



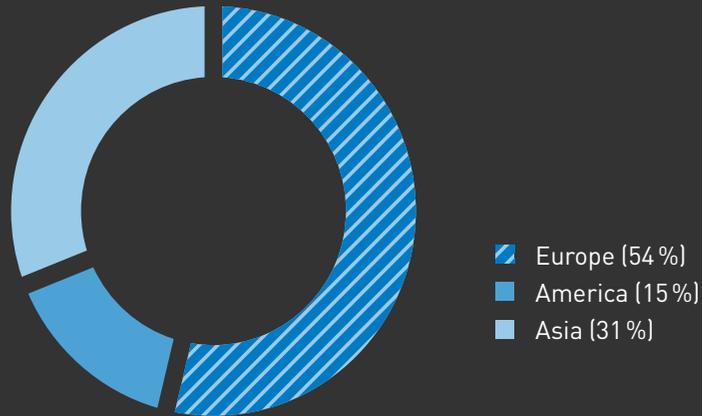
Sustainability

The Bossard Group has been committed to sustainable corporate development for generations. This sustainability report explains the activities and efforts of the Bossard Group with regard to sustainable development. The report contains information on the strategic and organizational anchoring of the topic of sustainability as well as explanations on the respective focus areas.

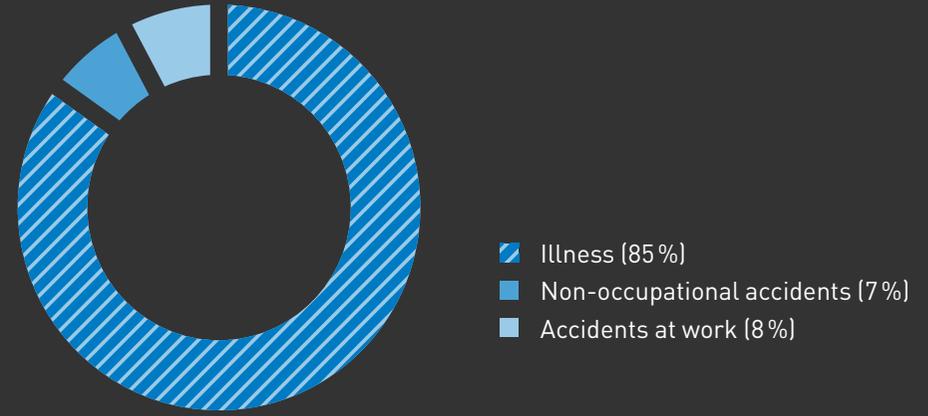
AT A GLANCE

Sustainability

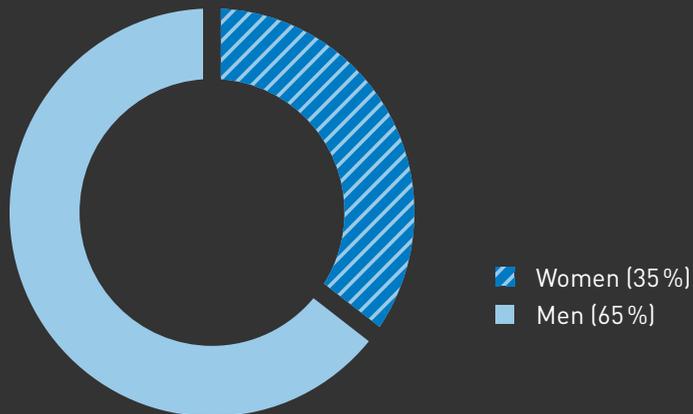
Employees by region



Absences (2 percent of total hours worked)



Gender



Fluctuation rate

in %

12.8

SUSTAINABILITY AT BOSSARD

Our business model: Proven Productivity and Sustainability

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

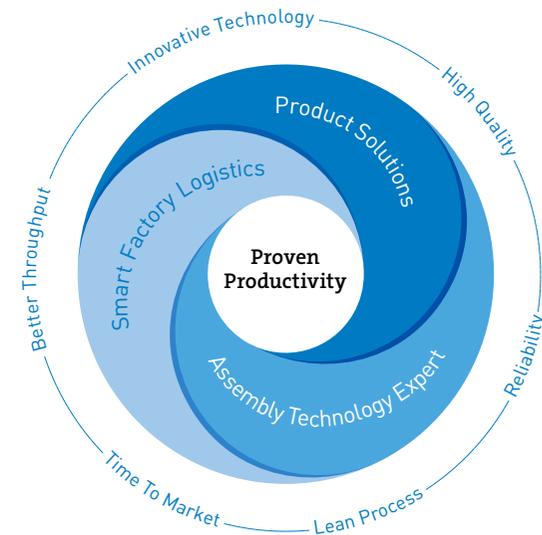
We help our customers not only to avoid hidden costs in development, design, procurement, ordering, logistics, storage, assembly, and quality assurance. Our solutions also mitigate the impact on the environment. Streamlining processes and optimizing individual products allow for more careful and targeted use of materials, energy, and production capacities.

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

The products and services of Bossard are already part of Industry 4.0 and contribute to groundbreaking innovations. Moreover, we are working with customers in emerging sectors such as electromobility, railway vehicle construction and medical technology, which contribute to

sustainable development. In order to understand our customers’ processes even better and make them more efficient, we promote internal innovation, such as analytical methods using big data.

Over 2,700 employees at 84 locations in 32 countries help us 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 proven corporate values, Bossard intends to expand even further and strengthen its global supplier network for product solutions.



SUSTAINABILITY AT BOSSARD

Our strategy: profitable growth and sustainability

Topics centered on responsibility, health, climate change, and supply chain challenges continued to dominate the second year of the pandemic. Chair of the board of directors Dr. Thomas Schmuckli and CEO Dr. Daniel Bossard look back on an eventful 2021 from a sustainability perspective.

What gives you both a sense of pride when you look back on the year 2021 through “sustainability glasses,” as it were?

Thomas Schmuckli (TS): On our journey toward greater sustainability, we moved from strategic work to the implementation phase over the course of the reporting year. As part of the sustainability initiative, first concrete results were achieved in various participatory processes. In addition, we’ve begun to focus more on sustainability issues on the board of directors and have formulated initial internal targets. As a strategic partner in fastening technology and logistics, we strive to offer our customers proven added value. This extends to sustainability topics as well, just as our principle Proven Productivity and Sustainability suggests.

Daniel Bossard (DB): Because sustainability has become an integral part of our strategy and organization, Bossard now approaches ESG themes more systematically and holistically. We pay attention to a balanced mix between the overarching requirements at Group level and the creative freedom and thinking of the business units.

What does that mean specifically?

DB: Sustainability is something that affects all of us. We cannot and do not want to impose a change process toward sustainability from top-down. Together with the board of directors, we’d like to set the right framework in the executive committee so that all employees are empowered to make their own contribution to sustainability. We discuss sustainability-related topics with employees much more than before, and we actively involve them in making improvements. We encourage everyone to participate and take action. Personally, I feel that sustainability is increasingly becoming part of business-relevant considerations and decisions.

You mentioned the central role of employees. In their eyes, what do you think would be the highlights of 2021?

DB: I believe that our employees see and feel that sustainability is a key success factor on our strategic journey. They can voice their concerns in various Sustainability Community projects. The management is open to their ideas and suggestions. At the same time, they call for continued concrete action – not just words. And that’s a good thing.

TS: For example, I’m thinking of our new Code of Conduct, which was developed and written by our employees in an intensive sprint. It’s the outcome of successful cooperation across regions and hierarchies. The result is a handy, practical Code of Conduct by and for Bossard employees that will guide them in their day-to-day work. Personally, I think that’s great.

