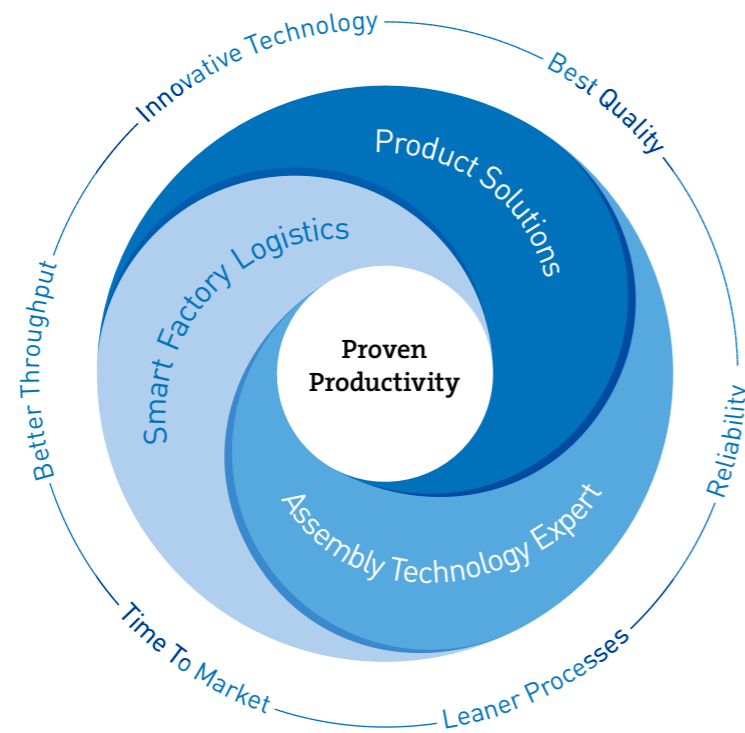
Over the decades, the history of the Bossard Group has been built on a number of core values, which we have set down in our [code of conduct](#). These values have decisively shaped the corporate culture of Bossard across more than 188 years of sustainable corporate leadership. They are the principles that have successfully guided our company forward. Over the decades, the Bossard Group has thus earned an excellent reputation, which we view as a central prerequisite for achieving our corporate goals. The success we have enjoyed is built on the trust our investors, customers, suppliers, employees and, last but not least, society has placed in us for decades.

We know from our long history that this kind of reputation is the result of hard work. As a global multicultural group of companies with activities in all major industrial centers throughout the world, we need a common framework that spells out clearly our shared understanding of ethical business practices. That process is far from complete. We are committed to adapting the code of conduct as business and regulatory needs dictate.



## BUSINESS MODEL

# Proven Productivity



**Bossard is active in all major industrial regions of the world as a supplier of high-quality fastening solutions. Our fasteners are produced by industrial partner companies, with Bossard applying our own engineering and logistics expertise. This expertise aims at ensuring the economical use of materials, energy, and capacities.**

The Bossard Group is much more than a supplier of fastening solutions. It is unique for its far-reaching engineering and logistics know-how that enables process-optimized solutions. These optimizations begin with the design of the individual product and continue through the structuring of the necessary supply chains to the production processes. Our solution approaches allow us to make a significant contribution to the careful, and therefore sustainable, use of materials, energy, and production capacities.

This business model reveals with the desired clarity that the demand for sustainability is deeply rooted in our corporate culture. Our resource-saving strategies lead to progress on a number of levels, ultimately

-serving the interests of all our stakeholders. This holds true for manufacturers and consumers alike, for employees and investors, and finally for society as a whole where interest in ecological and social issues is growing.

### **Proven Productivity – a resource-saving concept**

The optimization of production, machining, and logistics processes is part and parcel of the Bossard Group's core competence. This orientation and specialization stem from the experience that the purchase price of a fastener, at just 15 percent of the overall operating costs, is just the tip of the iceberg. A full 85 percent of the costs goes toward operations in design, development, procurement, ordering, logistics, handling, pre-assembly, assembly, and quality assurance.

