

An aerial photograph of a dense, lush green forest. In the center, a large, thick tree trunk extends vertically, with its branches spreading out. The forest floor is covered in vibrant green foliage. A body of water is visible in the lower right, reflecting the sky and the surrounding trees. The overall scene is bright and natural, with sunlight filtering through the canopy.

# Sustainability Report 2022

**R&M** healthLine

**Our Mission –**  
**«We enable sustainability that matters.»**



## Contents

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Foreword by the CEO	
<b>Sustainability Firmly Embedded in the Company</b>	<b>4</b>
<hr/>	
Company Portrait	
<b>Connectivity that matters</b>	<b>6</b>
<hr/>	
Our Impact	
<b>Strong Contributions Toward Sustainable Development</b>	<b>8</b>
<hr/>	
Strategy and Reporting Principles	
<b>Initiative and Transformation Speeding Up</b>	<b>10</b>
<hr/>	
Corporate Governance	
<b>Code of Conduct and Ethical Values More Deeply Rooted</b>	<b>14</b>
<hr/>	
Human Focus	
<b>High Performance and Modern Personnel Management</b>	<b>16</b>
<hr/>	
Supply Chain	
<b>Suppliers Go the Distance with Us</b>	<b>20</b>
<hr/>	
Environmental Management / CO <sub>2</sub> Accounting	
<b>Expertise and Success in Environmental Management</b>	<b>24</b>
<hr/>	

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# Sustainability

## Firmly Embedded in the Company

Sustainability provides motivation. This is something we experience throughout the R&M Group. Thanks to growing motivation, we quickly reached important milestones in 2022. Our sustainability management is becoming increasingly professional and brings verifiable success.

**«Network infrastructures have lasting effects on society and living conditions. They connect cultures. They can help people get better education and good medical care. They can help to use energy more efficiently and protect the climate and natural resources.»**

Global unrest and distressing events took the attention away from a common and more important concern in the year under review: sustainability. We must not lose sight of the need for protection of the environment, resources and humanity. We also need to stand up for honest business.

In particular, we consider climate protection to be the greatest and most urgent challenge for society in the coming decades.

### **Our responsibility**

As a global player in the ICT sector, R&M, today more than ever, feels jointly responsible for ethically, socially and ecologically balanced, sustainable development. It is embedded in the culture of our growth-oriented, but also responsible and independent family business. The expanded sustainability strategy introduced in 2021 with four areas of action and ambitious targets strengthens R&M.

We continuously synchronize our growth and sustainability strategies with the 17 UN Goals and the Ten Principles of the UN Global Compact. Global standards for environmental management and occupational safety, EU directives on waste management and guidelines from key initiatives, such as GRI, SBTi, and GHG Protocol, are crucial.

In the reporting year 2022, R&M achieved several important milestones in the four areas of action.

### **Further milestones**

Motivation for sustainability projects is growing in a variety of ways. For example, it is leading to the creation of the first «R&M forest» in India that converts greenhouse gas into oxygen, binds moisture, produces fertile soil, and provides farmers with a livelihood.

One of the milestones in 2022: For the first time, R&M has a plausible CO<sub>2</sub> balance as defined by SBTi (page 26).

Ninety percent of the R&M production plants are certified in accordance with ISO 14001. They pursue an environmental management system with specific goals. Two-thirds of the plants comply with ISO 45001. They have a proven health and safety management system in a modern working environment.

Fortunately, this means: R&M is «A great place to work». The employee survey for 2022 confirmed high levels of satisfaction. We are introducing advanced processes around the world for recruiting both junior and experienced staff, talent management, and succession planning (page 16). In particular, we want to empower and encourage women to take on leadership and expert roles.

### **Greater transparency**

Increasingly, environmental management is permeating the operational processes of all 14 R&M plants (page 24). Professionalism and transparency are increasing, which motivates the teams responsible even more. Last



Michel Riva

but not least, we expanded and adjusted the key performance indicators in the reporting year (page 13). They clearly show progress, as EcoVadis confirmed with its Silver rating in August 2022.



We use feedback from the assessments and certifications to optimize ongoing projects and measures. In this way, we are improving step by step and at all stages of the value-added chain. But we also know that R&M must be more resolute in meeting public requirements in terms of documentation, transparency, and traceability.

**Goal: climate neutral**

In the medium term, our main goal is still to halve operational greenhouse gas emissions (Scopes 1 and 2). We want to achieve this by 2030. And the long-term goal is climate-neutral production by 2050 at the latest.

We are currently reducing our energy and raw material consumption, transport, and packaging waste significantly. Wherever economically feasible, we rely on renewable energy sources and low-energy equipment. We are working intensively on the further development of ethics and compliance (page 14) and responsible procurement (page 20).

We place higher ethical, social, environmental, and regulatory demands on our suppliers. R&M partners know that by joining forces, we can make more substantial contributions to the UN Goals. Together, we can promote an ecosystem of sustainability. Many companies working together seriously to find solutions is inspiring and ensures mutual motivation.

**Wide support**

The Board of Directors and the Executive Board would like to thank everyone involved for their extensive support of our sustainability strategy and the high level of motivation. This will enable us to continue to make a strong contribution to the initiatives and goals of the UN, and to the future of our company. We will report regularly on our progress.

Michel Riva, CEO

# Connectivity that matters

Global provider of infrastructure solutions for data centers, smart buildings, and broadband networks

060.2167

Connectivity that matters. This is what R&M is all about. Our cabling, connecting technology, and infrastructure solutions for communications and data networks offer users all over the world decisive advantages. They invest in reliable, scalable, migration-capable infrastructures that work interruption-free for generations. The result: networks with guaranteed, measurably superior performance. This enables them to secure the future of their communications and data services – whether in telecom, 5G or Fiber to the Home networks, in offices and smart buildings, or in data centers.

Reichle & De-Massari AG (R&M) has upheld this claim since it was founded in 1964. Our family business is wholly owned by Martin and Peter Reichle, the second generation of owners. The company is headquartered in Wetzikon (Switzerland).

## For the digital era

R&M is one of the world's leading manufacturers and suppliers of forward-looking network technology and is growing continuously. Quality-conscious and innovative, we cover the entire range of copper-based and fiber optic connectivity, supplemented by complete infrastructure solutions.

The main areas of application of R&M products include:

- Telecom, railways, cellular phone networks, 5G
- Fiber to the Home and smart cities
- Data centers from cloud to edge
- Data networks for venues, health care, administrations, smart buildings, campus, Internet of Things

Software for the automated management of network infrastructures completes the portfolio. Due to the increasing complexity of networks, R&M supports the markets with its own expertise in planning, engineering, customizing, quality assurance, logistics, and technical support. We see ourselves as an expert partner and trusted advisor in the digital transformation of society.

## International presence

In Switzerland and Germany, R&M is the leading equipment supplier and system provider for communication networks. We are one of the top providers in Europe, the Middle East, and Asia, and are developing the market in China, North and South America.

Local market organizations operate in more than 40 countries. They offer country-specific sales, advice, training, and support.

