



PROVEN

Sustainability

SUSTAINABILITY REPORT 2020

EDITORIAL

by Daniel Bossard

Dear Readers,

When I took over as CEO of the Bossard Group in 2019, we started to revise our Strategy 2020 by building on the successful work done by my predecessor. With the outbreak of the COVID-19 pandemic, however, other topics had to take precedence initially. The health of our employees is our top priority. We immediately took protective measures and, wherever possible, had employees work from home. In crisis management, we were able to take advantage of the benefits of an internationally positioned organization: The level of concern in the regions varied, and we were able to learn from each other.

We pressed ahead with the internal strategy process in spite of the pandemic. “Together, we bring Proven Productivity and sustainability to every assembly operation in the world” summarizes our emphasis. We are taking an even more targeted approach to sustainability as an integral part of our business and as a strategic focus. In our innovation workshop, the “Blue Garage,” an internal task force took an in-depth look at this multifaceted topic. This resulted in four focus areas, which will be at the heart of our sustainability efforts going forward: Future-Proven Solutions, Empowered People, Fair Partnership, and Reduced Footprint. At the group level, we have also created a new function that will coordinate the current and future initiatives of our country units and will further systematize sustainability management at Bossard.

Along with the revision of our strategy, we reviewed the cornerstones of our corporate culture. The image of a tree offers an apt illustration: Our culture is rooted in strong values and becomes evident through our actions as supporting branches. A core concern for me is that we continue to expand collaboration across all regions, functions, and hierarchies — that is our most important fastening solution.



The following pages describe approaches and activities with which we contribute to sustainable development in our processes, across our core business, and into our supplier network. The section entitled “Strong employee relationships,” which describes the relationship with our employees, is particularly close to my heart. After all, our employees are the ones who give their best to our company every single day, and to them I owe my greatest thanks.

I hope you will find these topics interesting and informative.

A handwritten signature in blue ink, consisting of several fluid, overlapping strokes that form the name 'Daniel Bossard'.

Dr. Daniel Bossard
CEO

VALUES AND SUSTAINABILITY

Sustainable business model

A successful company constantly reinvents itself. Bossard has been doing so for 190 years. Because even after so long, we approach our work with an open and fresh mindset. Our solutions are imaginative, practical, and holistic. True to our motto “Proven Productivity,” they bring added value to our customers.

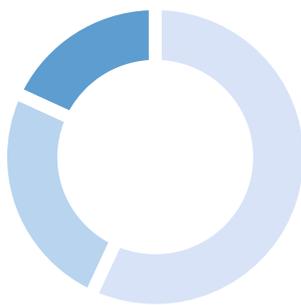
Consistency and change combined

Bossard operates in the world’s major industrial regions and is linked to them via a global network of suppliers. With items from our suppliers, our own products and the associated services, we reach companies in the automotive, pharmaceutical, and energy industries as well as in many other industrial sectors. We work with customers in emerging sectors, such as electromobility, and collaborate with them to develop solutions for today and tomorrow. We also promote internal innovation, such as analysis methods using large volumes of data, in order to analyze customer processes even more specifically and make them more efficient.

In the years to come, Bossard intends to expand further because in some areas we are, to a certain extent, still in the start-up phase. The diversity of the Group manifests itself in various levels of maturity, locations, and customer segments. And our workforce, which now numbers 2,500 employees, is just as diverse. Together with them, the company was able to achieve sales of CHF 812.8 million in 2020 across our 83 sites in different regions (see figure 1) – under conditions greatly exacerbated by the COVID-19 pandemic.

Geographical sales distribution

in %



- Europe (57%)
- America (25%)
- Asia (18%)

Employees by region

in %



- Europe (56%)
- America (17%)
- Asia (27%)

Figure 1

Geographical distribution of sales and employees (as of December 31, 2020)

More than just a supplier of fastening solutions

Bossard’s solutions simplify and optimize processes around fastening solutions. Development, design, procurement, ordering, logistics, storage, assembly, and quality assurance involve a high level of hidden costs. That is where we help our customers exploit potentials. Avoiding future costs and optimizing individual products begins in the design phase and continues through the structuring of supply chains and on to the production processes. Time and time again, we find that this approach enables our customers to measurably increase their productivity. That is why we talk about “Proven Productivity” (see figure 2).

This approach also helps reduce the environmental impact, because streamlining means using materials, energy, and production capacities carefully and in a targeted manner. Experience shows that the efficient use of resources, optimized product designs, and simplified logistics processes lead to less waste and lower emissions.

“Proven Productivity” – our business model and approach for a successful and sustainable future.

