

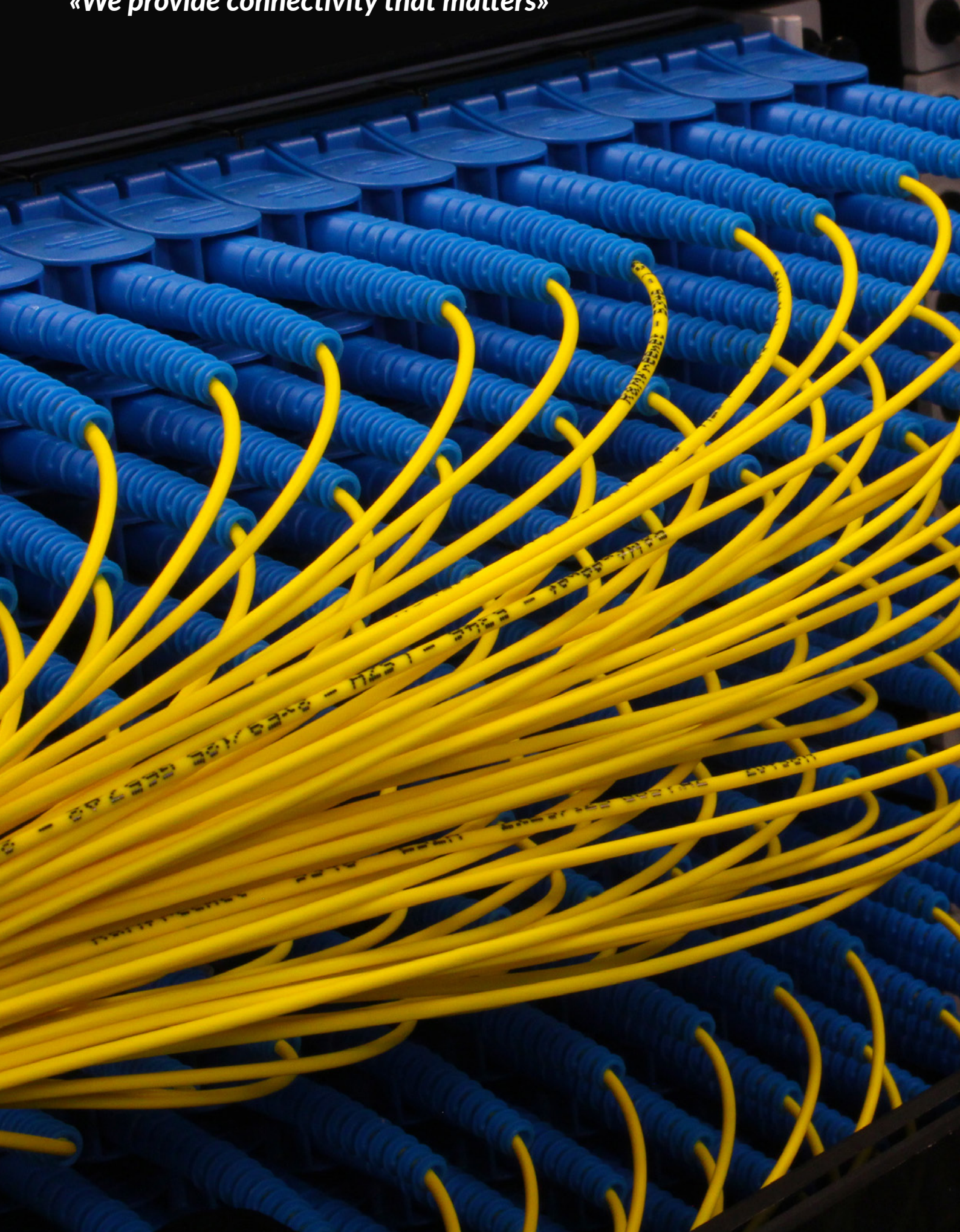
# CSR Report

CSR Report Reichle & De-Massari AG | English 2017/18





**Our Mission –**  
**«We provide connectivity that matters»**







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## Impressum

CSR Report | 2017/18

## Cover picture:

The headquarters in Wetzikon, the 'R&M Cube', is one of the largest low-exergy Company buildings in Switzerland. It meets the Swiss Minergie standards.

## Inside coverage:

The Mercury fiber platform developed by R&M in the USA is suitable for campus networks and data centers.

## Layout:

blue-concepts gmbh, [www.blueconcepts.ch](http://www.blueconcepts.ch)

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damm.com, [www.damm.com.de](http://www.damm.com.de)

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# Foreword by the CEO

## Sustainable Growth

**Objectives achieved, sustainability established on the relevant levels;  
mission statement and values in place. Growth strategy consistently pursued.**

R&M has been committed to CSR reporting for ten years now. Economic, social, and ecological responsibility has always been a firm part of the corporate culture at independent family-run company R&M AG. Sustainability is very much in keeping with the underlying philosophy of the company owners. By issuing this CSR Report for the 2017 and 2018 financial years, R&M is providing the transparency its stakeholders need for the fifth time. The R&M CSR

Report is compiled in line with the guidelines of the current GRI standard.

