

ANNUAL REPORT 2020

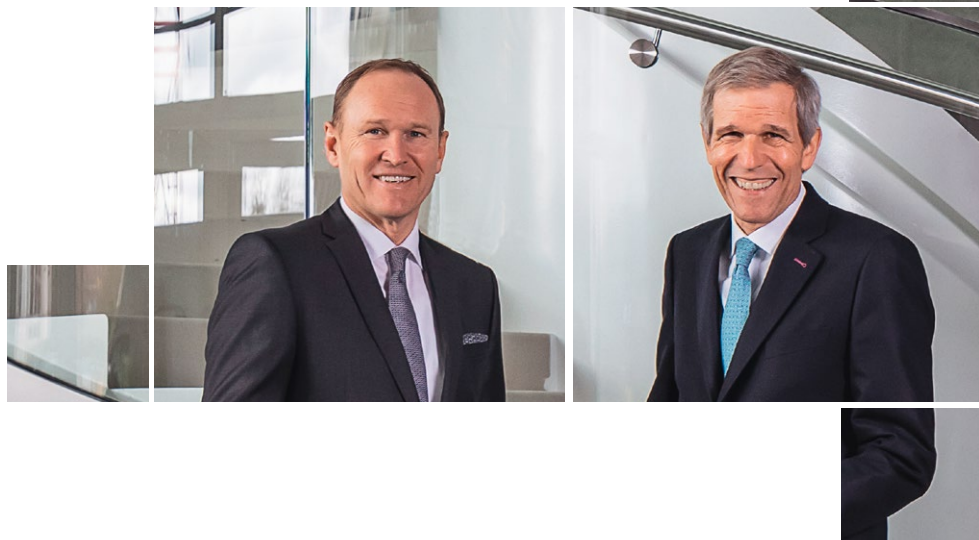
Innovations for a better world

BUHLER

BUSINESS REVIEW

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PROVEN RELIABILITY – BOUNDED OPTIMISM



Dear customers, colleagues,
and business partners,

2020 provided us with the opportunity to prove our reliability in critical times to all of our stakeholders: customers, employees, bondholders, business partners, and owners. It was our highest priority to ensure the health of our employees and others, while also securing operations, supply chains, deliveries, and services to our customers.

From a financial point of view, we even strengthened our stability by increasing our equity ratio as well as our financial reserves.

While managing the pandemic, we did not lose sight of our true course, which is our purpose of innovating for a better world. Our answer to the many challenges of the pandemic was to keep our innovation rate high. We launched 86 new products, opened new application centers and training centers, and held another Innovation Challenge, an internal competition to produce sustainable business ideas. More than 400 ideas were submitted. After a selection and voting process of over 100 promising ideas, six were chosen and these teams have begun implementing their inspiring ideas.

As many physical events such as trade shows or customer visits had been limited or were even impossible, we switched to digital tools to keep communication running. We learned that many of these new digital practices are not only a substitute – a great deal of them turned out to be more efficient and effective compared to their primary analog. 2020 marked a step change in the digital transformation of our company.

We attribute our operation results to agility and point-to-point navigation within the context of a clear strategic framework – our “true north.” In 2020, we started the roll-out of our new Destination25 strategy wherein we define our ambition and pathway to create real impact for a better world and for profitable growth. We are committed to our goals to reduce energy, water, and waste by 50% in our customers’ value chains by 2025 and quantifying the impact

of our technologies, processes, and services. It is our commitment to consider not only economic successes, but the preservation of nature and humanity in every decision – it is our ambition to be a best company. This resolution has provided us direction and the energy, to remain focused and steadfast despite the many challenges and setbacks posed in 2020, such as the passing of our dear colleague, Dieter Vögtli.

In 2020, our company has turned 160-years young. We did not find the time to commemorate this anniversary – instead, our celebratory energy was dedicated to bringing our marvelous company through these challenging times in good health and with the strength to bounce back once this crisis is over. This was only possible with the amazing and unfailing support of our employees, customers, partners, and the owners.

We look forward with bounded optimism to a return to profitable growth while creating impact for a better world. We wish to express our sincere gratitude to our customers, employees and everyone close to Bühler. Our ability to remain reliable and to progress is due to your continued commitment and trust. We are excited to working closely with you for years to come, and thank you for the trust you are placing in Bühler.

Yours faithfully,

A stylized, handwritten signature in black ink, appearing to read 'M. Grieder'.

Calvin Grieder
Chairman of the Board

A stylized, handwritten signature in black ink, appearing to read 'S. Scheiber'.

Stefan Scheiber
Chief Executive Officer

REASONABLE PERFORMANCE UNDER ADVERSE CONDITIONS

Corresponding to the diverse course of the pandemic, Bühler's business development showed strong variation in the markets and regions. As a Group, we gained financial strength while limiting impact to our performance. We kept profitability at a reasonable level and increased our innovation rate. We look into the future with optimism. We expect a stable trend in the short- and midterm and are laying the ground for future growth.



BUSINESS REVIEW 2020

Managing the Covid-19 crisis has demanded everything possible from Bühler's employees and leaders in terms of flexibility, creativity, and endurance. The top priority was, and still is, health and safety – not only of Bühler employees, but also of our customers and partners. When the crisis first hit China, we immediately established global and regional task forces to keep our employees safe and our global supply chain running. We managed to keep the number infected employees under control, and thankfully we have not suffered any fatalities.

From day one, securing the supply and services chain was key to maintaining delivery schedules for our customers. We found solutions for all the challenges we faced thanks to our global production network of 33 factories. Our concept "in the region, for the region" proved to be very robust and we were able to honor all of our contracts without delays. We benefited from our 100 service stations across the globe, as well as from our standardized processes and digital platforms such as myBühler.

Whenever possible, we switched to digital solutions to ensure continuation of the business and to communicate. Driven by the demand to fill the gap of physical presence, we discovered new, even more efficient procedures. Just two of many examples: we commissioned a large wheat mill in Ivory Coast (Côte d'Ivoire) using fully remote, digital support from experts in Switzerland.

In May, we organized our first Bühler Virtual World as a digital alternative to the Interpack trade show which could not take place in Düsseldorf, Germany. Visitors experienced our 3D solution space, attended a content-rich live program, and entered one-to-one sessions in our virtual conference zone. In both cases, customer feedback was overwhelming.

