




Key Data on the Environment, Social
Issues and Corporate Governance

22

A low-angle, upward-looking photograph of a dense forest canopy. The sun is shining brightly from the lower right, creating a lens flare effect and illuminating the green leaves. The sky is a clear, vibrant blue. The text is centered in the upper half of the image.

In the year under review, 11% of energy requirements were covered by renewable energy.

4	Editorial
6	Goals 2025: Progress at a Glance
8	Rieter Business Model
10	Market Volume
11	Business Groups
12	Sustainability Strategy
14	Environment
16	Social Sustainability
19	Corporate Governance
22	Stakeholder Dialogue
25	Implementation of the Sustainability Strategy
25	New Perspectives with the Autoconer X6
27	R 37: New Opportunities for Recycled Rotor Yarns
28	Repair Services for More Competitiveness and Less Waste
30	Energy Efficient and Ecological Production Processes
32	Social Goals
35	Corporate Governance
36	Double Materiality Analysis
38	Sustainability Goals 2025
40	Energy Consumption
41	Greenhouse Gas Emissions/Acidification
42	Water Consumption/Waste and Recycling
43	Workforce Turnover Rate/Women in Management Positions
44	Training Days/Absence Rate
45	Occupational Health and Safety
46	Key Performance Indicators – Definitions
47	Global Reporting Initiative Index



DEAR READER

Dear Reader,

For Rieter, 2022 was characterized by record sales of CHF 1 510.9 million and enormous challenges in their realization. Production and procurement had to be ramped up to suit the record level within a short period of time. The rapid rise in inflation generated substantial additional costs, which could not be fully offset by price increases and other countermeasures. Considerable added expenditure was also required to ensure material availability, especially with regard to electronic components. A further focus of our work was the integration of the three acquired businesses.

It is all the more pleasing that Rieter was able to report a breakthrough in 2022 in achieving the 2025 sustainability targets, which we summarize under the keyword “Planet”.

All five targets were reached:

- Energy consumption,
- Greenhouse gas emissions,
- Acidification,
- Water consumption and
- Waste and recycling.

In the 2021 financial year, two of five targets were achieved.

Against the backdrop of the 56% growth in sales, the far less than proportionate increase in consumption and emissions was the key factor: energy consumption rose by only 7%, greenhouse gas emissions by 5%, SO_x emissions were only marginally up on the previous year, while water consumption increased by 16% and waste by 4%.

This is an impressive demonstration of the effect of the consistent implementation of Rieter's sustainability strategy over many years.

Further improvements were also made in 2022: for example, the capacity for generating solar power was more than doubled in the year under review.

Despite the rapid and extensive increase in personnel due to sales growth and the integration of three businesses, we have also made progress with regard to the 2025 Sustainability Goals, which relate to Rieter's employees and which we summarize under the keyword "People". The target of a labor turnover rate of less than 10% was very nearly achieved (previous year: 11%). The number of training days per employee remained almost constant at 1.28 (previous year: 1.29).

Rieter was unable to make any progress with regard to the key figures of:

- Women in management positions (2022: 12%, previous year: 14%),
- Absence rate (2022: 3.69%, previous year: 3.11%), and
- Occupational health and safety (2022: 4.67 occupational accidents per 1 million hours, previous year: 4.44).

However, it should be noted that, against the background of the increase in the number of employees

from 4 907 to 5 630 (equivalent to some 15% within one year), the figures are a respectable achievement that reflects the great commitment shown by many Rieter employees. In order to achieve the goals by 2025, the next step will be to establish the process of continuous improvement on the basis of the significantly higher number of employees.

Rieter's contribution to more sustainable textile production does not relate solely to its own business system, which is reflected by the key figures on "Planet" and "People".

With its resource-preserving technology used in textile production, Rieter makes a very important contribution to sustainability. This report demonstrates this contribution in the form of the Autoconer X6 automatic winding machine, the production of yarns from recycled fibers on the rotor spinning machine R 37 and the range of repair services.

Rieter will continue to focus on making a contribution to improving sustainability in the textile value chain.