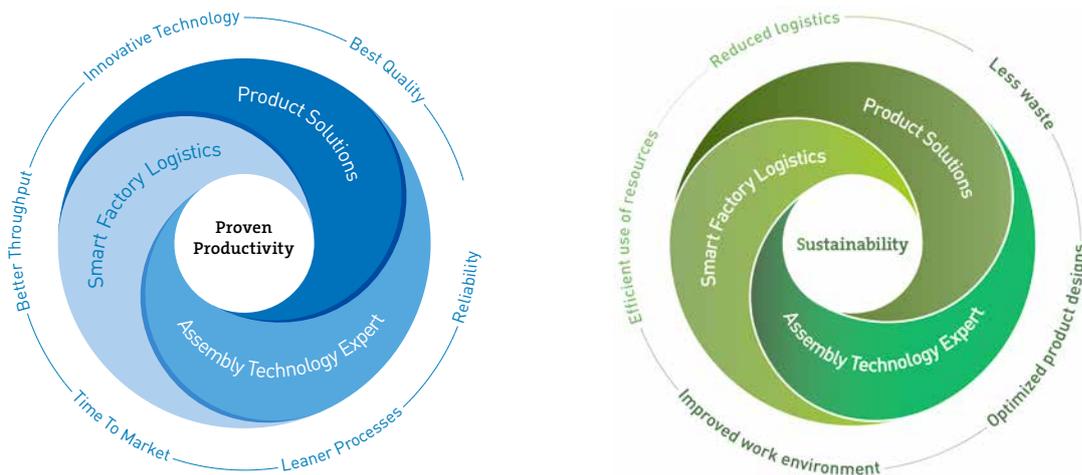


Figure 2
Our business model

With “Proven Productivity,” we reduce our customers’ environmental impact as well as the impact in the fastening and assembly industry ecosystem. For further information, please refer to the sections “Customized solutions” (page 8) and “Connected to the environment” (page 18).

Strong roots for the future

In recent years, our company has experienced strong growth. During this time, we have always focused on long-term financial stability, independence, and our values. In the wake of these intense years, the right time has come to rethink our strategy, our corporate values, and our operational principles. Sustainability is moving more strongly and explicitly into focus.

“Culture eats strategy for breakfast,” a well-known phrase from management literature, essentially means that strategy can only bear fruit if it is based on a strong corporate culture. For this reason, Bossard

has worked on both the company’s fundamental values as well as on its future business strategy during the reporting year.

A culture that endures

The attitudes and actions of each individual shape corporate culture. This is why our newly defined values and guiding principles are closely interlinked. We express this close relationship with the illustration of a tree: an independent, powerful organism with strong roots and branches (see figure 3). We want to contribute to its growth together.



Figure 3
Our corporate culture

Bossard’s corporate culture is represented by a tree with five values as its roots and five guiding principles as its branches. For further information, please refer to “Strong employee relationships” (page 11).

At the beginning of the relaunch, Bossard was determined to refocus on the core respectively the roots of the company. For that reason, the Bossard families began by examining their values – the values which express consistency and which have paved the way to the company's success in the past: trust, leadership, social responsibility, entrepreneurship, and credibility. This set of basic values has been supplemented with five principles that guide our actions (see "Strong employee relationships," page 11, as well as "Integrity from the inside out," page 16).

Our strategy: profitable growth and sustainability

The new strategy builds on the success of recent years and focuses on key action areas for healthy corporate development. The technical and economic developments in our market environment are an important frame of reference. We have traditionally relied on targeted investments that promise long-term benefits for the Bossard Group and are in line with our values. At the same time, we want to adopt a more focused approach to social challenges, such as climate change, the depletion of natural resources, diversity, and equal opportunities. For that reason, our new winning aspiration is: "Together, we bring PROVEN PRODUCTIVITY and SUSTAINABILITY to every assembly operation in the world!" We want to contribute to sustainable development with our core business and beyond.

**Together, we
bring Proven
Productivity and
sustainability
to every assembly
operation in
the world!**

In the reporting year, we tackled the further systematization of sustainability management. In the end, we want to better understand our impact on society, the environment, the economy, and integrate it more comprehensively into our actions. With this in mind, we have defined a function at the group level and we are building up resources for comprehensive sustainability management. To kick things off, we held a "Blue Garage" with a focus on sustainability (see "Crafting for sustainability," page 7). The results of this workshop form the basis for further goals, initiatives, and measures relating to sustainability.

Crafting for sustainability



A certain degree of freedom is needed for the in-depth exploration of a thought or idea. And sometimes a change of scenery helps. That is why we set up a creative workshop called “Blue Garage” at the headquarters of the Bossard Group. It gives employees a place where they can get away and “play around” with ideas.