The objectives defined in the previous report have been fully implemented. I am especially proud that workshops and a bunch of other communication tools have succeeded in firmly establishing the new mission "We provide connectivity that matters" across the company. The system of values that was introduced with it is already

showing signs of success. We have become even more customer-oriented, and thus more flexible, innovative, and competitive.

What's more, R&M consistently saw steady growth in the reporting period. In North and South America, the presence was further developed as a result of the takeover of the Brazilian fiber optic specialists Peltier Comércio e Indústria in Santa Rita do Sapucaí in Minas Gerais in April 2017.





At its Bangalore operation in India, R&M increased production in 2018 and officially opened a new building. With the takeover of the Czech cable plant DIXI a.s. in Děčín in May 2018, R&M is now in the position to cover all projects in the field of fiber optics using its own resources.

The rollout of SAP in all production locations and the set-up of quality management serve as fantastic examples of the efforts made at R&M. The Group-wide certification in line with ISO 9001:2015 and ISO 14001:2015 was successfully carried out.

In 2017, employees in all locations took part in a survey. The high response rate of 84% highlights the importance of this tool. Management views the results as satis-

factory. However, the responses also show that there is still scope of action in certain regions and fields.

For internal communication, R&M introduced a communication and collaboration solution on the basis of Sharepoint. This tool supports work in international teams and provides the highest level of transparency to all employees. R&M further developed the website for customers. Additional features promote collaboration at this level too.

The fact that R&M demonstrates steady development and exemplary commitment serves as proof of the company's sustainable philosophy. The company maintains a balance between economic, ecological, and social factors. The company will continue

its proven approach to sustainability in the future; it is valued highly by the management team, Board of Directors, and owners.

The importance of sustainability continues to grow. It is part of the strategy of R&M. We take our entrepreneurial responsibility true and contribute to a future-proof world.

Wetzikon, March 2019

Michel Riva  
CEO



# Company Portrait

## Increasingly International

R&M is active in the international information and communication technology (ICT) market, supporting operators of public and private networks and data centers by supplying state-of-the-art solutions for connectivity and infrastructure management.

Founded in 1964, R&M is an independent Swiss family company based in Wetzikon in the canton of Zurich in Switzerland. The company is wholly owned by brothers Martin and Peter Reichle. The company has an international focus, represented by its own branches, sales offices, and market organizations in more than 40 countries, which are divided into ten sales regions. R&M teams are on hand to support international customers locally, as the company cultivates markets on a decentralized basis and in individual countries. Hard work, clear values, and a commitment to achieving success among employees are all characteristic of the culture at R&M. A focus on the customer is always the top priority here.

In the reporting period, the presence on the South American market was expanded with the acquisition of a Brazilian fiber optic manufacturer. With the takeover of the Czech cable manufacturer TK DIXI, R&M acquired further expertise in the field of fiber optics and is manufacturing cable itself for the first time in the company's history. Customers can now be supplied with cable yard goods even more flexibly. In collaboration with customers and partners, the plant develops specific cable constructions.

R&M has its own production plants at its headquarters in Wetzikon as well as in Bulgaria, Brazil, Dubai, India, Poland, Saudi Arabia, the Czech Republic, and the USA.

These sites are all interconnected and are continuously being expanded. In summer 2018, R&M officially opened a new building for the manufacture of fiber glass products at its Bangalore operation in India. As a result, the regional needs can be even better served. With the development of local sales organizations around the production sites, the Corporate Procurement department stays as close to the market as possible as it oversees internationalization.

### Top player in the ICT market

As a premium provider with a clear focus on quality, innovation, and the customer, R&M is leading the way in the industry. The company is one of the top players in the ICT market, and in particular within the

# Key Figures

local data network (LAN), data center and public networks segments.

R&M developed its positioning and growth strategy during the reporting period. The message is that R&M cabling solutions offer considerable added value for their users. R&M is using globally recognized trends in data transmission as a springboard for its continued growth, positioning itself as an expert partner for the digital transformation of society. R&M systems for structured copper and fiber optic cabling play a decisive role in ensuring operational reliability in voice, data, video, and signal transmission. These solutions guarantee maximum availability, allowing for sustainable and reliable network operation.

With a high level of product quality and a system design geared toward the future, customers' networks remain future-proof and investments are secure for the long term.

Given the growing complexity of networks, R&M is also adding to its range of solutions for planning, management, and support.

## Growth at all levels

In the two years covered by this CSR Report, sales increased by 15.6% to CHF 265.1 million and the number of employees increased by 35%. As of December 31, 2018, this figure is 1232. R&M created new jobs primarily at the international sites.

