

Inclusive Diversity at Bühler.

**Diversity & Inclusion
Annual Report 2019**





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Foreword.

Bühler Group is committed to recruiting and retaining diverse talent to ensure we continue to innovate for a better world and engineer success for our equally diverse customers.

Our first Diversity and Inclusion Annual Report

This report provides an outline of the current status of the diversity and inclusion journey at Bühler and our plans for the coming years. We intend to report our diversity numbers to disclose the progress we make year on year, to share measures taken to actively embed diversity and inclusion into our corporate strategy, and to outline our ambitions for the future.

GEO 2020 pledge

“The Bühler leadership team truly believes that an inclusive culture is essential for achieving our long-term strategic goals. I commit to stepping up our efforts to improve the way we recruit, retain, and advance diverse talent and creating an environment in which our increasing diverse, global workforce can thrive. In 2020 we will focus efforts on further developing our inclusive leadership capabilities and enabling our employees to drive their personal career development. We will also continue our efforts to improve our gender balance at Bühler globally.”

– Stefan Scheiber, Bühler Group CEO



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1 Increasing diversity: a look at the numbers

In 2020, Bühler celebrates its 160-year heritage. Our workforce has grown from just two people in Uzwil, Switzerland in 1860 to become more diverse as it has extended from our headquarters across the world, as can be seen in Figure 1. Today 10,868 men and 2,176 women* from 102 different nations work in 140 locations worldwide providing world-class solutions to our customers in diverse industries (*Headcount with permanent and temporary contracts per 31.12.2019).

Our Diversity Dashboard shows current statistics on several dimensions of diversity: nationalities, generations, gender, and general organizational statistics.

In Figure 2 you see the key data from the latest dashboard for Bühler globally.

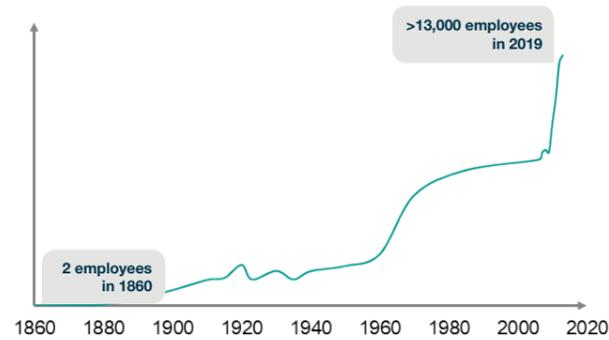


Figure 1: Number of employees in the Bühler Group over the last 160 years

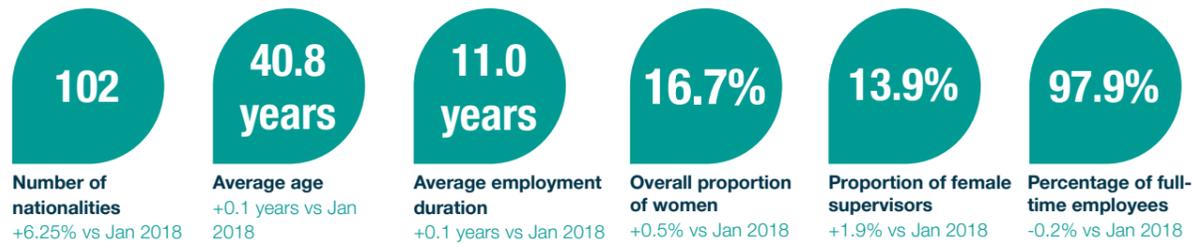


Figure 2: Diversity Dashboard as of December 31, 2019



Nationalities

As Bühler operates in 140 locations worldwide we have employees from many different ethnic and religious background and national cultures. In addition, in our larger locations Bühler is a melting point for people of different nationalities to work together for a common purpose. For example, we have 9 nationalities working in China, 19 in North America and 52 in our headquarters in Switzerland.



Generations

Many employees all over the globe have worked for Bühler for decades, resulting in an average tenure of 11 years. However, this is not a reason for us to be complacent, we know that we need to ensure that our retention rate remains high as our workforce becomes more diverse and we adapt the culture to the needs of a modern workforce. This requires us to ensure everyone feels included and able to contribute their best. There is work for us to do with specific groups of employees, for example women aged 30-45 who currently have a higher fluctuation rate compared the workforce as a whole.