In the past year, we used this workshop to explore questions relating to Bossard’s sustainability with an eye to making this multifaceted topic more tangible: Where are we making the greatest demands on natural resources? How do we assume our responsibility towards our employees? Which aspects would we like to include more in business relationships? These were some of the questions explored by our sustainability officer and four other employees from different functions and units. Around 25 additional employees worldwide provided impetus from their work environments and gave feedback on the content developed. Isaura Paron, a sales representative at Bossard France, commented in retrospect: “I found the Blue Garage to be a motivating and educational experience. It was exciting to see our activities from a perspective that is personally so close to my heart.”

Tabea Bürgler, who as Group General Counsel now also leads the sustainability efforts, proudly present-

ed the defined focus areas: Future-Proven Solutions, Empowered People, Fair Partnership, and Reduced Footprint. “These four areas will help us further accentuate the sustainability management. In the process, we will consistently combine environmental, social, and economic elements.” The focus areas also support the business strategy and thus become important cornerstones of the company’s development.

The positive reactions from coworkers and the executive committee provide a further boost to sustainability. More than 50 change agents worldwide have already signed up to help shape and drive sustainability topics. Work packages have already been defined and initial measures are being examined. The ability for employees to “play around” is clearly bearing fruit, and we look forward to other sustainability initiatives as well as further results from our creative workshop.

Customized solutions

We use high-quality, customized solutions to optimize the management of fasteners – always with the aim of making our customers more competitive and fit for the future. In the process, we build on our expertise and, even more importantly, on cooperative partnerships with customers.

“Proven Productivity” is our promise to customers. It requires that we understand in detail how our customers purchase and store their fastening solutions as well as how they design and process their products. The concept of sustainability plays a role here and is also becoming more of a focus for our customers. This enables us to identify potentials for increasing both economic and environmental efficiency.

Trust paves the way to customized solutions

Finding the best solution for our customers requires transparency and trust. After all, we take a close look at their processes. With our solutions, we streamline and optimize the design and production as well as the range of items, we organize warehouses, automate purchasing and delivery processes, and thus boost productivity in all aspects of C-parts. Although standard products are sometimes sufficient, in many cases only customized solutions are good enough.

A lasting effect for customers

Our solutions are based on high-quality products. We have our quality management systems audited in accordance with ISO 9001 and other specific standards (for a comprehensive overview, see www.bossard.com/ch-en/about-us/download-center/quality-certificates/). In addition, 15 certified test laboratories in Europe, America, and Asia vouch for the quality of our products. In this way, we help ensure that production processes run reliably and that our customers’ products meet the highest quality and safety requirements.



Figure 4
Our certified test laboratories

High quality extends the longevity of the items in our range and, ultimately, of the products made from them. In particular, it preserves the natural resources that are built into the product or that are used for its production. High-quality products also reduce waste in production processes.

With high-quality products and optimized processes, we help our customers achieve greater sustainability.

Bossard exploits hidden potentials – for our customers and for sustainable development.

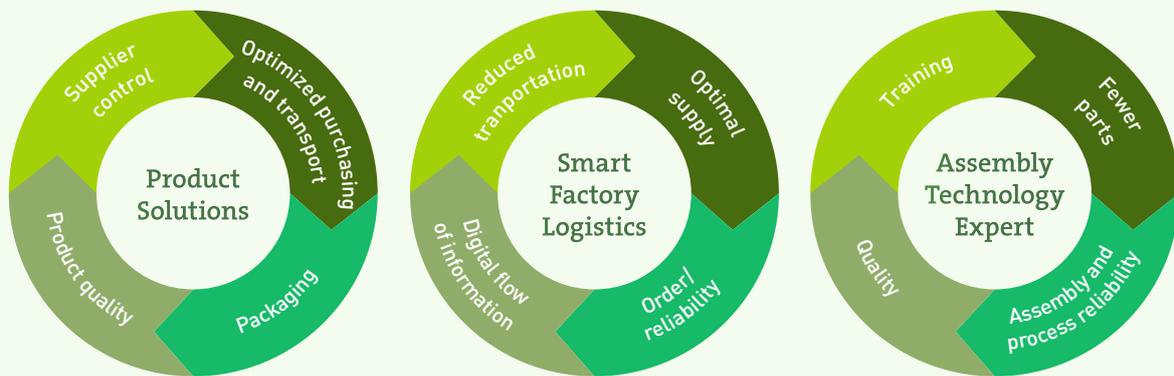
Together with our customers, we constantly look for ways to improve the use of resources and the product range, shorten throughput times, optimize the design and production steps, and reduce warehouse space. On the one hand, this reduces the consumption of materials and energy, while on the other hand it prevents space and footprint requirements from rising as production increases. Our range of services also includes restructuring supplier networks, which often leads to greater environmental efficiency in our markets (see “With a fresh look at the ecosystem,” page 10).