Winterthur, March 2023



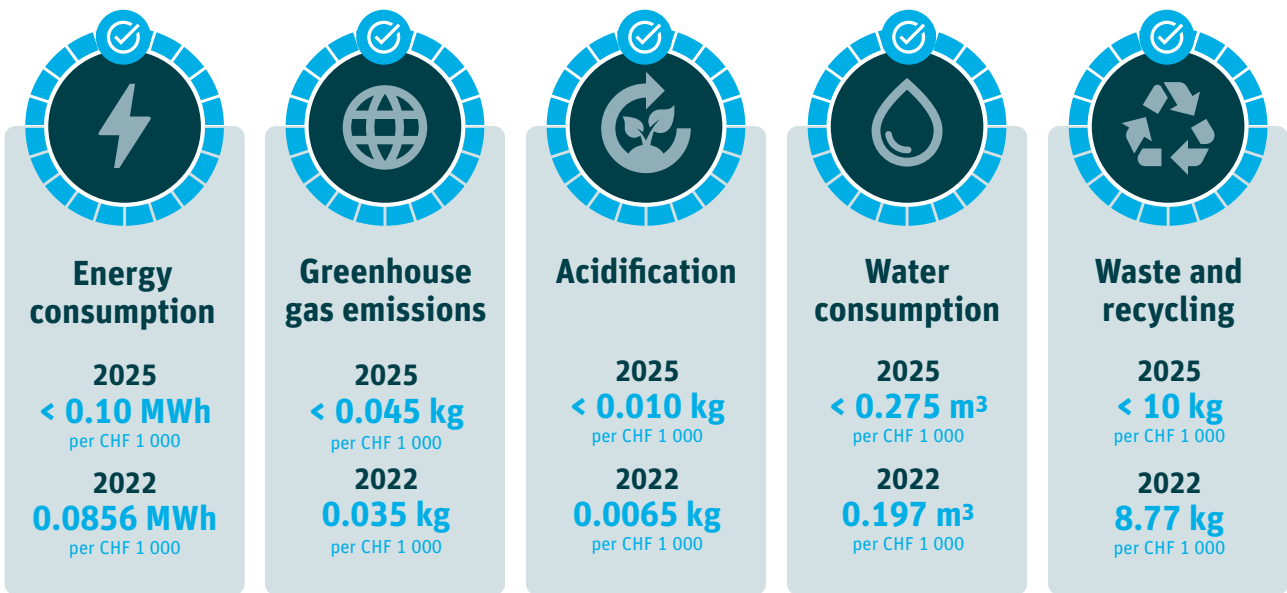
Thomas Oetterli
Chief Executive Officer

GOALS 2025: PROGRESS AT A GLANCE

Planet

CO₂

Circular economy



Source: base year 2020

Energy consumption

With an increase in sales of 56%, the company's absolute energy consumption only rose by around 7%. This is due to the consistent implementation of energy-saving measures; the target value of < 0.10 MWh per CHF 1 000 of sales was undercut. 11% of energy consumption was covered by renewable energy.

Greenhouse gas emissions

The 56% increase in sales is offset by a rise in greenhouse gas emissions of only 5%. Solar power capacity increased from 3 500 MWh in 2021 to 7 500 MWh at the end of 2022. The 2025 target of < 0.045 kg per CHF 1 000 of sales was achieved.

Acidification (SO_x emissions)

Absolute SO_x emissions in 2022 were 9.47 tons, slightly above the previous year's figure despite the

significant sales growth. However, with 0.0065 kg per CHF 1 000 of sales, the 2025 SO_x emissions target of 0.010 kg per CHF 1 000 was again surpassed.

Water consumption

Rieter also made progress in water consumption, which increased by 16% in the year under review and thus disproportionately less compared with sales. The 2025 target value was hence significantly surpassed.

Waste and recycling

In 2022, Rieter sites undercut the 2025 target of 10 kg per CHF 1 000 of sales for the first time, with 8.8 kg. All Rieter sites have recycling collection points. The recycling rate decreased from 90% to 84% compared with the previous year.

Labor turnover rate as percentage of workforce

The labor turnover rate improved for the third year in succession, reaching around 10% in the year under review. The number of employees increased from 4 907 at the end of 2021 to around 5 630 at the end of 2022, which was in part due to the integration of the automatic winding machine business.

Women in management positions

In 2022, women accounted for around 23% of the workforce. The share of women in management positions was 12%. In the four top management levels, the share fell from 14% in the previous year to 12%. Rieter plans to increase the share of women in management positions to more than 20% by 2025.

Education and training days per employee per year

At 1.3, the average number of annual training days per employee is identical to the previous year. In

2022, the Rieter Group employed 163 trainees, of which 57 were in Switzerland.

Absence rate in relation to working hours

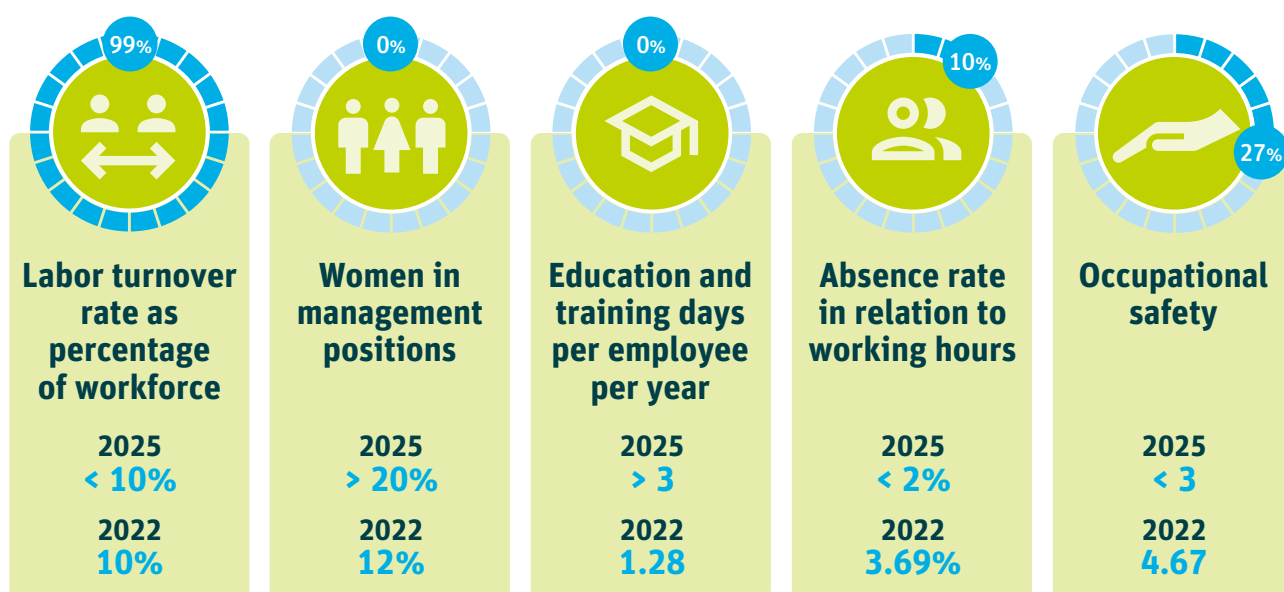
The absence rate rose to 3.69% in 2022 from 3.11% in the previous year. The main reasons for this were further COVID-19 waves in key markets.

Occupational safety

Due to the increased use of labor, the absolute number of occupational accidents in the reporting year rose from 39 to 50. This brought the accident rate per million hours worked to around 4.67. Rieter investigates every accident in detail and reinforces preventive measures. Rieter consistently pursues the goal of avoiding occupational accidents.