The company's 14 plants worldwide and the centrally managed supply chain form the operative basis for its success. Our plants

are located at our headquarters in Wetzikon as well as in Bulgaria, Brazil, China, Germany, Dubai, India, Italy, Poland, Saudi Arabia, the Czech Republic, and the USA. The cabinet and housing manufacturer TecnoSteel S.r.l. in Brunello, Italy, was acquired in the reporting period. R&M employs 1,700 people worldwide.

## Good demand

The 2022 financial year was characterized by several concurrent challenges. The pandemic phase was followed by the war in Ukraine, supply bottlenecks, price increases, and currency fluctuations, combined with inflation and signs of recession. Nevertheless, the demand situation remained good. We continued to systematically pursue our realignment as a solution provider.

With current sales of CHF 297.9 million, R&M is one of the 500 largest companies in Switzerland. The key figures are taken from the Annual Report 2022, which can be downloaded from our website.

The Annual Report consolidates all subsidiaries' results. Reporting is undertaken in line with Swiss GAAP FER. We publish the balance sheet voluntarily and on an annual basis. The financial statements are audited by an independent auditing company. R&M's financial situation is sound. Dun & Bradstreet has rated us with the lowest risk indicator 1 in its D&B Certificate.

## At a glance

### Expertise

Connectivity, network technology  
Copper and FO cabling  
Network management, DCIM  
Engineering, customizing  
Training, quality assurance

### Business Segments

Public Networks  
Local Area Networks  
Data Centers  
OEMs, cables, components

**CHF 297.9 m**

Sales

**1964**

Founded

**100 %**

private

**1,700**

employees

**14**

plants

**40**

countries

**3,000**

certified partners

### International Sales Revenue

Revenue generated outside of Switzerland was 82% of total sales.

### Development Expenditure

Average development expenditure over the last 5 years: 3.2% of sales, generated by 4% of employees.

### Innovative Capacity

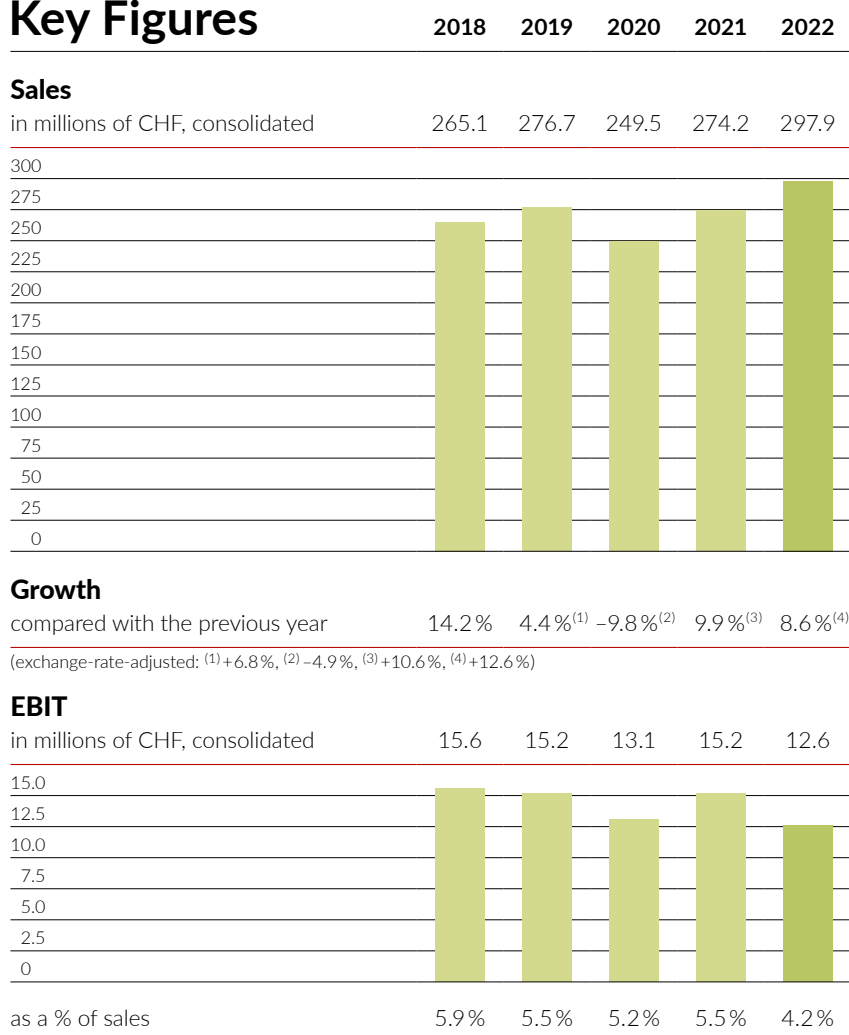
17% of the revenue was generated with products less than three years old.

### Number of Employees

FTE as of December 31, 2022: total 1,700 (incl. temporary employees)

**«Integrated infrastructure solutions from R&M make important network projects faster, simpler, and more flexible.»**

## Key Figures



# Strong Contributions

## Toward Sustainable Development

R&M operates in an advanced and relatively low-impact technological environment. Nevertheless, as a global player in the ICT sector, R&M shares responsibility for sustainably and positively developing the effects of our business operations on the environment, people and the economy.

With CSER reporting, we disclose the discernible effects of our business activities, our contributions, and impacts. For R&M, it has always been crucial to reconcile growth and efficiency with ethical, social, and ecological responsibility. R&M systematically measures and documents the effects of our business operations and regularly re-evaluates them. Opportunities, shortcomings, and risks can be identified in a timely manner. Measures can be adapted quickly.

Six benchmarks are essential for us:

- Our own sustainability goals and key performance indicators (KPIs)
- Targets relevant to R&M from the UN Framework (17 SDGs)
- 10 Principles of the UN Global Compact
- EcoVadis assessments
- GRI standards
- Concerns of our stakeholders

### Products with high utility value

The first step is to consider the impact of the products. With the exception of the Data Center market segment, R&M operates in a relatively advanced and largely low-impact technological environment. The power consumption of data centers is enormously high, and their energy efficiency is therefore crucial. R&M is working on technologies to further reduce the power consumption of data centers.

Our network infrastructure products help society and the economy communicate optimally, share knowledge in real time, and transfer data securely. They connect cultures and communities. They can contribute

to better education, economic prosperity, and medical advice. Good network connections prevent climate-damaging journeys. This will enable us to make a strong contribution to sustainable development.

R&M products consist mostly of plastic and metal, to a lesser extent of glass. Manufacture is carried out in accordance with industry-standard, controlled, and continuously improved processes. Only one product, the analyzer for infrastructure management, contains electronics. We consider the environmental impact of this product to be marginal. Indirectly, it helps data centers to reduce power consumption as it enables efficiency gains in network operation.

### Long life cycle

Once installed, R&M products generally remain in place passively for several years, usually decades. They do not cause any significant impact over their life cycle.

Thanks to a modular design, we ensure that network parts can be expanded, densified, or replaced at any time. The infrastructure does not have to be completely overhauled if there is a generational change in IT. This saves raw materials.

R&M promotes the use of fiber optics because it is sustainable. Fiber optic cables are 85% more energy efficient than copper cables, have a life cycle five times as long, and require less space. We also promote innovations, such as Single Pair Ethernet, which support energy-saving building automation.

