



Sustainable Development Report 2016
Bobst Group SA

FOR A BETTER WORLD

 **BOBST**



Jean-Pascal Bobst, CEO of Bobst Group.

ENTREPRENEURIAL SUCCESS COMES ALONG WITH RESPONSIBILITIES

In our industry, becoming a successful company relies both on technical innovation and on having strong corporate values. But success also comes with responsibilities.

Responsibility to make the difference

We have, of course, responsibilities towards our shareholders and stakeholders, but we also have a responsibility to make a difference, wherever we can, to the world in which we live. How do we meet these responsibilities? We do so by taking a holistic approach to the whole process of designing, manufacturing and supporting the equipment that our customers buy from us, so that we, our customers, and the end-users of the packaging, are all able to contribute to driving global development that is more sustainable.

When it comes to the equipment we manufacture, we continually look for opportunities to design it, or re-design it, so that it creates less process waste or uses less energy at our customers' plants, while also removing, or ameliorating, any potential environmental risks that its use might create.

Our equipment is also designed to last, further reducing its environmental impact. Likewise, we look for opportunities to modify the impact that the packaging produced on our equipment has, such as ensuring our lines can process lighter-weight substrates, or by helping design packaging that contributes to reducing food wastage.

We take pride in the initiatives we undertake at our facilities around the world which reduce our own energy use and the carbon footprint of our manufacturing, while we also strive to rid our plants of potentially harmful chemicals and processes and to make the workplace as safe and positive a place as possible. And, of course, we do not live in isolation. Our companies across the world are part of communities, so we strive to not only be good neighbors, but also to make a positive impact on them by funding social initiatives and by facilitating community engagement by our staff.

Like the equipment we manufacture, BOBST is designed to last, to be sustainable. Our corporate values of Trust, Respect, Passion and Performance not only underpin this, they are also the same values that are needed to deliver, in a corporate context, the seventeen sustainable development goals adopted by the countries of the United Nations.

Jean-Pascal Bobst
Chief Executive Officer

As one of the global industry leaders, BOBST is committed to implementing initiatives that advance globally relevant sustainability topics. Our sustainability strategy therefore aims, each year, to support those United Nations sustainable development goals we can.

CONTRIBUTING TO A BETTER WORLD

On 1 January 2016, the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development – adopted by world leaders in September 2015 at an historic UN Summit – officially came into force. Over the next fifteen years, with these new goals that universally apply to all, countries will mobilize efforts to end all forms of poverty, fight inequality and tackle climate change, while ensuring that no one is left behind.

SUSTAINABLE DEVELOPMENT GOALS

 <p>1 NO POVERTY</p>	 <p>2 ZERO HUNGER</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p>	 <p>4 QUALITY EDUCATION</p>	 <p>5 GENDER EQUALITY</p>	 <p>6 CLEAN WATER AND SANITATION</p>
Page 4	Page 5	Page 5	Page 5	Page 6	Page 6
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	 <p>10 REDUCED INEQUALITIES</p>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
Page 7	Page 7	Page 8	Page 8	Page 9	Page 9-12
 <p>13 CLIMATE ACTION</p>	 <p>14 LIFE BELOW WATER</p>	 <p>15 LIFE ON LAND</p>	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>BOBST DASHBOARD 2016</p>
Page 13	Page 13	Page 13	Page 14	Page 14-15	Page 16



Goal 1:
End poverty
in all its forms
everywhere

WE PAY FAIR SALARIES AROUND THE GLOBE

BOBST has manufacturing, sales and service operations across the globe and pays salaries that are based on local conditions. We benchmark salaries, to ensure that we provide a standard of living in line with local practices, that also allows us to attract the skilled, and talented individuals we need.



A specialized technician working in Pune, India.