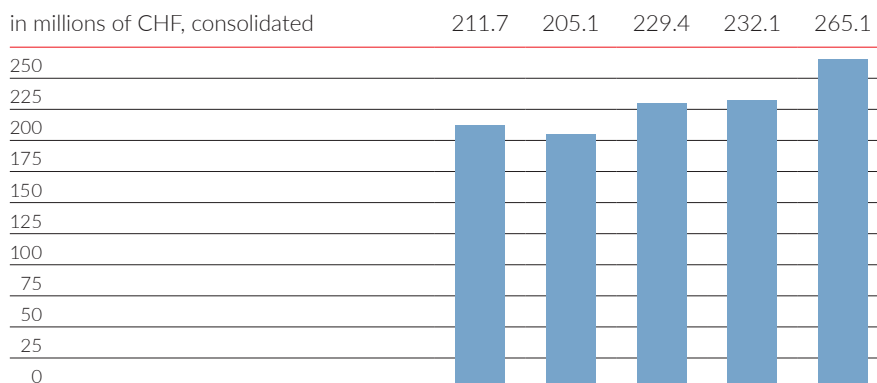
Turnover, at CHF 265.1 million in 2018, represents a new record in the company's history. 80% of R&M's sales revenue is generated abroad. The EBIT margin stood at 5.9% in 2018. The company's financial situation is sound. Dun & Bradstreet assigns R&M the lowest risk indicator of 1 in its D&B Certificate.

The key figures are derived from the 2018 annual report of Reichle & De-Massari AG. Reporting is undertaken in line with the Swiss GAAP ARR, where publication is always voluntary and on an annual basis. The annual report consolidates all subsidiaries' results. R&M's accounts are audited by an independent auditing company.

	2014	2015	2016	2017	2018
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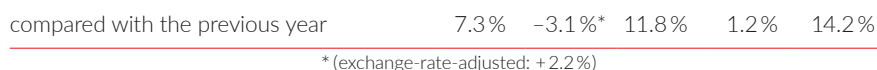
## Sales

in millions of CHF, consolidated



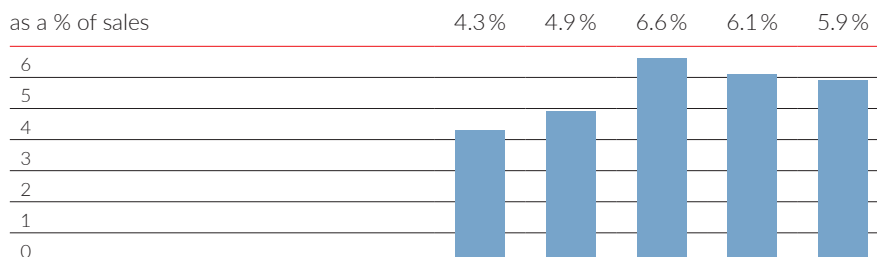
## Growth

compared with the previous year



## EBIT

as a % of sales



## International Sales Revenue

Revenue generated outside of Switzerland was 79% of total sales.

## Development Expenses

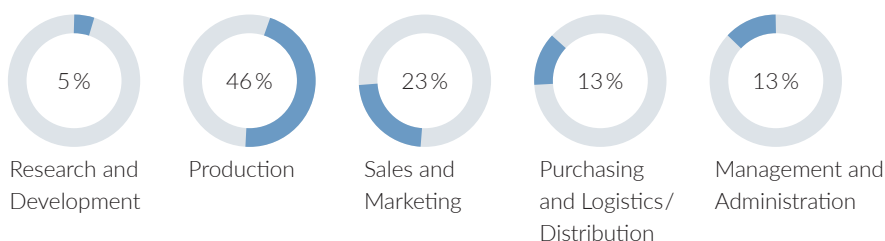
Average development expenditure over the last 5 years: 3.8% of revenue.

## Innovative Capacity

22% of the revenue was generated with products less than three years old.

## Number of Employees

as of December 31, 2018: Total 1,232





# Mission Statement and Values

## Connectivity that matters

R&M's corporate values and strategy are summarized in a distinctive mission statement: «We provide connectivity that matters.» The message is that R&M cabling solutions offer considerable added value for their users.

This clearly defined mission statement expresses the company's objectives: R&M inspires its customers and partners with relevant connectivity solutions, which provide real added value.

If R&M is to be in a position to fulfill its mission in the long term and on a global scale, it needs to be innovative and maintain its competitive edge, while ensuring strong growth and focusing on its performance and the customer. These goals can only be achieved on the basis of a strong and clearly formulated corporate culture that all employees actively put into practice.

The "Values for Success" contain five guiding principles based on corresponding values. They provide clear guidance on how to act in day-to-day business, going hand-in-hand with the long-term performance-oriented culture of success at R&M. The Values for Success build upon the long-standing system of values upheld by the company's founders. The company has always been underpinned by the three values of honesty, modesty, and respect, which are still reflected in the philosophy of the owners to this day.

The mission statement responds to the challenges currently being faced on the market. The digital transformation is starting to affect more and more aspects of our lives and R&M is keeping its eye on the rapid development of the world of data communication. Companies, carriers, and operators of data centers need expert support they can rely on to help them overcome the challenges arising in this age of digitalization, cloud computing, and the IoT.