### Impact of production

The industrial output at the R&M plants consists mainly of the assembly of plastic, metal, fiber optic and copper products as well as sheet metal forming and wire manufacturing. Strict quality management ensures error-free, economical, standards-compliant, and thus sustainable production.

Generally speaking, R&M is not a major consumer of energy, water, and raw materials. The plants do not fall under the Hazardous Accidents Ordinance and do not require any hazardous goods officers. Nevertheless, we identify the following key topics in production where R&M can strongly influence and improve the impact:

- Heating, air conditioning, power consumption
- Renewable energy sources
- Transport, packaging

The highest priority is to determine and minimize the environmental impact of production.

Effective measures based on the strategy and roadmap are: modernization of production facilities, standardization of processes, application of environmental management. There are also opportunities for impact in the field of logistics by minimizing and consolidating transport.

### Optimizing packaging

We see significant opportunities for optimization in the area of packaging. The usual cardboard containers, films, and fillers cause a high transport volume. Customers must



**Stakeholders**

Our stakeholders include individuals and organizations that are impacted directly or indirectly by our business activities. Our sustainability is of greater importance to the following key stakeholder groups. R&M determines their requirements and concerns from the ongoing dialogs, tenders and laws, assessments, best practices, CSER specialist literature, and our own trend and market monitoring.

- Customers, clients, key accounts in the markets: LAN, smart building, Public/Mobile Networks, Data Centers
- Specialist planners, installers, project managers
- Dealers, distributors, logistics partners
- Strategic and local suppliers
- Employees, their families, apprentices
- Shareholders, BoD, Executive Board and managers
- Professional associations, standardization committees
- Schools, vocational colleges, universities
- Neighbors, municipalities and their bodies
- Authorities, environmental protection, and occupational health and safety
- Auditors, certification service providers
- Local, business and trade media

**Stakeholders and their demands on R&M**



**Employees**

- Shaping and further development
- Limited availability
- Jobs with a secure future

**Society, authorities and environment**

- Transparency for people and environment
- Dealings with limited raw materials
- Responsible actions

**Management**

- Implementation of values and mission
- Sustainable viability
- Stakeholder trust

**Shareholders**

- Corporate growth
- Sustainable corporate management
- Far-sighted future investments

**Customers and partners**

- Installation-friendly solutions
- Durable, reliable products
- Service, advice, planning aids

**Suppliers**

- Cooperative partnership
- Sustainable further development
- Pioneering innovations

**Competition**

- Partnership market development

**Media**

- Proactive and professional media management
- Transparency and relevance

No significantly new stakeholder requirements were identified in the reporting period.

take care of recycling or disposal according to local regulations. R&M uses packaging materials that can be safely disposed of in accordance with legal standards. The effects are therefore small at first. Nevertheless, they can be further reduced. Approaches we pursue: return and recycling concepts, more compact and reusable packaging, use of alternative and recycled materials.

**High level achieved**

R&M has reached a high level in terms of working conditions, training, recruitment, career opportunities, health promotion, and HR management. Nevertheless, we have identified a need for action: The main task is to implement global HR standards. The conformity with ILO standards, ISO 14001, and ISO 45001 must be fully established and documented transparently.

Other ways of influencing: ensuring gender equality and diversity in all categories in the long term, increasing the proportion of women, attracting women to technical professions, expanding corporate volunteering programs, e.g. in the field of nature conservation.

The same applies to corporate governance. R&M has reached a high level of business ethics. The following should be used regularly: Code of Conduct, compliance standards/training, risk analyses, due diligence tests, data protection, whistleblower hotline, reporting.

**Influence on the supply chain**

R&M works with 179 selected suppliers and logistics partners. The supply chain focuses on plastics processing, surface and metal processing, wire manufacturing, packaging,

assembly, storage, and transport. Sustainable relationships exist around the world, as confirmed during the pandemic (2020–2022).

Here, we identify opportunities for impacting several topics: working conditions, consumption of energy, raw materials and fuels, disposal, data protection, legal and ethical conduct. The following means must be used consistently in the interests of sustainability: Code of Conduct, questionnaires, risk assessments, standards (ISO 14001, 45001, 27000), delivery conditions, reporting.

# Initiative and Transformation

## Speeding Up

The sustainability strategy has been adopted throughout the company and is put into practice by everyone. It shapes our track record for the CSER reporting year 2022. The transparent working method has a motivating effect.

Work to promote sustainability measures is gaining in dynamic range. In 2021, we defined our areas of action and processes.

The key performance indicators (KPIs) introduced by the Steering Committee in 2022 make progress visible and comparable. This transparency motivates us. More and more business units are feeling spurred on to act and implement sustainability processes consistently. It is now becoming clearer how R&M intends to make a strong contribution to the UN Sustainable Development Goals. Beyond CO<sub>2</sub> neutrality, we are increasingly able to anchor further substantial targets and operational measures within the company.

### Four areas of action

We see four areas of action for R&M (see right). They were derived from the 17 UN Sustainable Development Goals (SDGs). We have defined our own targets, milestones, main measures, processes, and individual activities for each topic. Those responsible drew up a charter for their divisions.

We use 25 key performance indicators to measure progress and the degree of target achievement (pages 12–13).

### Reporting principles

R&M compiles and publishes the CSER report voluntarily. Reporting is part of the self-developed strategy with the four fields of action mentioned based on the 17 UN Sustainable Development Goals. No external validation takes place. We are guided by the standards of the Global Reporting Initiative (GRI).

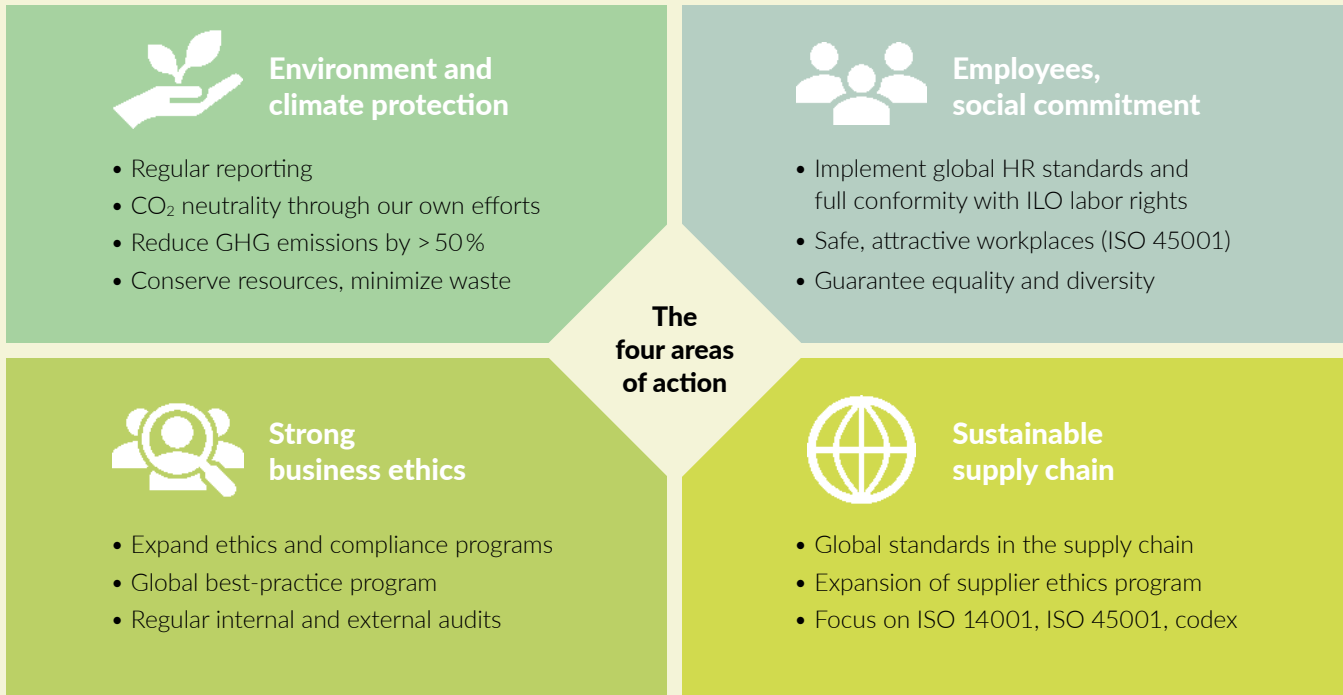
In addition to the 17 UN targets and the GRI framework, we also use other guidance aids for strategic planning and the reporting process. These are the ten UN Global Compact Principles and the requirements of the EcoVadis assessment. The relevant laws and directives of the countries and economic areas as well as the international standards are important to R&M. We are examining the extent to which new disclosure rules such as the EU Corporate Sustainability Reporting Directive (CSRD) will be relevant for R&M.

