



Sustainability

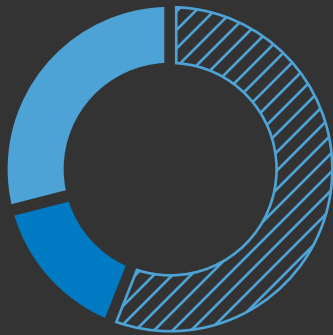
The Bossard Group has been committed to sustainable corporate development for generations. This sustainability report explains Bossard's activities and efforts to achieve long-term sustainable growth. The report contains information on the strategic and organizational anchoring of sustainability throughout the Group's operations as well as explanations on the respective focus areas: Future Proven Solutions, Reduced Footprint, Empowered People and Fair Partnership.



AT A GLANCE

Sustainability

Employees by region



- Europe (55%)
- America (16%)
- Asia (29%)

Employees by gender



- Women (35%)
- Men (65%)

68.4

Recycling rate of its waste in percent

72.4

Signed Supplier Code of Conduct in percent
(for 65 percent of purchasing volume)

19,863

Total energy consumption in MWh

2,367

thereof renewable

9,714

Electricity consumption in MWh

2,037

thereof renewable

SUSTAINABILITY AT BOSSARD

Reference to business model

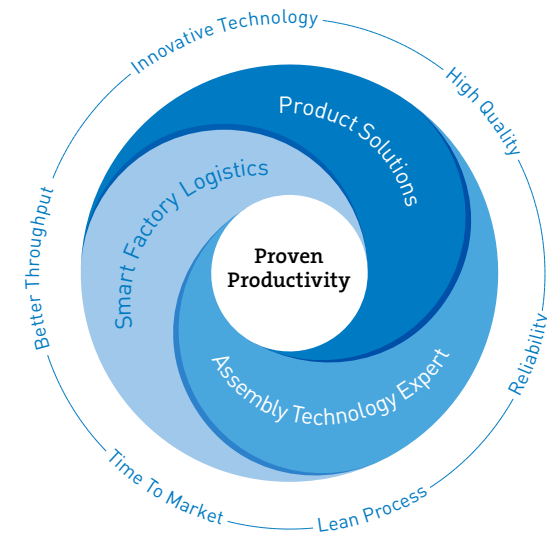
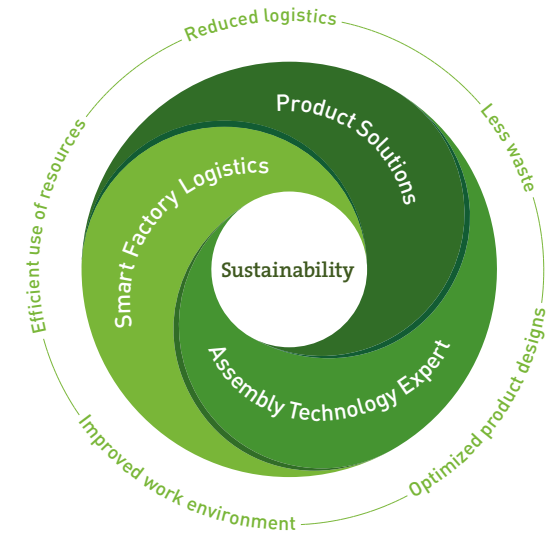
Innovative, efficient and holistic solutions – that is Bossard’s approach. With products and services that simplify and optimize processes across all fastening solutions, sustainability is an integral ambition of Bossard’s business model.

Bossard helps its customers not only avoid hidden costs in development, design, procurement, ordering, logistics, storage, assembly and quality assurance, but Bossard’s solutions also mitigate environmental impact. Streamlining processes and optimizing individual products, reducing complexity and enhancing assembly, allow for more careful and targeted use of materials, energy and production capacities.

Mindful handling of resources begins in the product design phase and extends through supply chain structuring to the manufacturing processes, thus reducing operating waste and emissions. In addition, Bossard’s customers’ employees save time; consolidated and more efficient workflows make their work easier, resulting in a better work climate overall. With Bossard’s support, its customers demonstrably boost their productivity. True to its Proven Productivity principle, Bossard creates added economic, ecological and social value.

Bossard’s products and services are already part of Industry 4.0 and contribute to groundbreaking innovations. Moreover, Bossard is working with customers in emerging sectors such as electromobility, railway, automation, robotics, and medical technology, which contribute to sustainable development. In order to understand and propel the efficiency of customers’ processes, Bossard promotes internal innovation, such as analytical methods using big data.

Close to 3,000 employees at 82 locations in 32 countries help Bossard to bring Proven Productivity and sustainability into assembly operations around the world by making more efficient fastening solutions possible. Driven by this value proposition and guided by its tested corporate values, Bossard intends to expand even further and strengthen its global supplier network for product solutions.



SUSTAINABILITY AT BOSSARD

Reference to stakeholders

Bossard acts with integrity, fairness and responsibility in its dealings with stakeholders, treating all players with respect and honoring their interests. Among others, customers, suppliers, investors, rating companies, employees, authorities and governments, as well as partners account for Bossard's most important stakeholders. The Group attempts to harmonize differing expectations to the best of its ability and only makes promises it can keep.

Transparency is a central tenet and the Group ensures respectful, professional, and timely communication with its stakeholders. Bossard works with its customers as partners and often designs customized, innovative fastening solutions for and with them. The Group values this kind of collaboration and exchange. Similarly, Bossard enters into cooperation with other companies and research institutions. Among other things, the Group wants to help shape the structural change toward state-of-the-art digitalized production facilities.

Materiality analysis

Bossard has identified the material topics with the greatest impacts of its business activities on the economy, people, and planet as well as on its own long-term business success using a strategic approach. Bossard knows that the consequences of climate change, global population growth and current economic developments can impact its business operations and vice-versa. Thus, Bossard has conducted a materiality assessment to determine which topics could have the largest potential impacts for the Group and to set goals to minimize the negative consequences of Bossard's business activities.

Furthermore, to uphold current legal (EU and Swiss) regulations and Global Reporting Initiative (GRI) Standards 2021, Bossard is required to conduct a materiality analysis. To cover and align with these requirements, Bossard looks at each material topic from two different perspectives using the concept of double materiality:

- The "outside-in" perspective: How relevant is a topic for Bossard's long-term (business) success?
- The "inside-out" perspective: What are the most significant impacts of Bossard's business activities on the economy, people and environment?

To answer these questions, Bossard was supported by an external consulting company during this process. The final materiality matrix will help Bossard pinpoint the sustainability challenges it currently faces, while also enabling the Group to start working on solutions for the future.

Transparency
is a central tenet.

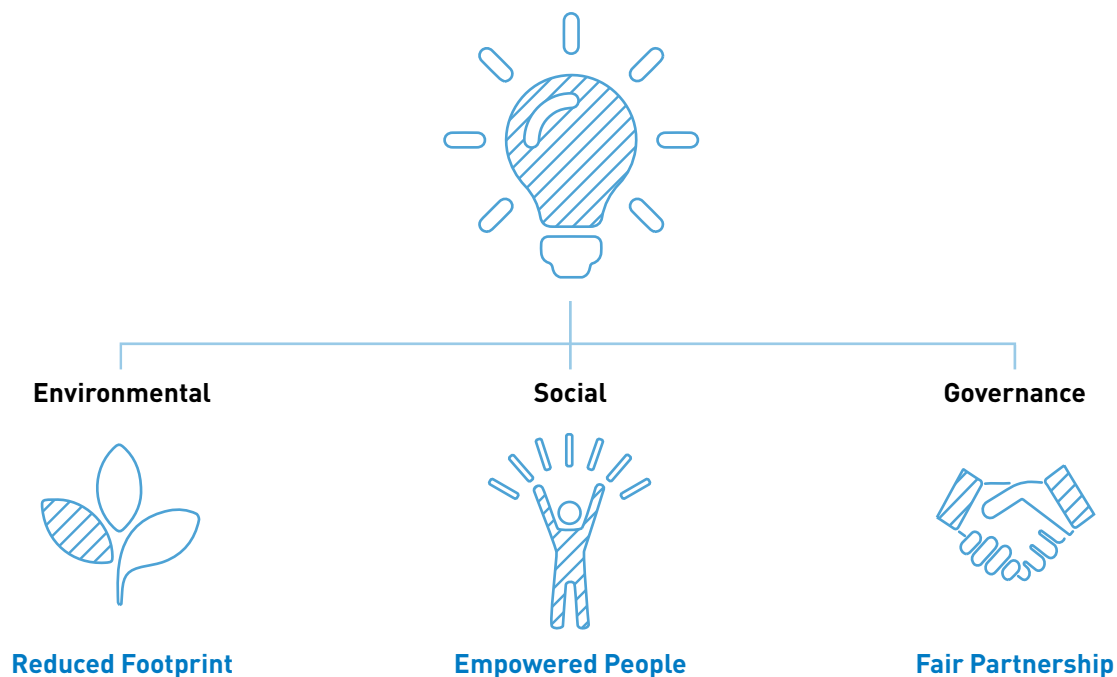
Bossard's four focus areas, Future Proven Solutions, Reduced Footprint, Empowered People and Fair Partnership, cover the economic, environmental, social, and governance dimension of Bossard's responsible corporate leadership. They were developed under the direction of Tabea Bürgler, Vice President (VP) Sustainability and

General Counsel, in collaboration with a project group devoted to the topic of sustainability and adopted by the executive committee at the beginning of 2021. They serve as a framework for orienting Bossard's current and future sustainability efforts.