Within these invisible costs lies considerable savings potential. With that potential unleashed, the products, and hence the company, become far more competitive. This savings potential is reflected in the sustainable use of materials and energy.

Our Proven Productivity concept follows a comprehensive productivity approach. We scrutinize customers' individual products in a holistic context and define potential savings. Our experience shows that cost savings of more than 50 percent can be achieved in the areas of logistics and engineering alone.

### **Perfectly tailored product solutions**

We focus on product solutions that are perfectly tailored to our customers' requirements. While standard fastening solutions suffice for some products, in many cases only customized solutions are good enough to guarantee the desired qualities of a product.

**The optimization of production, processing, and logistics operations is one of the core competencies of the Bossard Group.**

Proven Productivity is rooted in Bossard's history and today permeates every area of the Bossard Group. This is a philosophy shared by every employee in an effort to make a sustainable and measurable contribution to improving our customers' competitiveness.

Many projects prove how fully we engage with our customers in building agile, smart production and logistics structures. For example, we actively helped the Swiss company Komax modernize its C-parts management. We were able to largely reduce expensive inventories and put in place transparent work processes. Komax reports that the change in C-parts management has eliminated 10,000 orders per year, along with the associated use of resources. The employees who handled procurement, invoicing, and warehouse management were then able to devote themselves to value-creating processes and thus improve efficiency and productivity in the company. You can find a number of such success stories, co-authored with our customers, on our web site: [www.provenproductivity.com](http://www.provenproductivity.com)

### **Leaner processes thanks to assembly expertise**

Over decades, Bossard has developed undisputed expertise in analyzing workflows, in both the industrial as well as the services sector. Customers increasingly call on our specialists in response to the cost pressures that force them to address the need for leaner processes and cost structures. Together with our customers, we analyze options and opportunities to optimize costs associated with resources, throughput times, and ultimately the competitiveness of the company. As an assembly technology expert, Bossard introduced six service modules in 2019 that help industrial and service enterprises reach their efficiency-related targets.

These modules cover services that range from the development of new products to optimizing assembly processes and training personnel. One example is the Expert Assortment Analysis module: Thereby we look at the C-parts in a customer's warehouse and production in an effort to streamline the assortment. This, in turn, leads to more sustainable consumption of materials and energy. We use proven analysis processes, application tests, as well as other methods and techniques. In the Expert Teardown module, we disas-



semble our customers' products to uncover improvement and savings potential. When it comes to fasteners, we focus on the design, functionality, and assembly process.

#### Resource-saving logistics processes

Bossard is a pioneer in structuring logistics processes for lower resource consumption and higher sustainability. We apply our Smart Factory Logistics expertise to streamline procurement of B- and C-parts for our customers. Our SmartBin and SmartLabel technologies play a key role in enabling more efficient inventory, procurement and handling processes. Thanks to our expertise in smart logistics systems designed to optimize industrial workflows, we are able to develop far-reaching concepts for operating structures. This results in savings at various stages, especially in consumption of materials and energy. End of 2019, more than 300,000 SmartBin systems are in use worldwide.

Today, Bossard's expertise in smart logistics solutions is widely recognized. Our methodology has proven it-

self in the field, with well-known industrial companies all over the world relying on our technologies. That is why the renowned Rheinisch-Westfälische Technische Hochschule Aachen (RWTH Aachen) chose the Bossard Group as a partner for its demonstration factory. This factory provides real-world answers to future-oriented questions about the convergence of production, information, and communication technologies. Bossard provided the systems and solutions for smart warehouse management.