In such a collaboration across geographical and hierarchical boundaries, how do you as an international company foster team spirit?

TS: Our “Together We Create” initiative and the opportunity for employees to be part of the Group’s development have brought innovative momentum to the collaboration. This participatory approach is also an excellent chance for the board of directors to understand what employees need to be successful in their work.

DB: I couldn’t agree more. To put it a little more bluntly, you don’t achieve team spirit



Retrospect
Thomas Schmuckli and Daniel Bossard in a talk with Tabea Bürgler (VP Sustainability)

and better cooperation simply by talking about it: You have to work together to make it become reality. This vibrant culture of collaboration is vital for us to achieve innovations as well as the profitable corporate growth we're striving for. We experience intercultural cooperation every day – and we make our share of mistakes. What's important is that we learn from each other and treat each other's customs with respect and understanding. This is an ongoing but rewarding effort. We want to create an environment in which our employees and the organization reach their full potential in order to create a strong foundation for success for the next generation.

Switching from an inside to an outside perspective, how important is sustainability to Bossard's various stakeholders?

DB: There is a lot of interest in the topic, and the dialog with our customers and investors is increasing steadily. We sense expectation from the outside that Bossard will set itself clear goals and take effective measures. I see this development as an opportunity.

What do you mean by this?

DB: I know that we still have a lot of work to do to turn our ambitions into tangible results. But I'm very confident. On the one hand, the data we collected across the board in 2021 provides us with a basis for setting concrete targets. On the other hand, the high expectations give us the opportunity to cooperate even more closely with our customers.

TS: I'd like to add another perspective: I feel that the next generation of our family, the eighth Bossard generation, considers sustainability to be of vital importance. In other words, there is additional momentum coming from that side. Moreover, the board of directors is convinced that our efforts to achieve the goals I mentioned earlier will continue to make us attractive to investors. In my opinion, Bossard as a seventh generation "small cap" belongs in any sustainable investment portfolio.

We talked about the customers and investors. What do their sustainability efforts mean for Bossard's current and future suppliers?

DB: Sustainable procurement is of great strategic importance to us. We're already paying attention to factors relevant to sustainability, such as geographic proximity. This trend is likely to grow. Going forward, we'll place much greater emphasis on strategic partnerships and focus on our business as a complex ecosystem, for example by optimizing transport routes.

Finally, a look into the future: How does Bossard specifically plan to promote sustainable development?

TS: We know that sustainability and ESG topics require an effort that goes well beyond what is legally required. On the one hand, Bossard will reduce the negative ecological impact of its own business activities as much as possible. On the other hand, we'll make our expertise in products, engineering and logistics available to customers who are working on important developments and technological innovations in their own industries for the benefit of sustainability. We plan to focus

more on such sectors and partnerships in the future.

DB: We see Bossard as a catalyst contributing to developments, often indirectly, and supplying industries that have the potential to make a positive impact on people and the environment. I'm thinking of electromobility, railway vehicle construction, robotics or medical technology. On the other hand, our own services and solutions make a positive contribution to Industry 4.0, especially our Smart Factory solutions. For example, our consolidated logistics and management approach demonstrably reduces transport distances and therefore fuel consumption. And let's not forget the two other dimensions of sustainability: We help our customers be more productive and increase their competitiveness, and ultimately do our part to secure jobs.

SUSTAINABILITY AT BOSSARD

Integration of sustainability: focus on four areas

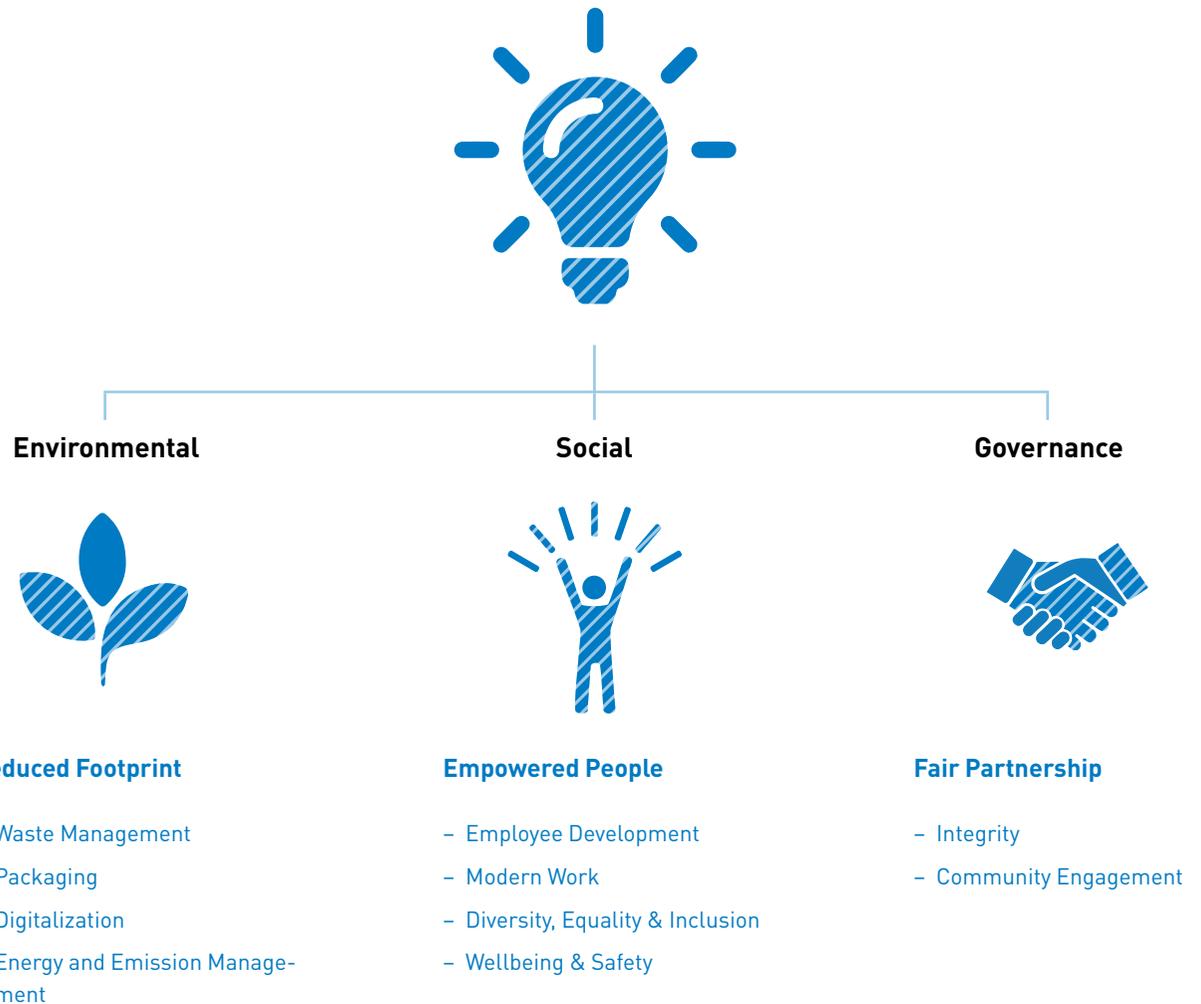
In the Blue Garage, a Bossard Group creative space, a working group devoted themselves to the topic of sustainability. Four focus areas emerged from their efforts: Future Proven Solutions, Reduced Footprint, Empowered People, and Fair Partnership.