Goal 2:
End hunger, achieve food security and improved nutrition and promote sustainable agriculture

LAUNCH OF “FOOD GRADE” LUBRICANTS TO ENSURE SAFE PACKAGING

Packaging exists to both transport products and, in the case of food, to ensure they remain fresh and safe to eat. Our equipment for flexible packaging creates barrier substrates that prevent any degradation or contamination of food products, while our food-grade lubricants remove the risk of any mineral oil migration from packaging production equipment to humans.



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

CHF 45 000 GIVEN TO HEALTH AND SOCIAL INITIATIVES IN INDIA

The BOBST subsidiary in Pune, India is contributing to improved health and well-being both locally and nationally. One initiative has seen the company buy dialysis units for a local hospital, another saw new classroom roofs bought at a school for children on the autistic spectrum, while a third donation went to a care center for orphans.

HIGH ATTENDANCE AT HEALTH DAYS 2016

Fun, with a serious side, is a proven way of promoting well-being. The second annual Health Days at Work, held at Bobst Lyon, France, saw increased attendance (300 participants versus 130 in 2016) for its mix of sessions, covering a sleep conference, first aid workshop, and osteopathy consultations, helping employees to initiate their own wellbeing.



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



OUR CONTINUOUS STRATEGY: FROM APPRENTICES TO EXPERTS

At any one time, the BOBST Training Centers in Switzerland, India and Brazil will between them have more than 200 apprentices undergoing training. Regularly, up to four apprentices from the Mex, Switzerland site are chosen to participate in the European Union’s Leonardo da Vinci apprenticeship mobility program. As part of this program, these apprentices leave the Mex site in the fall for a nine-

month secondment at one of the Group’s branches in Germany, Italy or the United Kingdom. BOBST is committed to the continuous development of all staff, based on a yearly discussion with each employee. A large number of courses, including soft skills, are available to all staff, as well as job-specific training curricula for specialists.



Goal 5:
Achieve gender equality
and empower all women and girls

EQUAL OPPORTUNITIES FOR EQUAL WORK

At BOBST, job vacancies, as well as opportunities for personal and career development, are open to everyone, while salaries are based on individual performance, know-how and expertise, not on the gender of the employee.

“TAKE OUR CHILDREN TO WORK” DAY

The Mex, Switzerland plant welcomed fifty employees’ children as part of a canton-wide day to introduce girls to traditionally male jobs, and vice versa. Constructing an electric vehicle, exploring the company’s core business, and discovering what their parents do at work, made for a day that the children approached with enthusiasm.



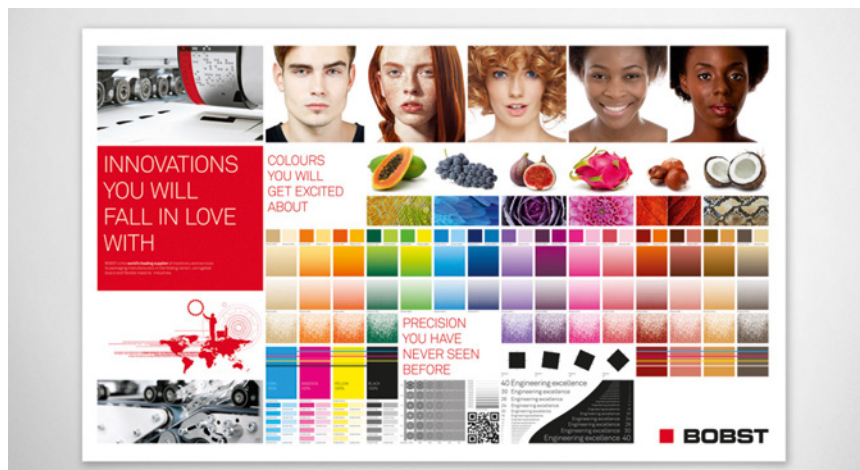
Goal 6:
Ensure availability and sustainable
management of water and sanitation for all



MACHINES THAT USE LESS WATER AND PRODUCE LESS WASTE

MASTERFLEX-XL
printing press
for corrugated
packaging.

