

SUSTAINABLE DEVELOPMENT REPORT 2015

Bobst Group SA



On the right hand side the production halls of the Mex site, Switzerland.

The pressure that consumers, regulatory bodies and brand owners put onto packaging manufacturers to improve pack sustainability is inevitably passed on to the suppliers of their equipment. In this area, BOBST offers answers on many levels.

Firstly, the Group continually designs or modifies the equipment and machines sold to its customers to reduce their environmental impact. It ensures, for example, reduced volumes of waste from its printing presses, lower energy consumption and the prevention of potential environmental risks that may result from their use.

Secondly, BOBST has developed multiple initiatives concerning its own production. The company reduces its energy consumption and the carbon footprint related to the transport of components used in its assembly lines. In its factories, it also works to remove chemicals and

hazardous processes to create the safest possible work environment.

In parallel, the Group's regular investments in optimizing the energy efficiency of its infrastructure help reduce the impact of its industrial activities. Whether in the field of lighting, production of thermal and electrical energy, or building insulation, numerous measures have been implemented and contribute to the continuous improvement of BOBST in this area.

By taking this multi pronged approach we constantly improve the environment that our employees, clients and neighbors work and live in.

Adoption of Integrated Management System for increased rationalization and efficiency

Itatiba site, Brazil

The commitment of Bobst Brazil to an Integrated Management System has allowed it to implement a comprehensive approach for streamlining internal processes, managing daily operations and achieving its objectives more effectively. Key performance indicators now control management processes. An internal audit program also ensures the effectiveness of the systems put in place and allows the implementation of corrective and preventive actions.

In 2015, the Brazilian site successfully passed a maintenance audit. Once again it proved that its Integrated Management System meets all the requirements of the ISO 9001 and ISO 14001 standards. Certification to the latter standard, obtained in 2007 after the introduction of an Environmental Management System, was complimented in September 2011 by certification of its Quality Management System according to ISO 9001 standards.

In 2016, the site will undergo a re-certification audit according to the new 2015 versions of these two standards.

Reduction of the carbon footprint of company vehicles

Antony site, France

As part of its actions to promoting sustainable development, Bobst Paris decided, for its site at Antony, to reduce the CO₂ emission levels of its company vehicles.

This choice was motivated not only by the increasing restrictions on traffic in the Paris area during pollution peaks, but also by the color vignette system introduced on 1st January 2016 in Ile-de-France. This system, deployed in the frame of France's energy transition program, intends to classify vehicles according to their degree of pollution. This is designed to gradually exclude cars, trucks and buses emitting the most CO₂ from cities, and to encourage users to turn to engines other than diesel.

Hybrid vehicles

Among the technological solutions offered by car manufacturers, the Antony site explored hybrid cars. This choice falls within its new vehicle fleet policy, and was further strengthened by the following measures:

- The maximum CO₂ emission rate allowed was dropped from 140 to 120 g per kilometer;
- Hybrid models can be chosen by employees.

In order to test the energy efficiency of hybrid vehicles in terms of CO₂ emissions, fuel consumption and costs, two identical executive car models were tested. One had a diesel-electric engine and the other a petrol-electric engine. The latter model had two particular features: it recharged directly out of the distribution network from a single socket; and its engine could be switched to 100% electric mode which gives the vehicle a maximum range of 31 km, enough for city trips.

This test, conducted in partnership with ALD Automotive, helped select the MERCEDES C CLASS model. It complies with the Bobst Paris company car policy and uses the two hybrid engines available.

Bobst Japan undertook a similar approach for its Tokyo site.

Reduction of solvent consumption

Bielefeld site, Germany

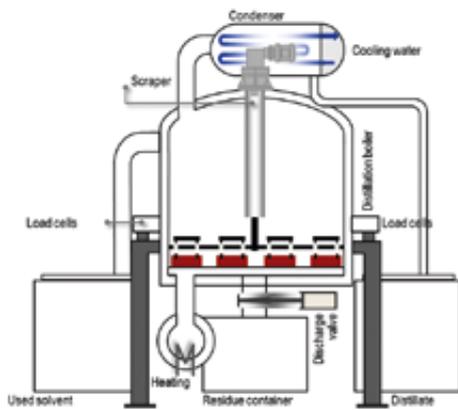
The cleaning of elements in contact with printing ink requires the use of solvents. As part of its production activities, Bobst Bielefeld consumes about 30 tons of this product each year, spending considerable sums on its purchase and disposal.

