



Sustainable development
report 2019

Bobst Group SA

— Empowering the
next generation

 **BOBST**

Historic turning point for the packaging industry

Water pollution, depletion of natural resources, climate change: everywhere in the world, the degradation of our environment is accelerating. The existence, habitat, and future of millions of individuals are directly at stake. These are the many reasons that drive us to take action!

Our 2019 sustainable development report yet again shows the importance and relevance of the initiatives supported by our local entities this year. They help fight against social inequalities, economic precariousness, and health dangers.

Led by young people who are protesting in all the cities in the world, citizens and political parties are urging governments to take action. Faced with the increased volume of waste, consumers declare that they are ready to give up products packaged in materials that are neither recyclable nor biodegradable.

The plastics industry, with nearly 40% of global production being used to manufacture packaging, is undergoing its biggest ever transformation. **This is a historic turning point which calls for the needs of sustainable development to be combined with cutting edge technology, in order to effectively reduce the environmental impact of packaging.**

At the forefront of innovation, the Bobst Group is actively committed to contributing to the success of its industry's transformation. In partnership with companies that are pioneers in the design of inks and recyclable substrates, we are developing a new generation of equipment that will be sustainable, from packaging design to manufacture.

This new challenge offers a great opportunity to prove that the processing industry can become more sustainable and yet remain economically viable.



Jean-Pascal Bobst
Chief Executive Officer

“Combining sustainability with technological innovation to reduce the environmental impact of packaging.”

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Making a difference

Everyone at their level

Group leader in the global industry, BOBST is committed to advancing environmental and societal solutions on a worldwide scale. Its initiatives support the objectives, within its reach, of the United Nations' sustainable development program.

As a partner of the city of Brno in the Czech Republic, Bobst Central Europe provides regular aid to the local communities. Each year, its staff devote one day's work to a project helping children. In 2019, they renovated the premises of a care home for young people in difficulty and planted an apple tree symbolizing their long-term commitment.



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Our 2019 actions at a glance



BOBST is organizing a charity tournament in the United Kingdom to support the reintegration of serious accident victims into the work environment.

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Training young Brazilians in technical trades, offering a future to adolescents in difficulty in Poland, and giving Chinese schoolchildren access to IT.

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BOBST has equipped its premises in Bielefeld, Germany, with LED lighting and now produces hot water in its local entity in Shanghai with no CO₂ emissions.

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To promote decent occupational activities for everyone, Bobst Italia is participating in International Labor Organization (ILO) programs.

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Bobst Mex SA signed an agreement with the Swiss government to reduce the CO₂ emissions on its industrial site by 30% in 2020.

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Each year in Brazil, BOBST organizes charitable and sustainable activities, which, since 2010, have earned it the title of "Citizen Enterprise".

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Throughout the world, BOBST is increasing sustainable innovations: digitalization of manufacturing flows, printing with low carbon footprint, and a new generation of biodegradable packaging.

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To combat global warming, the staff of two local entities in the Czech Republic and Germany use soft mobility to go to work.

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In Mex (Switzerland), rain provides 18% of the water needs for sanitary facilities. 8.8% of the Group's electricity comes from a photovoltaic source.

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Goal 3:
Ensure healthy lives and promote well-being for all, at all ages

Charity tournament

Organizing a golf tournament with 15 teams from the UK printing industry, Bobst UK & Ireland collected over CHF 7 500 in donations for the British Defence Medical Rehabilitation Centre (DMRC).

Founded at the end of the Second World War, this clinic looks after service personnel who have been wounded or have complex traumas.

From 2023, it will also take in civilian patients to help them regain their physical or mental fitness following a serious accident and help them to reintegrate into the work environment.

Since 2016, BOBST has been involved in the DMRC charity fund, organizing raffles, auctions, and events.



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Goal 4:
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Offering opportunities to young people in Brazil

Bobst Latino America do Sul is collaborating with two local occupational training organizations.

The National Industrial Apprenticeship Service (SENAI), a non-profit-making educational institution, is for young people between the ages of 14 and 24, seven of whom trained as mechanics and electricians at BOBST in 2019.

APAMI (Associação de Patrulheiros Mirins de Itatiba), which supervises and prepares job-seeking adolescents, placed two candidates with the local Brazilian entity in 2019.