Reducing the needs of industry for clean water, and preventing contaminants from entering water courses through waste water, protects the clean water supply. The printing of corrugated packaging largely involves the flexographic process, which is intrinsically a ‘greener’ process than many, and for which BOBST has designed ink recovery and automated wash-up systems that substantially reduce the amount of clean water needed, while also reducing the amount of waste water created. The system on the MASTERFLEX-XL press cuts the amount of water used in production by more than half.





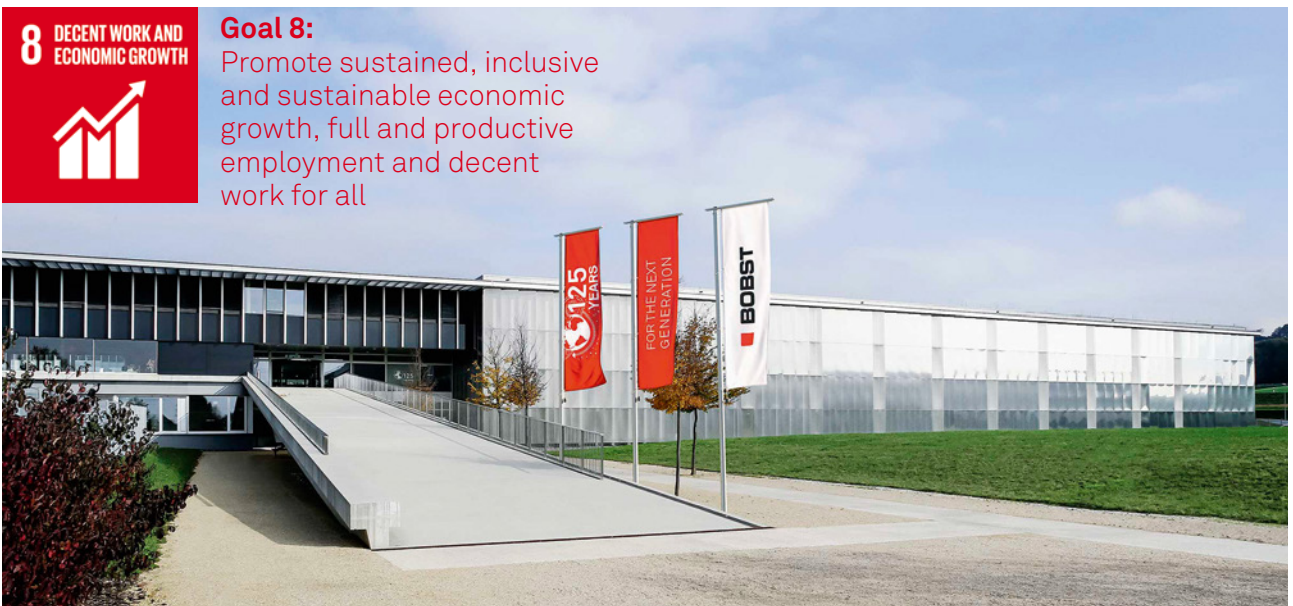
Goal 7:
Ensure access to affordable, reliable, sustainable and modern energy for all

EMPOWERING PHOTOVOLTAIC SOLAR ENERGY

The roof of the Mex, Switzerland site features a 6300 m² photovoltaic panel installation that generates 1155 MWh of electrical power from sunlight. The system provides over 11.5% of the power needs of the site.



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



PREPARING FOR THE FUTURE

BOBST has never considered economic performance to be its sole objective because, although important, profit on its own is not enough to ensure that a business achieves excellence and longevity. People, knowledge and values are also vitally important, and our 125-year history, along with our position as one of the leading equipment and service providers to the packaging industry, reflect our

success in applying this philosophy. We could never have come so far without the more than 5000 motivated and passionate people who drive our success. Spread across more than fifty countries of the world, these people represent direct investment into local economies, while BOBST equipment and services also contribute to the growth of the same.



Bobst family members, 1890.



First BOBST – Braille printing press.