As a system provider, R&M plays an active part in the markets of the future. In this era of digitalization, the company is focusing in particular on working to connect people

and applications more and more securely. On this basis, R&M develops and produces innovative connectivity systems for reliable data transmission in private and public networks.

The added value of its connectivity solutions primarily comprises nine aspects: customer benefits, innovation, quality, precision, performance, robustness, reliability, and modularity, as well as future-proofing. Installers can rest safe in the knowledge that R&M provides solutions which are very easy to install and maintain. Alongside the added value guaranteed by the products it supplies, R&M also goes one step further on a commercial and personal level, with its customer focus, partnership approach, service, support, and warranty coverage.

For R&M, innovation is all about building on the core technologies to develop future-proof end-to-end solutions. R&M is looking ahead to tomorrow's needs. This poses a challenging technical task: the more demanding the application, the simpler and safer the cabling solution needs to be. R&M's focus on customers enables it to have a better understanding of individual customer needs. This fosters the demand-driven development of custom-made solutions with corresponding high benefits for the user. The continuous exchange also ensures projects and orders are processed quickly and efficiently, allowing customers to focus on their own core competencies.

### Focus on growth

The aim of continuing to grow on an international level also falls under the company's mission. R&M is striving for strong growth in sales, with a view to staying independent and retaining its competitive edge. The culture of success with the Values for Success supports the growth objectives. It is intended to

promote team spirit within the company and motivate teams to work together to shape a successful future for R&M.

In order to put this part of the mission into practice and be able to achieve such ambitious goals, it is important that all employees take the values on board and live them out in the way they act. In order to implement this and achieve the set goals, it is important that all employees internalize appropriate behaviors. This requires a clear understanding of identity and direction of the company. The result is a motivating working environment, in which all employees can contribute their share to the achievement of objectives.

That's why one of five leading values is chosen as the focus each year. The employees are trained appropriately in workshops and with other communication measures. The intention is to firmly establish the leading values in the company in the long term. While 2017 focused on the motto "Excite", 2018 was dedicated to various measures related to the value of "Cooperate". In 2018, R&M also introduced an internal communication and collaboration platform based on Sharepoint. It supports and greatly improves company-wide collaboration and increases transparency.

R&M's sustainable approach to network technology has wide-ranging effects for society and living conditions on Earth, because good connections are the basis for a modern communication society. Powerful communication infrastructures connect cultures, and help people have access to better education and good medical treatment among other things. They help to use energy more efficiently and protect our climate and natural resources.







# Sustainability

## Sustainable Company Management

R&M's corporate governance is based on a balanced approach to company management. It is centered around economic, ecological, and social criteria within the scope of the triple bottom line. It is very much in the nature of the family-run company to establish sustainable values for the future.

Reichle & De-Massari AG was established as a stock corporation in 1964. The company is currently owned by brothers Martin and Peter Reichle. In order to ensure that R&M can remain a fully family-owned company in the long term, the owners ensure the financial independence of the company through Reichle Holding AG. R&M AG, which operates globally, and property company RIAG, which is active in Switzerland, are part of the group. The personal values of the founding family are the pillars of the sustainable corporate culture.

The CSR Report compiled in line with the GRI guidelines reflects a corporate attitude that has been embraced for over 55 years now. The owners strongly believe that a consistently sustainable approach to management is crucial for family-run companies and that it is important not to focus solely on maximizing profits. Demonstrating credibility, sustainability, and consistency in the management approach in line with the GRI increases satisfaction among all stakeholders and gives the company a good reputation.

### Owner involvement

The management and organizational structures form the operational basis for corporate governance, which is implemented as intended by the owner family. The Board of Directors receive fixed and variable compensation. The Board of Managers and all executives are subject to the MbO approach (Management by Objectives). Their variable bonus is calculated based on the extent to which objectives set have been achieved. R&M does not work with external remuneration consultants. As R&M is a private, family-run company, the owners are subject to the remuneration policy as directors.





As at December 31, 2018, the Board of Managers is composed of Michel Riva (CEO), Stefan Grätzer (CTO), Patrick Steiner (CFO), Andreas Rüsseler (CMO), and Markus Stieger-Bircher (COO). Four members of the Board of Managers underwent development to reach their current position under the employee management scheme. The team has been working for R&M for several years now, ensuring continuity in operational management.

The owners Martin and Peter Reichle play an active role on the Board of Directors (BOD). Hans Hess (also President of the Board of Directors), Dr. Michael Reinhard, Andreas Spreiter and Adrian Bult complete

the Board, and are well-versed experts on Swiss industry who have been working for R&M for a number of years already.

### Standardized principles

R&M has laid out standardized principles and values for employees at all sites and for all activities across the business. Rules for dealings with customers and daily interactions with one another are established in the Code of Conduct and the Compliance Guidelines.