These four focus areas cover the environmental, social, and economic dimension of our responsible corporate leadership. They were developed under the direction of Tabea Bürgler, General Counsel and VP Sustainability, in the Blue Garage (Annual Report 2020, page 32) and adopted by the executive committee at the beginning of 2021. They serve as a framework for orienting our current and future sustainability efforts.

Future Proven Solutions

We see Future Proven Solutions as our value proposition for Bossard's products and services. We show our customers where and how they can reach sustained added value thanks to our solutions. At the same time, we are working on making our solutions even more sustainable. In that effort, we are aligning ourselves with our quality and efficiency claim, increasingly integrating the approaches of a closed-loop economy.

Future Proven Solutions



Reduced Footprint

In the Reduced Footprint focus area, we consolidate all of Bossard's efforts aimed at reducing the environmental impact of our business operations. We follow a holistic management approach that takes into account not only the impact of our core business but also the up- and downstream processes in the value creation chain. Our long-term vision is clear: a climate-neutral Bossard Group. To reduce any negative impact on the environment in a targeted and efficient way, we have begun to collect relevant environmental data across all business units (page 34).

Empowered People

Our employees are the driving force behind Bossard's success. For this reason, their physical and mental well-being at the workplace is one of our highest priorities. All employees should be equally valued in their variety and diversity, feel supported, and be able to develop their potential in our company without discrimination of any kind. Bossard invests in its workforce and aims to bring the best talents on board. To that end, Bossard offers exciting education and training opportunities as well as attractive benefits and bonuses. Last but not least, our experience during the COVID-19 pandemic enabled us to create even more flexible work models. Regardless of the current situation, we want to advance these efforts to give our employees a mobile and agile way of working.

Fair Partnership

The Fair Partnership focus area revolves around Bossard's integrity and reputation. First, we foster and protect them at the Group level in accordance with the principles of our new Code of Conduct (page 42). Second, integrity must be ensured with respect to our supplier network. And last but not least, our social engagement at the different locations contributes to our standing as a fair and reliable partner.

“Our vision is a climate-neutral Bossard Group.”

SUSTAINABILITY AT BOSSARD

Our contribution to sustainable development

Bossard aligns its sustainability efforts with internationally recognized goals and standards.

Agenda 2030 and the United Nations' 17 sustainable development goals (SDGs) are essential for sustainable development. The SDGs are closely linked to one another through their interdependencies. We see our greatest potential for impact in our core business and hence in relation to SDG 9. Our 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 our product solutions is in line with SDG 12. The different measures within the Reduced Footprint focus area and the environmental requirements set forth in our Supplier Code of Conduct (page 34 also address the issues in SDG 7 and 13. As an international business with local employees, we create secure jobs for men and women equally, with humane and non-discriminatory conditions as outlined in SDG 8. Finally, our Code of Conduct (page 42) forbids all forms of corruption and bribery in accordance with SDG 16.

Recognized principles of business responsibility

To further emphasize our commitment to maintaining environmentally, socially, and economically responsible business practices, our 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 that have committed themselves to the ten global principles of responsible corporate leadership. As a signatory of the compact, we pledge 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 report on our progress. In return, participation in the UNGC initiative allows us to benefit from the organization's expertise and its extensive network.

Transparency as the basis

At Bossard, we aim to implement reduction and improvement measures in the area of sustainability efficiently and based on data. Before we set measurable sustainability goals, we want to validate our data basis. To this end, we developed a separate portal during the reporting year in order to collect and manage sustainability data. This data can then be analyzed, visualized, and made available to all our locations for further sustainability measures. In the future, we will be able to display the most important key performance indicators for each focus area in a cockpit (page 34).

We also added another part-time position to the sustainability team in the reporting year. This position is intended to further support and coordinate the various initiatives and measures at the Group level as well as in the individual units. Because of our highly decentralized organizational structure, we are able to implement sustainability projects locally without directly involving headquarters in Zug.



SDGs

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

FUTURE PROVEN SOLUTIONS

Product solutions

One of our core competencies is to critically evaluate our customers' processes and identify potential for improvement. Our analyses reveal how our customers can optimize production and manufacturing.

It is both our expertise and our passion to understand in detail how C-parts are processed and used. We direct our attention to accelerating workflows where possible, reducing errors, decreasing the amount of materials used, and cutting energy consumption and logistics expenses. In this way, we can verifiably reduce high and often underrated costs.

The best product solution for every challenge

Bossard is committed to finding the optimal solution for every customer. One way to do this is by using premium standard fastening elements, among them screws, nuts, rivets, and washers as well as electrotechnical fastening elements. Furthermore, our ecosyn® product line offers smart solutions that are economical ("eco") and aligned with the needs of our customers ("sync"). The customized solutions and special items (turned, milled, extruded, stamped, and flexible parts) that we manufacture based on our customers' specifications can deliver the best possible results. Bossard also offers a carefully selected brand portfolio with highly innovative and reliable partners.

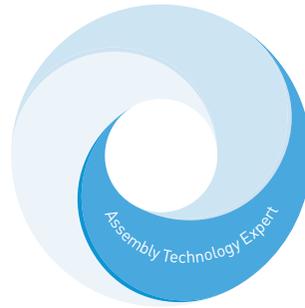
A win for sustainability

Yet even that is not enough: Our product solutions also have a positive impact on sustainability. Not only do we source our products from certified suppliers that must adhere to environmental and social standards (page 34). Our high-quality products also consume fewer resources and generate less waste. Moreover, it is our long-term goal to reduce packaging materials overall and rely on recycled or renewable materials. In short, our product solutions not only engender greater efficiency and productivity but simultaneously foster more careful use of resources, thus creating sustainable added value.



Assembly Technology Expert

Our customers develop high-quality products whose manufacturing poses various fastening requirements. With our six Assembly Technology Expert (ATE) services, we offer tried-and-true solutions that our experts test and implement in collaboration with our customers. Services range from custom designing fastening elements and streamlining parts lists to conducting factory tours. We scrutinize and optimize production workflows and sustainably reduce production times and costs, which in turn boosts our customers' competitiveness. In addition, we offer a variety of training courses and practical seminars based on our many years of experience; all of them can be individually customized. Our engineers and technicians teach our customers' employees how to optimize their assembly process and product range. This includes knowing what types of screws can be reused or what multifunctional fastening elements can be processed without chemicals and additional adhesives. Training courses give employees greater confidence in their workflows, which in turn leads to fewer errors in the manufacturing process and thus less waste. With their multistage approach from design and optimization to training, ATE services from Bossard provide comprehensive support for process improvement, product reliability, and innovation.

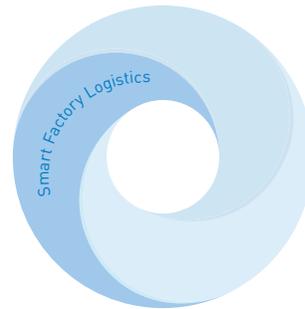
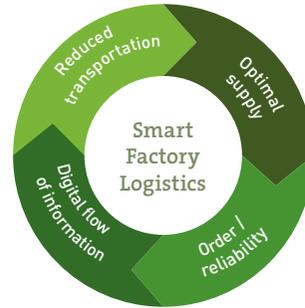


“With the support of our Expert Design services, one of our customers switched from welding to riveting in a crucial step of his truck assembly process. Because welding is a time-consuming and exacting process, the change made production faster and more flexible. Rivets also allowed him to reduce his raw material and energy requirements for production. In addition, the novel solutions reduced the weight of his products, so the trucks now use less fuel. Overall, this is a win-win situation for our client, his customers, and society in general.”