Each focus area consists of several topics on which Bossard has an impact. These topics were then compared to a list of topics on reporting standards, such as the GRI Standards, sector-specific topics as well as environmental, social, and governance (ESG) ratings and rankings. This led to a consolidated list of topics which are potentially relevant for Bossard, focusing on the Responsible Business Initiative (RBI) counter-proposal matters (environmental, social, and employee matters, human rights as well as corruption). The final list was shortened to 13 topics.

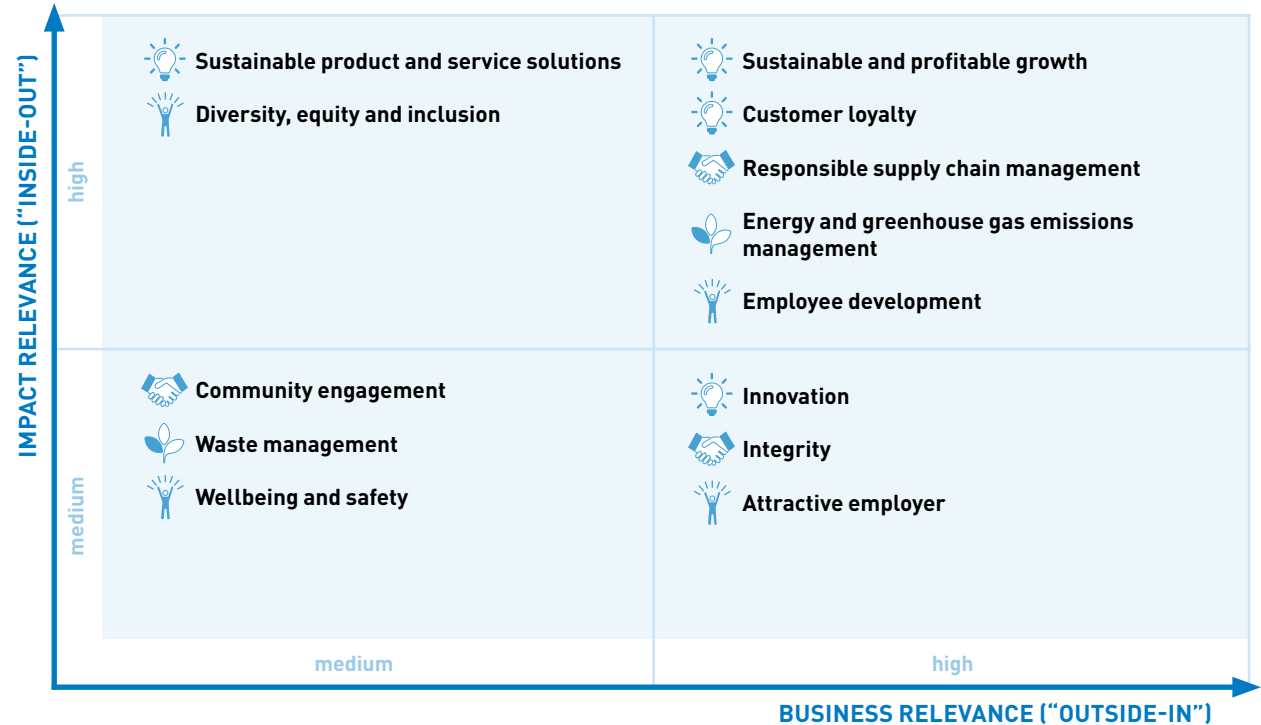
Bossard took a two-way approach to develop the materiality matrix. First, an online survey with 22 people of Bossard's management was conducted. In the survey, the contributors were asked to rank the impacts of each topic according to their best knowledge. The results were then consolidated and analyzed in a first draft of the materiality matrix. To validate the materiality matrix, Bossard's ESG team and its external consulting agency held a workshop with the CEO and CFO in which the matrix was discussed, assessed, and, if necessary, adjusted. In addition to the online survey, Bossard was able to evaluate the matrix, including its topics and impacts, from as many different angles as possible. All changes were incorporated, allowing Bossard to present its materiality matrix in this report.

Future Proven Solutions



The materiality matrix shows a balanced picture between economic, environmental, social, and governance topics. For each focus area, the material topics are spread evenly across the materiality matrix. Sustainable and profitable growth and customer loyalty as core values enable Bossard to tackle its material topics and are thus of key importance. While innovation drives Bossard's business, its sustainable product and service solutions define the impact on the environment. It is important to Bossard to manage its energy and greenhouse gas emission efficiently. As a distributor, Bossard also strives to manage its waste effectively and strengthen circular economy. While the wellbeing and safety of Bossard's employees are well understood, the Group pushes for more diversity, equity, and inclusion. Not only is Bossard already an attractive employer for talent to come, but the Group also lays emphasis on the development of its current employees. As a Group, Bossard already engages with local communities extensively. Integrity is a core value to the Group and deeply anchored in the daily business. Thus, Bossard also seeks to manage its entire supply chain responsibly.

MATERIALITY MATRIX



- Future Proven Solutions
- Fair Partnership
- Reduced Footprint
- Empowered People

SUSTAINABILITY AT BOSSARD

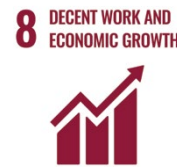
Contribution to the sustainable development goals

Agenda 2030 and the United Nations' 17 sustainable development goals (SDGs) are essential for sustainable development. The SDGs are closely linked through their interdependencies.

Bossard seeks to offer products and services with low carbon footprints. By increasing energy efficiency and reducing greenhouse gas emissions for its business units, Bossard contributes to SDG 7. As an international business with local employees, the Group creates secure jobs for all employees, regardless of gender, age, religion, ethnicity, disabilities, and sexual orientation, etc., equally with humane and non-discriminatory conditions as outlined in SDG 8. Bossard sees its greatest potential for impact in its core business and hence in relation to SDG 9. The Group's solutions make a significant contribution to the modernization of industry and promote resource-saving production processes. Furthermore, the efficient and resource conscious use of all Bossard's product solutions is in line with SDG 12. Different measures are proposed within the Reduced Footprint focus area and environmental requirements set forth in the Supplier Code of Conduct. Thus, by measuring and aiming to reduce its emissions, Bossard contributes to SDG 13.

To further emphasize Bossard's intention to maintain environmentally, socially and economically responsible business practices, the Group's CEO signed the letter of commitment of the United Nations Global Compact (UNGC) in March 2021. Bossard thus joined a global community of nearly 15,000 companies of all sizes united in upholding the 10 global principles of responsible corporate leader-

ship. As a signatory of the compact, Bossard pledges to implement the principles in the areas of human rights, work standards, environmental protection and the fight against corruption as well as submit a yearly progress report. In return, participation in the UNGC initiative allows the Group to benefit from the organization's expertise and its extensive network.



SDGs: Bossard focuses on these five sustainability goals (source: www.globalgoals.org).

SUSTAINABILITY AT BOSSARD

ESG governance and organization

Based on the requirements of law and the articles of association, the board of directors (BoD) exercises overall management (management function), supervision and control (control and organizational function) over the Group and its business units, thus ensuring corporate governance within the Group.

The BoD decides on the strategic objectives of the Group and the financial and human resources required to achieve these objectives. It appoints the members of the executive committee and their removal. Furthermore, ESG topics are reported regularly during the year to the BoD through the VP Sustainability to control the Group’s ESG developments. In 2021, the BoD received training on ESG topics from an external specialist (status, progress, and outlook on ESG topics in general and in the distribution sector).

Submissions of critical concerns to the legal department are processed by the legal department, involving other departments if necessary, and reported anonymously to the BoD if the executive committee decides so. There were no critical concerns reported to the BoD in 2022. Bossard has not appointed a specific ESG committee.

Bossard’s sustainability team reports to the executive committee on a regular basis, several times a year on ESG topics. In these meetings, the VP Sustainability and the executive committee decide on areas of ESG progress and next steps. The VP Sustainability is a member of the extended group executive committee and thus part of group management.