People

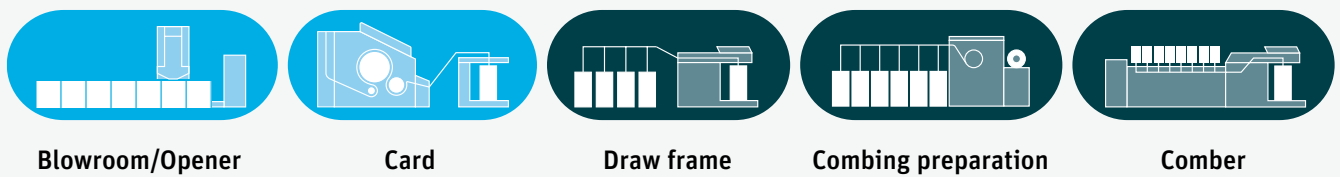
Employees



Source: base year 2020

RIETER BUSINESS MODEL

COMPACT-SPINNING SYSTEM (EXAMPLE)



With its spinning systems Rieter covers all four end spinning processes established on the market.

Around 106 million tons of fiber were processed around the world in 2022, mainly for clothing, technical textiles or home textiles. Fiber consumption is growing with the world population and disposable income, on average between two and three percent per year.

Yarn production

The process from fiber to textile begins with fiber production. A yarn is produced from the fibers, for example from cotton, linen, polyester or viscose. A textile is then produced from the yarn via various processing steps such as weaving, knitting, dyeing or finishing.

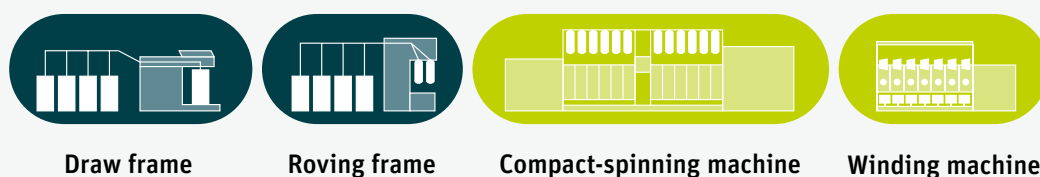
Yarn is produced in two basically different ways. On the one hand, this is done by spinning staple fibers. These are fibers with a staple length of 23 to 60 mm (short-staple fibers) or over 60 mm (long-staple fibers). On the other hand, yarn is produced by processing so-called filaments to make continuous filament yarn. The yarns resulting from filaments have different properties than those produced from staple fibers. In the clothing industry, the yarn produced from staple fiber predominates because it offers pleasant wearing comfort.

Each of the two types of yarn production accounts for around 50 percent of world fiber consumption.

Rieter is mainly engaged in yarn production from staple fibers. The most important of these in 2022 were cotton (about 24 million tons), polyester (about 17 million tons) and viscose (about six million tons).

The process for producing a yarn from staple fibers consists of three stages: fiber preparation, spinning preparation and end spinning.

In fiber preparation, the fibers, which are delivered in bales, are separated, cleaned if necessary, and aligned. This takes place in the process stages blowroom/opener and card. Spinning preparation involves the homogenization and drawing of the sliver. The machine required for this is known as the draw frame. In cotton processing, the comber also plays a role: here, short fibers are combed out in order to produce a higher quality yarn. By the end of the spinning preparation stage, a uniform sliver or roving has been produced.



Spinning process

In the end spinning stage, the fiber mesh is further drawn (up to about 40 fibers in cross-section for very fine yarns) and spun into a yarn by twisting. Twisting takes place either by means of a rotating spindle (ring spinning, compact spinning), by rotation of a rotor (rotor spinning) or by an air flow (air-jet spinning). Compact spinning is a variant of ring spinning that uses an auxiliary device to achieve yarn with a higher density as a result of improved fiber integration.

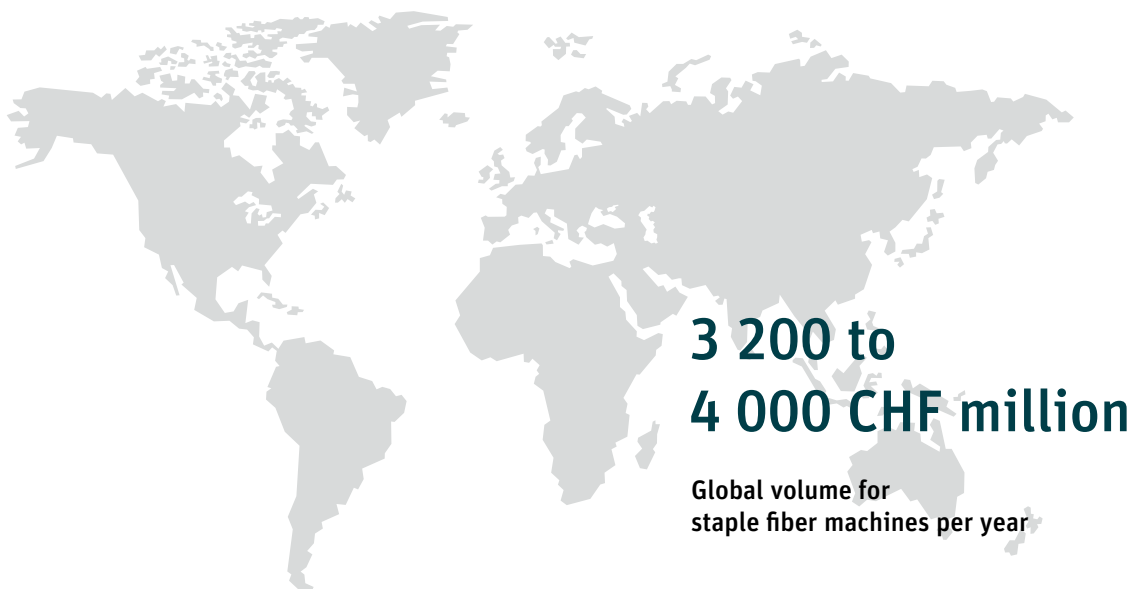
After spinning, imperfections are removed from the yarn. The yarn is then wound on a package, in order to present it in a suitable form for the subsequent process steps in the textile production chain.