JBF Finance SA (Joseph Bobst Finance) – controlling interest of Bobst Group – members of the families, 2016.



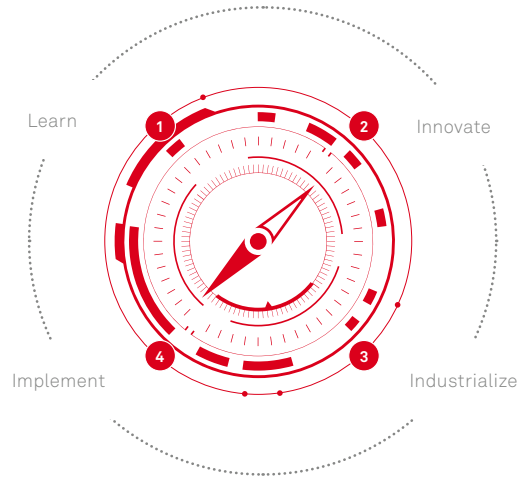
The future of BOBST machines – digital printing press.



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

FOSTER INNOVATION THROUGH AN ESTABLISHED PROCESS

While our production lines deliver efficiency in the manufacturing of today's packaging, we also track current and future needs and trends. Up to 6% of our turnover is invested in research and development every year, enabling innovations to go from prototyping to market serialization and to be developed into outstanding packaging solutions.



Goal 10: Reduce inequality within and among countries



GLOBAL ACTION, BUT WITH LOCAL AUTONOMY

For over 75 years BOBST has spread its production, service provision and administration across continents. We now operate in more than fifty countries – which requires an understanding of, and respect for, many different people and cultures, from the way business is

carried out to their languages and belief systems. This respect is also applied between colleagues, towards customers and partners, towards the communities and environment we work in, and between entities, with each local organization having high levels of autonomy.



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

FIRENZE JOINS THE BOBST FAMILY

In 2015, BOBST acquired Nuova Gidue, an Italian manufacturer of web-fed presses. An inclusive process involving staff from both companies saw the business rapidly integrated into Bobst Group, so much so that just six months later it was presented to the world as Bobst Firenze.



Goal 12:
Ensure sustainable consumption and production patterns

OUR RESPONSIBILITY SPREADS ACROSS THREE DIMENSIONS

1. OUR COMPANY
2. OUR CUSTOMERS
3. THE CONSUMER

In the packaging arena, three interconnected groups have an influence on and responsibility for ensuring sustainability in production and consumption.

Our responsibility requires us, as an EQUIPMENT SUPPLIER, to manufacture more sustainably, while also striving to modify the impact our equipment and services has when used by PACKAGING MANUFACTURERS. Together we also have a responsibility to develop new ideas that help change CONSUMER behavior and the impact of packaging.

There are also two other issues that need to be addressed – one being sustainability in food packaging and the other being the use of food packaging to support sustainable practices. Although similar sounding, they are substantively different. The first requires the increased use of renewable materials and, where possible, the

reduction of packaging volumes, while the second requires us to look at ways of using packaging to reduce food waste across the entire supply chain.

BOBST works tirelessly to both adjust its own behavior in favor of increased sustainability and to influence the behavior of its customers and consumers. This requires us to continually review our own production practices and to carry out research and development that enables us to offer our customers products, processes and services that make their production more sustainable and/or enable end-users to adopt more consumable patterns of consumption.

1. OUR COMPANY

REDUCING OUR SOLVENT CONSUMPTION

Until 2015, the BOBST site at Bielefeld, Germany, annually consumed about 30 tonnes of solvents just for cleaning machine elements in contact with printing ink. The site now utilizes distillation equipment which recycles these solvents after use into clean liquid, which can be used in new washing cycles, along with a residue that a specialist company removes and treats. Thanks to this installation, solvent usage has reduced to around a tonne a year – thirty times less than previously. In addition to producing less of this harmful waste, the cost of the new distillation room and its equipment will have been recouped by the end of 2016 thanks to substantially reduced solvent disposal costs.