On this basis, we determine the fundamentality, materiality, and significance of individual sustainability topics for R&M. The following areas of focus are covered and made transparent: Company profile, CSER and management approach, environment and environmental management, employment, social aspects, health, ethics, safety, and supply chain. From 2023, we will also be able to report on CO<sub>2</sub> accounting.

We are convinced that our reporting is accurate, balanced, comprehensible, up to date, and transparent in accordance with the GRI. With our own KPI matrix and the EcoVadis assessment, we achieve comparability and auditability in the context of sustainability. R&M will provide individual references on the effects of business operations and the supply chain upon request.

# Sustainable Development Goals 2030

The following four fields of action and their objectives form the core of the sustainability strategy for the period up to 2030. The CSER team reviews and refines the targets on an annual basis and measures the degree of target achievement based on the key performance indicators (pages 12-13).



## Common goals

R&M is committed to a number of internationally recognized agreements, initiatives, scorings, codices, and directives. We use them as a guiding framework for the sustainability strategy and support the common goals:

UN 2030 Agenda with 17 Sustainable Development Goals – **it is our guiding principle.**

UN Global Compact with 10 Principles for Sustainable Companies – **member since 2022.**

Global Reporting Initiative (GRI) – **framework for voluntary CSER reporting.**

Science Based Targets initiative (SBTi) – **voluntary commitment in 2022.**

Carbon Disclosure Project (CDP) Scoring – **voluntary disclosure of CO<sub>2</sub> emissions.**

EcoVadis assessment – **annual audit with publication of certification.**

Significant for data protection at R&M: **European General Data Protection Regulation (GDPR), EU Whistleblower Directive, Swiss Data Protection Act.**

European Code of Conduct for Energy Efficiency in Data Centres – **R&M is an endorser.**

Fulfillment of national and international environmental and safety directives such as ecodesign, REACH, RoHS, WEEE through self-declaration and certification.

Modern Slavery and Human Trafficking Statement – **R&M is a signatory.**

OECD Guidelines for Multinational Enterprises.

The following standards contain the essential requirements that our processes and measures must meet for sustainability:

- ISO 9001 – Quality management
- ISO 14001 – Environmental management
- ISO 26000 – Social responsibility
- ISO 27000 – Business ethics
- ISO 45001 – Safety in the workplace
- ISO 50001 – Energy management



# Sustainability indicators

## Target-oriented measures, individual activities and basics for impact measurement

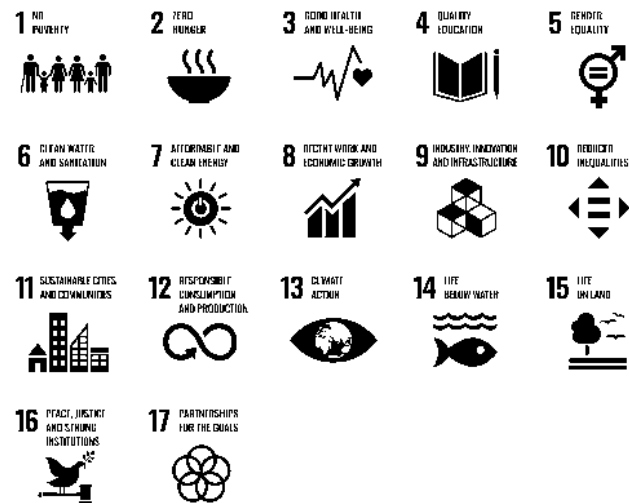
Sustainable action at R&M has been based on a holistic strategy since 2020. In accordance with the strategy, the CSER Steering Committee has defined 34 target-oriented main measures, milestones, 25 processes, and around 60 individual activities and tasks for the period up to 2030. They have been gradually implemented in management and controlling, personnel management, and day-to-day operations since 2021.

We publish the main measures on our website (subsite: Corporate Responsibility) in our «Sustainability Roadmap 2030». They are divided into:

- Environment
- Social issues
- Business ethics
- Supply chain

In the year under review, the Committee adopted 25 consolidated key performance indicators (KPIs) and set them up as a database. The KPIs apply globally. All R&M locations enter their results via a central front end.

The impact and progress of the CSER measures and processes can now be documented with comprehensible data (see table). Findings flow directly into planning and environmental management. Publication of the degree of target achievement encourages employees to achieve further success. In 2023, we will expand, refine, and complete the KPI matrix.