Gaining additional of financial strength

From a financial perspective, protecting liquidity had the highest priority over the course of the year. The goal was to remain independent and strong, while ensuring sufficient cash to repay the first tranche of the bond in 2021.

By consistently managing cash flow, net working capital and costs, Bühler succeeded in increasing net liquidity considering the decreased volume and profitability.

Driven by diligent finance management, operating cash flow jumped from CHF 151 million to CHF 470 million (+211%), and net liquidity soared from CHF 449 million to CHF 749 million (+66.8%). In addition, equity ratio improved to 44.2% (previous year: 42.8%).

Robust business results

On Group level, order intake went down 16.7% to CHF 2.6 billion. Turnover stood at CHF 2.7 billion (-17.0%). Due to strict cost management and margin protection, EBIT (earnings before interest and taxes) amounted to CHF 146 million (previous year: CHF 248 million), reflecting an EBIT margin of 5.4% (previous year: 7.6%).

The 2020 figures are impacted by the development of currency exchange rates, specifically of the Chinese yuan, euro, and US dollar against the Swiss franc. Adjusted for the impact of the foreign exchange rates, the reduction of the top-line versus last year was 13%.

Strategic investments in our infrastructure and R&D (research and development) remained at a high level. The expenses for R&D were slightly adapted to CHF 139 million (previous year: CHF 149 million), leading to an increase relative to Group turnover to 5.2% (previous year: 4.6%). This is in line with Bühler's strategy to be an innovation leader in its industries. Over the year, we continued to launch new products and solutions, some of them groundbreaking, such as the new integrated grinding system, Arrius. The first two Carat 560 die-casting machines were built in 2020 and shipped to a customer in Vietnam. The new solution was officially launched to the market in a virtual event held in November. For the automotive industry, the Leybold Optics HIS was introduced, which is designed for mass production of the coating of head-up displays in cars, and the ChromeLine for inline sputtering for chrome deposition, which makes the process more environmentally friendly.

BUSINESS REVIEW 2020

Following the vast variety of impacts caused by the pandemic, the businesses and regions showed strong variance in performance. Although the overall investment climate was overshadowed, our Grains & Food (GF) business was robust with a limited decrease in turnover of -7.2% to CHF 1.7 billion, as a result of the ongoing demand for staple foods. In contrast, Consumer Foods (CF) including Chocolate, Wafer, and Biscuits, declined by -25.8% to CHF 574 million. Advanced Materials had to accept an even stronger drop of -31.7% to CHF 443 million, caused by the severe weakness of the global automotive industry.

As a consequence of lower turnover, EBIT went down by 41.3% to CHF 146 million, corresponding to an EBIT margin of 5.4% (previous year: 7.6%). With a tax rate of 24.9% (previous year: 19.5%) and a financial result of CHF 0.3 million (previous year: CHF 2.4 million), net profit was CHF 110 million (previous year: CHF 202 million).

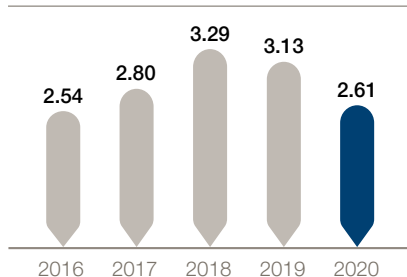
Along with the divergent course of our businesses, there was also a shift in regional development with a further big step towards a leading role of Asia. While all markets suffered from double digit setbacks, Bühler Asia managed to be quite stable driven by the strong growth of our business in China. Order intake in China rose sharply by 15% for the full year. With regard to turnover, Asia now makes up 35% (previous year: 31%), Europe 30% (30%), North America 16% (16%), Middle East & Africa 11% (14%), South America 5% (6%), and South Asia 3% (3%).

Structurally, Bühler was able to slightly improve the breadth of its portfolio in 2020. Turnover of Customer Service (CS) and the Single Machine Business decreased comparatively less, resulting in a rise in share from 30% to 33% of total turnover. The e-commerce platform myBühler made a substantial contribution to the CS business. In 2020, the number of active customers increased from 5,500 to 6,600, the orders through the system from 12,800 to 16,400, and the revenue from CHF 41.5 million to CHF 59 million.

RESULTS AT A GLANCE

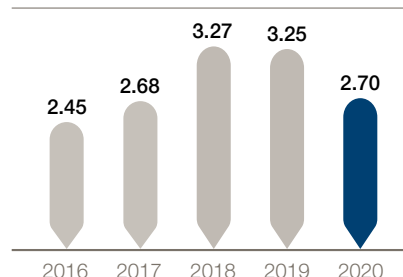
Order intake
(in billion CHF)

-16.7%



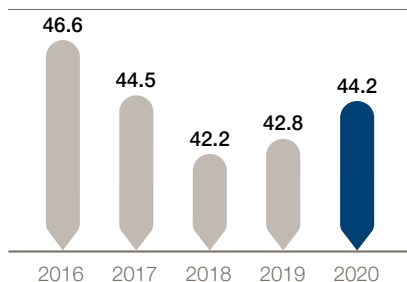
Turnover
(in billion CHF)

-17.0%



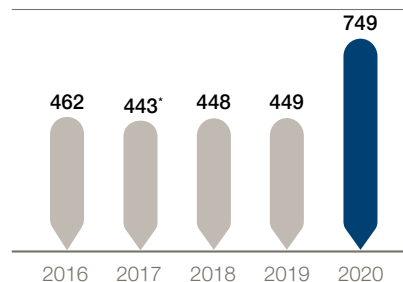
Equity ratio
(in %)

+1.4pp



Net liquidity
(in million CHF)

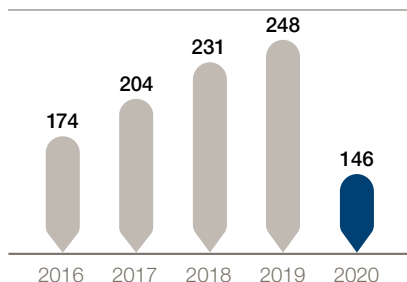
+66.8%



* Excluding corporate bond of CHF 420 m.