HYBRID CARS NAVIGATE THE PARIS TRAFFIC

Responding to an initiative by the authorities in the Ile-de-France, the BOBST site at Antony, on the outskirts of Paris, ran a project to assess the practicality of using hybrid vehicles. The site has now changed its policy to ensure that all new company vehicles are either hybrid models or have CO₂ emission levels below 120 g/km.

OUR NEW COLLEAGUES: THE BEES



Around thirty kilograms of honey are produced per year.

BOBST production facilities are large sites that often incorporate gardens, grassland or other areas that have not been built upon. These can be ideal for the establishment of bee hives, and the sites at Mex, Switzerland and Lyon, France are now home to a dozen of these.

Globally, bee numbers are on the decline because of the increased use of pesticides and fertilizers, yet these insects play a vital role in plant pollination and maintaining bio-diversity. The BOBST hives are not only part of a study that is measuring the impact of environmental factors on bees, they also directly contribute to the ecology of their localities, as well as providing delicious honey for BOBST employees to enjoy.

A natural stone watercourse runs through the Mex site in Switzerland, encouraging bio-diversity.



2. OUR CUSTOMERS

NEW GENERATION ACCUCHECK DELIVERS A CUT IN PRODUCTION WASTE



The heart of ACCUCHECK, the BOBST inline “zero-fault” quality control system.

ACCUCHECK is an intelligent quality control system designed to ensure that every single box leaving a carton manufacturer’s plant is printed, embossed, die-cut, folded and glued to the standard their customers expect. ACCUCHECK makes sure that quality issues are identified early, and that time and resources are not wasted on processing, packing, storing and transporting non-conforming products, and that the client’s filling lines are not set and then stopped due to quality issues with cartons.

During the folding and gluing process, each carton is compared to a reference image saved in ACCUCHECK’s memory. The combination of a high-speed camera and the latest-generation image processing software allows ACCUCHECK to detect color differences in the order of one Delta E, along with print errors, the presence of oil, water or ink stains, embossing defects and differences in register between printing and die-cutting. ACCUCHECK tracks any non-conforming boxes as they travel along the folder-gluer and instigates their ejection.

In extreme cases, ACCUCHECK can be preventing the waste of fresh foods which, if they cannot be packed on-time, must be disposed of.

LESS CONSUMPTION OF VALUABLE RAW MATERIALS: OUR “OIL CLEANER”



BOBST “Oil Cleaner”
This equipment reduces maintenance costs and improves environmental record.

For many years, BOBST has run multiple initiatives to help protect the environment and promote public health, both in its own activities and in those of its customers. In 2015, BOBST launched the “Green Awards”. These are awarded to customers who choose a BOBST product or technology that reduces the environmental impact of their production.

The first awards went to customers who purchased BOBST “Oil Cleaner” equipment. This revolutionary device continually filters contaminants such as water and particulates from the main oil circuits of BOBST die-cutters, in most cases removing the need to carry out oil changes for years on end. Able to retain particles as small as 3 µm, the oil cleaner not only maintains the lubrication properties of the oil, but also its cleaning properties.

By lengthening the service life of equipment, substantially reducing oil consumption and, consequently, the amount of waste oil that needs to be treated, “Oil Cleaner” is a perfect example of how sustainable production can be applied to the packaging industry.

3. THE END CONSUMER

INTELLIGENT PACKAGING DELIVERS MORE CONVENIENCE YET LESS WASTE



When its empty, the plastic bag can easily be pulled out from the box and both recycled.
Picture: Metsä Board.

Recycling is an established part of life in many parts of the world, but one of the difficulties for consumers is how to treat mixed packaging, which combines materials that need to be recycled in different ways. For the drupa 2016 exhibition, BOBST worked with a group of partners on the development of an 'elevated drink box' that not only provides consumers with a convenient way to store and dispense beverages, but also makes it easier to separate the materials into different waste streams.