Gender

Engineering and technology have traditionally been male-dominated professions and we see this reflected in our numbers. We welcome the entrance of increasing numbers of women into the industry and aim to almost double the percentage of women in our workforce to 30% by 2030. We are also committed to increasing the percentage of women in leadership roles proportionally. This is just one metric that will be influenced by many factors over the coming years and gives us an indication of our progress.

In 2018, we pledged to increase the number of women in our workforce by 1% year on year with a goal of 30% women by 2030. We are not yet on track for this goal, but are committed to step up our efforts to achieve it.



Organization

Our corporate culture still reflects the historically dominating full-time culture (97.9% employment) in which mostly men work full-time until they enter full-time retirement. Demographic changes and societal trends now call for us to find ways to enable five generations to work together, for people at different stages of their lives to adjust how, when, and where they work with flexible working arrangements becoming an integral part of our culture.

2 Building inclusion: feeling it in the culture

As market dynamics change and our business continues to grow, creating a culture where everyone can be themselves at work and contribute fully is essential and becomes more complex. Bühler takes sustainability seriously and has high expectations when it comes to environmental, economic, and social sustainability. Our determination to create an inclusive culture directly impacts our ability to deliver on the social sustainability goals.

Our CEO, Stefan Scheiber, and the Executive Board believe that in order to thrive in the future, Bühler must make the cultural transformation to a truly inclusive model which unleashes the power of everyone. Our Global Head of Human Resources Development, Irene Mark, is accountable for driving the Diversity & Inclusion program, which since 2018, operates under a more formal global structure. Diversity & inclusion (D&I) are also fundamental to our 2019-refreshed company values: Trust, Ownership, and Passion.

Part of being a diverse and inclusive organization is recognizing that the needs of our colleagues in different parts of the world and in different businesses are different. A core principle of the program is to enable teams all over the world the flexibility and autonomy over what resonates with them the most. That's why we have a global framework, which we have structured around five themes and why we facilitate the sharing of ideas and learnings globally, while the execution of changes in our culture takes place locally. Globally, we can count the diversity numbers, however, the inclusiveness of our culture is felt locally in day-to-day interactions with our colleagues.

It is a long journey that sometimes goes to the heart of deeply ingrained social norms and stereotypes – but it is a journey we are committed to because we know it will make a sustainable difference to our company and our entire ecosystem.



3 Themes for a diverse and inclusive culture

We center our diversity and inclusion efforts on five global themes, as depicted in Figure 3. Each theme is crucial to a good “people strategy” and to enabling everyone to be able to give their best and have a fulfilling working life.

The following pages describe briefly:

- What each theme is about
- What has been achieved over the last few years
- Our ambitions for what's next as laid out in the Diversity & Inclusion Strategy 2025
- Our key indicators of our progress

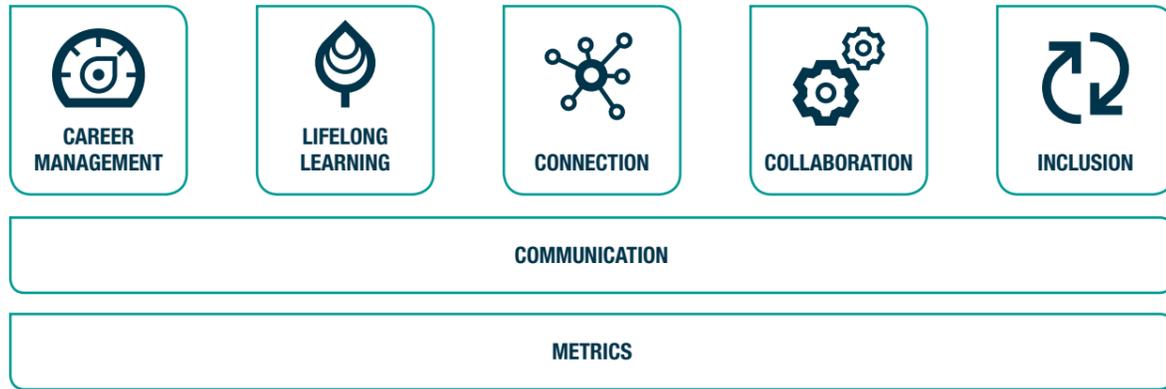


Figure 3: The D&I Program Structure at Bühler



3.1 Career Management

Bühler employees in the driving seat of their career, able to sustainably give their best, manage their work-life balance and maintain their employability.