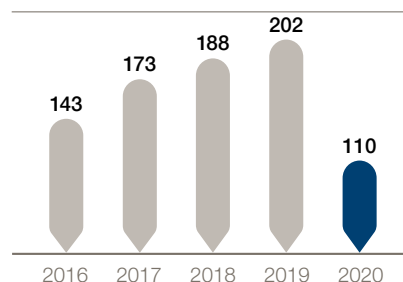
EBIT
(in million CHF)

-41.3%



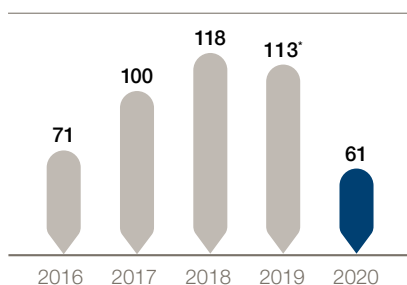
Net profit
(in million CHF)

-45.6%



Investments into asset base
(in million CHF)

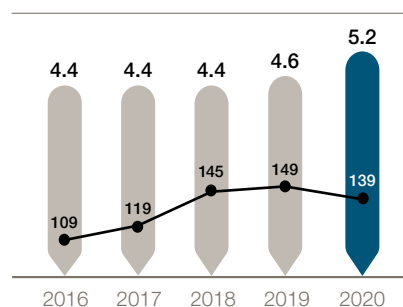
-46.1%



* Excluding changes in accounting standards and others.

R&D expenses
(as % of turnover)

5.2%



• – in million CHF



More about the
2020 business year

Grains & Food

GRAINS & FOOD

In 2020, Grains & Food (GF) demonstrated its strength with important product launches and winning large projects, which limited the impact of the pandemic. The protein business shine with its best result ever. Overall, order intake went down -13.9% to CHF 1.6 billion, and turnover decreased by -7.2% to CHF 1.7 billion. With the implementation of innovative solutions such as Mill E3, GF further expanded its position as a technological leader. The strategic partnership with Premier Tech was expanded into a joint venture.

Digital Technologies (DT) achieved a major milestone with the strategic partnership of Canada-based Premier Tech and Bühler, which was expanded to a joint venture named Bühler Premier Tech (Wuxi) Packaging Machinery Co. Ltd. The companies jointly develop cost efficient, fully-automated packaging solutions. Bühler Premier Tech started production from Bühler Wuxi in China and has shipped the first products.

DT successfully passed stringent inspections by the US Federal Drug Administration for Laatu, a new solution using low-energy electron beam technology to eliminate food-borne pathogens in dry food. A first customer in the North American spice market is already working with Laatu. Laatu ensures complete surface microbial reduction while using less energy. Other highlights in DT were a new digital solution to improve optical sorting for plastics, first orders from a large Italian customer to sort hazelnuts, and the successful launch of a new sorter for the staple food market in Asia.

Milling Solutions progressed in installing its first Mill E3 for a UK-based customer. Start of production is foreseen within the first half of 2021. Mill E3 is a revolutionary concept to build a mill, saving around 30% of building volume, 10% of energy, and 30% of installation time. The background of these achievements is a new, integrated, and modular design of key components such as the Arrius integrated grinding system. By integrating the drive and switch cabinet into the machine, Arrius can be flexibly positioned and quickly installed. Thanks to the integration of components and reducing the number of power of data cables from around 10 to only three, Arrius can be installed in a third of the time. Arrius was launched in late 2020 in a fully virtual event attracting nearly 1,000 customers.

A highlight within its SmartMill and digitalization strategy, Milling Solutions connected 13 milling units based in five plants of a US-based customer to our Bühler Insights platform, thereby enabling the customer to gain full transparency of its processes with various digital applications and services.

In Grain Quality & Supply (GQ), Bühler won all larger major malting and brewing projects in 2020. In terms of innovation, GQ developed two new solutions for rice

customers: The UniLine 5.0 was launched in Europa and Asia and is a breakthrough innovation, ideal for low- and medium-capacity customers looking for standardized packages. RiceLinePro, an in-line sensor for raw and steam rice varieties that enables digital quality measurement, was also launched in 2020. In the grain storage segment, the Enclosed Belt Conveyor was launched and installed at a customer plant in the Ukraine. Its fully covered design allows for dust emission-free operation and protects the transported grains from moisture and other environmental influences.

For GQ, 2020 was also marked by the inauguration of the new application center for processing, malting, and brewing in Beilngries, Germany. Spread across more than 1,500 m², the new center is home to the latest technologies in the field of malting, brewing, and grain storage. This means that grain can be processed through a whole grain handling line and a complete malting line with up to 1.5-ton batch size, as well as the dry part of a brewing plant, where mills and sifting can be tested. This set-up gives customers the flexibility to either do trials just on one machine or run complete process lines. It is also equipped with the newest monitoring devices to record all necessary parameters and to give recommendations about yield increase.

Value Nutrition (VN) enjoyed strong profitable growth resulting in its best year ever. The key reason for this is the strong consumer trend toward meat alternatives, triggering a boom in the plant-based protein market and its related technologies. Bühler offers leading extrusion solutions to manufacture meat alternatives. In our application centers on all continents, customers can test new recipes and processes to prepare for industrial production. In 2020, international food processors have jumped on that trend, ordering several large-scale lines. Even under the difficult conditions of the coronavirus pandemic, Bühler ensured installation and the timely start of production.

VN also profited from positive developments in the feed markets. With its single screw extruder introduced to the market last year, VN completed its portfolio. Large orders confirmed the leading position of Bühler in the market.

Order intake*

CHF **1.6 billion** **-13.9%**

Turnover

CHF **1.7 billion** **-7.2%**

*Due to the Group reorganization in 2019, the Consumer Food area, which was under Grains & Food is now under the Consumer Foods business, together with Haas.



More about
Grains & Food

Consumer Foods

Order intake

CHF 549 million -29.2%

Turnover

CHF 574 million -25.8%

CONSUMER FOODS

In 2020, the markets of Bühler Consumer Foods (CF) were facing severe declines as important points of sales for our customers, such as duty-free shops at airports, restaurants, and hotels, broke down to a large extent. The seasonal dependency of consumer behavior also impacted selling. As a result, the order intake of CF went down -29.2% to CHF 549 million, turnover decreased -25.8% to CHF 574 million.

