

03 GOVERNANCE

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You can find the full Governance section of the Annual Report 2022 and more information on our web page.

GROUP STRUCTURE 2022

Bühler follows international standards of corporate governance. Its corporate governance activities are based on the principles of the Swiss Code of Best Practice – an instrument for clearly defining internal powers and responsibilities and optimally designing the interaction between the Board of Directors, the Executive Board, and the Group Internal Audit.

As a non-listed, family-owned, but economically significant company, Bühler has decided to pay special attention to the design of its corporate governance. As a consequence, Bühler's corporate governance goes far beyond the statutory requirements of Swiss corporate law and incorporates, to a great extent, the recommendations contained in the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse*. Bühler's Articles of Incorporation set the material parameters of the corporate governance system.

The Articles of Incorporation are complemented by Bühler's Organizational Regulations, which further specify the responsibilities, competencies, and regulations of the governing bodies of the company. Unless prescribed by law or the Articles of Incorporation, the management is delegated by the Board of Directors, with the power to subdelegate to the Chief Executive Officer, the Executive Board, and its members. Separate charters specify the organization of the Nomination and Compensation Committee and the Audit Commit-

tee. The Board of Directors has also issued a regulation governing the cooperation between the Board of Directors, the CEO/Executive Board, and the Urs Bühler Innovation Fund.

Bühler remains a family-owned company

In 2014, Urs Bühler transferred his shares in Bühler to his three daughters, Karin, Dr. Maya, and Jeannine Bühler, each of whom owns a third of the company. For the three sisters, continuity is the top priority, as they want to build on the strengths and values of Bühler.

They continue to maintain optimal general conditions for the company to operate in: a stable shareholder structure, a long-term orientation, steady company management that is not subject to the constraints of quarterly reporting – but nevertheless a management style pursuing business success. The three owners are represented on the Board of Directors and act in one unified voice in relation to company issues and decisions.

GROUP STRUCTURE 2022

BUSINESSES

REGIONS

Grains & Food

Grain Quality & Supply
Milling Solutions
Value Nutrition
Digital Technologies

Consumer Foods

Bakery
Wafer
Biscuit
Chocolate & Coffee
Confectionery
Non-food

Advanced Materials

Die Casting
Leybold Optics
Grinding & Dispersing

North America
South America
Europe
Middle East Africa & India
Asia

Bühler is based in 140 countries.
[Click here to find out more.](#)

GROUP STRUCTURE 2022

BOARD OF DIRECTORS

Chairman

Calvin Grieder

Board Members

Frank N. J. Braeken

Jeannine Bühler

Karin Bühler

Dr. Maya Bühler

Christoph Goppelsroeder

Dr. Konrad Hummler

Stefan Scheiber

Rainer E. Schulz

Dr. Zeno Staub¹

Linda Yang

Audit Committee

Rainer E. Schulz (Chairman)

Dr. Maya Bühler

Dr. Konrad Hummler

Nomination and Compensation Committee

Dr. Konrad Hummler (Chairman)

Karin Bühler

Jeannine Bühler

Frank N. J. Braeken

Find our Group Structure, all Boards, and CVs of our Board Members on our web page.

¹ Appointed as a Member of the Board in Sept. 2022



BOARD OF DIRECTORS



GROUP STRUCTURE 2022

EXECUTIVE BOARD

CEO

Stefan Scheiber

CFO

Dr. Mark Macus

CTO

Dr. Ian Roberts

Grains & Food

Johannes Wick

Manufacturing, Logistics & Supply Chain

Dr. Holger Feldhege

Consumer Foods

Germar Wacker

Human Resources

Irene Mark-Eisenring

Advanced Materials/ Services & Sales

Samuel Schär

Find our Group Structure, all Boards, and CVs of our Board Members on our web page.



EXECUTIVE BOARD

Accelerating
impact
together



ADVISORY BOARD

URS BÜHLER INNOVATION FUND (UBIF)

The Urs Bühler Innovation Fund (UBIF) was established in 2014 to support the company's innovation efforts. Bühler invests between 4% to 5% of its turnover in research and development every year – developing breakthrough technologies and services to strengthen Bühler's market position as well as exploiting new opportunities to stay ahead of the innovation curve. The Advisory Board managing the UBIF focuses on accelerating innovation and developing relevant ecosystems.