BOBST also took in five interns from university courses in partnership with the Centre d'Intégration École-Entreprise (CIEE) [School-Company Integration Center].

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Educate for a viable future

“Education, in short, is humanity’s best hope and most effective means in the quest to achieve sustainable development” (UNESCO, 1997). Bobst Polska has made this statement its creed.

For the second year in succession, its employees have collaborated with a charity association that supports children who are living in a difficult social or family environment.

Their donation enabled three young Polish 15 year-olds to pursue their training: Tamara was able to attend drawing lessons to enter a School of Art, Mikołaj attended private lessons in sciences, math, and IT, and Krzysztof attended a cooking workshop to join a Culinary Arts Academy.



Access to IT tools

Bobst Shanghai supplied 30 laptops to the schools of a city in Yunnan province, a mountainous region in south-west China on the border with Vietnam, Laos, and Burma, which is among the poorest in the country.

The local Chinese entity had its old laptops checked and reinitialized by a company that will install them and provide technical support. It also donated furniture and school supplies and will provide financial help to children from the lowest-income families.

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Goal 7:
Ensure access to affordable, reliable, sustainable and modern energy for all

Ecological company lighting

Year after year, BOBST is implementing new measures to reduce electricity consumption relating to its industrial activities and services. The investments made by its local entities in lighting systems with energy-saving LED bulbs enabled the Group's electricity consumption to fall by over 3.3% in 2018.

Since 2019, 98% of the Bobst Bielefeld production workshops in Germany have been equipped with LED lighting. Bobst Ibérica, the local Spanish services entity, also replaced all its halogen light bulbs with LEDs at its Barcelona offices.

"98% of the Bobst Bielefeld production workshops in Germany are equipped with LED lighting."

Heating water with zero CO₂ emissions

Since November 2019, Bobst Shanghai has been producing its hot water using solar energy and a heat pump. The combination of the two systems gives a thermal efficiency five times better than its old gas boiler (propane and butane).

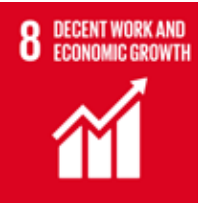
The new system not only consumes much less energy, but its operating costs are 20% lower and the production of hot water causes virtually no pollution.

Heat pump and solar energy for five times better thermal efficiency.



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Goal 8:
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Ensuring a decent job for everyone

In Turin, Italy, the Vocational Training Center of the International Labor Organization (ILO) is proposing courses on information sharing and reinforcement of institutional capacity to promote a decent job for everyone in the world.

In 2019, Bobst Italia in San Giorgio Monferrato participated in national programs. It welcomed a delegation of 15 participants coming from Africa, India, Asia, China, and South America to present to them the Occupational Health and Safety (OHS) management system introduced on its site.

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Goal 9:
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Certified management system



Environmental issues, health and safety at work, and reducing energy consumption and CO₂ emissions are an integral part of BOBST's strategic objectives. Several local entities have already obtained ISO certification.



In 2019, Bobst Mex SA, Switzerland, and Bobst Italia in San Giorgio Monferrato, Italy, adopted the ISO 45001 standard for occupational health and safety management. Also ISO 14001 certified (environmental management system), the Mex site committed to reduce its CO₂ emissions under an agreement signed with the Swiss Confederation in 2013. Thanks to the investments made and with the help of the Agence de l'énergie pour l'économie (AEnEc) [energy efficiency agency], the aim of a 30% reduction in CO₂ emissions from the site will be achieved in 2020.

BOBST signed an agreement with Switzerland to reduce its CO₂ emissions by **30%** in 2020.



Goal 11:
Make cities and human settlements inclusive, safe, resilient and sustainable

Sustainable citizen enterprise

Every June, Brazilians celebrate their favorite saints: Saint Anthony, Saint John, and Saint Peter. For eleven years now BOBST has organized a party for its employees on this occasion, and invited eight charity associations to offer the catering service for the event. Each member of staff also brings a kilo of non-perishable food to be donated to charity organizations. Since the Rotary Club awarded BOBST a **“Citizen Enterprise”** certificate in 2010, the event has been part of the annual program of festivities at the BOBST site in Itatiba.