Due to the countermeasures taken to contain the pandemic, the business development within the segment was very diverse. The majority of our customers saw solid volumes in product segments addressing home consumption and conventional mainstream products, for example in crackers, tablet chocolates, mainstream biscuits, and family-size packages. By contrast, gifting, and seasonal-related product categories, which are often distributed through flagship stores and airport shopping, experienced a sharp decline if not a standstill. A reduction in spontaneous purchases in supermarkets, such as confectionery products on display in cashier areas and products for immediate consumption, such as ice-cream, also impacted the segment.

The snack segment was also affected by an increased number of people working from home. To offer processors the option to quickly adapt to changing consumer behavior, CF evolved its global application center network to virtual product development trails and tests, for products including biscuit, wafer, chocolate, and confectionery. The fact that schools and universities were closed in many parts of the world led to a swift decline from point-of-sales snacks partly serving as meal replacements, such as cereal, nut, and protein bars towards more traditional and mainstream snack products, including chips and tortillas.

Although some segments showed even stronger volume growth compared to the previous year, it was particularly the missing volume in the premium and high margin categories which lead to a much stronger impact on our customer's profitability. Also, many of those players that were able to increase their sales volume could not show this increase in their bottom line.

Consequently, Consumer Foods faced a diverse market environment in which smaller projects have been stopped or shifted, whereas producers were continuing with bigger projects for their strategic long-term initiatives. However, these larger projects could not compensate for the shortfall in the small- to midsize business.

One highlight for CF was the continued buildup of a food complex in Egypt – globally one of the largest food plants ever built. The state-of-the art food complex includes bakery, wafer, biscuits, confectionery, chocolate, pasta, and milling solutions. This order confirms our positioning as a true solution provider to our industries. The first lines are already in installation and start of production is planned to begin in 2021. The whole food complex will be completed by 2022.

With the launch and go-live of innovative solutions, CF demonstrated technology leadership, both for sustainability and productivity. For a customer in Norway, Bühler build and commissioned the first ultra-low emission coffee plant. With the latest Meincke Turbu E tunnel oven Bühler rings in the green transition in the bakery industry switching from gas to electricity. To meet the demand for modular and flexible solutions, Bühler developed together with an international partner a fully new machine concept under the name ChocoX. This new equipment allows for rapid product changes and unlimited process configurations for new products with the shortest possible changeover times and improved energy consumption.



More about
Consumer
Foods

Advanced Materials

Order intake

CHF **453 million** **- 7.2%**

Turnover

CHF **443 million** **- 31.7%**

ADVANCED MATERIALS

The markets of Advanced Materials (AM) showed a diverse development in 2020. Although a further slowdown was anticipated, Die Casting and Grinding & Dispersing faced especially difficult market conditions. On the other hand, Leybold Optics delivered one of its record years. Turnover was CHF 443 million, which compared to 2019 is a reduction of 31.7%. Order intake decreased by 7.2% to CHF 453 million. With the continued execution of its innovation roadmap, AM prepared for future growth. The business's technology leadership was proven by the German Future Prize, which was awarded to customers using Bühler equipment.

Irrespective of the challenging business situation, Die Casting (DC) has rolled out new solutions. The first two Carat 560 machines were built in 2020 and shipped to a customer in Vietnam. In a virtual event held in November 2020, we presented the latest additions to our die-casting portfolio – the new Carat 560 and Carat 610 with locking forces of up to 61,000 kilonewton (kN). Additionally, we announced the Carat 840 with a locking force of 84,000 kN.

The Carat 610 is currently the largest die-casting solution on the market. The Carat 840 will open completely new applications, allowing Die Casting to provide cost-effective solutions for even larger parts, such as for 5G antennas and large battery housings for electric vehicles.

The SmartCMS, the brain of die-casting cells that provides operators with the possibility to view, control, and program the entire cell, was introduced to the market in 2019. It is a key component of the digitalization strategy of DC, and was installed in our application center in Uzwil in 2020. The new Fusion 140 three-platen die-casting platform, offering 3,500 to 14,000 kilonewton (kN) locking force, closed-loop control, modular design, and Industry 4.0 capability, was released for sale. DC also built on its leading position with large orders for its Ecoline S die-casting series of machines in China and therefore continued to grow in this region.

After a tough first half-year, Grinding & Dispersing (GD) achieved a turnaround of order intake by securing two large plants projects. For an ink producer in Turkey, we will build one of the biggest ink plants in the history of GD. For a German battery customer, GD will build a pilot plant with its unique process solution to mix battery slurry. Although

the battery solutions business could not fulfill all expectations, the development in Europe was very promising. Here, Bühler is part of the community and is the first address in Europe for high efficiency Lithium-ion battery slurry mixing systems. With our references at key players in the market, we are very well positioned in the Western world.

Bühler Leybold Optics (LO) experienced an excellent year of business increasing orders and turnover to one of the best years in its history. Political, economic, and Covid-19 related impacts have fueled uncertainties but also opportunities alike, for instance in the telecom and in the high-tech industries, thereby positively affecting market activities, especially in Asia. Reasons for the positive development are the leading technologies, for instance the precision coating solution Helios for which we received multiple orders to produce optical sensors at the wafer level. Furthermore, LO won one glass coater project for a customer in China. Customer Service contributed to the excellent year with big upgrade projects.