ADVISORY BOARD

UBIF

Chairman

Dr. Ian Roberts

Dr. Mark Macus

Dr. Thomas Beck

Prof. Dr. Edward S. Steinfeld

Prof. Dr.-Ing. Werner Bauer

Dr. Matthias Kaiserswerth

Prof. Dr. Lino Guzzella

Calvin Grieder

Peter Stähli

Founder and Honorary Member

Urs Bühler¹

¹ Honorary member, stepped down Jan. 2021

ADVISORY BOARD

URS BÜHLER INNOVATION FUND (UBIF)



ADVISORY BOARD

URS BÜHLER INNOVATION FUND (UBIF)



COLLABORATION PRINCIPLES

Find the Collaboration principles also on our web page.

Permitted external activities of the Board of Directors and the Executive Board

Bühler's Articles of Incorporation provide for a certain restriction of the permitted external activities of the Members of the Board of Directors. Members of the Board of Directors may not hold more than four additional mandates in listed companies, eight additional mandates against remuneration in unlisted companies, and eight unpaid additional mandates. Not included in these limitations are mandates in companies affiliated with Bühler, corporate mandates of Bühler, and mandates in associations, foundations, employee welfare foundations, charitable organizations, and other comparable structures. However, no Board Member shall hold more than 20 such additional mandates. Mandates refers to mandates in the supreme governing body of a legal entity registered in the commercial register in Switzerland or elsewhere. Members of the Executive Board are limited to two mandates at public companies or other legal entities against remuneration and four unpaid mandates.

Elections and term of office of the Board of Directors

Bühler's Articles of Incorporation provide for the annual election by the General Assembly of all Board Members, its Chairman, and the Members of its Nomination and Compensation Committee. Term of office shall be one year, starting with the General Assembly at which each individual member is elected and ending with the following General Assembly. The Members of the Audit Committee are annu-

ally elected by the Board of Directors. Board Members will generally not be re-elected once they pass their 70th birthday or have been on the Board for 12 years.

Election date and attendance

For the year of first election to the Board of Directors, please refer to the individual curriculum vitae of each Board Member on [page 84](#). At the General Assembly, the Board of Directors gives account to the shareholders on the attendance of Board and Committee meetings by each individual Board Member.

Audit Committee

The Audit Committee shall monitor the integrity of the financial statements of the Company, including its Annual Report. It promotes effective communication between the management, internal and external audits. The Audit Committee regularly reviews the functionality and effectiveness of the internal control system. It supports the Board of Directors in corporate governance issues.

Nomination and Compensation Committee

The Nomination and Compensation Committee is responsible for evaluating the balance of skills, knowledge, experience, and diversity of the Board, periodically reviewing the Board's structure, and identifying as well as managing the process of potential candidates to be appointed as Directors. Furthermore, the Nomination and

Compensation Committee determines and agrees with the Board of Directors on the policy for the compensation of the Members of the Board of Directors and of the Executive Board. It approves the design of and determines targets for any performance-related compensation schemes operated by the Company and approves the total annual payments made under such schemes. Within the parameters of the agreed policy the Nomination and Compensation Committee determines the total individual compensation package for each Member of the Board of Directors as well as of the Executive Board and prepares the remuneration report.

Work method of the Board of Directors and its committees

Board meetings are held as often as matters require or upon the request of a Board Member, but at least four times per year. The agenda of the meeting shall be announced when it is convened, and pertinent information, if needed, shall be sent 10 days before the meeting to each Board Member. On unannounced items the Board can only decide if all Members of the Board are in attendance. Decisions may also be taken by circulation, provided that none of the Board Members request a formal meeting. Meetings of the Board Committees are convened separately from the Board meetings and scheduled as often as business requires. The Board of Directors receives verbal updates after each meeting of its Committees by their Chairperson.

Areas of responsibilities

The Board of Directors is responsible for the ultimate direction, strategic supervision, and control of the management of the Company, and for other matters which are, by law, under its responsibility.