The story so far:

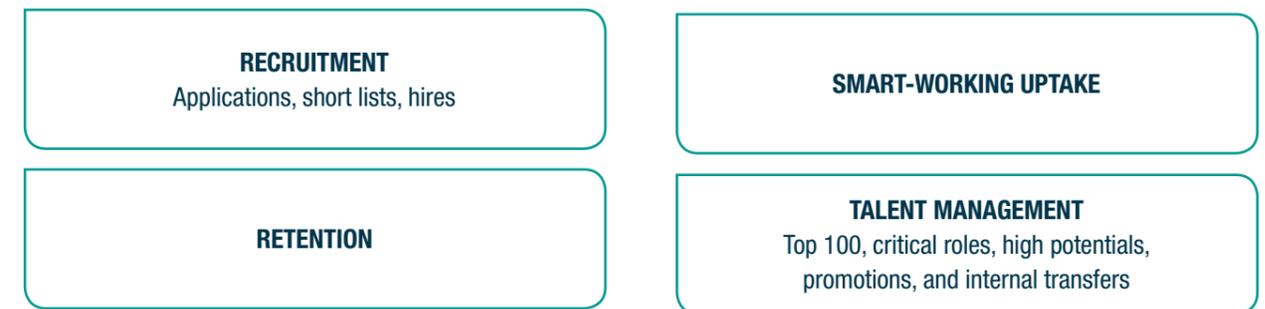
- We have held events, forums, and started projects to **support women's career development** and build **more diverse talent pools** in several locations globally.
- We have started to develop a **Smart Working** concept including flexible hours, part-time working, home office, and parental leave to help shift the culture from full-time, presence-orientated to a more flexible and results-based culture in which a more diverse range of people can thrive.
- At the headquarters in Switzerland we have participated in the **Women Back to Work** program.
- We have created a **checklist for inclusive recruitment** and are reviewing the way open positions are advertised.
- We have consciously built in nudging mechanisms to reduce the impact of unconscious bias in who gets selected for **development opportunities** and key roles in our **talent management and succession planning** processes.

What's next?

- Work more closely with the HR community and leaders throughout the business to **embed more inclusive practices into our daily people-management practices** along the entire employee life-cycle.
- Develop a **Global Talent Mobility Project** as a powerful tool to attract promising employees, retain top talents, support revenue-generating activities and ensure organizational competitiveness on the market.
- Support business areas with their **strategic workforce planning** as they look at how to adapt to increasingly global and digital business models and the impact it has on their workforce. **Inclusive leadership** and culture can go a long way in this regard to ensuring sustainable employability and productivity.
- Further integrating diversity and inclusion topics into Bühler's **sustainability reporting**, aligning our efforts to the relevant UN Sustainable Development Goals, and including diversity and inclusion in our sustainable people management.

★ Key indicators:

In order to make our progress transparent, we intend to improve our data on the diversity of people (gender, nationality, age, background) in the following areas:



3.2 Lifelong Learning

Constantly learning and helping others to learn as an essential part of everyone's job at Bühler.



In an age where the half-life of information is shrinking and a skills-shortage threatens, we need to find ways to build the skills within our organization with a growth mindset approach. This can be done through up-skilling and re-skilling rather than following the traditional fixed mindset and engaging in a "war for talents". Importantly, we need to shift the culture from feeling that time spent learning at work is a luxury or something your manager tells you do to – to a necessary part of working life driven by the desire to succeed.

To meet this rising challenge the initiative Next Generation Learning has been launched last year. It's about creating a lifelong learning & development culture at Bühler with a recognizable learning brand in which all employees are empowered and encouraged to keep on learning and developing. We have to focus even more on the modern learner's need. Future training concepts have to be short and relevant, more engaging, personalized and mobile, thus we are about to enable our learning professionals to create trainings along those pillars and foster a strong and united learning organization.

The story so far:

- Bühler is well known for its strong Apprentice program which has seen nearly **8,000 apprentices** complete their apprenticeship with us so far. Currently, 615 apprentices (of which 84.5 women) are doing their program with Bühler globally.
- In 2018, we launched our new **B-Learning platform** with access to a state-of-the-art virtual learning library, videos, E-learnings, classroom trainings, and webinars to facilitate independent learning.
- Each full-time employee (FTE) attended **two training days** in 2019 and we have spent 1% of the total personnel cost on training measures.
- Our **Bühler Learning Centers**, located on five continents, cultivate a diverse set of learning programs including Leadership courses (as Basics in Bühler Management and Master of Bühler Management) and Business Functional Training.