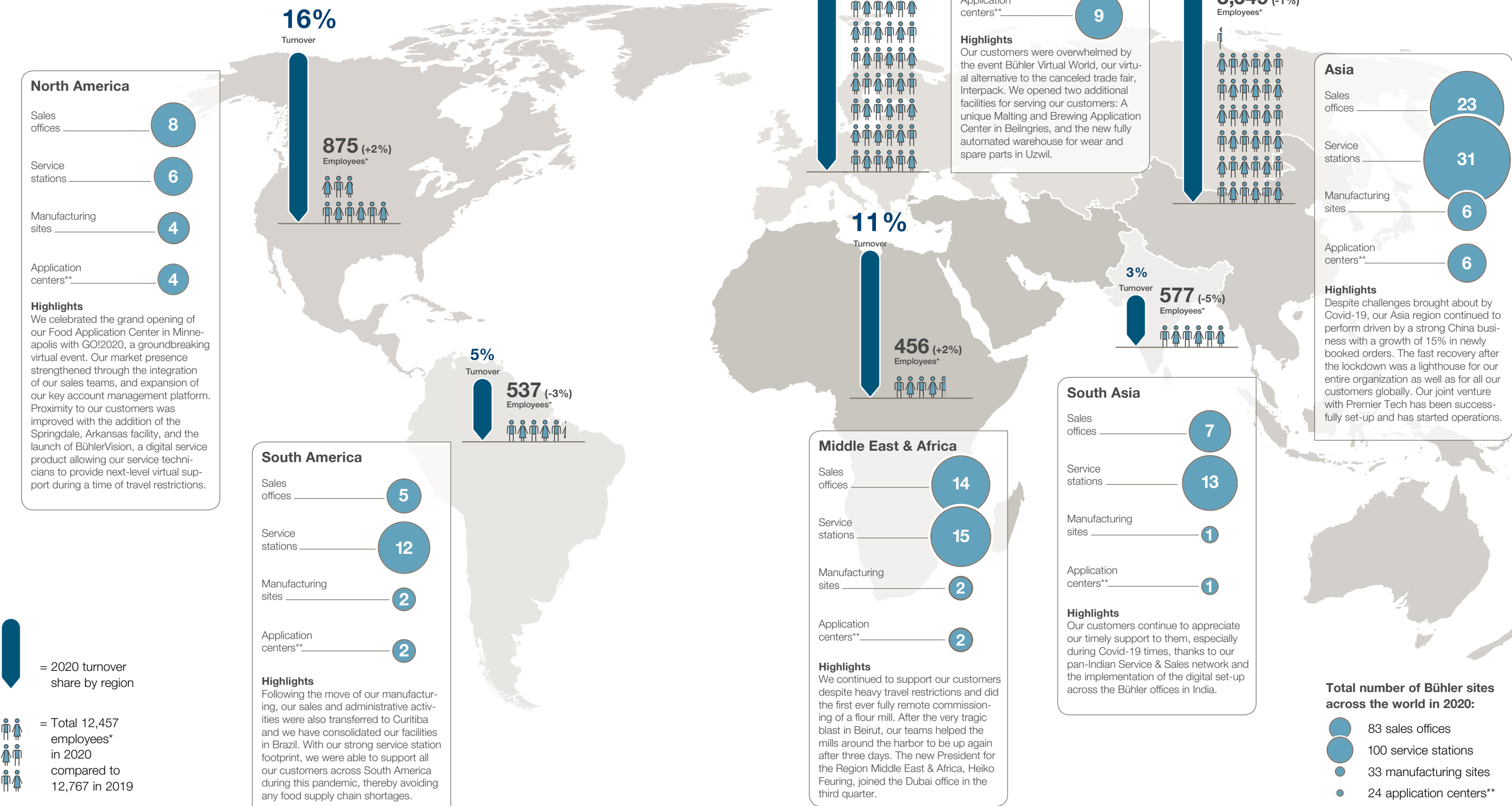
A highlight of the year was the renowned German Future Prize, the German Federal President's Award for Technology and Innovation, which was given to the team of Carl Zeiss SMT, Trumpf Lasersystems, and the Fraunhofer Institute for Applied Optics and Precision Engineering for an outstanding solution for EUV lithography. Bühler Leybold Optics made a major contribution to the project with a highly specialized system to coat the essential, curved mirrors in the production process.



More about
Advanced
Materials

IN THE REGION, FOR THE REGION

Bühler has systematically localized its resources and offers manufacturing sites, service stations, sales offices, R&D facilities, and application and training centers across 140 countries.



* FTE (= full time equivalent)

** Bühler has Application & Training Centers in 24 countries, some of which cover multiple industrial applications.

BÜHLER – A PURPOSE-LED COMPANY

In 2020, we completed our Destination25 strategy as our previous framework Bühler2020 came to its end. Taking the impacts of the pandemic into account, we took the chance to not only define our way forward in terms of markets, regions, and technologies, but also regarding our purpose. We felt that under these circumstances, we had to sharpen our “reason why.” After years of building up an industry-wide global ecosystem to address the impacts of climate change and the growing population, we have taken the next steps to focusing on the solutions to create impact. Destination25 is our pathway for creating real impact for a better world. We want to evolve our industries and ourselves such that every human being can enjoy a good life, and have access to affordable, healthy food, and clean mobility within the boundaries of our planet.

With Destination25, we are putting every single aspect of our company into service toward this task. Our businesses have pledged to develop sustainable solutions that enable 50% less energy use, water consumption, and waste in our customers’ value chains. With innovative technologies, we design the food of the future with inherent sustainability. Our value services business will enable us to bring the current industry asset base to the next level of efficiency and productivity. By enhancing the skills and agility of our employees and customers, we empower our organization and partners for the upcoming extensive transformation. It is our ambition to be a “best company” by balancing the demands of nature and humanity with business needs. Not to be mistaken, we do not see ourselves as the best company, but with this concept have defined our true north. We invite all our partners to join this vision.

Expansion of our innovation ecosystem

To this effect, we have further expanded our innovation ecosystem with two important initiatives. We have established a partnership with Givaudan, the global leader in flavors and fragrances, and have built an Innovation Center dedicated to plant-based foods in Singapore.

The opening of the new facility was delayed due to the coronavirus and is now planned for March 2021. The new facility, located at Givaudan’s Woodlands site, will be run by the two companies, bringing together a pilot plant featuring Bühler extrusion and processing equipment and a kitchen and flavor laboratory by Givaudan. The facility will be supported by experts from both companies. The Innovation Center will welcome food processing companies, start-ups, and university researchers looking to develop novel plant-based food products. Second, Bühler and Big

Idea Ventures have joined forces to accelerate the success journey of promising start-ups, creating great tasting alternatives to animal-derived protein products. Big Idea Ventures, a global venture capital fund, recently launched the New Protein Fund. The fund will invest in and accelerate up to 100 plant-based and cell-based companies globally. Big Idea Ventures runs four accelerator programs annually in New York and Singapore. Bühler and Big Idea Ventures will work together to build great companies responding to consumer demands for tasty food that is good for them and good for the planet.