Measured variables for capacity

The production capacity for producing yarn from staple fibers is measured in spindle equivalents. The production capacity of a ring spindle serves as the basis. The spinning unit of a rotor spinning machine corresponds to the productivity of five to six ring spindles, whereas that of an air-jet spinning machine corresponds to the productivity of 20 ring spindles.

A total of more than 250 million spindle equivalents worldwide were used in 2022 to produce yarn from the around 60 million tons of staple fibers, of which around 96 million are in China, 60 million in India, 70 million in the Asian countries (excluding China, India and Türkiye) and 12 million in Türkiye. Every year, between 11 and 13 million spindle equivalents are installed on average. Rieter delivered 2.56 million spindle equivalents (2021: 1.69 million) in 2022. In addition, spinning mills require consumables, wear & tear and spare parts for ongoing operation.

MARKET VOLUME



Market

The world market for staple fiber machines, which is relevant for Rieter, has an annual volume of CHF 3 200 to 4 000 million. Rieter is the market leader with a market share of around 30 percent.

Business with new machines, wear and spare parts

The business with new machines is cyclical. The tendency to invest in the spinning industry is mainly influenced by expectations regarding fiber consumption and the margins that can be achieved by selling yarns. Fiber consumption is dependent on the economy, while the margins for yarn depend on the movement of raw material prices, capacity utilization and the production costs of the spinning mills as well as foreign exchange rates and are influenced by government policies.

The business with consumables, wear & tear and spare parts is much less cyclical. The basic business is driven by the degree of capacity utilization of spinning mills – operational spinning mills require consumables, wear & tear and spare parts. Project business such as the conversion or modernization of entire spinning mills, on the other hand, are subject to the investment cycle described above.

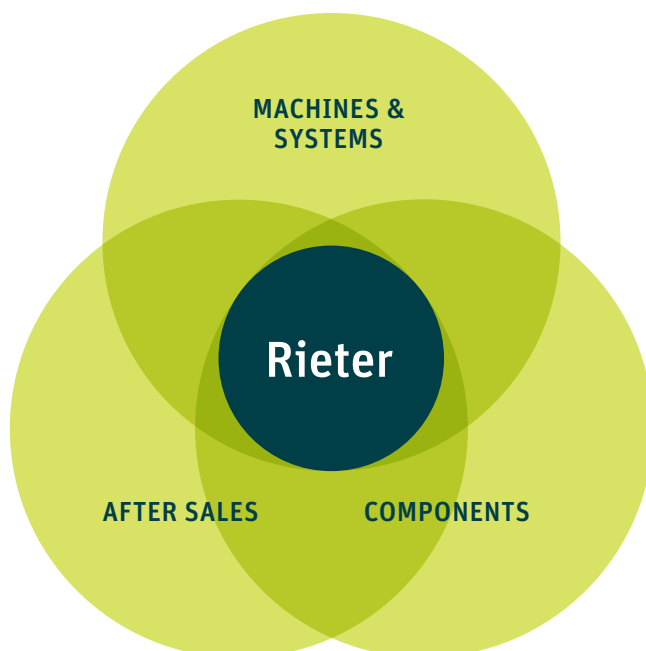
Product and service offering

Rieter plans spinning mills, develops, produces and supplies the machines for fiber preparation, spinning preparation and end spinning, and supervises the installed machines throughout their life cycle.

Rieter with all its brands is established worldwide as a premium supplier. Innovative products and services from Rieter enable spinning mill operators to be more competitive. Success factors are either low yarn production costs, which are achieved through savings on raw materials, energy, labor and productivity advantages and therefore enable a sustainable yarn production, or special yarns, which allow higher prices to be achieved.

The professionalism and availability of the service is also a key aspect when customers decide to buy Rieter solutions.

BUSINESS GROUPS



Established premium supplier with innovative products and services

Three Business Groups

The Business Group Machines & Systems develops, produces and distributes new equipment as spinning systems or as single machines. Blowroom and cards are used for fiber preparation; draw frames, combers and roving frames are used for spinning preparation; and ring, compact-, rotor and air-jet spinning machines as well as winding machines are used for end spinning. The offer is supplemented by planning services and automation solutions as well as ESSENTIAL, the digital platform for the complete spinning mill.

The Business Group Components develops, produces and distributes technology components and precision winding machines as well as solutions for the production of filament yarns and nonwoven fabrics. Technology components come into contact with fibers and affect yarn properties; they are used in new machines and have to be replaced at regular intervals during operation.

The Business Group After Sales develops, produces and distributes spare parts for Rieter machines as well as building conversions and modernizations. After Sales also sells technology components that are not included in the range of products offered by the Business Group Components. After Sales also offers services that enable Rieter customers to improve the efficiency and effectiveness of their spinning mills.

SUSTAINABILITY STRATEGY

Rieter has been committed to sustainability in relation to “environment, social, corporate governance” issues (ESG) for many years. ESG is an integral part of the company’s corporate strategy. Rieter strives to

January 1, 2023, is named Strategy and Sustainability Committee. The Group Executive Committee is responsible for implementing the sustainability strategy at the operational level. It ensures that the



support the energy transition by 2050 and the goals of the Paris Climate Agreement. With regard to the environment, sustainability has two dimensions for Rieter: on the one hand, it is about the contribution that Rieter makes to sustainable textile production. The focus here is on energy consumption and the optimization of raw material usage in the spinning process. The increasing digitization of the spinning mill, in particular, makes an important contribution in this regard. On the other hand, Rieter is working to reduce the ecological footprint in its plants, and in cooperation with suppliers along its own value chain.

The Board of Directors of Rieter Holding AG defines the company’s sustainability strategy at the Group level and sets the objectives and priority areas. In view of the many challenges in connection with sustainability, the remit of the Strategy Committee was expanded with the topic of sustainability and, as of

responsibilities and resources are allocated and deployed in line with the strategy.