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Goal 12:
Ensure sustainable consumption and production patterns

High tech and environment

The NOVA RS 5003 rotogravure printing press aroused great interest in China when it was presented at BOBST in Changzhou in December 2019. It is awaited most eagerly by Asian flexible packaging industrialists, who are seeking high-performance equipment that can reduce the environmental footprint of their production.

“The printing press is compatible with water-based inks and can process a wide range of materials, including the new environmentally friendly substrates”, noted Davide Garavaglia, Director of the gravure product line at BOBST.

This highly automated web printing press reduces wastage, minimizes solvent residue on the substrate, and offers considerable energy savings.



Print with water-based inks on environmentally friendly substrates.

2019 Award for innovation

Equipped with innovative imaging technology, the BOBST Digital Inspection Table enables the conformity and quality of a printed item on corrugated board to be checked using a projected image of its original. This entirely paperless process, moving from paper to digital, means that there is no need to superimpose a reference overlay onto a sample.

Faster and more reliable than an analog control solution, the Digital Inspection Table eliminates print misalignments and saves floor space as storing of overlays is no longer needed. All the quality checks are recorded electronically and are available at all times for the end user or to serve as reference.

This innovation won the 2019 Award from the European Digital Press Association (EDP) in the **“Best inspection system”** category.

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100% digital quality control solution

Printing with low carbon footprint

The digitalization and full automation of printing processes developed by BOBST allow packaging throughout the world to be manufactured with perfect color uniformity, whatever the level of expertise of the press operators. This technological revolution has been made possible by the Ink-on-Demand (IoD) concept and the DigiColor system for real-time management of each printing unit.

Thanks to these innovations, flexo printing is becoming more sustainable. The full press automation, quick job changeover, and reliable color rendering reduce sources of errors and permit each print run to be managed with optimum use of substrates and inks.

For corrugated cardboard, the BOBST THQ FlexoCloud printing process and its 4 to 7-color Extended Color Gamut (ECG) simplify the production flow. Winner of two international innovation awards, this technology substantially reduces operating costs and environmental impact: 30% water saving, 25% ink saving, and 30% saving in printing plates.

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FlexoStars 2019
Innovation Award for the
BOBST THQ FlexoCloud
printing process.



New generation of recyclable packaging

Accounting for around 40% of the plastic used worldwide, packaging is a major source of environmental pollution. Making packaging with recyclable and biodegradable materials has become an absolute priority.

To face this challenge, BOBST has joined forces with pioneering companies, Dow, Brückner Maschinenbau, Hosokawa Alpine, and Elba, to develop innovative solutions based on a new generation of polymers (MDO PE, BOPE, BOPP and CPP) and to obtain

recyclable mono-material packaging. Each structure has been meticulously tested to meet the requirements of industry in terms of treatment, barrier, safety, and optical quality. At the K show 2019 in Düsseldorf, Germany, BOBST presented several types of pouches manufactured with these new materials.



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Plastic-free logistics

Since the start of 2019, Bobst India no longer uses plastic to ship machines and spare parts to its customers.

The logistics team in Pune has developed a sustainable packaging solution, combining corrugated cardboard with recyclable sheets of PP (polypropylene) plastic, which protects the equipment contained in the parcels just as efficiently. Developed as part of the “disposable plastic” project launched in 2018, this initiative has enabled 870 kilos of bubble wrap and 340 kilos of plastic film to be eliminated.

Bobst India has also extended its initiative to its local suppliers, inviting them to abandon plastic in the packaging of equipment delivered to its site. This request has been very well received as the volume of plastic waste to be recycled has been reduced from 6 044 kilos in 2018 to 4 100 kilos in 2019. And the local Indian entity intends to reduce it again, by half, in 2020.

In Italy, the logistics department at Bobst Italia in Piacenza has also taken measures to reduce its plastic consumption. In parcels of spare parts, corrugated cardboard is now replacing polystyrene chips.

Bobst India
has eliminated
2 000 kilos
of plastic in
its machine
packaging.



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Return to recyclable glass

In Italy and Spain, the BOBST local entities have stopped using plastic containers on their premises. In San Giorgio Monferrato, the water fountain dispensers are now made of recyclable glass, like the bottles given to the employees so they can drink water at their workstations. These measures should permit a saving of over a tonne of plastic per year.

Bobst Ibérica in Barcelona is equipped with a desalination system. By producing fresh water in its offices, the Spanish local entity intends to eliminate plastic mineral water bottles and save its team the effort of replacing the 20 kilo dispenser on its water fountain every month.