Peter Brans, Head of Global ATE, Bossard

Smart Factory Logistics

In the world of Industry 4.0, our Smart Factory Logistics (SFL) is a core element for profitable growth. Reliable supplier management reduces process costs and administrative tasks while guaranteeing the security of supply at all times. The more precise and faster factory logistics is, the more competitive a business becomes. While our customers focus on their core competencies, we automate their B- and C-parts management, thus providing for a leaner product range and a seamless supply of materials. Thanks to SFL, all deliveries from the individual suppliers are received and bundled directly at Bossard. The subsequent consolidated delivery to our customers is at the heart of our efficient procurement process. Inventory is controlled in real time, and materials are delivered directly to the assembly stations thanks to smart order management. This results in lower inventory levels which sustainably increase our customers' productivity. SFL also digitalizes the flow of information and purchasing and delivery processes, making them more dependable, faster and paperless. This leads to a more careful use of resources and fewer transports, and it reduces and simplifies the effort required for materials management work on the part of employees.



“With SFL, we were able to consolidate the supply chain process and reduce the number of transactions. The SmartBin solution from Bossard optimizes our orders, so we now need 20 percent less storage space. Overall, our productivity in internal logistics and order management has increased more than 40 percent. In short, thanks to SFL services from Bossard, we remain competitive in the truest sense of the word.”

K.V.R. Subba Rao, Managing Director, POLMOR STEEL PRIVATE LIMITED

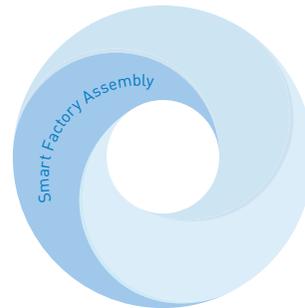
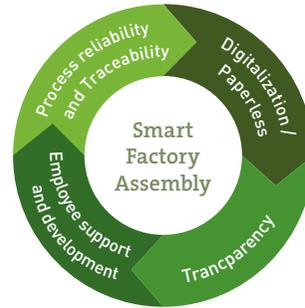


“In terms of sustainability, introducing SFL brought us a number of benefits. Thanks to digitalized material procurement and inventory management, we were able to save over 2,000 pages of paper annually and cut our operating costs by a total of 80 percent. Our employees benefit as well. They no longer have to wait in line, they find parts faster, and they can check delivery schedules more easily. They are more efficient, less stressed, and more satisfied. The employee turnover rate is noticeably lower.”

Shun-Jen Tsai, Material Department Director,
Victor Taichung Machinery

Smart Factory Assembly

Smart Factory Assembly (SFA) represents the manual assembly system of the future, taking advantage of the benefits provided by digitalization and the Internet of Things. The latest solution from Bossard offers innovation with numerous benefits. First, interactive work instructions guide employees through the entire assembly process, automatically documenting all work steps. Updates to existing assembly instructions are generated centrally and can be implemented in production immediately. This not only reduces the number of errors, which is also resource-saving; it also greatly simplifies management of product variations. Second, all the relevant assembly tools are connected to the system. Workstations are easier to set up and tools can be calibrated and configured faster. Third, automatic recording of production data enables ongoing quality assurance and traceability because all information is saved to a database for easy analysis and visualization. Finally, this production data allows for rapid analyses of cycle times, work times, capacity utilization, throughput times, and other key indicators so the assembly process can be optimized accordingly.



“The SFA system from Bossard helps us not only to ensure product quality and reduce the error rate in production. It also lightens the load on the assembly line because thanks to the precise digital assembly instructions, employees tire less quickly.”

Patrick Schmidt, Team Leader/Project Leader KIT-Production, B. Braun Medical AG

INTERVIEW WITH REMO GANDER

Global Head Smart Factory Assembly at Bossard



Remo, how did SFA come about at Bossard?

Today, Bossard is one of the few experts in this emerging sector. For our

Group, the SFA system represents a consistent strategic expansion of our portfolio. Building on our established services such as Smart Factory Logistics, the SFA approach also allows for efficient system integration within a factory, which covers the customer's flow of materials and now the workflow as well. In other words, with SFA we deliver our Proven Productivity promise to our customers' assembly line.

What does the introduction of SFA mean for your customers' assembly employees?

SFA closely assists and guides employees in the assembly process so that they can avoid errors and save time. Any errors that do occur can be traced and eliminated faster. In addition, the smart tools are automatically controlled. This helps employees save time in assembly and re-tooling. SFA makes their work easier and reduces the stress potential. Moreover, the resulting transparency means that the

potential for optimization is immediately recognizable and can be acted on.

How does digitalization affect assembly work?

Thanks to digital work instructions, training new employees is much more efficient. They are able to perform their tasks faster on their own. On the other hand, experienced employees can switch more easily between workstations/products. In short, SFA supports greater flexibility and adds variety to the workday of assembly employees, which is usually highly appreciated.

Couldn't experienced employees with years of expertise feel patronized or even replaceable?

In no way does SFA replace the knowledge of assembly employees. On the contrary, it allows for reflection and gathering of assembly knowledge and hence the data-driven introduction of best practices. The digital work instructions can be customized to the level of expertise on hand. Less detailed work instructions can be selected for experienced assembly employees. In addition, the resulting flexibility allows employees to utilize their full potential. Should a certain work process become fully automated, SFA allows employees to be moved to other workstations more quickly.

What other benefits do you see?

The introduction of SFA and the resulting digitalization allows our customers to go paperless in the production process, or at least reduce the paper consumption considerably. On the one hand, this is good for the environment. On the other hand, our customers' employees no longer have to fight their way through stacks of paper documentation to be able to analyze and trace relevant process steps. Assembly

work is much more straightforward for everyone involved.

What are the specific benefits of improved traceability?

For our customers, guaranteed traceability of all production steps in the assembly process is ultimately an important safeguard toward third parties. It has even become necessary in most industries. If a task isn't solved digitally, then it becomes analog, which is often more labor-intensive. If a product is assembled incorrectly, it is easy to verify based on the automated documentation. This can be a distinct advantage in case of damages or insurance claims.

BOSSARD AND KOMAX

A strong partnership

The two companies not only strive for increased productivity, they are also united by the promise of greater sustainability. Bossard and Komax accept their responsibility toward the environment and future generations and create long-term added value through their cooperation.

For two decades, Bossard has been Komax's strategic partner for solutions in industrial fastening and assembly technology. The close cooperation between the two partners is reflected in the fact that Komax uses Bossard's entire range of services: In addition to a wide range of products, Komax also benefits from Bossard's digital inventory management and technical consulting. The two companies share the belief that sustainability and social responsibility are of strategic importance.



Smart deliveries and less packaging

Komax understands the competitive advantage of efficient supplier management. For this reason, Bossard's Smart Factory Logistics (SFL) solutions have become an integral part of Komax's procurement process. SFL not only ensures the optimized supply of B- and C-parts, but it also makes Komax part of a broad network of other Bossard customers with a common supplier base. This allows shipments and transport routes to be consolidated, ultimately leading to reduced fuel consumption. Between November 2020 and October 2021, Komax was thus able to avoid 24 percent of CO₂ emissions of what would have occurred without the consolidated deliveries. This corresponds to a CO₂ reduction of around 290 kg. According to Komax, SFL also increases the security of supply. In addition, there is less packaging material because the order quantities and delivery cycles are based on actual demand.

KOMAX and Bossard

Watch the video of our cooperation.

290 kg of avoided CO₂ emissions equals:



Savings of 6 kg of CO₂ per delivery.



Or a distance of approximately 860 kilometers driven in a fuel-powered car.