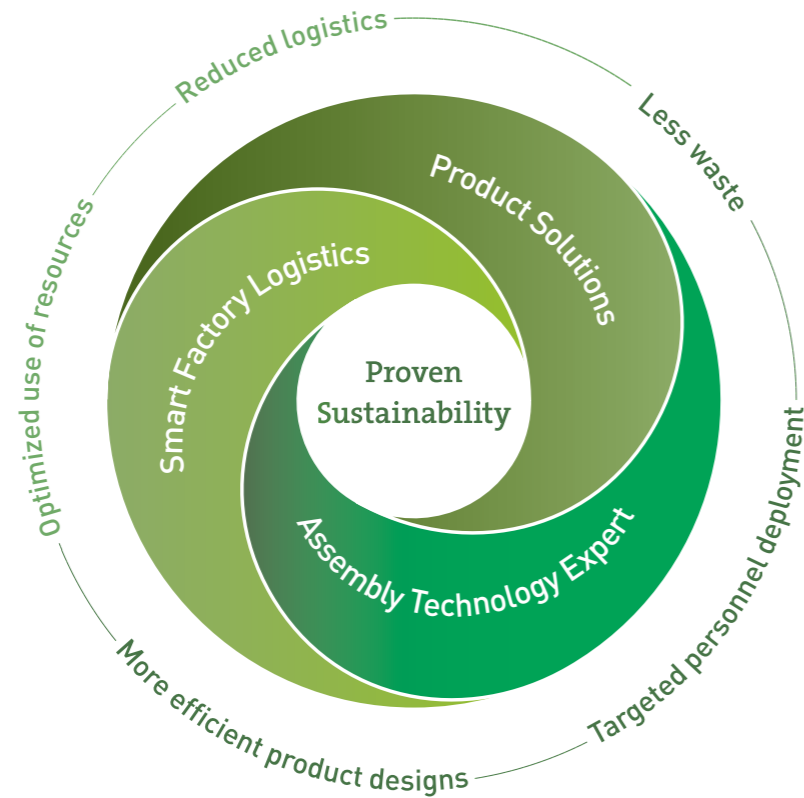
#### Cooperation with universities

The cooperation with RWTH Aachen and many other partnerships with technical universities and companies in the industrial and services sectors are proof that Bossard is at the cutting edge of accelerated structural change leading to the production facilities of the future. The global struggle to outpace the competition and the increasing importance of environmental issues have reaffirmed our conviction that restructuring for leaner processes is imperative and that we must resolutely continue on this path.






One thing is certain: Major challenges come with reorganizing structures on the road to Industry 4.0. But there are also many opportunities for companies able to support and promote this transition with innovative solutions. Wherever simplified logistics workflows, optimized consumption, use of resources, and leaner cost and production structures are to be created, Bossard's know-how is in demand. For our customers, this future-oriented engagement lowers material and raw material consumption, cuts energy costs, and ultimately reduces costly redundancies in administration. We can point to dozens of examples of such successful cooperations.

In summary, we see the commitment to the modernization of production and logistics structures as a critical contribution on the challenging path to greater sustainability in the business world. With innovative logistics solutions, we struck out on this path a good two decades ago. Today, we firmly believe that our partners in the industrial and services sectors increasingly see the need to move towards smart corporate structures.

## PROVEN SUSTAINABILITY — A HEALTHY CYCLE



The Proven Productivity business model is our contribution to strengthening our customers' competitiveness sustainably and measurably. Our Proven Sustainability model follows a similar approach. Our products and services are the same, but the focus is on optimized and resource-saving processes across the board. For our customers, the following five benefits are virtually automatic:

- |  |   |
|--|---|
|  <p><b>Targeted personnel deployment</b></p> <ul style="list-style-type: none"> <li>– Better work-life balance</li> <li>– Specialized training and further education</li> </ul> |  <p><b>Reduced logistics</b></p> <ul style="list-style-type: none"> <li>– Less fuel consumption</li> <li>– Lower CO<sub>2</sub> emissions</li> </ul> |
|  <p><b>Optimized use of resources</b></p> <ul style="list-style-type: none"> <li>– Efficient use of raw materials</li> <li>– Coordinated process steps</li> </ul>               |  <p><b>Less waste</b></p> <ul style="list-style-type: none"> <li>– Best quality, less scrap</li> <li>– Less packaging material</li> </ul>            |
|  <p><b>More efficient product designs</b></p> <ul style="list-style-type: none"> <li>– Resource-saving products</li> <li>– Leaner assembly process</li> </ul>                   |   |