At the end of 2015, the Bielefeld site commissioned distillation equipment. This recycling device refines the used solvent into clean liquid – the distillate – ready for reuse in new washing cycles. A specialized company is responsible for removing the residue from the distillation.

With this installation, solvent usage will be reduced to about one ton per year – thirty times less than previously. Moreover, the return on

investment for the construction costs of the new distillation room and the acquisition of the equipment should be achieved within less than twelve months.

This operation will allow the Bielefeld site to significantly reduce its operating costs while also lowering the environmental footprint of its industrial activities.



Distillation equipment. Source: DW RENZMANN.

Social responsibility and support for medical research

Pune site, India

Since April 2014, India has been one of the first countries in the world to force large companies to spend 2% of their net income on corporate social responsibility projects. The new law, dubbed the “Companies Bill”, was voted through by the Delhi Parliament in August 2013. The government has also set guidelines in order that the constituted funds pay, in the first place, to purely local projects on Indian territory and are allocated to the most disadvantaged communities.

Bobst India donated three million rupees in 2015, equivalent to 45 000 Swiss francs, to two hospitals in Pune, the city where the company has its production site. The monies are being used for research in the field of improving the human condition and for scientific work in cardiac medicine. Bobst India wished to contribute to the development of local life and honor the quality of work of physicians recognized for their great reputation. The Group’s Indian employees are

especially proud, as they and their families patronize the hospitals selected by their company.

As part of the definition of its corporate social responsibility policy, which integrates the three pillars of environmental, social and economic issues, Bobst India is studying the possibility of developing other projects in the future covering the areas of water management, the education of girls, and skills development.

Campaign to raise awareness and promote health at work

Lyon site, France

In 2015, Bobst Lyon organized two events devoted to health.

“Addiction”, Labor and Health

On the 23rd of February, 2015, the Rhône Departmental Committee of Social Hygiene presented to the supervisory staff of Bobst Lyon an overview of the problems of alcohol, drugs and medicines dependency. During two hours, the presenters addressed the many facets of the “addiction” phenomenon and explained what role everyone has in supporting people in difficulty. Discussions took place on how to overcome difficulties, and on the importance of collaboration between line managers, the Health Department and Human Resources.

The themes discussed allowed the participants to understand the fact that “addiction” is not limited solely to the use of alcohol, it has different stages:

- usage levels: single use, risky, harmful and addictive,
- effects and counter-effects of psychoactive substances,
- mechanisms of “addictions”,
- dependence and difficulties associated with care management.

The information was offered to members of the “addiction” Commission, to managers and medical care service staff. Other meetings will be organized soon for all executives of the company so that everyone is sensitized to this theme.



Health Days at Work – Bobst Lyon, France.

Health Days at Work

Nearly a hundred and thirty people attended the two days of conferences and workshops dedicated to health at work which took place on the 1st and 2nd of June 2015.

Attended by a large audience, the food conference enabled the employees to discover “tips and tricks” for a better lifestyle, and ended with a tasting of products such as goats cheese, bread with spices, and organic fruit juices.

Consultations in osteopathy and other manual medicines given by licensed practitioners helped employees to initiate their own welfare.

Through fun activities, leaders of the “Addictive behavior” workshop informally discussed the various modes of dependence. The constitution of even smaller groups allowed personalized interviews.

For those who preferred more dynamic workshops, Bobst Sports Lyon, together with two of its gym instructors, were also present. As part of three mini-workshops, of fifteen minutes each, they proposed vitality tests, stretching and muscle toning exercises.