KPI Matrix

Sustainability areas



**Environment and climate protection**





**Employees, social commitment**





**Strong business ethics**





**Sustainable supply chain**



Process	Unit	2022 Total value	Targets		
			2023	2030	2050
Greenhouse gas emissions GHG Scope 1 and 2	CO <sub>2</sub> tons/ 1 million CHF net sales	<b>1,950</b>	< 1,800	< 1,000	Net zero emissions
Climate intensity GHG Scope 3	CO <sub>2</sub> tons/ 1 million CHF net sales	<b>N/A</b>	Baseline	Baseline - 50%	Net zero emissions
Energy intensity	kWh/1 million CHF net sales	<b>16,725</b>	< 15,500	< 11,000	< 7,000
Packaging intensity / paper & cardboard	kg/1 million CHF net sales	<b>952</b>	< 900	< 800	< 500
Waste intensity	kg/1 million CHF net sales	<b>1,356</b>	< 1,200	< 900	< 500
ISO 14001 coverage	%	<b>89%</b>	> 80%	> 90%	> 90%
Number of environmental incidents	No.	<b>0</b>	0	0	0
ISO 45001 coverage	%	<b>66%</b>	> 65%	> 90%	100%
Gender equality rate	%	<b>31.4%</b>	> 50%	> 50%	> 50%
Skills and training matrix, coverage	%	<b>89%</b>	> 85%	> 90%	> 95%
Safety in the working environment	%	<b>1.5%</b>	0%	0%	0%
Apprenticeship / trainee rate	%	<b>1.3%</b>	> 3%	> 4%	> 5%
ISO 27001 coverage	%	<b>0%</b>	0%	> 20%	> 70%
Training hours index for non-desk workers	Training hrs/headcount	<b>38</b>	> 40	> 40	> 40
Training hours index for desk workers	Training hrs/headcount	<b>3</b>	> 4	> 6	> 10
Employee compliance training rate	%	<b>93%</b>	> 95%	> 95%	> 95%
ISO 9001 compliance rate (suppliers)	%	<b>54%</b>	> 60%	> 80%	> 90%
ISO 14001 compliance rate (suppliers)	%	<b>34%</b>	> 40%	> 60%	> 90%
ISO 27001 compliance rate (suppliers)	%	<b>3%</b>	> 2%	> 30%	> 90%
ISO 45001 compliance rate (suppliers)	%	<b>18%</b>	> 20%	> 50%	> 90%
Suppliers with formal Code of Conduct confirmation	%	<b>64%</b>	> 70%	> 89%	> 95%
Supplier with whistleblower procedure implemented	%	<b>19%</b>	> 20%	> 30%	> 90%
Suppliers with confirmed Conflict-Minerals-Compliance CMRT	%	<b>78%</b>	> 80%	> 90%	> 95%
Suppliers with confirmed REACH compliance	%	<b>78%</b>	> 80%	> 90%	> 95%
Suppliers with confirmed RoHS compliance	%	<b>78%</b>	> 80%	> 90%	> 95%

# Code of Conduct and Ethical Values More Deeply Rooted

R&M's corporate success is based on a sustainable, fair, and trusting approach to our employees, customers, business partners, and suppliers. In the year under review, the enhanced Code of Conduct was the focus of Legal & Compliance initiatives.

We continuously improve our compliance regulations, ensure that they are implemented around the world, and regularly review this. In addition to the Code of Conduct, the core topics of our compliance program are anti-corruption, anti-cartel, avoidance of conflicts of interest, and data protection.

Fundamental compliance requirements have been one of the objectives and key performance indicators (KPIs) of our sustainability strategy since the year under review. EcoVadis honored our efforts and gave R&M a rating for compliance that was significantly above the industry average in the reporting year.

## High training rate

In 2022, the focus was on the enhanced Code of Conduct. R&M has defined standardized principles and values for its employees at all its premises. Issues such as the prohibition of child and forced labor, the freedom of assembly, sustainability, and diversity are given greater emphasis.

In this connection, we updated and repeated the global Code of Conduct training. Employees with access to computers were trained via e-learning, the other employees in face-to-face training. In both training sessions, we mainly trained using topic-related case studies with learning control. R&M made great efforts to train as many employees as possible. The training rate in the year under review was approximately 93%\*. The training sessions take place annually. In addition, our employees receive help on how to comply with the Code of Conduct and who to contact if they have any questions.

Through the training sessions, the SpeakUp whistleblower channel, which was launched in 2021, was once again promoted throughout the Group. In case of doubt, anonymous reports of misconduct can be communicated via SpeakUp. R&M thus complies with the EU Whistleblower Directive.

## Due diligence for agents and sales consultants

Compliance due diligence tests for agents and sales consultants were introduced as planned in 2022. The rollout took place via training for the relevant employees in all affected subsidiaries.

Our suppliers must undertake to adhere to the R&M Code of Conduct for suppliers, which was also updated in 2022. For more information, see the section Supply Chain, pages 20/21. In order to identify potential risks in our supply chain, we actively check whether suppliers are complying with our guidelines.

## Priority for data protection and cyber security

In the year under review, we adopted a new Data Protection Policy and implemented it at all R&M locations worldwide. At the same time, the European General Data Protection Regulation (EU GDPR) and the revised Swiss data protection law were implemented.

We have generally strengthened cyber security, with employees learning how to identify potentially dangerous e-mails through regular phishing tests and training.

## Zero tolerance

No violations in the area of anti-corruption or antitrust law by R&M or R&M employees were identified in the reporting period. We follow a zero-tolerance approach to violations of the rules of the Code of Conduct. In the event of violations, we act consistently in accordance with defined internal processes.

Overall, we are paying even more attention to the consistent application of our compliance program and our ethical values worldwide. We analyze compliance risks on an ongoing basis. The General Counsel regularly reports to the Executive Board and the Audit Committee of the Board of Directors.

## More audits planned

Starting in 2023, R&M will use audits of the internal control system to check whether certain compliance requirements are being adhered to. We will continue to modernize our Compliance Policy and once again roll it out globally. The Code of Conduct training rate is to increase to over 95%.

Our overriding objective is to act with integrity, fairness, and sustainability. We are continuously improving our compliance program accordingly.

\* Employees actually trained in relation to total FTE and not including acquisitions in 2022.



The compliance training rate in the year under review was approx.

93%\*

060.2168

**Secure basis for corporate governance and compliance**

Reichle & De-Massari Holding AG is wholly owned by the family. The owners are brothers Martin and Peter Reichle. They ensure the financial independence of the company through Reichle Holding AG. Reichle & De-Massari Holding AG forms the umbrella of the R&M Group.

**The Group includes more than 40 subsidiaries worldwide and 14 proprietary manufacturing facilities**

A five-member Board of Directors steers the Group’s strategic orientation. Its members are Thomas A. Ernst, Chair, Andreas Spreiter, Adrian Bult, Susanne Seitz, and Dr. Carsten Liesener. Thomas A. Ernst took over from Hans Hess in the year under review.

The Executive Board is responsible for the leadership of the Group. The members are: CEO Michel Riva, CMO Andreas Rüsseler, and COO Markus Stieger-Bircher. They have all been in their positions for over 10 years. Robert Merki assumed the role of CTO in 2020 and Martina Dimmler assumed the role of CFO in 2022.

Management regularly discloses key developments and decisions. R&M publishes an Annual Report on this subject every year. On a quarterly basis, the Executive Board provides information on business and operational progress, new products, priorities, and strategic programs in employee meetings and videos. This transparency promotes trust in the corporate culture.

**Governance structure**

In accordance with the GRI, R&M discloses the governance structure. The top management is composed of the Board of Directors and the Executive Board. The members are presented in the Annual Report. Shareholders appoint the members of the Board of Directors. The Board of Directors appoints the members of the Executive Board. The governing bodies and functions:

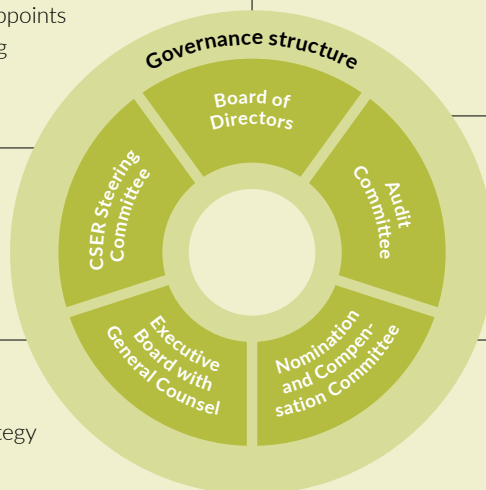
**Board of Directors:**  
Ultimate responsibility for strategy development, business activity monitoring, risk management, Audit Committee and Nomination and Compensation Committee topics

**CSER Steering Committee:**  
Implementation of the CSER strategy and measures

**Executive Board with General Counsel:**  
Responsibility for operational strategy implementation, risk management

**Audit Committee:**  
Monitoring of compliance, internal control system and audits

**Nomination and Compensation Committee:**  
Monitoring of management and CSER



# High Performance and Modern Personnel Management

R&M aims to be an exemplary, attractive, and safe employer around the world. The mission of our sustainable Human Resources management strategy is: «A great place to work.» Two-thirds of the plants comply with ISO 45001.