## RESPECT FOR CUSTOMERS

**Collaborative thinking, respect, and mutual fairness underpin our customer relationships. Our ambition is to focus on the needs and problems of our customers and develop customized and reliable solutions for them. This policy requires considerable mutual trust – trust that can develop only in a cooperative relationship. We rely on that trust so customers make us part of their reorganization of logistical workflows or restructuring of the entire company in order to achieve significant progress.**

### Sustainability – gaining importance on every level

We understand that sustainability is increasingly important to every customer. Sustainability is not a passing trend that will soon fade away. When customers come to us with logistics problems, they usually want to simplify entire workflows, to save time and money; obviously they expect any restructuring to put them further ahead also on the path to sustainability. Virtually no stakeholder would accept a reorganization that runs counter to the goals of sustainability. We firmly believe that our range of prod-

ucts and services meets the expectations of our customers in this respect. Our solutions are clearly aimed at improving efficiency in every single project. We remain resolute in pursuing that aim in the coming years.

It goes without saying that our quality-conscious and forward-looking approach does not make us the most inexpensive supplier on the market. Nonetheless, it is our ambition to offer our customers the best possible services at competitive prices – services that reduce costs and promote sustainability. In other words, we strive to be a competent and highly effective partner who excels through innovative and forward-looking solutions, the highest quality standards, and customer proximity.



## OUR SUPPLIERS ARE OUR PARTNERS

**Our sustainability-based strategy also characterizes our collaboration with suppliers. We expect nothing but the very best from the manufacturers of our premium fastening solutions. Bossard relies on cooperative relationships, superior attention to quality, a fair price policy, compliance with environmental regulations, and strict adherence to the values set forth in our supplier code of conduct. We are aware that the Bossard Group can make significant progress through rigorous selection of suppliers. That is especially true with respect to sustainability.**

By continually renewing our procurement network, we secure access to innovative solutions and to companies that are able to give our customers competitive advantages on a number of levels. In keeping with Bossard's philosophy, we demand the same performance and virtues that our customers demand from us. It is important to emphasize that we see our suppliers as partners and not as competitors. We can provide our customers with top products and services only through solid collaboration with innovative suppliers. We develop successful long-term partnerships based on this fairness-oriented, win-win approach.

### Rigorous selection for sustainability

As mentioned earlier, the Bossard Group itself is not an industrial manufacturer. On the basis of our comprehensive engineering expertise in the field of fastening solutions, we engage specialized industrial businesses to manufacture the more than 1,000,000 items in our product range. We can only make substantial progress toward sustainability, and especially towards our environmental protection goals if our suppliers meet the highest standards. New suppliers must therefore sign our [supplier code of conduct](#). This ensures that new suppliers respect the same values we embrace.

### Requirements for improved environmental protection

To promote greater awareness of environmental issues, we have defined various requirements for our suppliers based on the ISO 14001 series of environmental standards. These environmental standards are designed to maintain a continuous improvement process. For Bossard, this primarily means

that we carefully scrutinize the production processes of our industrial suppliers. We look very closely at the product design, especially the surface treatment. We also check whether the packaging meets ISO standards and we promote the use of recyclable materials. In addition, Bossard is committed to optimizing the transport streams, which in turn reduces energy consumption. If multiple suppliers are being considered for a contract, compliance with such standards can be the deciding factor.