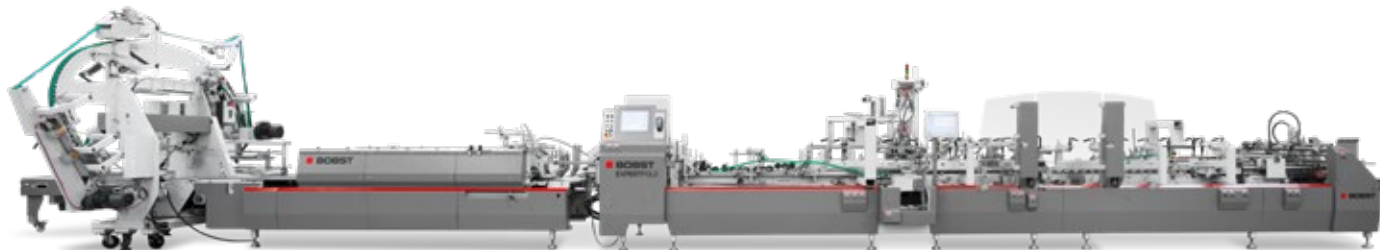
Digitalize to reduce waste

Among the many advantages of digitalizing the industrial processes introduced at BOBST, the computerized management of the equipment list (BOM) of ordered machines provides a sustainable and economical solution.

The EXPERTFOLD folder-gluer, manufactured by Bobst India, is an example. The line length can vary enormously depending on the chosen options. Until 2019, all the electric cables intended for assembling

this model were dimensioned for the largest size of machine, entailing losses and considerable waste.

The recording of the data of all EXPERTFOLD configurations now enables the exact length of the cables to be calculated in relation to each manufacturing unit. In 2019, 476 meters of electric wires, 276 kilos of copper, 90 kilos of plastic, and 85 hours of work were thus saved.



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Goal 13:
Take urgent action
to combat climate
change and its
impacts

Soft mobility at work

Since 2016, the employees of Bobst Central Europe in the Czech Republic have been participating in the gEKOn operation. This is a competition devised by the companies situated in the Brno Technology Park which encourages their employees to go to work without using their car or public transport.

In 2019, and for the second year in a row, BOBST won second place in the competition. Its employees, of whom one is in the top five of all the participants, went to work on foot or by bicycle, totaling over 6 500 km!

For each journey made without motorized vehicles and depending on the distance traveled, the competitors receive points which, converted into money, are used to make donations to a charitable organization. In 2019, the **“Early Intervention Association”** was chosen, which provides services, support, and help to families with young children who are partially sighted or have multiple disabilities.

Over 6 500 km
traveled on foot or
by bicycle to go to
the office.

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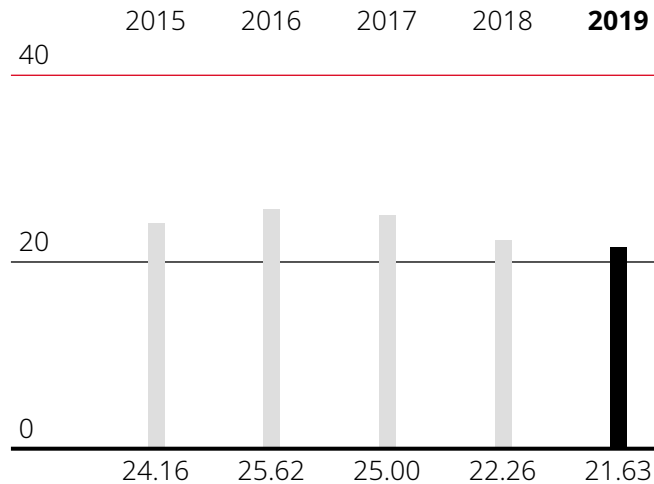
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On your bike for the climate

In response to the urgency of climate challenges, Bobst Meerbusch in Germany offers its employees bicycles to go to the office. In 2019, the German local entity introduced a bicycle hire system. This initiative was crowned with success as 25% of its employees now go to work on two wheels. When field service technicians (FST) go away for several days on an assignment to customers, they can take a bike with them in their company car in order to do sport during their free time.