Providing relevant information to new hires and offering training courses every other year ensure that employees are familiar with the values represented by

R&M and the corresponding expectations of their behavior. R&M offers online training programs for this and the Legal and Compliance Officer is the point of contact for any related questions.

R&M has undertaken to comply with local, national, and international laws and regulations without compromise. Legal and Compliance Management controls and monitors these sustainability issues.

Moreover, R&M has expressed its commitment to protecting the privacy and data of customers. There were no complaints concerning violations of data protection in the reporting period. Compliance with laws and provisions on the provision and use of products and services is observed in particular. In 2018, R&M implemented the EU's GDPR legislation (European General Data Protection Regulation). No violations of laws or provisions by R&M or R&M employees were ascertained in the reporting period.

### International engagement

R&M is supporting the "Make in India" initiative by increasing production capacities and moving to a new, larger building in Bangalore. The objective of this initiative is to create more jobs.

In Bulgaria, R&M is actively taking part in the DOMINO project and training apprentices in the framework of the government project. Furthermore, R&M is a member of the "Bulgaria Business Forum". The forum is designed to promote corporate social responsibility.

### Dedicated to sustainability

For 55 years, R&M has ensured fair dealings within the company and with the stakeholders. The company is committed to consistent compliance with legal framework conditions. In this spirit, R&M also wishes to assume sustainable corporate responsibility in the future and continually refine and supplement its sustainability strategy.

R&M's positive development in recent years was recognized by the Swiss Venture Club (SVC). The jury of the SVC nominated R&M as one of six finalists for the Prix SVC for the Zurich economic area in 2018. At the end of January 2018, R&M ultimately won the second prize. This distinction confirms that R&M is on the right track and highlights the achievements of employees all over the world.





# Supply Chain

## Sustainable Supply Chain

Within the framework of its supply chain strategy, R&M has built new production sites and expanded existing ones. Procurement has been further decentralized.

R&M consistently saw steady growth in the reporting period. In particular, the presence was further developed in North and South America. In April 2017, the takeover of the Brazilian fiber optic specialists Peltier Comércio e Indústria in Santa Rita do Sapucaí in Minas Gerais took place.

In summer 2018, R&M officially opened a new building for the manufacture of fiber glass products at its Bangalore operation in India, where production was significantly increased. R&M is committed to the fast-growing Indian market as well as the Asia Pacific region.

After the takeover of the Czech cable plant DIXI a.s. In Děčín in May 2018, R&M is now in the position to cover all projects in the field of fiber optics using its own resources.

The supply chain strategy is a key pillar of R&M's growth strategy. The company's





production facilities are close to the customer, allowing customer needs to be addressed with speed and flexibility. Local markets can enjoy additional sales opportunities, while customers benefit from cost and procurement advantages of the regions, which in turn improves the economic situation. The decentralized strategy also reduces supply shortfalls. Production and procurement alternatives are always available.

Our guiding principle for quality is: Swiss quality standards apply the world over. The existing production units have been certified

in line with ISO 9001 and ISO 14001. New locations are currently being integrated into the uniform quality management system and the standardization. In 2018, 88 internal and external audits took place.

Cooperation with suppliers and logistics service providers takes place on a local level wherever possible, because the local partners speak the same language.

R&M plans transport and travel distances highly efficiently, in order to keep CO<sub>2</sub> emissions from vehicles as low as possible.

### **Sophisticated risk management**

R&M has a global supplier management system, which central and local employees organize in close cooperation with each other. This is based on a defined supply chain risk management methodology that has been adapted to suit R&M's requirements. The team meets each year as part of the corporate procurement meeting in order to coordinate objectives and audits and to optimize the performance of processes.

The processes are fully mapped in the SAP system. This increases transparency along the value-added chain and promotes proactive and reactive behavior. Suppliers are involved very specifically in plans and risk management.

Strategic suppliers are subject to regular audits. They have to prove that they do not import raw materials or minerals from conflict areas, which is managed through the CFSI program. R&M monitors compliance with European directives on hazardous substances (REACH, RoHS) and the proper disposal of electrical and electronic components (WEEE). R&M has pledged to follow these guidelines itself, too.

Current objectives are agreed for each assessment with suppliers on the basis of a SWOT analysis. Adherence is continually monitored.

In line with the corporate culture, R&M involves suppliers directly in its sustainability strategy and compliance. The R&M Supplier Code of Conduct complies with basic legal and ethical rules of conduct. 70% of strategic suppliers are used globally, 30% work for local markets.

In January 2018, R&M signed the "Modern Slavery and Human Trafficking Statement".

In 2018, R&M was once again audited externally to gain an assessment of the quality of the involvement of stakeholders in the supply chain. The Ecovadis Assessment was successfully completed and confirmed. Ecovadis assesses the CSR strengths of companies on the basis of 150 purchasing categories and 21 indicators. R&M was included in the global Supplier Sustainability Rating. This means that partners in the supply chain can rely on R&M in the long term.



# A Focus on Performance and the Customer

R&M's employees are characterized by exceptional performance and exemplary customer orientation. During the reporting period, work was carried out on the further development of the corporate culture.