With a fresh look at the ecosystem

Sustainable ways of working require from companies to consistently question and improve themselves. One of our core competencies is to enable new ways of looking at existing structures. Our analyses therefore offer a fresh look at how our customers production and manufacturing looks like. We want to understand in detail how C-parts are processed and handled. This puts the focus on an element whose potentials are often underestimated: Potential for speeding up workflows, for reduc-

ing errors, but also for reducing the materials used or for lowering energy consumption and logistical effort.

In addition to “Proven Productivity,” which verifiably leads to the best possible efficiency and cost reductions, our services and product solutions also have the following positive impact in terms of sustainability for our customers:



Supplier control

- Verification of compliance with social and ecological requirements
- Eco-friendly and optimized production

Optimized purchasing and transport

- Reduced and eco-friendly transportation
- Use of full transport capacity
- Consolidation of multiple orders

Packaging

- Optimized packaging sizes
- Reduction of packaging material (larger quantities)
- Recyclable and renewable as far as possible

Product quality

- Less raw materials, less scrap (waste, rejected goods)
- Audited test laboratories and certifications
- Monitoring regarding REACH and RoHS

Reduced transportation

- Reduced fuel consumption
- Lower CO₂ emissions

Optimal supply

- Fewer suppliers
- Reduced transportation
- Less scrap (waste, less raw materials and emissions)

Order/reliability

- Less inventory/storage area
- Less loss

Digital flow of information

- Paperfree
- No loss of information
- Speed

Training

- Employee empowerment
- Development

Fewer parts

- Lower resource consumption (raw materials, production emissions etc.)
- Lighter products (less emissions during use)
- Less inventory/storage area

Assembly and process reliability

- Less scrap (waste)
- More efficiency

Quality

- Less scrap (waste, rejected goods)
- Less failures
- More security (end-consumer)

Strong employee relationships

Our employees are the key to our success. Their commitment, knowledge, and ingenuity move Bossard forward, and we are responsible for their wellbeing. The fact that Bossard has coped so far so well with the COVID-19 pandemic can, in no small measure, be attributed to the strong relationships with our employees, which are based on our corporate culture.

Bossard has always pursued a long-term human resources policy. It is a policy that begins with recruitment, is sustained by an integrative work environment, and is supported by the continuous development of our employees, which we are gratified to accompany until retirement. This makes sense not only from a business perspective, but it also reflects our moral convictions.

Health is top priority

During the outbreak of the COVID-19 pandemic, we made every effort to protect the health of our employees, customers, and others with whom the company interacts. We implemented protection concepts at all our locations in line with government regulations and epidemiological recommendations. In doing so, we benefited from established approaches, since we had placed a high priority on healthcare even before the pandemic. Bossard always strives for safe workplaces and avoids exposing employees to undue stress.

In the crisis triggered by COVID-19, we were just as concerned about protecting jobs. When economic activity was declining, the Group put in place incentives to ensure that local companies maintained jobs. In other units, short-time work was introduced – a provision that expands entrepreneurial freedom of action in such situations. In a spirit of solidarity, the board of directors, the executive committee, and regional management waived part of their remuneration, because that is what corporate responsibility means to us. During this difficult time, we addressed other employee needs as best we could and offered support. Among other things, absence management has been simplified and made more flexible in many places.

Bossard masters a unique crisis through the unique achievements of its employees.

A corporate culture that unites

The values of trust, leadership, social responsibility, entrepreneurship, and credibility are the roots of our corporate culture (see “Strong roots for the future,” page 5). They form the foundation for the guiding principles on which we base our actions: “We experiment,” “We collaborate,” “We empower,” “We deliver value,” and “We talk real” (see “The journey is the destination,” page 13).

It is important to us that all employees know our values and ideals, identify with them, and fill them with life. That is why they need to become tangible in exchanges with superiors. This can be achieved if – in keeping with our understanding of leadership – cooperation is characterized by respect, honesty, fairness, and consistency. In addition, we cultivate direct and transparent internal communication. Only if we communicate clearly can our employees understand decisions and support corporate development. We benefit from their feedback and keep the doors open so that employees are able to raise personal and professional concerns. In annual performance reviews and selective surveys, we encourage regular dialog and stay in touch with how our employees feel.

It is important to Bossard to promote diversity and inclusion through its values and guiding principles. Through flexible annual working hours and work from home programs, we want to accommodate our employees' individual preferences and living situations whenever possible. We create equal opportunities regardless of factors such as nationality, gender, sexual orientation, religion, or age. Our work environment should be free from discrimination, harassment, and reprisals, as set forth in the Code of Conduct.

Employees as the strongest drivers

To be successful in the marketplace with our core expertise, we rely on highly qualified specialists and dedicated employees. They are the driving force behind the continuous improvement and expansion of our range of products and services. Furthermore, we will only earn the loyalty of employees if they are given the opportunity to develop their skills, both personally and professionally. That is why we promote line-, subject matter-, and project-based careers. In addition to a wide range of courses, our internal training offering also includes an interactive online learning program as well as specific training courses, such as a two-year international program to become a key account manager.

