



**BOSSARD**

Proven Productivity

# Annual Report 2021



## SHORT PROFILE

## Proven Productivity

# Bossard's global team is fully committed to Proven Productivity. Together we create sustainable values for our customers.

The Bossard Group is a leading strategic partner for industrial fastening and assembly technology solutions to OEM customers globally with proven expertise in engineering and logistic services.

Bossard was founded in Zug in 1831. Today local and multinational companies count on Bossard's expertise to increase their productivity – with success. Bossard calls this concept, which is also a promise to its customers Proven Productivity. This includes, among other things, optimizing processes and reducing inventories to increase the efficiency and productivity sustainably. In addition, Bossard is considered a pioneer in developing intelligent production facilities in line with Industry 4.0.

With over 2,700 employees at 84 locations in 32 countries throughout the world, the Bossard Group generated CHF 995.1 million in sales in the financial year 2021. Bossard is listed on the SIX Swiss Exchange.



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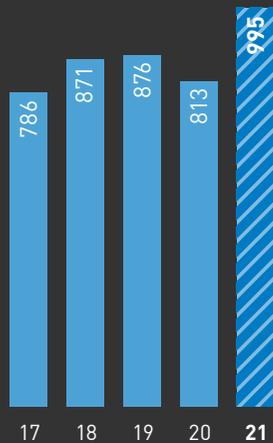
## AT A GLANCE

# Robust profitability and new records

Thanks to strong demand and constant delivery capability, Bossard hit new records in terms of sales as well as EBIT and net income in spite of market uncertainties and major challenges on the procurement market.

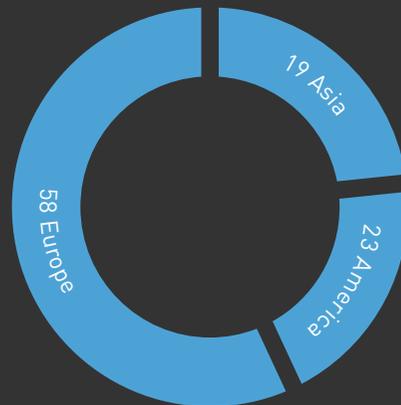
### Net Sales

in CHF million



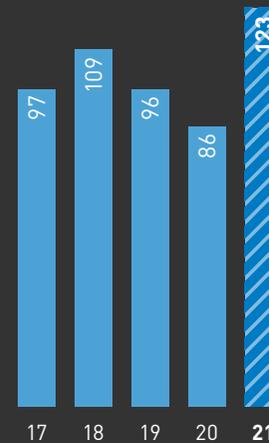
### Geographic Sales Distribution

in %



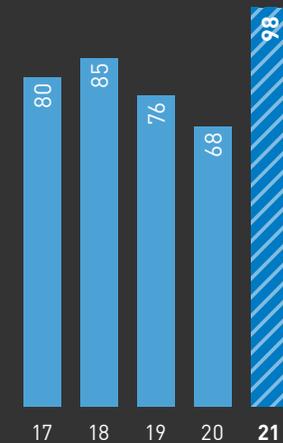
### EBIT

in CHF million



### Net Income

in CHF million



# Key figures

in CHF 1,000	2021	2020
Net sales	995,148	812,792
Change to prior year in %	22.4	-7.2
Gross profit	317,120	248,730
Personnel expenses	199,732	165,728
in % of net sales	20.1	20.4
EBITDA	145,904	105,863
in % of net sales	14.7	13.0
EBIT	123,326	86,386
in % of net sales	12.4	10.6
Net income	98,017	67,751
in % of net sales	9.8	8.3
Cashflow <sup>1)</sup>	120,595	87,228
in % of net sales	12.1	10.7
Capital expenditures	35,289	23,927
Operating net working capital <sup>2)</sup>	435,620	346,982
in % of net sales	43.8	42.7
Net debt	217,222	155,655
Shareholders' equity	349,548	322,340
in % of total assets	45.2	50.3
Total assets	772,776	641,308
Return on equity	29.2	21.6
Return on average capital employed (ROCE)	19.1	14.7
Dividend yield in % (Basis: share price at Dec. 31)	1.6	2.5
Earnings per share <sup>3) 4)</sup>		
Registered A share in CHF	12.53	8.73
Registered B share in CHF	2.51	1.75
Price/earnings ratio (Basis: share price at Dec. 31)	26.2	20.4
Price/book value per share	7.2	4.3
Annual weighted average number of employees <sup>5)</sup>	2,516	2,410
Net sales per employee <sup>6)</sup>	395.5	337.3

1) Net income + depreciation and amortization

2) Accounts receivable, inventories, less accounts payable

3) Basis: Average capital entitled to dividend

4) Basis: Share attributable to shareholders of Bossard Holding AG

5) Average full time equivalent

6) Basis: Annual weighted average number of employees

## REPORT TO THE SHAREHOLDERS

# Back on the growth track



### Dear Shareholders,

The past financial year was also dominated by the COVID-19 pandemic. On the one hand, our economic and social life was marked by constant change. And protecting the health of our employees was paramount. On the other hand, the global economic upturn, which had begun in the prior year, continued although a trend toward normalization became apparent at the end of the year.

Thanks to strong demand in all three market regions, Bossard hit new records in terms of sales as well as EBIT and net income in spite of major challenges on the procurement market. Sales in the 2021 financial year totaled CHF 995.1 million (prior year: CHF 812.8 million). EBIT was CHF 123.3 million (prior year: CHF 86.4 million), corresponding to an EBIT margin of 12.4 percent (prior year: 10.6 percent) – a record result in an extremely demanding year. This is equally true for net income, which reached CHF 98.0 million (prior year: CHF 67.8 million).

**Dr. Daniel Bossard**  
CEO

**Dr. Thomas Schmuckli**  
Chair of the board of directors

### Strengthened through the crisis

Bossard's strong performance was sustained by a broad and solid foundation consisting of three elements. Firstly, by the high degree of flexibility and commitment of our employees, whose performance was exceptional under difficult conditions. Secondly, our long-standing proven purchasing strategy, which is based on multiple sources of procurement. And thirdly, due to our generous stock-keeping. During the last 24 months, these elements were essential in ensuring the best possible delivery capability to our customers and underlining our reliability as a partner.

### Expanded market position

In addition to our sustained delivery capability, our expanded market position is the outcome of the business model we have systematically refined in recent years. Our ongoing geographic diversification is another contributing factor. This, along with market share gains in growth industries such as robotics, electromobility, railway vehicle construction, and medical technology, has led to accelerated growth. Recently won customer projects will also have a positive impact on our future growth.

### Digitalization of assembly

The gradual introduction of our new standalone Smart Factory Assembly service was well received by our customers. Along with improved process reliability and productivity, it reduces production costs in manufacturing. As a result, Smart Factory Assembly meets an important customer need, enabling the documentation of production processes, flexible employee deployment, and consistently high quality. This minimizes possible sources of error in assembly as well as defective products.

### Broad performance across the regions

All three market regions benefited from the market recovery and posted impressive double-digit growth rates. The aforementioned sustained delivery capability to our customers led to above-average benefits in the European region, contributing significantly to the marked improvement in results. Furthermore, the region won new customer projects in the focus industries of railway vehicle construction and medical technology. The appreciation of the Swiss franc against the euro to the highest level in the last six years, had a slightly negative impact on sales in the fourth quarter.

### Active market consolidation and expansion

In October, Bossard acquired Jevoka B.V., a leading Benelux supplier of product solutions as well as logistics and engineering services in industrial fastening and assembly technology. The company primarily serves customers in the mechanical engineering and high-tech segments. The acquisition of this long-standing partner is in line with the Bossard Group's strategic approach of broadening its market presence in technologically advanced end markets.

Strong sales development in America was driven by our expertise in the electromobility sector built up over the last years. We completed several exciting projects, which helped us solidify new, long-term customer relationships.

With consistently high growth rates above 30 percent, the Asia region affirmed the years-long upward trend during the last financial year. On the one hand, the Group benefited from the investments made in the expansion and modernization of its infrastructure over the recent years. On the other hand, the growth initiatives in the robotics and electronics segments lead to a pleasing growth in the project pipeline and gains in market share.

## Strategy 200 – Capital Markets Day 2021

For the first time, the Bossard Group held a Capital Markets Day (CMD) at its company headquarters in Zug. This event for institutional investors, analysts, and media representatives introduced the Bossard Group’s business model and provided a deeper look at the Strategy 200 announced in spring. In addition, higher financial targets were announced at the well attended event. Bossard plans to permanently increase its average organic growth rate to over 5 percent after a period of increased investments. As a result, the Group is targeting mid-term a new EBIT margin of 12 percent to 15 percent (currently 10 percent to 13 percent). Bossard continues to rely on a strong balance sheet with an equity ratio of at least 40 percent. The stepped-up growth initiatives notwithstanding, the dividend payout is expected to remain at about 40 percent of the Group’s net income.

## Strategy 200 – the strategic significance of our services

The quality and deliverability of our product solutions are the foundation of our business and the results we achieve. The value of our cooperation with our customers – Proven Productivity – grows with the performance of our services. Our Smart Factory solutions enable logistics and product managers to optimize their supply and production workflows. Our Assembly Technology Expert services seek

out, test, and implement the most suitable fastening solutions for each set of requirements. Consequently, we not only increase safety but also reduce costs for our customers.

Taken as a whole, our services establish Bossard as a strategic C-level partner to our customers that can boost their ability to compete. This creates a level of customer loyalty that we could never achieve by selling products alone.

## Strategy 200 – sustainability

Along with our Proven Productivity brand promise, our business model stands for a successful and sustainable future. As an environmentally conscious company, we are committed to the careful and efficient use of natural resources and energy and to minimizing our environmental impact. Through our “Together We Create” strategy initiative, we highlight the importance of our existing values and operating principles. We create equal opportunities regardless of factors such as nationality, gender, sexual orientation, religion, or age. As part of Strategy 200, Bossard will analyze the current state and formulate achievable CO<sub>2</sub> neutrality goals for publication in 2022.

## With momentum into the future

Bossard is entering the next stage of its 190-year history with great momentum. Over the past quarters, the Group has shown that after a year of economic uncertainty it is not only able to rapidly adapt high growth dynamics, but to substantially exceed them. From today’s perspective, it is difficult to forecast how procurement costs and the stability of supply chains will evolve over the coming months. A lot depends on people’s behavior, politics, and government measures in the individual countries – factors outside our scope of influence. Nonetheless, we are pleased that over the last few months governments have made every effort to support the economy and maintain the pace of production in companies. The way in which Bossard mastered the recovery in 2021 gives us confidence, and we are optimistic about the future. Globally committed employees, stable cash flows, and a solid balance sheet with an equity ratio of 45.2 percent enable the Bossard Group to move ahead with its strategically important projects at full speed.

### Proposals at the annual general meeting of shareholders

At the 2022 annual general meeting of shareholders, the board of directors will propose a gross dividend of CHF 5.10 per registered A share (prior year: CHF 4.40 gross), in line with our dividend policy of a 40 percent payout of net income. This represents an increase of 15.9 percent.

At last year's annual general meeting of shareholders, Petra Maria Ehmann and Marcel Keller were elected as independent board members. We are pleased that both board members broadly support Bossard with their expertise in digitalization and artificial intelligence in market development.

For the current year, no new elections are proposed. We express our deep gratitude to all our employees for their tireless dedication, solidarity, team spirit, and enthusiasm – they are the core of the Bossard Group's success. We thank our customers for their years of loyalty, and our partners and suppliers for their outstanding cooperation. And we thank you, valued Shareholders, for your continued trust.



Dr. Thomas Schmuckli  
Chair of the board  
of directors



Dr. Daniel Bossard  
CEO

Zug, February 25, 2022

# Company

Founded in Zug in 1831, the Bossard Group is a leading strategic partner for industrial fastening and assembly technology solutions to OEM customers globally with proven expertise in engineering and logistic services.

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## AT A GLANCE

# Company

## Market position

# Top 3

Bossard is one of the top 3 global distributors of fasteners.

## Customer loyalty

# > 10

More than 90 percent of our large and medium-sized customers have been working with Bossard for more than ten years.

## Customers worldwide

# > 30,000

Bossard is proud to serve more than 30,000 customers globally – in a huge variety of industries.

## Thereof with B- and C-parts management

# > 1,000

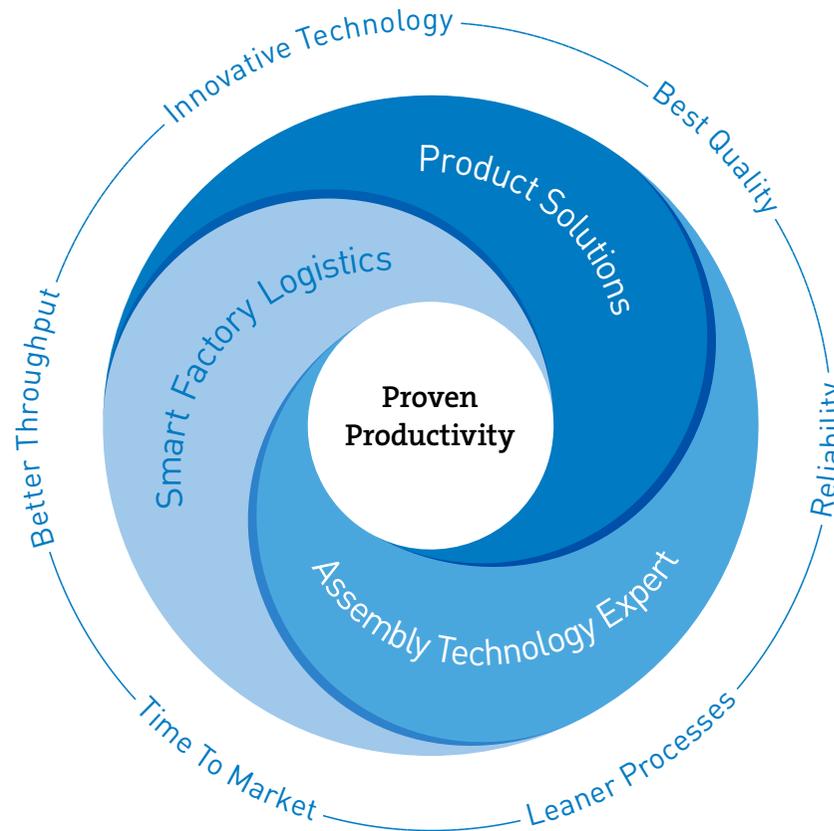
More than 1,000 customers rely on Bossard's automated B- and C-parts management solutions.

BUSINESS MODEL

# Proven Productivity

Bossard offers fastening solutions and process optimization measures that are proven to deliver the best possible efficiency, thereby reducing costs. In evaluating our services, we rely on facts. They consistently show that by working with us, our customers are able to achieve lasting and measurable productivity improvements. That is why we talk about Proven Productivity.

The interplay of Product Solutions, Assembly Technology Expert and Smart Factory Logistics services gives our customers competitive advantages in six key areas.



**Time to market**

Thanks to shorter delivery times, products make it to market faster.

**Leaner processes**

Systematic time, money, and resource savings reduce overall operational costs.

**Better throughput**

Advanced logistic systems and lean assembly processes markedly boost efficiency.

**Best quality**

For our product solutions, we rely on the highest quality combined with comprehensive process consulting. This leads to maximum reliability and predictable planning.

**Innovative technology**

Our forward-looking solutions are tailored to the very latest requirements of Industry 4.0.

**Reliability**

We value continuity and this is how we empower and support our team to ensure that we will be there for our customers tomorrow.

## Product Solutions

Our fastening solutions are as unique as our customers' products. Sometimes standard fasteners are just right, while in other cases brand solutions or custom fastening solutions get the best results. Bossard has the right solution for every challenge.

### Fastening technology catalog products

We have more than 200,000 different fasteners ready to ship from our warehouses: screws, nuts, rivets, washers, electrical fasteners and more.

### Customized items

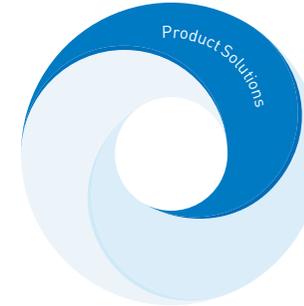
Customized solutions and parts (turned, milled, extruded, stamped and bent parts) for unique technical requirements, manufactured to our customers' specifications.

### Bossard ecosyn®

The ecosyn® product line features premium quality fasteners. They are both economical and in sync with the needs of our customers. Smart and safe quality products based on innovative engineering and designed to make work easier and more efficient.

### Brand products

Bossard maintains a carefully selected brand portfolio in cooperation with highly innovative and reliable partners.



## Assembly Technology Expert

Our customers develop a diverse range of premium products whose production methods place equally diverse demands on fasteners. Six field-proven Bossard Assembly Technology Expert services help find, test and implement the most suitable fastening solutions based on specific requirements. In addition, they optimize the customer's assembly processes and product assortment and train their employees.

Using this three-step approach, from design to optimization to training, the specialists at Bossard help product designers and engineers meet the most diverse challenges with respect to innovation, process optimization, and efficiency. This leads to a sustainable reduction in production time and costs, increases product safety and quality, and significantly improves our customers' competitiveness.



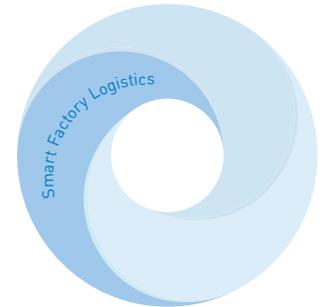
## Smart Factory Logistics

In the world of Industry 4.0, Smart Factory Logistics is a core element for profitable growth. The more precise and smarter factory logistics is, the better companies fare against their competitors.

While our customers fully focus on their core competences, we take care of automating their B- and C-parts management processes, thus ensuring a lean assortment and a smooth supply flow. Inventory is controlled in real time, and material is delivered directly to the assembly stations thanks to smart order management. All at the right time and in the right place. Lower material handling costs and smaller inventories enable our customers to significantly boost productivity in their production.

In addition, we support our customers in the digital transformation of their production with our Smart Factory Assembly services. Digital documentation and connected devices ensure consistently high quality, and the recorded data provide maximum transparency and traceability.

As a result, processing control takes place automatically, significantly reducing faulty assembly and lowering the overall cost of a product. Manufacturing companies can more easily make the right decisions and produce high-quality products with shorter lead times and smaller batch sizes.



“Hidden aspects account for approximately

**85 percent**

of the total cost of ownership of fasteners. We are reducing them.”

## BUSINESS RESILIENCE AND STRATEGY 200

# Solid foundation for accelerated growth

**Bossard's business model has proven not only its strength for growth in normal circumstances, but also its extraordinary resilience in these unprecedented times. With Bossard "Strategy 200" – Bossard turns 200 years old in 2031 – we will focus on this business model and accelerate growth in all our key markets.**

### Leader in digitalization in our industry

26 years ago, Bossard invented the first fully digitalized and automated C-parts management system, based on IoT technology, that today is being used every day by over 1,000 customers globally. Our proven solutions, used by customers to maintain a seamless supply of C-parts for production without manual interaction, have been especially important during the COVID-19 pandemic. With the digital platforms developed over the last years, Bossard was able to switch its wide range of services to the virtual space – instantly and across the globe.

### Industrial and geographical diversification

As impressively demonstrated in the crisis, our broad industrial diversification with around 30,000 customers from a wide variety of industries enables us to balance customer growth and makes us much less dependent on single industrial segments. Our global footprint, with more than 80 operations in Europe, America and Asia, allows for a global distribution of income. This global presence also helps us on the procurement side where, for key products, Bossard has always been working with

multiple sources from different continents to mitigate supply risks.

### Customer centricity and sustainability

The close and strategic collaboration with our customers, focusing on services to ensure the customer's peace of mind in C-parts management and supply and enabling trusted relationships, creates a solid customer base for the long term. This is reflected in our enduring relationships with our customers, with over 90 percent of our large and medium-size customers still working with Bossard after ten years. Our sustainable customer base is a key foundation for our long-term sales and profit development.

### Innovation and experimental mindset

Ongoing curiosity has always been at the core of the Bossard DNA. For this reason, we would consider ourselves a "start-up with 191 years of experience." Solving customer problems with creativity and passion – using years of experience in fastening technology, supply chain and assembly solutions – has enabled us to provide leading-edge market services. And the journey continues: for example, we are looking into new products for lightweight applications, AI-enabled systems to speed up the quoting process for customized fasteners, and new services to ensure secure assembly processes.

With our Strategy 200, we want to build on the past, focusing on our key strengths and scale our business model to achieve relevant market share in all our key markets by 2031.

### Proven Productivity – our promise ...

For the average industrial OEM (original equipment manufacturer), more than 50 percent of single assembly parts are fastener-related while they only represent a very small amount of the purchasing value. The related management and handling costs – parts definition, ordering, goods receipt, inventory management, and assembly costs – typically exceed the purchase price of the C-parts significantly. With our long-time philosophy of Proven Productivity, we focus on substantially reducing the management and assembly costs of C-parts for our customers, thereby boosting their competitiveness in a sustainable and measurable way. This philosophy strengthens the bridge of trust between us and our customers day in and day out.

### ... in a globally fragmented market with growth potential

The global fastener market for industrial OEMs is heavily fragmented. With only 3 percent global market share in our industry segment, Bossard is one of the top 3 global distributors of fasteners. This leaves significant opportunities for growth. We will exploit these opportunities by continuing to be as close to our customers as possible.

### **Customer proximity creates growth opportunities ...**

For us, proximity goes beyond geography. It also encompasses the primary challenge that keeps our customers awake at night – boosting their competitiveness with the lowest total cost of ownership and the highest product availability. The better we understand our customers’ perspective on this core challenge and the more in-depth we go in analyzing the issues associated with it, the better we can bring our extensive experience and expertise to bear when responding to this challenge.

### **... captured by a truly empowered organization**

Bossard Strategy 200 has one theme at its core: to create a company as amazing as its people, where everybody collaborates, feels empowered, experiments, talks real, and delivers value. Together we will create and pave the way for accelerated sales and profitability growth in the years to come.

### **Strategic aspiration towards 2031**

Together, we bring PROVEN PRODUCTIVITY and SUSTAINABILITY to every assembly operation in the world. To turn this aspiration into reality, we focus on OEM customer groups with the aim of supporting them to boost their competitiveness. In doing so, we rely on high-quality products, outstanding services, assembly technology consulting, and efficient processes along the entire supply chain.

### **Strategy 200 – focus and scale**

Within the context of our winning aspiration towards 2031 we are aiming to achieve sustainable high-quality growth by focusing on our key strengths. We want to substantially increase our sales revenue to further expand our market position – organically and through acquisitions. Bossard plans to increase its average organic growth rate to over 5 percent after a period of increased investments. As a result, the Group is targeting mid-term an EBIT margin of 12 percent to 15 percent. Bossard continues to rely on a strong balance sheet with an equity ratio of at least 40 percent. The stepped-up growth initiatives notwithstanding, the dividend payout is expected to remain at about 40 percent of the Group’s net income.

**“With our Strategy 200, we aim to achieve sustainable, significant growth.”**

PROVEN PRODUCTIVITY

Stay up to date

In **90 seconds**

you will experience what Bossard means by Proven Productivity. Stay up to date on product innovations, services and customer experiences by reading our blog.

[provenproductivity.com](https://provenproductivity.com)

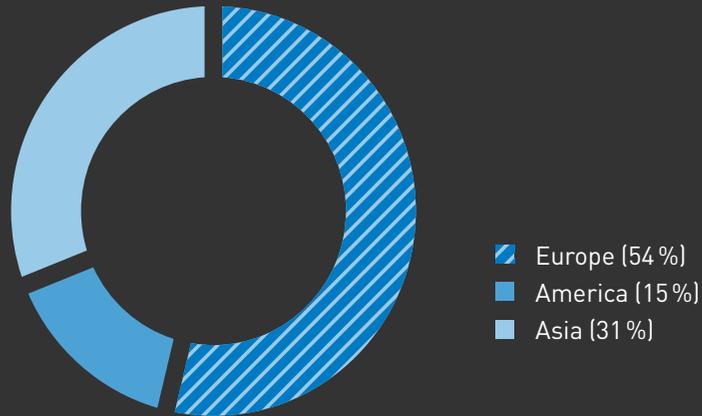
# Sustainability

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.

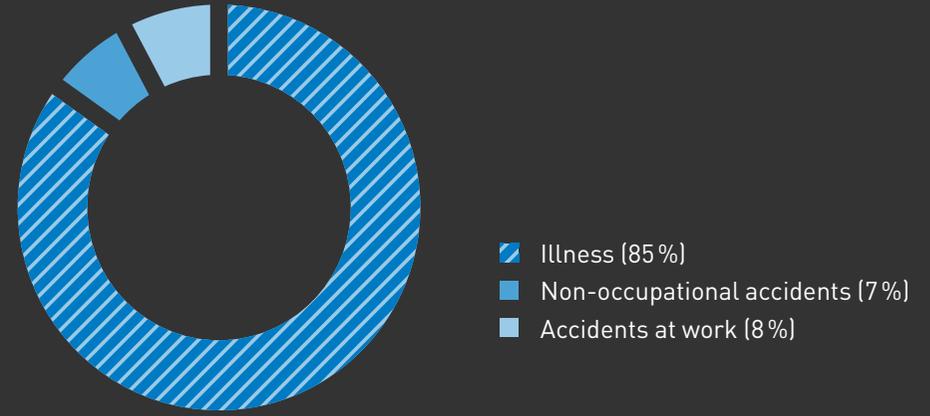
## AT A GLANCE

## Sustainability

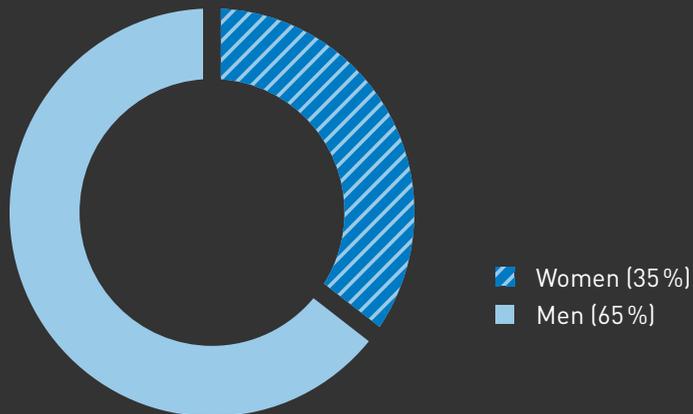
Employees by region



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.**

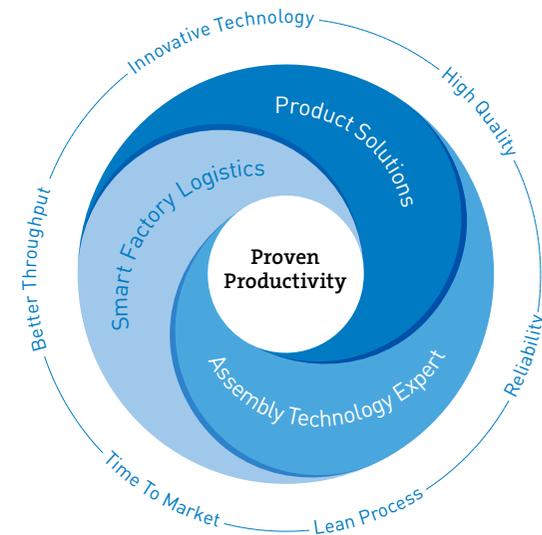
We help our customers not only to avoid hidden costs in development, design, procurement, ordering, logistics, storage, assembly, and quality assurance. Our solutions also mitigate the impact on the environment. Streamlining processes and optimizing individual products allow for more careful and targeted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

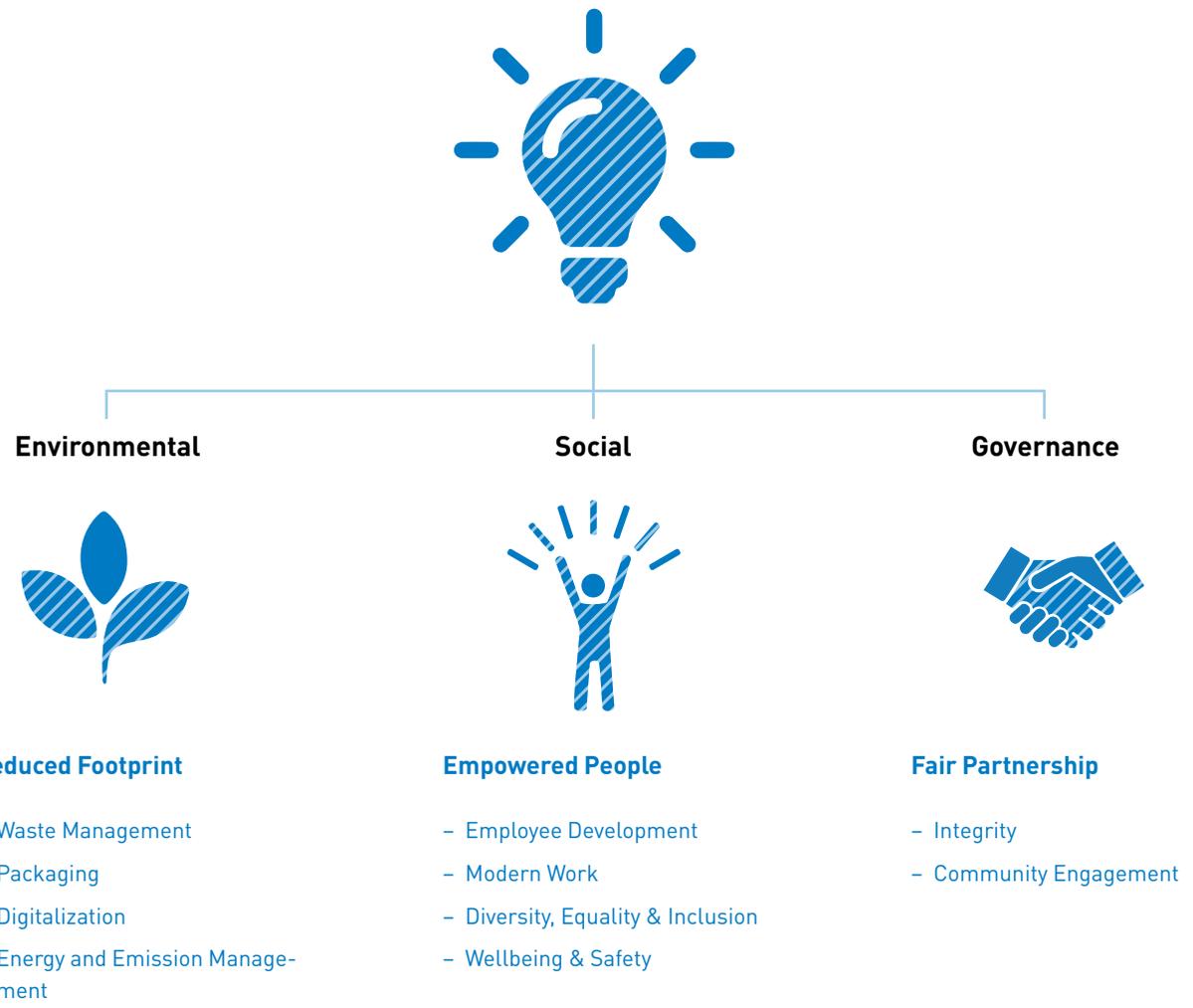
In the Blue Garage, a Bossard Group creative space, a working group devoted themselves to the topic of sustainability. Four focus areas emerged from their efforts: Future Proven Solutions, Reduced Footprint, Empowered People, and Fair Partnership.