The extraordinary level of commitment demonstrated by R&M employees characterizes sustainability at the company. They work tirelessly and independently on the basis of the values and always with the aim of fulfilling customers' challenging requirements sustainably. At the same time, the teams at all R&M sites strive to continually optimize processes and to collaborate more intensively across country borders.

For a number of years, the "Values for Success" system has been serving as a guideline for exemplary employee behavior and activities. It meets the requirements of the stakeholders and is anchored within the company thanks to communication measures. Each business year, the company focuses on one value. In 2017, the focus was on "Excite"; 2018 was dedicated to "Cooperation". Workshops were held, in which the employees discussed the implementation of the value in their specific field. The values were also anchored in the company through the use of various communication tools.

## Agile management culture

R&M needs to assert itself in a dynamic and competitive market. This situation requires a high level of motivation. More than 1200 employees, the research and development centers with many projects running simultaneously, nine production sites, eleven sales regions and 42 sales organizations need to work together with a focus on success. In this environment and knowing that only motivated employees go the extra mile for our customers, the topic of leadership has a powerful influence on the success of the company.

The global employee survey, which was carried out in 2017, revealed that the management culture at R&M still has potential areas for optimization. For that reason, the value "Lead" will be at the heart of various activities in 2019. "We

make brave and definitive decisions and assume corporate responsibility for them", the mission statement claims. Corporate management is in no doubt that this will pave the way for a new, more agile management culture at R&M.

## Cooperation

In response to the challenges of today, R&M is transforming the traditional workplace into a digital workplace. For that reason, new tools for communication and collaboration were introduced globally in 2017. The aim is to promote international collaboration.

The first step is to bridge the gap between telephony and IT. Skype for Business is now available for personal conversations and meetings. While phasing out the existing intranet, R&M introduced a complete and fully integrated DWP solution on the basis of Microsoft Sharepoint.

"RACE" stands for R&M's Advanced Communication & Collaboration Environment and is also a reference to the speed it enables in internal collaboration. It comprises six key functions: classic intranet and multimedia functions, a social media platform, virtual working environments for collaboration within internal and mixed teams, a modern document administration function for efficient exchange of knowledge, and a personal working environment.

Management and the Managing Directors continue to personally inform employees at HQ and in the regions. They report directly about the business performance and the implementation of strategic programs. Management is increasingly using video clips to inform employees.

## International growth

The group employs 1232 employees globally, 42% of whom are women. A fifth of these employees fall within each of the youngest and eldest categories (under 31

years old and over 50 years old), and 60% of employees are in the middle age group. In 2017 and 2018, the number of employees had increased by 35%.

R&M has come to an agreement on rules for working hours and employees applicable to the Swiss site and the regional sites in line with the current situation. With this agreement, R&M is demonstrating its high sense of social responsibility toward its employees and its commitment to treating them fairly. By way of example, salary payments during maternity leave are 100% in Switzerland.

The agreed rules on working hours afford employees more flexibility in arranging when they are actually present at their workplace as long as this takes into account the operational needs. The employee rules define the relationship between employees and employers, while also regulating protection and freedom for employees. They are based on the provisions of the national laws as well as company internal guidelines.

Benefits provided to full-time employees vary depending on the country, local laws, and agreements. There are options for part-time employment, job sharing, sabbaticals, and extended parental leave at R&M. Job rotations and international secondments for employees are actively supported. Special workstations are available for disabled employees.

Annual employee meetings focus on the development potential of individual employees. Job grading and corresponding remuneration is carried out in accordance with the internationally recognized Towers Watson System. There are no country-specific collective agreements.

Significant operational changes are disclosed at sites with notice being provided in accordance with local laws and agreements.



In Switzerland, R&M operates its own pension scheme. In other countries, social security is arranged in accordance with local or regional customs.

### Practical education

R&M places great importance on the targeted development and support of employees and executives. 90% of employees in managerial positions were recruited locally. They report directly to a Managing Director or, in the headquarters, to a member of the Board of Managers.

In the reporting period, 28% of employees (mainly white collar professions) benefited from training sessions. The topics covered: management, sales, negotiation skills, marketing, intercultural communications, methodology (e.g. SCRUM, Agility), project management, product knowledge, languages. Female and male employees

from the field of management attend training sessions three days per year on average; other white collar employees attend training sessions two days per year on average. The training of blue collar workers takes place in accordance with demand and is carried out directly at the place of work.

In January 2018, R&M signed the "Modern Slavery and Human Trafficking Statement".

A voluntary health awareness program including measures to promote exercise, relaxation, and nutrition serves to promote universal health awareness among employees. At the end of 2018, an information session on the possible societal effects of digitalization took place. It was recorded on video and made available in this way to employees all over the world. Furthermore, R&M takes measures to

prevent accidents and guarantees working conditions that protect employees' health. Extraction systems in production areas prevent the spread of adhesive vapors, and R&M encourages a healthy diet by providing fresh fruit and water coolers.