The product and market-related measures – such as optimizing the energy consumption of the individual spinning systems or establishing sustainable supply chains – are the responsibility of the respective business groups. The site-related measures, especially in the areas of energy, waste, biodiversity or occupational health and safety, are the responsibility of the respective local Rieter companies. In performing their duties, they are supported by Corporate Risk Management. Environmental risks are systematically recorded, assessed and taken into account in all decision-making and investment processes. Based on the risk analysis, Rieter believes that the direct exposure of the company to climate change is limited, but that it can make an important contribution to addressing this issue.

The sustainability strategy is based on the following pillars:

Environment

- Sustainable spinning processes thanks to Rieter technology
- Energy-efficient and ecological production concepts

Social

- Safe and healthy workplaces
- Continuous education and training
- Diversity
- Suppliers
- Social engagement

Corporate Governance

- Code of Conduct
- Business ethics
- Certificates, awards and ratings

These principles are set out in the following guidelines:

- Mission, vision, values and principles
- Code of Conduct
- Corporate governance
- Safety, health and environmental concept
- Supplier and purchasing conditions
- Supplier Code of Conduct
- Risk management policy

Once a year, the company publishes data on the environment, social issues and corporate governance.



ENVIRONMENT

Contribution to sustainable textile production thanks to Rieter technology

Rieter pursues the goal of sustainability in yarn production from three perspectives:

Firstly, for many years the company has differentiated itself through technologies that minimize energy consumption in the spinning process and maximize raw material yield. Rieter technologies thus lead to minimal resource consumption in the spinning process while thereby setting standards for economic efficiency and sustainability in the textile value chain.

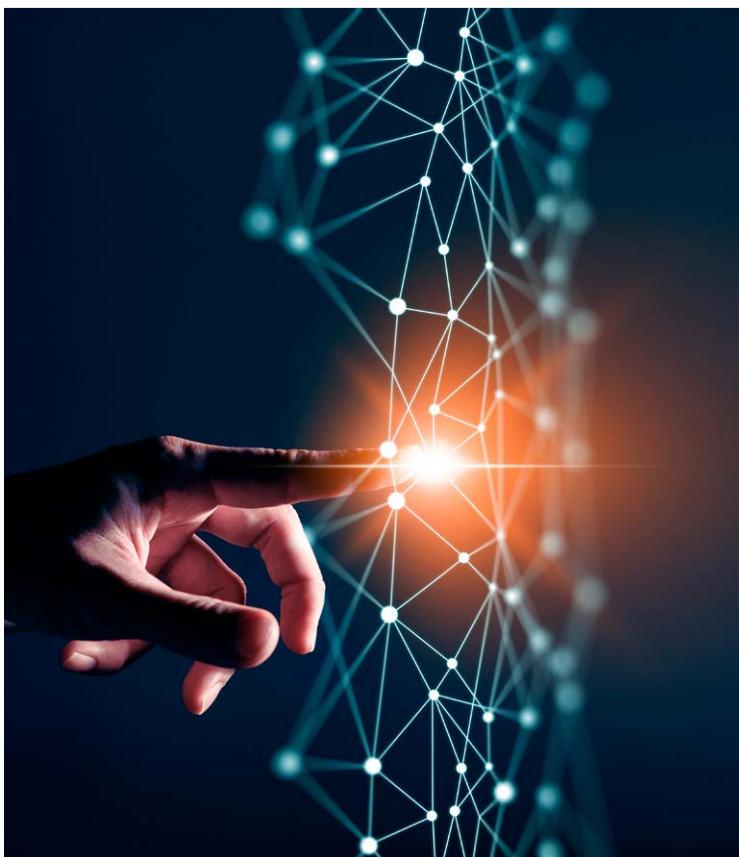
Secondly, Rieter develops state-of-the-art technologies for processing mechanically recycled fibers into high-quality yarns. Due to the strong increase in demand, these developments will gain considerably in importance in the coming years. The technical challenge lies in the high short fiber content that results from mechanical recycling.

Thirdly, Rieter supports customers in the development of new yarns from fibers produced or recycled in a chemically sustainable manner. Demand for these yarns is also expected to increase sharply in the coming years.

Energy efficiency

Energy efficiency is critical when it comes to improving sustainability in the spinning process. Rieter offers an energy-efficient product range for all spinning systems and continuously contributes to producing yarns with a decreasing energy requirement. Since the year 2000, Rieter has reduced the energy consumption of its spinning systems by up to 69%. By 2030, the company aims to reduce consumption of both ring and air-jet spinning systems by another 22% through energy-saving technologies and further developments, while the goal is to cut consumption of





the comparatively high-efficiency rotor spinning system by an additional 7%. In this way, Rieter is making an important contribution to reducing CO₂ emissions and strengthening the competitiveness of spinning mills.

Optimal use of raw materials

Rieter technology guarantees optimum utilization of raw materials. This reduces fiber consumption and preserves resources. The company advances innovative solutions for the sustainable use of raw materials. In this way, the Rieter Group creates added value for its customers and the environment.

Digitalization

The spinning mill management system ESSENTIAL – Rieter Digital Spinning Suite – connects all machines, auxiliary equipment and operational management systems in one or more spinning mills. With the help of the system, spinning mills obtain a comprehensive view of key indicators across the whole spinning process from the raw material to the yarn. This enables them to remove inefficiencies quickly and optimize processes. Immediate intervention increases the efficiency of the spinning mill in terms of energy consumption and raw material utilization.

Automation

Automation solutions in the spinning process enable mills to use resources in an optimal manner. Employees are freed, for example, from repetitive tasks and can focus on more important activities.

After Sales services

Performance optimization services increase the efficiency of the spinning mill over its life cycle and reduce yarn production costs. This service facilitates sustainable spinning operations and gives customers a competitive advantage.