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](http://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.

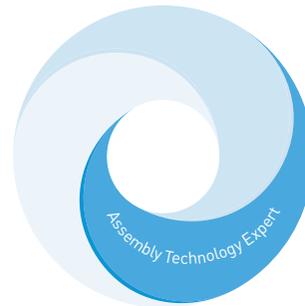
### A win for sustainability

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.

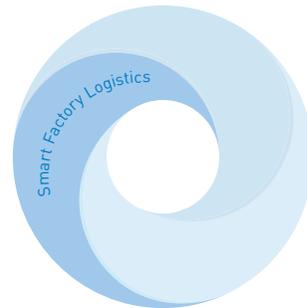
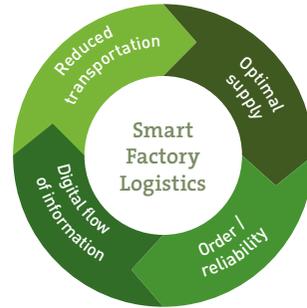


**“With the support of our Expert Design services, one of our customers switched from welding to riveting in a crucial step of his truck assembly process. Because welding is a time-consuming and exacting process, the change made production faster and more flexible. Rivets also allowed him to reduce his 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

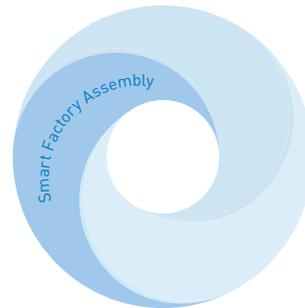
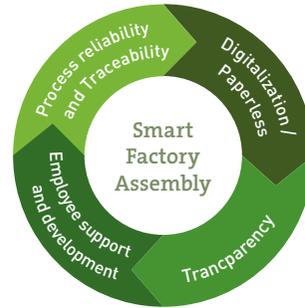


**“In terms of sustainability, introducing SFL brought us a number of benefits. Thanks to digitalized material procurement and inventory management, we were able to save over 2,000 pages of paper annually and cut our operating costs by a total of 80 percent. Our employees benefit as well. They no longer 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 CO<sub>2</sub> emissions of what would have occurred without the consolidated deliveries. This corresponds to a CO<sub>2</sub> 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.

## 290 kg of avoided CO<sub>2</sub> emissions equals:



Savings of 6 kg of CO<sub>2</sub> per delivery.



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



## KOMAX and Bossard

Watch the video of our cooperation.

The calculation of CO<sub>2</sub> 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.

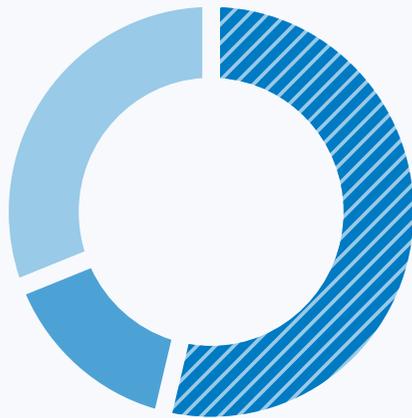
### Guiding Principles

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.

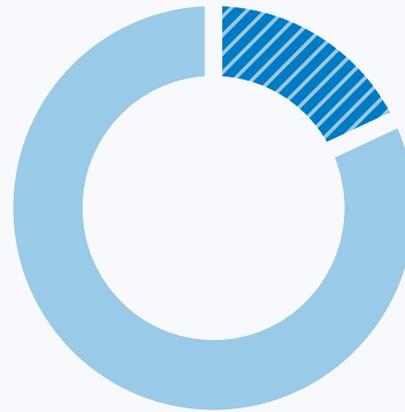
The filling of our positions is based on internal guidelines, professional criteria and job descriptions. This is how we ensure transparent communication. Our market-oriented compensation consists of a fixed salary component and various performance-related compensation systems that allow employees to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

### Employees by region



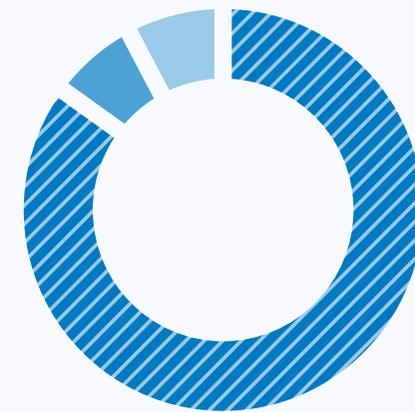
- Europe (54%)
- America (15%)
- Asia (31%)

### 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.

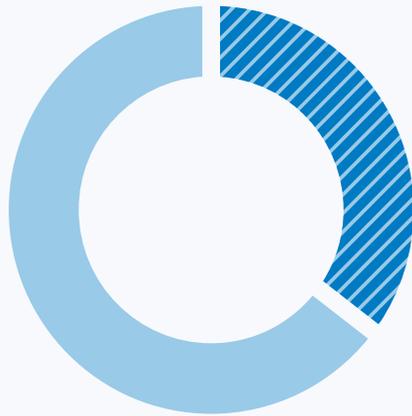
Two other sprint teams were crafting action plans on how we can foster solidarity and exchange within the company. Under the title of “Bossard Buddy,” one team developed a concept for a global network that makes it possible to share experiences across hierarchies. The second sprint team developed a standardized 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.”**

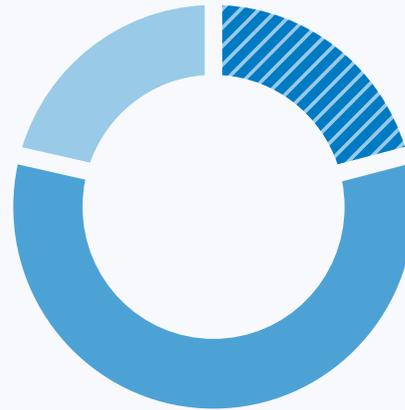
Anna Schneeberger, Sprint Master (Category Project Specialist at Bossard)

## Gender



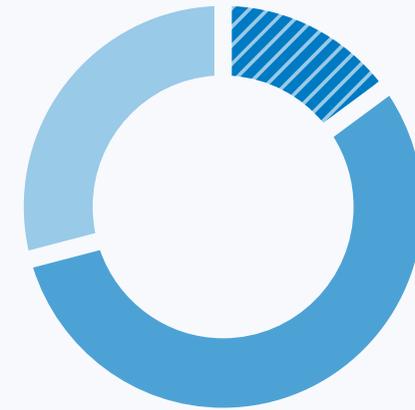
- Women (35%)
- Men (65%)

## 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) <sup>1)</sup>	Unit	Result 2020 <sup>2)</sup>	Result 2021 <sup>2)</sup>	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 <sup>3)</sup>	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 <sup>4)</sup>	HC	2,046	2,244	198	10
Total hours worked	Hours	n/a <sup>5)</sup>	4,057,106	-	-
Absence rate	Percent	n/a <sup>5)</sup>	2	-	-
Total absences	Hours	n/a <sup>5)</sup>	84,399	-	-
Absences due to illness	Hours	n/a <sup>5)</sup>	72,106	-	-
Absences due to non-occupational accidents	Hours	n/a <sup>5)</sup>	5,727	-	-
Absences due to accidents at work	Hours	n/a <sup>5)</sup>	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.”



# Corporate Governance

This corporate governance report describes the organizational structure of the Bossard Group. The report contains information on the allocation of duties within the board of directors and its committees as well as further information on the individual members.

## AT A GLANCE

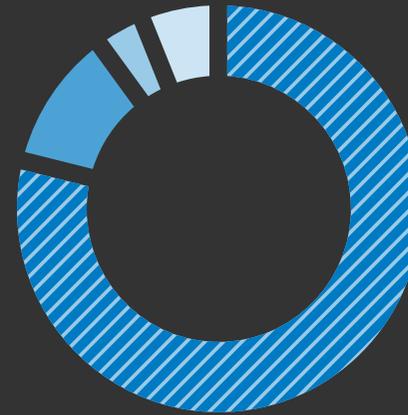
# Corporate Governance

## Market capitalization as of reporting date

in CHF million

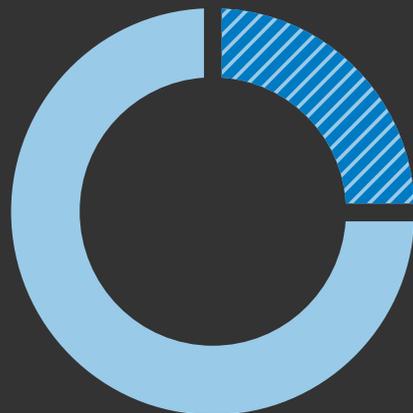
# 2,529

## Shares by country



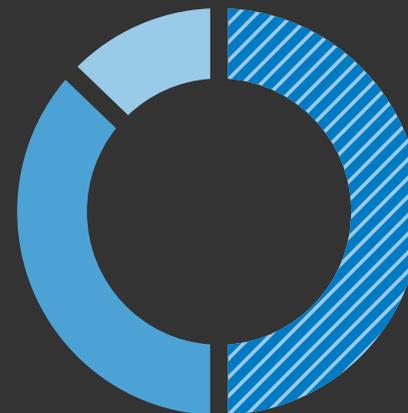
- Switzerland (79%)
- Great Britain (11%)
- USA (4%)
- Other countries (6%)

## Gender board of directors



- Women (25%)
- Men (75%)

## Independence of the board of directors



- Independent/non-executive (50%)
- Independent/non-executive/proposed by majority voting rights shareholder (37.5%)
- Not independent/executive < 3 years (12.5%)

## CORPORATE GOVERNANCE

# About corporate management

**The Bossard Group’s organizational structure is based on international standards for corporate management. The Group’s corporate bodies and management follow the Directive on Information relating to Corporate Governance of SIX Swiss Exchange as well as the “Swiss Code of Best Practice for Corporate Governance” of *economiesuisse*.**

The organizational structure of the Bossard Group is based on clear delimitation of tasks, competencies and responsibilities between the board of directors and the executive committee. The functions of the chair of the board of directors and the chief executive officer (CEO) are held by two different persons, so that the separation of powers is guaranteed. This report is prepared according to the Directive on Information relating to Corporate Governance (DCG) of SIX Swiss Exchange. Unless otherwise indicated, all information applies as of December 31, 2021. The principles and rules on corporate governance are set out in the rules and regulations of Bossard Holding AG, namely in the articles of association of Bossard Holding AG (articles of association), in the organizational and business regulations of Bossard Holding AG (OBR), in the regulations of the board’s committees, in the code of conduct and in the resolutions of the board of directors. The rules are regularly reviewed by the board of directors and adapted to current requirements (articles of association most recently in 2020, OBR most recently in 2021 and regulations of the board’s committees most recently in 2015).

### Group structure and shareholders

#### Group structure

Bossard Holding AG, the parent company of the Bossard Group, is a limited company under Swiss law with its registered office in Zug. Bossard Holding AG is the only listed company belonging to the group of consolidated companies. It holds a direct or indirect interest in the companies listed in note 29 of the financial report. Bossard Holding AG (Swiss securities no. 23862714, ISIN CH0238627142/BOSN) is listed on the SIX Swiss Exchange. Its stock market capitalization as of December 31, 2021 was CHF 2,529.2 million (2020: CHF 1,372.1 million). The Group’s structure aims to provide the best possible support for its business activities within an efficient legal, financial and strategic framework. This means that the structure should be as simple as possible and also transparent to anyone outside the Group. The Bossard Group operates in industrial fastening technology and generates its entire revenue in this market segment. Further information regarding the Group structure are set out in the notes to the financial report, namely on pages 107 and 114.

#### Significant shareholders

The disclosure notifications in relation to shareholdings in Bossard Holding AG are published on the electronic publication platform of SIX Swiss Exchange and can be accessed via the search function of the disclosure office via the following link:

[www.ser-ag.com/en/home/publications/significant-shareholders.html](http://www.ser-ag.com/en/home/publications/significant-shareholders.html)

The following shareholders held more than 3 percent of the total voting rights in Bossard Holding AG as of December 31, 2021:

The Kolin Group – a shareholder group as per article 120seq. of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA) – consisting of Kolin Holding AG, Zug, and Bossard Unternehmensstiftung, Zug, owns 56.3 percent (2020: 56.3 percent) of total voting rights and 27.8 percent (2020: 27.9 percent) of capital entitled to dividend (with notification on September 17, 2021 due to change in the information subject to the obligation to notify). Kolin Holding AG is wholly controlled by the Bossard families. The individual members (shareholders) of the Bossard families are published on the electronic publication platform of SIX Swiss Exchange.

This shareholder group does not include shares without pooled voting rights, which are held by individual members of the Bossard families outside this shareholder group.

Bossard Holding AG is not aware of any other shareholders or groups of shareholders that held 3 percent or more of the total voting rights of Bossard Holding AG as of December 31, 2021.

### Cross-shareholdings

There are no cross-shareholdings with other companies.

### Changes in the articles of association

The board of directors proposes a revision of the articles of association to the annual general meeting of shareholders on April 11, 2022. The detailed information regarding the changes are outlined in the invitation to the annual general meeting of shareholders. The invitation can be accessed via the following link:

[www.bossard.com/en/about-us/investor-relations/annual-shareholders-meeting/](http://www.bossard.com/en/about-us/investor-relations/annual-shareholders-meeting/)

### Capital structure

#### Share capital

As of December 31, 2021 the ordinary share capital of Bossard Holding AG totaled CHF 40,000,000, of which

CHF 33,250,000 share capital relates to registered A shares and CHF 6,750,000 to registered B shares.

### Authorized and conditional capital

Bossard Holding AG holds 291,867 registered A shares (2020: 298,162) in reserve. These reserve shares can be used for management participation plans, acquisitions or other purposes in the interest of the company and carry no voting rights and are not entitled to dividends. Other than this, Bossard Holding AG does not hold any authorized or conditional capital.

### Changes in capital in the last three years

There were no changes in capital in the last three years.

### Shares

The share capital of Bossard Holding AG is CHF 40,000,000. It is divided into 6,650,000 registered A shares with a nominal value of CHF 5 per share and 6,750,000 registered B shares with a nominal value of CHF 1 per share (voting right shares). The share capital is fully paid in. With the exception of the own registered A shares held by Bossard Holding AG, (i) each registered share entered in the share register with voting rights is entitled to one vote (see also limitations on transferability and nominee registrations) and (ii) each registered share is entitled to a dividend. The measurement of voting rights by the number of registered voting right shares is not applicable for individual decisions specified in article 16 of the articles of association. Only registered A shares are listed on the

SIX Swiss Exchange under the Swiss Reporting Standard (formerly Domestic Standard). Registered B shares are wholly owned by Kolin Holding AG. As of December 31, 2021, Bossard Holding AG held 300,904 own registered A shares (including the 291,867 reserve shares mentioned under authorized and conditional capital) that represent 2.246 percent of the total shares of Bossard Holding AG. 9,037 (0.067 percent) of these shares are held by Bossard Holding AG as sales positions related to grants made under its management participation plan. For further details, please refer to the compensation report and notes 11 and 15 of the financial report.

Number of registered A shares at December 31, 2021:

Number of registered A shares	Number of registered shareholders	Registered A shares in %
1-100	3,518	2.5
101-1,000	2,425	11.5
1,001-10,000	324	13.8
10,001-100,000	46	15.4
> 100,000	7	19.1
<b>Total registered shareholders/shares</b>	<b>6,320</b>	<b>62.3</b>
Non-registered shares		<b>37.7</b>
<b>Total</b>		<b>100.0</b>

Number of holders of registered A shares at December 31, 2021:

	Shareholders in %	Shares in %
Individual entities	92.6	34.0
Legal entities	7.4	66.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Registered A shares by country at December 31, 2021:

	Shareholders in %	Shares in %
Switzerland	95.5	78.8
Great Britain	0.2	11.1
USA	0.5	4.1
Germany	2.0	1.7
Other countries	1.8	4.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Participation and profit-sharing certificates

Bossard Holding AG has not issued any participation or profit-sharing certificates.

### Limitations on transferability and nominee registrations

#### Limitations on share transferability

According to article 7 of the articles of association, the transfer of registered B shares is always subject to the approval of the board of directors, irrespective of the form

in which these shares were issued. The board of directors may reject such a request for good reason – primarily to protect the purpose of the company and to maintain its economic independence (article 9 of the articles of association). In particular, this includes the transfer of registered B shares to a competitor and a fiduciary transfer if the acquirer does not inform the board of directors in writing at its first request that she or he is acquiring the shares concerned in her or his own name and for her or his own account. Furthermore, the board of directors may refuse its approval if it offers to the seller or acquirer of the registered B shares that it will acquire these shares for the account of the company, other shareholders or third parties for at least their actual value at the time the request was made (article 8 of the articles of association). If there is good reason to do so, the board of directors may grant exceptions to these rules (no exceptions have been granted in the reporting year 2021). However, transfer requests containing incorrect information must always be rejected; a new, corrected request may subsequently be submitted (article 9 of the articles of association). For the incorporation or tightening of transferability restrictions, at least two-thirds of the votes represented and an absolute majority of the represented nominal share value are required a decision. The provisions also apply for registered B shares, which are acquired (subscribed) by the exercise of subscription, option or conversion rights, and for the establishment of usufruct of registered B shares.

### Nominee registrations

According to article 6 of the articles of association, the acquirer of a registered A share is entered in the share register with voting rights provided that she or he confirms that this share is held in her or his own name and for her or his own account.

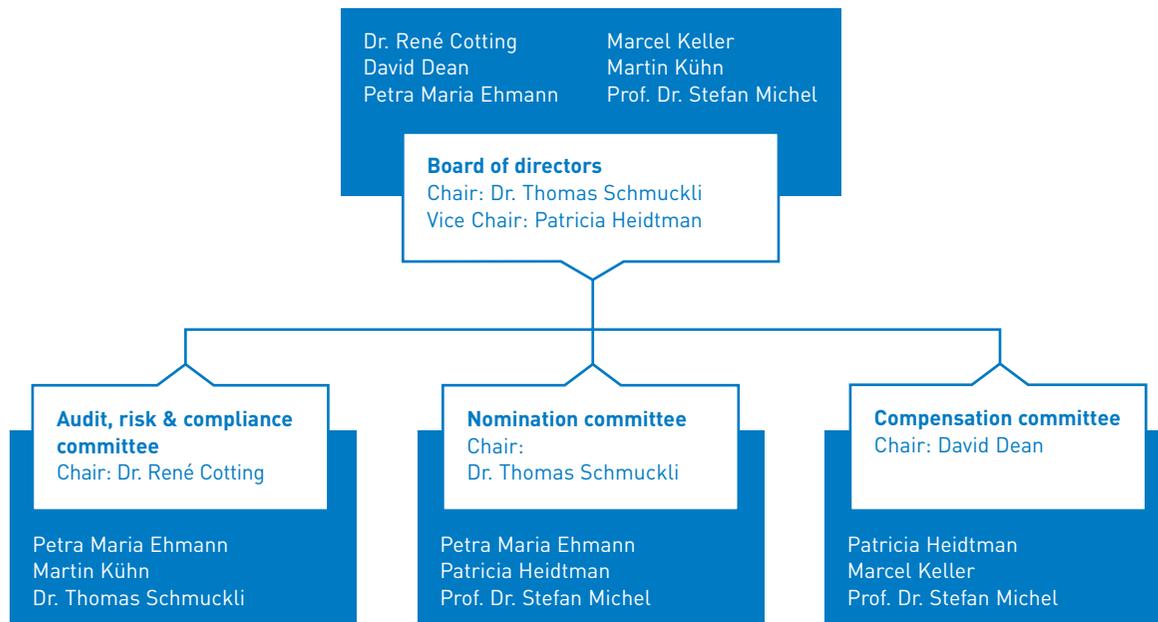
Up to a registration limit of 0.5 percent of the total number of registered A shares entered in the commercial register, anyone who does not expressly state that she or he is acting on her or his own account shall be acknowledged as being a nominee with voting rights. Beyond this registration limit, anyone who makes known to Bossard Holding AG the name, address and/or registered office of the person for whose account she or he holds more than 0.5 percent of the total number of registered A shares entered in the commercial register, shall be acknowledged as being a nominee with voting rights. Otherwise the acquirers of registered A shares shall be acknowledged or registered as shareholders without voting rights. The board of directors makes the necessary arrangements for the acknowledgement and registration of acquirers of registered A shares, and particularly also of nominees. These provisions also apply to registered A shares that have been acquired by exercising subscription, option or conversion rights as well as to the creation of rights of usufruct to registered A shares.

### **Outstanding bonds and options**

Bossard Holding AG currently has no bonds or convertible bonds outstanding. Information on conditional rights to receive registered A shares of Bossard Holding AG (outstanding options respectively Restricted Stock Units/RSUs) according to the management participation plan that is offered to selected members of the management of the Bossard Group is disclosed in section 6 of the compensation report and in note 15 of the financial report. Further detailed information can be accessed on the electronic publication platform of the SIX Swiss Exchange via the following link:

[www.ser-ag.com/en/home/publications/significant-shareholders.html?companyId=BOSSARD](http://www.ser-ag.com/en/home/publications/significant-shareholders.html?companyId=BOSSARD)

## Board of directors



## Members of the board of directors

As of December 31, 2021, the board of directors of Bossard Holding AG consisted of eight non-executive members. David Dean was CEO of the Bossard Group from 2005 to April 2019. None of the other members of the board of directors belonged to the executive committee in the past.

The board of directors had the following members as of December 31, 2021:

Name	Function	Appointed
Dr. Thomas Schmuckli	Chair	2007
Patricia Heidtman	Vice chair	2021
Dr. René Cotting	Member	2015
	Repr. of registered	
David Dean	A shares	2019
Petra Maria Ehmann	Member	2021
Marcel Keller	Member	2021
Martin Kühn	Member	2018
Prof. Dr. Stefan Michel	Member	2011

At the annual general meeting of shareholders on April 12, 2021, Maria Teresa Vacalli and Anton Lauber resigned from their positions as member of the board of directors (personal information on Maria Teresa Vacalli and Anton Lauber can be found in the annual report 2020 on the pages 57 and 61 via the following link: [www.bossard.com/en/about-us/investor-relations/financial-reports/](http://www.bossard.com/en/about-us/investor-relations/financial-reports/)). Petra Maria Ehmann and Marcel Keller were newly elected to the board of directors.

### Other activities and vested interests

Dr. Thomas Schmuckli, Patricia Heidtman and Martin Kühn were proposed for election by the majority voting rights shareholder, Kolin Holding AG, Zug, and were elected to the board of directors of Bossard Holding AG. Dr. Thomas Schmuckli is a member of the Bossard family, which has 100 percent control over Kolin Holding AG. The members of the board of directors do not perform any activities outside of the Bossard Group other than the mandates listed on pages 59 to 64 and therefore do not have any significant business relationships with Bossard Holding AG or one of the subsidiaries. Furthermore, they do not have any other significant external interests.

### Allowed number of mandates

According to article 44 of the articles of association, a member of the board of directors may, including his function for the company, at the same time take on a maximum of ten mandates, whereby chairmanships count as two mandates. A maximum of four mandates may be in listed companies. If the mandates assumed relate to legal entities that belong to the same group or are similarly related in terms of management, these mandates are considered a single mandate. There are no restrictions on the number of mandates (i) for mandates assumed in legal entities that are directly or indirectly controlled by Bossard Holding AG or that directly or indirectly control Bossard Holding AG, or (ii) if, in exercising the function for the Bossard Group, a mandate in another, related legal

entity is exercised. The actual number of additional mandates are listed on pages 59 to 64.

### Elections and terms of office

According to the articles of association, the board of directors consists of five to nine members. The chair of the board of directors and the other members of the board of directors are elected by the annual general meeting of shareholders for a period of one year (until the next ordinary annual general meeting of shareholders). Members are elected on an individual basis. The annual general meeting of shareholders also elects the chair of the board of directors. There are no statutory limits to the term of office; members may be re-elected. According to the OBR, however, a member of the board of directors shall offer to step down at the annual general meeting of shareholders following her or his 70th birthday. Each category of shareholders, namely the holders of registered A shares as a group are entitled to one seat on the board of directors. In 2021, David Dean was re-elected as the representative of the holders of registered A shares; holders of registered B shares with voting rights did not take part in this election. As a rule, the majority of the board members should be external members with no executive functions in the company. None of the members of the board of directors exercised any executive functions in the Bossard Group in the reporting year 2021.

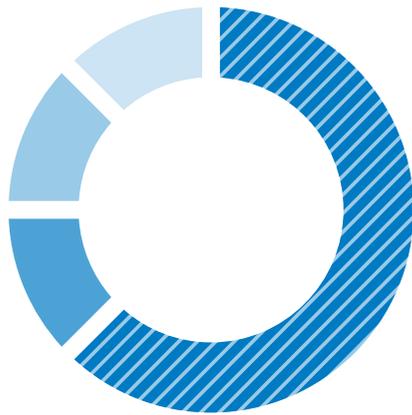
The following table shows the year in which each member was first elected to the board of directors as well as their function as of December 31, 2021:

Name	Function	First elected
Dr. Thomas Schmuckli	Chair <sup>1)</sup>	2000
Prof. Dr. Stefan Michel	Member <sup>2)</sup>	2011
Dr. René Cotting	Member <sup>3)</sup>	2015
Martin Kühn	Member <sup>4)</sup>	2018
	Repr. of registered	
David Dean	A shares <sup>5)</sup>	2019
Patricia Heidtman	Vice Chair <sup>6)</sup>	2019
Petra Maria Ehmann	Member <sup>7)</sup>	2021
Marcel Keller	Member <sup>8)</sup>	2021

- 1) Chair of the nomination committee (NC), member of the audit, risk & compliance committee (ARCC)
- 2) Member of the compensation committee (CC), member of the NC
- 3) Chair of the ARCC
- 4) Member of the ARCC
- 5) Chair of the CC
- 6) Member of the CC, member of the NC
- 7) Member of the NC, member of the ARCC
- 8) Member of the CC

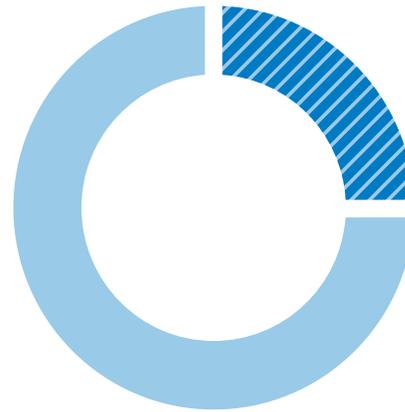
Until April 12, 2021, Maria Teresa Vacalli (first elected 2013) was member of the audit, risk & compliance committee (ARCC) and Anton Lauber (first elected 2006) member of the compensation committee (CC) as well as member of the nomination committee (NC).