We attach great importance to cross-divisional training and the exchange of knowledge throughout the Group. In-depth knowledge of our internal workflows and of the business model promotes understanding and paves the way for optimal solutions to emerge. That is why we recruit specialists and managers from our own ranks whenever possible.

The commitment, creativity, and skills of our employees are what make Bossard successful.

The journey is the destination

Change and dynamics characterized the latest chapter in Bossard's corporate history. Bossard is not coming to a standstill with its new strategy; rather, it is reorienting itself based on what it has achieved. Yet how do we work on our stated objectives? Daniel Bossard, CEO of the Bossard Group, responds to this question by referencing the branches of our corporate culture tree: "Our guiding principles provide our employees with orientation and security. At the same time, the five branches of corporate culture symbolize the way in which we will achieve our goals."



We empower

Bossard is convinced that all employees are willing and able to contribute to the company's success. For this reason, leaders are encouraged to delegate tasks. Trust in our employees and their motivation is strengthened when leaders primarily communicate why we do things and not how.

We experiment



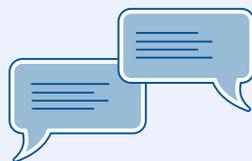
All too often, ideas are stifled before they even have a chance to succeed. We want to be open to unconventional ideas, because new things are created when we simply try things out. If we end up rejecting an idea after all, then we will certainly have learned something. And that, at the very least, is just as valuable.



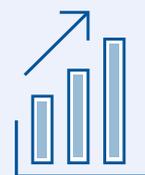
We collaborate

Bossard believes that the equation $1+1 = 3$ may very well be correct. Because together, we achieve more. That is why we want to work together even more closely and intensify the collaboration and exchange of knowledge between all regions, functions, and hierarchies.

We talk real



Sometimes we think that addressing problems is a sign of weakness – yet in that we are completely wrong. To combat this mindset, we want to conduct open conversations, listen to each other, and value feedback. Only with this approach can everyone continue to develop and learn from each other.



We deliver value

Our primary objective is to create added value for our stakeholders. We must not lose sight of that. That is why we always want to keep in mind the purpose of an activity – regardless of whether it is a product innovation or an internal meeting.

An attractive and fair employer

We staff our teams with motivated, performance- and solution-oriented individuals. At our international locations, whenever possible we recruit candidates from the local communities or from a pool of applicants familiar with the local realities. Recruiting is strictly professional, based on a specific job profile, and follows detailed guidelines. We communicate the duties, requirements, and processes clearly and transparently.

Our employment conditions are fair. We foster entrepreneurial thinking and action through fair and competitive compensation based on targets and individual performance. In addition to a fixed pay component, there exist a variety of profit-based compensation systems. Our employees know that their dedication pays off and everyone participates in the company's success.

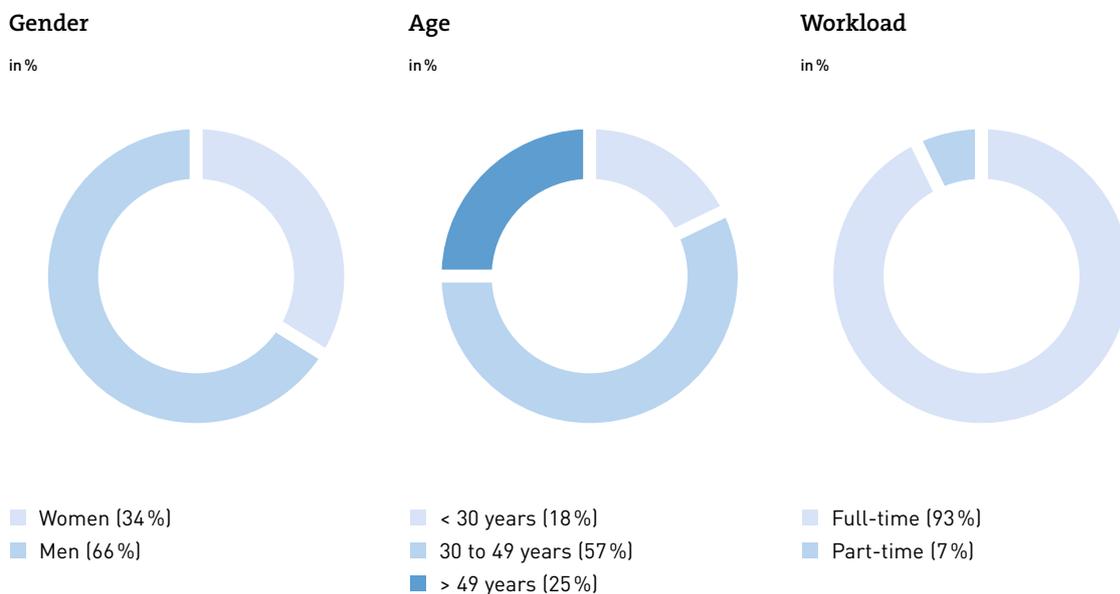


Figure 5
Employees by gender, age, and workload status
(as of December 31, 2020)

Supplier management – a core expertise

For Bossard, our supplier network is of strategic importance. For that reason we select our suppliers carefully. Apart from the quality of their products, we are also interested in their contribution to a healthy society and environment. Our Code of Conduct for suppliers summarizes the most important requirements.