Innovation Challenge 160

To walk the talk ourselves, we kicked off another Innovation Challenge – our internal competition to ignite all Bühler employees to produce new business ideas. As 2020 has marked the 160th year of Bühler, we named the event Innovation Challenge 160 (IC160). The internal project was launched with the aim to find the most promising ideas that will help to reduce waste, energy, and water by 50% in our customers’ value chains.

The IC160 broke many records. More than 7,000 Bühler employees engaged and a total of 418 ideas were submitted from around the Bühler world. After a first level of screening, 103 idea teams pitched in front of regional juries in five virtual roadshows. Thirty-three ideas qualified for the voting and collaboration stage. Overall, 4,285 colleagues voted. Eight ideas were selected and moved to the acceleration stage. In November, the IC160 finals took place and the eight teams pitched in front of the Executive Board member jury. Six teams were granted the opportunity to implement their business ideas, among others, an energy-based recirculation model for paddy and pulse dryers, a new anti-reflective coating on photovoltaic glass, and a moisture and temperature control in a cooler for every feed mill.

United we stand – people

Bühler continued to invest into its global network of schools, training, and excellence centers. The Bühler Cocoa Competence Center in Abidjan, Ivory Coast (Côte d’Ivoire) was opened to support the region with R&D, training, and services and the aim to increase local processing of raw materials. With the same approach, Bühler established the International Rice Milling Academy (IRMA) at its site in Bangalore. IRMA offers the world’s first comprehensive Paddy to Rice Diploma course, a month-long course covering the full value chain from paddy to rice. Whereas these new

competence hot spots focus on professional qualifications, we are aware that such skills only can flourish when embedded into personal capabilities. To foster our corporate culture in this respect, we have globally rolled out our new company values which are trust, ownership, and passion (TOP). Two strong examples how we at Bühler aim to live these values were given by our local team in Beirut, Lebanon, who went the extra mile to secure the food supply chain in the country after a major explosion at the capital's port in August. The second example is our apprentices in Switzerland, who won eight medals in four categories in the 2020 SwissSkills championships. (See the section about our employees on pages 15–18.)

2020 was also marked by a change in leadership in Human Resources. Dipak Mane handed over the Executive Board function of Chief Human Resources Officer (CHRO) to Irene Mark-Eisenring. Dipak Mane has significantly contributed to increasing the market leadership position of Bühler over the past decades, holding leadership roles at Bühler since 1992. As a successful business unit manager building up the business for Bühler in India, he was instrumental in creating a leading position for Bühler in the market for rice processing technologies, among others. In 2015, Dipak Mane assumed the function of CHRO and Member of the Executive Board. He successfully shaped Bühler's global human resources strategy over many years and collaborated closely with Irene Mark-Eisenring so she could take over as his successor in September 2020. He is now pursuing other important management tasks within the organization, supporting the Executive Board.

Irene Mark-Eisenring joined Bühler in 2016 as Head of Corporate Personnel Development. She has been responsible for setting and implementing strategies in the fields of global human resources (HR) development, HR marketing

and employer branding, talent and performance management, strategic recruiting, and Diversity & Inclusion. Irene Mark-Eisenring has a broad human resources background, with a 20-year record of accomplishment of managing HR projects and holding leading HR roles, primarily in the financial industry.

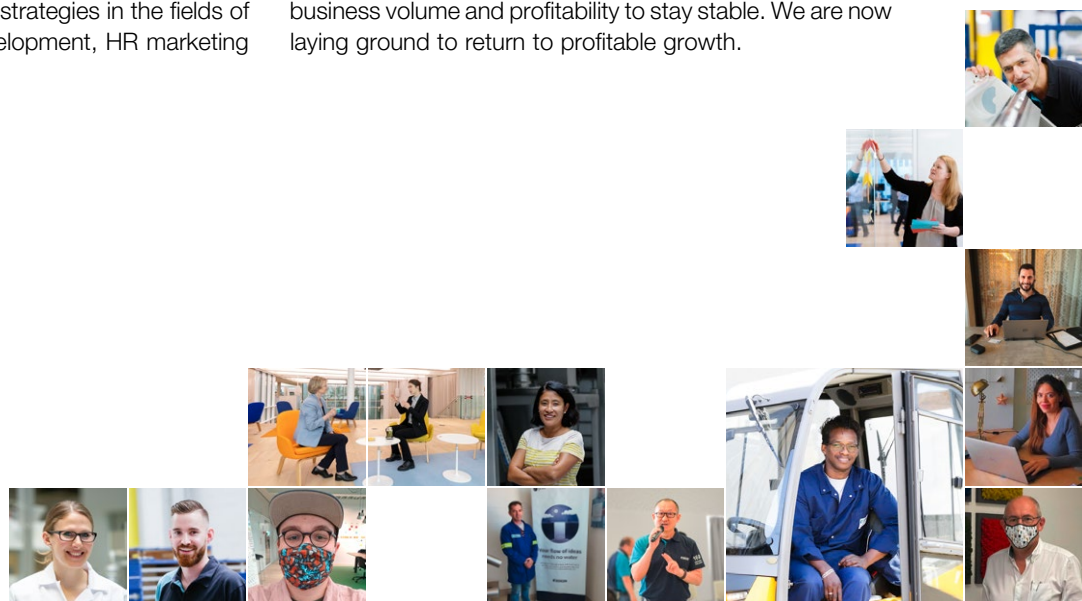
We are extremely happy to have found Irene Mark-Eisenring as an experienced leader and human resources expert for this key function. She is the right personality to shape the future of our work for, and with, our people for the next phase of our company.

Outlook: bounded optimism

Still being in the midst of the pandemic, we do not expect a fast recovery of markets and a quick return to normal. In fact, we see a “new normal” arising with far more digital applications, virtual communication, and remote solutions. In our view, the pandemic not only sped up digitalization but also the trends towards a bipolar world with the two centers of power being China and the United States.

The new Asian agreement Regional Comprehensive Economic Partnership (RCEP) which reflects a third of global trade is a strong step into this direction. Other important trends which affect our business is the increasing demand of sustainable solutions, be it by CO2 reduced emissions, nutritious and healthy food, or clean mobility.