### Term



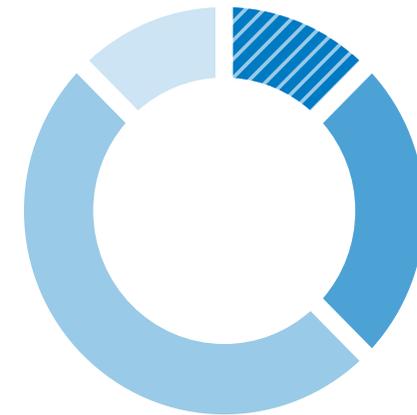
- < 5 years (62.5%)
- 5 to 8 years (12.5%)
- 9 to 12 years (12.5%)
- > 12 years (12.5%)

### Gender



- Women (25%)
- Men (75%)

### Age



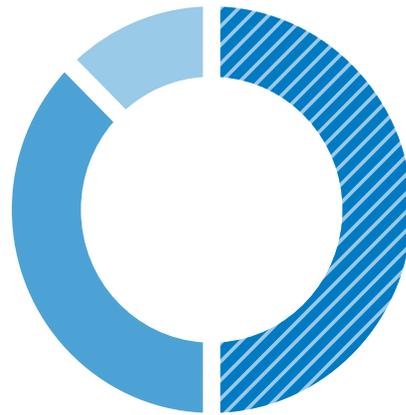
- 30 to 40 years (12.5%)
- 41 to 50 years (25%)
- 51 to 60 years (50%)
- 61 to 70 years (12.5%)

## Expertise/experience



- Industry/technology/innovation/digitalization (32%)
- Leadership/management (21%)
- Finance/accounting (16%)
- Governance/corporate sustainability (10%)
- International relations/markets (21%)

## Independence



- Independent/non-executive (50%)
- Independent/non-executive/proposed by majority voting rights shareholder <sup>1)</sup> (37.5%)
- Not independent/executive < 3 years (12.5%)

<sup>1)</sup> Members of the board of directors, which are proposed for election by the majority voting rights shareholder, are not classified independent by Ethos.

## Diversity and independence

The board of directors ensures that its composition fulfills criteria of diversity and independence as well as that the required skills are available for a critical exchange of ideas.

## Internal organization

### Allocation of duties within the board of directors

The board of directors of the Bossard Group is ultimately responsible for the Group's business policy and management. It is the company's highest management body and is entitled to make decisions on all matters which, by law, through the articles of association and/or under the regulations of Bossard Holding AG, are not the responsibility of the annual general meeting of shareholders, or which it has not transferred to other bodies through regulation or decision.

The board of directors has the following non-transferable and inalienable main tasks (article 23 of the articles of association):

- ultimate direction of the company, namely establishing the goals and policy, defining the resources available for same and the priorities, and issuing the instructions required for implementation
- determining the organizational structure
- defining finance and accounting as well as financial planning and control
- appointing and dismissing the CEO and other members of the executive committee and adopting provisions governing authorized signatories
- maintaining ultimate supervision of the CEO and other members of the executive committee
- exercising rights of participation from and to shareholdings/investments

- drawing up the annual report and the compensation report, preparing the annual general meeting of shareholders and implementing its resolutions
- notifying the judge in the event of excessive indebtedness
- adopting resolutions on subsequent payment of capital with respect to not fully paid-up shares
- adopting resolutions regarding the approval of capital increases and the resulting amendments to the articles of association

### Committees

To assist it in its duties, the board of directors has established three permanent committees:

- the audit, risk & compliance committee (ARCC)
- the nomination committee (NC)
- the compensation committee (CC)

These committees prepare specific issues for discussion by the board of directors. The overall integral responsibility of the board of directors is not affected by the activities of these committees or by any delegation of tasks to them. Ad hoc committees can be formed to deal with specific or time-limited projects or issues. Unless otherwise stipulated by the articles of association, the board of directors defines the composition, duties, competencies and compensation for these committees in the relevant regulations, which are periodically reviewed by the respective committee and are amended in accordance with any proposed amendments submitted to the board of di-

rectors by the latter. With exception to the CC, the board of directors may dismiss any of the committees it has appointed at any time.

Certain duties and competencies are assigned to the chair of the board of directors alone.

The board of directors has additionally delegated operational management and overall leadership of the Bossard Group as well as the related duties and competencies to the CEO. In turn, the CEO is authorized to arrange further delegation.

Detailed information on the division of duties within the board of directors can be found in the OBR, which is available via the following link:

[www.bossard.com/en/about-us/investor-relations/corporate-governance/organization-regulations/](http://www.bossard.com/en/about-us/investor-relations/corporate-governance/organization-regulations/)

Continued on page 65

# Board of directors



## Dr. Thomas Schmuckli-Grob (1963)

Swiss citizen

- Chair of the board of directors since 2007
- Chair of the nomination committee since 2007
- Member of the audit, risk & compliance committee since 2002
- Member of the board of directors since 2000
- Secretary to the board of directors from 1997 to 2000

### Professional background

Dr. Thomas Schmuckli-Grob currently works as a professional board member. Between 1993 and 2013, he held various management positions in the General Counsel division of Credit Suisse Group, primarily for M&A, Corporate & Institutional Clients and Asset Management, in Zurich. From 2000 to 2005, he was Head of Process and Product Management at Zuger Kantonalbank.

### Educational background

- Degree in law (LLB and LLD), University of Fribourg, Fribourg, Switzerland
- Accredited lawyer and notary, Zug, Switzerland
- Management studies, University of Zurich, Zurich, Switzerland
- Further studies in the fields of strategy, leadership, board of directors; and leading a family office, IMD, Lausanne, Switzerland

- Further studies in the fields of strategy and strategy development, HSG, St. Gallen, Switzerland
- Further studies in the field of finance, University of Zurich, Zurich, Switzerland

### Other activities and vested interests

- Chair of the board of directors, Credit Suisse Funds AG, Zurich, Switzerland \*)
- Member of the board of directors, MultiConcept (Luxembourg) S.A. (affiliate company Credit Suisse Funds AG), Luxembourg, Luxembourg \*)
- Member of the board of directors, Hans Oetiker Holding AG, Horgen, Switzerland
- Chair of the board of directors, Patria Genossenschaft, Basel, Switzerland
- Vice chair of the board of directors, Helvetia Holding AG and two subsidiaries, Basel/St. Gallen, Switzerland

\*) waiver of re-election, resignation from function as per Annual General Meeting in April 2022.



## Patricia Heidtman (1973)

Dual Swiss-US citizen

- Vice chair of the board of directors since 2021
- Member of the compensation committee since 2019
- Member of the nomination committee since 2019
- Member of the board of directors since 2019

### Professional background

Patricia Heidtman is working for SIKA since her studies and is a member of the SIKA group management since 2021 as the Chief Innovation and Sustainability Officer. From 2017 to 2021 she led the research & development team for thermoplastic systems in Sarnen, Switzerland. Prior to this, Patricia Heidtman spent around 14 years in the USA, most recently as Head of Innovation Management for products, processes and developments for the automotive industry.

### Educational background

- Master of Science, ETH Zurich, Zurich, Switzerland
- Executive education, London Business School, Lucerne, Switzerland
- Executive education, IMD, Lausanne, Switzerland



## Dr. René Cotting (1970)

Swiss citizen

- Chair of the audit, risk & compliance committee since 2015
- Member of the board of directors since 2015

### Professional background

Dr. René Cotting is since May 2021 CFO of Smartenergy Group, an investor, developer and operator of large solar, wind and green hydrogen plants, and is acting in this function as mandated CFO of the stocklisted (SIX) Edisun Power. From 1995 until April 2021 he has held various positions in Switzerland and abroad for the ABB Group. From 2013 until the end of May 2017, he was CFO of ABB Switzerland. On March 1, 2017, he was named Head of Operation, Innovation and R&D for the ABB Group and Chairman of ABB Technology Ventures. In the course of his professional activities, René Cotting gained experience in emerging markets, in particular in India, China and Poland.

### Educational background

- Degree in economics, social sciences and doctorate, University of Fribourg, Fribourg, Switzerland
- Further studies in the fields of strategy, finance, controlling and corporate management, IMD, Lausanne, Switzerland
- Further studies in the field of driving corporate performance, Harvard Business School, Boston, USA
- Further studies in the field of business marketing strategy, Kellogg School of Management Northwestern University, Evanston, USA
- Further studies in the field of Artificial Intelligence – Implications for Business Strategies, MIT Massachusetts Institute of Technology, Cambridge, USA
- Further studies in the field of venture capital, Wharton Business School, San Francisco, USA

### Other activities and vested interests

- Member of the board, CCI Cotting Consulting AG, Tafers, Switzerland
- Member, Representative Patria Genossenschaft, Basel, Switzerland
- Member of the board, Edisun Power Schweiz AG, Zurich, Switzerland



## David Dean (1959)

Swiss citizen

- Representative for holders of registered A shares since 2020
- Chair of the compensation committee since 2019
- Member of the board of directors since 2019

### Professional background

David Dean currently works as a professional board member. He was CEO of the Bossard Group from 2005 to 2019. From 1998 to 2004, he served as CFO of Bossard Group and has been with Bossard since 1992. Between 1990 and 1992, he was Corporate Controller and a member of the executive committee of an international logistics group. From 1980 to 1990, he worked for PricewaterhouseCoopers AG in various management functions in auditing and business consulting. In the course of his professional activities, David Dean gained experience in emerging markets, in particular in India, China, Malaysia, Thailand, Taiwan and South Korea.

### Educational background

- Swiss certified management accountant/controller, AKAD Business, Zurich, Switzerland
- Swiss certified public accountant, Expertsuisse, Zurich, Switzerland
- Executive education, Harvard Business School, Boston, USA
- Executive education, IMD, Lausanne, Switzerland

### Other activities and vested interests

- Member of the board of directors, Komax Holding AG, Dierikon, Switzerland
- Member of the board of directors, Burckhardt Compression Holding AG, Winterthur, Switzerland
- Member of the board of directors, Haag-Streit Holding AG, Köniz, Switzerland
- Member of the board of directors, Brugg Group AG, Brugg, Switzerland



**Petra Maria Ehmann** (1985)

German citizen

- Member of the nomination committee since 2021
- Member of the audit, risk & compliance committee since 2021
- Member of the board of directors since 2021

**Professional background**

Petra Maria Ehmann has been working for Google since 2018 as Global Lead for Product Partnerships for the innovation technology augmented reality. From 2016 to 2018, she drove new business development for Google Advertising & Commerce in EMEA and prior to that for Google Maps and Google Finance for EMEA and APAC. From 2012, Petra Maria Ehmann worked as Head of Business Intelligence at the internet startup Kekanto in Sao Paulo, Brazil. Prior to that she worked as a Senior Business Analyst at A.T. Kearney. From 2008 to 2009 she gained her first work experience at Bosch in steel supply in Toluca, Mexico, and at Hilti in lean warehouse logistics in Shanghai, China.

**Educational background**

- Bachelor of Science in mechanical engineering, ETH Zurich, Zurich, Switzerland
- Master of Science in management science and engineering, Stanford University, Palo Alto, USA

**Other activities and vested interests**

- Member of the board of trustees, Swiss Science Center Technorama, Winterthur, Switzerland
- Member of the board, We Shape Tech, Zurich, Switzerland



**Marcel Keller** (1968)

Swiss citizen

- Member of the compensation committee since 2021
- Member of the board of directors since 2021

**Professional background**

Marcel Keller is a member of the executive board of Vorwerk International, Wollerau, since 2018 and responsible for digital transformation and Group IT as well as for the markets in North America and Asia with a focus on China. From 2001 to 2018, he held various management positions at Hewlett Packard, most recently as COO and VP Strategy, Planning and Operations at Hewlett Packard Enterprise Technology Services in Palo Alto, USA.

**Educational background**

- Business degree, KV Business School Zurich, Zurich, Switzerland

**Other activities and vested interests**

- Member of the board, Vorwerk International & Co. KmG, Wollerau, Switzerland
- Member of the board of directors, Jafra International, Westlake, USA
- Chair of the board of directors, Vorwerk Household Appliances Manufacturing (Shanghai) Co., Ltd., Shanghai, China
- Chair of the board of directors, Vorwerk Household Appliances Co., Ltd., Shanghai, China



### **Martin Kühn** (1976)

Swiss citizen

- Member of the audit, risk & compliance committee since 2018
- Member of the board of directors since 2018

#### **Professional background**

Since 2010 Martin Kühn is working for the KIBAG Group in Zurich, since 2014 as CFO and member of the executive committee. He is responsible for finance, ICT, human resources, real estate, KIBAG Marina and the technical services of the construction and building materials company. From 2002 to 2010, he had been employed at PricewaterhouseCoopers AG national and international as an auditor and M&A consultant for industrial clients. Prior to that, he worked two years for UBS.

#### **Educational background**

- Business economist FH, University St. Gallen, St. Gallen, Switzerland
- Swiss certified public accountant, Academy of Public Accountants, Zurich, Switzerland

#### **Other activities and vested interests**

- Member of the board of directors, Kannewischer Ingenieurbüro AG, Cham, Switzerland
- Member of the board of directors, Runwaysafe AB, Gothenburg, Sweden
- Member of the foundation board, pension fund KIBAG Group, Zurich, Switzerland
- Member of the foundation board, employee foundation KIBAG Group, Zurich, Switzerland
- Member of the audit commission, Bürgergemeinde Zug, Zug, Switzerland



### **Prof. Dr. Stefan Michel** (1967)

Swiss citizen

- Member of the compensation committee since 2021
- Member of the nomination committee since 2015
- Member of the board of directors since 2011

#### **Professional background**

Prof. Dr. Stefan Michel is a professor for marketing and service management and director of the executive MBA at the IMD Business School in Lausanne, Switzerland since 2008. Between 2003 and 2008, he was a professor at the Thunderbird School of Global Management in Arizona, USA. Prior to this, he taught as a professor at the Lucerne University of Applied Sciences and Arts, managed a family-run hotel and worked at Bank Leu in Zurich.

#### **Educational background**

- Degree in economics and doctorate in marketing, University of Zurich, Zurich, Switzerland

#### **Other activities and vested interests**

- Member of the foundation board (school representative), IMD, Lausanne, Switzerland
- Chair of the foundation board, Swiss Association for Marketing GfM, Zurich, Switzerland
- Member of the board of directors, Peka Systeme AG, Mosen, Switzerland
- Owner, Business School Press AG, Zug, Switzerland

Continued from page 58

### Working methods of the board of directors

The board of directors normally meets six to eight times per year, but is available to discuss matters at short notice should this be required. A member of the board of directors may request that additional meetings be convened by providing written justification to the chair of the board of directors. The duration of board and committee meetings depends on the respective agenda. In 2021, a total of six full-day board meetings were held (two of these meetings were held virtually), as well as a two-day retreat and one shorter conference call. The board of directors holds a retreat once a year, which lasts for several days and is used for analyzing the strategic risk/opportunities mix and for fundamentally reviewing the strategy. In 2021, the retreat took place in Hamburg, Germany. Thereby, the board of directors was intensively discussing with representatives of the executive committee the strategy regarding the aerospace industry as well as the current strategy cycle ("Bossard 200 Strategy").

Board of directors	Function	Participation 2021	Participation 2021 in %
Dr. Thomas Schmuckli	Chair	8/8	100
Patricia Heidtman	Vice Chair	8/8	100
Dr. René Cotting	Member	8/8	100
	Repr. registered		
David Dean	A shares	8/8	100
Petra Maria Ehmann <sup>1)</sup>	Member	5/5	100
Marcel Keller <sup>1)</sup>	Member	5/5	100
Martin Kühn	Member	8/8	100
Prof. Dr. Stefan Michel	Member	8/8	100
Anton Lauber <sup>2)</sup>	Vice Chair	3/3	100
Maria Teresa Vacalli <sup>2)</sup>	Member	3/3	100

1) Election to the board of directors in April 2021

2) Resignation from the board of directors in April 2021

The chair invites the members to the meetings in writing, enclosing the agenda and any relevant documents. The invitations are sent out at least seven days before the meeting. Each member of the board of directors may request the chair to add further items to the agenda. The meeting is presided by the chair of the board or, in his absence, by the vice chair. The board of directors is quorate if the majority of its members is present. The board of directors makes decisions based on an absolute majority of the votes cast. Each member of the board of directors has one vote. If a vote is tied, the chair has the casting vote. Minutes must be taken detailing the negotiations and decisions of the board of directors; these minutes must be approved by the board of directors. In particularly urgent cases the chair may require the board to reach a decision

by conference call. Such decisions must be included in the minutes of the next board meeting. To ensure that the board of directors receives sufficient information to reach decisions, it invites the CEO, the CFO and – if necessary – other members of the executive committee, members of staff or third parties to attend meetings.

The chair, the CEO, the CFO and other representatives of the executive committee meet regularly to discuss fundamental corporate matters. These include the Group's strategy, medium-term financial, operational and succession planning, organizational issues and market consolidation. If there is a conflict of interests, the board or executive committee members concerned abstain from voting.

The board of directors evaluates and assesses its own performance at regular intervals (most recently in March 2021) – of each individual member as well as of the board as a whole – and determines, if necessary, actions to take to improve the in- and output.

## Composition/working methods of the board's committees

The functions of the three permanent board committees are primarily analytical, advisory and supervisory. They also have decision-making authority in certain individual cases.

### Audit, risk & compliance committee (ARCC)

The ARCC consists of at least three members elected by the board of directors from among its members, for a period of office lasting from one ordinary annual general meeting of shareholders until completion of the next ordinary annual general meeting of shareholders. As of December 31, 2021, the members of the ARCC were Dr. René Cotting (chair), Dr. Thomas Schmuckli, Petra Maria Ehmann and Martin Kühn. The ARCC meets at least three times per year: in the summer, to define the scope and key points of the annual audit with the audit company, in late fall to discuss the findings from the main audit and the existence and effectiveness of the internal control system (ICS), and in February, to discuss the result of the audit of annual accounts. These meetings are attended by the chair of the board of directors (unless she or he is already a member of the ARCC), the CFO, the Head of Group Controlling and at least one representative of the external auditors. The CEO, other members of the executive committee and other persons (internal or external) may be invited to attend the meetings, depending on the agenda. The minutes of these meetings are circulated to all members of the board of directors, the CFO

and the CEO, as well as to those who attended the meeting. In addition, the ARCC regularly reports on its activities to the board of directors at meetings of the latter. In 2021, the ARCC held four meetings (one of these meetings was held virtually). On average, the meetings lasted half a day. In addition, two shorter conference calls were held.

Audit, risk & compliance committee	Function	Participation 2021	Participation 2021 in %
Dr. René Cotting	Chair	6/6	100
Petra Maria Ehmann <sup>1)</sup>	Member	4/4	100
Martin Kühn	Member	6/6	100
Dr. Thomas Schmuckli	Member	6/6	100
Maria Teresa Vacalli <sup>2)</sup>	Member	2/2	100

1) Member since April 2021

2) Member until April 2021

The ARCC ensures that the board of directors is informed of all matters that could significantly impact the financial situation of the Bossard Group and the business environment. The primary duty of the ARCC is to support the board of directors in its ultimate supervisory role and in its financial management activities. In particular, with the assistance of the external auditor it reviews the structures and processes in the area of finance and accounting, thus ensuring that financial reporting and audit activities are transparent and comply with the related legislation. The ARCC also evaluates the effectiveness of the ICS and the internal audit, risk management and compliance with tax-related and other statutory and

regulatory provisions as well as corporate ethics. Furthermore, the ARCC works closely together with the external auditor and evaluates the performance, independence and remuneration of the external auditor. The board of directors has drawn up in the rules and regulations of the audit, risk & compliance committee the detailed regulations on the areas of activity and competencies of the ARCC.

### Compliance

The board of directors is kept continuously informed of all major matters affecting the compliance principles. The statutory auditors additionally inform the board of directors on reports it has received on matters of a legal nature. An evaluation of such reports received in 2021 did not reveal anything new but confirmed what the board of directors already knew. Ultimate supervision of compliance matters rests with the board of directors.

### Restricted periods for trading shares

The board of directors implements processes to prevent insider trading. For the board of directors, the executive committee, the extended executive committee, the finance department of the Bossard Group, the senior management, which may come into possession of price-relevant information, as well as the Kolin Group, defined block out periods apply regarding the trading with registered A shares of Bossard Holding AG. The trading window is closed for at least 14 trading days prior to the publication of the quarterly, half-yearly and annual results

for the aforementioned group of persons of Bossard Group. A longer block out period applies from mid-December until the publication of the annual report (beginning of March). No exceptions were granted in the reporting year.

### Nomination committee (NC)

The NC consists of at least three members elected by the board of directors from among its members, for a period of office lasting from one ordinary annual general meeting of shareholders until completion of the next ordinary annual general meeting of shareholders. A representative of the A shareholder group on the board of directors is entitled to a seat on the NC. As of December 31, 2021, the members of the NC were Dr. Thomas Schmuckli (chair), Petra Maria Ehmann, Patricia Heidtman and Prof. Dr. Stefan Michel. The NC meets as required, but at least twice a year. Normally also the CEO and the chair of the board of directors (unless she or he is already a member of the NC) attend the meeting. Other members of the executive committee and other persons (internal or external) may be invited to attend the meetings, depending on the agenda.

The minutes of these meetings are circulated to all members of the board of directors and the CEO, as well as to those who attended the meeting. The NC also regularly reports to the board of directors at the latter's meetings on its activities and, at least once a year, in detail on the progress of the nomination process. In 2021, the NC met

for two meetings (one of these meetings was held virtually); each of these meetings lasted on average three hours. In addition, a shorter conference call was held.

Nomination committee	Function	Participation 2021	Participation 2021 in %
Dr. Thomas Schmuckli	Chair	3/3	100
Petra Maria Ehmann <sup>1)</sup>	Member	2/2	100
Patricia Heidtman	Member	3/3	100
Prof. Dr. Stefan Michel	Member	3/3	100
Anton Lauber <sup>2)</sup>	Member	1/1	100

1) Member since April 2021

2) Member until April 2021

The NC prepares all relevant business with regard to the nomination of members at strategic and operational management levels of the Bossard Group for the meetings of the board of directors and has the following main tasks:

- periodically reviewing the composition of the board of directors
- developing criteria and requirement profiles for election/re-elections to the board of directors, the CEO and, in collaboration with the CEO, the other members of the executive committee
- supporting the board of directors in implementing selection processes for the nomination of candidates for the board of directors and, in collaboration with the CEO, the executive committee
- providing possible training to the board of directors in relation to its duties

- ensuring succession planning for members of the board of directors, the executive committee and, in collaboration with the CEO, the deputies on the executive committee
- developing annual objectives to be submitted to the board of directors for the CEO (in collaboration with the chair of the board of directors), defining the annual objectives of the other members of the executive committee and assessing the performance of the CEO and the other members of the executive committee (with the assistance of the chair of the board of directors and the CEO). If necessary, the NC requests from the board of directors measures to improve performance
- submitting applications concerning the election and dismissal of members of the board of directors of the more important Group companies

The board of directors has drawn up in the nomination committee regulations the detailed regulations on the areas of activity and competencies of the NC.

## Compensation committee (CC)

The CC consists of at least three members of the board of directors individually elected as members of the CC by the annual general meeting of shareholders for a period of office until completion of the next ordinary annual general meeting of shareholders. Subject to election by the annual general meeting of shareholders, the representative of the A shareholder group on the board of directors is entitled to a seat on the CC. David Dean (re-election), Patricia Heidtman (re-election), Marcel Keller (new election) and Prof. Dr. Stefan Michel (re-election) were elected to the CC at the annual general meeting of shareholders on April 12, 2021. The board of directors appointed David Dean as the chair of the CC. The CC meets as required, but at least twice a year. The members of the executive committee and other persons (internal or external) may be invited to attend the meetings, depending on the agenda. Normally, the CEO attends the meetings of the CC. The minutes of these meetings are circulated to all members of the board of directors and the CEO, as well as to those who attended the meeting. The CC also regularly reports to the board of directors at the latter's meetings on its activities and, at least once a year, in detail on the progress of the compensation process. In 2021, the CC held two meetings (one of these meetings was held virtually), each lasted on average half a day. In addition, a shorter conference call was held.

Compensation committee	Function	Participation 2021	Participation 2021 in %
David Dean	Chair	3/3	100
Patricia Heidtman	Member	3/3	100
Marcel Keller <sup>1)</sup>	Member	2/2	100
Prof. Dr. Stefan Michel <sup>2)</sup>	Member	3/3	100
Anton Lauber <sup>3)</sup>	Member	1/1	100
	Guest/no voting rights		
Dr. Thomas Schmuckli		3/3	100

1) Election to the CC in April 2021

2) Election to the CC in April 2021, participation in the first meeting as a guest with no voting rights

3) Resignation from the CC in April 2021

The CC prepares all relevant business with regard to the compensation of members at strategic and operational management levels of the Bossard Group for the meetings of the board of directors and has the following main tasks:

- developing the general remuneration principles and the remuneration system for the board of directors, the CEO and the other members of the executive committee for the board of directors to make a decision on
- developing the guidelines governing the structure of the occupational pension scheme for the CEO and the other members of the executive committee for the board of directors to make a decision on
- periodically reviewing the compensation system and proposing any necessary changes to the board of directors
- preparing the annual compensation report to be submitted to the board of directors for the annual general

meeting of shareholders and, where applicable, preparing other reports as requested

- submitting proposals concerning the compensation of the individual members of the board of directors, the CEO and the other members of the executive committee
- checking and approving employment contracts as well as other agreements with members of the executive committee
- if the CC considers necessary, the assignment, the supervision and the critical evaluation of the results of advisers or the comparison with third party companies regarding the compensation practices

The board of directors has drawn up in the compensation committee regulations detailed regulations on the areas of activity and competencies of the CC.

### Division of responsibility

The division of responsibility between the board of directors and the executive committee is defined in the OBR in accordance with article 23, paragraph 2 and article 25 of the articles of association. These describe the non-transferable and inalienable duties which are vested in the board of directors by law, and also govern the duties and powers of the executive committee. The OBR define the duties and competencies of the board of directors, the chair of the board of directors and the CEO. The CEO is entitled to delegate tasks.

Furthermore, the OBR lay down the procedures to be followed in the event of a conflict of interests: a member of the board of directors and/or executive committee must abstain from voting if matters are discussed which touch on that member's personal interests or the interests of an individual or legal entity associated with the member.

Regulations on the division of responsibility are set out in the OBR. These are available via the following link: [www.bossard.com/en/about-us/investor-relations/corporate-governance/organization-regulations/](http://www.bossard.com/en/about-us/investor-relations/corporate-governance/organization-regulations/)

### **Information and control instruments with regard to the executive committee**

The board of directors ensures that the executive committee establishes and maintains an internal control system (ICS), which is adapted to the dimensions of the Bossard Group and the risks involved in its business activities. The external auditors review the existence of the ICS as part of its annual audit and submit an annual report to the board of directors. The internal audit is functionally integrated in Group Controlling and directly reports to the chair of the ARCC with regard to its activities.

Each member of the board of directors may request information concerning all matters relating to Bossard Holding AG. The board of directors receives monthly updates on the Group's financial development. It receives a written monthly report consisting of the income statement, various balance sheet items and the main key figures. The information is based on the internal management information system and includes the current and budget data as well as regular projections based on current trends and expectations.

This written report is supplemented at each board meeting by verbal reports from the executive committee. In special cases the CEO informs the board of directors about the specific issue promptly in writing and/or verbally. The chair of the board of directors also maintains regular contact with the CEO and the CFO and is informed by them about all business transactions and matters of fundamental importance.

Outside the meetings of the board of directors, each member can request information from persons responsible for management concerning the course of business and, with authorization from the chair, individual transactions.

[Continued on page 74](#)

# Executive committee

## Dr. Daniel Bossard (1970)

Swiss citizen

– Group CEO since 2019

### Professional background

From 2009 to 2018, Dr. Daniel Bossard was CEO Northern and Eastern Europe. From 2006 to 2008, he served as sales & marketing manager of Bossard Group and was responsible for the reorientation of Bossard's sales strategy as well as the development of international customer relations. From 2003 until 2006, he was CEO of Bossard Denmark. Dr. Daniel Bossard joined Bossard in 2000 as an e-business manager, after having worked as a consultant for Accenture (formerly Andersen Consulting).