At Bossard, unique solutions for customers are created by combining a network of around 4,600 suppliers and our many years of expertise. Thanks to our complex supply chains, we are in touch with numerous players in Europe, America, and Asia. These relationships offer many opportunities, but they also involve risks. We carefully weigh these risks while following clear principles.

Powerful partnerships

We source more than 1,000,000 items from specialized industrial companies. Through a broad procurement network, we ensure that our customers have access to innovative solutions. Our relationships are fair and based on partnerships, ensuring that all parties benefit from the cooperation.

We consistently align our supplier management with high-quality fastening solutions, because this is the only way we can honor the quality promise we make to our customers (see “Customized solutions,” page 8). Acceptance into our network is based on strict quality criteria. A new supplier is subject to multiple selection steps. The selection process includes factory audits to gather information on the production environment, manufacturing processes, machinery, and expertise of the individuals involved. Any cooperation gets the green light only after all stages have been successfully completed. We review and revise the quality standards on an ongoing basis.

In addition, Bossard is committed to optimizing transportation logistics. If several suppliers are under consideration, we also take environmental criteria into account in the selection process.

Social and environmental standards are the norm

We expect our suppliers to comply with binding environmental regulations and social standards, particularly in dealing with their employees. Through our network, we aim to strengthen corporate responsibility for people and the environment. Our Code of Con-

duct for suppliers includes requirements with regard to corruption and bribery, environmental protection, as well as fundamental human and labor rights, such as safety standards and the prohibition of child labor and forced labor. As such, it is based on internationally recognized standards and policies, such as the United Nations Global Compact.

We require our suppliers to act responsibly.

Of our long-term suppliers who are classified as significant almost 78 percent have signed the Supplier Code of Conduct. They traditionally covered approximately 80 percent of our purchasing volume. Due to acquisitions in recent years, this share has decreased by around 15 percent. We are continuously working on the meaningful structuring and integration of these extended supplier networks and the implementation of our group-wide procurement standards. The goal is once again for around 80 percent of our purchasing volume to be covered by the Supplier Code of Conduct.

We require that the executives of our partner companies monitor compliance with the values in the code and that they themselves model these values to their employees. Bossard reserves the right to conduct reviews without prior notice. If we come to the conclusion that (potential) business partners are not complying with mandatory social and environmental standards, we will refrain from working with them or we will dissolve the relationship.

Integrity from the inside out

We embody integrity, fairness, and responsibility in all our relationships. That is how we gain the trust of our customers, suppliers, employees, investors, and other business partners. This trust forms the foundation for successful cooperation and the performance of our activities in harmony with people and the environment.

The Code of Conduct as an ethical compass

As a value-conscious company, we promote ethical and responsible behavior. We are an international and multicultural team. For this reason, a common framework in the form of our Code of Conduct is even more important. It describes basic rules of conduct that go beyond legal regulations and states unequivocally: "Our core ethical values, however, come before profits. We do not sacrifice compliance with laws and commitment to our responsibilities or take undue risk for the sake of profits." Thanks to this approach, we currently do not have any conflict with authorities or public interest groups anywhere in the world.

We expect our employees to act in accordance with the Code, thereby strengthening our integrity. Violations are reviewed internally and sanctioned if necessary. In the event of suspected misconduct, employees can contact the supervisors in charge, local management, or the executive committee. Such reports will be kept confidential and can be made anonymously.

We value core ethical values more highly than making a profit.

What counts is not what you say, it is what you do.

Transparency and constructive dialog

We act with integrity, fairness and a sense of responsibility in our dealings with stakeholders. We treat all players with respect and honor their interests. We attempt to harmonize differing expectations to the best of our ability. We always meet our responsibilities toward our stakeholders and we only make promises we can keep. Transparency is a central tenet, and we ensure respectful, professional, and timely communication with our stakeholders.

Cooperation for the factories of tomorrow

We work with our customers as partners and often design customized, innovative fastening solutions for and with them. We value this kind of collaboration and exchange. Similarly, we enter into cooperation with other companies and research institutions. Among other things, we want to help shape the structural change toward state-of-the-art digitalized production facilities.