We are convinced that Bühler is very well positioned even in this volatile market environment. To gain even more flexibility and agility, we are continuing to work on our business excellence, among others by starting the migration of our ERP (Enterprise Resource Planning) systems onto SAP S/4HANA within the next years. For 2021, we expect our business volume and profitability to stay stable. We are now laying ground to return to profitable growth.



UNITED WE STAND

Bühler has demonstrated agility by adapting to changing global circumstances while maintaining and strengthening our culture of solidarity, care, people development, and lifelong learning for all employees.

Bühler employees united to face the uncertainties posed by the Covid-19 global pandemic. The top priority for the company has been the safety and continued development of employees, and ongoing training for our customers. Our IT department increased the capabilities of our global network to ensure that employees who are able to work remotely could do so. At peak lockdown periods, over 4,500 people around the globe were working securely from home. We adapted to a culture of virtual meetings and workshops, rolling out new collaboration tools, and embracing what has been a more inclusive global exchange of ideas.

We would like to thank our employees for the resilience and innovative spirit they have shown as they adapted to what has become a new normal. Covid-19 has taught us the power of agility, creativity, and solidarity. A special mention should be made to our colleagues in Beirut who went beyond their normal duties to try to avert a food crisis when an explosion at the Lebanese capital's port threatened grain supplies. On August 4, the world held its breath when it witnessed a massive explosion which destroyed large parts of the Beirut port including an iconic grain silo, which Bühler had built in the 1970s and was still servicing daily. The large, concrete grain silos appear to have prevented further devastation of the area by dissipating a great deal of energy. Additionally, many food processing and milling plants at the location had been damaged. Immediately after the blast, the Bühler team took action, supporting their local partners day and night to secure the food supply chain as quickly as possible. In an inspiring joint effort, the most important mills and facilities were again in operation after only three days. Their resilience during this tragic event illustrates leadership in moments of crisis.

2020 was also overshadowed by the passing of our dear colleague, Dieter Vögtli, in June. Dieter Vögtli was an Executive Board Member, heading the global Services & Sales (SAS) organization of the company. He was fundamental to Bühler's growth, particularly in Asia, a region he

built up as Head of Bühler Group Asia Pacific. Dieter Vögtli cared passionately for his customers, our employees, and for our company. In his passing, we lost a great person, powerful manager, and close friend. Executive Board Member, Samuel Schär took on the responsibilities of the global SAS organization in addition to his role as and CEO of Advanced Materials. We are fortunate to ensure the continuity of our global Services & Sales organization with Samuel Schär, who has been with Bühler since 2002.

Diversity and inclusion

For the third year running, Bühler has affirmed its commitment to support gender equality by joining with over 100 Swiss-based companies in its commitment to improve gender balance in the workplace by 1% year over year. 2020 has seen the continued development of the Bühler Beyond Bias workshops launched in 2019. The aim of Beyond Bias is to address unconscious bias in the workplace and to help foster an inclusive environment. With workshops carried out across global locations, every region was able to tailor the training sessions to address local cultural circumstances.

In 2020, 180 participants attended 15 workshops, and 12 new facilitators were certified in Bühler's Beyond Bias "Train the Facilitator" program, to support the running of the workshops. Due to Covid-19 constraints, these workshops were adapted from face-to-face to virtual experiences. Bühler has continued to build the partnership with the continuous-education program, Women Back to Business, at the University of St. Gallen, Switzerland. The



program is designed to help women back into the workplace after taking a career break. Making sure we regain talent is part of our success story, and we are pleased to report Bühler recruited the first return-to-work employee from the program in 2020.

Bühler published its first Diversity & Inclusion Annual Report for the year 2019 in early 2020. A 2020 report, which includes key achievements and plans, is in development. We also launched an online diversity dashboard, enabling employees to access specific diversity metrics to support key performance indicators, and two new e-learning modules covering inclusivity in the workplace were launched.

Future readiness

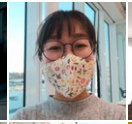
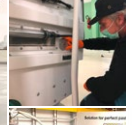
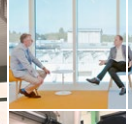
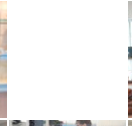
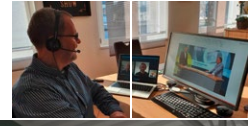
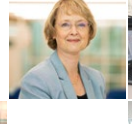
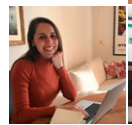
Bühler's Generation B (GenB) movement grew to 700 members and 75 active ambassadors globally. GenB initiative brings employees together to create the company "people want to work for." In 2020, it reached over 1,400 unique attendances with hybrid events on topics such as climate change, diversity and inclusion, and knowledge sharing.

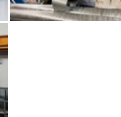
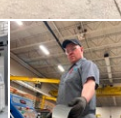
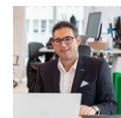
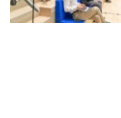
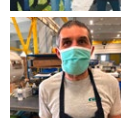
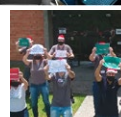
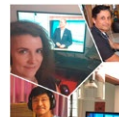
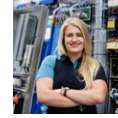
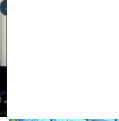
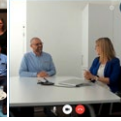
GenB has also established long-term change initiatives, including Women in STEM (science, technology, engineering, and mathematics), which encourages young women to pursue STEM subjects, and the SWAP reverse mentoring program where junior and less experienced colleagues have the opportunity to provide insight and knowledge to someone more senior and experienced to foster inter-generational dialogue. GenB often acts as a sounding board to the leadership, providing feedback on topics such as how the business will navigate the new normal. GenB also supports in deploying the Destination25 strategy, linking key elements of the strategy to the events and initiatives within the movement.

Virtual learning and talent development

To become a best company, Bühler believes it is critical to facilitate lifelong learning among all employees, regardless of their age or what stage of their career they are at. This is manifested in a global learning initiative launched in 2020. Bühler is committed to enable all employees to strive at work, develop the latest skills, and perform tasks at their best. Key to this is ensuring flexible learning programs that enable employees to use the most appropriate learning medium for them at different life stages. Bühler has continued to develop B-Learning, a state-of-the-art learning platform designed to deliver a broad spectrum of learning opportunities through videos, e-learning, classroom trainings, webinars, and mobile apps. Despite the impact of Covid-19, over 700 internal training sessions were carried out over the year.