Responsible personnel development and management form the second pillar of our sustainability strategy. By 2030, we want to modernize the HR concepts of all R&M locations. Key performance indicators (KPIs), certifications, audits, and reporting are established throughout the Group.

This is how we make R&M's culture and values transparent. We show that R&M embraces human dignity, equality, labor rights, health, safety, and education equally whatever the location. It becomes clear how sustainably R&M meets the social Goals of the UN, the conventions of the International Labour Organization (ILO) and the corresponding ISO standards.

### Eight KPIs established

In the year under review, our team succeeded in advancing several projects focusing on modern HR standards and processes. We want to measure key HR services and measures as well as their results in a standardized manner. That's why we established eight KPIs and improved the results in most cases.

Two-thirds of the R&M plants have achieved ISO 45001 certification. This means that they operate a certified health and security management system at an international level. In the year under review, R&M increased the number of women in management positions, trainees, and internal training hours. Further successes can be seen in the KPI matrix on page 13.

The auditors of EcoVadis rated our efforts in the field of labor and human rights very positively. R&M was awarded 60 out of 100 points in the assessment (previous year 50). EcoVadis only sees room for improvement in documentation.

The employee survey in 2022 showed a good rating and high satisfaction with all aspects. 1,118 employees took part in the survey (78% response rate). Their commitment to R&M is above average. In workshops, we define new measures to increase employee satisfaction.

### Global guidelines

The main ongoing measures include the global implementation of standard, optimized, and centrally controlled guidelines and processes. In particular, these are directives on respect for human dignity, equality, non-discrimination, health & safety, and working conditions. Further guidelines cover performance appraisal, recruitment processes, education, career advancement opportunities, and competency development. We also train HR managers at all our sites.

The current focus of HR management is on introducing advanced processes for recruiting both junior and experienced staff, talent

### Dimensions

#### Recommendation of the employer



#### Commitment



#### No resignation



#### Attractive employer

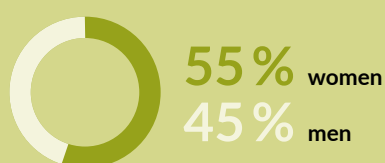


#### Satisfaction





## 1,700 employees worldwide, from 43 countries



as at December 31, 2022

management, and succession planning. We are developing a concept for active, efficient «employer branding» with a focus on our values.

In particular, we want to empower and encourage women to take on leadership and expert roles. Already more than 40% of the management team are women. The proportion of women among all R&M employees worldwide is 55%.

The primary objectives also include the continuous optimization of cyber and IT security in accordance with ISO 27000. It should involve all employees with computer and Internet access, e.g. in the form of security and phishing training.

### High-performance culture

Measured against the UN and GRI framework, HR management at R&M has always been at a high level. Management and employees cultivate a high-performance culture based on our value system. The attitude of our employees and managers can be characterized as follows: above-average motivation, exemplary customer orientation, trust, fairness, collegiality, agile leadership, value-oriented, and independent action. Training sessions on the Code of Conduct and the value system are held on a regular basis.

We consciously promote international and intercultural cooperation. In August, R&M Bulgaria sent two fiber optic trainers to India for cross-border training. The mentors trained the team in key account projects

at the R&M plant in Bangalore. At the same time, they got to know Indian culture.

R&M ensures fair employment practices on the basis of the laws and the core conditions of the ILO. R&M ensures that labor and human rights as well as all typical requirements are adhered to. These include: employee representation, freedom of assembly, employee satisfaction surveys, risk analyses, safety, health care, training, and career management.

Our employees can organize their work within the frame of operational needs. The following are made possible: working from home and hybrid work, part-time work, job sharing, job rotation, sabbaticals, and extended parental leave. In Switzerland, R&M pays the full salary during maternity leave. The Sofia plant provides mothers with children under the age of six with additional leave and medical checks. People with disabilities or chronic illnesses are given workplaces, which allow them to make the best use of their skills.

The annual appraisals focus on personal performance, skills, and career aspirations. Qualification grading and remuneration are

**«Two-thirds of the R&M plants have achieved ISO 45001 certification. This means that they operate a certified health and security management system at an international level.»**

based on the Towers-Watson system, and the company has a performance-based bonus system in place. Corporate and social benefits are based on local laws and agreements. In Switzerland, R&M operates its own pension scheme.

### Transparent management

Significant developments and decisions are disclosed on a regular basis. On a quarterly basis, members of the Executive Board report internally on business and operational progress, priorities, and strategic programs. R&M publishes an employee magazine twice a year.

Legal & Compliance and Corporate HR gained initial experience with the SpeakUp channel in the year under review. Employees can use this channel to anonymously report ethical concerns, grievances, and misconduct if there is no other way to do so internally.

## Education makes for sustainability

With sophisticated vocational training, R&M wants to make tomorrow's specialists and innovators fit for careers, new technologies, the market, and the competition. For us, a high level of professional training for our employees is one of the most important factors for growth and sustainability.

→ R&M Brazil supports employees with training in design and development.

→ Four graduate students successfully completed the third Engineering Academy Internship Program at R&M Bulgaria Production in 2022. R&M mentors supported them in five training modules. After the one-year program with an employment contract and a certificate, the four students



were offered the opportunity to stay at R&M as junior engineers. For R&M, the program is a forward-looking investment in the practical training and professional development of young engineers.

→ In addition to the program for engineers, R&M Bulgaria offers dual vocational training for young specialists based on the Swiss model. There are now 10 apprenticeships.

→ In the reporting period, more than 28% of employees took advantage of the online and face-to-face training courses provided by the R&M Campus. The focus is on project, quality, environmental and lean management as well as team management.

→ The training quotient at R&M Headquarters is above the Swiss average. R&M is training 20 apprentices here.



## Helping people and nature

R&M locations and teams are involved in social and ecological projects in various ways. Examples from 2022:

→ Together with the organization EcoMatcher, R&M India launched a tree planting campaign to compensate for CO<sub>2</sub> emissions and create a livelihood for farmers. This is how the first «R&M forest» was created in Errabadu.



→ R&M Bulgaria Production took on refugees from Ukraine. Together with the employment agency and the Labor Office in Sofia, R&M provides regular assistance to many people in need. In December, the Bulgarian employment agency presented the R&M production team with the «Employer of the Year 2022» award.

→ R&M Northeast and Southeast Europe organized support for a business partner in war-stricken Ukraine as well as aid campaigns for refugees.