Over the decades, Bossard has built up a broad network of 3,800 suppliers in Europe, America, and Asia. Acceptance into this network is based on clearly defined quality criteria. A new supplier is subject to multiple selection processes according to ISO 9001 to be approved as a Bossard Group partner. Selection includes factory audits to obtain a full understanding of the production environment, manufacturing processes, machinery, and expertise of the individuals involved. These evaluations are even more extensive for potential new suppliers we deem strategically significant. Any new cooperation gets the green light only after all stages of the selection process have been completed successfully. Every unit in the Group has access in our internal information system to all the collected data related to the approval of a new supplier.

### Social responsibility of our supplier base

This comprehensive screening process creates a stable foundation for maintaining the high standards of Bossard. The selection process outlined above also boosts our own performance level and guarantees that environmental and social standards are upheld in the supply chain. Stringent selection procedures are essential particularly since our business model is increasingly used in more exacting sectors such as the automobile and aerospace industry. From this perspective, Bossard is committed to continuously developing new and adequate quality standards for suppliers.

The social criteria included in Bossard's supplier code of conduct also play an essential role in the selection process. The code specifies detailed principles important to us for a responsible human resources policy. In particular, we do not tolerate any form of discrimination, harassment or reprisals toward employees. We promote equal opportunities regardless of position,

gender, age, life situation, sexual orientation, nationality, race, or religion. We refuse to work with companies that do not align themselves with these standards. In addition, we require that the executives of our partner companies monitor compliance with these values and exemplify them to their employees.

### Highest quality requirements

The Bossard Group advances sustainability through its commitment to the highest level of quality. Bossard's 14 certified test laboratories in Europe, America, and Asia are the pillars of our quality architecture. They are equipped with state-of-the-art measuring and testing installations. These ensure that our customers' products meet the highest quality standards and that all production processes operate reliably. Our customers benefit from certified processes, documented safety, and proven auditability.

Our unconditional commitment to quality, as called for in our holistic Proven Productivity concept, includes environmental simulation tests. By guaranteeing our customers the highest quality fastening solutions, we give them peace of mind regarding the reliability and safety of products, processes and production procedures.

In other words, our high quality requirements are key to manufacturing premium durable products. High quality and durability are no doubt active virtues where sustainability is concerned. They promote lower consumption of materials and energy because the buyer or user is able to wait longer to replace the product. Moreover, our quality approach helps reduce waste during the production process.

Another sign of our commitment to production quality is the increasing use of our product solutions, engineering expertise, and logistics know-how in industries known for their above-average quality standards. The largest US electric vehicle manufacturer, for example, has relied on our expertise in premium fastening solutions for all model series. This cooperation, which is based on mutual respect, goes back to when the ambitious startup was working on the design of its first model. Bossard was assigned major responsibility for the fastening solutions and hence for the safety and stability of the vehicle.



### Growing number of certifications

Bossard's superior quality is not only affirmed by its customers, it is also documented in numerous certifications. This also applies to Bossard's test laboratories around the world. The accreditation of Bossard's test laboratory in Zug was confirmed in 2018. This accreditation encompasses mechanical fasteners as well as mechanical and physical material testing (ISO/IEC 17025:2005). In nearly all markets, the efficiency of our quality management system has been certified as well (as per ISO 9001). Bossard's environmental

management system has received certifications in a number of countries (as per ISO 14001). Moreover, our company is working towards additional certifications in various countries and specific markets, such as the medical device market. A list of our certificates can be found on our [Website](#).



## ETHICAL BUSINESS PRACTICES



In all of its actions, the Bossard Group follows the ethical principles laid down in its code of conduct. That applies to relationships both within our company and outside with all our stakeholders. It is very important to us that all companies of the Bossard Group respect all laws and regulations. This imperative is non-negotiable – internal and external provisions, guidelines and standards must be observed in all countries.

Bossard's history shows in no uncertain terms that we follow this ethical principle to the letter. In this respect, we aspire to be a role model, both internally and externally. The code of conduct illustrates just how important ethical values are to Bossard: «We value compliance with our core ethical values even more highly than making a profit. The pursuit of profit never justifies breaking the law, shirking responsibility, or taking undue risks.» These are the requirements for every single employee.