- Our five corporate **Business Academies** ensure that our employees are equipped with up-to-date functional know-how.
- The **Bühler Excelerator** is a development assessment aimed at building a pipeline of future leaders in top management with a clear individual development plan as the outcome.
- By means of a **Licensing System**, we ensure the internal, global comparability of our employees' functional expertise. This way, international transfer of our employees is simplified as knowledge and expectations are unified.

What's next?

- Support employees in all parts of the organization to **"relearn how to learn"** and have the confidence to embrace change and new technologies.
- **Develop a true feedback culture** in which people are encouraged to give and receive feedback in all directions and feel safe to try, fail, learn, and try again so that true learning on the job can occur.
- Consider the introduction of **Individual Development Plans (IDP)** for all employees and shift our culture from a push "you must complete the following training" to a pull.
- Achieve **four trainings days** per FTE and 2% of training costs over personal costs in the near future.

★ Key indicators:

In order to make our progress transparent, we intend to improve our data on the diversity of people (gender, nationality, age, background) in the following areas:

- Training Days per FTE
- % of personnel costs spent on training
- Diversity in apprenticeships and education levels
- Participation in B-Learning and push / pull ratio

3.3 Connection

The way we connect with one another is essential to ensuring meaningful, mutually beneficial relationships, and strong networks.



This is all about ensuring that every Bühler employee has a sense of belonging – within the company, within their team, and within broader communities across the organization. It's about getting to know our colleagues as individuals so that we can appreciate the diversity of skills, strengths, and perspectives the Bühler workforce has to offer. Many of our employees have been with us for a long time and developed strong internal networks. This theme is also about extending those networks beyond the boundaries of the team and the company to our suppliers and partners, to our customers, and our competitors.

The story so far:

- We leverage **international events** such as the International Women's Day and International Men's Day to bring people together and connect on issues that affect us all.
- In 2019, Bühler hosted its **Bühler Networking Days** thought leadership event in Uzwil, Switzerland with over 800 participants from 500 companies and 80 countries.
- We conducted global **Generations for a better world** events in August and September, where approximately 1,000 people came together in 12 Bühler locations all over the world to bridge intergenerational differences and share ideas about how to work together to create a better world.
- Bühler Switzerland is a member of the **Advance Gender Equality in Business network**.
- In the summer of 2019, 25 colleagues from five different locations took part in **Euro Pride Vienna** showing solidarity with our colleagues from the LGBTQI+ community.
- A resource **group for working parents** is taking form, starting with a "survival guide for parents" in our Uzwil location.
- In addition to the numerous sport- and hobby-related networks, Bühler locations host **regular employee events** such as BBQs, cooking together, or experience-sharing sessions. It's all about bringing people together.

What's next?

- Help all employees (not just the top 100) to see the **value of networking** inside and outside Bühler.
- Increase networking with **schools and universities**.
- Work on creating **employee resource groups** or communities.
- Leverage digital technologies to create **virtual communities** to share ideas and communicate across language barriers and time zones.

★ Key indicators:

In order to make our progress transparent, we intend to improve our data on the diversity of people (gender, nationality, age, background) in the following areas:

- Attendance at events organized by Generation B and D&I
- Clubs and associations
- Participation in online communities
- Various measures of employee engagement

3.4 Collaboration

Open to new ways of working together, leading and co-creating new solutions as our world becomes increasingly global and digital.



We need to find more effective ways to enable knowledge sharing and co-creating across different functions, regions and disciplines as it is essential for our productivity, efficiency, and innovation. We know that we have hugely knowledgeable and experienced resources at all levels of the organization who can mentor each other, coach each other, provide meaningful feedback, and really help each other succeed.

- **The SWAP Reverse Mentoring Program**, which was launched in 2019 by Generation B, also aims at fostering the exchange between employees from different functions and generations. The difference to the traditional mentoring program is that both participants are mentor and mentee at the same time with a two-way exchange of knowledge, advice, and experience. 62 Participants started their mentoring journey together in October 2019.

The story so far:

- In 2019 Bühler opened the **CUBIC innovation campus**. It is the epicenter of the collaborative ecosystem at Bühler. It embodies the innovation spirit and culture, where we will inspire, discuss, understand, and derive actions that will support us as an industry to create more sustainable value chains, while contributing to addressing the burning environmental and societal challenges of our time.
- **Generation B** has been established as a global network of engaged and motivated employees who drive cultural change from the bottom-up at the individual, company, and industry level.
- We are also using **digital collaboration platforms and tools** such as Microsoft Teams in first pilot groups to create communities and enable real time collaboration in the cloud regardless of location or time zone.
- Various **collaborative exchanges** with other companies were held, for example with Cummins Generator Technologies in China to share ideas between Generation B and Cummins' "Young Group", with Barilla on D&I topics, or between Sortex and Aeroglise with a focus on the peanut industry.
- Bühler launched a **mentoring program** in Uzwil in 2018. During this one-year program, 15 experienced mentors provided advice and guided the career development goals of the 15 participating mentees; enabling not only the transfer of knowledge, but also the development of competencies within our company.