### Educational background

– Business administration degree and doctorate in technology management, University of St. Gallen, St. Gallen, Switzerland

### Other activities and vested interests

– Member of the board of directors, Schweiter Technologies AG, Steinhausen, Switzerland



## Stephan Zehnder (1965)

Swiss citizen

– Group CFO since 2005

### Professional background

Stephan Zehnder took over the function as group controller of Bossard Group in 1998, remaining in this position until the end of 2004. From 1996 to 1997, he was a controller in Bossard's corporate finance team. Prior to this, he was employed by various international companies in functions concerned with finance and controlling.

### Educational background

– MBA in Finance, Graduate School of Business Administration and University of Wales, Zurich, Switzerland





**Beat Grob** (1962)

Swiss citizen

- CEO Central Europe since 2006

**Professional background**

From 2005 to 2016 Beat Grob was managing director of Bossard Switzerland. He joined Bossard in 1995 as a project manager in logistics; the following year, he became head of logistics for Bossard Group.

**Educational background**

- Degree in law, University of Zurich, Zurich, Switzerland
- Postgraduate MBA, University of San Diego, San Diego, USA

**Other activities and vested interests**

- Chair of the board of directors, Kolin Holding AG, Zug, Switzerland
- Member of the board of directors, Aeschbach Holding AG, Zug, Switzerland
- Member of the foundation board, Bossard Unternehmensstiftung, Zug, Switzerland
- Member of the board of directors, Imbach & Cie AG, Nebikon, Switzerland



**Dr. Frank Hilgers** (1966)

German citizen

- CEO Northern & Eastern Europe since 2019
- Group CCO since 2015

**Professional background**

Dr. Frank Hilgers has been CEO Northern and Eastern Europe since May 2019. Since 2015, he has been responsible for the group-wide management of branded products and high quality fastening solutions (Chief Category Officer, CCO). He has also headed the business units of KVT-Fastening since 2012. From 2009 to 2012, he was a member of the KVT-Koenig management team responsible for sales, product management and the fastening systems division. During his employment at Continental between 2007 and 2009, he was in charge of all national organizations of the spare parts business and key account management in the Commercial & Special Vehicle area. From 2004 to 2007, Dr. Frank Hilgers headed Group Strategy and Corporate Development at Siemens VDO Automotive and was instrumental in the turnaround and sale of this Siemens segment. As senior manager for strategy, Dr. Frank Hilgers headed major international projects at Accenture (formerly Andersen Consulting) from 1997 until 2004, and was responsible for automotive suppliers and the shareholder value initiative in the German speaking countries.

**Educational background**

- Degree in chemistry and doctorate, University of Stuttgart, Stuttgart, Germany
- Executive MBA (Accenture Program), Kellogg School of Management Northwestern University, Evanston, USA

**Other activities and vested interests**

- Member of the advisory board, enersis suisse AG, Bern, Switzerland



### David Jones (1970)

Citizen of the USA

- CEO America since 2021

#### Professional background

From 2013 until 2020, David Jones was responsible for the global automotive business as part of the Sika Group. Prior to that, from 2010 to 2013, he managed the industry- and automotive business in North America for Sika Corporation. From 2004 to 2010, David Jones served as a Key Account Manager and later as the Vice President of Engineering for Sika Corporation. While living in Switzerland, from 2000 to 2004, he was the Director of Engineering and Global Account Manager, supporting the integration of newly acquired automotive based business for Sika AG. Between 1995 and 2000, David Jones held positions as Project Manager & Key Account Manager for Sika Corporation and was a Release Engineer for General Motors in 1994.

#### Educational background

- Bachelor degree in Mechanical Engineering, Lawrence Technological University, Southfield, USA
- MBA, Ross School of Business, University of Michigan, Ann Arbor, USA
- Executive education, IMD, Lausanne, Switzerland



### Robert Ang (1963)

Citizen of Singapore

- CEO Asia since 2009

#### Professional background

From 2005 until 2009, Robert Ang was responsible for Bossard Greater China (China, Taiwan) and prior to that, the Southeast Asia region. From 1997 until 1999, he was CEO of Bossard Singapore. Robert Ang managed his own company from 1994 until it was acquired by Bossard in 1997. He spent the four years prior as a product manager for Conner Peripherals and Optics Storage Pte Ltd. in Singapore. Between 1986 and 1989 he worked as a buyer at Printronix AG.

#### Educational background

- Diploma in business administration, Thames Business School, Singapore, Singapore
- Diploma in mechanical engineering, Singapore Polytechnic, Singapore, Singapore
- MBA, Lee Kong Chian School of Business, Singapore, Singapore



## Rolf Ritter (1969)

Dual Swiss-US Citizen

– CSO M&A and Business Development since 2021

### Professional background

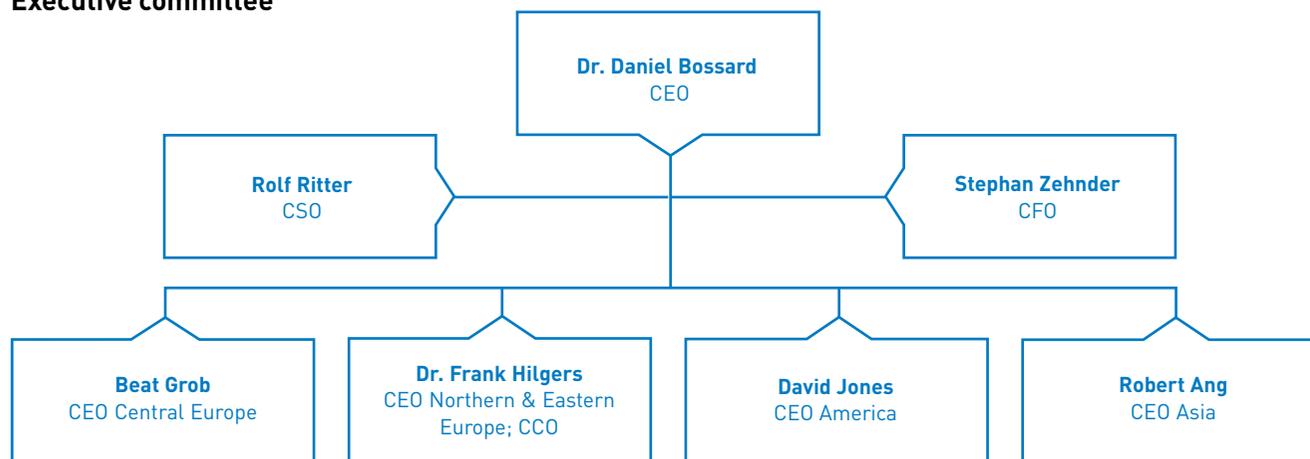
Rolf Ritter joined Bossard in January 2020 as VP of M&A and Business Development (Chief Strategy Officer). In 2014, he founded his own consulting company in Miami, USA, and started investing in tech startups and providing strategic M&A advice to various companies. In addition, Rolf Ritter taught an EMBA in Information Technology at Florida International University. From 2009 to 2014, he was CEO of BDT Media Automation GmbH, Rottweil, Germany, a global technology leader in data archiving with production facilities in Germany, Mexico, China and Singapore. Rolf Ritter joined Bossard in 2004 as General Manager at Bossard France after having worked as project manager and consultant for Volkswagen, Accenture and SIG in Mexico, Brazil, Germany and Switzerland.

### Educational background

– Business administration degree, HSG, St. Gallen, Switzerland

Continued from page 69

**Executive committee**



**Members of the executive committee**

The board of directors has delegated the management of the Group to the CEO. He is responsible for the Group’s operational management. The CEO has delegated individual tasks to the members of the executive committee. Supervision and control of the executive committee is the responsibility of the CEO. The executive committee handles matters relevant to the management of the Bossard Group and is the forum for systematic exchange of information. After consultation with the executive committee, the CEO develops the strategic initiatives of the Group to achieve the corporate objectives.

The executive committee had the following members as of December 31, 2021:

Name	Function	Joined company	Appointed
Dr. Daniel Bossard	CEO	2000	2019
Stephan Zehnder	CFO	1996	2005
Beat Grob	CEO Central Europe	1995	2006
	CEO Northern & Eastern Europe, CCO		
Dr. Frank Hilgers		2012	2019/2015
David Jones	CEO America	2021	2021
Robert Ang	CEO Asia	1997	2009
	CSO, M&A, business development (CSO)		
Rolf Ritter		2020	2021

With press release on February 1, 2021, the Bossard Group announced that Steen Hansen, CEO America, is leaving the Bossard Group. David Jones has been unanimously elected by the board of directors as successor (transition as of February 1, 2021). David Jones newly joined the Bossard Group. Further, Rolf Ritter has been appointed as a member of the executive committee as of May 1, 2021.

With press release on December 13, 2021 the Bossard Group informed that Beat Grob, CEO Central Europe, will leave the Bossard Group at his own request at the end of April 2022.

### Other activities and vested interests

The executive committee members do not perform any other activities outside the Bossard Group apart from the mandates listed on pages 70 to 73. Furthermore, they do not have any other significant vested interests. Beat Grob and Dr. Daniel Bossard are members of the Bossard families, which have 100 percent control over Kolin Holding AG. Beat Grob is chair of the board of directors of Kolin Holding AG. Individual members of the executive committee carry out executive functions at Bossard Holding AG subsidiaries.

### Allowed number of mandates

According to article 44 of the articles of association, a member of the executive committee may at the same time, alongside his function for the company, take on a maximum of five material mandates, with a maximum of one chairmanship, which counts as two mandates. A maximum of two out of these five mandates may be in listed companies. If the mandates assumed relate to legal entities that belong to the same group or are similarly related in terms of management, these mandates are considered a single mandate. There are no restrictions on the number of mandates (i) for mandates assumed in legal entities that are directly or indirectly controlled by Bossard Holding AG or that directly or indirectly control Bossard Holding AG, or (ii) if, in exercising the function for the Bossard Group, a mandate in another, related legal entity is exercised. The actual number of additional mandates are listed on pages 70 to 73.

### Management contracts

There are no management contracts between the Group and companies or persons to whom management tasks have been delegated.

### Compensation, participations and loans

This information is provided in the compensation report.

### Shareholders' participation rights

Shareholders' participation rights are defined solely according to the Swiss Code of Obligations (OR) and the articles of association. The articles of association are available on the Bossard website via the following link: [www.bossard.com/en/about-us/investor-relations/corporate-governance/articles-of-association/](http://www.bossard.com/en/about-us/investor-relations/corporate-governance/articles-of-association/)

### Voting right restrictions and representation (articles 16 to 18 of articles of association)

Registered B shares are voting right shares. At the annual general meeting of shareholders each share registered with voting rights is entitled to one vote. The voting rights for registered A shares may be exercised by anyone entered in the share register as the owner or beneficiary. A shareholder entitled to vote can have her- or himself represented at the annual general meeting of shareholders by the independent proxy, or – with written power of attorney – by any other person. Legal representatives do not require a written power of attorney. In the invitation to the annual general meeting of shareholders, the board of directors shall make known the date by which the share-

holders may issue their powers of attorney and instructions to the independent proxy, including by electronic means. Shareholders can issue a special instruction to the independent proxy for each motion announced on the agenda sent out in the invitation.

Shareholders may issue general instructions to the independent proxy for other motions on agenda items proposed at the annual general meeting of shareholders as well as for motions for convening extraordinary general meetings without any agenda and the performance of a special audit. The independent proxy is obliged to exercise as instructed the voting rights that have been transferred to her or him by the shareholders. If she or he has not received any instructions, she or he shall abstain from voting.

The measurement of voting rights by the number of shares with voting rights is not applicable for:

- electing the external auditor
- appointing experts to review the management of the business or individual parts thereof
- making decisions on the initiation of a special audit
- making decisions on the filing of a liability claim

### **Statutory quorum (article 19 of articles of association)**

The annual general meeting of shareholders makes its decisions and holds its elections with an absolute majority of the valid votes cast, provided there are no legal provisions or provisions in the articles of association to the contrary. In a second ballot, the relative majority decides the outcome.

At least two-thirds of the votes represented and an absolute majority of the represented nominal share value are required for decisions on:

- a change to the corporate purpose
- an increase in the voting power of existing voting shares and the issue of new shares with more extensive voting privileges than those of existing voting shares
- the introduction of more stringent transferability restrictions
- an approved or conditional capital increase
- a capital increase from equity, subscribed in kind or for granting special privileges
- the restriction or withdrawal of subscription rights
- the relocation of the company domicile
- the dissolution of the company

Decisions and elections are generally settled by open ballot. A secret ballot or election is held if required by the chair or if one or more shareholders who together hold at least 10 percent of the represented voting shares request it.

### **Convocation of the annual general meeting of shareholders (articles 12 and 13 of articles of association)**

The ordinary annual general meeting of shareholders is held each year at the latest four months after the end of the financial year. It is convened by the board of directors by announcing the venue, date and time of the meeting and the invitation is published at least 20 calendar days before the meeting, along with the agenda, motions and the required form of proving share ownership.

Due to the extraordinary situation related to the COVID-19 pandemic, shareholders were not able to attend the 2021 annual general meeting of shareholders in person. Based on article 27 of the COVID-19 Ordinance 3, the board of directors decided that shareholders may only exercise their rights at the 2021 annual general meeting of shareholders through the independent proxy. The chair of the board of directors, the independent proxy, a representative of Devigus Shareholder Services AG as well as the General Counsel were physically present. In addition, the statutory auditors, the chair of the CC and the ARCC as well as the CEO and the CFO of the Bossard Group were connected via video conference. In addition, the shareholders were kept informed with a video message from Dr. Thomas Schmuckli and Dr. Daniel Bossard on the day after the annual general meeting of shareholders.

At the issuance of this report, the board of directors is considering how to conduct the annual general meeting

of shareholders 2022 due to the COVID-19 situation. The shareholders will be informed in due time.

With the publication (SHAB) of the request for items to be placed on the agenda as of January 25, 2022, the board of directors invites shareholders to submit any requests for items to be included on the agenda, together with the proposals formulated, by February 18, 2022.

One or more shareholders who together represent at least 10 percent of the share capital, can request the board of directors to convene a general meeting of shareholders.

### **Inclusion of items on the agenda**

Shareholders themselves or collectively representing shares with a nominal value of at least 0.75 percent of the share capital are entitled to have an item placed on the agenda. By publication in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt/SOGC) at least 20 calendar days before the publication of the invitation for the ordinary annual general meeting of shareholders, the board of directors requests the shareholders, that are fulfilling the mentioned requirements, to submit any items to be placed on the agenda with the respective motions within the time stated.

### **Entry in the share register (article 5 of articles of association)**

The company keeps a share register in which owners and beneficiaries are inscribed with their names and addresses. The company must be notified of any change of address. Until this notification is received, all information for registered shareholders must be sent to the legally valid address entered in the share register.

In the invitation to the annual general meeting of shareholders, the board of directors announces the date by which an entry in the share register must be made in order to attend the meeting and vote.

Entry in the share register is subject to advance proof that ownership of the registered A shares was acquired or that usufruct has been granted (the conditions for transfer of ownership and the registration requirements for registered B shares are governed by articles 7 to 9 of the articles of association). Shareholders are entered with voting rights if they expressly declare that the shares in question are held in their own name and for their own account.

The company only recognizes a person as a shareholder or beneficiary if this person is registered as such in the share register.

The voting right and the associated rights may only be exercised by the person registered in the share register as having voting rights.

The board of directors can delete entries made on the basis of false information by the acquirer. It will implement this measure within one year, backdated to the date of the entry, after receiving definite information about the error and hearing the person concerned. The person concerned must be notified of the deletion immediately.

### **Changes of control and defense measures**

#### **Duty to make an offer**

According to FMIA, anyone, who directly or indirectly or acting in concert with third parties, acquires shares and thereby exceeds the threshold of 33 1/3 percent of the voting rights of Bossard Holding AG must make a takeover offer for all outstanding shares. Bossard Holding AG has waived its opportunity to modify (opting-up) or dispense (opting-out) with this regulation.

#### **Clauses on changes of control**

The employment agreement for members of the executive committee does not contain any clauses on changes of control. The Group does not provide golden parachutes for its senior management.

The period of notice for members of the executive committee is between six and twelve months, during which time they are entitled to receive salary and bonus payments. If the company changes hands or goes into liquidation, all share options (RSUs) held under the management participation plan become due immediately.

## Auditors

### Duration of the mandate and term of office of the lead auditor

PricewaterhouseCoopers AG, Zurich, has been the statutory auditor of Bossard Holding AG since 1986 and audits the annual financial statements and the consolidated financial statements. In 2021, Bossard Holding AG tendered the audit mandate. After an objective review and in-depth analysis by the ARCC, it was decided to propose PricewaterhouseCoopers AG again for election as auditor to the shareholders at the 2022 annual general meeting of shareholders. During this review, great importance was set to both, the criteria for ensuring independent, competent, and critical auditing activities as well as open communication with the ARCC. The statutory auditors are elected by the annual general meeting of shareholders for a term of one year.

The auditor in charge is replaced at least every seven years. In 2021, Thomas Wallmer, Swiss certified public accountant, has taken over the position of the auditor in charge and is responsible for the audit mandate.

### Fees for the statutory auditor

In the financial year 2021, PricewaterhouseCoopers AG received fees of CHF 764,003 (2020: CHF 720,545) for auditing services, CHF 19,848 (2020: CHF 20,088) for tax consulting and CHF 101,498 (2020: CHF 119,550) for other consulting services.

### Information and control instruments towards the statutory auditor

The ARCC meets at least three times per year to discuss plans for the annual and Group audit, the results of the interim audit and the year-end financial statement, as well as other business matters. The management letters from the statutory auditor form the basis for discussion of the interim audit and the year-end financial statements. The ARCC assists the board of directors with its supervision of the statutory auditors. The ARCC's main responsibility is to propose the statutory auditors, to review their qualifications, independence and performance annually, to approve the auditing fee and to review the accounting principles as well as the annual financial statements. The committee annually reviews the scope of the audit, the audit plans and the related procedures, and discusses the results of the audit with the auditors.

## Information policy

**With its disclosure policy, the Bossard Group creates transparency for investors and financial markets and ensures a fair market price for Bossard shares.**

The Bossard management is convinced that the financial markets will honor a clear, consistent and informative disclosure policy in the long term with a fair valuation of the company’s shares. Bossard therefore applies the following principles in its financial reporting and related disclosure:

- Transparency: the disclosure principle is intended to ensure a better understanding of the economic drivers influencing the Group and the detailed operating results.
- Consistency: disclosure within each reporting period and between the individual periods is consistent and comparable.
- Clarity: information is presented as clearly as possible so that the company’s stakeholders can form an accurate picture of how the business is developing.
- Relevance: to avoid a flood of information, Bossard focuses on data that is relevant for the company’s stakeholders in terms of content and timing, is necessary for supervisory purposes or is required by law.

The Group publishes relevant information on its business operations using a number of channels, including the annual report, interim reports and press releases. The company also keeps its stakeholders informed by means of press conferences and meetings with analysts and via the annual general meeting of shareholders. In the reporting year, the Group also held a Capital Markets Day, which will most likely take place every two to three years. The consolidated financial statements are drawn up in accordance with Swiss GAAP FER.

List of key dates in 2022:

Meeting for financial analysts & media conference	
Publication Annual Report 2021	March 2, 2022
Annual general meeting	April 11, 2022
Publication of sales results	
1st quarter 2022	April 11, 2022
Publication of Semi-Annual Report 2022	July 21, 2022
Publication of sales results	
3rd quarter 2022	October 12, 2022
Publication of sales results 2022	January 12, 2023

Bossard maintains contact with representatives of the capital market via media conferences, meetings with analysts and roadshows. The company also regularly holds individual and group meetings with institutional investors and analysts. All publications on business results and press releases are available in English and in German under the “Investor Relations” section of the Bossard website [www.bossard.com](http://www.bossard.com) ([www.bossard.com/en/about-us/news-and-press-releases/](http://www.bossard.com/en/about-us/news-and-press-releases/)).

Further, shareholders can subscribe on the Bossard website ([www.bossard.com/en/about-us/investor-relations/subscription-press-releases/](http://www.bossard.com/en/about-us/investor-relations/subscription-press-releases/)) to Bossard announcements, press releases and ad hoc publications. All Bossard publications can be ordered by e-mailing [investor@bossard.com](mailto:investor@bossard.com) or from Bossard Holding AG, Investor Relations, Steinhauserstrasse 70, 6300 Zug, Switzerland.

# Compensation Report

The compensation report describes the compensation principles and programs as well as the governance framework related to the compensation of the board of directors and the members of the executive committee of Bossard Holding AG. The report also provides details around the compensation awarded to those two bodies in the financial year 2021.

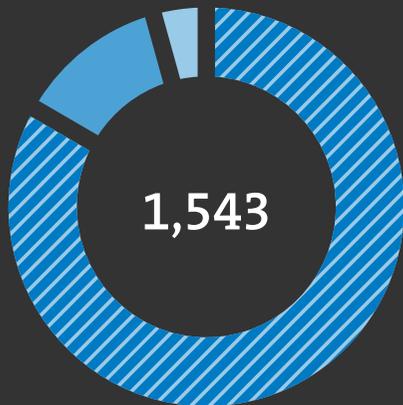
The compensation report has been prepared in compliance with the Ordinance against Excessive Compensation in Listed Companies (VegüV/OaEC), the Directive on Information relating to Corporate Governance (DCG) of SIX Swiss Exchange and the principles of the “Swiss Code of Best Practice for Corporate Governance” of economie-suisse.

AT A GLANCE

# Compensations

## Compensation of board of directors 2021

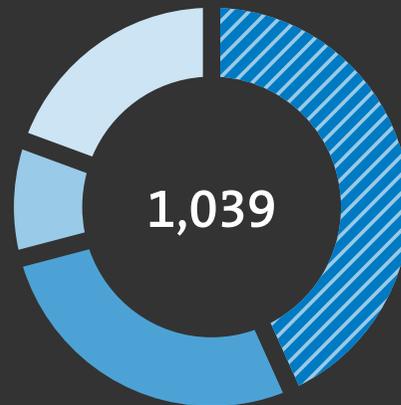
in CHF 1,000



- Fixed compensation
- Social costs
- Expense allowance

## Compensation of CEO 2021

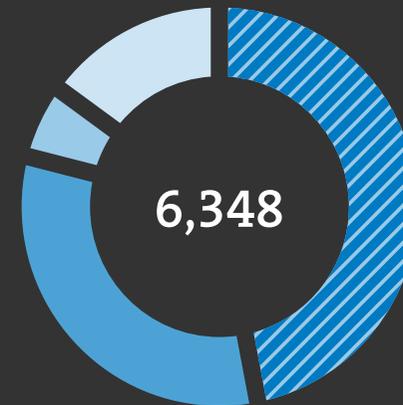
in CHF 1,000



- Fixed compensation
- Variable compensation – short-term incentive
- Management participation plan – long-term incentive
- Social costs and other benefits

## Compensation of executive committee 2021

in CHF 1,000



- Fixed compensation
- Variable compensation – short-term incentive
- Management participation plan – long-term incentive
- Social costs and other benefits

COMPENSATION REPORT

# Compensation of the board of directors and the executive committee

The compensation report contains information on the compensation policy, the compensation programs and the procedure for determining the compensation of the board of directors and the executive committee of Bossard Group. The report also contains information on the compensation for these two bodies in the financial year 2021 and an outlook on the changes in the compensation of the executive committee as of the annual general meeting of shareholders 2022.

Based on an in-depth review of the compensation system of the executive committee by the compensation committee, the board of directors decided on the following adjustments based on the analyses:

The variable compensation will include a short-term and a long-term incentive:

- The short-term incentive is determined by purely quantitative targets and is a cash compensation.
- The long-term incentive is based on purely qualitative objectives and is compensated in the form of restricted stock units (RSU). The RSUs are subject to a three-year vesting period, after which yearly one-third of the RSUs are delivered to the respective member of the executive committee as registered A shares.

Necessary amendments with regard to the compensation in connection with the revision of the company law, which will come into force in 2023, will also be made with the

revision of the articles of association that is on the agenda for the annual general meeting of shareholders 2022. Provided that the annual general meeting of shareholders approves the revision of the articles of association, these amendments will come into effect as of May 1, 2022.

### Compensation of the board of directors

The compensation of the board of directors for the period from the annual general meeting of shareholders 2020 until the next annual general meeting of shareholders 2021 is below the approved maximum compensation amount:

Time period of compensation	Approved compensation	Effective compensation
2020-2021	CHF 1,600,000	CHF 1,481,477
2021-2022	CHF 1,600,000	n/a <sup>1)</sup>

<sup>1)</sup> Compensation period has not yet ended: the final amount will be disclosed in the compensation report for financial year 2022.

### Compensation of the executive committee

Due to the expansion of the executive committee by an additional member, the compensation granted to the executive committee for 2021 is CHF 348,376 higher than the maximum compensation approved by the annual general meeting of shareholders 2020. This increase in total compensation is within the additional amount allowed by the articles of association, which is available to the board of directors for cases in which additional members are appointed to the executive committee after the total com-

penetration has already been approved by the annual general meeting of shareholders (article 42 of the articles of association):

Time period of compensation	Approved compensation	Effective compensation
2021	CHF 6,000,000	CHF 6,348,376

## 1. Compensation philosophy and principles

The compensation philosophy of Bossard Holding AG reflects the commitment to recruit, retain, motivate and develop well-qualified employees and executives at all levels in the organization. Compensation programs are designed to motivate executives to achieve the business objectives and to create long-term and sustainable value for the company. They are based on the following principles:

<b>Pay for performance</b>	A portion of compensation is directly linked to the sustainable success of the company and to individual contributions.
<b>Alignment to shareholders' interests</b>	The compensation system strengthens the link between management and shareholders' interests through the remuneration of part of the compensation in the form of shares or share-based compensation.
<b>Balanced system</b>	There is a healthy balance between fixed and variable performance-based compensation (no excessive leverage of variable compensation, capped at 100 percent of fixed compensation) for the executive committee. The board of directors receives a purely fixed compensation in order to ensure its independence.
<b>Market competitiveness</b>	Compensation levels are market competitive in order to attract and retain individuals with the required skill sets and leadership capabilities.
<b>Simplicity and transparency</b>	Compensation programs are straightforward and transparent.

## 2. Compensation Governance

### 2.1. Articles of association

In line with the requirements of VegüV/OaEC, the articles of association of Bossard Holding AG summarize the compensation principles and include the following provisions:

- compensation principles (articles 36 to 40): the compensation of the members of the board of directors consists of a fixed compensation and the total compensation of the executive committee of a fixed and variable compensation (short-term incentive). The variable compensation of the executive committee is measured primarily
    - for the CEO: on the EBIT of the Bossard Group and on the achievement of further qualitative objectives (discretionary power of the board of directors)
    - for the other members of the executive committee: on the EBIT as well as the gross profit for which the person has managerial responsibility and by the achievement of further qualitative objectives (discretionary power)
- In addition, members of the executive committee may be awarded with restricted stock units (management participation plan), in the terms of a long-term incentive, at the discretion of the board of directors with regard to achieved goals.
- Binding vote on compensation of the board of directors and the total compensation of the executive committee

- (article 11.8): the annual general meeting of shareholders approves separately the maximum aggregate amounts of compensation payable to the board of directors and to the executive committee:
- for the board of directors: for the period until the next annual general meeting of shareholders
  - for the executive committee: for the following financial year
- In addition, the annual general meeting of shareholders has the opportunity to express its opinion on the compensation report in a consultative vote (article 43).
  - Additional amount for payments to members of the executive committee appointed after the vote on compensation at the annual general meeting of shareholders (article 42): to the extent that the maximum aggregate compensation amount as approved by the annual general meeting of shareholders does not suffice, an amount of up to 30 percent of the maximum aggregate compensation amount approved for the executive committee is available, without further approval, for the compensation of the members of the executive committee who have been appointed after the annual general meeting of shareholders.
  - Loans, credit facilities and post-employment benefits for members of the executive committee (article 41): upon proposal of the compensation committee, the board of directors may, in justified cases, grant to members of the executive committee and persons related to them mortgage-backed loans or credits up to a maximum of CHF 1 million per person, unsecured

loans or credits up to a maximum of CHF 0.5 million per person, pension benefits outside the occupational pension scheme up to a maximum of CHF 0.5 million (one-time) per person.

More details available at:

[www.bossard.com/en/about-us/investor-relations/corporate-governance/articles-of-association/](http://www.bossard.com/en/about-us/investor-relations/corporate-governance/articles-of-association/)

## 2.2. Compensation committee

In accordance with the articles of association, the organizational and business regulations of Bossard Holding AG and the compensation committee regulations, the compensation committee is composed of at least three members of the board of directors that are elected individually by the annual general meeting of shareholders for a period of one year. Subject to the approval of the annual general meeting of shareholders, the representative of registered A shares is entitled to be a member of the compensation committee. The 2021 annual general meeting of shareholders re-elected David Dean (chair), Patricia Heidtman and Prof. Dr. Stefan Michel and newly elected Marcel Keller as members of the compensation committee.