Introducing LED lighting at sites within the Group

Bobst Group

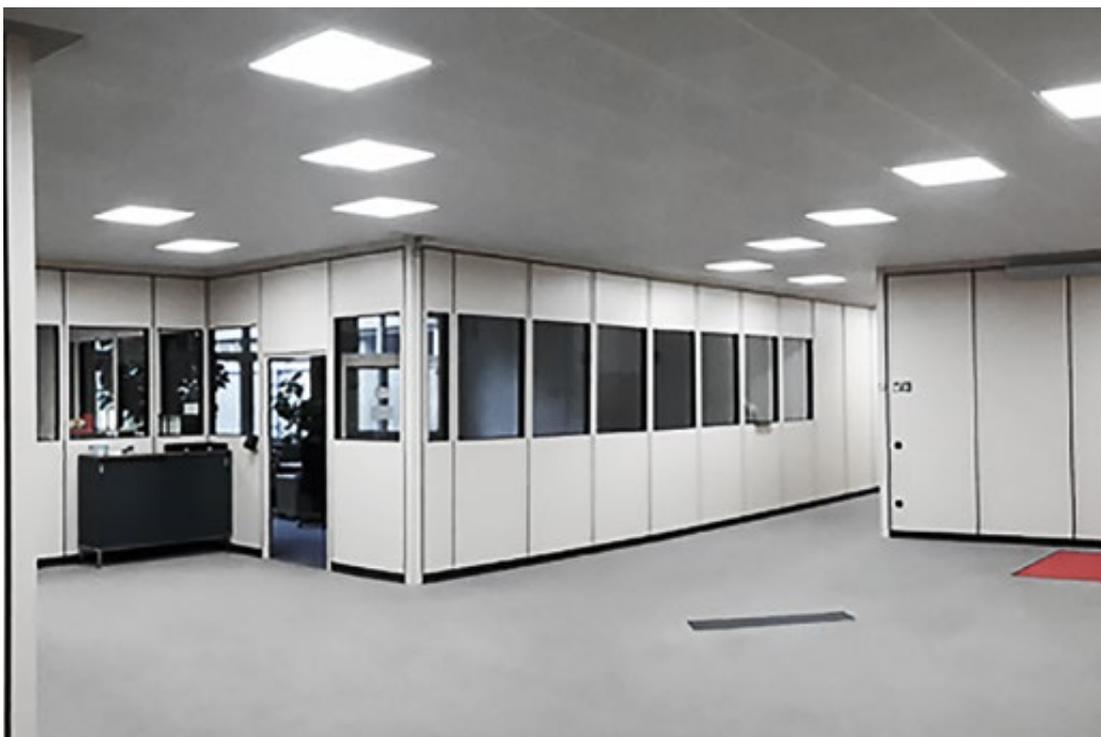
The use of LED lamps for lighting has several advantages. Light-emitting diodes (LED) are more environmentally friendly and save up to 90% in power compared to a conventional lamp. Their electronic components, unlike standard bulbs, have no need of gas or metallic vapor to transform electricity into light and are therefore largely recyclable. Very robust, LEDs are resistant to impact and shock and produce much less heat than other light sources. With a life span of 20 000 to 50 000 hours – the equivalent of several years of use – LEDs have a much longer shelf-life than other types of lamp.

For all these reasons, Bobst Group has decided to replace with LED technology all the traditional lighting at its sites over the coming years.

In 2015, the Bielefeld site in Germany equipped its production halls with LED lighting. The installation meets the requirements of the activities at the plant and the intensity of the light corresponds to the specific needs of the assembly and production tasks. In addition, the color of the luminescence was selected to promote a pleasant working environment.

Also in Germany, the Meerbusch site recently replaced forty ceiling lamps in its corridors with LED lamps. This allowed the site to reduce lighting power consumption from 3.2 kWh to 0.8 kWh. Moreover, the highest luminescence LED has even allowed the site to turn off almost half of the other lights for a large part of the day, allowing it to save an eighth of the power used before. Overall, the adoption of LEDs on the site has led to a decrease in carbon dioxide consumption (CO₂) of about seven tons per year. Bobst Meerbusch foresees the introduction of this new kind of lighting in its reception and in its company restaurant.

The Tokyo site in Japan has also replaced the light bulbs in its offices with LED luminaires.



Meerbusch site, Germany.

Installation of hives and biodiversity in urban areas

Bobst Group

In 2015, beehives were installed at the sites in Mex, Switzerland and Lyon, France.