We have an exciting partnership with Switzerland Innovation Park Biel for the Swiss Smart Factory (SSF) research center. This is the first open and neutral test and demonstration platform for Industry 4.0 in Switzerland. SSF aims to become a center of competence in applied research and transfer of Industry 4.0 and wants to promote an innovative ecosystem of partners. For this project, Bossard provided the systems for smart warehouse management. Bossard also supports a demonstration factory at RWTH Aachen and is involved in Industry 2025 task forces in the field of digital transformation.

Our social fabric



“We should never underestimate the value of local engagement for our business. Strong links in strong communities make our company strong.”

This concludes Rajesh Jain, Managing Director of LPS Bossard in India, after he elaborated on the company’s various engagements in Rohtak, a city in the north of India that is well-known as a fastening cluster in our industry. Environment, health, safety, education and support of people in need are the focus areas of LPS Bossard’s community programs.

Rajesh Jain wants to raise awareness among employees and beyond for environmental protection, for example through activities such as tree planting. Reducing greenhouse gas emissions and the usage of plastic are today’s “hot topics,” but there is also a need for more sustainable water management in the region. In the social sphere, multiple programs benefit the weakest members in the local society. For example, LPS Bossard sponsors scholarships for young stu-

dents who have lost their parents. The company also collaborates with a local organization that gives a hand to people at the bottom of the pyramid who require medical treatment. LPS Bossard supported the construction of a new building (see picture) where volunteers look after patients who left the hospital but have no one to take care of them while they are still in need of support.

With the outbreak of the COVID-19 pandemic, completely new challenges emerged. In addition to setting up protective measures at its own premises for employees, LPS Bossard reached out to local institutions. Ad-hoc support schemes included the delivery of food to the poor who were hit hardest by the economic shutdown as well as the co-financing of a testing machine at a local hospital.

“We are recognized as a responsible employer, reliable partner and respected brand in the local communities,” says Rajesh Jain. “Through such engagements, we constantly weave our social fabric. This dense and strong net benefited our company in the past and proved its value during the health crisis in 2020.” It encourages Bossard to continue along these lines and follow this philosophy with even more dedication in the future.

Connected to the environment

As an environmentally conscious company, we are committed to the careful and efficient use of natural resources and energy and to minimizing our environmental impact –whether through the infrastructure we use or in our work processes. We work with relevant environmental certifications and we urge our suppliers to behave in an environmentally conscious manner.

Investments for the environment

We want to use our internal processes and technologies to protect the environment in which we live. This is why Bossard's environmental management system is certified in accordance with ISO 14001 in nearly all major country units and some smaller units. Moreover, KVT-Fastening in Germany gets its energy management accredited according to ISO 50001. Regular checks ensure that we comply with the latest standards and that we continue to evolve.

In the case of new construction or renovation projects, we carefully weigh the different options and take the environment into consideration. Environmental beliefs, for example, made it an obvious choice to install, in 2011, a heat pump system in course of the complete reconstruction of our largest warehouse in Zug. Since it went into operation, we have been able to save an average of 50,000 liters of heating oil per year, which corresponds to a CO₂ reduction of 135 tons.

In the reporting year, Bossard Denmark put a photovoltaic system into operation. When the sun shines, the solar panels generate enough electricity to cover all of the facility's energy requirements (see "Home-made energy in Denmark," page 19). Bossard Denmark follows in the footsteps of other Bossard companies which also produce and use solar energy.

Environmental protection in the supply chain

We strive to comply with environmental standards, both within Bossard as well as with our suppliers. Our Code of Conduct for suppliers therefore states the following: "Supplier shall maintain an environmental management system and demonstrate a high level of environmental protection in sourcing, manufacturing and transportation activities, or to warrant to adhere to international recognized environmental management systems, such as ISO 14001." Through that, we want to use our international network to raise awareness about environmental issues and the challenges of climate change among stakeholders in different regions of the world. This includes examining the production processes of our industrial suppliers and taking a closer look, for example, at product design with a view toward surface treatment. In addition, we check whether packaging meets ISO standards and we promote the use of recyclable materials (see "Supplier management – a core expertise," page 15).

