



Reichle & De-Massari Holding AG – Modern Slavery and Human Trafficking Statement

Introduction

This statement covers the activities of Reichle & De-Massari Holding AG and its subsidiaries worldwide. It sets out R&M's actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. This statement relates to actions and activities during the financial year that ended on December 31, 2018.

As part of ICT industry, the organisation recognises that it has a responsibility to take a robust approach to slavery and human trafficking. The organisation is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

Organisational structure and supply chain

R&M is a leading international company developing, producing and providing information and communications technology systems. Our traditional, 100% family owned company operates in more than 40 countries, with about 1200 employees. Production sites are operated in Switzerland, Brazil, Bulgaria, China, Czech Republic, Dubai, India, Poland and the USA. R&M has around 700 direct material and service suppliers.

Company approach regarding Modern Slavery and Human Trafficking

R&M fully acknowledges its responsibility to respect human rights as set out in the international Bill of Human Rights and is committed to implementing these principles throughout the operations. R&M's globally implemented **R&M Code of Conduct** requires all our managers to ensure safe and healthy conditions at R&M's working places and environments, to create fair and transparent local salary frameworks and to enforce respectful behaviour within the organization. The Code of Conduct furthermore sends a strong message to all R&M employees, that R&M does not accept any form of discrimination, harassment or bullying within R&M.

Furthermore, R&M is committed to ensuring that its suppliers adhere to the highest standards of ethics. The **Supplier Code of Conduct** requires all our direct suppliers to adhere to the same principles as stated in the R&M Code of Conduct. Direct Suppliers are required to enforce the same with their own suppliers.

With its **Conflict Minerals Policy Statement** R&M commits itself to sourcing components and materials from companies that share its values regarding respect for human rights, integrity and environmental responsibility.

In 2016 R&M launched its "**Values4Success**" program, which is still in place. In numerous workshops reaching every single employee the core values of R&M – including "cooperation", "respect" and "care" – are communicated and experienced in various ways. The program will continue throughout the coming years.

Risk assessment

Within R&M there is a well-established annual risk assessment process covering e.g. the risk profile of the production sites and the entire supply chain. The COO function at HQ is in close contact with all elements of the intra-group supply chain, with on-site visits on different



management levels. Regular visits by the Legal & Compliance function further strengthen the consistent application of R&M's standards and the accuracy of the risk assessment process.

R&M's direct suppliers are assessed systematically and repeatedly throughout the entire collaboration by R&M's procurement experts. Around 85% of our sourcing volume is assessed on site at the supplier's premises.

Relevant codes and policies

R&M operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

The **R&M code of conduct** makes clear to employees the actions and behaviour expected of them when representing the organisation. The organisation strives to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain. Because of the Values4success program the code of conduct has been renewed in 2017. The introduction of the new code of conduct took place with an online training rolled out in November 2017 to 100% of the workforce. Generally, the code of conduct is trained every two years to the entire organization with an online refresher training.

The **Supplier code of conduct** requires suppliers to demonstrate that they provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour. R&M works with suppliers to ensure that they meet the standards of the code and improve their worker's working conditions. However, serious violations of the organisation's supplier code of conduct will lead to the termination of the business relationship.

R&M's **Conflict Mineral Policy Statement** requires that suppliers provide R&M with completed conflict minerals declarations using the EICC/GeSI Conflict Minerals Reporting Template.

Agency worker's policy: The organisation uses only specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency.

During 2019, there were no reports of the presence or use of modern slavery or human trafficking in R&M's supply chain.

This statement has been approved by R&M's board of directors, who will review and update it annually.

Wetzikon, January 2020

Reichle & De-Massari Holding AG

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

Michel Riva, CEO

A handwritten signature in black ink, appearing to read 'B. Brühlhart'.

Beda Brühlhart, Corporate Legal & Compliance Officer