In Mex, eight hives, each housing about 60 000 bees, were positioned in the meadows on the site. Their installation is part of the “BEE ALIVE Project” launched by the One Nature Foundation, an organization dedicated to protecting the environment, which is based in Vevey, Switzerland. This project is part of a scientific study covering a period of ten years which is intended to measure and understand the impact of the environment on the life of bees. Each year an analysis of the area and a census of the colonies will be carried out. This information will be fed into a database to monitor the health of swarms.

In Switzerland, five locations were chosen for this experiment: the BOBST industrial site at Mex, an orchard meadow at Suchy in the north of the Jura Vaudois, the urbanized area of the Federal Polytechnic School of Lausanne (EPFL), an area in the Rhône countryside near Noville in Chablais Vaudois, and finally a zone with 28 parabolic antennas for media transmission.

A beekeeper will regularly look after the Mex hives, which should produce around twenty kilograms of honey per year.

Colony of bees in the city

In parallel, four beehives were installed within the Lyon site in France, near the company’s restaurant. This initiative aims to encourage the establishment of swarms in the city. Indeed, the bees are an essential vehicle for retaining biodiversity. They contribute pollination of 80% of the flowering and fruiting plants on our planet, which is more than 200 000 species. In addition, nearly 65% of the variety and 35% of the quantity of our food depends on the work of bees. However, each year, the increasing use of pesticides and fertilizers is responsible for nearly 30% of the mortality of swarms.

Bobst Lyon being one of the major industries in the Lyon area, it seemed important to promote the preservation and development of bees on its site. This project contributes directly to the conservation of elements of the ecological network and reinforces the image of the company, underlining its commitment to responsible environmental sustainability.

Two of the four hives house young swarms and the project will give them time to build their combs. The beekeeper who brought the settlements to the site will also be responsible for collecting the honey, which will then be offered for sale to employees.



Hives on the site at Mex, Switzerland.



Hives within the Lyon, France site.



BOBST “Food Grade” lubricants.

“Food Grade” lubricants are good for the planet
 Bobst Group

The risks of food contamination through contact with its packaging have been known for some years. In food hygiene in particular, safety has become a major concern. Legislation in many countries requires packaging manufacturers to ensure that paper, fiberboard or plastic packaging does not contain any contaminants that can migrate into food and put human health at risk. Several surveys have also highlighted cases of contamination caused by mineral oils in the equipment used during the manufacturing of packaging. In response to this potential risk to health and the environment, many authorities are expected to prescribe new regulations.

As a responsible leader in the supply of packaging production equipment, BOBST has not waited to engage. The Group has launched, under the “Food Grade” label, a complete range of lubricants for its equipment. Manufactured using fully synthetic substances, these oils are recorded in class H1 – safe, even in occasional contact with food – and certified by the National Sanitation Foundation (NSF), the world-renowned US independent accreditation body that specializes in public health safety and protection. The exceptional quality level of BOBST “Food Grade” products meets the needs of the most demanding sectors, such as food, cosmetics and pharmaceuticals.

Products and “Food Grade” migration service

To use “Food Grade” lubricants contributes to “clean” production, but is not enough. Aware of

the effort required by the increasing demands for more environmentally friendly production, BOBST now offers packaging manufacturers a comprehensive migration service by which it accompanies them through the process of changing to “Food Grade” lubricants.

For a customer who is considering packaging production in optimally hygienic conditions, “Food Grade” is an essential element. Its use allows them not only to strengthen their brand image in the market, but can also be a great selling point to attract prospects or reassure existing customers. The benefits of these new products not only concern the health of consumers. Less harsh, the BOBST NSF-H1 oils also reduce the risks of operator allergies. Finally, these lubricants ensure the perfect operation of equipment and protect it better. They reduce maintenance and spare part costs and so actively contribute to a more sustainable environment.

High performing, the new “Food Grade” lubricants have a life span of three to four times that of conventional lubricant products. As such, the annual draining of 100–200 liters of oil required for the safe operation of a machine is no longer necessary. Combined with the “Oil Cleaner” filtering device (read p. 9 “Green Awards”), BOBST products help to dramatically reduce costs through less waste and savings in supplies.