In October 2022, the Group announced that Susan Salzbrenner, VP People & Organization, will become a member of the group executive committee as of January 1, 2023. The board of directors has nominated Prof. Dr. Ina Toegel for election to the BoD. Therefore, Bossard expects the percentage of women in the BoD and executive committee to increase in 2023.

KEY FIGURES: GOVERNANCE

Diversity of governance bodies ¹⁾	2022			2021		
	Male	Female		Male	Female	
By gender						
Board of directors	6	2		6	2	
Executive committee	6	-		7	-	
By age	< 30	30-50	> 50	< 30	30-50	> 50
Board of directors	-	3	5	-	3	5
Executive committee	-	-	6	-	-	7

1) The table refers to the reporting date as of December 31, 2022 respectively December 31, 2021.

SUSTAINABILITY AT BOSSARD

ESG risk management

As part of its annual reporting Bossard describes how it identifies and deals with risks (see pages 19 to 20). ESG risks, in particular environmental and social risks, are an important part of the risk spectrum that groups like Bossard have to take into account in their management.

Bossard made efforts in the reporting year to clarify social risks in the supply chain (child labor, compliance with human rights, conflict minerals) systematically. This was done in preparation for compliance with the new Swiss law on due diligence in the areas of child labor and conflict minerals. In addition, Bossard laid the foundations for an extended reporting on climate risks, which will be based on the Task Force on Climate-related Financial Disclosures (TCFD) guidelines in the coming years. External expertise was involved in all these topics and various corporate functions were integrated into the process. Further results will be reported in the next annual report.

Bossard manages
its risks systematically.

SUSTAINABILITY AT BOSSARD

Focus areas

Future Proven Solutions

Future Proven Solutions are a value proposition for Bossard's products and services. One of the Group's core competencies is to critically evaluate selected customer processes and identify potential for improvement. Customers are shown where and how they can achieve sustained added value thanks to Bossard's solutions. At the same time, Bossard continuously works on making its solutions offering even more sustainable. In that effort, Bossard aligns itself with its quality and efficiency claim, increasingly integrating the approaches of a circular economy.

Reduced Footprint

The long-term vision is clear: a climate-neutral Bossard Group. To that effect, Bossard endeavors to use resources and energy as efficiently and sparingly as possible and to reduce its overall environmental impact. Following a holistic management approach, the Group accounts for not only the impact of its core business but additionally the up- and downstream processes across the entire value chain. To minimize any negative impact on the environment in a targeted and efficient way, Bossard collects relevant environmental data across all business units.

Empowered People

Bossard knows the driving force behind its success are its employees. For this reason, their physical and mental wellbeing at the workplace is one of the Group's highest priorities. All employees shall be equally valued in their variety and diversity, feel supported and be able to develop their potential within the Group without discrimination of any kind. Bossard invests in its workforce and aims to bring the best talents on board. To that end, Bossard offers various education and training opportunities as well as attractive benefits and bonuses. Last but not least, mobile and agile ways of working are now firmly anchored in Bossard's work models.

Fair Partnership

The Fair Partnership focus area revolves around Bossard's integrity and reputation. First, Bossard fosters and protects these at the Group level in accordance with the principles of its new Code of Conduct. Second, they must be ensured with respect to Bossard's supplier network. Lastly, the Group's social engagement at the different locations contributes to its standing as a fair and reliable partner.

Bossard sources more than a million items from specialized industrial companies. Through a broad procurement network, the Group delivers innovative solutions for its customers. Professional relationships are fair and based on partnerships, guaranteeing all parties benefit from the cooperation.

FUTURE PROVEN SOLUTIONS

Sustainable and profitable growth

Bossard works to ensure market competitiveness and productivity in order to achieve sustainable economic growth, aligned to ESG goals. The Group's efforts are also targeted at maintaining a stable position as an industry leader in the markets Bossard operates. Bossard's success in these endeavors has positively impacted various stakeholders. The Group's customers, suppliers and employees benefit from greater security, reliability and holistic services.

As a market leader, Bossard is in a position to influence and support the value chain both upstream and downstream. Upstream, Bossard fosters a sustainable purchasing policy with its close to 4,700 suppliers to uphold environmental and human rights protection as core values within their operations. Downstream, Bossard's strategic services enable its customers to access smarter processes, which generate less waste and facilitate higher productivity.

Economic strength is key to securing the necessary resources to make sustainable and profitable investments and implement innovative solutions, furthering Bossard's competitive advantage. Being recognized within the industry as the first-choice strategic partner is not only good for customer attraction, but moreover adds to Bossard's credibility to shape market trends, demand and expectations in line with the Group's business interests and wider long-term vision. Bossard is proud to be a trusted partner to its customers, suppliers and shareholders and uses its expertise to accelerate the industry. Bringing together all of Bossard's attributes, the Group pushes forward with its mission to lead the market into the future.

This mission is also advanced in Bossard's management approach, which champions a long-term and foresighted view of doing business. In spring 2021 the Group has introduced its 10-year Strategy 200. The eight key initiatives, which are fixed on the leadership team's agenda, are all goal oriented. They include implementing a cultural journey, sales and marketing transformation and innovating the

sales engine. Goals, such as product and service offers with financial targets, are in place. To assess the effectiveness of the management approach, strategic success indicators for some of the eight key initiatives are used and monitored with strategic controlling and analytics. Additionally, for some of the initiatives, the fulfillment of key performance indicators (KPIs) is evaluated, and regular feedback acquired through surveys, and customer questionnaires.

In 2022, Bossard grew and strengthened numerous aspects of its business. The Group improved its system and offering within Smart Factory Logistics (SFL) through AI-based solutions for Smart Ordering, reducing manual orders by 25 percent and thus optimizing transport, and enhanced its Smart Factory Assembly (SFA) systems to increase quality. Furthermore, Bossard installed its new software in addition to reinforcing its center of excellence. Bossard's Real Time Manufacturing Service (RMS) was also scaled, adding a new internal tool: Product Solution Advisor (PSA), which helps Bossard's sales team locate the best parts depending on the customer's requirements. The first business units started transforming the sales and marketing process, with a focus on digital lead generation and a seamless connection to the Group's cultural journey initiative to better enable cross-functional and cross-border collaboration. Additionally, a new ERP system was implemented for the first business units, namely Denmark and Sweden.

On-going challenges to maintain Bossard's position as a market leader include digitalization, new technologies and their associated change management as well as ensuring the right talents are recruited.

**Under Future Proven Solutions
Bossard understands the value
proposition of its products
and services.**

FUTURE PROVEN SOLUTIONS

Customer loyalty

Bossard acts in the interests of all its stakeholders by taking a strong customer-centric approach to business. The Group seeks to maintain an open, trustworthy and transparent dialog with its customers at all times. Fundamental to this approach is Bossard's internal Code of Conduct and business ethics policy, which serves as a basis for the collaboration with its stakeholders. Bossard has several measures in place to ensure consistently high quality and safe products that comply with all legal and customer-specific requirements.

The Group is committed to finding the optimal solution for every customer. To this end, Bossard uses premium standard fastening elements, such as screws, nuts, rivets and washers, as well as electrotechnical fastening elements. Additionally, the Group's ecosyn® product line offers smart solutions that are both economical and need-based. Through customization and specially-manufactured items, including turned, milled, extruded, stamped and flexible parts, Bossard guarantees the best possible results for its customers. Furthermore, the Group has established a carefully selected brand portfolio with highly innovative and reliable partners.

Bossard's goal is to ensure the Group's stability and create financial value for all its stakeholders by constantly increasing customer satisfaction and customer loyalty. This strategy benefits not only Bossard's customers, but the Group's shareholders, employees, business partners and the local communities in which Bossard operates. The main focus is on enabling the Group's customers to achieve higher productivity, which is quantified by the concept of total cost of ownership. Bossard fulfills this goal in a variety of ways. For instance, Bossard's customers benefit from lower handling costs through Smart Factory Logistics services. Further, Bossard's six Assembly Technology Expert services help customers to improve end-to-end production with a leaner fastening process. The Group's stakeholder management program gauges the attitudes and opinions of its stakeholders generally and with regards to the Group, and has been shown to have a positive influence.

Bossard has cemented its position as a market leader by continuously delivering solutions for the betterment of its customers. Key is a thorough understanding of customers' actual needs and expectations. The Group's stakeholder management activities play a crucial role in verifying the specific requirements of individual customers and other stakeholders, enabling real-time and future needs to be

anticipated, and opportunities and risks identified and acted upon at an early stage. This has had a direct impact on customer retention rates and contributes to Bossard's success in winning new customers. Trust is at the core of all Bossard's customer relationships and the Group operates with a view of maintaining customer relationships for the long-term in order to facilitate growth, mitigate risks and add to the overall stability of the business.

Bossard guarantees the best possible results for its customers.