Long service life

The longer service life is a decisive factor in using resources as efficiently as possible. Longer service life of a machine or its components increases benefits, reduces costs and protects the environment.

SOCIAL SUSTAINABILITY



The safety and health of employees are the top priority.

Occupational health and safety

The safety and health of employees continues to remain at the center of Rieter's prevention efforts.

EHS minimum requirements and audits

Based on the "Environment, Health and Safety" (EHS) strategy, the Rieter Group has defined clear minimum requirements that are safeguarded by the environmental and occupational safety officers at the production locations. Compliance with these requirements is verified in the context of the risk audits and by means of self-testing. The Rieter Group has operated a well-established risk control audit system for all locations for many years. The Corporate Risk and Insurance Management team conducts risk audits at regular intervals in conjunction with external partners. In addition to standard property insurance risks such

as fire and natural hazards, business interruption, occupational safety and environmental risks are also analyzed. The team then informs management at the respective locations of the results and provides recommendations and monitors implementation.

Product safety

Product safety has a high priority at Rieter. For this reason, Rieter has a well-structured product safety organization and works with external specialists if necessary. A product safety officer has been appointed for each product group. These officers are supported by a global network and regular internal training courses. Clear processes and risk assessments have been established and an appropriate exchange of experience is assured.

Continuous education and training

To manufacture and deliver high-quality products and services, Rieter needs competent employees. Know-how, commitment, flexibility and loyalty are the key to success. Therefore, Rieter attaches great importance to the continuous development of its employees.

Rieter needs high-performing employees who understand the company and its challenges. That is why Rieter focuses on promoting talented specialists and leaders. The Group strives to fill as high a percentage of management positions as possible with employees from its own ranks.

Diversity

Diversity is firmly rooted in Rieter's value system and provides the framework for a corporate culture based on mutual respect and trust. Unified through the company values and corporate strategy, individual and cultural differences are experienced as enrichment and are a source of inspiration and innovation. By

relocating operational activities closer to the sales markets, the workforce increasingly reflects the cultural diversity of Rieter's customers.

Rieter is a firm believer in the added value of intercultural cooperation and promotes the transfer of know-how through the assignment of employees worldwide. Whereas, in the past, experienced employees were predominantly transferred from the parent company to the national companies, the company in recent years has invested more heavily in transferring knowledge from the national companies to the parent company.

In addition to intercultural cooperation, Rieter pursues the goal of increasing the overall proportion of women in the workforce, and continuously increasing the proportion of women in management positions to over 20% by 2025.





Cooperation with suppliers

Rieter fosters a partnership relationship with its suppliers. The aim is to work together to continuously improve the quality and reduce the cost of purchased materials and components. Rieter places emphasis on gaining the active support of its suppliers in the innovation process. The company respects the intellectual property rights of its partners and strives for long-term cooperative relationships characterized by mutual respect and joint commitment to addressing business challenges. The company also expects its suppliers to adhere to the principles of Rieter's Supplier Code of Conduct.

Around 76% of suppliers have signed the Rieter Supplier Code of Conduct or have their own equivalent code of conduct. The Supplier Code of Conduct was updated in 2022 and now also includes provisions on the reduction of CO₂ emissions. Rieter will also verify continuous compliance with the Supplier Code of Conduct through audits and will initiate projects with selected suppliers to help improve CO₂ emissions from supplies as well as the recyclability of supplied components.

Social and community commitment

Cooperation with employee representatives worldwide is of fundamental importance to Rieter. At the European level, this takes place through an international council, and at the national level directly with the relevant employee representatives and trade unions in the individual countries.

Rieter has always taken its social responsibility in the communities where its plants are located and toward employees very seriously. In Switzerland, for example, through the Johann Jacob Rieter Foundation, Rieter is engaged in the fields of art, culture, education and charitable causes.

As an employer, Rieter provides support for its employees concerning their voluntary commitments in associations and social services or concerning political authorities. The company is a member of various industrial associations and is actively involved with the various committees in their respective field of activity.

CORPORATE GOVERNANCE

Code of conduct

As a global company, Rieter observes the laws and regulations of all the countries in which it operates. The actions and practices of all Rieter companies and their employees are in accordance with the Universal Declaration of Human Rights of the United Nations, the fundamental conventions of the international labor organizations and the OECD guidelines for multinational companies.

Business ethics

Rieter's business relationships with its partners are based on the principles of honesty and trust.