What's next?

- We want to properly harness technology such as Microsoft Teams to **create online communities** and start to change the culture to ensure everyone can learn to use the modern collaboration stack to work effectively in cloud-based, real-time collaboration communities and virtual teams. This will also enable better global mobility and smarter working.
- Our top management will partake in an intensive **inclusive leadership program** to equip them with the skills they need to lead our workforce into the future ensuring they create an environment in which people want to share their knowledge and feel comfortable doing it.
- We also want to develop **skills and capabilities** throughout the organization to deal with conflict and tensions that may increase as we work with more, different people, in new ways that are unfamiliar and complex.

Key indicators:

In order to make our progress transparent, we intend to improve our data on the diversity of people (gender, nationality, age, background) in the following areas:

Participants in mentoring programs

Participation in digital collaboration platforms and tools

3.5 Inclusion

Just having a diverse workforce does not translate into business success unless people feel genuinely appreciated and respected for their individuality and their personality as well as their skills and contributions.



It starts with an awareness of the social norms, heuristics, and our unconscious biases that influence what we say and do without us realizing it that have the potential to jeopardize the very best intentions. While we are committed to increasing diversity, we are not pushing diversity quotas which can drive people to hire one token, diverse candidate and "tick the box". True diversity means that at least 30% of any given team is different in some way to the other 70%. This heterogeneity in teams is what leads to cognitive diversity which leads us to solve problems in more innovative ways.

The story so far:

- We are becoming aware that men are still **overrepresented** in our workforce at all levels, particularly in leadership roles, and that while we have over 100 nationalities at Bühler, there are pockets in which one or two nationalities dominate the teams.
- We have introduced **Beyond Bias workshops** in several Bühler locations worldwide to enable colleagues to become aware of their unconscious biases and how they affect decision making. Up to December 2019, around 350 people have attended the workshops, and we intend to dramatically increase the participation rate in the coming years.
- Various **workshops and events** were held, highlighting how leaders and colleagues can become mindful of their actions, communicate more inclusively and help themselves make better – less biased – decisions.

What's next?

- More **Beyond Bias** workshops for a wider audience, with more middle management attending. Due to the Train-the-Facilitator trainings we have held in October 2019, we now have our own internal Beyond Bias trainers in various regions globally.
- We are developing an interactive **e-learning curriculum** on the topic of inclusion. This should support our colleagues with practical tips and tools to act in a more inclusive manner in the various situations we face in our professional lives.

Key indicators:

In order to make our progress transparent, we intend to improve our data on the diversity of people (gender, nationality, age, background) in the following areas:

Diversity in teams, max. 70% homogeneity

Results of employee engagement surveys

Attendance at Beyond Bias trainings

Data on equal pay for equal work

4 Governance and Program Management

There is no “D&I department” at Bühler because we sincerely believe diversity and inclusion is everyone’s responsibility. However, the Human Resources Development team is responsible for the development of the global strategy and structure and they coordinate between the many different people involved globally.

The story so far:

- Since 2017, every two months a growing group of people attends the **global D&I Steering Committee** meeting to discuss specific diversity and inclusion topics and share what is going on worldwide.
- In 2018, we developed the program structure with the **five themes**, and in 2019 we worked with regions and theme leads to breathe life into the structure. This has led to local steering groups forming in the regions which really drive action locally.
- Our CEO has recognized the efforts of people who have volunteered to drive the D&I efforts in addition to their current roles with a **letter of appreciation** ensuring that the time they spend on making Bühler more diverse and inclusive is formally recognized in their annual objectives.

What’s next?

- We intend to work more closely to align the **business strategy development** and workforce planning with our ambitions for diversity and inclusion and at the same time create meaningful targets at business unit level.
- We will encourage the development of **open dialogue and exchange** on these topics in the Steering Committee and other channels.
- We will work to extend the reach beyond the “early adopter” regions to ensure colleagues in **every Bühler location** can engage in diversity and inclusion.

5 Communication

Our communication stream is supported by the Corporate Communications team. It aims to ensure a good mix of content on our B-World collaborative platform, social media channels, and in the internal and external publications about diverse employees and how an inclusive collaboration is enabling Bühler to play to win.