In the spirit of collaborative and agile customer cooperation, Bossard has set up work groups based in several locations worldwide to define its customer-centric approach. Customers have many touch points through which to share their pain points and provide feedback more generally. To further this aim, a customer community for Smart Factory Logistics users is being piloted. This forum provides a working platform to co-create solutions directly with customers. The pilot was initially limited to Switzerland, but due to its success has been expanded to invite customers based in other countries to participate. Additionally, customer relationships have been strengthened with the implementation of co-creation workshops. During the project selected customer success cases have been filmed and showcasing the videos on [Bossard YouTube](#) ¹⁾.

Customer success stories



The videos highlight the immense value that can be gained through the Group's collaborative approach, spotlighting customers and key contacts while proving how Bossard increases its customers' profitability.

Bossard has learned that early-stage involvement in customer projects maximizes the value of the partnership for its customers, whether that be by supporting them in the design of next generation products, simplifying supply chain and assembly processes with Smart Factory Logistics services or advancing innovative product solutions. Therefore, another initiative brings together the Group's customers and suppliers in moderated sessions including discovery workshops, value stream analysis, training programs and joint customer events.

To evaluate the effectiveness of Bossard's customer satisfaction efforts, several customer satisfaction surveys and net promoter score (NPS) surveys are conducted on a local basis. Moreover, to ensure the Group's management approach is progressive, targeted KPIs and strategic success indicators for Bossard's key initiatives have also been established and are continuously assessed, for instance, through strategic controlling and analytics.

The Group is mindful that for its customer focused approach to thrive organizational complexity and bureaucracy must be minimized. Other prominent challenges include attracting, developing and retaining the best talents to move the business forward as well as market competition and geopolitical stability. Solving these challenges in a way that maximizes value for Bossard and its customers is a priority for the Group.

Bossard co-creates solutions directly with customers.

FUTURE PROVEN SOLUTIONS

Innovation

Bossard continuously expands its innovation capabilities and is in the midst of a digitalization program to further support its commitment to new product and service development as well as optimizing internal operating processes.

The Group understands that digitalization and innovation is pivotal to improving satisfaction across all its stakeholder groups, in particular, for its customers and employees. For example, the on-going digital transformation benefits customers by boosting Bossard's capacity to minimize human error and decrease waste activities such as reducing the use of paper. Specifically, Smart Factory Logistics has the potential to lead to lessened CO₂ emissions while Smart Factory Assembly has a positive impact on quality standards and facilitating easier and safer working conditions for customers' employees. In addition, it goes with more transparency, increased product quality, the benefit of easier job rotation, process reliability, and less waste thanks to digital work processes.

Furthermore, Bossard's Real Time Manufacturing Service has made the process of milling and turning parts faster, more reliable, and plannable, which has proven advantageous for the Group, its customers and manufacturers who gain from more insightful data. Besides enhancing Bossard's processes, digitalization efforts have resulted in greater transparency and efficiency savings.

On a wider level, digitalization and innovation support Bossard's business aims throughout the value chain. Customers' needs are addressed with increased efficiency leading to even higher productivity, while suppliers and manufacturers get the best possible products and services. Simultaneously, optimization makes Bossard more productive, reliable and profitable.

Innovation activities are supervised and encouraged through the Strategy 200. Moreover, a project team is also in place to support Bossard's aims in this area as well as an innovation change agent community. It is Bossard's firm belief that a willingness to learn is vital for fostering genuine innovation and the Group welcomes experimentation, viewing problems and missteps as an opportunity for improvement.

The Group ensures that innovations are recognized at Bossard and in the market, driving forward its position as a market leader by outperforming the competition. Furthermore, the Group's employees are adequately supported to master an increasing number of issues and systems that arise through digital transformation and an innovation agenda.

FUTURE PROVEN SOLUTIONS

Sustainable product and service solutions

Bossard strives to offer products and services geared to its customers' sustainability requirements. To ensure its solutions have a positive impact, the Group sources from certified suppliers adhering to environmental and social standards in addition to developing high-quality products that consume fewer resources and generate less waste. As a result of this commitment, Bossard's solutions not only engender greater efficiency and productivity but simultaneously promote a more careful use of resources which creates sustainable added value.

Industry-wide, the Group influences best practice approaches by delivering sustainability-focused solutions as well as production setups and transportation chains through its choice of suppliers. It is Bossard's goal to reduce packaging overall and rely on recycled or renewable materials.

Sustainable solutions are among the priorities of Bossard's customers. The Group must endeavor to meet this growing need if it is to acquire new customers and retain existing ones. A timely understanding of market trends and fulfillment of new requirements is essential and differentiates Bossard from its competitors, opening up opportunities to cultivate customer stickiness and business development.

Bossard proactively manages sustainability. The Group constantly reviews its portfolio with the aim of enabling a leaner assembly process for its customers. To ensure the most efficient solutions are found, Bossard will continue to facilitate collaboration between customers, application engineers and supply chain partners. The potential of Bossard's total cost of ownership concept, which measures savings, is also being explored with a view to using it to account for carbon footprints. Optimization of shipping processes remains a group-wide goal, although Bossard notes that significant efficiency gains have been made since the implementation of Smart Factory Logistics and machine learning. Among other things, with SFL Bossard's customers have the possibility to predefine their delivery cycle or rely on Smart Ordering.

Smart Ordering was introduced a few years ago and is based on an algorithm that analyzes product consumption, order quantities, and order timing. It calculates the probability of when the customer will be out of stock, based on past ordering patterns. This offer can save transport routes, process steps, and minimize express orders. Bossard celebrated a new milestone with 58 percent of customers relying on and 33 percent of items running on Smart Ordering. One of Bossard's targets is a 30 percent decrease in express orders, which shall be achieved by implementing Smart Ordering for 80 percent of the Group's customers. Additional sustainability targets include reduced transport efforts and fastening systems developments in new materials.

Great advances were achieved in 2022 towards Bossard's sustainability goals. For example, with the introduction of MultiMaterial-Welding®, a revolutionary new technology that has the potential to lead to the elimination of fasteners and components for single applications. This can result in a reduction in costs and energy waste by lessening waste activities, material demand and energy for mounting. Moreover, to further minimize the Group's logistic costs and CO₂ emissions from transportation, Bossard has the possibility to grant its customers licenses to produce the fasteners for MultiMaterial-Welding® inside their own premises if they have the possibility to do so. Emissions are also controlled by encouraging brand partners to choose locally produced products thereby cutting transportation distances. Furthermore, Bossard's lightweight solutions and simplification of its customers' assembly processes have proven to positively impact customers' carbon footprints and boost their competitiveness. In addition, the Group has various customers using Last Mile Management, which digitalizes internal logistics and makes processes paperless.

Despite its substantial progress in 2022, the Group is wary of future issues affecting its sustainability efforts. In particular, Bossard is working to mitigate rising energy costs for the manufacturing of its products and utilize more sustainable energy options. Product recyclability and end of life procedures are also becoming an increasingly important consideration that will require better solutions for disassembly and limited material mixing during the scrapping process. Moreover, many customers are defining their sustainability goals and expectations, which results in the challenge for Bossard to predict and fulfill their needs. Bossard ensures it is collecting the best data to draw the right conclusions. Another challenge for a global business is that there is no universal standard to measure sustainability. Overcoming these issues will bring the Group closer to its goals and help Bossard advance sustainability within the industry.

Bossard offers products to its customers' sustainability requirements.

REDUCED FOOTPRINT

Energy and greenhouse gas emissions management

Climate protection is of utmost importance. Accordingly, Bossard has established sustainable practices in its operations and throughout its supply chain. The Group works to reduce its greenhouse gas emissions, maximize energy efficiency and offers products and services with a low carbon footprint. Bossard is also focused on increasing its renewable energy usage as per market availability.

The Group's business activities have a positive impact for customers. For example, Smart Factory Logistics and Last Mile Management, which consolidate shipments to optimize transportation routes, have resulted in direct fuel and emissions savings. Another highlight is Assembly Technology Expert, which aims to improve product quality and if reasonable utilize fewer parts, potentially leading to less CO₂ emissions. Bossard has also introduced paperless processes as part of its wide-reaching digital transformation. To further cut emissions and mini-

mize energy consumption, formal operative emission reduction targets are being considered. The Group is steering its suppliers, particularly the metals industry, to produce with greater efficiency and in a more climate

friendly way. Furthermore, internal and external Codes of Conduct oblige Bossard's suppliers and employees to act sustainably. Continuing to target transportation and packaging CO₂ emissions remains a high priority.



Energy-efficient: Bossard's warehouse in France.