Such inalienable duties include, essentially, (i) the ultimate management of the Company, (ii) the determination of its organization, (iii) the structuring of its accounting system and of the financial controlling, (iv) financial planning, (v) the appointment, removal, and ultimate supervision of persons entrusted with the management and representation of the Company, (vi) the preparation of the business report as well as the General Assembly and the implementation of its resolutions.

Executive Board

The Executive Board is responsible for all areas of strategic and operational management of the Company that are not reserved to the Board of Directors. The Executive Board is chaired by the Chief Executive Officer.

Urs Bühler Innovation Fund (UBIF)

The Advisory Board of the Urs Bühler Innovation Fund supports and advises the Board of Directors in innovation and identifies and executes first moves into future-oriented growth opportunities.

External auditors

The external auditors are appointed at the General Assembly and present the outcome of the audit to the Audit Committee.

COMPLIANCE

Find the Compliance section also on our web page.

Effective corporate governance

Effective corporate governance is a precondition for Bühler to ensure a long-term and sustainable increase of its corporate value. Bühler bases this both on the Swiss Code of Best Practice for Corporate Governance and the OECD Principles of Corporate Governance. Corporate governance at Bühler is organized with the interests of its stakeholders in mind, including customers, employees, suppliers, and public communities. It also comprises compliance with environmental and social standards as well as an uncompromising commitment to financial integrity. As an international Swiss company, strict observation of local laws on a global scale and systematic and continuous monitoring of compliance in all markets are indispensable for Bühler. This is the only way to prevent operating risks and an impairment of reputation that might be caused by violation of compliance rules.

An active Code of Conduct

The Code of Conduct is part of the so-called Bühler Essentials. It serves all employees as a beacon, showing them how to live the Group's core corporate principles (Trust, Ownership, and Passion) in their day-to-day jobs. It states what is expected of employees and business partners, defines the standards governing compliance with laws and regulations, and includes the fundamentals of communications, employee rights, health and safety, and financial integrity.

Bühler regularly reviews its own principles of corporate governance to ensure that they are up to date. Its Code of Conduct also includes binding standards for its business partners. The Code of Conduct is continuously adjusted to the changing environment. Furthermore, a Supplier Code of Conduct for business partners exists and its roll-out is ongoing as part of the onboarding process.

Clear rules against corruption and bribery

The so-called ABC (Anti Bribery & Corruption) rules against bribery and corruption unmistakably state that no violations will be tolerated. They concern, in particular, collaboration with agents. Furthermore, it is mandatory for all employees with access to the learning platform to undergo the state-of-the-art online training program (Web Based Training, WBT) and to pass a final test. Employees without access take part in an offline classroom training. Participation in the training takes place upon entry into the company and the training must be repeated every three to five years.

Compliance organizational structure proves its effectiveness

Bühler further decentralized the organizational structure of its compliance function. In six Bühler regions regional compliance officers act as the first contact, except for compliance cases involving special risks, which are handled directly by the Compliance Board. This decentralization has greatly streamlined and accelerated the related

processes. This is also because linguistic barriers have been eliminated, and the regional compliance officers are familiar with local regulations and conditions.

Compliance reporting

Clear accountability and defined actions ensure that compliance-related incidents are systematically reported to the central Compliance Board. This transparency is a precondition for ensuring that the company can gain the necessary insight from such incidents and take the required measures in response. Bühler is happy to report that awareness of the benefits of a transparent compliance reporting system have become increasingly acknowledged.

Trade compliance

The trade compliance program addresses customs, sanctions, and export controls. Such formal regulatory conditions for international trade are further evolving and are impacted by global political and economic trends. The Russian war on Ukraine has increased relevance and workload of the Trade Compliance Team enormously, as the CEO has mandated the so-called Ukraine/Russia-Desk with full compliance checks of all activities going into the countries concerned. Trade Compliance is supported by the Export Compliance Program and trainings for management and employees. Furthermore since 2020 it is mandatory for all new relevant employees to

undergo the state-of-the-art online training program (Web Based Training, WBT) and to pass a final test.