BOBST “Food Grade” products are not intended solely for the food, cosmetic or pharmaceutical sectors. They are set to become benchmark packaging production lubricants.

BOBST creates the “Green Awards” to encourage environmental commitment by its customers

Bobst Group

For many years, Bobst Group has run multiple initiatives to help protect the environment and promote public health. On one hand, it optimizes its sites, products, technologies and processes in order to reduce the environmental footprint of its operations. On the other hand, it encourages its customers to engage in “positive gestures towards the planet.”



BOBST “Green Awards” label.

In this context, BOBST in 2015 launched its “Green Awards”. These are awards that the Group grants to customers who choose a BOBST product or technology that reduces the environmental impact of their production.

The first awards were granted 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.

Development of the initiative

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. 8 “Food Grade”). Eventually, all products could be included in this new initiative and be the subject of “Green Awards”.

Of course, these prizes are created and granted by the Group, so do not constitute international environmental certification. However, in the frame of sustainable development, every step is decisive. Much appreciated by its customers, the BOBST “Green Awards” contribute to the evolution of a “green” conscience. They also pave the way for innovative packaging equipment production, which is ever more respectful of nature and public health.

ACCUCHECK

Bobst Group

ACCUCHECK is an intelligent and extremely effective quality control system. Designed to meet the requirement for the fast and flawless production of printed, embossed, folded and glued packaging, it delivers inline checking of boxes before packing and shipment to the clients’ filling lines. During production, each pack is compared to a reference image saved in the memory of this device. The combination of a high-speed camera and the latest-generation image processing software allows the system to detect color differences in the order of one Delta E. ACCUCHECK tracks non-conforming boxes and instigates their ejection. Its software can track production step by step and provides, upon request, a detailed report.

This multifunction device allows the detection of many potential defects in a box – print errors caused by damaged printing plates; the presence of oil, water or ink stains; color variation; or embossing defects. It can also identify differences in register between printing and die-cutting, check the quality of glue deposition, and the conformity of the boxes produced on the basis of a PDF.

No more customer returns

This revolutionary tool can be used from the start-up of production. The PDF mode allows the user to be sure that the job corresponds to that of the customers’ order. This check prevents repetitive errors on an entire job, ensuring that non-conforming blanks are removed. The inline

ACCUCHECK system differs from other products in that the speed and precision of its quality control is not diminished by higher production rates. With this technique, the operator is notified whenever there is an anomaly and they may decide, together with the person responsible for quality, to accept the detected fault, or not. This prevents customer production returns.

ACCUCHECK has become a reference in the packaging industry. It allows customers to win new markets that require very high levels of quality, those where only the use of such a device will do.



The heart of ACCUCHECK, the BOBST inline "zero-defect" quality control system.

DASHBOARDS

CO₂ Emissions

Direct CO₂ emissions increased by 10% in 2015, while indirect emissions increased by 8% during the same period. In parallel, the space occupied by the Group's various sites grew by 1%, implying a growth of 8% of CO₂ production per square meter. For the European sites, this phenomenon is explained by an increase in demand for gas due to the increased volume of their industrial activities, as well as by the influence of climatic factors. However, overall, the trend in recent years has been of a continual reduction in greenhouse gases, as shown in the chart on page 12.

Waste

Total waste production decreased by 2.5% and stands at 4 464 tons. This figure represents the lowest volume of waste generated by BOBST since the introduction of its annual report on sustainable development in 2000. This remarkable result is the fruit of efforts made throughout all the Group's production sites. Given the decrease in the gross added value, the indicator "tons of waste per mio GAV" remains stable compared to 2014. Furthermore, over 70% of waste products, mainly metals, paper and cardboard, are now recycled.

Electric Power

The demand for power by production activities rose by 8%, while that for lighting has been relatively stable. At the same time, the consumption of electrical energy per 1 000 employees increased by more than 9%, after a decrease in staff within the Group. In 2015, the photovoltaic energy produced by the Mex site represents more than 5% of the power consumption of all the Group's industrial sites.