Increase in energy efficiency and productivity in Bossard France's warehouse

In 2022, Bossard France finished renovating its warehouse. Actions included the extension of the warehouse area from 4,500 m² to 10,700 m², more efficient heating, better insulation, an optimized logistics flow as well as the installation of LED lights. As a result, energy efficiency has increased. Although the warehouse has more than doubled in size, the energy consumption has only changed insignificantly (1,100 MWh/year compared to 1,000 MWh/year before renovation and extension). In addition, warehouse productivity increased because of an improved logistic flow while employee satisfaction was also improved due to better insulation. A newly acquired cardboard baler also leads to higher recycling rates. Going forward, Bossard France plans to install solar panels on the roof of the warehouse.

Bossard takes its environmental responsibilities seriously not only to adhere to applicable laws and match customer needs, but to secure competitive advantage. Against rising prices, higher energy efficiency and wider renewable energy procurement to limit business costs is a necessity. This effort also reflects positively on the business' reputation. Moreover, climate protective practices lower the risk of environmental damage that may adversely impact Bossard's business activities. Specifically, Assembly Technology Expert and Smart Factory Logistics can lead to a more efficient use of fasteners and cut emissions in deliveries.

The Group's environmental management system is ISO 14001 certified in nearly all major business units and some smaller units. Regular audits ensure compliance with the latest standards and that Bossard continues to evolve in this area. In the coming years, the Group plans to achieve comprehensive certifications for all locations that together generate 90 percent of sales.

Bossard is currently in the process of calculating its emissions and pinpointing its biggest sources. The first findings already provide a strong indication where emission reductions are possible and business unit budgets have been reviewed accordingly. Data on energy and resource consumption, waste volumes and associated greenhouse gas emissions is also systematically reported via the internal data portal. All sustainability related data will lead to the implementation of targets and reduction pathways with defined measures. While Bossard has already identified key levers to reduce its internal energy consumption, group-wide coordination will accelerate efficiency gains.

Further, Bossard is committed to designing and adapting its locations to maximize energy and resource efficiency. To determine the effectiveness of Bossard's approach to energy and greenhouse gas emissions management, KPIs were defined in 2022. The Group also tracks its EcoVadis rating (see page 50) with a view to continuously improve. Additional measures are being worked on including a specially programmed app that will collect data and analyze it using internally programmed business intelligence reports for monitoring and comparison purposes. This portal, which is undergoing further development, fosters transparency and enables Bossard to better set future goals.

As a distributor, Bossard's main challenge is decreasing its scope 3 emissions. Here, the Group is dependent on the support of its competitors and suppliers to stimulate industrial change. Making the positive impact of Bossard's solutions more visible will also add to market competitiveness and help the business better capitalize on its many achievements in this area. The measures to reduce our emissions are currently being evaluated concerning a possible commitment to the Science Based Targets Initiative (SBTI).

**Bossard takes
its environmental
responsibilities
seriously.**

KEY FIGURES: ENVIRONMENT

Energy in MWh ¹⁾	2021
Energy consumption	19,863
thereof renewable	2,367
Electricity consumption	9,714
thereof renewable	2,037
District heating	330
Heating fuels	3,084
Oil	22
Gas	3,062
LPG/propane	-
Wood	-
Motor fuels	6,735
Diesel	5,441
Petrol	1,294
LPG/propane	-

Greenhouse gas emissions tCO ₂ e ¹⁾	2021
Total emissions (scope 1 & 2)	5,879
Scope 1²⁾	2,421
Oil	6
Gas	621
Diesel	1,465
Petrol/LPG	329
Scope 2³⁾	3,458
Electricity	3,402
District heating	56

1) The greenhouse gas inventory was calculated in line with WRI/WBCSD Greenhouse Gas Protocol guidelines.

2) Scope 1: Emissions from fuels and combustibles.

3) Scope 2: Emissions arising from the production of electricity and district heating purchased by the business units. Emissions factors used: current versions of IEA and DEFRA.

1) The energy consumption figures include all business units with more than five full time equivalents. Business units with five or fewer full time equivalents are not included due to their relatively low influence on energy consumption. Acquisitions in the corresponding reporting year are not included.

REDUCED FOOTPRINT

Waste management

Bossard promotes circular economy to reduce its resource and materials consumption and minimizes waste. Alongside the Group's work to cut emissions, the circular economy mitigates negative impacts on the environment. Most waste is generated on the supply side of Bossard's value chain in the manufacturing of its products. Through innovation, the Group is positively contributing to its suppliers' waste reduction efforts and benefiting its customers.

Competitive advantage is also gained through the provision of circular products and solutions. Aside from meeting increasing customer demand, Bossard's work at the forefront of this area consolidates its reputation as an innovation leader. Tackling wrong purchases and unsold goods as well as improved packaging is also essential to minimize waste.

Bossard collects waste data on a business unit-level, in connection with the Group's sustainability goals. Reviewing this data will generate insights how to further reduce waste. Bossard has a good picture of its current waste output and is in the process of implementing internal reduction strategies.

KEY FIGURES: ENVIRONMENT

Waste in t ¹⁾	2021
Non-hazardous waste ²⁾	1,547.8
Incineration or landfill	489.0
Recycling	1,058.8
Hazardous waste	2.7

- 1) The figures for non-hazardous and hazardous waste include all business units in with more than five full time equivalents. Business units with five or less than five full time equivalents are not included because of their relatively low impact on waste. The business units from Bossard America are excluded from this data collection. Acquisitions in the corresponding reporting year are not included.
- 2) Some of the non-hazardous waste data of three European business units were estimated. The data quality will be improved in next years in cooperation with these business units.

Sustainability drive in Bossard's packaging

As a distributor, Bossard relies on efficient and secure packaging to meet the requirements of its customers. By starting a group-wide project, the Group strives to sustainably improve packaging and the respective processes. Bossard Germany has made its packaging more sustainable, which has a substantial impact due to the large warehouse in Illerrieden.

By increasing the recycled content of cardboard to at least 86 percent across all sizes and the content of regranulated raw material to almost 100 percent for the new flat bags, more than 1.1 tons of CO₂ can be saved per year. This switch was even cost-neutral. In addition, Bossard Germany is also considering changes in stretch films and filling paper in order to be able to reduce even more carbon emissions.



Sustainable packaging: the new cardboard boxes with increased recycled content at Bossard Germany

EMPOWERED PEOPLE

Employee development

At Bossard, empowering employees is paramount. All activities and initiatives revolve around strengthening Bossard’s employees’ sense of belonging and giving them opportunities and space to leverage their full potential within Bossard’s corporate culture.

Bossard believes in continuous professional development, and correspondingly offers formal and informal training and development programs. This enables employees to realize their full potential and adds value to the business. In particular, the programs not only contribute to employee satisfaction and wellbeing, but also are key for reducing employee turnover, knowledge retention and attracting new talent – overall, strengthening the workforce. Opportunities for upskilling are offered through designated projects, coaching and job enrichment. Employees learn competencies, such as conflict management and communication, which additionally benefits society in a wider sense.

Bossard’s approach to professional development centers on the values of creativity, empowerment, and collaboration. Employees’ ideas are heard and acted upon, ultimately fueling internal innovation and collective problem-solving. A corporate culture revolving around strengthening employee competencies also stimulates the Group’s productivity and accelerated growth.



Bossard’s corporate culture: Bossard’s corporate culture is represented by a tree with five values as its roots and five guiding principles as its branches.

A global initiative to unlock employee potential

In order to accelerate growth at Bossard, the Group wants to support engaged employees to use their full potential. Therefore, Bossard started a leadership development program for the Group by offering courses that are in line with the Group's five guiding principles (we experiment, we collaborate, we empower, we talk real and we deliver value). The courses were accessible globally, as well as locally hosted by the business units under the same umbrella concept. In these courses, Bossard's top 80 leaders sharpened skills such as coaching, conflict management, change and remote leadership, and facilitation. Hogan assessments as well as direct 1:1 conversations with Bossard's VP People & Organization gave each leader a clear trajectory of how to improve from every angle.



Bossard Leadership Conference: Bossard's leadership team

A Bossard-specific talent ecosystem is currently being developed. Externally, the ecosystem will enable the Group to manifest competitive skills and diversify positions into multiple roles for employees. Internally, it will result in personalized professional development with an emphasis on offering more advancement opportunities within the Group. Not only does this align with employee demand, but tackles increasing labor market pressures.

The ecosystem will be a transparent process to instigate all employees to proactively shape their career however individualized. Directly, there will be longer and more diverse succession planning lists where internal candidates are flagged earlier. In addition to the on-going overarching transformations related to employee development, the topic is embedded into everyday projects. Bossard equips its leaders with change capabilities through training and on-the-job coaching. Learning culture is fostered through co-creative workshops during which employees share their opinions on the Group's change roadmap and jointly decide new challenges. For instance, employees were encouraged throughout 2022 to sign up to open enrollment courses, ranging from short 20-minute formats to five-month programs, that were in line with Bossard's five guiding principles. The courses, built on interviews, e-learning and small workshops, were accessible globally with complimentary input from local units. The initiative unified corporate culture at Bossard, while devolving freedom and responsibility to its units.