→ R&M Middle East joined the «Dubai Can» initiative. The aim is to reduce the use of disposable water bottles in the city with the initiative instead calling for the use of refillable ones. It provides access to free drinking water stations. R&M META no longer works with disposable bottles and provides personalized, sealed water bottles.



→ In July, R&M Czech Republic supported the local firefighters in the forest fire area near Hrensko with material and food deliveries.

## Move your body

The health and safety of employees is a priority at R&M. To this end, we are launching targeted occupational health management campaigns at all our locations. Health maintenance services focus on exercise, nutrition, and stress management. In the future, we will regularly measure and evaluate the health status of our employees. Examples of campaigns from 2022:

→ The R&M headquarters continued the «Fit @ R&M» program. It offers information on exercise, nutrition, and mental strength, plus fresh fruit every day. In the future, we will offer resilience training and information on how to avoid sports accidents.

→ R&M Brazil participates in nationwide action days on cancer prophylaxis.

→ R&M India organized another «Medical Health Check-up Camp» in August. A team from Apollo Hospital recorded BMI, blood sugar, blood pressure and offered medical consultations. All employees took part in the free check-up.

→ R&M USA initiated a new motivational program with Magellan Healthcare. It's called «Digital Emotional Wellbeing». Employees receive information, exercises and virtual support on holistic health, emotional wellbeing, self-care, teamwork, financial security, and personal development.



Celebration of International Women's Day at the production site in Bangalore, India.

# Suppliers

## Go the Distance with Us

Anyone who supplies R&M must be committed to sustainability in all dimensions. To achieve this goal, R&M implements comprehensive and strict supply chain regulations. We are making rapid progress with this.

In the reporting year, the number of R&M suppliers totaled 1,190 companies. The main strand of the supply chain consists of 179 strategic suppliers, including the R&M plants. Just over half of the suppliers are based in Switzerland and Europe. Around one-fifth each of the suppliers are located in South America and in the Asia-Pacific region, and just under ten percent in North America.



R&M manufacturing facilities in Pinghu, China

We view these highly qualified companies as an integral part and the fourth pillar of our sustainability strategy. The supply chain is a strong component of our value creation and growth strategy.

Only by joining forces and by having strict supply chain management can we make a substantial contribution to the UN Goals. With this in mind, we want to form an ecosystem of sustainability with buyers, suppliers, sellers, logistics and service providers. We want to ensure globally and in a standardized way that our partners fully support our goals in all environmental, social, and ethical dimensions at all times.

### Code updated

The R&M Supplier Code of Conduct (CoC) forms the traditional compliance basis for sustainable cooperation. Suppliers must accept it as binding. The CoC was updated in the reporting year.

The main measure in the reporting year was the development of the Supplier Questionnaire. It was immediately introduced globally. In future, suppliers will have to answer this online questionnaire once a year. The tool provides concentrated information on important supply chain indicators. Among other things, we ask about sustainability within the supply chain, conduct with regard to the responsible procurement of minerals, the health and safety of employees as well as the carbon footprint.

### Additional indicators

We are currently gradually developing and defining further instruments and key performance indicators (KPIs). The focus is on quality and environmental management, human rights, and working conditions. We primarily rely on global ISO standards and certifications as well as European legal and environmental standards. Internal and external audits, risk analyses, as well as updated evaluation and qualification processes are implemented in procurement and supplier management.

The tried-and-tested TQRDCE Assessment process developed by R&M was further developed and turned into the new RSR (R&M Supplier Rating) in 2022, with the addition of essential sustainability aspects.

Since 2022, we have been consistently calling for a «Responsible Mineral Sourcing Policy Statement». R&M expects partners to prevent any procurement of conflict minerals in line with CMRT and EMRT.

As part of sustainability reporting, nine KPIs were defined and measured for the first time in the reporting year. The documented data shows that we have come significantly closer to the targets set for 2030. The KPI matrix on page 13 shows the level of target achievement.

It is crucial that our purchasing staff professionally implement the CSER measures in the procurement process. We are planning a training session to sensitize them accordingly. In the future, they will have a greater influence on the selection of suppliers, products, materials, and packaging.



R&M manufacturing facilities in Brunello, Italy

### Benefits of EcoVadis

The EcoVadis auditors confirmed in 2022: «The company communicates progress toward achieving the Sustainable Development Goals.» The EcoVadis assessment showed that R&M's procurement process has already reached a high level of sustainability. With 60 out of 100 points, R&M was ten points above the previous year's rating and once again significantly above the average of comparable companies. EcoVadis sees room for improvement in the implementation of our procurement targets with regard to suppliers.

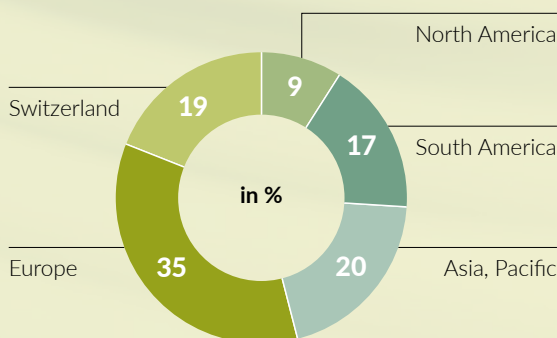
Our internal supply chain audits also produced positive results. In the reporting year, 56 audits were carried out. R&M did not identify any violations of its own or public guidelines. Where necessary, we point out opportunities for improvement. We pay particular attention to energy, fuel and resource consumption, CO<sub>2</sub> emissions, environmental protection, IT security, and working conditions.

## What suppliers have to deliver

R&M wants to fully integrate strategic suppliers into the sustainability strategy. We expect them to make demonstrable and progressive contributions to global climate and sustainability goals. Ideally, they should be able to provide CSER and due diligence reports themselves. Strategic suppliers must:

- Recognize the R&M Code of Conduct every year
- Be certified in accordance with the essential standards:
  - Quality management (ISO 9001, IATF 16949)
  - Environmental management (ISO 14001)
  - Human rights and occupational health and safety (ISO 45001)
  - IT and data security (ISO 27001)
- Answer the annual R&M Sustainability Questionnaire for Suppliers
- Participate in the annual RSR (R&M Supplier Rating) and complete the TQRDCE assessment
- Submit compliance declarations on REACH, RoHS, WEEE, ecodesign, IEC, UL
- Submit Responsible Mineral Sourcing Policy Statements (CMRT, EMRT) in accordance with OECD Due Diligence Guidance
- Commit to the UN Declaration of Human Rights and internationally recognized standards of labor law
- Accept regular on-site audits by R&M
- Prevent corruption, avoid conflicts of interest, be law-abiding, act fairly
- Demonstrate a sense of responsibility through risk management and due diligence processes

### Suppliers by region



**1,190**

**Total suppliers**

**179**

**Strategic suppliers**



-  R&M Headquarters
-  R&M Manufacturing
-  R&M Sales Offices

 **North America**



**Elkridge, MD, USA**



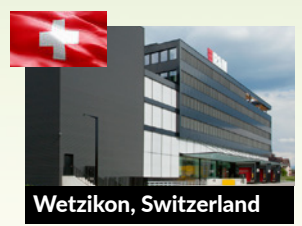
**Milpitas, CA, USA**

 **South America**



**Santa Rita do Sapucaí,  
Minas Gerais, Brazil**

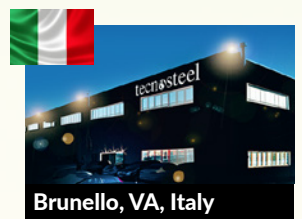
 **Europe**



**Wetzikon, Switzerland**



**Wehrath, Germany**




**Brunello, VA, Italy**



**Děčín, Czech Republic**

Committed on every continent



 Middle East

 Asia



Warsaw, Poland



Riyadh, KSA



Bangalore, India



Pinghu, Shanghai, China



Sofia, Bulgaria



Dubai, UAE



Jinshan, Shanghai, China





# Expertise and Success in Environmental Management

The persistent commitment to our sustainability goals is having an impact. The topic of environmental protection has increasingly become an integral part of the entire R&M organization. Our environmental management is becoming increasingly competent and effective.