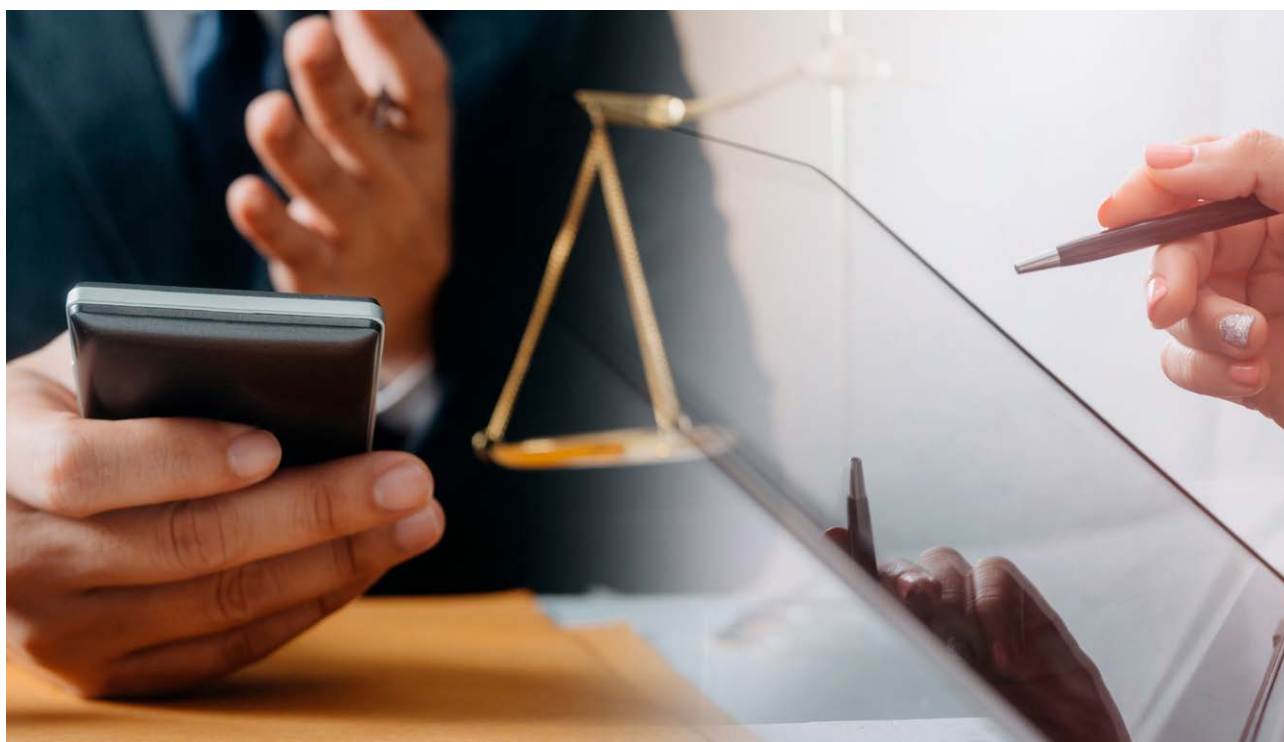
The safety of Rieter's products for customers as well as operating and maintenance personnel in all phases of the product cycle is of paramount importance to Rieter. Rieter and its business partners work together closely to achieve a high standard and continuous improvements in this area.

Human rights

Rieter respects the human rights of its employees and provides them with a professional, safe and hazard-free working environment. Rieter obliges its suppliers to observe human rights.

Rieter rejects any form of compulsory or forced labor and does not tolerate any kind of abusive disciplinary measures. Working hours are always set in accordance with applicable local legislation.

Rieter is committed to the fundamental conventions of the International Labor Organization, the OECD guidelines for multinational companies and the principles opposed to the systematic exploitation of natural resources and raw materials.



Conflicts of interest

Rieter prohibits all forms of bribery and other corrupt business practices. In particular, Rieter employees or their agents may not offer, promise or give anything of value to officials or representatives of Rieter's customers or suppliers in order to gain an improper advantage. Furthermore, they may not accept gifts or favors from such persons.

Taxes

As both a company and employer, Rieter complies, in good faith, with the applicable tax legislation and obligations in all countries in which the company operates, with regard to all direct and indirect taxes as well as international agreements and tax guidelines. In accordance with the "Base Erosion and Profit Shifting" (BEPS) campaigns of the OECD, Rieter prepares the Country-by-Country Report (CbCR) for the entire Rieter Group and makes it available to the Swiss tax authorities. Rieter shares the CbCR with the competent authorities in the countries that have signed the relevant agreements. Rieter recognizes that all taxes that the company pays and collects for governments are an integral part of corporate social responsibility.

Data protection

Rieter takes the protection of personal data very seriously. Personal data includes all information that allows a person to be identified. The privacy statement provides information about which data Rieter collects and how Rieter uses and protects the collected data.

Rieter takes appropriate technical and organizational measures to protect personal data against manipulation, loss or access by unauthorized third parties. These measures are continuously checked and improved taking account of new technological developments.

Risk management

Rieter has introduced a comprehensive risk management system that also records and handles so-called non-financial risks. The risk management process is regulated by the directive "Rieter Risk Management System". This directive sets out the procedures for the identification, reporting and handling of risks, the criteria for qualitative and quantitative risk assessment, and the thresholds for reporting identified risks to the competent management levels. Environmental risks are also evaluated and assessed as part of this risk assessment. Based on this analysis, various fields of action and measures have already been defined.

At least once a year, the risks are assessed in the context of a workshop under the direction of the General Counsel and recorded in a report to the Board of Directors.

Conflict minerals

In accordance with the requirements of Swiss law, Rieter does not trade in or import minerals or metals that contain tin, tantalum, tungsten or gold. Insofar as pre-products are processed that may contain such minerals, Rieter requires certification from the suppliers that these minerals do not originate from conflict or high-risk areas.

Child labor

Rieter does not employ children in its plants and stipulates that its suppliers must not tolerate child labor. Rieter has carried out a risk analysis on the subject of child labor. The aspects examined included the supplier structure and the quality of the purchased products. The analysis concluded that the risk of child labor, as defined by the applicable international directives based on the Children's Rights Atlas, can most likely be excluded. The Children's Rights Atlas is a due diligence platform operated by UNICEF and the Global Child Forum. It helps companies to evaluate the actual and potential impact of their business activities on children.

Certificates, awards and ratings

In the MSCI ESG rating for 2022, Rieter was rated A (on a scale from AAA to CCC). The MSCI ESG ratings assess companies based on their industry-specific exposure to environmental, social and governmental risks, and their ability to deal with these risks.

Rieter also achieved 83rd place in an overall ranking of 171 companies by the independent Swiss sustainability rating agency Inrate, with a solid score of 64 out of a possible 100 points. This rating confirms that Rieter operates in a long-term sustainable business field and strives to continuously improve its sustainability contribution.

Since 2021, the Rieter share/outstanding bond is part of the SPI-ESG share index/SBI-ESG bond index of the Swiss stock market SIX. The indices are developed based on data from the independent Swiss sustainability rating agency Inrate.



STAKEHOLDER DIALOGUE

Rieter is engaged in a lively exchange with internal and external dialogue groups. This ensures that the company can include a wide range of viewpoints in its corporate management and create long-term value. Personal contact is fundamental, though digital forms of communication are gaining in importance. The main stakeholders for Rieter are customers, employees, suppliers, the financial community, investors, local communities and NGOs, regulatory authorities and industry associations, universities (research and partnerships), the public and the media.