EMPOWERED PEOPLE

Attractive employer

Bossard realizes that being an attractive employer and amplifying this perception is vital to securing its goals. The Group seeks to continuously boost employee satisfaction through economic situation, health and education.

Becoming a more attractive employer will bring in new talent with different ideas that will drive innovation and market competitiveness. It will also retain expertise within its current workforce. Overall, employee satisfaction fosters commitment, which initiates a positive spiral for success.

KEY FIGURES: EMPLOYEES

Composition of workforce ^{1) 2)}

	Unit	2022			2021		
		Total	Female	Male	Total	Female	Male
Workforce by employment contract							
Permanent	HC	2,819	985	1,834	n/a	n/a	n/a
Temporary (agency/lease workers)	HC	27	n/a	n/a	n/a	n/a	n/a
Workforce by employment type							
FTE total (full time equivalent)	FTE	2,769	n/a	n/a	2,549	n/a	n/a
Employees total ³⁾	HC	2,819	985	1,834	2,601	899	1,702
Full time	HC	2,604	863	1,741	2,443	801	1,642
Part time ⁴⁾	HC	215	122	93	158	98	60
Number of apprentices/trainees/interns	HC	114	n/a	n/a	70	n/a	n/a
Workforce by age							
< 30 years	HC	465	170	295	450	190	260
30–50 years	HC	1,645	615	1,030	1,475	519	956
> 50 years	HC	709	200	509	676	190	486
Management							
Employees in management positions	HC	373	79	294	366	76	290
Other							
Qualification dialogues/annual appraisals ⁵⁾	No.	2,115	n/a	n/a	2,244	n/a	n/a
Pulse checks or employee satisfaction surveys done on unit level	No.	272	n/a	n/a	n/a	n/a	n/a

1) The HR figures include all business units with more than five full time equivalents. Business units with five or fewer full time equivalents as well as acquisitions in the corresponding reporting year are not included.

2) The consolidated data collection was expanded in the reporting year 2022. In 2021, some of the data were not yet collected in a globally consolidated manner.

3) This value is inclusive of apprentices, trainees and interns and exclusive agency/lease workers.

4) All employees working less than 90 percent or 90 percent.

5) Excluding apprentices and trainees, business units and employees with long-term absences. In such cases, individual conversations and reviews take place that are adapted accordingly to the case.

Today's working world is complex and dynamic. Bossard and its employees need to adapt to unprecedented challenges presented through increased globalization, digitalization and networking. Therefore, it is essential to attract the right talent with a growth mindset to better move the Group forward. Every touchpoint with candidates and employees shapes Bossard's employer brand and consequently its ability to hire and retain the best workforce.

Hires & fluctuation in HC ^{1) 2)}	2022				2021		
	Entries	Natural departures	All departures	Fluctuation rate ⁵⁾	Entries	Departures	Fluctuation rate ³⁾
Total	581	134	411	9.8%	n/a	331	12.7%
Total by gender							
Male	361	84	260	9.6%	n/a	n/a	n/a
Female	220	50	151	10.3%	n/a	n/a	n/a
Total by age ⁴⁾							
< 30 years	197	32	116	19.6%	n/a	n/a	n/a
30-50 years	307	59	197	8.7%	n/a	n/a	n/a
> 50 years	74	43	77	5.3%	n/a	n/a	n/a
Total by region							
Europe	342	57	252	12.7%	n/a	177	12.9%
America	139	74	91	3.8%	n/a	98	22.1%
Asia	100	3	68	7.9%	n/a	56	7.2%

- 1) The consolidated data collection was expanded in the reporting year 2022. In 2021, some of the data were not yet collected in a globally consolidated manner.
- 2) The figures for hires and fluctuation include all business units with more than five full-time equivalents. Business units with five or fewer full-time equivalents as well as acquisitions in the corresponding reporting year are not included.
- 3) All departures in relation to the average number of employees in the reporting year. The calculation includes all departures, no distinction was made between natural departures, retirements and terminations by employees or Bossard.
- 4) Two European business units are not included in entries by age and fluctuation by age, as these data were not collected in these units.
- 5) For the calculation of the fluctuation rate 2022, the number of employees as of December 31, 2022 was taken.

Part of Bossard's Strategy 200 is to release the full potential of its employees worldwide and, hence, aspire to be one of the most inspiring companies to work for. With the overarching goal of attracting passionate, focused talents to the Group and motivating current employees to act as ambassadors, Bossard outlined its employer branding vision in 2022:

- Make Bossard the employer of choice
- Strengthen Bossard's brand recognition
- Promote Bossard's five guiding principles
- Position Bossard as a sustainable, inclusive, innovative, and secure employer
- Strengthen the identification of existing employees with Bossard

To further this vision, Bossard ensures transparent recruitment processes. The filling of positions is based on internal guidelines, professional criteria and job descriptions. Market-driven remuneration consists of a fixed salary component and various performance-related compensation systems that allow employees to participate in the Group's success on a local level.

As ambassadors, upholding Bossard's Code of Conduct is the responsibility of all employees. Employees receive training on the Code of Conduct, which is also enforced at management level, to promote its correct and seamless integration group-wide. Violations against the Code of Conduct are reviewed internally and sanctioned if necessary. If an employee suspects misconduct, they can contact the supervisors, local management, the executive committee, the HR or use the new integrity line that will be introduced by the beginning of 2023.

One of Bossard's biggest strengths is its corporate culture, which was multiple times verified in local or regional employee satisfaction surveys and in competing for awards, such as, the Swiss Employer Award. The revision of the Group's business strategy in 2021 enhances the role of its employees. Bossard wants to include its employees to an even greater degree in the business development by recognizing their ideas and concerns within the framework of its various initiatives. External communication of Bossard's established working culture remains a key challenge for the Group's employer branding vision.

The goal is to release the full potential of all employees.

EMPOWERED PEOPLE

Diversity, equity, and inclusion

Bossard acts to guarantee equal opportunities for all its employees regardless of origin, gender, age, religion, sexual orientation, physical ability, etc. The Group promotes diversity and inclusion, contributing to the elimination of discrimination and positively impacting social stability at Bossard and within society at large. Bossard is an international organization with a multicultural workforce and, as such, respect for one another at all times is essential. We are not aware of any incidents of discrimination in 2022.

Fostering diversity, equity, and inclusion is not only right and directly benefits the business, but is also one of Bossard's core values. As an inclusive employer, the Group seeks to create an environment where every employee is accepted and empowered to contribute to Bossard's success. Bossard needs the collective potential and all voices to be heard for innovation and continuous growth. To stakeholders, the Group wants to be an exemplary business partner and continue to make progress in this area.

Bossard ensures equal work is remunerated with equal pay by analyzing compliance. For example, in 2021 an equal pay analysis was carried out at Bossard's headquarters in Zug, Switzerland. An independent and certified auditor confirmed the applicable rules regarding equal pay between men and women were being complied in accordance with the gender equality act.

A group-wide diversity, equity and inclusion strategy is currently being developed involving input from employees based around the world. Geographically determined hack teams will analyze Bossard's HR data and define regional action plans. Additionally, Bossard is planning to implement consolidated actions on group level. By focusing on the following practices Bossard drives its diversity, equity, and inclusion strategy forward:

Work environment/structures

Bossard wants to examine its internal framework conditions such as policies, Code of Conduct, flex work and similar and adapt them where necessary in order to establish an inclusive working environment.

Recruiting initiatives

In order to approach the right people, the Group needs to screen the recruitment processes and make them inclusive by means of gender-neutral language, adapted documents, and the like.

Managerial involvement

The Group's management shall be involved in a first step. The management has to act as role model and promote the process: Clear expectations and guidelines shall support this.

Mentoring and sponsorship

Bossard evaluates implementing mentoring and sponsorship program within our organization especially for minority groups to unleash the potential of its talents.

The imminent roll-out of the diversity, equity and inclusion strategy will require a united effort from every employee. Bossard is currently increasing understanding among all its workforce as to the necessity of such a strategy. The diversity, equity, and inclusion strategy will roll-out in the second quarter of 2023.

EMPOWERED PEOPLE

Wellbeing and safety

Bossard places great emphasis on the physical and mental wellbeing of its employees and takes every appropriate measure to ensure their health and safety at all times. This enables the Group's employees to carry out their work responsibly in a highly engaged manner with a willingness to deliver value. It further strengthens the workforce, minimizing risks and absenteeism rates. Such an approach also helps in the recruitment of new talents.