Group Internal Audit

The Internal Audit Department reports functionally to the Board of Directors, represented by the Audit Committee and administratively to the Chief Financial Officer. Meetings between internal and external auditors take place on a regular basis. The audit plan is aligned with the strategy and key business risks. A yearly risk assessment is prepared by Group Internal Audit. It is the basis for the yearly audit plan, which is approved by the Audit Committee. The results of the audits are discussed with the management of the audited unit, and major topics are presented to the Executive Board and the Audit Committee and thereafter reported to the Board of Directors. In 2021, six worldwide audits were carried out including two cross-sectional audits involving multiple world-wide legal entities. Group Internal Audit also reviews Groupwide compliance with the Code of Conduct as part of their internal audits. Violations are reported to the Compliance Board, Audit Committee and the Executive Board.

Risk management

Risks are assessed regularly as part of the company's integrated risk management process. This process includes risk assessments being part of the Businesses annual strategic planning cycle as well as

a moderated risk workshop per Business. The results are mapped and discussed with the management. The risk management system covers all measures in a systematic and transparent approach towards risks. It aims to identify, evaluate, mitigate, or avoid risks using suitable measures. Transferable risks are insured under the global insurance program of the Group. Risks are assessed regularly as part of the company's integrated risk management process. The results are discussed with the management.

Bühler Group ISO certification for quality and environmental management

In 2021 we managed to successfully re-certify the group ISO 9001:2015 and ISO 14001:2015 certificates with validity until November 2023. This was the result of the random sample check at our Bühler locations Bühler AG (BUZ), Uzwil, Switzerland; Bühler GmbH, Beilngries/Döbeln (BSSE/BDOE), Germany, Bühler UK Limited, UK, Bühler Inc. (BMIN), USA, Bühler (China) Holding Co. Ltd. (BCHN), Wuxi, China; Wuxi Bühler Machinery Manufacturing Co. Ltd. (BWUX), China, Bühler (China) Machinery Manufacturing Co. Ltd. (BCMC), China, Bühler Premier Tech (Wuxi) Packing Machinery Co. Ltd. (BTEC), China and Bühler + Scherler AG (SCHS), Switzerland; all of which have successfully passed SGS audits.

Initial certification according to ISO 45001 for occupational safety and health

Further, we re-certified the Bühler AG sites in Uzwil and Appenzell in accordance with the ISO 45001:2018 standard with validity until December 2023.

SEDEX / SMETA 4-pillar certification

In addition to the sites Bühler AG (BUZ) in Uzwil, Switzerland, Bühler Machinery Manufacturing Co. Ltd. (BWUX) and Bühler (Changzhou) Machinery Co., Ltd. (BCHA), China, FHW Franz Haas Waffelmaschinen GmbH (BHWL), Austria and Bühler Aeroglide Corporation (BRAL), USA the locations in India, Bühler (India) Pvt. Ltd. (BBAN), Bangalore was audited according to SEDEX/SMETA-4. The aim is to use the SMETA audit (Sedex Members' Ethical Trade Audit) procedure to ensure greater transparency and security across the entire supply chain. Issues such as employee rights (e.g. wages, benefits, working hours, etc.), business ethics, health and safety and environmental management were in the scope of the audit scheme.

REMUNERATION REPORT

Find the Remuneration section also on our web page.

Attract, develop, perform, and retain

Boosting employee future skills, excelling at global talent management and embedding workforce agility as well as employability are key drivers in human resources to achieve the Bühler mission. A high employee engagement and a focus on people development paired with leadership excellence are required for Bühler to play to win. The Remuneration Policies are designed with this purpose in mind.

Remuneration governance

Overview

The Members of the Nomination and Compensation Committee (NCC) are elected by the General Assembly. The Board of Directors (BoD) appoints the Chairman from among the elected members. The NCC supports the BoD in the remuneration issues defined here, with responsibilities being retained by the BoD. The NCC oversees defining and periodically reviewing the Remuneration Policy. It prepares all the relevant decisions of the BoD around remuneration, for the Members of the BoD, Members of the Executive Board (EB), and submits its proposals (remuneration type and annual remuneration) to the BoD. In addition, it submits proposals to the BoD defining the annual goals for success and performance-related remuneration, and then defines the circle of potential recipients of this success- and performance-related remuneration.