A high sense of responsibility toward the environment has always characterized R&M's business activities. As a global player and a growth-oriented family company, this is one of our principles. Environmental management is the first pillar of the expanded sustainability strategy and is fully integrated into the company's development. An extensive catalog of measures is intended to ensure that R&M meets the climate and sustainability goals in accordance with the roadmap.

In the coming decades, climate protection and CO<sub>2</sub> neutrality will be among the great-

est and most urgent challenges. This is why R&M also places a special emphasis on this environmental aspect. By 2030, we want to halve operational CO<sub>2</sub> emissions.

The expanded sustainability strategy brings momentum to the entire R&M organization. It is becoming increasingly routine to integrate individual actions and challenging processes into day-to-day operations. We are learning a lot in the process. This enables us to meet the growing formal requirements of customers and authorities more competently.

In the year under review, we received several confirmations that R&M is working with the required quality in this area. These included the successful ISO 14001 recertification of environmental management and the Silver rating of EcoVadis.

## **Data basis determined**

R&M will measure and document the environmentally relevant effects of business and production operations even more precisely. To this end, we are adapting our data basis to the current, international standards. In 2022, for example, we committed to meas-





060.2177

uring and evaluating our climate protection indicators as defined by SBTi. All in all, researching the data basis and implementing the necessary processes around the world is an immense achievement. A professional routine was established in the reporting year. At present, sustainability requirements are being implemented in all existing processes. In the reporting year, key performance indicators (KPIs) were finally defined and applied on a continuous basis (see the KPI matrix on page 13). In addition to the CO<sub>2</sub> emission

values, this also includes energy, packaging, and waste intensity. These three indicators improved by an average of 3% in 2022.

Another key indicator is the extent to which the R&M sites are covered by ISO 14001. It is now over 90%. The plants have a standardized environmental management system with fixed targets. This is an outstanding success in view of the varying local conditions and cultural diversity within the Group. The 100% target is approaching.

### Numerous measures

R&M ensures compliance with the European WEEE Directive on the handling of waste electrical and electronic equipment. R&M also complies with the requirements of the European RoHS Directive. We measure material cycles on a quarterly basis – always connected with the question of how consumption and waste can be reduced. Every six months, we review how we can optimize means of transport, routes, and packaging.

It is now part of the daily routine at all plants to ensure that the consumption of water, energy, and raw materials is kept to a minimum and that waste is treated with care. For example, the Dubai site has stopped using disposable water bottles.

Projects to reduce emissions are being launched on a global scale. We rely on renewable energies wherever it appears economically and ecologically feasible. All sites are being tasked with introducing low-energy equipment and reporting on their energy savings. At the same time, the return on investment of the energy-saving measures is determined.

## Our first carbon footprint

### CO<sub>2</sub> emissions (Scopes 1 and 2)

CO<sub>2</sub> tons/1 million CHF net sales



### Energy intensity

kWh/1 million CHF net sales



\* Integration of Tecnosteel in GHG Reporting

### It depends on the packaging

We see significant opportunities for optimization in the area of disposable packaging and packaging processes. These are areas in which the carbon footprint can be reduced relatively quickly and easily.

The usual cardboard containers and fillers cause a high transport volume. Customers must take care of the recycling or disposing of the packaging. This is why we launched a strategic project in the year under review to reduce packaging, packaging waste and packaging-related emissions.

Starting in 2023, we will be testing new concepts such as:

- Packaging services that reduce packaging and transport costs
- Recycling or taking back packaging material
- Shredding of cardboard in the factory, use as stuffing material
- Design of minimalist packaging (e.g. Netscale)
- Use of alternative, reusable, and light-weight materials
- Collaboration with specialized waste disposal service providers
- Packaging and cardboard waste regulations for key suppliers

# -10%

The aim is to reduce the amount of cardboard waste at our production plants by 10% - from 182 tons (comparative value in 2021) to 163 tons in 2023.

When it comes to saving energy, we also discover conflicting goals. Let's look at one example: In the Cube, the R&M headquarters, we need humidification. It ensures healthy working conditions. But the humidification system uses quite a lot of energy. Overall, the environment is likely to gain, as the Cube does not require fossil fuels for heating and air conditioning. It is one of the largest low-energy corporate buildings in Switzerland.

### Above-average

R&M operates an above-average environmental management system in relation to comparable industrial groups. This is the result of the EcoVadis assessment in 2022. Having obtained 60 out of 100 points, we are ten points higher than the benchmark.

The auditors confirmed that R&M is setting clear quantitative targets, measures, and rules that will reduce the consumption of energy, raw materials, and chemicals. However, EcoVadis expects a complete materiality analysis. Reporting on energy, waste and environmental indicators needs to be clarified. The expansion and refinement of the KPIs will enable us to better meet these requirements in the future.

### Decrease in power consumption

In the year under review, one of the most important tasks in environmental management was to drive forward CO<sub>2</sub> accounting. An important milestone on the roadmap to CO<sub>2</sub> neutrality has been reached: the assessment of power consumption.

R&M can now measure and compare the current status of the average power consumption (average kWh) of the production plants. To this end, the basic data on Scope 1 and Scope 2 emissions was determined. These are the company's own operational greenhouse gas emissions and those «purchased» with the power supply. The measured values for 2021 form the basis for comparison.

The myclimate Foundation in Zurich calculated the corporate carbon footprint (CCF) of the production plants for us. CO<sub>2</sub> accounting is carried out in accordance with GHG standards (Greenhouse Gas Protocol) and guidelines of the Science Based Targets initiative (SBTi).

In addition, a strategy has been developed that will enable us to calculate the emissions of the upstream and downstream value-added chain and transport (Scope 3) from 2023. In the future, we will also be able to

determine the carbon footprint of key products over their life cycle. Newly introduced measurement methods and evaluation principles will help in this regard.

The facility teams regularly develop targets for reducing primary energy consumption and CO<sub>2</sub> emissions. In addition, we are looking at opportunities for CO<sub>2</sub> compensation, e.g. tree planting campaigns. The overarching goal is still to at least halve the total emissions of all three areas of impact (Scopes 1-3) by 2030.



# Join us on social media!



Further information on our blog portal:  
[www.rdm.com/blog/](http://www.rdm.com/blog/)



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