We have made a deliberate decision not to bombard our employees with “D&I communication messages”, but rather to employ storytelling techniques that more subtly underpin the message of inclusion. We want people to really experience it before they read all about it. Many of the initiatives mentioned in this report need to gain traction to make a tangible difference in the organization before we make a lot of noise about D&I internally or externally.

The story so far:

- Our B-World intranet features a comprehensive **D&I section** with a page per theme where information, ideas, links, and events can be shared.
- We developed and distributed an initial global **poster and video campaign** to raise awareness in 2018.
- Our **Mosaic** employee magazine contains various articles explaining the purpose and aim of the D&I initiative, a deliberately diverse mix of stories, mentions of D&I in business articles, and messages from the top management regarding the topic.
- Our **Diagram** company magazine offers a diverse mix of stories, focused on valuable, globally relevant topics. The editorial team aims to interview the most relevant topic experts across the globe with the aim of reflecting the diversity of our customers in its selection.
- To support our employees in writing articles for B-World, writing and language **guidelines** have been developed

to encourage more people to share their contributions online.

- The entire Corporate Communications team participated in a workshop in 2019 to learn about and understand the power of **inclusive language**. This enables the team to write and edit texts with sensibility.
- Continuous **creation of videos and written content** for social media channels and the corporate website that underscores the diversity of Bühler’s employees and its culture of collaboration and inclusion.

What’s next?

- Find methods to reach the **30% of Bühler employees** who are not digitally connected.
- Explore ways to further engage the global Marketing and Communication community to overcome **language barriers** of communication in English, particularly in our manufacturing sites.
- Increase the **audience and popularity** of our Diversity & Inclusion B-World page with more engaging posts.
- Establish and promote **inclusive communication guidelines**.
- Further **support the development** of webinars, videos, and printed collateral, such as posters and pamphlets.



6 Metrics

The metrics stream helps us to understand the impact of our efforts on the workforce in terms of numbers and supports us with ad-hoc analysis where required.

The aim is to create transparency and to have a baseline to track change. Through this transparency, we want to provide evidence for the need for change. Furthermore, the metrics stream helps us identify areas that are exemplary and areas that are lagging.

This is where we look at our performance benchmarked against others and will ask the employees for their inputs.

The story so far:

- The metrics stream produces a **quarterly dashboard** which enables us to track the impact of our efforts. The key data from the most recent dashboard is displayed in Figure 2 on page 6.
- We are conducting analyses into our **Talent Flow** which looks at the numbers of people recruited, promoted and who left for various reasons at different levels, locations and demographic split.
- We participated in several **diversity benchmarking** analyses conducted by universities and organizations.

What's next?

- **Extend our D&I dashboard** to include KPIs along the entire Employee Life-cycle as leading and lagging indicators.
- An **Online Dashboard** will be introduced in spring 2020, giving interested parties monthly information about all KPI's for our reporting dimensions "Pillars", "Regions" and "Function Groups".
- **New KPI's** will be introduced to more easily track diversity aspects such as age or gender of new entries/voluntary leavers.
- Planning of a global **employee engagement survey** to attain a clear baseline for our strategy and actions.

7 A final word

The Bühler family has always placed great value on treating all employees with respect and taking its role as an excellent employer seriously in every location in which it operates. Certainly, my personal experience at Bühler over the last 30 years tells me that we have a fantastic foundation for sustainable success. Since becoming CEO, I have ensured that we provide opportunities for growth and development wherever possible to a broad range of people – always with a laser focus on playing to win and ensuring the continued success of the Group.

In the fast-paced, dynamic world we are now living, we need to consciously ensure that we attract, retain, and develop the best, most talented people all over the world in order to thrive. This means our workforce is, by nature, becoming more diverse, and that is a good thing that we want to actively encourage. Some things are simple to address, but there are also many more complex issues, impacted by cultural norms that require changing "the way things are done around here".

Like any organization, we have teams operating at different levels of maturity when it comes to diversity and inclusion topics. Some are just beginning to consciously raise awareness of the topics and think about what they can do to create a more inclusive workplace. Others are already executing plans and beginning to feel the difference, and some teams are already fully diverse and inclusive and reaping the benefits.

We are making good progress, but we have a long way to go. We are determined to remain persistent as we know this is not simply "the right thing to do", it also makes real business sense for our company and our entire ecosystem.



Stefan Scheiber
CEO



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