It is the responsibility of the compensation committee to:

- develop and regularly review the compensation policy and principles applicable to the board of directors and the executive committee, including the design of compensation programs and retirement benefits plans;

and, if necessary, propose any changes to the board of directors;

- propose to the board of directors the maximum aggregate amounts of compensation of the board of directors and of the executive committee to be submitted to the shareholders' vote at the annual general meeting of shareholders;
- propose to the board of directors the individual compensation for the members of the board of directors, the CEO and the other members of the executive committee, within the limits approved by the annual general meeting of shareholders;
- review and approve the employment contracts of the executive committee members;
- develop and regularly review the guidelines governing the structure of the occupational pension scheme for the executive committee;
- prepare the compensation report;
- if the compensation committee considers necessary: the assignment, the supervision and the critical evaluation of the results of advisers or the comparison with third party companies regarding the compensation practices.

The levels of authority between the CEO, the compensation committee (CC), the board of directors (BoD) and the annual general meeting of shareholders (AGM) are summarized in the following table:

	CEO	CC	BoD	AGM
Compensation policy and principles (incl. guidelines for the pension scheme)		Proposes	Approves	
Maximum aggregate compensation amounts of the board of directors		Proposes	Reviews	Approves (binding vote)
Maximum aggregate compensation amounts of the executive committee		Proposes	Reviews	Approves (binding vote)
Individual compensation of members of the board of directors		Proposes	Approves	
Compensation of the CEO		Proposes	Approves	
Individual compensation of members of the executive committee	Proposes	Reviews	Approves	
Compensation report		Proposes	Approves	Consultative vote

The compensation committee meets as often as business requires but at least twice a year. In 2021, it held two meetings, each lasted half a day (one of these meetings was held virtually). In addition, a shorter conference call was held. All members were present at these meetings.

As a general rule, the CEO participates in the meetings of the compensation committee in an advisory capacity. Other members of the board of directors may attend the committee meetings (without voting rights) and other executives may be invited in an advisory capacity as well. However, the other members of the board of directors and the executives abstain from a topic when their own performance and/or compensation are being discussed. After each meeting, the chair of the compensation committee reports to the board of directors the topics dis-

cussed and its recommendations. The minutes of the compensation committee meetings are available to the entire board of directors.

The compensation committee may appoint external consultants to provide support in fulfilling its duties. In 2021, no external consultants were mandated.

The compensation committee regularly compares compensation levels with benchmarks, reviews Bossard's compensation policies and conducts a self-assessment. The compensation committee mandated the last time in 2019 Agnès Blust Consulting AG, which, in cooperation with Mercer AG, conducted a benchmarking study on compensation. These consulting companies do not hold any other consulting mandates with the Bossard Group.

### 2.3. Method of determination of compensation

**Benchmarking:** in order to assess the market competitiveness of compensation and to determine appropriate compensation levels for the members of the board of directors and of the executive committee, the compensation committee periodically (i.e. every three to four years) reviews the compensation reports published by other international industrial companies that are listed in Switzerland and comparable to the Group in terms of size (market capitalization, employees, revenues), geographic scope and business complexity. In 2019, a benchmarking analysis of the compensation of the board of directors was carried out based on a comparison group of 20 Swiss

industrial companies listed on the SIX Swiss Exchange, which are comparable in terms of market capitalization, employees and turnover. These included: Autoneum, BELIMO, BOBST, Burckhardt Compression, Comet, Huber+Suhner, INFICON, INTERROLL, Kardex, Komax, Landis+Gyr, LEM, Metall Zug, Phoenix Mecano, Rieter, Schweiter Technologies, Siegfried, Valora, Ypsomed and Zur Rose.

value drivers, which are decisive for the Group's future results and profitability. The assessment is closely linked to the value-oriented and sustainability-focused management approach implemented by the Bossard Group. Qualitative criteria are derived from the company's strategic targets. Therefore, compensation reflects both the sustainable success of the company and the respective individual contributions.

In addition, a benchmarking analysis of the compensation of the executive committee was carried out with the intention of using the same comparison group as for the compensation of the board of directors. The peer group had to be adjusted in the light that such data was not available for all these companies. The following companies were used for comparison: Archroma, Ascom, BOBST, Clariant, Comet, EMS-CHEMIE, Forbo, Franke, Gurit, Hero, Komax, Landis+Gyr, LEM, OC Oerlikon, Rieter, RUAG, Siegfried, Straumann, TEMENOS, u-blox, Valora, Ypsomed and Zimmer Biomet.

Performance management: the actual compensation effectively paid out in a given year to the executive committee members depends on their individual performances. Depending on the level of responsibility, the evaluation of individual performances takes into account the results of the entire Group and/or of a business area. The performance evaluation is based on quantitative and qualitative criteria. The quantitative elements are derived both from the current business results and from the long-term

### 3. Compensation structure – board of directors

In terms of independence of the members of the board of directors, each member of the board of directors receives a fixed compensation, supplemented by a compensation for his or her work on a committee of the board of directors. The remuneration is intended to compensate appropriately for the time spent on the board of directors and its committees as a result of the mandate. In addition, each member of the board of directors receives a lump-sum expense allowance.

For the term of office starting at the annual general meeting of shareholders in 2021, CHF 30,000 of the total compensation is paid in the form of registered A shares of Bossard Holding AG. The shares are subject to a restriction period of three years during which they can not be sold, transferred or pledged. The restriction period also applies in case of termination of mandate, except in case of termination following death where the restriction immediately lapses. The shares are priced at their market value, determined at the end of February of each year based on the average share price of the previous ten trading days.

The shares required for the share plan are provided by the Group's treasury shares or by share purchases on the market.

in CHF per year

Fixed compensation for the chair of the board of directors	320,000
Fixed compensation for each member of the board of directors	120,000
Fixed compensation for the chair of a committee of the board of directors	20,000
Fixed compensation for each member of a committee of the board of directors	10,000
Expense allowance	8,000

The illustrated amounts are after deduction of social security contributions.

#### 4. Compensation structure – executive committee

According to the compensation principles defined in section 1, the compensation of the executive committee includes the following elements:

- fixed compensation
- variable compensation – short-term incentive
- management participation plan – long-term incentive
- occupational benefits

Structure of compensation of the executive committee:

Element	Purpose	Drivers	Performance measures	Vehicle
<b>Fixed compensation</b>	Attract & retain	Position, skills and experience		Monthly cash payments
<b>Variable compensation – short-term incentive</b>	Pay for performance	Annual performance	EBIT Group respectively EBIT as well as gross profit of own business area	Annual bonus in cash
<b>Management participation plan – long-term incentive</b>	Align to shareholders' interests, retain	Achieved strategic goals		RSU with five-year staged vesting period
<b>Occupational benefits</b>	Protect against risks, attract & retain	Market practice and position		Retirement plan, insurance, perquisites

#### 4.1. Fixed compensation

The annual fixed compensation is paid in cash on a monthly basis. It reflects the scope and responsibilities of the role, the skills required to perform the role and the profile of the jobholder in terms of experience and capabilities.

#### 4.2. Variable compensation – short-term incentive

The variable compensation rewards the achievement of annual financial goals agreed within the annual objective-setting process and evaluated at the end of a year.

The fixed compensation and the expected variable compensation, namely the short-term incentive, (assuming 100 percent achievement of all performance objectives) form the so-called total cash compensation. The target value of the total cash compensation of the CEO and the other executive committee members is reviewed annually based on the scope of the role, competitive market practice, individual profile and performance, as well as the company's affordability.

For the CEO the fixed compensation amounts to 68 percent of total cash compensation, while the variable compensation amounts to 32 percent (or 48 percent of the annual fixed compensation) (2020: 67 percent fixed compensation and 33 percent variable compensation). For the other executive committee members, the fixed compensation ranges from 60 percent to 69 percent of total cash compensation while the variable portion ranges

from 31 percent to 40 percent (2020: fixed compensation from 65 percent to 71 percent and variable compensation from 29 percent to 35 percent). In order to maintain compensation at a reasonable level and to not encourage excessive risk taking or a focus on short-term decisions at the expense of the company's sustainable success, the variable compensation is capped at 100 percent of the annual fixed compensation.

The variable compensation (short-term incentive) is based on the financial performance of the Group as a whole and/or its businesses as follows:

Component		CEO	CF0/CSO	Other members of the executive committee
Financial performance	Group	Group gross profit (1/3), Group EBIT (2/3)	Group gross profit (1/3), Group EBIT (2/3)	Group EBIT (1/3)
	Own business area			EBIT as well as gross profit of own business area (2/3)

The financial objectives always include a measure of profitability, such as business area and Group operating profit, because profitability is absolutely critical to the long-term success of the company. In addition, gross profit development is used as a growth parameter. For each financial objective, an expected level of performance is determined, either on the basis of the annual financial plan or of the prior year's results.

Due to the commercial sensitivity of financial objectives, the board of directors abstains from such a disclosure in the compensation report. However, the actual payout level of the variable compensation in the reporting year is explained and commented in section 5.

The CEO and other members of the executive committee may draw up to 20 percent of their total cash compensation in the form of registered A shares of Bossard Holding AG. The shares are subject to a restriction period of three years during which they can not be sold, transferred or pledged. The restriction period also applies in cases of termination of employment and retirement. In case of termination following death the restriction lapses immediately. The shares are priced at their market value, determined at the end of February of each year, based on the average share price over the previous ten trading days. The individual choice to draw shares by the CEO as well as the other members of the executive committee is made the day after the annual general meeting of shareholders. The shares required for the share plan are provided by the Group's treasury shares or by share purchases on the market.

### 4.3. Management participation plan – long-term incentive

The objectives of the management participation plan for the executive committee are to strengthen the link between management and shareholders' interests, to foster the executive committee's long-term motivation and identification with the Bossard Group, to let participants directly participate in the long-term shareholder value created through share price appreciation.

The condition for a grant is linked to the implementation of Bossard Group's strategic initiatives approved by the board of directors. These objectives are qualitative in nature and relate primarily to innovation, market cultivation, cultural transformation and sustainability criteria (ESG). For the CEO a maximum amount of CHF 100,000 and for the other members of the executive committee a maximum amount of CHF 50,000 is foreseen. The conversion is carried out at market value and is based on the average share price of the last ten trading days in December. The grant based on the achievement of objectives takes place in the second quarter for the prior financial year and thus represents the beginning of the vesting period.

Each RSU is a conditional right to receive one registered A share of Bossard Holding AG after the vesting period. The RSUs vest conditionally if she or he is employed at the time of the vesting date and according to the following vesting schedule: one third of the RSUs vest three years after the grant date, one third vest four years after the grant date and the last third vest five years after the grant date. At the respective vesting date, the vested RSUs are converted into registered A shares of Bossard Holding AG. The shares are not subject to any further restrictions other than the general rules governing management transactions. In circumstances where the allocation of shares may be unsuitable or impractical, the award may be settled in cash instead of registered A shares of Bossard Holding AG.

Vesting period:



#### 4.4. Occupational benefits

The members of the executive committee participate in the benefit plans available in the country of their employment contract. Benefits consist mainly of retirement, insurance and healthcare plans that are designed to provide a reasonable level of protection for the employees and their dependents with respect to retirement, risk of disability, death and health. The members of the executive committee with a Swiss employment contract participate in the pension plan of Bossard (Bossard Personalstiftung, Zug) offered to all employees in Switzerland, in which a base compensation up to an amount of CHF 286,800 per annum is insured, as well as a supplementary plan in which earnings in excess of this limit are insured up to the maximum amount permitted by law. Bossard's pension benefits exceed the legal requirements of the Swiss federal law on occupational retirement, survivors' and disability pension plans (BVG) and are in line with what other international industrial companies offer. Members of the executive committee under foreign employment contracts are insured commensu-

rately with local market conditions and with their position. Each plan varies in line with the local competitive and legal environment and is, as a minimum, in accordance with the legal requirements of the respective country.

In addition, members of the executive committee are also eligible to standard perquisites, such as a company car or a car allowance, seniority awards, child allowance and other benefits in kind, according to competitive market practice in their country of contract. The monetary value of these other elements of compensation is evaluated at fair value and is disclosed in the compensation tables.

#### 4.5. Employment contracts

The members of the executive committee are employed under employment contracts of unlimited duration with a notice period of six months, respectively twelve months for the CEO. Members of the executive committee are not contractually entitled to termination payments or any change of control provisions other than the early vesting of RSU awards in specific situations mentioned previously.

## 5. Compensation of the board of directors and the executive committee

### 5.1. Compensation paid to current members of the board of directors for the financial years 2021 and 2020

In 2021, the members of the board of directors received a compensation in the amount shown in the following table.

Compared to the prior year, the total compensation remains stable.

### Compensation paid to members of the board of directors for the financial year 2021

in CHF, gross		Fixed	Expense allowance	Social costs	Total compensation	Thereof in shares <sup>7)</sup>
Dr. Thomas Schmuckli	Chair, Chair NC <sup>1)</sup> , ARCC <sup>2)</sup>	344,167	8,000	50,303	402,470	29,918
Patricia Heidtman	Vice Chair <sup>3)</sup> , NC, CC <sup>4)</sup>	137,667	8,000	21,213	166,880	29,918
Dr. René Cotting	Chair ARCC	137,667	8,000	21,213	166,880	29,918
David Dean	Repr. of registered A shares, Chair CC	137,667	8,000	21,213	166,880	29,918
Petra Maria Ehmman <sup>5)</sup>	NC, ARCC	93,333	5,333	14,382	113,048	-
Marcel Keller <sup>5)</sup>	CC	86,667	5,333	13,354	105,354	-
Martin Kühn	ARCC	127,833	8,000	19,698	155,531	29,918
Prof. Dr. Stefan Michel	NC, CC	134,500	8,000	20,725	163,225	29,918
Anton Lauber <sup>6)</sup>	Vice Chair, NC, CC	44,333	2,667	5,102	52,102	29,918
Maria Teresa Vacalli <sup>6)</sup>	ARCC	41,167	2,667	6,343	50,177	29,918
<b>2021</b>		<b>1,285,001</b>	<b>64,000</b>	<b>193,546</b>	<b>1,542,547</b>	<b>239,344</b>

1) Nomination committee (NC)

2) Audit, risk & compliance committee (ARCC)

3) Vice Chair of the board of directors since April 2021

4) Compensation committee (CC)

5) Election to the board of directors in April 2021

6) Resignation from the board of directors in April 2021

7) Each member of the board of directors will get delivered CHF 30,000 of its total compensation in registered A shares of Bossard Holding AG. The shares are priced at market value. For the drawn shares in 2021 the price was CHF 199.45. The draw of the shares took place one day after the annual general meeting of shareholders 2021.

## Compensation paid to members of the board of directors for the financial year 2020

in CHF, gross		Fixed	Variable <sup>5)</sup>	Social costs	Total compensation	Thereof in shares <sup>6)</sup>
Dr. Thomas Schmuckli	Chair, Chair NC <sup>1)</sup> , ARCC <sup>2)</sup>	321,166	15,950	46,640	383,756	46,800
Anton Lauber	Vice Chair, NC, CC <sup>3)</sup>	121,666	15,950	14,647	152,263	29,952
Dr. René Cotting	Chair ARCC	121,666	15,950	19,679	157,295	40,950
David Dean	Repr. of registered A shares, Chair CC	121,666	15,950	19,679	157,295	29,952
Patricia Heidtman	NC, CC	121,666	15,950	19,679	157,295	46,800
Martin Kühn	ARCC	115,500	15,950	18,777	150,227	59,904
Prof. Dr. Stefan Michel	NC	115,500	15,950	18,777	150,227	29,952
Maria Teresa Vacalli	ARCC	115,500	15,950	18,777	150,227	29,952
<b>2020 <sup>4)</sup></b>		<b>1,154,330</b>	<b>127,600</b>	<b>176,655</b>	<b>1,458,585</b>	<b>314,262</b>

1) Nomination committee (NC)

2) Audit, risk & compliance committee (ARCC)

3) Compensation committee (CC)

4) The compensation of the financial year 2020 includes a deduction of 20 percent for three months as solidarity contribution during short time work of the workforce due to COVID-19.

5) For the period from January 1, 2020 to April 30, 2020, the variable remuneration of the Chair of the board of directors accounted for 16 percent of the fixed compensation. For the other members of the board of directors, the share of variable compensation was 53 percent. As of May 1, 2021, the board of directors no longer received variable compensation due to the amendment of the articles of association.

6) Each member of the board of directors will get delivered CHF 30,000 of its total compensation in registered A shares of Bossard Holding AG. The shares are priced at market value, less a reduction (tax) of approximately 16 percent for the three years lockup period. For the drawn shares in 2020 the price was CHF 117.00. The draw of the shares took place one day after the annual general meeting of shareholders 2020. Since the draw of the shares relates to the compensation until the annual general meeting of shareholders 2020 (before the revision of the articles of associations), the deduction of the tax-permissible reduction was still made here.

In 2021, the annual general meeting of shareholders approved a maximum compensation amount for the board of directors of CHF 1,600,000 for the period from the annual general meeting of shareholders 2021 until the next annual general meeting of shareholders 2022. As this compensation period has not yet ended, the final amount will be disclosed in the compensation report for financial year 2022.

In 2020, the annual general meeting of shareholders approved a maximum compensation amount for the board of directors of CHF 1,600,000 for the period from the annual general meeting of shareholders 2020 until the next annual general meeting of shareholders 2021. The compensation of the board of directors for this term of office augmented to CHF 1,481,477 and remains therefore within the approved compensation payable to the board of directors.

### Payments to former members of the board of directors

Anton Lauber and Maria Teresa Vacalli, who resigned from their positions as member of the board of directors at the annual general meeting of shareholders 2021, received compensation in 2021. Anton Lauber received shares in the amount of CHF 29,918 based on the total compensation from the annual general meeting of shareholders 2020 to the annual general meeting of shareholders 2021. For his services as a member of the board of directors for the period from January 1, 2021 to

April 12, 2021, the total compensation amounted to CHF 52,102. Maria Teresa Vacalli received shares in the amount of CHF 29,918 based on the total compensation from the annual general meeting of shareholders 2020 to the annual general meeting of shareholders 2021. For her services as a member of the board of directors for the period from January 1, 2021 to April 12, 2021, the total compensation amounted to CHF 50,177.

In 2020, no compensation was paid to former members of the board of directors.

### Payments to related parties of members of the board of directors

In 2021, as well as in 2020, no compensation was paid to related parties of present or former members of the board of directors.

### Loans and credits to present or former members of the board of directors or to related parties

As of December 31, 2021 as well as of December 31, 2020 no such loans or credits existed to present or former members of the board of directors, or to related parties of present or former members of the board of directors.

## 5.2. Compensation paid to members of the executive committee for the financial years 2021 and 2020

In 2021, the members of the executive committee received the following compensation:

### Compensation paid to members of the executive committee

in CHF	Executive committee total		Dr. Daniel Bossard, CEO	
	2021 <sup>5)</sup>	2020 <sup>4)</sup>	2021	2020
Fixed compensation	2,981,010	2,465,178	452,137	415,471
Variable compensation – short-term incentive <sup>1)</sup>	2,059,604	1,238,928	283,868	203,772
Other benefits <sup>2)</sup>	101,429	66,284	16,800	16,800
Management participation plan (RSU) – long-term incentive <sup>3)</sup>	372,167	280,000	100,000	80,000
Social and pension costs	834,166	740,585	186,308	180,390
<b>Total</b>	<b>6,348,376</b>	<b>4,790,975</b>	<b>1,039,113</b>	<b>896,433</b>
Thereof in shares <sup>4)</sup>	-	35,100 <sup>8)</sup>	-	-
<b>Number of members of the executive committee</b>	<b>7.5 <sup>7)</sup></b>	<b>6</b>		

1) The disclosed variable compensation is accrued for the reporting year. This may differ from the actual payment made in the following year. Any deviations between accruals and actual payments are recognized in the following reporting year for which the compensation was paid. The compensation disclosed for 2020 is the actual total payment made.

2) Private share in company vehicle, child allowances, anniversary bonus.

3) The grant of RSU for the financial year 2021 will take place in the second quarter of 2022 (according to section 4.3). The amount disclosed in this table represents the intended compensation as of the reporting date. Any deviations between the reported amount and the actual grant will be recognised in the following year for the corresponding financial year. The remuneration disclosed for 2020 is the actual grant that was made. The market value of the RSU allocation for the financial year 2021 is CHF 317.50 (2020: CHF 169.90).

4) Members of the executive committee may draw up to 20 percent of their total compensation in registered A shares of Bossard Holding AG of the prior year (according to article 38 and 39 of the articles of association). In 2021, no shares were drawn. For the drawn shares in 2020 the price was CHF 117.00. The draw always takes place one day after the annual general meeting of shareholders.

5) This total compensation includes the compensation for the new CEO America as of February 1, 2021 as well as the former CEO America, who left Bossard Group due to a termination agreement as of July 31, 2021. This total compensation further includes the compensation for the additional member of the executive committee as of May 1, 2021.

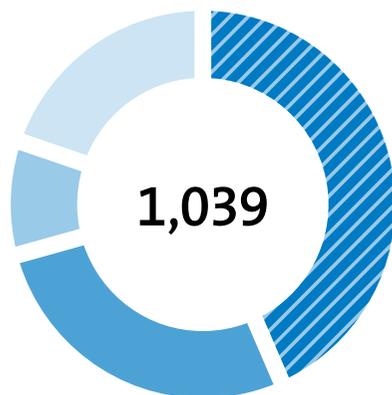
6) The compensation includes a deduction of 4 percent for three months as solidarity contribution during short time work of the workforce due to COVID-19.

7) Six members until end of January 2021 and seven members as of beginning of May 2021. In addition, there was an overlap (double occupancy) from the beginning of February to the end of July due to the change of CEO Bossard America.

8) Since the draw of the shares relates to the compensation until the annual general meeting of shareholders 2020 (before the revision of the articles of associations), the deduction of the tax-permissible reduction in the amount of 16 percent for the three years lockup period was still made here.

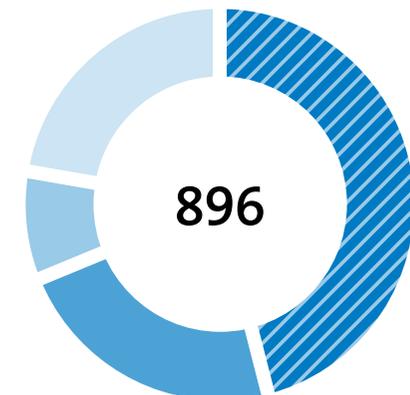
### Compensation of CEO for 2021

in CHF 1,000



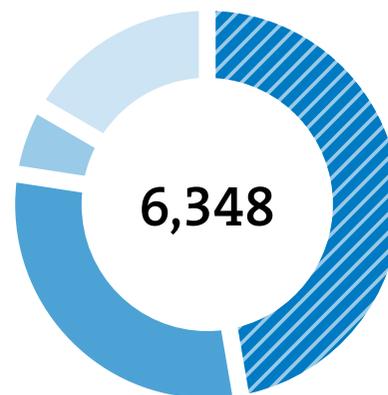
### Compensation of CEO for 2020

in CHF 1,000



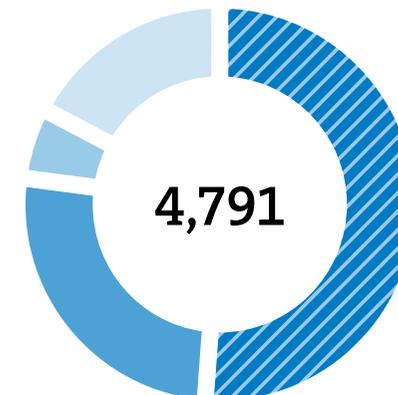
### Compensation of executive committee for 2021

in CHF 1,000



### Compensation of executive committee for 2020

in CHF 1,000



■ Fixed compensation
 ■ Variable compensation – short-term incentive
 ■ Management participation plan – long-term incentive
 ■ Social costs and other benefits

The higher remuneration compared to prior year is due to the change in the CEO America function (double remuneration for the period of contractual overlap) and the expansion of the executive committee.

In 2021, the variable component, short-term incentive, amounted to 63 percent of the fixed compensation for the CEO Dr. Daniel Bossard (2020: 49 percent) and to 70 percent on average for the other executive committee members (2020: 51 percent). The board of directors refrains from disclosing a maximum or a range with regard to the ratio between the variable and the fixed compensation.

In 2020, the annual general meeting of shareholders approved a maximum compensation amount for the executive committee of CHF 6,000,000 for the period from January 1, 2021 to December 31, 2021. The total compensation 2021 of the executive committee of CHF 6,348,376 is therefore higher than the approved maximum compensation. This increase is due to the expansion of the executive committee by an additional member after the maximum compensation has already been approved by the annual general meeting of shareholders. The increase of CHF 348,376 is within the statutorily permitted additional

amount of 30 percent of the total amount available to the board of directors for cases in which additional members are appointed to the executive committee (article 42 of the articles of association).

In 2021, the annual general meeting of shareholders approved a maximum compensation amount for the executive committee of CHF 6,000,000 for the period from January 1, 2022 to December 31, 2022. Due to the expansion of the executive committee, the board of directors has decided to increase the maximum total amount for the com-

compensation of the executive committee for the period from January 1, 2022 to January 31, 2022 accordingly. The board of directors thus proposes to the annual general meeting of shareholders on April 11, 2022 the approval of a maximum of CHF 7,000,000 as total compensation for the financial year 2022.

### Compensation paid to former members of the executive committee

In 2021, Steen Hansen, former CEO Bossard America, who left the Bossard Group due to a termination agreement as of July 31, 2021, received a compensation to which he was entitled. This compensation is included in the table under this section 5.2.

In 2020, no compensation was paid to former members of the executive committee.

### Compensation paid to related parties of members of the executive committee

In 2021, as well as in 2020, no compensation was paid to related parties of present or former members of the executive committee.

### Loans and credits to present or former members of the executive committee or to related parties

As of December 31, 2021, as well as of December 31, 2020, no such loans or credits existed to present or former members of the executive committee, or to related parties of present or former members of the executive committee.

## 6. Participations of members of the board of directors and the executive committee at December 31, 2021 and 2020

At December 31, the individual members of the board of directors and the executive committee (including persons closely associated with them) held the following numbers of registered A shares of Bossard Holding AG:

Board of directors	2021	Thereof blocked <sup>2)</sup>	2020	Thereof blocked <sup>2)</sup>
Dr. Thomas Schmuckli Chair, Chair NC, ARCC	8,523	998	9,829	1,004
Patricia Heidtman Vice Chair, NC, CC	650	550	500	400
Dr. René Cotting Chair ARCC	2,400	900	2,250	950
David Dean Repr. of registered A shares, Chair CC	1,150	406	1,456	256
Petra Maria Ehmann <sup>1)</sup> NC, ARCC	-	-	-	-
Marcel Keller <sup>1)</sup> CC	-	-	-	-
Martin Kühn ARCC	1,312	1,102	1,162	952
Prof. Dr. Stefan Michel NC, CC	1,054	854	904	904
<b>Total</b>	<b>15,089</b>	<b>4,810</b>	<b>16,101</b>	<b>4,466</b>

1) Election to the board of directors in April 2021

2) These shares are subject to a restriction period of three years starting from the grant date.

Executive committee		2021	Thereof blocked <sup>4)</sup>	2020	Thereof blocked <sup>4)</sup>
Dr. Daniel Bossard <sup>1)</sup>	CEO	5,363	400	7,062	400
Stephan Zehnder	CFO	10,349	600	14,048	600
Beat Grob <sup>1)</sup>	CEO Central Europe	12,701	750	37,400	750
Dr. Frank Hilgers	CEO Northern & Eastern Europe, CCO	2,301	300	3,419	300
David Jones <sup>2)</sup>	CEO America	-	-	-	-
Robert Ang	CEO Asia	12,793	900	13,492	1,523
Rolf Ritter <sup>3)</sup>	CSO	-	-	-	-
<b>Total</b>		<b>43,507</b>	<b>2,950</b>	<b>75,421</b>	<b>3,573</b>

1) Additionally, shareholder of Kolin Holding AG, which holds 56.3 percent of the votes of Bossard Holding AG.

2) Takeover as CEO America in February 2021

3) Appointment as CSO as of May 1, 2021

4) These shares are subject to a restriction period of three years starting from the grant date.