Occupational accidents

The efforts made on all sites in terms of preventing in-work accidents were successful in 2015. Indeed, there is a decrease of more than 30% in the number of accidents per 1 000 employees. In addition, their severity also declined, as the number of hours lost per person dropped by 28%.

Water consumption

The 21% increase in water consumption within the Group during the financial year 2014/2015 was mainly due to a leak that occurred in one of its industrial sites. This leak accounts for nearly 10% of the total volume of water used by the BOBST production sites. Apart from this incident, overall consumption rose by around 7%, due in particular to the increase in the volume of production, but also to climatic reasons – the watering and maintenance of sports facilities for staff. It should be noted that over 15% of the water used was from rainwater recovery.

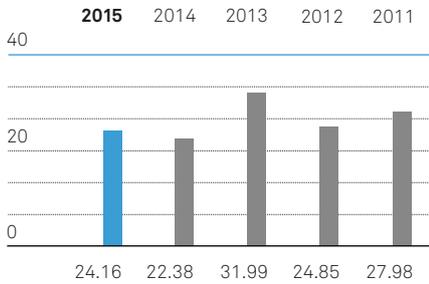
OBJECTIVES

In 2016, BOBST will continue its efforts to reduce the environmental impact of its activities. The Group foresees the implementation of pragmatic continuous improvement measures covering energy saving, waste management and resource conservation. To achieve its goals it will rely on the environmental management system ISO 14001 and management of health and safety OHSAS 18001, deployed through its production sites.

For any questions about sustainable development, e-mail: sustainable-development@bobst.com.

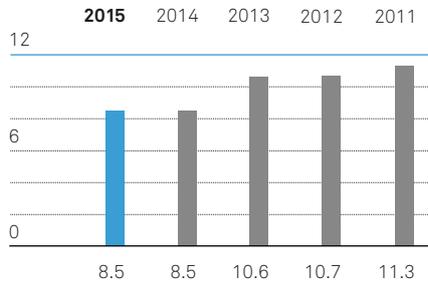
DASHBOARDS

CO₂ energy emissions



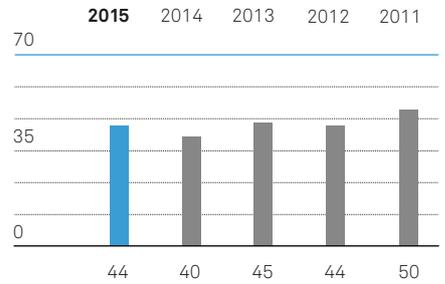
kg CO₂ per m² ground surface.

Waste



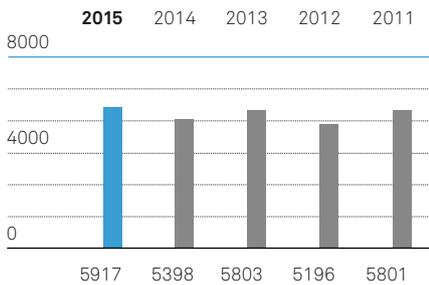
tons per mio GAV*.

Electrical energy



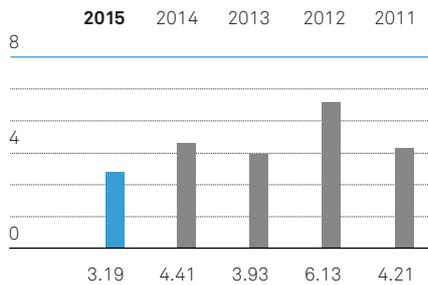
MWh per mio GAV*.

Electrical energy per 1 000 employees



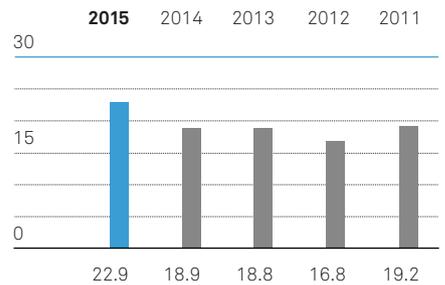
kWh per 1 000 employees.

Occupational accidents



lost hours per employee.

Water consumption



m³ per person.

* GAV (Gross Added Value).

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