The calculation of CO₂ savings was carried out by an independent external partner and is based on data exported by Bossard Group from the internal supply chain platform. This provides a comprehensive overview of locations, articles, orders and deliveries. In individual areas that we were not yet able to substantiate with figures in the reporting year, assumptions were made by such external consultant.

Successful over the last mile

The market leader in automated wire processing also uses Bossard's Last Mile Management system as part of SFL. This is a solution for efficient and paperless setup and replenishment instructions for internal logistics. At Komax's headquarters in Dierikon, Switzerland, the "last mile" begins at the company's central warehouse and leads directly to the assembly workstations at the production lines. All fastener deliveries are distributed straight to the individual floors via the internal distribution system. Thanks to the fully automated intralogistics system, employees can concentrate on replenishing the handling boxes in the main warehouse, while the logistics workers on each floor take care of equipping the assembly workstations. In addition, the assembly personnel is aware of the order status of individual parts in real time, which creates a higher degree of process reliability and transparency. For this purpose, more than 3,200 Smart-Labels (digital displays) are connected to the Last Mile Management system. Overall, this leads to higher productivity as well as shorter routes and fewer queries. Experience has shown that these factors increase employee satisfaction. The system has the potential to be used more widely, and the number of SmartLabels installed is expected to rise to as many as 10,000 in the coming years.

Factory 4.0

In Dierikon, Bossard's brand new Smart Factory Assembly (SFA) solution also laid the foundation for the digital transformation of manual assembly. Komax's Swiss headquarters already has digitalized workstations and intends to further digitalize the production facility by using SFA across different areas. For Komax, the benefits are obvious: paperless processes, increased safety in the assembly process, traceability of all production steps, and a noticeable reduction in the workload of employees.

A commitment to life-long learning

Last but not least, Bossard and Komax share a commitment to continuously promoting their own employees and their professional expertise. For this reason, Komax uses our Expert Education Service. As part of our Assembly Technology Expert (ATE) services, we offer advanced training on various aspects of fastening and assembly technology. The primary focus is on employee empowerment: Employees receive the support they need to assume personal responsibility and to advance their individual professional development. At Komax, Bossard conducted technical seminars on bolted joints for about a third of the specialists from the Technology Discipline Mechanics unit (consisting of 60 employees). Our courses promote safe and error-free production processes, thus reducing waste and helping to avoid possible frustration among assembly workers.



About Komax

As a pioneer in the field of automated wire processing, Komax offers innovative solutions that optimize processes while increasing productivity. Headquartered in Dierikon, Switzerland, the Komax Group manufactures series and customer-specific machinery, catering to every degree of automation and customization in a variety of industries. The automotive industry is Komax's most important market segment.

REDUCED FOOTPRINT

Reducing the environmental impact

With its Reduced Footprint focus area, Bossard endeavors to use resources and energy as efficiently and sparingly as possible and to reduce its overall environmental impact.

Our environmental management system is ISO 14001-certified in nearly all major business units and some smaller units. Regular checks ensure that we comply with the latest standards and that we continue to evolve. In the coming years, we will work toward comprehensive certification of those locations that together generate over 90 percent of our sales. Developing our internal data portal is also part of continuous improvement. All operating units with more than five employees feed sustainability-related data into the portal. By collecting energy and resource consumption data as well as waste volumes and associated greenhouse gas emissions, we create the transparency needed to set future goals both at the Group and individual unit level and to adopt measures to avoid and reduce consumption and emissions.

Sustainable growth

Bossard will continue to expand in the coming years. Global growth not only harbors great opportunities but also certain risks. Integrating new locations and expanding the supplier network present challenges, especially for sustainability. According to our Supplier Code of Conduct, our 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. Through that, we can use our international network to raise awareness about environmental issues and the consequences of climate change among even more stakeholders. Concerning future internal investment processes, Bossard will place even greater emphasis on qualitative as well as quantitative sustainability aspects. Our Group should grow in line with our sustainability efforts and strengthen our four focus areas.

Efficient buildings

Around the world, Bossard is committed to designing its locations for maximum energy- and resource-efficiency and, wherever possible, implementing more sustainable alternatives. At our headquarters in Zug, experts have conducted a number of tours to identify further potential for more environmentally friendly building operations.

“Bossard wants to design its locations even more sustainable.”

LPS BOSSARD INDIA

LPS Bossard is self-sufficient

Rajesh Jain, Managing Director at LPS Bossard in India, is a busy citizen and businessman. He is never short of ideas on how to meet the social and environmental responsibility of the company.

“My own family has been living in Rohtak for eleven generations,” Jain says. “Together with my team, we want to give back to the city and its community.” Over the past years, next to supporting numerous community projects, charitable organizations and planting over 10,000 trees, LPS Bossard has gone to great lengths to reduce its environmental impact. The impressive achievements are a result of smart building design, long-term investments and innovative technology.

When LPS Bossard moved into its new headquarters in 2006, it made sure the facility was constructed according to “green building” principles. Built of sustainable fly ash bricks, the facility is naturally well insulated, and an energy-efficient air conditioning system based on the variable refrigerant flow method redistributes excess heat from office areas that require cooling to rooms that require heating. Thanks to strategically placed large uPVC glass windows, the open office spaces are flooded with natural light, reducing the need for electric lighting to almost zero. In addition to solar panels on the rooftop, another 180 kWh solar panel system was installed in the company’s parking area in 2016. Similarly, the rooftop of

the new 50,000 square meter distribution warehouse is covered with 713 kWh solar panels. As a result, the LPS Bossard branch in Rohtak is fully powered by solar energy.

However, Rajesh Jain and his team took sustainability efforts even further. In the reporting year, a circular water management system based on the “zero liquid discharge” approach will be operational. A borewell treatment plant first purifies the groundwater to remove salts and minerals and delivers water for domestic use on campus, including drinking water. Then, an environmentally friendly sewage treatment plant (STP) enables the reuse of wastewater through a membrane recycling solution, supports the recovery of by-products, and converts liquid waste into solid residuals. The STP allows for a total water recovery of up to 95 percent for further domestic use except for drinking, which substantially decreases the daily net withdrawal of groundwater from 120,000 to only 20,000 liters. In addition, the solid waste is converted into organic manure for the campus garden. “As a result, LPS Bossard discharges zero effluent into the city’s drainage systems,” says Rajesh Jain proudly.

But that is not all: Rajesh Jain and his team already have their eyes on the next steps for improvement. The company currently uses electric generators to bridge the occasional power outages. While the generator chimneys are equipped with an air pollution filter, LPS Bossard plans to switch to more ecological gas generators once the city in-

frastructure allows it. The sustainability efforts are built on the dedicated commitment of our colleagues at LPS Bossard, and are widely appreciated by all employees and the community of Rohtak alike. “As a company, we are eager to contribute to sustainable development and a net zero economy,” Jain says.