Thanks to the elevated base design, the liquid can be filled into a cup using only one hand. Both the elevated drink box and the cup itself stand firmly on the table, without any additional support. The box does not take up additional shelf space as the elevated base is contained inside the packaging, ready for assembly by the consumer before use and, when empty, the plastic bag is easily pulled out from the box so that both can be recycled. The board used to create the carton was manufactured on a BOBST EXPERTFLUTE 180 web-to-web laminator, die-cut on a BOBST MASTERCUT 2.1 die-cutter and glued on a BOBST EXPERTFOLD 165 A3 folder-gluer.

According to the European Union, about a third of global food production is wasted, which equates to around 1.3 billion tonne per year. Preventing the degradation of food while it is on its way to, and while stored by, the customer is an important sustainability objective. Flexible packaging has a history of delivering barrier qualities for preventing the deterioration of food products and BOBST continues to develop new products and processes that require fewer resources to create such packaging, while also extending the shelf life of packaged food and better maintaining its condition. Such innovations include Alubond®, which prevents the delamination of composite flexible substrates, DarkNight® and ALOx which can help brands replace full aluminum barriers with more sustainable coated ones, and Hawkeye which identifies and prevents the defects in flexible packaging that can lead to air or light contamination of the consumer's food product.



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

OUR NEW COOLING SYSTEMS RUN WITH NATURAL WATER

The grounds of the Pune site in India are extensively planted to promote natural cooling of the area around the production facility. As much rainwater as possible is recovered to irrigate the 6 400 m² of plants trees and plants, while leaks in the system have been fixed and sprinkling frequency reduced without any adverse effect on planting. However, additional fresh water

is still required, which was historically delivered by cistern trucks. It is now being delivered via a channeling system, which substantially reduces the carbon footprint of its supply.



Goal 14:
Conserve and sustainably use the oceans, seas and marine resources for sustainable development



Goal 15:
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss

RECYCLABLE AND SUSTAINABLE SUBSTRATES

Fibreboard based packaging products such as folding cartons and corrugated cases are intrinsically both recyclable and sustainable. The paper used to produce the fibreboard packaging produced on BOBST equipment is manufactured using virgin wood plus, in most cases, a high proportion of recycled paper.

The trees used are largely found in the northern latitudes of Europe, Russia and North America, where they are sustainably farmed. In Europe, for example, the planting of new trees for paperboard production outstrips the amount felled.

The recycling of fibreboard products, post-consumer, continues to increase and, in some parts of the world, is doing so at substantial rates. In the USA, for example, the volume of cartons recycled increased by 160% between 2010 and 2014, thanks in part to consumer education initiatives and, in particular, those aimed at children who go on to influence the recycling habits of their parents.



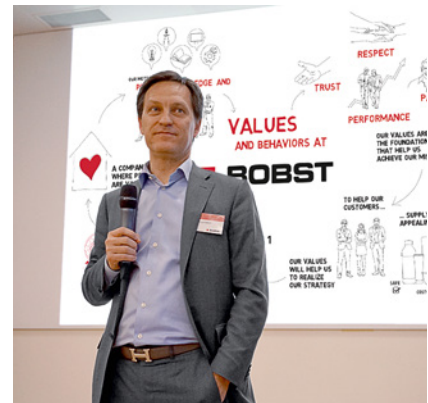
Plastics help to reduce food waste by keeping products fresh longer, reduce packaging mass and improve transportation efficiency, but estimates suggest that a quarter to a half of worldwide plastics production ends up in landfill and approximately 10 to 20 million in the oceans. Recovering plastic from the waste stream for recycling or for energy generation has the potential to minimize these problems and such recycling is increasingly available, including for films such as PE and PP.



Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

A COMPANY WHERE PEOPLE ARE VALUED

The values of the Bobst Group are Trust, Respect, Passion and Performance, which represent behaviors that each co-worker can carry out in their daily lives. Values are crucial to BOBST, because our company is not just a place for professional accomplishment; it is also a place for every co-worker to live, communicate and share with each other, regardless of their cultures, backgrounds or traditions.