### Supporting young talent

There are 22 apprentices in employment at headquarters, which puts R&M above the Swiss average training rate. Experiences shared during the annual week of excursions are effective in fostering team spirit among the apprentices.

In Bulgaria, R&M is actively taking part in the DOMINO project and training apprentices in the framework of the government project. Furthermore, R&M is a member of the "Bulgarian Business Forum". The forum is designed to promote corporate social responsibility.





# Ecology

## Saving Resources

R&M places great importance on conserving natural resources.

Business activities at R&M are based on a great sense of responsibility toward stakeholders and the environment. It is very important to the company that natural resources are protected. Using raw materials responsibly is part of the quality management system as per ISO 9001:2015. National and international guidelines, standards, and laws are particularly influential here. The Group-wide certification in line with ISO 14001:2015 was successfully carried out.

Protecting nature and the environment is of top priority at R&M. Corporate management and employees alike put this commitment into practice across all roles and levels within the company.

- Use of environmentally friendly materials in line with the following standards: RoHS, REACH, GG 813, and GVV 813.39 on prohibited toxic substances
- Use of halogen-free products in line with DIN/VDE 0472, Part 815
- Use of raw materials that can be recycled or disposed of
- Compliance with the WEEE Directive
- Development of products and system solutions with superior energy efficiency levels
- Material labeling on products to facilitate recycling or environmentally friendly disposal at a later stage
- Use of lightweight, environmentally friendly packaging materials that can be recycled; ongoing optimization of packaging sizes
- Purchasing from suppliers who actively protect the environment and, where possible, have ISO 14001 certification
- Planned transport distances that are as short as possible and use of consolidated transport; production facilities are delivering more and more orders to customers directly
- Use of environmentally friendly production resources and processes
- Waste separation and environmentally friendly disposal





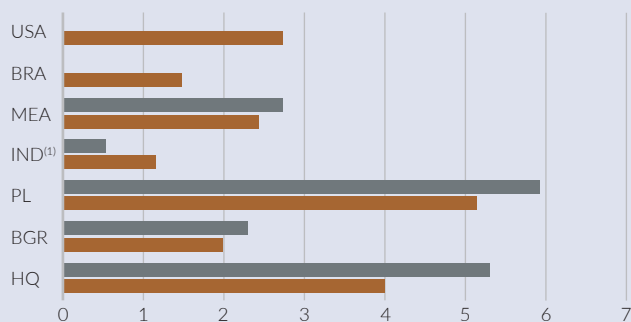
By implementing these measures and others, R&M is guaranteeing environmental compatibility of products and processes, meaning that a negative impact on the environment can be largely ruled out.

The headquarters in Wetzikon, the R&M Cube, is one of the largest low-exergy company buildings in Switzerland. It meets the Swiss Minergie standard. The Cube has no need for any fossil fuels for heating

and air conditioning. It emits 80% less CO<sub>2</sub> than conventionally operated buildings of a similar size.

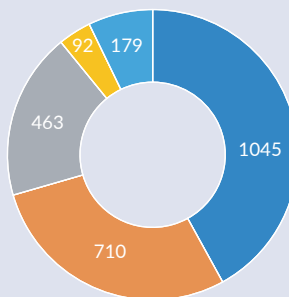
## Energy and Waste Consumption 2017/2018

**Energy Consumption 2017/2018  
per Yearly Productive Hours**

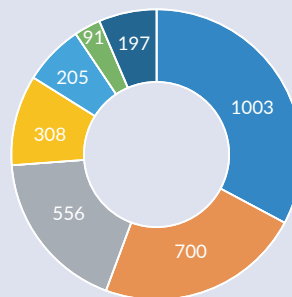


<sup>(1)</sup> Values extrapolated based on 7 months (new facility)