CO₂ energy emissions

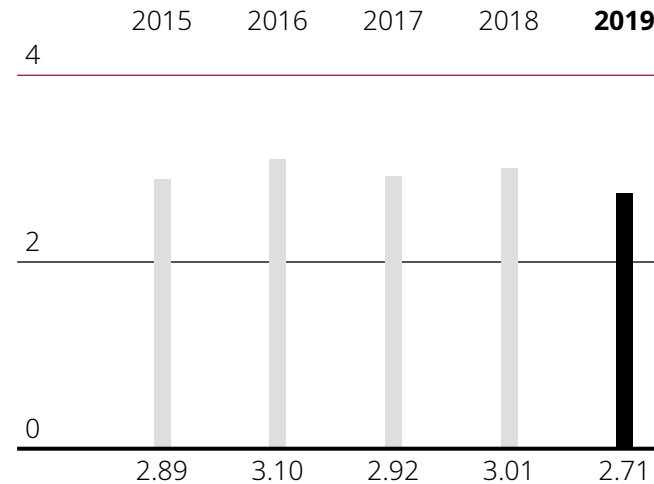
kg CO₂ per m² floor area



CO₂ production has decreased by 1.2% compared to 2018. This slight reduction is in part due to the completion of insulation work on administrative buildings at the Bobst Mex site, Switzerland. However, the expansion of the Bobst Lyon, France, and Bobst Italia, Italy, sites has had an adverse impact on this indicator. Since 2015, the production sites in the Bobst Group have managed to reduce their CO₂ emissions per m² of surface area by over 11%. This very positive result is the reward for regular investments in infrastructure and technical installations.

Waste

tonnes per 1000 productive hours



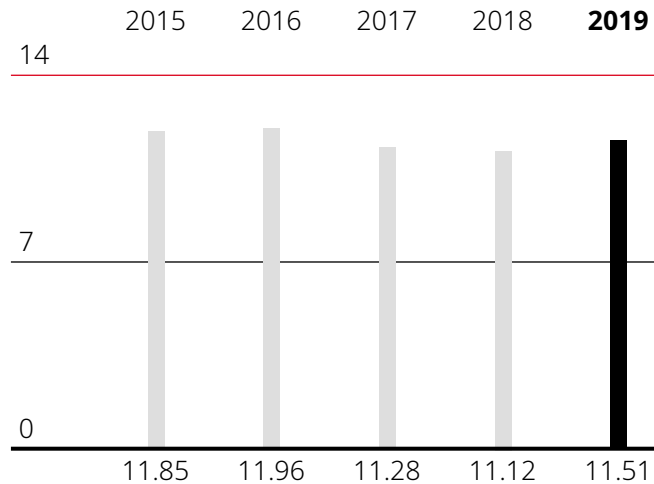
Down by over 18%, the amount of recycled waste associated with the Group's industrial activities dropped significantly in 2019. In every category, tonnage is reducing and the most significant decrease (30%) is in waste from production metals. This reduction is down to easing of the production load. The ratio of recycled waste remains stable at around 70% (paper, cardboard and wood).

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Electrical energy

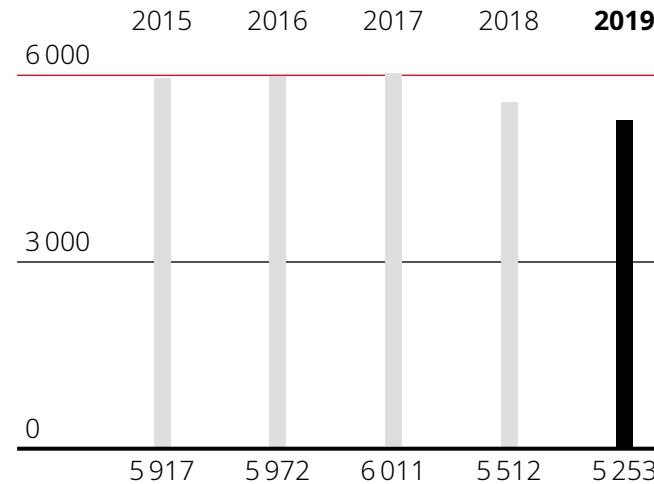
MWh per 1000 productive hours



Electricity consumption associated with the manufacturing of equipment sold by the brand has decreased by 2% compared to 2018. A reduction that can be linked to the 6.6% fall in the number of productive hours. This leads to a slight increase in this indicator of 3.3% compared to 2018. Over the course of the last five years, the average consumption of electrical energy per 1000 hours has lowered by 3%.