**We value compliance with our ethical values even more highly than making a profit.**

## OUR EMPLOYEES – THE KEY TO SUCCESS

### Integrity and responsibility

Let us take a closer look at the individual values: Integrity, as defined in our code of conduct, means respecting the interests of our stakeholders – investors, customers, suppliers, employees, and authorities – and attempting to harmonize them as best as possible. In doing so, we aim to contribute to social harmony within and outside the company. By responsibility, we mean meeting our obligations at all times and assuming responsibility for our actions. Our policy is to make only promises we can keep.

Fairness is another core value. We treat all our stakeholders with respect. We promote equal opportunity in our company and foster a working environment that is free from discrimination and harassment of any kind.

### Respect for laws and regulations

At Bossard, compliance with all legal provisions is a matter of course. We recognize the importance of all applicable national laws, internal and external regulations, guidelines, and standards, and we resolutely uphold them. Bossard's history unequivocally shows that we follow this ethical principle to the letter. Nowhere in the world do we have a conflict with authorities or public interest groups.

Furthermore, the Bossard code of conduct dictates that every violation of our core values be met with appropriate sanctions. Any wrongdoing must be reported immediately to the respective supervisor, corporate management or, if appropriate, the CEO. Reports are confidential and can be made anonymously. This unequivocal stance has also proven to be a safeguard of our reputation.

Another core value is professionalism. We staff our teams with motivated, performance- and solutions-oriented individuals, regardless of position, gender, age, life situation, sexual orientation, nationality, race, or religion. Recruiting is strictly professional and follows detailed guidelines. Every job has a clear requirements profile that is carefully scrutinized and, if need be, modified each time a job is filled.

### Transparency and constructive dialog

In addition, Bossard is committed to the core value of transparency. We encourage constructive and open dialog with all stakeholders, which is characterised by core values, especially fairness, respect, and professionalism. One example is our disclosure policy for investors and financial markets that establishes the basis for a fair valuation of Bossard shares. The board of directors takes seriously its obligation to notify, in a timely manner, all shareholders about new strategic directions and to lay out the concomitant financial commitments in a transparent way. In recent years, this disclosure policy resonated highly with the financial markets and helped boost our stock value.

In summary, the Bossard Group is well aware of its great responsibility to its employees and external stakeholders. Our expectations of management as well as employees are equally high. We firmly believe that the values in the code of conduct are vital to Bossard's success. Our strategy is based on the premise that progress in sustainability and social areas is possible when, above all, the relations with our stakeholders are cooperative and based on close partnership.

**The Bossard Group is aware that it owes its success to the dedication, knowledge, and creativity of its 2,500 employees. We are therefore fully committed to a human resources policy mapped out for the long term. We attach the utmost importance to the professional and personal development of our employees and ensure they share in our success. We constantly strive to promote employee retention over the long term and to offer professional development opportunities whenever possible.**

Time and again our corporate history has underscored the great value we place in our employees. We put no faith in the fleeting rise in profitability that layoffs bring. On the contrary, we pursue success by continuously improving and expanding our range of products and services together with our employees. Our employment policy has led to the continuous growth of the Group over recent years and to a steady increase in the number of employees. In other words, Bossard is growing together with its employees, and not in conflict against them. We have proven that this approach of mutual respect can materially improve profitability.

In its long history, the Bossard Group has always taken its social responsibilities seriously, a fact that is

recognized and acknowledged by the broad public. It is this commitment that makes us a desirable employer throughout Switzerland and well beyond. Our reputation is a major advantage in that it enables us to recruiting highly qualified professionals.