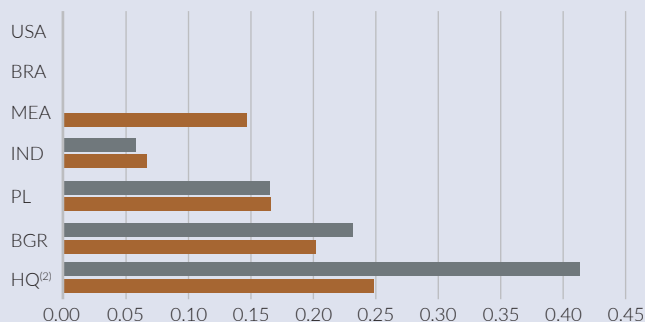
**Energy Consumption  
2017 in MWh**



**Energy Consumption  
2018 in MWh**

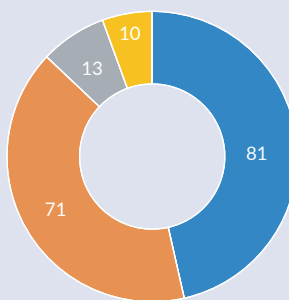


**Waste 2017/2018  
per Yearly Productive Hours**

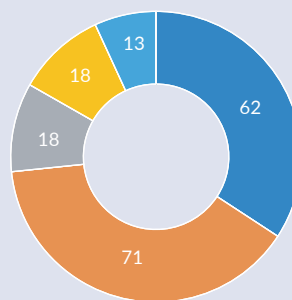


<sup>(2)</sup> Materials introduced into recycling only to 35% considered

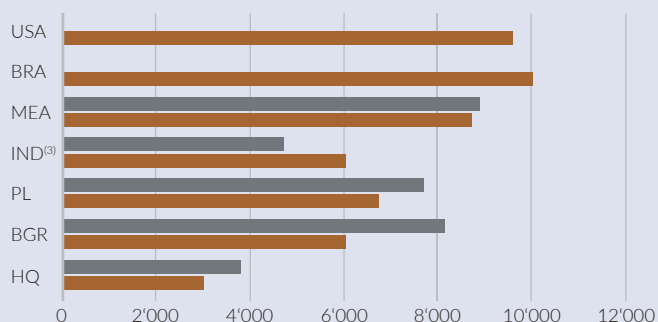
**Waste 2017  
in Metric Tons**



**Waste 2018  
in Metric Tons**

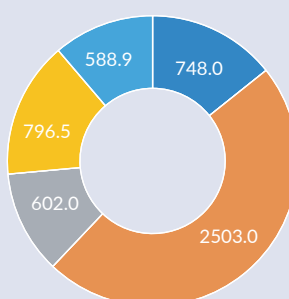


**Water Consumption 2017/2018  
per Yearly Productive Hours**

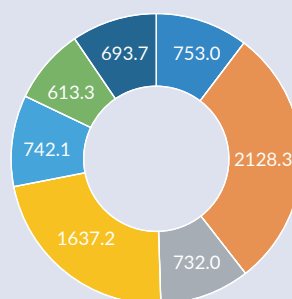


<sup>(3)</sup> No actual values (maximal average consumption per person per day in India assumed)

**Water Consumption 2017  
in m<sup>3</sup>**



**Water Consumption 2018  
in m<sup>3</sup>**



■ 2017 ■ 2018

■ HQ ■ Bulgaria ■ Poland ■ India  
■ MEA ■ Brazil ■ USA

# Principles and Standards

## Principled

The R&M Corporate Social Responsibility Report has been prepared in accordance with the applicable guidelines of the Global Reporting Initiative (GRI). It includes further relevant information on the company’s philosophy when it comes to matters of sustainability and relationships with stakeholders in addition to the general and specific standard disclosures pursuant to the GRI.

Whether in daily exchanges or a long-term partnership, in laws and provisions or the company’s values, sustainability can be seen in a range of aspects. The complexity and position of the company in relation to these aspects should be comprehensible to all stakeholders. It is for this reason that R&M produces a Corporate Social Responsibility (CSR) Report every two years. It comprises all organizational units in accordance with the GRI principle of relevance. In the reporting period, newly acquired companies are continually integrated into the process.

R&M ensures that all topics and indicators that are important to the company are transparent in the report. The concept, process, and scope of the reporting meet the requirements of the current GRI standard.

### Principles

The report complies with the GRI principles of “completeness”, “materiality”, “accuracy”, “balance”, “clarity”, “comparability”, “reliability”, and “timeliness”.

Structure and content follow the GRI system with the fields of “Universal Standards” as well as the following issue-specific groups GRI 200: Economy, GRI 300: Environment, GRI 400: Social.

### Stakeholders

The relevant stakeholder groups are vocational schools and universities, neighbors, municipalities, the financial industry, professional associations, local, financial, and specialist media, network providers, operators of data centers, electrical and IT planners, installers, distributors, key accounts, strategic suppliers, local suppliers, owners, employees, board members and executives.

The key aspects and statements have been determined on the basis of customer and employee surveys, customer feedback, and public tenders for large projects.

The final content of the report is based on decisions made by the Board of Managers and the Corporate Communications department, which are responsible for CSR reporting.

This report covers 2017 and 2018. The report is published electronically on the website.

R&M hereby declares that it complies with the GRI SUSTAINABILITY REPORTING STANDARDS 2016. The CSR Report has not been audited externally.

### Integrated Standards

- 100 – Universal Standards
- 101 – Foundation
- 102 – General Disclosures
- 103 – Management Approach

- 200 – Economic Standards
- 201 – Economic Performance
- 202 – Market Presence
- 203 – Indirect Economic Impacts
- 204 – Procurement Practices
- 205 – Anti-corruption
- 206 – Anti-competitive Behavior

- 300 – Environmental Standards
- 302 – Energy
- 305 – Emissions
- 307 – Environmental Compliance
- 308 – Supplier Environmental Assessment

- 400 – Social Standards
- 401 – Employment
- 404 – Training and Education
- 410 – Security Practices
- 413 – Local Communities
- 414 – Supplier Social Assessment
- 418 – Customer Privacy
- 419 – Socioeconomic Compliance



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