Home-made energy in Denmark

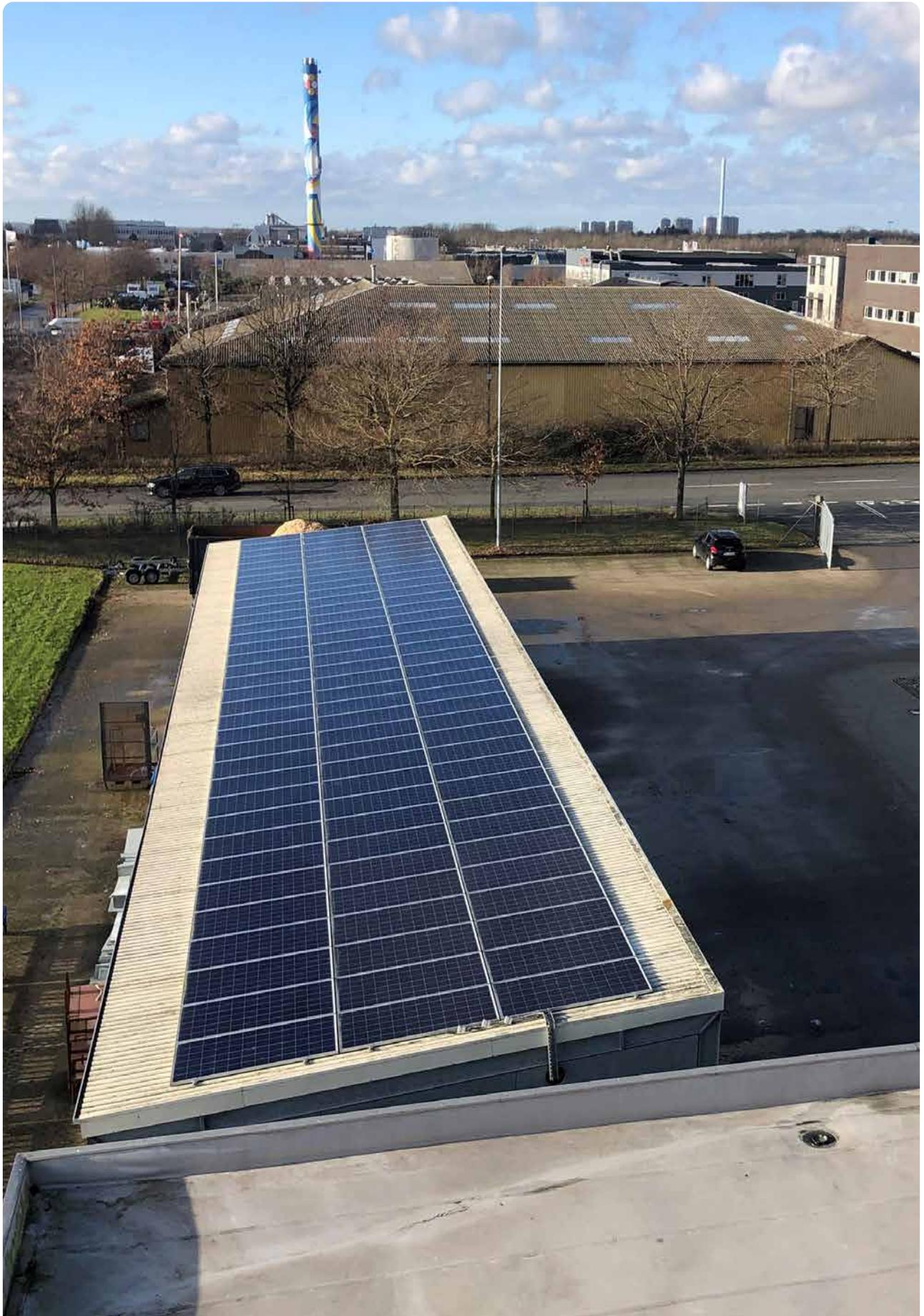


Amid the COVID-19 crisis in May 2020, Bossard Denmark inaugurated a photovoltaic (PV) power station on the rooftop of its facility. 735 solar panels produced approximately 220 MWh in 2020 and help reduce our greenhouse gas emissions from energy consumption. The sky is not always clear in Denmark but when the sun shines, the electricity usage of our 80 employees can be covered entirely by solar power from the roof.



This development does not come as a surprise. Environmental protection and self-sufficiency are deeply rooted within the company. Therefore, when the idea of a PV power station came up, there was no need to convince the management team. With a pragmatic approach – as it is so often seen at Bossard – Karsten Larsen, Warehouse Manager at Bossard Denmark, put up a small PV power station to test it and learn how to maintain such an infrastructure. When it proved successful, a new agreement was negotiated with the landlord. Only five months later, the company ran on its first “home-made” kilowatthours. It is particularly pleasing that the project also makes sense from a financial viewpoint. In order to benefit even more, the project team is currently evaluating solutions to store excess energy rather than feeding it back into the public energy grid.

“We are constantly thinking about how to further reduce our environmental footprint. And it is not labeled ‘sustainability’. For us, it is rather common sense,” reflects Pernille Grüning, Head Finance and Administration. In that spirit, Bossard Denmark buys wind energy only, installed LED lighting, replaced plastic cutlery, and maintains a fruit garden in the backyard. In addition, there is no food waste: on Fridays, the cafeteria serves delicious leftovers of the week. Going forward, new activities such as a tree-planting initiative around the buildings and the installment of switches to turn off electronic devices in stand-by are already in the pipeline.



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