Nomination and Compensation Committee

For the year under review, the Members of the Nomination and Compensation Committee (NCC) were Dr. Konrad Hummler (Chairman), Frank N. J. Braeken, Karin Bühler and Jeannine Bühler. Permanent invitees were Calvin Grieder, Chairman of the Board of Directors; Stefan Scheiber, CEO; Irene Mark-Eisenring, Chief HR Officer; and Christof Oswald, Head of HR Region Switzerland. Four meetings were held. The NCC Chairman reported to the Board of Directors after each meeting, and the minutes were kept and distributed in a timely manner.

REMUNERATION REPORT

Authority chart

Subject	Recommendation	Final approval
Definition of Remuneration System and Policy for remuneration paid to the Board of Directors and the Executive Board	NCC	Board of Directors
Development of variable remuneration scheme and approval of all annually paid performance-related remuneration at Bühler Group	NCC	Board of Directors
Definition of individual remuneration, including bonus, variable portion, shares-related remuneration, etc., to the Executive Board and the Board of Directors	NCC	Board of Directors General Assembly

Remuneration principles

Bühler is committed to performance- and market-related remuneration. Success because of sound individual performance plus the success of the organization impacts the remuneration. All employees, including the Executive Board, shall undergo a formalized

annual performance appraisal process (Employee Performance Management, EPM). The Individual Performance Goals are defined and agreed upon jointly with each employee at the start of the fiscal year. The financial success of the organization, measured on the basis of EBIT, is also part of performance-related remuneration.

REMUNERATION REPORT

Principles of Remuneration Policy

Fairness, consistency, and transparency	The remuneration schemes shall be simple, clearly structured, and transparent. They are linked to the responsibilities and powers of the individual functions, thereby ensuring fair remuneration at all levels.
Performance-related remuneration	Variable remuneration is directly tied to the success of Bühler (EBIT) to Business Performance (CTE [Contribution to EBIT]) and to individual performance (EPM).
Long-term success sharing	Part of the remuneration of the Executive Board shall be paid in the form of deferred compensation to ensure long-term sharing in the success of Bühler.
Orientation toward the labor market	To attract and retain talent, qualified and dedicated management staff and employees, remuneration shall be oriented toward the market environment and be regularly subjected to benchmarking.
Bühler values: TOP	The Remuneration Policy is oriented toward the Bühler values of TOP (Trust, Ownership, and Passion). These values are incorporated into the above-mentioned principles and determine the “Bühler way of doing business” in all respects.

REMUNERATION ELEMENTS

Overall remuneration model for employees and the Executive Board

	Instrument	Purpose	Influencing factors
Fixed annual base salary	Monthly cash remuneration	Regular, predictable remuneration for the specific function	Sphere of work, complexity, and responsibility of the function, competencies, and experience of the function owner, function benchmarks
Performance-related variable portion	Annual cash remuneration	Remuneration for performance	Success of the organization (EBIT), success of the business (CTE) and individual performance (EPM) on an annual basis
Deferred compensation plan	Deferred compensation plan with a vesting period of three to ten years	Sharing in long-term success	Hierarchical position of the function within the organization
Other employee benefits	Pension and insurance schemes; other fringe benefits	Protection against risks and coverage of expenses	Local legislation and market practice

REMUNERATION ELEMENTS

Remuneration of the Board of Directors

The Members of the Board of Directors shall receive a fixed cash payment and be remunerated as Committee Members (if applicable).

	Office
Basic remuneration	Membership in the Board of Directors
Additional remuneration	Chairmanship of the Board of Directors
	Vice Chairmanship of the Board of Directors
	Chairmanship of the Audit Committee
	Activity in the Audit Committee
	Chairmanship of the Nomination and Compensation Committee
	Activity in the Nomination and Compensation Committee
	Other Committee Chairmanship/Memberships
	Other activities
Expenses	Only expenses incurred are reimbursed

REMUNERATION ELEMENTS

Remuneration of the Executive Board

The Members of the Executive Board shall receive a basic salary, a variable cash remuneration portion, employer contributions to pension funds and social security institutions, and long-term remuneration in the form of a deferred compensation plan with a vesting period of three to 10 years. In addition, the lump-sum expenses allowance regulations apply.