At December 31, the individual members of the executive committee held the following numbers of awarded restricted stock units (RSUs):

		2021 <sup>3)</sup>	2020
Dr. Daniel Bossard	CEO	1,243	1,544
Stephan Zehnder	CFO	765	1,066
Beat Grob	CEO Central Europe	765	1,066
Dr. Frank Hilgers	CEO Northern & Eastern Europe, CCO	765	1,066
David Jones <sup>1)</sup>	CEO America	-	-
Robert Ang	CEO Asia	765	1,066
Rolf Ritter <sup>2)</sup>	CSO	94	94
<b>Total</b>		<b>4,397</b>	<b>5,902</b>

1) Takeover as CEO America in February 2021

2) Appointment as CSO as of May 1, 2021

3) RSU which will be granted in the second quarter of 2022 for the financial year 2021 are not included in the balance.

## Guideline of shareholding

The board of directors adopted guidelines on shareholdings. These came into effect on January 1, 2020:

- The chair of the board of directors shall hold 150 percent of the equivalent value of the base fee in registered A shares of Bossard Holding AG.
- The members of the board of directors shall hold 100 percent of the equivalent value of the base fees in registered A shares of Bossard Holding AG.
- The CEO shall hold 150 percent of the equivalent value of the fixed compensation in registered A shares of Bossard Holding AG.
- The members of the executive committee shall hold 100 percent of the equivalent value of the fixed compensation in registered A shares of Bossard Holding AG.
- Newly elected members shall build up the required shareholding within four years upon their election. Should the share price fall or rise significantly, the board of directors may, at its own discretion, adjust this period accordingly.

For the determination of the minimum shareholdings, all shares are considered, independent of restricted or not. The compensation committee annually assesses the alignment of the shareholdings with the guideline of shareholding.

According to the review of the compensation committee (last review in 2021), all members of the board of directors and the executive committee comply with the guideline of shareholding; this also includes the transition period of the newly elected or appointed members.



# Report of the statutory auditor

## to the General Meeting of Bossard Holding AG

### Zug

We have audited the compensation report of Bossard Holding AG for the year ended December 31, 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the note 5 on pages 92 to 96 of the compensation report.

#### Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

#### Auditor's responsibility

Our responsibility is to express an opinion on the compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Opinion

In our opinion, the compensation report of Bossard Holding AG for the year ended December 31, 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Thomas Wallmer

Audit expert  
Auditor in charge

Remo Waldispühl

Audit expert

Zurich, February 25, 2022

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# Financial Report

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## AT A GLANCE

## Most important figures

## Net Sales

in CHF

9995 million

## EBIT margin

12.4 %

## EBIT

in CHF

123 million

## Net Income

in CHF

98 million

## FINANCIAL REVIEW 2021

# Robust profitability and new records

**In a strong economic environment, the Bossard Group generated sales of CHF 995.1 million in the financial year 2021 (prior year: CHF 812.8 million), despite bottlenecks in the supply chains and market uncertainties caused by the COVID-19 pandemic. Sales growth amounted to 22.4 percent (in local currency: +22.2 percent). Organically, sales increased by 21.2 percent. EBIT was CHF 123.3 million (prior year: CHF 86.4 million), a remarkable plus of 42.8 percent, resulting in an EBIT margin of 12.4 percent (prior year: 10.6 percent). Net income grew by 44.7 percent to CHF 98.0 million (prior year: CHF 67.8 million). The Group achieved new records in sales as well as in EBIT and net income.**

The COVID-19 situation continued to cast uncertainty in all three market regions in the financial year 2021. At the same time, strong global demand continued to strain the situation on the procurement market, resulting in further price increases and longer delivery times. Thanks to our sustained delivery capabilities, the Group benefited from strong global demand. The extent of the recovery is also evident in the – in some cases significantly – double-digit growth rates in all three market regions. The Group also solidified its competitive position in various markets and countries in 2021 by expanding its range of products and services and developing its infrastructures.

### Strong recovery in Europe

Sales in Europe increased by 23.1 percent to CHF 574.0 million (in local currency: +22.1 percent). Among other things, newly won customer projects in the focus markets of railway vehicle construction and medical technology helped sustain positive demand. The acquisition of the Dutch company Jeveka B.V., consolidated since October 1, 2021, contributed to the gratifying sales performance. Adjusted for acquisitions, annual sales totaled CHF 564.4 million.

### Broad-based growth in America

Sales in America increased by 12.4 percent to CHF 226.2 million (in local currency: +15.3 percent). Continued diversification of the customer base, for example in the electromobility sector, drove business performance. The completion of several exciting projects helped Bossard solidify new long-term customer relationships.

### Focus on growth segments pays off in Asia

Continued strong growth throughout the year was recorded in Asia, where all regional companies posted double-digit growth rates. Especially Malaysia, India and Taiwan, as well as growth segments such as automation, robotics, and electronics, performed particularly well. Overall sales increased by 34.0 percent to CHF 194.9 million (in local currency: +31.8 percent).

### Robust profitability

The global economic upturn led to capacity bottlenecks, rising raw material prices, and significantly higher freight rates. In spite of the considerable increase in procurement costs caused by these factors, gross profit grew disproportionately in relation to sales.

Sales and administration expenses increased by 19.4 percent to CHF 193.8 million. In relation to sales, however, these costs fell to 19.5 percent from 20.0 percent in the prior year. On the one hand, these expenses increased due to the steadily growing number of employees, which increased by 9.7 percent (organically: +4.9 percent) or 235 employees to a total of 2,657 full-time equivalents. On the other hand, the increases are associated with the normalization of business activities as well as our targeted investments in the organization as part of Strategy 200 and our digitalization initiatives.

In spite of the higher cost basis, the strong growth resulted in a material increase in earnings. EBIT grew by CHF 36.9 million to CHF 123.3 million, an increase of 42.8 percent. The EBIT margin was 12.4 percent (prior year: 10.6 percent), reflecting a significant improvement in profitability after the challenging prior year.

The financial result amounted to CHF –1.3 million. Compared to last year, financial expenses decreased by CHF 2.5 million. The decline was largely due to the positive effect of foreign currency valuations. Tax expenses

increased from CHF 14.5 million to CHF 23.3 million as a result of the significant increase in profit. The tax rate was 19.2 percent (prior year: 17.6 percent), mainly due to the regional profit mix.

Net income grew by 44.7 percent to a record CHF 98.0 million (prior year: CHF 67.8 million). At the annual general meeting of shareholders, the board of directors will propose a dividend of CHF 5.10 per registered A share (prior year: CHF 4.40), in line with our dividend policy of a 40 percent payout of net income.

### **Solid balance sheet in spite of higher net debt**

Along with the Group's investment activities, the above-average growth led to an increase in total assets in 2021. Compared to the prior year, total assets increased by 20.5 percent to CHF 772.8 million.

This increase is driven by higher customer receivables due to increased sales as well as higher inventory. While the increase in receivables is in line with the sales growth, inventory grew at an above-average rate. Besides the higher sales volumes, this increase is due to higher raw material prices and freight costs. Also, in light of the persistent market uncertainties and longer delivery times, we increased our inventory in order to ensure the best possible delivery capability to our customers. Last but not least, the acquisition of Jeveka B.V. contributed to the increase in total assets as well.

Despite high earnings, the equity ratio decreased from 50.3 percent in the prior year to 45.2 percent. The reason for this decline is that Bossard directly offsets the goodwill from acquisitions against equity. As a result of high investment activity and accelerated growth, net debt increased from CHF 155.7 million in the prior year to CHF 217.2 million. The gearing – the ratio of net debt to equity – rose slightly to 0.6 from 0.5 in the prior year.

While cash flow from operating activities before changes in net working capital increased by CHF 35.8 million to CHF 126.0 million, cash flow from operating activities fell from CHF 91.6 million in the prior year to CHF 65.9 million as a result of the strong increase in operating net working capital. Cash flow from investment activities increased from CHF 41.2 million in the prior year to CHF 92.3 million, mainly due to the acquisition of Jeveka B.V. in October 2021 as well as higher investments in tangible and intangible assets. While the Group had a positive free cash flow of CHF 50.4 million in the prior year, a negative free cash flow of CHF 26.4 million resulted in 2021 because of the significant growth and the investments made.

### **Outlook**

The uncertainties arising from the COVID-19 pandemic continue to impact business development. Supply chain challenges remain a major issue. Nonetheless, we are optimistic about the future. In addition to the market development and the implementation of the Strategy 200,

we will continue to focus on digitalization and increased investments in growth initiatives in 2022. At the beginning of the year, the purchasing manager indices continue to point to expansive industry production, and from today's perspective, procurement lead times will likely continue to normalize in the course of the year.

As communicated last year, Bossard is targeting an average organic growth rate of over 5 percent and an EBIT margin of 12 percent to 15 percent in the medium term following a phase of increased investments. To achieve this, we will continue to rely on a strong balance sheet with an equity ratio of at least 40 percent and a payout ratio of approximately 40 percent of net income.

Stephan Zehnder  
CFO

Zug, February 25, 2022

BOSSARD GROUP

# Consolidated balance sheet

in CHF 1,000	Notes	31.12.2021	31.12.2020
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	34,108	40,676
Accounts receivable, trade	2	174,524	145,080
Other receivables		5,717	3,462
Prepaid expenses		10,812	12,246
Inventories	3	338,296	251,772
		<b>563,457</b>	<b>453,236</b>
<b>Non-current assets</b>			
Property, plant and equipment	4	141,129	129,170
Intangible assets	5	39,613	32,259
Financial assets	6	7,671	5,404
Deferred tax assets	7	20,906	21,239
		<b>209,319</b>	<b>188,072</b>
<b>Total assets</b>		<b>772,776</b>	<b>641,308</b>

in CHF 1,000	Notes	31.12.2021	31.12.2020
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable, trade		77,200	49,870
Other liabilities		19,007	20,328
Accrued expenses		45,436	28,502
Tax liabilities		11,391	4,745
Provisions	8	789	3,353
Short-term debts	9	86,554	67,652
		<b>240,377</b>	<b>174,450</b>
<b>Non-current liabilities</b>			
Long-term debts	10	164,776	128,679
Provisions	8	7,388	6,805
Deferred tax liabilities	7	10,687	9,034
		<b>182,851</b>	<b>144,518</b>
<b>Total liabilities</b>		<b>423,228</b>	<b>318,968</b>
<b>Shareholders' equity</b>			
Share capital	11	40,000	40,000
Treasury shares	11	-4,242	-3,171
Capital reserves		75,165	72,860
Retained earnings		234,332	210,266
		<b>345,255</b>	<b>319,955</b>
Non-controlling interest		4,293	2,385
<b>Total shareholders' equity</b>		<b>349,548</b>	<b>322,340</b>
<b>Total liabilities and shareholders' equity</b>		<b>772,776</b>	<b>641,308</b>

The notes on pages 107 to 130 are an integral part of the consolidated financial statements.

BOSSARD GROUP

# Consolidated income statement

in CHF 1,000	Notes	2021	2020
Net sales	12/13	995,148	812,792
Cost of goods sold		-678,028	-564,062
<b>Gross profit</b>		<b>317,120</b>	<b>248,730</b>
Selling expenses		-128,918	-109,692
Administrative expenses		-64,876	-52,652
<b>EBIT</b>		<b>123,326</b>	<b>86,386</b>
Share of result from associated companies		-620	-280
Financial result	17	-1,348	-3,870
<b>Income before taxes</b>		<b>121,358</b>	<b>82,236</b>
Income taxes	7	-23,341	-14,485
<b>Net income</b>		<b>98,017</b>	<b>67,751</b>
<b>Attributable to:</b>			
Shareholders of Bossard Holding AG		96,374	67,055
Non-controlling interest		1,643	696
in CHF	Notes	2021	2020
Earnings per registered A share <sup>1)</sup>	18	12.53	8.73
Earnings per registered B share <sup>1)</sup>	18	2.51	1.75

1) Earnings per share is based on the net income of the shareholders of Bossard Holding AG and the annual average number of outstanding shares entitled to dividend. There is no dilution effect.

The notes on pages 107 to 130 are an integral part of the consolidated financial statements.

BOSSARD GROUP

# Consolidated statement of changes in equity

in CHF 1,000	Issued share capital	Treasury shares	Capital reserves	Retained earnings			Shareholders' Bossard	Non-controlling interest	Shareholders' equity
				Retained earnings	Goodwill offset	Translation differences			
Balance at January 1, 2020	40,000	-2,571	72,477	615,014	-333,937	-89,460	301,523	3,001	304,524
Dividend				-15,355			-15,355	-186	-15,541
Net income for the period				67,055			67,055	696	67,751
Management participation plan			1,093				1,093		1,093
Change in treasury shares		-600	-710				-1,310		-1,310
Offset goodwill from acquisitions					-16,599		-16,599		-16,599
Non-controlling interest from acquisitions							0	-749	-749
Translation differences						-16,452	-16,452	-377	-16,829
<b>Balance at December 31, 2020</b>	<b>40,000</b>	<b>-3,171</b>	<b>72,860</b>	<b>666,714</b>	<b>-350,536</b>	<b>-105,912</b>	<b>319,955</b>	<b>2,385</b>	<b>322,340</b>
Balance at January 1, 2021	40,000	-3,171	72,860	666,714	-350,536	-105,912	319,955	2,385	322,340
Dividend				-33,866			-33,866	-367	-34,233
Net income for the period				96,374			96,374	1,643	98,017
Management participation plan			1,141				1,141		1,141
Change in treasury shares		-1,102	-718				-1,820		-1,820
Usage unissued treasury shares		31	1,882				1,913		1,913
Offset goodwill from acquisitions					-34,777		-34,777		-34,777
Non-controlling interest from acquisitions				-1,111			-1,111	636	-475
Translation differences						-2,554	-2,554	-4	-2,558
<b>Balance at December 31, 2021</b>	<b>40,000</b>	<b>-4,242</b>	<b>75,165</b>	<b>728,111</b>	<b>-385,313</b>	<b>-108,466</b>	<b>345,255</b>	<b>4,293</b>	<b>349,548</b>

For details regarding share capital, please refer to note 11 on page 113 and regarding the goodwill offset from acquisitions to note 21 on pages 117 to 118.

The notes on pages 107 to 130 are an integral part of the consolidated financial statements.

BOSSARD GROUP

# Consolidated cash flow statement

in CHF 1,000	Notes	2021	2020
Net income		98,017	67,751
Share of result from associated companies		620	280
Income taxes	7	23,341	14,485
Financial income	17	-5,531	-4,745
Financial expenses	17	6,879	8,615
Depreciation and amortization	4/5	22,578	19,477
(Decrease)/Increase provisions	8	-1,936	526
Loss/(Gain) from disposals of property, plant and equipment	4	233	-175
Loss from disposals of intangible assets	5	64	12
Loss from disposals of companies	19	779	-
Interest received		357	306
Interest paid		-3,293	-3,495
Taxes paid		-19,114	-13,421
Increase management participation plan (part of equity)		1,141	1,093
Other non-cash expenses/(income)		1,878	-469
Cash flow from operating activities before changes in net working capital		126,013	90,240
Increase accounts receivable, trade		-23,843	-12,047
Decrease/(Increase) other current assets		706	-1,261
(Increase)/Decrease inventories		-81,722	16,529
Increase/(Decrease) accounts payable, trade		26,076	-3,943
Increase other non-interest bearing liabilities		18,701	2,076
<b>Cash flow from operating activities</b>		<b>65,931</b>	<b>91,594</b>

in CHF 1,000	Notes	2021	2020
Investments in property, plant and equipment	4	-24,265	-19,254
Proceeds from sales of property, plant and equipment	4	1,763	1,204
Investments in intangible assets	5	-11,024	-4,673
Net cash flow from purchases of companies	19	-59,140	-11,620
Cash flow from purchases of associated companies	19	-	-8,002
Investments in financial assets	6	-793	-425
Divestments of financial assets	6	1,148	1,618
<b>Cash flow from investing activities</b>		<b>-92,311</b>	<b>-41,152</b>
Proceeds of short-term debts	9	19,051	16,982
Proceeds/(Repayment) of long-term debts	10	36,279	-40,603
Purchase/Sale of treasury shares		-1,102	-1,477
Dividends paid to shareholders		-33,866	-15,355
Dividends paid to non-controlling interest		-367	-186
<b>Cash flow from financing activities</b>		<b>19,995</b>	<b>-40,639</b>
Translation differences		-183	-1,780
<b>Change in cash and cash equivalents</b>		<b>-6,568</b>	<b>8,023</b>
Cash and cash equivalents at January 1		40,676	32,653
Cash and cash equivalents at December 31	1	34,108	40,676

The notes on pages 107 to 130 are an integral part of the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Scope of operations

Bossard Holding AG, Zug, Switzerland, a limited company subject to Swiss law, is the parent company of all entities within the Bossard Group (hereinafter Bossard or Group). Bossard is a leading distributor of fasteners of every kind and a provider of related engineering and logistics services. The Group operates in three geographic regions, Europe, America and Asia, and is one of the market leaders in its sector of industry.

### Accounting principles of the consolidated financial statements

The consolidated financial statements of the Group are based on the financial statements of the individual Group companies at December 31, 2021, prepared in accordance with uniform accounting policies. The consolidated financial statements have been prepared under the historical cost convention except for the revaluation of certain financial assets and liabilities at market value, in accordance with full Swiss GAAP FER. They are consistent with Swiss law and the listing rules of the SIX Swiss Exchange.

The consolidated financial statements were approved by the board of directors on February 25, 2022 and will be recommended for approval at the annual general meeting of shareholders.

The main principles of consolidation and valuation are detailed at the end of the notes to the consolidated financial statements.

## 1. Cash and cash equivalents

in CHF 1,000	2021	Interest rates in %	2020	Interest rates in %
Cash on hand and at banks	34,093	0.0–2.0	39,978	0.0–1.5
Short-term bank deposits	15	4.9–6.4	698	5.5–6.8
<b>Total</b>	<b>34,108</b>		<b>40,676</b>	

For details of movements in cash and cash equivalents please refer to the consolidated cash flow statement (page 106).

## 2. Accounts receivable, trade

in CHF 1,000		2021	2020
Accounts receivable, trade gross		175,579	147,025
According to due date	not due	162,777	137,254
	30 days overdue	7,635	5,274
	60 days overdue	1,569	1,361
	90 days overdue	3,598	3,136
Notes receivable		3,316	2,071
Allowance for bad debts		-4,371	-4,016
<b>Total</b>		<b>174,524</b>	<b>145,080</b>

## 3. Inventories

in CHF 1,000	2021	2020
Goods for trading/components	383,134	296,787
Value adjustments	-44,838	-45,015
<b>Total</b>	<b>338,296</b>	<b>251,772</b>
Value adjustments in % of inventory value	11.7	15.2

## 4. Property, plant and equipment

in CHF 1,000	Facilities under construction	Land and buildings	Machinery and equipment	Others	Total
<b>Cost</b>					
Balance at Jan. 1, 2021	18,889	129,546	124,476	9,150	282,061
Additions	5,924	5,497	11,607	1,237	24,265
Changes in the scope of consolidation	-	5,900	1,346	382	7,628
Disposals	-	-2,103	-10,491	-1,343	-13,937
Reclass	-18,972	16,610	2,362	-	-
Translation differences	276	-791	-503	-153	-1,171
<b>Balance at Dec. 31, 2021</b>	<b>6,117</b>	<b>154,659</b>	<b>128,797</b>	<b>9,273</b>	<b>298,846</b>
<b>Accumulated depreciation</b>					
Balance at Jan. 1, 2021	0	58,454	88,058	6,379	152,891
Depreciation	-	4,399	11,052	1,395	16,846
Impairments	-	244	-	-	244
Disposals	-	-1,462	-9,254	-1,146	-11,862
Translation differences	-	-106	-206	-90	-402
<b>Balance at Dec. 31, 2021</b>	<b>0</b>	<b>61,529</b>	<b>89,650</b>	<b>6,538</b>	<b>157,717</b>
<b>Net book value</b>	<b>6,117</b>	<b>93,130</b>	<b>39,147</b>	<b>2,735</b>	<b>141,129</b>

in CHF 1,000	Facilities under construction	Land and buildings	Machinery and equipment	Others	Total
<b>Cost</b>					
Balance at Jan. 1, 2020	9,325	131,112	123,443	9,723	273,603
Additions	9,700	773	8,239	542	19,254
Changes in the scope of consolidation	-	-	-	-	-
Disposals	-	-538	-4,383	-919	-5,840
Reclass	-	-	-	-	-
Translation differences	-136	-1,801	-2,823	-196	-4,956
<b>Balance at Dec. 31, 2020</b>	<b>18,889</b>	<b>129,546</b>	<b>124,476</b>	<b>9,150</b>	<b>282,061</b>
<b>Accumulated depreciation</b>					
Balance at Jan. 1, 2020	0	55,680	83,417	5,344	144,441
Depreciation	-	3,712	10,186	1,733	15,631
Impairments	-	-	-	-	-
Disposals	-	-367	-3,856	-588	-4,811
Translation differences	-	-571	-1,689	-110	-2,370
<b>Balance at Dec. 31, 2020</b>	<b>0</b>	<b>58,454</b>	<b>88,058</b>	<b>6,379</b>	<b>152,891</b>
<b>Net book value</b>	<b>18,889</b>	<b>71,092</b>	<b>36,418</b>	<b>2,771</b>	<b>129,170</b>

## 5. Intangible assets

in CHF 1,000	Software in development	Software	Others	Total
<b>Cost</b>				
Balance at Jan. 1, 2021	2,036	58,345	220	60,601
Additions	9,018	2,006	-	11,024
Changes in the scope of consolidation	-	1,965	-	1,965
Disposals	-	-871	-	-871
Reclass	-781	781	-	-
Translation differences	-2	-307	-	-309
<b>Balance at Dec. 31, 2021</b>	<b>10,271</b>	<b>61,919</b>	<b>220</b>	<b>72,410</b>
<b>Accumulated amortization</b>				
Balance at Jan. 1, 2021	0	28,323	19	28,342
Amortization	-	5,444	44	5,488
Disposals	-	-803	-	-803
Translation differences	-	-230	-	-230
<b>Balance at Dec. 31, 2021</b>	<b>0</b>	<b>32,734</b>	<b>63</b>	<b>32,797</b>
<b>Net book value</b>	<b>10,271</b>	<b>29,185</b>	<b>157</b>	<b>39,613</b>

in CHF 1,000	Software in development	Software	Others	Total
<b>Cost</b>				
Balance at Jan. 1, 2020	24,643	32,102	427	57,172
Additions	2,076	2,377	220	4,673
Changes in the scope of consolidation	-	-	-	-
Disposals	-	-746	-427	-1,173
Reclass	-24,683	24,683	-	-
Translation differences	-	-71	-	-71
<b>Balance at Dec. 31, 2020</b>	<b>2,036</b>	<b>58,345</b>	<b>220</b>	<b>60,601</b>
<b>Accumulated amortization</b>				
Balance at Jan. 1, 2020	0	25,316	399	25,715
Amortization	-	3,799	47	3,846
Disposals	-	-734	-427	-1,161
Translation differences	-	-58	-	-58
<b>Balance at Dec. 31, 2020</b>	<b>0</b>	<b>28,323</b>	<b>19</b>	<b>28,342</b>
<b>Net book value</b>	<b>2,036</b>	<b>30,022</b>	<b>201</b>	<b>32,259</b>

In 2021, CHF 1.1 million self-generated intangible assets were capitalized (2020: CHF 0.1 million).

## 6. Financial assets

in CHF 1,000	2021	Interest rates in %	2020	Interest rates in %
Loans and deposits to third parties	5,966	0.0–5.0	3,074	0.0–5.0
Investments in associated companies	1,670		2,295	
Other financial assets	35		35	
<b>Total</b>	<b>7,671</b>		<b>5,404</b>	

## 7. Income taxes

The tax expenses are made up as follows:

in CHF 1,000	2021	2020
Current taxes	21,740	13,669
Deferred taxes	1,601	816
<b>Total</b>	<b>23,341</b>	<b>14,485</b>

The effective tax rate on the Group's profit differs from the average basic tax rate of the various countries in which Bossard operates as follows:

in CHF 1,000	2021	2020
Income before taxes	121,358	82,236
Weighted average tax rate in %	19.3	19.7
<b>Tax expense at weighted average tax rate</b>	<b>23,410</b>	<b>16,240</b>
Non tax deductible expenses	856	449
Non-taxable income	-248	-1,389
Expenses taxed at special rate	67	20
Unrecognized current year tax losses	155	217
Utilization unrecognized prior year tax losses	-502	-261
Change in applicable tax rate	202	191
Others	-599	-982
<b>Tax expense at effective tax rate</b>	<b>23,341</b>	<b>14,485</b>
Effective tax rate in %	19.2	17.6

The Group's average tax rate is the weighted average based on the various individual results and the local tax rates.

The deferred taxes consist of the following:

in CHF 1,000	Assets 2021	Liabilities 2021	Assets 2020	Liabilities 2020
Accounts receivable	468	245	439	260
Inventories	7,343	2,909	6,358	2,726
Property, plant and equipment	337	2,377	332	1,668
Intangible assets	8,446	1,303	10,211	1,012
Liabilities	4,312	3,853	3,899	3,368
<b>Total deferred taxes</b>	<b>20,906</b>	<b>10,687</b>	<b>21,239</b>	<b>9,034</b>
Net	10,219		12,205	

The gross values of unused tax losses carried forward which have not been capitalized expire as follows:

Expiry of unused tax losses carried forward in CHF 1,000	Within 5 years	After 5 years	Total
2021	39	11,587	11,626
2020	206	12,568	12,774

This results in not capitalized deferred tax assets for unused tax losses carried forward of CHF 2.2 million (2020: CHF 2.5 million).

## 8. Provisions

in CHF 1,000	Pension and other termination benefits	Management participation plan	Others	Total
Balance at Jan. 1, 2021	4,770	446	4,942	10,158
Additions	708	595	852	2,155
Changes in the scope of consolidation	-	-	177	177
Usage	-81	-268	-1,619	-1,968
Reversals	-151	-	-1,980	-2,131
Translation differences	-230	9	7	-214
<b>Balance at Dec. 31, 2021</b>	<b>5,016</b>	<b>782</b>	<b>2,379</b>	<b>8,177</b>
Thereof short-term	11	-	778	789

Pension and other termination benefits include liabilities for pension and granted legal benefits based on affiliation to the Group.

The provision management participation plan pertains to a long-term orientated program which is offered by the Group to specified middle and top management personnel. The manager annually receives a defined sum which is converted into restricted stock units of Bossard Holding AG registered A shares. This additional compensation is locked up for three to five years.

Other provisions include CHF 1.2 million (2020: CHF 1.4 million) for assumed obligations for renovations related to the acquisition of KVT-Fastening.

in CHF 1,000	Pension and other termination benefits	Management participation plan	Others	Total
Balance at Jan. 1, 2020	4,666	456	4,929	10,051
Additions	287	267	1,699	2,253
Changes in the scope of consolidation	-	-	-	-
Usage	-123	-255	-1,493	-1,871
Reversals	-14	-	-88	-102
Translation differences	-46	-22	-105	-173
<b>Balance at Dec. 31, 2020</b>	<b>4,770</b>	<b>446</b>	<b>4,942</b>	<b>10,158</b>
Thereof short-term	2	-	3,351	3,353

## 9. Short-term debts

in CHF 1,000	2021	Interest rates in %	2020	Interest rates in %
Bank overdrafts	4,895	0.6-4.5	2,859	0.6-5.0
Bank loans	50,140	0.7-5.1	35,660	0.7-6.4
Personnel savings accounts	24,869	0.8	22,858	0.8-1.0
Others <sup>1)</sup>	6,650	0.6-0.8	6,275	0.6-2.0
<b>Total</b>	<b>86,554</b>		<b>67,652</b>	

1) For details, please refer to note 24

The personnel savings accounts correspond to savings of employees. The effective weighted average interest rate on all borrowings was 1.1 percent (2020: 1.1 percent).

## 10. Long-term debts

in CHF 1,000	2021	Interest rates in %	2020	Interest rates in %
Bank loans	141,404	0.5–1.2	112,747	0.5–1.2
Others <sup>1)</sup>	23,372	0.5–12.0	15,932	0.5–12.0
<b>Total</b>	<b>164,776</b>		<b>128,679</b>	

1) For details, please refer to note 24

## 11. Share capital

Details of share capital 2021/2020	Par value in CHF	Number of shares	Total in CHF 1,000
Registered A shares	5	6,650,000	33,250
Registered B shares	1	6,750,000	6,750
<b>Total</b>			<b>40,000</b>

300,904 registered A shares of CHF 5 par value are held by Bossard Holding AG and have neither voting rights nor dividend entitlement.

The consolidated reserves include non-distributable legal reserves of CHF 16 million (2020: CHF 16 million).

## Treasury shares

The treasury shares can be used especially for management participation plans, acquisitions or other purposes in the interest of the Group.