Goal 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

PARTNERSHIPS ARE IMPORTANT IN MEX



When bringing together the two BOBST production sites in Lausanne, Switzerland into a single facility at Mex, BOBST worked in close partnership with city authorities, utilities providers, AEnEC (the Energy Agency of the Swiss Private Sector), employees, architects and consultants, to ensure that sustainability was considered during every phase of the project.

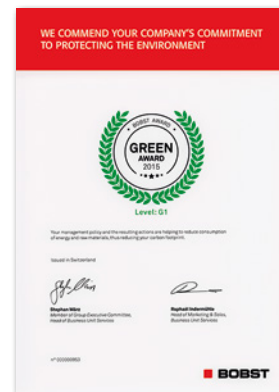
Particular thought was given by architects Richter Dahl Rocha & Associés architectes SA to the nature of the new buildings and the environment around them. The long main building is a linear reference to the beautiful Vaud countryside, contrasting with the undulations in its terrain, while the new restaurant

and Competence Center have green roofs for perfect integration into the landscape. A natural stone watercourse runs through the site and leads, via a pedestrian ramp, to the main entrance.

100 000 m³ of soil excavated during the works was reused to landscape the surrounding terrain and to avoid the ecological consequences of transporting it elsewhere. More than 200 fruit trees and indigenous plant species, requiring no irrigation or special maintenance, were planted to maintain the rural feel of the site and to encourage bio-diversity.

OUR “GREEN AWARDS” ENCOURAGE ENVIRONMENTAL COMMITMENT

In 2015 BOBST launched its “Green Awards” for customers who choose a BOBST product or technology that reduces the environmental impact of their production.



The Kingston Carton Company was the first UK carton maker to implement mineral oil free manufacturing using BOBST's food-grade lubricant transformation program.

The first awards were given to customers who purchased “Oil Cleaner” equipment. This revolutionary oil filtering device permanently retains unwanted particles, extends the life of lubricants, reduces maintenance costs of machinery and helps preserve the environment. The BOBST “Green Awards” will soon include three classification levels: G1 will reward actions extending the life of equipment, G2 will reward those promoting better use of resources, while G3 level will reward compensation measures, such as green energy production.

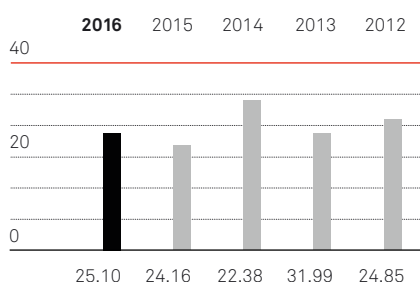
Many products and technologies developed by BOBST already contribute to reducing the environmental footprint of packaging production. For example, some devices reduce waste volumes, others reduce energy consumption or enhance food safety (read p. 5 “Food Grade”). Eventually, all products could be included in this new initiative and be the subject of “Green Awards”.

While these awards are created and granted by BOBST, and so do not constitute international environmental certification, in the frame of sustainable development, every step is decisive. Much appreciated by our customers, the BOBST “Green Awards” contribute to the evolution of sustainability partnerships.

DASHBOARD 2016

CO₂ energy emissions

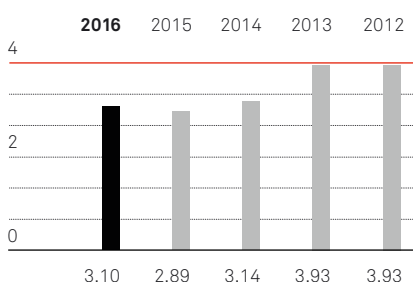
kg CO₂ per m² ground surface



Climate factors have led to a slight increase in gas consumption and therefore direct CO₂ emissions (8% more than in 2015). The integration of the Firenze site, Italy, as well as an increase in production, also contributed to this increase.