In-house health management initiatives have led to the creation of long-term secure workplaces supportive of a positive work-life balance. Employees are encouraged to participate in local events such as charitable runs or to cycle to work. These events promote the health of the Group's employees but also have wider social, economic and ecological benefits for the communities in which Bossard operates. Similarly, working from home and flex work schemes were integrated in 2021. As Bossard is a devolved organization, health and safety committees, task forces and trainings are carried out at business unit-level. For example, in Zug an online course on safety at work was administered in 2022. Units operate individually, however, benefits such as supplementary insurances, internal fitness offers and facilities, external social counseling, case management, and similar are routinely offered.

KEY FIGURES: OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety ¹⁾	Unit	2022	2021
Total effective hours worked ²⁾	Hours	4,511,382	n/a
Total absences ³⁾	Hours	157,237	84,399
Absence rate	%	2.8 ⁴⁾	2.0 ⁵⁾
Absences due to illness	Hours	152,648	72,106
Absences due to accidents at work	Hours	4,627	6,566
Number of fatalities at work	No.	0	0

- 1) The occupational health and safety figures include all business units with more than five full time equivalents. Business units with five or fewer full time equivalents as well as acquisitions in the corresponding reporting year are not included.
- 2) In the 2021 annual report, only the contractually agreed target working hours were listed. In the 2022 annual report, the effective hours worked are reported; these include all hours worked, including overtime.
- 3) Excl. vacation and other absences not related to illness or accidents.
- 4) For the calculation of the absenteeism rate, the approach suggested by GRI of 2,000 hours per one FTE was used.
- 5) For the calculation of the absence rate 2021 the reported target working hours were used.

Alongside its new Code of Conduct, Bossard will launch a whistleblowing process for employees in early 2023. The Integrity Line will include the implementation of whistleblowing software licensed from a third party to guarantee confidentiality if desired. Further an internal campaign will be launched to raise employees' awareness of tool's availability. The initiative is underlined by a policy to protect involved parties and define how reported cases are investigated, and, if needed, sanctioned. Concerns about the working situations can also be reported to human resources directly.

Remote and hybrid working offer a number of advantages and new opportunities, however, the reduction of personal contact flags a possible challenge in identifying employees who need more support with their physical or mental health. Therefore, Bossard is working to better educate employees on these topics.

FAIR PARTNERSHIP

Responsible supply chain management

Bossard's close to 4,700 strong supplier network is of great strategic importance in delivering unique solutions to its customers. The Group considers environmental and social criteria, including due diligence on human rights and the avoidance of child, forced or compulsory labor, in awarding contracts and procurement.

The Group's efforts to advance its corporate responsibility influences industry standards and more generally leads to a positive development of sustainability in the respective organizations, companies and industries. As a minimum, fulfillment of regulatory requirements minimizes indirect risks for Bossard and enables the Group to reduce its carbon footprint. However, being a first-mover in this environmental, social and governance area also gains at least short-term competitive advantage thereby strengthening Bossard's position as a supplier to multi-national companies and in the longer term ensures healthy global growth.

Bossard will continue to expand in the coming years. Integrating new locations and building up its supplier network present challenges, especially for sustainability. In line with the Supplier Code of Conduct, the Group's suppliers are required to verify a high degree of environmental protection in their procurement, manufacturing and transport activities or to guarantee compliance with internationally recognized environmental management systems. As such, Bossard can raise further awareness on climate related topics among its stakeholders. The Group will place even greater emphasis on qualitative and quantitative sustainability aspects in future internal investment processes. Furthermore, acceptance to Bossard's supplier network is based on strict quality criteria. Beside adherence to the Supplier Code of Conduct, a new supplier is subject to multiple selection steps. These include factory audits which gather information on production environment, manufacturing processes, machinery and employee expertise. In 2022, Bossard improved its renowned sustainability rating and supplier portal of the company EcoVadis. To reinforce quality standards, the Group's own quality management systems are ISO 9001 certified and a total of 16 certified testing laboratories worldwide vouch for Bossard's products and solutions.

Three out of four Bossard's most significant long-term suppliers (representing 65 percent of purchasing volume) have signed Bossard's Supplier Code of Conduct. Bossard's goal is to cover approximately 80 percent of its purchasing volume from signatories of the Supplier Code of Conduct. The code was refined in 2022 to reflect the new structure of the Group's supplier network and further strengthen sustainability aspects. Bossard reserves the right to conduct reviews without prior notice. Should partners, or potential partners, not comply with mandatory social and environmental standards, Bossard will dissolve the relationship.

Bossard's supplier network incorporates Europe, America and Asia, and is monitored through the Group's supplier relationship management (SRM) platform. In addition to the Supplier Code of Conduct, supply chain management policies, audits, risk management criteria and an extensive supplier evaluation process, Bossard expects adherence to several laws and regulations, such as REACH/RoHS and the Dodd Franck Act among others. Suppliers provide up-to-date certification in the SRM tool.

Bossard regularly screens its suppliers for upholding laws and regulations, i. e. human rights and child labor. As a result of this screening processes, several suppliers were blocklisted in 2022. Blocklisting occurs if the supplier is not behaving in accordance with Bossard's requirements or the agreement. It involves a universal blocking within the Group's accounting and enterprise resource planning (ERP) system to prevent the Group doing further business with the supplier in question. On the topic of child or forced labor, there were no incidents reported in 2022 at Bossard.

An important achievement in Bossard's commitment to corporate responsibility was the launch of the aforementioned SRM system in October 2022. The tool clarified the Group's processes, enhancing its ESG, quality and risk management requirements for its supply chain. With the SRM system, Bossard is able to control, follow up and develop its supplier network, mitigating expansion challenges. For example, since the introduction of the new system, 21 suppliers have completed the ESG self assessment.

Looking forward, Bossard is preparing for the introduction of more regulations, such as the supply chain act and Carbon Border Adjustment Mechanism (CBAM). Despite the Group's rigorous supply chain management, Bossard expects bigger challenges with greater associated risks in the future and foresees more complex solutions will be needed to promote responsible business growth.

**Fair Partnership
revolves around
integrity and
reputation.**

FAIR PARTNERSHIP

Integrity

Integrity, respect and fairness are core values at Bossard pervasive throughout all its relationships and activities. Moreover, they represent the foundation of its partnerships worldwide. Upholding these fundamental values is how, for decades, Bossard has won the trust of its customers, employees and stakeholders.

Anchoring integrity into the fabric of the organization ensures accountability and safeguards, contributing to the fight against corruption and anti-competitive behavior. Ethical business management is not only imperative for compliance with local laws and regulations but also secures long-term growth by avoiding penalties or reputational damage. Further, placing integrity at the core of all Bossard's operations is an important part of being an attractive employer.

Bossard's suppliers are central to its ambition to exercise and strengthen its corporate responsibility. The Supplier Code of Conduct, which follows the 10 principles of the United Nations Global Compact (UNGC), mandates the Group's requirements with regard to corruption and bribery, environmental protection and human and labor rights including safety standards and the prohibition of child and forced labor. In addition to expecting all suppliers to comply with regulations, many important suppliers have signed Bossard's Supplier Code of Conduct and the Group is actively working to achieve universal cooperation. Suppliers are audited or complete a self-assessment to check adherence to the Supplier Code of Conduct.

Internally, a new Code of Conduct drafted by employees for employees was launched in 2022. The new Code of Conduct integrates Bossard's guiding principles into its operations. Employees have been introduced to the new Code of Conduct through online training, which is available in 13 languages. To ensure it is properly understood and lived by, a campaign was also showcasing chapters of the new Code of Conduct to employees on a monthly basis.

Under the slogan, "See something, say something!," the Group encourages all employees to be vigilant and report any violation of integrity. To better equip employees in this endeavor, a new whistleblowing line will be implemented in 2023. The tool, available through Bossard's intranet, transmits reports to the Group's legal department and cases are handled by the Group General Counsel, Senior Legal Counsel and Senior ESG Project Lead. Further members of the management, subject matter experts as well as third parties will be brought in as required. A policy ensures there is no retaliation for making a report, and confidential reporting is possible. The tool is aligned to data privacy laws. A campaign is planned to make the Integrity Line and its features more prominent across the Group. Bossard investigates the extension of the service to include suppliers and third parties. Violations are investigated and, if necessary, disciplinary measures are taken. Moreover, Bossard actively asks its business units to supply information on whether there has been an integrity related incident every year.

To cement Bossard's standing as a role model in the industry, ethical business practices and partnerships are essential. Its Codes of Conduct additionally outline its expectations regarding conflicts of interest, fair competition, conflict materials, human rights and child labor as well as environmental issues. Similarly, the Group enforces its moral grounding on the topics of financial risks and compensation. In 2022, Bossard conducted checks regarding conflict minerals. Furthermore, an analysis was made into which countries the Group operates could raise potential risks of human rights violations and follow-up measures are being looked into.