Warehouse and distribution center with solar panels
LPS Bossard in Rohtak, India

EMPOWERED PEOPLE

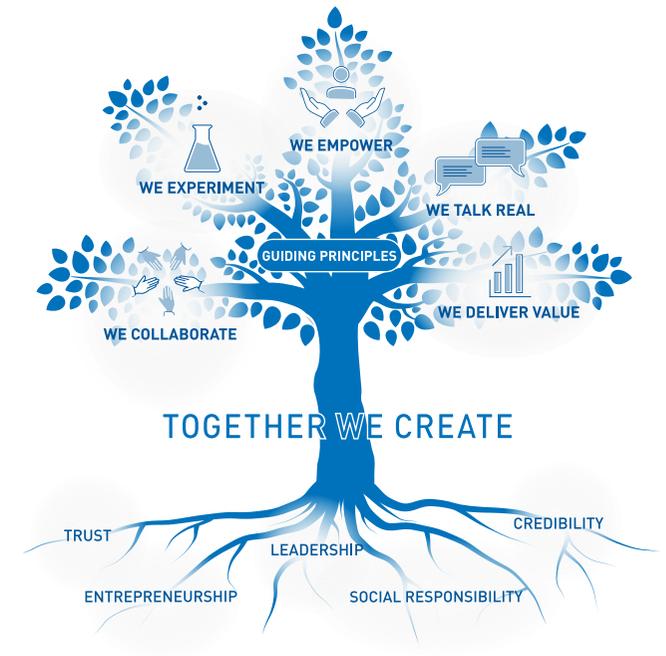
Strong roots for the future

Bossard finds itself in a cultural transformation process. In the last two years, the company has taken a thorough look at its own basic values and refined its business strategy.

Based on our traditional values of trust, leadership, social responsibility, entrepreneurship, and credibility, we identified five additional guiding principles that should guide us in all our business activities. We want to be innovative and try unconventional approaches, tackle problems and mistakes openly and constructively, and cultivate mutual trust. Led by the “One Bossard” principle, we will work together even more closely around the world and learn from one another. The values and guiding principles will help us to grow further and successfully steer our company into the future. In so doing, we realize that our efforts will bear fruit only if we work closely with our customers and suppliers – and above all with our employees. They are the standard-bearers of Bossard’s corporate culture at all our locations and live it in their daily work.

Together we are strong – and innovative

Appropriately, our motto is “Together We Create.” We want to include our employees to an even greater degree in the development of our business and recognize and take up their ideas and concerns within the framework of various initiatives, because we are convinced of the added value of collective intelligence. Bossard employees actively participated in developing the new strategy concept in “hack teams.” Symbolic for the Bossard tree, whose healthy and sustainable growth is our joint responsibility, our employees at the various locations all over the world planted or drew trees. These trees serve as a constant reminder of the values and operating principles of the Bossard Group as well as a call to action for each and every employee to contribute to the company’s success.



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.



This living and breathing corporate culture and our new Strategy 200 – which alludes to our company anniversary in 2031 – will embody an even stronger focus on sustainability issues. By honoring its corporate responsibility, and in line with our four focus areas (page 24), Bossard intends to contribute to the company’s sustainable development.

A successful team

In the revised Business Strategy 200, our corporate culture, and the relationship with our employees that is based on it, are of primary significance. The professional development and the advancement of our employees are extremely important to us. Thanks to their performance and resilience, we have succeeded and mastered many business challenges, including those presented by the COVID-19 pandemic. In the current reporting year, we created a new group-wide function, VP of People and Organization, to provide even more support to our employees. Susan Salzbrenner therefore joined Bossard in June 2021. She is particularly engaged in the change agents movement (page 39) that is part of the ongoing participatory initiatives.

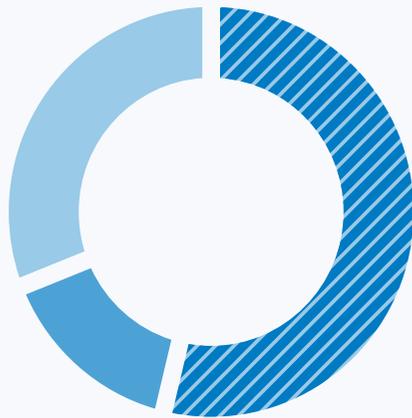
Guiding Principles

Bossard employees symbolically planted trees.

Be it flexible working models, creating education and training opportunities, or leadership training: At Bossard, empowering our employees is paramount. All activities and initiatives revolve around strengthening our employees’ sense of belonging and giving them opportunities and space to leverage their full potential within Bossard’s corporate culture.

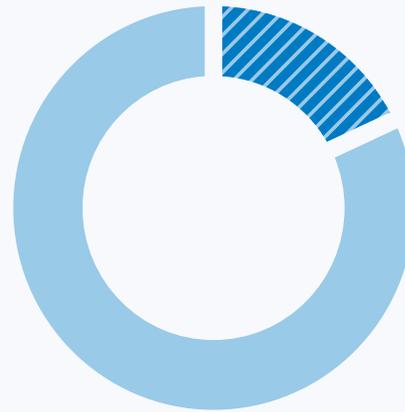
The filling of our positions is based on internal guidelines, professional criteria and job descriptions. This is how we ensure transparent communication. Our market-oriented compensation consists of a fixed salary component and various performance-related compensation systems that allow employees to participate in the Group’s success.

Employees by region



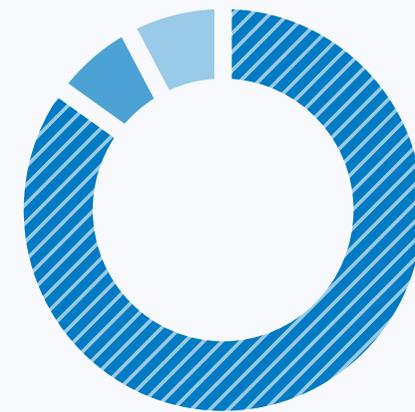
- Europe (54%)
- America (15%)
- Asia (31%)

Employees in management position



- Women (21%)
- Men (79%)

Absences (2 percent of total hours worked)



- Illness (85%)
- Non-occupational accidents (7%)
- Accidents at work (8%)

IMPLEMENTATION STRATEGY 200

Our change agents create a movement

True to our motto “Together We Create,” we give our employees all over the world the opportunity to assume responsibility and actively shape the future of our company. Their dedication in the reporting year was significant and rewarding.

Over 400 volunteer change agents joined one of the eight strategic initiatives launched last year. One of these initiatives was especially devoted to sustainability. Numerous employees came together in smaller teams of five to eight and addressed the various aspects of our four focus areas.

In sprints, the change agents tackled specific problems, identified relevant questions and areas of action as well as possible solution approaches, or directly developed initial prototypes. Within the teams, the designated sprint master coordinated and moderated the meetings and presented the results. Each sprint lasted six weeks. The sprint teams were continuously supported by the leadership team for the respective initiative as well as external coaches, who helped them develop agile working methods.

The sustainability sprints have already achieved considerable success. One team took on the issue of how we should design a future internal awareness campaign covering sustainability topics. Sustainability ambassadors in the individual business units and a regular newsletter with inspiring stories from the Bossard Group aim to motivate employees to do their part to contribute to our company’s sustainability and promote local sustainability projects.

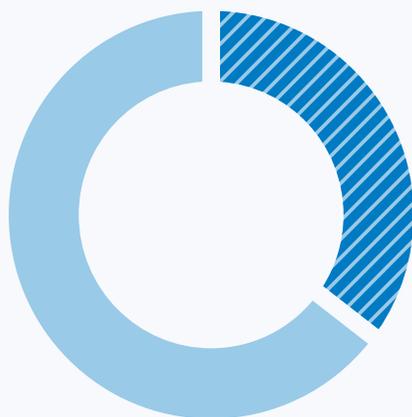
Two other sprint teams were crafting action plans on how we can foster solidarity and exchange within the company. Under the title of “Bossard Buddy,” one team developed a concept for a global network that makes it possible to share experiences across hierarchies. The second sprint team developed a standardized onboarding program for new employees. Networking with experienced employees is intended to make it easier to get started at Bossard, give them a practical overview of the most important workflows, and quickly empower them to make their own contribution. For the change agents, actively conveying our corporate culture, especially the guiding principles, is of particular importance. These principles are designed to give all employees self-confidence and encouragement.