Electrical energy

MWh per 1000 employees



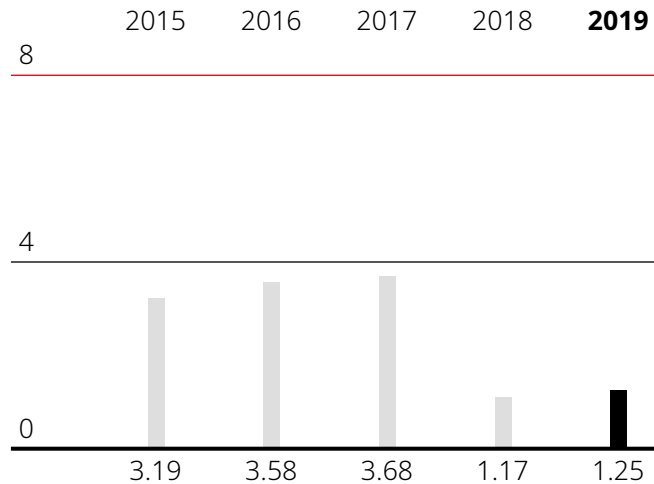
In 2019, 8.8% of the electrical energy consumed by the Group came from renewable sources (photovoltaic). By comparison, the production of photovoltaic energy corresponds to around half of the annual power consumption at the Bobst Lyon site, France. The investments made in all local entities to replace traditional lighting with LED systems have lowered the electricity consumption associated with lighting by 20%. This measure has contributed to reducing the overall consumption of electricity by 3.3%. Linking this reduction to the number of employees in the Group, the indicator corresponds to a 5% decrease.

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Occupational accidents

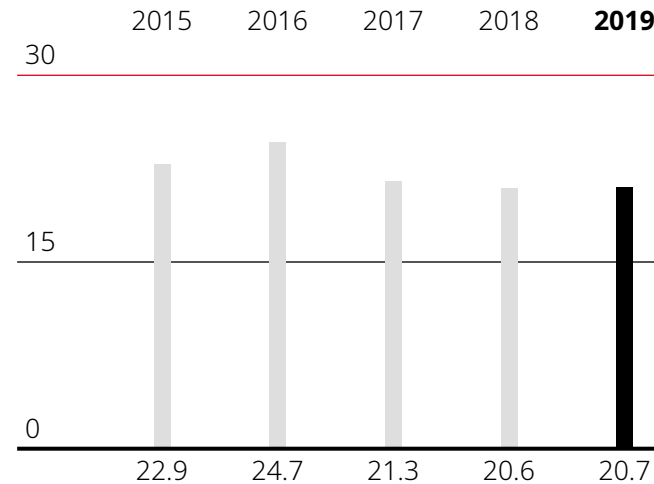
lost hours per employee



The number of occupational accidents decreased by 30% in 2019. However, we are noting a slight increase in lost hours, resulting in a 6.3% increase in the severity rate. A figure which shows how difficult it is to prevent the consequences of an accident. For this reason, the measures put in place aim, as a priority, to identify and reduce the risks associated with our employees' professional activities. A policy implemented across the Group, which is providing convincing results at all sites, is enabling the number of accidents to be reduced.

Water consumption

m³ per person



The consumption of water per employee has remained stable compared to 2018. The increases associated with the construction works (Bobst Lyon site, France) or leaks (Bobst Latino America do Sul, Brazil) are countered by the reduction in consumption at other sites. In Mex, Switzerland, the collection of rainwater provides 18% of the water used in toilets or for industrial activities.

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Empowering the future

What can we
do together?

Bobst Group SA

P.O. Box
CH-1001 Lausanne
Switzerland
Tel. +41 21 621 21 11
Fax +41 21 621 20 70
www.bobst.com

Investor relations

Tel. +41 21 621 25 60
Fax +41 21 621 20 69
E-mail: investors@bobst.com

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Disclosure of shareholdings

Bobst Group SA
Share Register
P.O. Box
CH-1001 Lausanne
Switzerland
Fax +41 21 621 20 37
E-mail: shareholders@bobst.com

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