Bühler has continued with its Next Generation Learning Program, designed to ensure today's employees have the skills and knowledge to be able to quickly adapt to new technologies and economic drivers. Covid-19 has demonstrated how employee versatility is integral to business resilience. The Next Generation Learning Program addresses how innovation shapes the way employees learn. Bühler is working with professionals to create training formats that are short, relevant, engaging, personalized, and mobile, to meet the needs of the modern learner. We have also upgraded our Employee Performance Man-





agement System (EPS), designed to ensure employees receive the right career support and help when establishing targets and developing training plans.

Sales staff development and customer training

It is often the frontline staff interacting with customers who need to be most adept at adapting at the same pace as the markets change. This is why, in 2020, Bühler dedicated resources and time to refreshing and revamping the Bühler Sales and Service Academy, creating new curriculums and career paths for employees.

Bühler's training focus is not restricted to employees but includes customers who attend high-end training programs at our application and training centers in 24 locations around the world. Subject experts running the training programs help customers develop and improve their knowledge of Bühler technologies and services. Again, these programs took place in the context of Covid-19, requiring Bühler to be both versatile and innovative in the way it leveraged technology to make sure training continued uninterrupted as travel restrictions started to grip. Training was delivered virtually at all locations. These included the milling schools in Switzerland and Kenya, the chocolate training centers in Ivory Coast (Côte d'Ivoire), Indonesia and Switzerland and the International Rice Milling Academy in India.

Vocational training

Each year, Bühler offers three-and-four-year courses across eight different professional fields. In 2020, we provided 576 apprenticeships across Europe, North America, South America, Africa, and Asia. These apprenticeships are based on the Swiss dual-vocational model where students receive a mix of practical and academic training. The apprentices are paid during their training and Bühler also provides tools, books, computers, and uniforms. The Swiss model is seen as a global benchmark and has been adapted by other countries. The model is evolving as the skills needed by employers change and provides Bühler with a talent pipeline at entry level. More than 70% of apprentices will go on to have careers with Bühler.

Bühler apprentices have taken home several medals in the prestigious 2020 SwissSkills championship, which is part of the global WorldSkills movement to raise the ambitions and opportunities of vocational education and training for young people, employers, and societies.

Twelve of our young apprentices participated in five disciplines, winning eight medals. They took home gold, silver, and bronze in the discipline "industrial designers"; silver and bronze in "automation engineers"; bronze in "polymechanics"; and gold and silver in the "sheet metal" competition.

While this is a truly exceptional feat, its foundation is firmly rooted in our commitment to training apprentices across the globe and valuing them as vital contributors to our success. Our apprenticeship system has long been implemented in and recognized by many countries, including the US, where tackling the shortage of skilled workers was a key focus of the Obama administration. In 2014, Professor – and now First Lady – Jill Biden visited Bühler Uzwil to see first-hand how we train and promote apprentices.

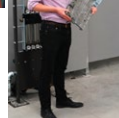
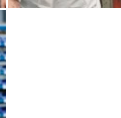
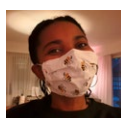
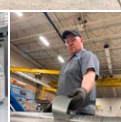
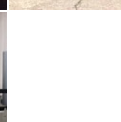
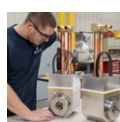
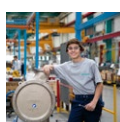
Gratitude is owed to our educational team and all trainers at Bühler who lay the basis for these achievements in their daily dedication to develop young people.

Succession planning

Bühler has several different initiatives to ensure the senior leaders of tomorrow are nurtured from the best talents from within and outside Bühler. Now in its fourth year, the Excelerator Program is designed to develop the specific needs of individuals to make sure talented employees are first recognized from within the company and then enabled to mature and develop into leadership roles.

Covid-19 has required us to adapt the program from a face-to-face to virtual interactions. Employees who are showing the most promise are first nominated from across all our global operations. Following an assessment program 20 candidates are shortlisted. Individual development plans are drawn up for each participant to build on their strengths and develop their leadership capabilities.

Our second management pipeline is the Bühler International Management Trainee Program. Designed to attract and develop the best talents leaving universities and business schools the three-year program takes trainees and fast-tracks them through the Bühler corporate experience. They have the opportunity to work with top management on the Executive Board as well as with regional heads. Within



Corporate values

Ownership is about taking responsibility for decisions taken in the interest of our customers, and Passion drives people at Bühler to live their intentions, to learn each day, and to support others and to drive success. These values were integrated into the Employee Performance Management System in 2020 to make sure they reach deep into the organization.

In 2020, the HR Destination 2025 strategy was launched in line with the Bühler Destination25 business strategy. The HR strategy aims to focus on leadership, our employees, and our HR function in a bid to prepare Bühler for future challenges. Our winning ambition is to have a diverse group of leaders who all express our TOP values and are equipped with solid inclusive leadership competencies for a new era of leadership.

In parallel, we want to enable highly engaged, competent employees who are driven by our purpose, using digital tools, sharing success and failures, and demonstrating strong competencies. It aims to facilitate an inclusive culture that embraces diversity, lifelong learning, and career agility for all generations. Employees will be willing and able to continue developing their skills to flexibly adapt to changing circumstances.

Human resources processes will enable our team members in Human Resources (HR) to work as employee champions and to add strategic business value by aligning with our business leaders and organizational development. HR aims to be a role model for global teamwork with high professionalism, integrity, financial discipline, and business orientation.

In 2020, Bühler also adapted its approach to employer branding due to the pandemic. We developed strategies to reach prospective employees through a significant increase in social media usage and virtual events. We also launched a globally standardized toolkit for career fairs while running over 40 virtual career events and live streams.

For the second year running, Bühler is pleased to have won the prestigious Swiss Leading Employer Award ranking it among the top 1% of nominated Swiss employers.

At Bühler our sense of purpose, our care for people and our family values provide a solid foundation in challenging times. Our aim in Human Resources is to relentlessly focus on adding business value and ensure our leaders and employees are “future fit.” Together we aim to shape our culture so that Bühler becomes “a best company.”