“Being part of Strategy 200 and having the experience of being a sprint master was extremely rewarding to me. It was great to see how we as a sprint team increasingly grew together and at the end of the day, in spite of some language barriers and our different cultures, we became a cohesive and super team.”

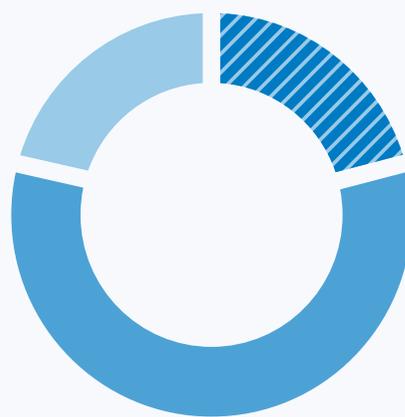
Anna Schneeberger, Sprint Master (Category Project Specialist at Bossard)

Gender



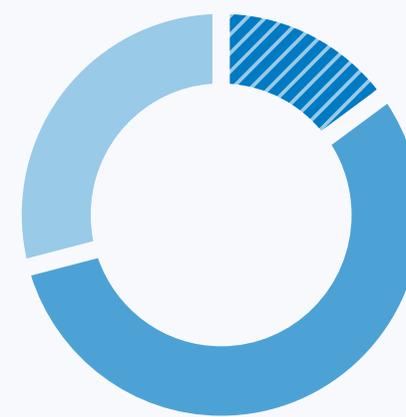
- Women (35%)
- Men (65%)

Age women



- < 30 years (21%)
- 30 to 49 years (58%)
- > 49 years (21%)

Age men



- < 30 years (15%)
- 30 to 49 years (56%)
- > 49 years (29%)

FAIR PARTNERSHIP

Our partners, our responsibility

Our supplier network is of strategic importance and a key factor in Bossard's success. The combination of our network of nearly 4,600 suppliers and our many years of experience gives rise to unique solutions for our customers.

Thanks to our complex supply chains, we are in touch with numerous players in Europe, America, and Asia. These diverse business relationships offer many opportunities, but they also involve risks. We carefully weigh these risks while following clear principles. That is why we carefully select our suppliers on the basis of our Code of Conduct. Apart from the quality of their products, we are also interested in their contribution to a healthy society and environment.

Fair and powerful partnerships

We source more than a million 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. 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 employees 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. Bossard also wants to provide customers with transparent information about its own quality and sustainability standards. For example, in the reporting year we were able to improve our result in the renowned sustainability rating and supplier portal of the company EcoVadis. To reinforce our quality promise to our customers, a total of 16 certified testing laboratories worldwide vouch for the products and solutions from Bossard. Furthermore, our own quality management systems are ISO 9001-certified.

Social and environmental standards as the norm

We want to exercise and strengthen our corporate responsibility for humankind and the environment – including and especially through our suppliers. We expect all our suppliers to comply with binding environmental regulations and social standards, particularly in dealing with their employees. Our Supplier Code of Conduct includes mandatory 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. The code follows the 10 principles of the UNGC (page 26). In terms of sustainability, Bossard is also committed to continuously optimizing transport logistics. If several suppliers are under consideration, we take environmental criteria into account in the selection process.

Strengthening effective and broad implementation

Four of five of our most important long-term suppliers have signed our Supplier Code of Conduct. In the past, these partners covered approximately 80 percent of our purchasing volume. Through the many acquisitions we completed in recent years, that number has dropped to 65 percent. We are working on integrating the expanded supplier network and effectively implementing our group-wide purchasing standards. Our goal is to again cover approximately 80 percent of our purchasing volume from signatories of the Supplier Code of Conduct. At the same time, we are expanding the code to reflect the new structure of our supplier network and further strengthen sustainability aspects. The new Supplier Code of Conduct will take effect at the end of 2022. Already today, we expect our partner companies to monitor and ensure compliance with the values in the Supplier Code of Conduct. Bossard reserves the right to conduct reviews without prior notice. Should (potential) business partners not comply with mandatory social and environmental standards, we will refrain from working with them or we will dissolve the relationship.

FAIR PARTNERSHIP

A solid foundation

Integrity, respect, and fairness have always formed our set of basic values. These principles pervade all our relationships and activities and represent the foundation of our partnerships worldwide. That is how, for decades, we have won the trust of our customers, employees, and other stakeholders.

The values and operating principles of Bossard are set out in our Code of Conduct. It is a proven ethical compass. Yet because our world and ways of working are changing rapidly, we have decided to modernize our Code of Conduct (page 43). Among other things, the new Code of Conduct integrates the guiding principles as Bossard's central operating principles. We see ourselves as a learning Group that fosters innovation, welcomes experiments, and sees problems and mistakes as opportunities for continuous improvement. In addition, the updated code explicitly mentions Bossard's sustainability efforts and the respect of human rights in all business activities. Important aspects of our connected digital society were also added to the code. It articulates rules on handling new information and communication technologies, addresses data protection issues, and sets forth basic usage rules for internal and external communication on social media in connection with Bossard. Of course, the established central principles and rules of behavior continue to apply. Bossard engages in fair competition and does not tolerate any form of bribery, corruption, or insider trading. We always act in accordance with the valid laws. As an inter-

national company, we value the multicultural diversity of our employees and treat each other with respect at all times. Equal work should be remunerated with equal pay. Bossard analyses compliance with such equal pay. For example, in the reporting year an equal pay analysis was carried out at the headquarters in Zug, Switzerland. The external review of this analysis by an independent and certified auditor confirmed that the applicable rules regarding equal pay between men and women are being complied with (Gender Equality Act).

Seamless implementation

It is the responsibility and duty of all employees to uphold the Code of Conduct at all times. Bossard is planning a variety of training events to ensure its correct and seamless implementation. These are designed to support the management teams in their role model and enforcement function and to train them on sharing the code with their employees. Violations against the Code of Conduct 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. In addition, there is a new way for employees to share their concerns with a specialized reporting office. All reports can be made anonymously and will be kept confidential.

A part of society

Like every company, Bossard not only maintains business relationships but is also engaged with local communities and civil organizations. Such social involvement is largely organized and pursued on a local level. Every unit is free to champion social issues and sustainability projects in the given context. There are individual initiatives at the Group level as well. At the annual general meeting of shareholders in April 2021, for example, Bossard Holding AG decided to contribute to a charitable organization instead of handing out give-aways to the shareholders. The Kindness Corporation in South Africa was the chosen recipient. This organization led by courageous women helps disadvantaged groups, especially children and youth, women and seniors by providing everyday consumer items and warm meals.

TOGETHER WE CREATE

A Code of Conduct from our employees

In accordance with our internal motto “Together We Create,” we owe the new Code of Conduct to the collective dedication of our change agents.

A motivated sprint team of six employees from Europe and North America campaigned for a revision of our existing Code of Conduct within the framework of the strategic sustainability initiative. The group further developed the code during two intensive sprints. Based on existing best practice examples from industry, the team determined the core content and identified other topics relevant to Bossard.

They received ongoing support from the leadership team of the sustainability initiative as well as assistance in agile project management from an external coach. The change agents not only participated strategically and thematically, they also learned new working methods.

In coordination with the Bossard experts from the responsible areas for the respective topics, a new Code of Conduct emerged that is both modern and practical – entirely in line with the change agent movement. For example, it contains specific applications of the rules in day-to-day employee situations. Moreover, the sprint team drafted an internal communication and implementation concept so that the new Code of Conduct can be shared with all employees of the Bossard Group as intuitively as possible.