	2021		2020	
	Number	in CHF	Number	in CHF
Balance at Jan. 1	308,691	3,170,816	304,640	2,571,271
Additions	93,408	24,382,760	104,950	14,857,586
Use of treasury stock	-	1,901,090	-	-
Disposals	-101,195	-25,212,830	-100,899	-14,258,041
<b>Balance at Dec. 31</b>	<b>300,904</b>	<b>4,241,836</b>	<b>308,691</b>	<b>3,170,816</b>

Average transaction price in CHF	2021	2020
Additions	261.04	141.57
Disposals management participation plans	284.34	153.67
Other disposals	260.78	145.30

The disposals contain 7,361 shares (2020: 7,535) for the restricted stock unit plan (RSU).

9,037 registered A shares (2020: 10,529) are reserved for the management participation plan (RSU).

## Dividend

At the upcoming annual general meeting of shareholders on April 11, 2022, the board of directors of Bossard Holding AG will propose a dividend for the financial year 2021 of CHF 5.10 (2020: CHF 4.40) per registered A share and CHF 1.02 (2020: CHF 0.88) per registered B share.

## 12. Segment information

The Group and all its regional companies are operating internationally in the field of industrial fastening technology. There are no separate segments as per Swiss GAAP FER 31. All the regional companies are managed based on a uniform business strategy. The core of Bossard's strategy is a uniform business model with the same customer and product focus in the world's major industrial regions. Bossard supplies industrial companies at their worldwide production sites with fastening technology products and related services based on uniform quality standards using uniform operational systems and processes. The board of directors and executive committee manage the Group on the basis of the financial statements of the individual regional companies and the Group's consolidated financial statement. Based on the number of regional companies, the CEO delegates the monitoring of the goals and their implementation in daily operations to the remaining members of the executive committee, each of whom is responsible for a different number of companies in the various regions.

## 13. Sales by regions

in CHF million	Europe		America		Asia		Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Sales	575.5	467.8	226.9	201.7	194.9	146.1	997.3	815.6
Sales deductions	-1.5	-1.6	-0.7	-0.5	-0.0	-0.7	-2.2	-2.8
<b>Net sales</b>	<b>574.0</b>	<b>466.2</b>	<b>226.2</b>	<b>201.2</b>	<b>194.9</b>	<b>145.4</b>	<b>995.1</b>	<b>812.8</b>

## 14. Personnel expenses

in CHF 1,000	2021	2020
Salaries and variable compensation	158,320	130,441
Social security expenses	23,797	21,422
Pension expenses	11,300	9,330
Other personnel expenses	6,315	4,535
<b>Total</b>	<b>199,732</b>	<b>165,728</b>

The expense recognized for share-based compensation in the result for the period is CHF 1.7 million (2020: CHF 1.4 million).

In 2021, the personnel expenses contain reductions due to governmental support in one country in the amount of CHF 1.3 million (2020: CHF 6.9 million).

## 15. Awarded restricted stock units

Number of RSUs	2021	2020
Balance at Jan. 1: Number of RSUs outstanding	33,263	35,094
Deliveries	-8,986	-9,309
Allocations	4,377	8,320
Other changes	-720	-842
<b>Balance at Dec. 31: Number of RSUs outstanding</b>	<b>27,934</b>	<b>33,263</b>

## 16. Other operating expenses

in CHF 1,000	2021	2020
Occupancy costs	17,017	15,896
Capital taxes, insurance and charges	4,102	3,408
Other operating expenses	14,571	10,388
<b>Total</b>	<b>35,690</b>	<b>29,692</b>

## 17. Financial result

in CHF 1,000	2021	2020
<b>Financial income</b>		
Income from interests and securities	246	190
Income from non-consolidated investments	144	129
Exchange gains	5,141	4,426
<b>Total</b>	<b>5,531</b>	<b>4,745</b>
<b>Financial expenses</b>		
Interest expenses	3,605	3,624
Exchange losses	3,274	4,991
<b>Total</b>	<b>6,879</b>	<b>8,615</b>
<b>Total financial result</b>	<b>1,348</b>	<b>3,870</b>

## 18. Earnings per share

	2021	2020
Net income in CHF 1,000	96,374	67,055
Average number of shares entitled to dividend <sup>1)</sup>	7,693,138	7,680,874
Earnings per registered A share in CHF	12.53	8.73
Earnings per registered B share in CHF	2.51	1.75

1) Registered B shares adjusted to the nominal value of the registered A shares

Earnings per share are calculated by dividing the net income attributable to Shareholders of Bossard Holding AG by the weighted average number of shares entitled to dividend during the year. There is no dilution effect as there are no options or convertible bonds outstanding.

## 19. Acquisitions and disposals of subsidiaries and businesses

### Acquisitions 2021

The following table shows the acquired assets and liabilities at their market value at the acquisition date and the resulting goodwill.

in CHF 1,000	Market value at acquisition date
Cash and cash equivalents	1,001
Accounts receivable, trade	5,687
Inventories	8,337
Other current assets	1,479
Non-current assets	9,824
Accounts payable, trade	-1,340
Other current liabilities	-2,220
Non-current liabilities	-605
<b>Net assets acquired</b>	<b>22,163</b>
Goodwill	37,978
Total	60,141
Less acquired cash and cash equivalents	-1,001
<b>Cash flow from acquisitions</b>	<b>59,140</b>

In 2021, the following companies were acquired:

- Normscrews Beheer B.V., Netherlands (October 2021)
- Jeveka B.V., Netherlands (October 2021)

In March and August 2021, purchase price adjustments were made for transactions from 2019 in China and Germany. These adjustments resulted in a cumulative reduction of goodwill by CHF 0.3 million.

### Disposals 2021

In October 2021, business and asset components from KVT-Fastening, Branch of Bossard AG, Switzerland, were sold cash neutral as part of an asset deal.

### Other changes in the scope of consolidation 2021

In 2021, the scope of consolidation changed as follows:

- Effilio AG, Switzerland (merger with Bossard Finance AG, Switzerland)

### Acquisitions 2020

In January 2020, the investment in Bossard Norway AS, Norway, was increased from 60.0 percent to 100 percent. This investment led to a cash outflow of CHF 11.6 million and a goodwill of CHF 10.9 million.

In April 2020, a purchase price adjustment was made for a previous year asset deal in China. The reversals of a provision and of a deferred tax asset resulted in a reduction of goodwill of CHF 0.2 million.

### Acquisitions of associated companies 2020

In November 2020, a share of 39.9 percent of MultiMaterial-Welding AG, Switzerland, was acquired. This investment led to a cash outflow of CHF 8.0 million and a goodwill of CHF 5.9 million.

## Disposals 2020

No subsidiaries or associated companies were disposed.

## Other changes in the scope of consolidation 2020

In 2020, the scope of consolidation changed as follows:

- KVT-Fastening Beteiligungs GmbH, Germany (merger with Bossard-KVT Beteiligungs GmbH, Germany)
- Arnold Management Delaware, LLC, USA (liquidation)

## 20. Derivative financial instruments

As of December 31, 2021, there were no open foreign exchange contracts or other derivative financial instruments (2020: none).

## 21. Goodwill

The theoretical capitalization and amortization of goodwill would affect the consolidated financial statements as follows:

### Theoretical movements in goodwill and effect on balance sheet

in CHF 1,000	2021	2020
Equity incl. non-controlling interest	349,548	322,340
Equity ratio in %	45.2	50.3
<b>Cost</b>		
Balance at Jan. 1	350,536	333,937
Additions	37,978	16,599
Disposals	-3,201	-
<b>Balance at Dec. 31</b>	<b>385,313</b>	<b>350,536</b>
<b>Accumulated amortization</b>		
Balance at Jan. 1	301,177	285,589
Amortization	17,486	15,588
Disposals	-2,885	-
<b>Balance at Dec. 31</b>	<b>315,778</b>	<b>301,177</b>
<b>Theoretical net book value goodwill at Dec. 31</b>	<b>69,535</b>	<b>49,359</b>
<b>Theoretical equity incl. non-controlling interest and net book value goodwill</b>		
	419,083	371,699
<b>Theoretical equity ratio in %</b>	<b>49.8</b>	<b>53.8</b>

## Effect on income statement

in CHF 1,000	2021	2020
EBIT without theoretical goodwill amortization	123,326	86,386
Theoretical goodwill amortization	-17,486	-15,588
<b>EBIT incl. theoretical goodwill amortization</b>	<b>105,840</b>	<b>70,798</b>

Goodwill from acquisitions is converted into Swiss francs using the closing rate and offset against equity at the acquisition date. As a result, no exchange differences arise in the movement schedule. The theoretical, straight-line amortization period usually is five years.

## 22. Pension benefit obligations

The Group has various pension plans to which most of its employees contribute. With the exception of companies in Switzerland, the pension institution is responsible for providing coverage for retirement, survivors' and disability benefits. The pension plan institution for the Swiss companies is an independent pension plan in accordance with the Swiss federal law on occupational retirement, survivors' and disability pension plans (BVG). The pension plan institution uses the fundamentals BVG 2020 / generation table (2020: BVG 2015 / periodic table 2016). The actuarial interest rate is 1.50 percent (2020: 1.50 percent). In accordance with Swiss GAAP FER 26, the last available financial statements of the pension plan institution, which has a balance sheet date not older than 12 months, serve as a basis for calculation.

Economic benefit/economic obligation and pension plan expenses:

in CHF 1,000	Surplus/Deficit according to pension plans	Economic share of the company		Change or capitalized in financial year	Contributions accrued	Pension plan expenses in personnel expenses	
	31.12.2021	31.12.2021	31.12.2020	2021	2021	2021	2020
Patronage funds/pension institutions	3,376	-	-	-	594	594	275
Pension institutions without surplus/deficit	-	-	-	-	-	-	5,276
Pension institutions with surplus	606	-	-	-	5,682	5,682	-
Pension institutions with deficit	-	-	-	-	-	-	-
Pension institutions abroad	-	-	-	-	5,024	5,024	3,779
<b>Total</b>	<b>3,982</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,300</b>	<b>11,300</b>	<b>9,330</b>

The surplus in the patronage fund corresponds to the non-committed funds. The patronage fund may, at its own discretion, make contributions to the pension plan institution.

Financing is through employer and employee contributions. The contributions are calculated as a percentage of the insured compensation.

There were no employer contribution reserves as of December 31, 2021 (2020: none).

### 23. Participations by the board of directors and the executive committee

At December 31, the individual members of the board of directors and of the executive committee (including persons closely associated with them) held the following registered A shares of Bossard Holding AG:

		2021	2020
<b>Board of directors</b>			
Dr. Thomas Schmuckli	Chair, Chair NC <sup>1)</sup> , ARCC <sup>2)</sup>	8,523	9,829
Patricia Heidtman	Vice Chair, NC, CC <sup>3)</sup>	650	500
Dr. René Cotting	Chair ARCC	2,400	2,250
David Dean	Representative of registered A shares, Chair CC	1,150	1,456
Petra Maria Ehmann <sup>4)</sup>	NC, ARCC	-	-
Marcel Keller <sup>4)</sup>	CC	-	-
Martin Kühn	ARCC	1,312	1,162
Prof. Dr. Stefan Michel	NC, CC	1,054	904
<b>Total</b>		<b>15,089</b>	<b>16,101</b>

- 1) Nomination committee
- 2) Audit, risk & compliance committee
- 3) Compensation committee
- 4) Election to the board of directors in April 2021

#### Executive committee

Dr. Daniel Bossard	CEO	5,363	7,062
Stephan Zehnder	CFO	10,349	14,048
Beat Grob	CEO Central Europe	12,701	37,400
Dr. Frank Hilgers	CEO Northern & Eastern Europe, CCO	2,301	3,419
David Jones <sup>1)</sup>	CEO America	-	-
Robert Ang	CEO Asia	12,793	13,492
Rolf Ritter <sup>2)</sup>	CSO	-	-
<b>Total</b>		<b>43,507</b>	<b>75,421</b>

- 1) Takeover as CEO America in February 2021
- 2) Appointment as CSO as of May 1, 2021

At December 31, the individual members of the executive committee held the following numbers of awarded restricted stock units (RSUs):

		2021 <sup>3)</sup>	2020
Dr. Daniel Bossard	CEO	1,243	1,544
Stephan Zehnder	CFO	765	1,066
Beat Grob	CEO Central Europe	765	1,066
Dr. Frank Hilgers	CEO Northern & Eastern Europe, CCO	765	1,066
David Jones <sup>1)</sup>	CEO America	-	-
Robert Ang	CEO Asia	765	1,066
Rolf Ritter <sup>2)</sup>	CSO	94	94
<b>Total</b>		<b>4,397</b>	<b>5,902</b>

- 1) Takeover as CEO America in February 2021
- 2) Appointment as CSO as of May 1, 2021
- 3) RSU which will be granted in the second quarter of 2022 for the financial year 2021 are not included in the balance.

## 24. Related party transactions

Kolin Holding AG, Zug, Switzerland, and Bossard Unternehmensstiftung, Zug, Switzerland, form a group of shareholders as defined in article 120seq. of Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA). They hold 56.3 percent (2020: 56.3 percent) of total voting rights or 27.8 percent (2020: 27.9 percent) of the capital entitled to dividend. Kolin Holding AG is wholly owned by the Bossard families.

The following related party transactions were undertaken:

Balance sheet positions as per year end in CHF 1,000	2021	Interest rates in %	2020	Interest rates in %
Deposits in the personnel savings accounts	9,322	0.8	7,894	0.8–1.0
Short-term loans from related parties	6,650	0.6–0.8	6,275	0.6–0.8
Long-term loans from related parties	22,000	0.5	14,500	0.5

In 2021, transactions took place during the year with Bossard Unternehmensstiftung, Zug, Bossard Personalstiftung, Zug, and Bossard Finanzierungsstiftung, Zug, with an interest expense of CHF 134,453.

In 2020, transactions took place during the year with Bossard Unternehmensstiftung, Zug, Bossard Personalstiftung, Zug, and Bossard Finanzierungsstiftung, Zug, with an interest expense of CHF 115,448.

## 25. Lease and rental obligations

At December 31, future operating lease payments not recorded in the balance sheet amounted to:

Operating lease commitments in CHF 1,000	Due within 1 year	Due within 2 years	Due within 3 years	Due within 4 years	Due after 4 years	Total
2021	1,105	688	289	68	5	2,155
2020	1,186	738	454	70	4	2,452

At December 31, future rental liabilities for office and warehouse premises amounted to:

Long-term rental liabilities in CHF 1,000	Due within 1 year	Due within 2 years	Due within 3 years	Due within 4 years	Due after 4 years	Total
2021	8,019	6,686	5,279	4,104	12,944	37,032
2020	7,996	5,946	5,402	4,320	16,320	39,984

## 26. Assets pledged or otherwise restricted

in CHF 1,000	2021	2020
Property, plant and equipment	4,404	9,952
<b>Total</b>	<b>4,404</b>	<b>9,952</b>

The pledged or restricted assets are used as collateral for outstanding bank and mortgage loans, which are not encumbered with any special conditions. After the repayment of the credits, the assets are again freely available.

## 27. Contingent Liabilities

As of December 31, 2021 there were no contingent liabilities (2020: none).

## 28. Events occurring after balance sheet date

Between December 31, 2021 and the approval of the consolidated financial statements by the board of directors, no major events occurred which would require additional disclosures or changes in the consolidated financial statements 2021.

## 29. List of group companies

Companies and branches		Registered office	Currency	Capital in 1,000	Shareholding
<b>Holding and finance companies</b>					
Switzerland	Bossard Holding AG	Zug	CHF	40,000	100
	Bossard Finance AG	Zug	CHF	100	100
England	bigHead Fasteners Ltd	Verwood	GBP	1,847	42
Germany	Bossard-KVT Beteiligungs GmbH	Illerrieden	EUR	25	100
	Boysen Verwaltungs GmbH	Munich	EUR	25	100
Netherlands	Normscrews Beheer B.V.	Almere	EUR	18	100
USA	Bossard U.S. Holdings, Inc.	Phoenix, AZ	USD	40,000	100
<b>Europe</b>					
Switzerland	Bossard AG	Zug	CHF	12,000	100
	3d-prototyp GmbH	Dietikon	CHF	20	100
	Interfast AG	Zug	CHF	50	100
	KVT-Fastening, Zweigniederlassung der Bossard AG	Dietikon	CHF	-	100
Austria	Bossard Austria Ges.m.b.H.	Schwechat	EUR	1,017	100
	KVT-Fastening GmbH	Linz	EUR	509	100
Czech Rep.	Bossard CZ s.r.o.	Brno	CZK	1,000	100
	KVT-Fastening s.r.o.	Brno	CZK	200	100
Denmark	Bossard Denmark A/S	Hvidovre	DKK	9,000	100
England	bigHead Bonding Fasteners Ltd	Verwood	GBP	1.8	42
France	Bossard France SAS	Souffelweyersheim	EUR	17,600	100
Germany	Bossard Deutschland GmbH	Illerrieden	EUR	25	100
	Boysen GmbH	Munich	EUR	1,050	100
	BRUMA Schraub- und Drehtechnik GmbH	Velbert	EUR	110	100
	KVT-Fastening GmbH	Illerrieden	EUR	100	100
Hungary	KVT-Fastening Kft.	Budapest	HUF	3,000	100
Ireland	Arnold Industries Cork DAC	Cork	EUR	0.2	95
Italy	Bossard Italia S.r.l.	Legnano	EUR	100	100
Netherlands	Jeveka B.V.	Almere	EUR	46	100
Norway	Bossard Norway AS	Oslo	NOK	200	100
Poland	Bossard Poland Sp. z o.o.	Radom	PLN	1,300	100
	KVT-Fastening Sp. z o.o.	Radom	PLN	100	100

Companies and branches		Registered office	Currency	Capital in 1,000	Shareholding
Romania	KVT-Fastening S.R.L.	Bucharest	RON	0.2	100
Serbia	KVT-Fastening d.o.o. Beograd	Belgrade	RSD	1,000	100
Slovakia	KVT-Fastening spol. s.r.o.	Bratislava	EUR	5	100
Slovenia	KVT-Fastening d.o.o.	Ljubljana	EUR	8.3	100
South Africa	Bossard South Africa (Pty) Ltd	Kempton Park	ZAR	-	100
Spain	Bossard Spain SA	Sant Cugat del Vallès	EUR	745	100
Sweden	Bossard Sweden AB	Malmö	SEK	400	100
<b>America</b>					
Canada	Bossard Canada, Inc.	Montreal	CAD	-	100
Mexico	Bossard de México, S.A. de C.V.	Monterrey	USD	755	100
	Aero-Space Southwest Mexico, S. de R.L. de C.V.	Guadalajara	MXN	10	100
USA	Bossard, Inc.	Cedar Falls, IA	USD	2,255	100
	Bossard Aerospace, Inc.	Phoenix, AZ	USD	4.9	100
	Bossard, LLC	Canton, MA	USD	-	100
	Boysen Aerospace U.S., Inc.	Irving, TX	USD	25	100
<b>Asia/Oceania</b>					
Australia	Bossard Australia Pty. Ltd	Melbourne	AUD	500	100
China	Bossard Industrial Fasteners Int. Trading (Shanghai) Co. Ltd	Shanghai	RMB	25,676	100
	Bossard Fastening Solutions (Shanghai) Co. Ltd	Shanghai	RMB	76,829	100
	Bossard Fastening Solutions (Tianjin) Co. Ltd	Tianjin	RMB	68,102	100
India	LPS Bossard Pvt. Ltd	Rohtak	INR	48,000	51
Malaysia	Bossard (M) Sdn. Bhd.	Penang	MYR	8,500	100
Singapore	Bossard Pte. Ltd	Singapore	SGD	15,600	100
South Korea	Bossard (Korea) Ltd	Cheonan	KRW	3,500,000	100
Taiwan	Bossard Ltd Taiwan Branch	Taichung	TWD	-	100
Thailand	Bossard (Thailand) Ltd	Bangkok	THB	45,000	100
<b>Associated companies</b>					
Switzerland	Ecoparts AG	Hinwil	CHF	270	30
	MultiMaterial-Welding AG	Biel/Bienne	CHF	187	41
Austria	PDi Digital GmbH	Fernitz-Mellach	EUR	35	30

As per December 31, 2021

### 30. Principles of consolidation

The consolidated financial statements include the financial statements of Bossard Holding AG as well as the domestic and foreign Group companies over which Bossard Holding AG exercises control. Group companies acquired during the year are included in the consolidated financial statements from the date on which control is obtained by Bossard. Group companies are deconsolidated on the date Bossard ceases to have control. The uniform closing date for all Group companies included in the consolidated financial statements is December 31.

Capital consolidation is based on the purchase method. Intercompany receivables and liabilities as well as transactions and intercompany profits not yet realized through sales to third parties are eliminated.

#### Investments in subsidiaries

Subsidiaries are fully consolidated. These are companies over which Bossard Holding AG directly or indirectly exercises control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when Bossard Holding AG directly or indirectly holds more than half of the voting rights of a company or is able to exercise control in another way. This does not apply if in exceptional circumstances it can be clearly demonstrated that such ownership does not constitute control. Under the full consolidation method, 100 percent of assets, liabilities, income and expenses are included. The interests of minority shareholders in equity and net income or loss are shown separately in the balance sheet and income statement.

In accordance with Swiss GAAP FER 30 "Consolidated financial statements," goodwill from acquisitions is converted into Swiss francs using the closing rate and is offset against equity at the date of acquisition. Goodwill represents the excess of the consideration transferred over the proportionate share of the revalued net assets of an acquired company at the date of acquisition.

Transactions with non-controlling interest which do not result in a change of the consolidation method are recognized directly in equity. The difference between the consideration transferred and the corresponding non-controlling interest is recognized as goodwill and is offset against the retained earnings in equity.

#### Associated companies

Associated companies are those in which Bossard Holding AG directly or indirectly holds an interest between 20 percent to 50 percent and exercises significant influence. Associated companies are accounted for using the equity method. Under the equity method, investments in associated companies are recognized at the proportionate share of equity at the date of acquisition. The difference to the consideration transferred is recognized as goodwill and is offset against the retained earnings in equity at the date of acquisition. Subsequently, the book value is adjusted to reflect the company's proportionate equity.

#### Non-controlling interest

Non-controlling interest of less than 20 percent and without any other form of control or significant influence is recognized at acquisition cost less any economically necessary impairment.

#### Foreign currency translation

The consolidated financial statements are presented in Swiss francs (CHF). The financial statements of the Group companies are prepared in their respective local currency. Transactions in foreign currencies are translated at the exchange rate on the day of the transaction. Exchange differences resulting from adjustments of foreign exchange balances at the balance sheet date are recognized as exchange gains or losses in the income statements of the Group companies and are included in the consolidated net income.

For the consolidated financial statements, the financial statements of the Group companies that report in a foreign currency are translated into Swiss francs as follows: balance sheet items at year-end exchange rates, equity at historical rates, and items of the income statement at the average exchange rate for the year. Any translation differences and exchange differences arising from intercompany loans with equity character are recognized in the Group's consolidated equity.

The following principal exchange rates were applied:

	31.12.2021 Year-end exchange rate	01.01.2021– 31.12.2021 Average exchange rate	31.12.2020 Year-end exchange rate	01.01.2020– 31.12.2020 Average exchange rate
1 EUR	1.04	1.08	1.08	1.07
1 USD	0.91	0.91	0.88	0.94
100 DKK	13.93	14.54	14.53	14.36
100 RMB	14.30	14.17	13.55	13.60
100 INR	1.23	1.24	1.21	1.27

### 31. Accounting and valuation principles

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, time deposits, and other short-term highly liquid investments with original maturities of up to three months. Cash and cash equivalents are recognized at nominal value.

#### Accounts receivable, trade

Accounts receivable are stated at the invoiced amount less allowances. The allowance for doubtful accounts is based on the maturity structure and identifiable credit risks.

#### Inventories

Goods for trading are recognized at average acquisition cost. Should the net realizable value be lower, a corresponding value adjustment is made. Acquisition cost include the product purchase price and delivery cost (freight, customs duties, etc.). Cash discounts are treated as reductions of the acquisition cost. Inventories that lack marketability or have low turnover, are written down to the estimated market value less cost to sell.

#### Property, plant and equipment

Land is stated at cost and generally not depreciated. Buildings, machinery and equipment, office machines and furniture as well as vehicles are stated at cost less economically necessary depreciation and impairment. Assets are depreciated on a straight-line basis over their estimated useful lives:

Buildings	30–40 years
Machinery and equipment	5–20 years
Office machines and furniture	3–10 years
Vehicles	4–10 years

Leasehold improvements are depreciated over the shorter of useful life or lease term. Repair and maintenance costs which do not increase the value or useful life of an asset are charged directly as an expense. Expenditures which increase the useful life of an asset are capitalized. Fixed assets no longer in use or sold are removed from the assets at acquisition cost minus the related accumulated depreciation. Any gains or losses arising from the disposal of fixed assets are recognized in the income statement

### Leasing

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases, and payments are recognized as an expense on a straight-line basis over the lease term.

### Intangible assets – Software

Costs arising from the development of computer software (purchased or self-generated) are capitalized, provided such costs are clearly associated with an identifiable and business-related computer program, can be reliably determined, and lead to measurable benefits over several years. Computer software is amortized on a straight-line basis over its estimated useful life, up to a maximum of 15 years.

### Intangible assets – Others

This item includes rights. Rights are amortized on a straight-line basis over their estimated useful life, up to a maximum of ten years.

### Financial assets

Financial assets comprise both non-consolidated investments and long-term loans. They are recognized at acquisition cost less economically necessary value adjustments. Fair value changes are recognized in the income statement in the period in which they arise.

### Impairment

The recoverability of non-current assets is determined at the balance sheet date. Impairment losses are recognized in the income statement.

### Derivative financial instruments

Financial instruments are recognized in the balance sheet at fair value. Assets from derivatives are recognized under financial assets and liabilities from derivatives are

recognized under current liabilities. Derivative financial instruments held for hedging purposes are valued at the same valuation principles as the underlying hedged item.

### Liabilities

Liabilities are recognized at nominal value.

### Provisions

A provision is recognized if the Group has a probable obligation that is based on a past event and its amount and/or its due date is uncertain but can be estimated.

### Contingent liabilities

Contingent liabilities are valued at the balance sheet date. A provision is made if an outflow of funds without a simultaneously usable inflow of funds is both probable and estimable.

### Financial debts

Financial debts are recognized at nominal value. They are classified as current liabilities unless the Group can defer the settlement of the liability for at least twelve months after the balance sheet date.

### Treasury shares

Treasury shares are recognized at acquisition cost and presented as a deduction from equity. Any gains and losses arising from transactions with treasury shares are recognized in the capital reserves.

## Share-based compensation

There is a share purchase plan for the board of directors and the executive committee, and they are required, or may elect, to draw part of their total compensation in shares. The shares are made available at market price. The market value is always determined in February and is based on the average closing price over the last ten trading days in February.

There is a restricted stock unit plan (RSU) in place for the members of the management. The eligible participants annually receive a defined sum which is converted into RSUs on Bossard Holding AG registered A shares. The conversion is performed at market value and is based on the average closing price over the last ten trading days in November. The stock options (RSUs) are subject to a vesting period of three to five years. After three years, yearly one-third of the allocated RSUs is passed on to the manager provided as long as she or he is employed at the time of the vesting. After the last contractual working day, all remaining stock options (RSUs) forfeit immediately.

There is an equivalent restricted stock unit plan (RSU) in place for the members of the executive committee. However, the condition for grant is linked to the implementation of the Group's strategic initiatives of the prior financial year. This evaluation takes place in the second quarter and thus represents the beginning of the vesting period. The conversion is carried out at market value and is based on the average share price over the last ten trading days in December.

The share-based compensation is valued at present value when granted and is recognized over the vesting period as personnel costs and as equity (instruments with equity compensation) or liability (instruments with cash compensation). If no cash settlement is planned, no subsequent valuation is made unless the terms of exercise and purchase are amended. The subsequent valuation is based on the closing price for the share of the last trading day of the financial year. No dilution effect results because no additional shares have been issued.

## Pension benefit obligations

Bossard operates a number of pension plans in accordance with the legal requirements in the individual countries. Their assets are generally held in autonomous pension institutions or in statutory occupational pension plans. The pension plans are funded by employee and employer contributions. Pension plans are accounted for in accordance with Swiss GAAP FER 16.

Any actual economic impacts of pension plans on the Group are calculated at the balance sheet date. An economic benefit from a surplus is recognized as an asset provided this is admissible and the surplus can be used to decrease the Group's future contributions to its pension plans. An economic obligation is recognized if the criteria for recognizing a provision are met. Contributions by Group companies to pension plans are recognized in the income statement in the year in which they occur.

## Net sales and revenue recognition

Revenue is recognized at fair value and represents the amount receivable for goods sold and services provided, net of sales-related taxes and revenue deductions. Revenue deductions include all positions that are directly related to the corresponding sales, such as discounts, losses on receivables and exchange rate differences. Revenue is recognized when the goods and services have been supplied or provided.