Bossard tracks and manages its integrity strategy through KPIs and audits. The Group is a member of the European Fastener Distributor Association (EFDA), with its VP Supply Chain Management as the current president. The EFDA raises awareness of upcoming issues in

countries or compliance risks. This aids Bossard's own internal global control system and risk assessment that flags potential integrity issues to enable a prompt response. Internal financial audits are routinely carried out and Code of Conduct topics spot-checked. The Group's legal department along with local business units monitor applicable laws and regulations.

In 2022, Bossard was made aware of a breach of the Code of Conduct involving certain employees. As the result of an internal investigation, appropriate disciplinary actions have been taken against the employees involved. In the reporting year, there were no reported complaints or legal proceedings based on anti-competitive behavior, cartel and/or monopoly formation. Further, there are no known violations against any environmental, economic or social laws or regulations.

**Integrity, respect
and fairness are core
values at Bossard.**

FAIR PARTNERSHIP

Community engagement

Bossard is committed to positively affecting the local communities in which it operates, most notably by promoting wellbeing and socio-economic development. The Group works with civil organizations to better engage on a community level and initiatives are pursued locally.

Particularly, Bossard utilizes community engagement to embed its values across the entire value chain and support the economy, society and the environment where its employees live and work. Bossard observes that this commitment has contributed to employee satisfaction and motivation. Community engagement, whether through sponsoring, donating or volunteering, is an important part of Bossard's corporate culture and being an attractive employer.

Bossard's business units are encouraged to champion social issues and sustainability projects within the context of community engagement. The Group evaluates the implementation of local volunteering days and various donations are made to organizations embodying Bossard's values.

For example, at the annual general meeting of shareholders 2021 the decision was taken to make charitable donations instead of shareholder giveaways in the future. Regardless of doing business in the affected regions, Bossard was committed to counteracting global crises in 2022. Generally, Bossard prefers to sponsor or donate to smaller organizations or projects where there is a clear connection between the financing and benefit.

In order to analyze Bossard's level of community engagement, the Group collects information annually on what engagement activities have taken place in the local communities Bossard operates in. Additionally, money spent globally on donations and sponsoring is tracked. As certain community engagements become increasingly political, the projects and organizations to be supported must be carefully selected to ensure that they are in line with Bossard's values.



Race for the Ukraine: Impressions from the time when the Group collected kilometers for the good cause.

Blue Hearts Embassy – Hearty Foundation

A special highlight of community engagement in 2022 is the "Help for the Ukraine" initiative. Started by Bossard Poland, useful donations were sent to selected organizations to support refugees in Poland and in the Ukraine. The entire Group joined the business unit's efforts. In addition, the Group launched in conjunction with Bossard Poland another initiative where colleagues could race kilometers to raise money. Altogether, more than 20,000 km were raced and CHF 100,000 collected and donated to the Hearty Foundation. The foundation creates a learning space for Ukrainian refugees in

Poland. Bossard strongly believes that together with the Hearty Foundation the Group has created a comprehensive project that is strongly connected with its guiding principles and corporate values. Bossard places great emphasis on it and hopes it will improve the quality of life of Ukrainian refugees in Poland.

GRI CONTENT INDEX

General Disclosures

Bossard has reported in accordance with the GRI Standards for the period January 1, 2022 to December 31, 2022. For the Content Index-Essentials Service, GRI Services reviewed that the GRI Content Index is clearly presented, in a manner consistent with the standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. The GRI Content Index – Essentials Service was carried out on the English version of the report.

The sustainability report in accordance with GRI is approved by the board of directors and will be published as the “Sustainability” section of the Bossard annual report on the March 1, 2023.

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CONTENT INDEX ESSENTIALS SERVICE

2023

GRI Standard	Disclosure	Location ¹⁾	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 1: Foundation 2021					
GRI 2: General Disclosures 2021					
The organization and its reporting practices					
GRI 2: General Disclosures 2021	2-1 Organizational Details	p. 62			
	2-2 Entities included in the organization’s sustainability reporting	p. 135–136			
	2-3 Reporting period, frequency and contact point	p. 55			
	2-4 Restatements of information	No restatements of information			
	2-5 External assurance	No external assurance			
Activities and workers					
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	p. 13–14			
	2-7 Employees	p. 45			
	2-8 Workers who are not employees	p. 45			

1) Location refers to the Bossard Group’s Annual Report 2022.

Table continued on next page →

GRI Standard	Disclosure	Location ¹⁾	Omission		
			Requirement(s) omitted	Reason	Explanation
Governance					
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	p. 66–70, 77–80			
	2-10 Nomination and selection of the highest governance body	p. 67			
	2-11 Chair of the highest governance body	p. 66			
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 28			
	2-13 Delegation of responsibility for managing impacts	p. 28			
	2-14 Role of the highest governance body in sustainability reporting	p. 55			
	2-15 Conflicts of interest	p. 77, 81			
	2-16 Communication of critical concerns	p. 28			
	2-17 Collective knowledge of the highest governance body	p. 69			
	2-18 Evaluation of the performance of the highest governance body	p. 96–97			
	2-19 Remuneration policies	p. 94–96			
	2-20 Process to determine remuneration	p. 96			
	2-21 Annual total compensation ration		Annual total compensation ratio	Data not yet available	Data management system will be expanded
Strategy, policies and practices					
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	p. 8			
	2-23 Policy commitments	p. 47, 50, 52			
	2-24 Embedding policy commitments	p. 47, 50			
	2-25 Processes to remediate negative impacts	p. 30			
	2-26 Mechanisms for seeking advice and raising concerns	p. 49			
	2-27 Compliance with laws and regulations	p. 53			
	2-28 Membership associations	p. 53			
	Stakeholder engagement				
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	p. 8, 24			
	2-30 Collective bargaining agreements		Collective bargaining agreements	Data not yet available	Data management system will be expanded

1) Location refers to the Bossard Group's Annual Report 2022.

GRI CONTENT INDEX

Material Topics

GRI Standard	Disclosure	Location ¹⁾	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 3: Material Topics 2021					
Materiality assessment and list of material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 25			
GRI 3: Material Topics 2021	3-2 List of material topics	p. 26			
Sustainable and Profitable Growth					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 31			
GRI 201: Economic Performance-2016	201-1 Direct economic value generated and distributed	p. 117, 124, 127, 128			
Customer Loyalty					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 33–34			
Innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 35			
Sustainable Product and Service Solutions					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 36–37			
Energy and Greenhouse Gas Emissions Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 38–39			
GRI 302: Energy-2016	302-1 Energy consumption within the organization	p. 40			
	302-2 Energy consumption outside of the organization	p. 39			
	302-4 Reduction of energy consumption	p. 38			
GRI 305: Emissions-2016	305-1 Direct (Scope 1) GHG emissions	p. 40			
	305-2 Energy indirect (Scope 2) GHG emissions	p. 40			
Waste Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 41			
GRI 306: Waste-2020	306-1 Waste generation and significant waste-related impacts	p. 41			
	306-2 Management of significant waste-related impacts	p. 41			
	306-3 Waste generated	p. 41			

1) Location refers to the Bossard Group's Annual Report 2022.

GRI Standard	Disclosure	Location ¹⁾	Omission		
			Requirement(s) omitted	Reason	Explanation
Employee Development					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 43-44			
GRI 404: Training and Education-2016	404-1 Average hours of training per year per employee	p. 45			
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 45			
Attractive Employer					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 45-47			
GRI 401: Employment-2016	404-1 New employee hires and employee turnover	p. 46			
Diversity, Equity, and Inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 48			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 28			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 48			
Wellbeing and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 49			
GRI 403: Occupational Health and Safety-2018	403-1 Occupational health and safety management system	p. 49			
	403-2 Hazard identification, risk assessment, and incident investigation	p. 49			
	403-3 Occupational health services	p. 49			
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 49			
	403-5 Worker training on occupational health and safety	p. 49			
	403-6 Promotion of worker health	p. 49			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 49			
	403-8 Workers covered by an occupational health and safety management system	p. 49			
	403-10 Work-related ill health	p. 49			

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GRI Standard	Disclosure	Location ¹⁾	Omission		
			Requirement(s) omitted	Reason	Explanation
Responsible Supply Chain Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 50–51			
GRI 308: Supplier Environmental Assessment-2016	308-1 New suppliers that were screened using environmental criteria	p. 51			
GRI 408: Child Labor-2016	408-1 Operations and suppliers at significant risk for incidents of child labor	p. 53			
GRI 409: Forced or Compulsory Labor-2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 53			
GRI 414: Supplier Social Assessment-2016	414-1 New suppliers that were screened using social criteria	p. 51			
Integrity					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 52–53			
GRI 206: Anti-competitive Behavior-2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 53			
Community Engagement					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 54			
GRI 203: Indirect Economic Impacts-2016	203-2 Significant indirect economic impacts	p. 54			
GRI 413: Local Communities-2016	413-1 Operations with local community engagement, impact assessments, and development programs	p. 54			

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