Waste

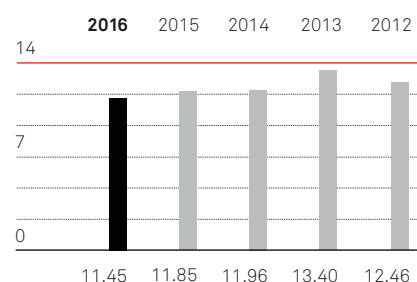
tonnes per 1000 productive hours



Total waste production increased by more than 10% mainly due to the increase in activity and stock optimization. In 2016, over 72% of waste products, consisting of metals, paper and cardboard, were recycled.

Electrical energy

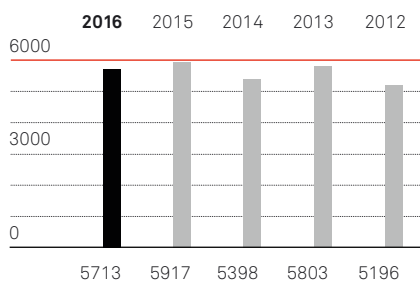
MWh per 1000 productive hours



Despite integration of the Firenze site, Italy, into the 2016 dashboard, overall electricity consumption remained stable compared to 2015 (+0.08%), while at the same time the number of productive hours increased by more than 3.5%. This is due to the implementation of numerous electrical installation optimization measures across various sites. For instance, the campaign to detect and repair compressed air leaks was a major contributor to reducing electricity consumption at the Mex site.

Electrical energy

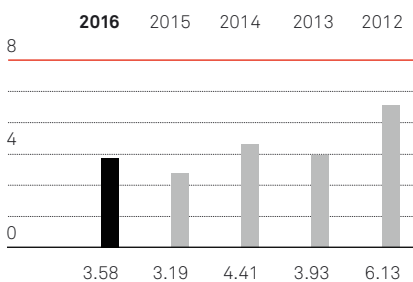
per 1000 employees



The stabilization in electrical energy consumption, despite the integration of the Firenze site, Italy, coupled with a slight workforce increase and savings measures put in place at various other sites, led to a decrease in this indicator of more than 3%.

Occupational accidents

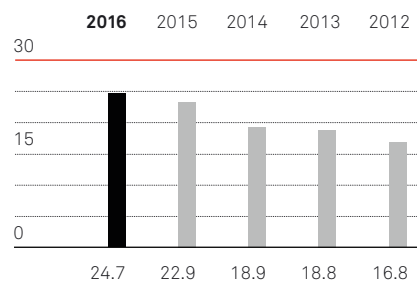
lost hours per employee



The number of hours lost due to occupational accidents jumped 14% in 2016, after a record 28% drop in 2015. Compared to the number of employees, the hours lost indicator has increased by almost 11%. However, while the number of accidents per 1000 employees increased by 5%, the trend over the past five years has been downward. Basic prevention measures have proven to be effective. It is now about acting on human behavior. This results in employee awareness of the dangers in their daily work and the professional and social consequences that an accident can cause.

Water consumption

m³ per person



Water consumption per employee increased by more than 7% in 2016. This increase is mainly due to the increase in production volume, the workforce increase, the integration of the Firenze site and also to technical problems leading to leaks. It should be pointed out that more than 10% of the water consumed comes from rainwater recovery.

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

Security symbols

SIX SWISS EXCHANGE: BOBNN or 1268465
ISIN: CH0012684657
SIX Telekurs: BOBNN,4 or 1268465,4
Bloomberg: BOBNN SW
Reuters: BOBNN.S

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

Website links

<http://investors.bobst.com/documents> –
to reach the Articles of Association of Bobst Group SA,
the Organization Regulations of Bobst Group SA,
the Worldwide code of employee and business conduct,
the Charter of Group policy with regard to health,
safety at work and environmental protection.
<http://investors.bobst.com/publications> –
to reach the Annual report, Annual profiles and
Sustainable development reports of Bobst Group SA.

© Copyright 2017 Bobst Group SA