## Income taxes

All taxes are accrued irrespective of when such taxes are due. Deferred income taxes are recognized according to the "liability method" for temporary differences arising between the tax base of assets and liabilities and their carrying values determined in accordance with Swiss GAAP FER.

Deferred tax assets on temporary differences are only capitalized if it is probable that they can be realized in the future through sufficient taxable profits. Deferred taxes are calculated using the expected applicable local tax rates. Bossard does not recognize deferred tax assets on tax losses carried forward. The value of such tax assets is recognized only when realized.

No deferred taxes are recognized for taxes on future distributions of profits of subsidiaries, provided that no distribution is intended in the foreseeable future and Bossard is able to control its timing.

### Related parties

A party is related to the Group if it directly or indirectly controls, is controlled by, or is under common control with Bossard, has an interest in Bossard that gives it significant influence over the Group, has joint control over the Group (board of directors and executive committee) or is an associate or a joint venture of the Group. In addition, members of the key management personnel of Bossard as well as pension plans are also considered related parties.

### Accounting estimates and assumptions

Preparing the financial statements in accordance with Swiss GAAP FER requires the board of directors and the executive committee to make estimates and assumptions which can have an impact on the recognized assets, liabilities, contingent liabilities and contingent assets at the time of preparation as well as income and expenses for the reporting period. These estimates are based on the board of directors' and the executive committee's best knowledge and belief of current and future activities of the Group. The actual results may deviate from these estimates.

### 32. Risk management

Risk management is used to analyze and evaluate all the processes for identifying and assessing the Group's risks. The results are summarized in a report to the board of directors and the executive committee.

#### Financial risk management

Within the scope of its international operations, Bossard is exposed to various financial risks arising from its business activities, but also from the Group's financial activities. The Group's main financial risks include foreign exchange and interest rate fluctuations as well as the credit worthiness and solvency of the Group's counter parties. The board of directors and the executive committee define the principles governing the Group's financial risk management with regard to exchange rate, interest rate, credit, liquidity and capital risks. The aim is, where necessary, to hedge against the financial risks listed previously and thus to minimize any negative impact on the consolidated result as well as on the Group's performance.

The Group may, where appropriate, hedge individual financial risks using financial instruments such as derivatives. However, these must be linked to the Group's operations. The Group has comprehensive insurance coverage to protect itself against other risks.

### Foreign currency risk

Given its international operations, the Group is exposed to exchange rate fluctuations which have an impact on the Group's financial position and result of operations presented in Swiss francs. The Group continuously monitors its currency risks and, if necessary, hedges against them. The Group's currency risks are essentially limited to the Euro and the US dollar. Transactions in the individual Group companies are predominantly conducted in their respective local currencies. Consequently, the currency risks for ongoing operations can be considered as low. In some Group companies, however, foreign currency risks exist in connection with payments outside their local currency, mainly with regard to payments to suppliers. Where necessary, parts of these foreign currency risks are hedged through foreign exchange contracts. The net assets of foreign subsidiaries are exposed to exchange rate risk. Such risks are partly hedged by financing in the respective foreign currency and, where necessary, through foreign exchange contracts of up to a maximum of twelve months.

### Interest rate risk

Changes in interest rates can negatively affect the Group's financial position and result of operations and thus lead to changes in interest income and expense. Financing and related interest rate conditions are handled centrally by the Group's corporate treasury. In certain market situations, the Group can employ interest hedge transactions to protect itself against interest rate fluctuations, or it can convert part of the financing requirements into loans with fixed interest rates.

### Credit risk

Credit risks can arise if, in a transaction, the counter party is either not willing or not able to meet its payment obligations. The credit loss risk for accounts receivable is minimized through credit limits, credit worthiness checks, where possible, and by an efficient system for managing receivables. Given the Group's monthly reporting system, continual monitoring of overdue payments is ensured. Accounts receivable are recognized after deduction of allowances for bad debts. The danger of risk concentration is

limited due to the fact that the Group's customer base is composed of numerous customers with a wide geographical distribution. Short-term bank accounts and deposits are held at banks with high credit ratings.

### Liquidity risk

One aspect of judicious risk management is ensuring that an appropriate amount of committed credit facilities as well as the possibility of refinancing are available. To ensure that the company is invariably solvent and financially flexible, a liquidity reserve has been established in the form of credit limits and cash on hand. Optimal liquidity control is achieved through cash pooling.

### Capital risk

To minimize its capital risk, the Group ensures that the continuation of its operating activities is guaranteed and that an appropriate return can be generated for its shareholders. To achieve this, the Group may, if necessary, adjust dividend payments, pay back capital to shareholders, issue new shares or sell assets. The Group monitors its capital structure on the basis of its equity ratio. The equity ratio measures equity as a percentage of total assets.



# Report of the statutory auditor

## to the General Meeting of Bossard Holding AG

Zug

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of Bossard Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2021 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 103 to 130) give a true and fair view of the consolidated financial position of the Group as at December 31, 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Our audit approach

#### Overview



Overall Group materiality: CHF 6,000,000

We concluded full scope audit work at ten Group companies in six countries. Our audit scope addressed 74% of the sales and 88% of the assets of the Group.

Additionally, we concluded reviews at a further four Group companies in two countries, which addressed an additional 3% of the sales and 1% of the assets of the Group.

As key audit matter the following area of focus has been identified:

Valuation of inventories

#### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

<b>Overall Group materiality</b>	CHF 6,000,000
<b>Benchmark applied</b>	Profit before tax
<b>Rationale for the materiality benchmark applied</b>	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark for materiality considerations

### Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We agreed with the Audit, Risk & Compliance Committee that we would report to them misstatements above CHF 600,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

### Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The audit strategy for the audit of the consolidated financial statements was determined considering the work performed by the Group auditor and the component auditors in the PwC network. All significant subsidiaries of the Group were audited by PwC. Where audits were performed by component auditors, we ensured that, as Group auditor, we were sufficiently involved in the audit in order to assess whether sufficient appropriate audit evidence was obtained from the work of the component auditors to provide a basis for our opinion. The involvement of the Group auditor included video call conferences with the component auditors, an investigation of the risk analysis and participating in the audit discussions of group companies subject to full scope audits, at which the local management, the local auditor and Group representatives took part.

## Valuation of inventories

### Key audit matter

Inventories amount to CHF 338.3 million (after deduction of a value adjustment of CHF 44.8 million) as of December 31, 2021 and are thus the largest asset category, representing around 44% of total assets.

Inventories are stated at the lower of acquisition cost and net realisable value (lower of cost or market principle).

We consider the valuation of inventories as a key audit matter due to the amount they represent on the balance sheet and the significant scope for judgement involved in determining the writedowns required on obsolescent or slowmoving products.

Please refer to page 108 (3 Inventories) and page 126 (31 Accounting and valuation principles) and in the annual report.

### How our audit addressed the key audit matter

We performed the following audit procedures to assess the appropriateness of the valuation of the inventories:

- We gathered an understanding of the process of the valuation of inventories and tested selected internal controls in that process cycle.
- We checked on a sample basis the acquisition costs used for valuation purposes against the latest purchase prices. Additionally, by reference to sales prices achieved in the year, we checked on a sample basis compliance with the lower of cost or market principle.
- We noted that the method for determining writedowns of inventories was applied consistently.
- For obsolescent or slowmoving inventories, we discussed with Management the assumptions applied in calculating the required writedowns and assessed these assumptions. In doing so, we paid particular attention to changes in writedowns for each category of product or of writedowns compared with the prior year. We also considered the experience of significant unforeseen product writedowns or writeoffs in previous years.
- We tested on a sample basis the computational accuracy and completeness of the calculation of the writedowns.
- We discussed with Management and the Audit, Risk & Compliance Committee the results of our work and any movements in the writedowns.

On the basis of the audit procedures performed, we have addressed the risk of an incorrect valuation of the inventories. We have no findings to report.

**Responsibilities of the Board of Directors for the consolidated financial statements**

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor’s responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor’s report.

**Report on other legal and regulatory requirements**

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Wallmer  
Audit expert  
Auditor in charge

Remo Waldispühl  
Audit expert

Zurich, February 25, 2022

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BOSSARD HOLDING AG

# Balance sheet

in CHF	Notes	31.12.2021	31.12.2020
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,801,600	2,063,438
Other receivables	1	1,637,867	1,067,734
Prepaid expenses		44,060	48,375
		<b>3,483,527</b>	<b>3,179,547</b>
<b>Non-current assets</b>			
Financial assets	2	36,342,668	40,609,304
Investments	3	118,023,215	118,023,215
		<b>154,365,883</b>	<b>158,632,519</b>
<b>Total assets</b>		<b>157,849,410</b>	<b>161,812,066</b>

in CHF	Notes	31.12.2021	31.12.2020
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Other current liabilities to third parties		84,114	27,338
Accrued expenses		437,192	1,054,092
		<b>521,306</b>	<b>1,081,430</b>
<b>Total liabilities</b>		<b>521,306</b>	<b>1,081,430</b>
<b>Shareholders' equity</b>			
Share capital		40,000,000	40,000,000
Legal reserve			
Reserves from capital contributions		15,701,654	13,819,386
Other legal reserves		2,049,686	2,049,686
Statutory retained earnings			
General statutory retained earnings		16,000,000	16,000,000
Other reserves		34,111,700	34,111,700
Retained earnings			
Profit brought forward		24,054,438	23,779,316
Profit for the current year		29,652,462	34,141,364
Treasury shares	4	-4,241,836	-3,170,816
<b>Total shareholders' equity</b>		<b>157,328,104</b>	<b>160,730,636</b>
<b>Total liabilities and shareholders' equity</b>		<b>157,849,410</b>	<b>161,812,066</b>

BOSSARD HOLDING AG

# Income statement

in CHF	Notes	2021	2020
<b>Income</b>			
Dividend income		30,000,000	35,000,000
Other operating income		300,000	300,000
<b>Expenses</b>			
Personnel expenses	8	-1,577,649	-1,527,399
Other operating expenses		-531,604	- 555,884
Other financial income		1,687,948	898,912
Financial expenses		-69,784	-75,532
<b>Income before taxes</b>		<b>29,808,911</b>	<b>34,040,097</b>
Taxes		-156,449	101,267
<b>Net income</b>		<b>29,652,462</b>	<b>34,141,364</b>

BOSSARD HOLDING AG

# Notes to the financial statements

Accounting principles applied in the preparation of the financial statements

## General

The financial statements of Bossard Holding AG, Zug, were prepared in accordance with the Swiss Code of Obligations and under the financial reporting law (Title 32 of the Swiss Code of Obligations).

## Financial assets

Financial assets include non-current loans. Loans in foreign currency are translated into Swiss francs at year-end rate. Unrealized translation losses are recognized in the income statement, whereas unrealized translation gains remain unrecognized (principle of imparity).

## Investments

Investments are measured at cost at the time of recognition. Investments are valued individually if they are material and are not usually grouped together because of their similarity for the valuation.

## Treasury shares

Treasury shares are measured at cost at the time of recognition and are disclosed as a negative item in the shareholders' equity. Gains and losses arising from disposal of treasury shares are recognized in the income statement as financial income or financial expenses.

## Foreign currencies

Monetary and non-monetary items in foreign currency are translated into Swiss francs at the following exchange rates:

	31.12.2021 Year-end exchange rate	31.12.2020 Year-end exchange rate
EUR	1.04	1.08

Information and explanations relating to items in the balance sheet and in the income statement

### 1. Other receivables

in CHF	2021	2020
To subsidiaries	1,637,867	1,067,734
<b>Total</b>	<b>1,637,867</b>	<b>1,067,734</b>

### 2. Financial assets

in CHF	2021	2020
To subsidiaries	36,342,668	40,609,304
<b>Total</b>	<b>36,342,668</b>	<b>40,609,304</b>

### 3. Investments

Name, legal form, registered office	2021		2020	
	Capital	Votes	Capital	Votes
<b>Direct investments</b>				
Bossard Finance AG, Zug	100 %	100 %	100 %	100 %
<b>Indirect investments</b>				
bigHead Fasteners Ltd, Verwood	42 %	42 %	42 %	42 %
Bossard-KVT Beteiligungs GmbH, Illerrieden	100 %	100 %	100 %	100 %
Boysen Verwaltungs GmbH, Munich	100 %	100 %	100 %	100 %
Normscrews Beheer B.V., Almere	100 %	100 %	-	-
Bossard U.S. Holdings, Inc., Phoenix	100 %	100 %	100 %	100 %
Bossard AG, Zug	100 %	100 %	100 %	100 %
3d-prototyp GmbH, Dietikon	100 %	100 %	49 %	49 %
Effilio AG, Zug (merger with Bossard Finance AG, Zug)	-	-	100 %	100 %
Interfast AG, Zug	100 %	100 %	100 %	100 %
KKV AG, Zug	35 %	35 %	35 %	35 %
Bossard Austria Ges.m.b.H., Schwechat	100 %	100 %	100 %	100 %
KVT-Fastening GmbH, Linz	100 %	100 %	100 %	100 %
Bossard CZ s.r.o., Brno	100 %	100 %	100 %	100 %
KVT-Fastening s.r.o., Brno	100 %	100 %	100 %	100 %
Bossard Denmark A/S, Hvidovre	100 %	100 %	100 %	100 %
bigHead Bonding Fasteners Ltd, Verwood	42 %	42 %	42 %	42 %
Bossard France SAS, Souffelweyersheim	100 %	100 %	100 %	100 %
Bossard Deutschland GmbH, Illerrieden	100 %	100 %	100 %	100 %
Boysen GmbH, Munich	100 %	100 %	100 %	100 %
BRUMA Schraub- und Drehtechnik GmbH, Velbert	100 %	100 %	100 %	100 %
KVT-Fastening GmbH, Illerrieden	100 %	100 %	100 %	100 %
KVT-Fastening Kft., Budapest	100 %	100 %	100 %	100 %
Arnold Industries Cork DAC, Cork	95 %	95 %	95 %	95 %
Bossard Italia S.r.l., Legnano	100 %	100 %	100 %	100 %
Jeveka B.V., Almere	100 %	100 %	-	-
Bossard Norway AS, Oslo	100 %	100 %	100 %	100 %

Name, legal form, registered office	2021		2020	
	Capital	Votes	Capital	Votes
Bossard Poland Sp. z o.o., Radom	100 %	100 %	100 %	100 %
KVT-Fastening Sp. z o.o., Radom	100 %	100 %	100 %	100 %
KVT-Fastening S.R.L., Bucharest	100 %	100 %	100 %	100 %
KVT-Fastening d.o.o. Beograd, Belgrade	100 %	100 %	100 %	100 %
KVT-Fastening spol. s.r.o., Bratislava	100 %	100 %	100 %	100 %
KVT-Fastening d.o.o., Ljubljana	100 %	100 %	100 %	100 %
Bossard South Africa (Pty) Ltd, Kempton Park	100 %	100 %	100 %	100 %
Bossard Spain SA, Sant Cugat del Vallès	100 %	100 %	100 %	100 %
Bossard Sweden AB, Malmö	100 %	100 %	100 %	100 %
Bossard Canada, Inc., Montreal	100 %	100 %	100 %	100 %
Bossard de México, S.A. de C.V., Monterrey	100 %	100 %	100 %	100 %
Aero-Space Southwest Mexico, S. de R.L. de C.V., Guadalajara	100 %	100 %	100 %	100 %
Bossard Aerospace, Inc., Phoenix	100 %	100 %	100 %	100 %
Bossard, Inc., Cedar Falls	100 %	100 %	100 %	100 %
Bossard, LLC, Canton	100 %	100 %	100 %	100 %
Boysen Aerospace U.S., Inc., Irving	100 %	100 %	100 %	100 %
Bossard Australia Pty. Ltd, Melbourne	100 %	100 %	100 %	100 %
Bossard Industrial Fasteners Int. Trading (Shanghai) Co. Ltd, Shanghai	100 %	100 %	100 %	100 %
Bossard Fastening Solutions (Shanghai) Co. Ltd, Shanghai	100 %	100 %	100 %	100 %
Bossard Fastening Solutions (Tianjin) Co. Ltd, Tianjin	100 %	100 %	100 %	100 %
LPS Bossard Pvt. Ltd, Rohtak	51 %	51 %	51 %	51 %
LPS Bossard Information System Pvt., Rohtak	51 %	51 %	51 %	51 %
Bossard (M) Sdn. Bhd., Penang	100 %	100 %	100 %	100 %
Bossard Pte. Ltd, Singapur	100 %	100 %	100 %	100 %
Bossard (Korea) Ltd, Cheonan	100 %	100 %	100 %	100 %
Bossard (Thailand) Ltd, Bangkok	100 %	100 %	100 %	100 %
Ecoparts AG, Hinwil	30 %	30 %	30 %	30 %
MultiMaterial-Welding AG, Biel/Bienne	41 %	41 %	40 %	40 %
PDi Digital GmbH, Fernitz-Mellach	30 %	30 %	30 %	30 %

#### 4. Treasury shares, incl. shares held by subsidiaries

in CHF	2021		2020	
	Number	Value	Number	Value
Balance at January 1	308,691	3,170,816	304,640	2,571,271
Additions	93,408	24,382,760	104,950	14,857,586
Use of treasury stock	-	1,901,090	-	-
Disposals	-101,195	-25,212,830	-100,899	-14,258,041
<b>Balance at December 31</b>	<b>300,904</b>	<b>4,241,836</b>	<b>308,691</b>	<b>3,170,816</b>

Group companies do not hold any registered A shares. In 2021, 8,561 registered A shares were used for the share option programs, thereof 6,295 treasury stocks. In 2020, 10,521 registered A shares were used for the share option programs and acquisitions.

#### 5. Collateral to third parties

in CHF	2021	2020
Guarantees	423,814,775	394,028,930
Thereof used	197,571,914	155,238,704

The Bossard Group concentrates its main credit facilities in Bossard Holding AG. Bossard subsidiaries can draw on the credit lines, for which right Bossard Holding AG has undertaken guarantee obligations.

#### 6. Shares and options on shares held by management and related parties

The disclosure of shareholdings of the board of directors and the executive committee as per Swiss Code of Obligation article 959c, section 2, paragraph 11 and article 663c can be found in the notes to the consolidated financial statements (note 23 page 120).

#### 7. Significant shareholders

Kolin Holding AG, Zug, and Bossard Unternehmensstiftung, Zug, form a shareholder group in accordance with article 120seq. of Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA). They hold 56.3 percent (2020: 56.3 percent) of the voting rights. Kolin Holding AG is wholly owned by the Bossard families.

#### Other information required by law

#### 8. Full-time equivalents/Personnel expenses

Bossard Holding AG has no employees. Personnel expenses include the compensation of the board of directors.

BOSSARD HOLDING AG

# Appropriation of available earnings

## Statement of changes in retained earnings

in CHF	2021	2020
Retained earnings at the beginning of the year	57,920,680	39,134,048
Net income	29,652,462	34,141,364
Appropriation of available profit determined by the annual general meeting of shareholders		
Dividends for 2020 and 2019 respectively	-33,866,242	-15,354,732
<b>Retained earnings at the end of the year</b>	<b>53,706,900</b>	<b>57,920,680</b>

## Statement of changes in capital contribution reserve

in CHF	2021	2020
Capital contribution reserve at the beginning of the year	13,819,386	13,819,386
Deposits on the use of treasury shares	1,882,268	-
<b>Capital contribution reserve at the end of the year <sup>1)</sup></b>	<b>15,701,654</b>	<b>13,819,386</b>

1) Subject to adjustments by the Swiss tax authorities

## The board of directors proposes to the annual general meeting of shareholders the following appropriation of available retained earnings

in CHF	2021
Available retained earnings before distribution	53,706,900
Dividend of 102 percent on the share capital of max. CHF 38,945,480 eligible for dividends <sup>2)</sup>	-39,265,390
<b>To be carried forward</b>	<b>14,441,510</b>

2) The figure is based on the issued share capital as of December 31, 2021 eligible for dividends. It may change due to movements on treasury shares after the balance sheet date.



# Report of the statutory auditor

## to the General Meeting of Bossard Holding AG

### Zug

#### Report on the audit of the financial statements

##### Opinion

We have audited the financial statements of Bossard Holding AG, which comprise the balance sheet as at December 31, 2021, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 135 to 139) as at December 31, 2021 comply with Swiss law and the company's articles of incorporation.

##### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Our audit approach

##### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall materiality</b>	CHF 1,570,000
<b>Benchmark applied</b>	Shareholders' equity
<b>Rationale for the materiality benchmark applied</b>	We chose shareholders' equity as the benchmark because it is a relevant and generally accepted benchmark for materiality considerations relating to a holding company.

We agreed with the Audit, Risk & Compliance Committee that we would report to them misstatements above CHF 157,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

**Audit scope**

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

**Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority**

We have determined that there are no key audit matters to communicate in our report.

**Responsibilities of the Board of Directors for the financial statements**

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

**Report on other legal and regulatory requirements**

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Wallmer

Audit expert  
Auditor in charge

Remo Waldispühl

Audit expert

Zurich, February 25, 2022

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## INVESTOR INFORMATION

	2021	2020	2019	2018	2017
<b>Share capital</b>					
Registered A shares at CHF 5 par					
Capital stock in CHF 1,000	33,250	33,250	33,250	33,250	33,250
Number of shares issued	6,650,000	6,650,000	6,650,000	6,650,000	6,650,000
Number of shares entitled to dividend	6,349,096	6,341,309	6,345,360	6,272,567	6,264,709
Registered B shares at CHF 1 par					
Capital stock in CHF 1,000	6,750	6,750	6,750	6,750	6,750
Number of shares issued	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000
Number of shares entitled to dividend	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000
Registered A shares equivalents, entitled to dividend at Dec. 31	7,699,096	7,691,309	7,695,360	7,622,567	7,614,709
<b>Market price</b>					
Ticker symbol (BOSN)					
Volume traded (daily average)	13,466	20,805	19,036	17,113	14,887
Closing price at Dec. 31 in CHF	328.5	178.4	174.7	139.8	230.0
Registered A share high in CHF	362.0	179.4	180.8	252.0	242.3
Registered A share low in CHF	172.6	90.0	123.9	132.1	142.0
<b>Dividend per share</b>					
Registered A share in CHF	5.10 <sup>1)</sup>	4.40	2.00	4.50	4.20
Registered B share in CHF	1.02 <sup>1)</sup>	0.88	0.40	0.90	0.84
in % of share capital	102.0	88.0	40.0	90.0	84.0
<b>Dividend yield in %</b> <b>(Basis: price at Dec. 31)</b>	1.6	2.5	1.1	3.2	1.8
<b>Earnings per share <sup>2) 5)</sup></b>					
Registered A share in CHF	12.53	8.73	9.73	10.95	10.33
Registered B share in CHF	2.51	1.75	1.95	2.19	2.07

	2021	2020	2019	2018	2017
<b>Cash flow per share <sup>2) 4)</sup></b>					
Registered A share in CHF	15.68	11.36	12.30	13.32	12.52
Registered B share in CHF	3.14	2.27	2.46	2.66	2.5
<b>Price/Earnings ratio (Basis: price at Dec. 31)</b>	26.2	20.4	18.0	12.8	22.3
<b>Net worth per share <sup>3)</sup></b>					
Registered A share in CHF	45.4	41.9	39.6	40.6	34.7
Registered B share in CHF	9.1	8.4	7.9	8.1	6.9
<b>Market capitalization</b> <b>(Basis: price at Dec. 31)</b>					
in CHF million <sup>3)</sup>	2,529.2	1,372.1	1,344.4	1,065.6	1,751.4
in % of shareholders' equity	723.6	425.7	441.5	344.1	663.5

- 1) Proposal to annual general meeting of shareholders
- 2) Basis: Average number of outstanding shares entitled to dividend
- 3) Basis: Number of outstanding shares entitled to dividend at year end
- 4) Net income + depreciation and amortization
- 5) Share attributable to shareholders of Bossard Holding AG

in CHF million	2021	2020	2019	2018	2017
<b>Economic value added analysis</b>					
Net sales	995.1	812.8	876.2	871.1	786.2
Earnings before interest and taxes (EBIT)	123.3	86.4	95.7	108.8	97.0
Effective tax rate in %	19.2	17.6	18.3	18.1	19.2
<b>Net operating profit after tax (NOPAT)</b>	<b>99.6</b>	<b>71.2</b>	<b>78.2</b>	<b>89.2</b>	<b>78.4</b>
Equity	349.5	322.3	304.5	309.7	264.0
Gross financial debt	251.3	196.4	220.4	162.8	144.6
Less cash and cash equivalents	34.1	40.7	32.7	32.6	20.6
Capital employed (year-end)	566.7	478.0	492.2	439.9	388.0
<b>Average annual capital employed (A)</b>	<b>522.4</b>	<b>485.1</b>	<b>466.1</b>	<b>414.0</b>	<b>377.2</b>
<b>Return on average capital employed in % (ROCE)</b>	<b>19.1</b>	<b>14.7</b>	<b>16.8</b>	<b>21.5</b>	<b>20.8</b>

in CHF million	2021	2020	2019	2018	2017
<b>Cost of financial debt in %</b>					
Average cost of financial debt	1.1	1.1	1.2	1.2	1.4
Less effective tax	19.2	17.6	18.3	18.1	19.2
<b>Cost of financial debt after tax</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>
<b>Cost of equity in %</b>					
Risk free rate					
(Basis: yearly average of yield					
Swiss government bond)	-0.2	-0.5	-0.5	0.0	-0.1
Risk premium	5.5	5.5	5.5	5.5	5.5
Cost of equity	5.3	5.0	5.0	5.5	5.4
Equity ratio	45.2	50.3	46.7	51.3	48.9
<b>Weighted average cost of capital in % (WACC)</b>	<b>2.9</b>	<b>3.0</b>	<b>2.9</b>	<b>3.3</b>	<b>3.2</b>
Economic profit in % (ROCE - WACC) (B)	16.2	11.7	13.9	18.2	17.6
<b>Economic profit in CHF million (A) * (B)</b>	<b>84.6</b>	<b>57.0</b>	<b>65.0</b>	<b>75.3</b>	<b>66.3</b>

The articles of association do not include any provisions for opting-out or opting-up.

in CHF million	2021	2020	2019	2018	2017
<b>Economic book value (EBV)</b>					
Market value added (economic profit/WACC)	2,933.8	1,928.9	2,271.8	2,271.9	2,049.6
Capital employed	566.7	478.0	492.2	439.9	388.0
Implied enterprise value (EVA®)	3,500.5	2,406.9	2,764.0	2,711.8	2,437.6
Less gross financial debt	251.3	196.4	220.4	162.8	144.6
Plus cash and cash equivalents	34.1	40.7	32.7	32.6	20.6
<b>Economic book value at Dec. 31</b>	<b>3,283.3</b>	<b>2,251.2</b>	<b>2,576.3</b>	<b>2,581.6</b>	<b>2,313.6</b>
<b>Market valuation and key ratios</b>					
Share price at Dec. 31 in CHF	328.5	178.4	174.7	139.8	230.0
Market capitalization	2,529.2	1,372.1	1,344.4	1,065.6	1,751.4
Net financial debt	217.2	155.7	187.7	130.2	124.0
<b>Enterprise value (EV)</b>	<b>2,746.4</b>	<b>1,527.8</b>	<b>1,532.1</b>	<b>1,195.8</b>	<b>1,875.4</b>
EV in % of net sales	276.0	188.0	174.9	137.3	238.5
EV/EBITDA	18.9	14.4	13.5	9.6	16.7
EV/EBIT	22.4	17.7	16.0	11.0	19.3
EV/NOPAT	27.6	21.5	19.6	13.4	23.9
Price/book value per share	7.2	4.3	4.4	3.4	6.6
Return on equity in %	29.2	21.6	24.7	29.8	34.0

EBIT Earnings Before Interest and Taxes  
 NOPAT Net Operating Profit After Taxes  
 ROCE Return On Capital Employed  
 WACC Weighted Average Cost of Capital  
 EV Enterprise Value  
 EVA Economic Value Added  
 EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization

### Share price development 2017–2021

Valor: 23862714, ISIN CH0238627142/BOSN



— Bossard N

## IMPRINT & AGENDA

### Imprint

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This Annual Report 2021 is also available in German.  
 The German Annual Report 2021 is binding.  
 Dieser Jahresbericht 2021 ist auch in deutscher Sprache erhältlich.  
 Der deutsche Jahresbericht 2021 ist massgebend.

Meeting for financial analysts & media conference

**March 2, 2022**

Publication of Annual Report 2021

**March 2, 2022**

Annual general meeting

**April 11, 2022**

Publication of sales results, 1st quarter 2022

**April 11, 2022**

Publication of Semi-Annual Report 2022

**July 21, 2022**

Publication of sales results, 3rd quarter 2022

**October 12, 2022**

Publication of sales results 2022

**January 12, 2023**