### A corporate culture focused on integration

Over the last ten years, corporate growth has caused the number of employees to rise from 1,600 to 2,500. We have no doubt that we owe the successful integration of so many new colleagues to our corporate culture. In its essence, it is based on mutual trust, which we believe is imperative for employee loyalty. In spite of the significant changes throughout the Group, there has been no turmoil or conflict in the last ten years that would have challenged our culture. Our sustainable growth strategy is also reflected in the satisfaction of our workforce.

Our employees know that their dedication pays off. Employees at all levels share in the company's success. Individual salaries are based primarily on personal performance. We foster entrepreneurial thinking and action through fair and competitive compensation based on targets and individual performance. In addition to a fixed pay component, we offer different profit-linked compensation systems that support our winning spirit.



### From hiring...

Careful selection and integration of employees is the basis for long-term retention. We create a framework for fair employment conditions. During recruitment, the duties, requirements, and processes are communicated clearly and transparently. We see the careful onboarding of new employees as vital to a long-term successful cooperation and, ultimately, to our company's healthy growth.

### ... to continuing education as a strategic investment

Bossard highly values the quality education and training of its employees. We foster line, specialist and project careers as well as the exchange of knowledge throughout the Group. Whenever possible, we recruit new managers from within our own ranks. For us that is the best path to maintaining our high standards into the future. All members of our corporate management team have had long careers within the company – evidence of the opportunities for advancement and change at Bossard that greatly motivate employees.

Cross-divisional training is equally important to us because in-depth knowledge of our internal workflows and full product range promotes understanding and tolerance. That makes it easier for individuals to actively contribute to the continued development of our company. We are proud of our interactive online learning program developed in-house. Tailored to each target group, it consists of 290 individual chapters with approximately 2,000 images and drawings that convey the current state of knowledge in fastening technology, the core competence of Bossard.

### Leadership and encouragement

Our managers are responsible for working with employees to achieve ambitious goals. With this in mind, they encourage initiative, motivation and quality-consciousness as virtues that will secure our future in increasingly demanding markets. It is important to us that employees know our values and ideals, identify with them and help give them life. In our view, leadership is based on respect, honesty, fairness, and consistency vis-à-vis employees.

### Direct and open communication

Bossard believes that it is essential for employees to understand the Group's long-term goals and strategies and share in their pursuit. We also expect our managers to know the expectations and goals of employees and motivate them to work towards the promise of success. This brings us back to our corporate culture in which employees are able to cultivate and develop their skills.

We are proud that our communication, both internal and external, is direct and transparent. This is important because dealing with one another openly engenders greater engagement, creativity, and efficiency.

We believe that this approach promotes understanding and acceptance of corporate decisions. To this end, we maintain an open door policy: Constructive criticism is not only allowed, it is encouraged. In regular employee surveys, we attempt to identify the strengths and weaknesses of our company and, at the same time, gather our employees' requests and suggestions. Time and again, this feedback serves as a valuable source of information for improvements.



### Employee indicators

	Switzerland	Europe	America	Asia	Total
2019	515	824	456	712	2507
2018	517	765	490	679	2451

### Employee indicators %

	Switzerland	Europe	America	Asia	Total
2019	21 %	33 %	18 %	28 %	100 %
2018	21 %	31 %	20 %	28 %	100 %

## UN GLOBAL COMPACT INITIATIVE

In keeping with our corporate culture in the areas of sustainability and social relations, Bossard upholds the ten sustainability principles of the UN Global Compact initiative. These ten principles revolve around the core issues of human rights, labor standards, environmental protection, and corruption. All of them aim to encourage change processes in the business world and to promote sustainability.

It is clear to Bossard that each and every company is duty-bound to respect the internationally proclaimed human rights and support them accordingly. For our part, Bossard promotes equal opportunity and a working environment free of discrimination and harassment of any kind. As set forth in the Bossard code of conduct, equal opportunities and prospects apply to all employees regardless of position, gender, age, life situation, sexual orientation, nationality, race, or religion. This respect for human rights also holds true for our business relationships. We refuse to work with suppliers who do not respect the protected human rights.