After all, the Code of Conduct comes to life only when each individual employee internalizes it. The revised Code of Conduct was adopted by the Bossard board of directors in the reporting year and will take effect in the first quarter of 2022.



“It is great what we were able to develop and achieve as a cross-functional and cross-regional team within a short period of time. The great teamwork resulted in a new Code of Conduct which will have a lasting impact on the Bossard Group. This was only possible thanks to the empowerment by the management.”

Daniela Wälchli, Sprint Participant
(Senior Legal Counsel at Bossard)

CODE OF CONDUCT

17 Principles we adhere to



We do business in a professional and ethical manner.



We promote a safe and healthy work environment.



We do not tolerate any form of bribery.



We talk real.



We protect ours and respect others intellectual property rights.



Each Bossard employee is the first line of defense against cyber-security attacks.



Only sustainable success is success.



Avoid conflicts of interest. If there is any, solve it.



No insider information may be used for trading.



See something, say something!



We play fair in the market.



Data privacy is key.



We respect human rights and expect the same from our suppliers.



Only with continuous improvement we can strive to excellence.



We promote diversity and inclusion at Bossard.



Bossard is committed to true and fair accounting and reporting.



Social media shall be used in a responsible manner.

SUSTAINABILITY FIGURES

Employee management figures

Dimension/Topic (reporting date 31.12.21) ¹⁾	Unit	Result 2020 ²⁾	Result 2021 ²⁾	Δ to previous year	Δ to previous year in %
FTE total	FTE	2,451	2,549	98	4
Employees total	HC	2,507	2,601	94	4
Employees in management positions	HC	354	366	12	3
Employees working part-time (≤ 90 %)	HC	147	158	11	7
Employees aged < 30	HC	433	450	20	4
Employees aged 30-49	HC	1,417	1,475	54	4
Employees aged > 49	HC	657	676	20	3
Number of women	HC	858	899	40	5
Women in management positions	HC	74	76	2	3
Women working part-time (≤ 90 %)	HC	103	98	-5	-5
Women aged < 30	HC	170	190	19	12
Women aged 30-49	HC	494	519	25	5
Women aged > 49	HC	194	190	-4	-2
Number of men	HC	1,649	1,702	54	3
Men in management positions	HC	280	290	10	4
Men working part-time (≤ 90 %)	HC	44	60	16	36
Men aged < 30	HC	244	260	12	7
Men aged 30-49	HC	940	956	20	2
Men aged > 49	HC	465	486	22	5
Fluctuation rate ³⁾	HC	8.96	12.79	3.83	43
Number of apprentices/trainees/interns	HC	75	70	-5	-7
Employees with a formal annual employee qualification dialogue/annual appraisal talk ⁴⁾	HC	2,046	2,244	198	10
Total hours worked	Hours	n/a ⁵⁾	4,057,106	-	-
Absence rate	Percent	n/a ⁵⁾	2	-	-
Total absences	Hours	n/a ⁵⁾	84,399	-	-
Absences due to illness	Hours	n/a ⁵⁾	72,106	-	-
Absences due to non-occupational accidents	Hours	n/a ⁵⁾	5,727	-	-
Absences due to accidents at work	Hours	n/a ⁵⁾	6,566	-	-

- 1) The reporting of human resources data is based on the international GRI standards (namely GRI 102-7, 401, 403, 404 und 405).
- 2) Business units with less than 5 employees and acquisitions in the corresponding reporting year are not included in the table.
- 3) Fluctuation rate: All terminations in relation to the average number of employees in the reporting year. The calculation includes all terminations, no distinction was made between voluntary terminations, retirements and terminations by employees or Bossard.
- 4) Excluding apprentices and trainees, employees entering and leaving the company during the year, and employees with long-term absences. In such cases, individual conversations and reviews take place that are adapted accordingly to the case.
- 5) The consolidated data collection was expanded in the reporting year 2021. In 2020, these data were not yet collected in a globally consolidated manner.

RISK MANAGEMENT

Systematic risk monitoring and reduction

The aim of risk management is to identify potential risks at an early stage and avoid or substantially limit them through suitable measures. Bossard's risk management approach is an integral part of its group-wide planning, control and monitoring system and is regularly reviewed by the executive committee. Each year, the board of directors and executive committee reassess the situation with a view toward strategic and operational risks.

In annual meetings, we examine all business activities and balance sheet items for potential risks, using a standardized process. Each identified risk is assessed in terms of the possible loss that would be incurred should the damaging event occur. From the results, we then derive targets and effective steps to be taken to mitigate the risks. The results of the risk process are summarized in a report to the board of directors and executive committee. The Group's risk management process is continuously documented and checked for effectiveness. The Group finance department coordinates the revision of the risk documentation from a central location.

Low supply risk as a result of large network

Supply bottlenecks can occur when our suppliers are working close to capacity during times of above-average demand. Risks can also arise from working with suppliers and when the price of raw materials fluctuates. We counter these risks with tactical and preventive measures in our procurement activities by continuously assessing the market situation and by maintaining a sufficient level of stock. In taking these steps, we ensure that the required volume and quality of fastening parts are available in order to avoid production shutdowns at our customers. Steel, chrome, nickel and different alloys are the most important raw materials for fasteners. Because we purchase finished products, we can not hedge against price increases. We have an extensive supply portfolio of more than 4,500 manufacturers worldwide and rely on long-term relationships with various suppliers in Europe, America and Asia. Our large network of suppliers enables us to minimize supply risks. Diversification also reduces the risk of negative consequences resulting from political upheavals or currency fluctuations.

Systematic quality monitoring

Quality assurance constantly faces new challenges as our customers' requirements continue to rise and ever stricter regulations apply, which is why we have developed appropriate systems and testing standards. Quality assurance measures are performed in close cooperation with our procurement team and suppliers. We also check our suppliers' technical and economic performance. Deviations and defects identified during quality testing are continuously analyzed, documented and discussed with our suppliers, thereby minimizing quality-relevant risks from the very beginning.

Responding to sales risks through diversification

Regional and global economic developments impact our business environment and can lead to high price and volume fluctuations in the sales markets. We therefore closely monitor economic developments in the individual countries in order to minimize sales risks. We counter this risk with a wide range of products and a customer portfolio that covers a broad spectrum of industrial sectors and regions of the world.

IT protection is a high priority

Unauthorized data access, data abuse and system failure can seriously disrupt operating processes. To prevent this, we use technical measures such as access authorization, virus scanners, firewalls and backup systems. Our IT systems are continuously monitored and updated in order to meet the latest requirements. We have an emergency concept that includes daily backups and data mirroring. Detailed internal policies govern how we use hardware and software.

Minimizing financial risks

Given its international operations, the Bossard Group is exposed to various financial risks; these comprise exchange rate, interest rate, credit, liquidity and capital risks. The individual risks are minimized through stringent controls and monitoring. One of the central tasks to reduce financial risk within the Group is coordinating and managing financial requirements as well as ensuring financial independence. The aim is optimal capital procurement and liquidity management via cash pooling in order to meet payment liabilities.

Financial risk management is described in detail on pages 129 to 130.

Bossard Group’s risk policy also includes a comprehensive and efficient insurance scheme to protect against risks. This is achieved with the help of an international insurance program against third-party liability, property damage and business interruption. Overall, risks that could negatively impact the Group’s further development can never be completely excluded. Such risks include, for example, war, terror attacks, natural hazards and pandemics.

“Low supply risk as a result of a large, global network.”