### Yes to freedom of association

In line with the UN Global Compact initiative, Bossard supports the principle of freedom of association and the right to collective bargaining. In other words, every Bossard employee is free to join unions, professional associations and other interest groups without any disadvantages arising within the company. We strive for dialog and compromise with all stakeholders; that includes trade unions and professional associations. In this respect, we strictly adhere to the provisions set forth in national and regional legislation. We therefore endeavor to cultivate contacts with local stakeholders and representatives of local communities. Wherever possible, we recruit personnel from local communities or from a pool of applicants familiar with the local realities.

Another important issue is the health and safety of employees, suppliers, and others affected by our business activities. We do our utmost to create safe workplaces that in no way affect the health of anyone involved. To us, fair treatment of employees also means not placing them under undue stress, which could impact their physical well-being. In addition, we value healthcare and offer our employees a number of options in that regard. We comply with the ISO 26000 standard and use it as a guideline for social responsibility in order to contribute to sustainable and forward-looking growth. In accordance with the UN Global Compact initiative, Bossard remains committed to its fight against child labor and forced labor of any kind (Principles 4 and 5).

Finally, Bossard supports the elimination of discrimination in hiring and employment (Principle 6). Bossard has always valued the fair recruitment and treatment of employees. We believe motivated employees are the key to our success and, in keeping with our corporate culture, we foster working conditions in which employees can fully realize and expand their competencies and skills. This is confirmed by the fact that many employees view Bossard as an attractive employer worthy of their long-term loyalty.

### Zero tolerance for corruption

The UN Global Compact initiative also demands fighting corruption in all its forms (Principle 10), including extortion and bribery. Our code of conduct clearly stipulates a zero tolerance for corruption, and we regard this tenet as crucial for sustainable business practices. This message has clearly reached all our stakeholders: we have never been accused of corruption in any of our markets nor have we been called upon to justify our actions in a court of law.

With respect to the environment (Principles 7 to 9), the UN Global Compact initiative supports the precautionary principle, encouraging the development and diffusion of environmentally friendly technologies. Without a doubt, the Bossard name stands for

the dissemination of innovative technologies that facilitate the careful consumption of materials and energy. Our commitment to smart logistics solutions, our undisputed engineering expertise as well as our continuing efforts in recent years to expand into 3D print confirm with ringing clarity the Bossard Group's dedication to technologies of the future that promote sustainable solutions in the business world.

### Sustainability and profitable growth

This report illustrates how deeply committed Bossard is to sustainable business development. We are convinced that only a corporate strategy aligned with sustainability and acceptable to all stakeholders can succeed in the long term. The Bossard Group's very successful growth over recent years and decades flows from this strategy. We have pursued new activities in demanding markets while consolidating our business foundation in all major regions of the world. In spite of the high financial cost of this strategy, the profit curve of the Bossard Group continues to trend upward. It is very gratifying to note that this performance is reflected in above-average profitability, which ultimately benefits all stakeholders.



Our strategy does not tolerate short-term profit maximization because it could threaten the company's long-term stability. Our financial resources are handled with appropriate caution and purpose. We invest only in areas that promise long-term gains for the Bossard Group and are in harmony with its values. Our goal is sustainable value growth and a reasonable return for our investors. In pursuing this goal, Bossard gains the necessary entrepreneurial freedom of action and secures the company's independence.

For generations, the Bossard families have demonstrated their special commitment to the regions where they live and where the Bossard Group does business. The Kolin Group and the Alice and Walter Bossard Foundation continue to support charitable, cultural, and social projects in the Zug region and across all business regions of the Bossard Group.

### **The Bossard families – committed to sustainability since 1831**

The Bossard families have been company shareholders since 1831. Now in their seventh generation, they actively participate in managing the company and currently hold seats on the Board of Directors and the Executive Committee. The members of the Bossard family see themselves as guardians of corporate development benefiting all stakeholders across all business regions of the Bossard Group.



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