Customers

Rieter offers cutting-edge technology that empowers customers to strengthen their competitiveness in a challenging environment. Sales, textile technologists, service experts and customer training teams are in close contact with customers and support them in realizing the full potential of Rieter products and systems through knowledge transfer and training.

The company is present at the most important textile fairs and symposiums worldwide. Rieter provides transparent information on products and services on its website, regularly publishes papers in trade media and issues a newsletter and two customer magazines. The dialogue is also actively cultivated on social media channels.

Employees

Rieter is an innovative technology leader thanks to the know-how, competence and passion of its employees. Rieter's corporate culture is based on the guiding principle "Rieter makes the difference", which was launched in 2020 and co-created by employees. In the aftermath of the COVID-19 pandemic, the focus was increasingly on the behavioral values and principles of collaboration and quality. The company ensures that everyone feels included and con-

ducts global and local surveys at regular intervals. In 2022, the company introduced a global remote work policy that gives employees the flexibility they need to achieve a healthy work-life balance.

In the spring of 2024, Rieter will open the CAMPUS, which comprises a Customer and Technology Center as well as an administration building. With the Rieter CAMPUS, the company is creating a state-of-the-art and creative working environment, ensuring access to cutting-edge European technology and enhancing its ability to attract young talent. The Rieter CAMPUS will make an important contribution to implementing the company's innovation strategy and expanding its technology leadership.

Suppliers

Rieter attaches strategic importance to its supplier relationships and therefore cooperates closely with them. This makes it possible to minimize social and environmental risks along the supply chain and promote sustainable development. In this way, Rieter enhances value creation overall and creates added value for everyone.

Financial community

Rieter maintains a lively exchange with the financial community in order to ensure transparency and create trust. Rieter is continuously expanding the information base through its annual publication of Key Data on the Environment, Social Issues and Corporate Governance and by strengthening its Internet presence. Open communication allows the financial community to gain a realistic picture of the company's operations and to evaluate the company in a fair manner. At the same time, the communication of non-financial information is becoming increasingly important. The company is also establishing a closer working relationship with ESG rating agencies and addressing questions from NGOs on sustainability issues.

Investors

The Rieter Group regularly informs shareholders about the course of business by means of the Annual and Semi-Annual Reports, the annual publication of Key Data on the Environment, Social Issues and Corporate Governance, and at the Annual General Meeting. The company also maintains an ongoing dialogue with institutional investors who hold Rieter shares in the form of roadshows and investor days. Through open communication, Rieter aims to attract a shareholder base that is as broadly diversified as possible, international and focused on the long term.

Local community and NGOs

Rieter has close ties with its locations worldwide. The company is one of the largest employers in the respective regions: Changzhou (China), Ústí nad Orlicí (Czech Republic), Wing (India) and Winterthur (Switzerland). In these locations, in particular, Rieter is highly involved in cultural, educational and charitable activities. In India, a Corporate Social Responsibility Committee selects projects that support local communities in close proximity to the site. Following the devastating monsoon rains in Pakistan, Rieter supported local non-governmental organizations to ensure that aid reached the areas where it was most urgently needed.

The company also maintains a lively dialogue with local non-governmental organizations on relevant issues in the textile industry. This takes place at local events or directly in bilateral discussions.

Regulatory authorities and industry associations

As a leading company in textile machinery technology, Rieter is an active member of the relevant industry associations, such as Swissmem.

Universities: Research and partnerships

For decades, Rieter has been working with top-class research institutes worldwide with a view to further expanding its technology leadership position. For example, in conjunction with the Johann Jacob Rieter Foundation, the company is supporting a new Endowed Professorship for Industrial Artificial Intelligence at the ZHAW School of Engineering. Other projects are being carried out, for instance, with ETH Zurich on recycling and with the German Institute for Fiber Research in Denkendorf on carbon emissions.

Selective partnerships with other textile producers also play an important role. The focus here is increasingly on the circular economy. For example, to improve sustainability in yarn manufacturing, in 2022 Rieter signed a contract with the recycling company Worn Again Technologies. The plan is to establish a pilot plant at the Winterthur site.

Public and media

Rieter informs the public and the media in a transparent and open manner. The financial media, in particular, play a major role in this context. Daily newspapers are also given special attention, as they are important to the respective local populations. The industry-specific trade media are supplied with product information on a regular basis.

A long, modern textile spinning machine in a factory. The machine consists of a long row of spindles, each with a white bobbin and a black handle. The machine is mounted on a white frame. In the background, a worker is visible, and the factory ceiling is visible with its structural beams and lighting.

Intelligent system
technology for greater
efficiency and resource
conservation

IMPLEMENTATION OF THE SUSTAINABILITY STRATEGY

OPTIMIZING ENERGY AND MATERIAL CONSUMPTION IN THE SPINNING MILL AND BEYOND: NEW PERSPECTIVES WITH THE AUTOCONER X6

Energy efficiency is the key to decarbonizing yarn production. With the automatic winding machine Autoconer X6, Rieter has added another all-star performer to its energy-efficient technology portfolio, while at the same time contributing to maximum resource utilization. Integrating the automatic winding machine into the Rieter ring and compact-spinning system also paves the way for further efficiency increases, even in downstream process stages of the textile value chain. Digitization and artificial intelligence open up new prospects for the future.

Some process steps in the textile value chain consume the scarce resource that is water and require the use of chemicals on a large scale. These include, for example, the production of synthetic fibers and dyeing. When spinning fibers into yarn, the electrical energy required to operate the machines determines the environmental footprint, especially if it comes from fossil sources.

Rieter's ring and compact-spinning system sets the industry benchmark for energy consumption and thus for CO₂ emissions in yarn production. Assuming that the required electricity is generated from coal, the production of one ton of yarn with a Rieter system releases about one ton of CO₂. The Rieter system emits about 10% less emissions than competitor systems.

Precision creates advantages

As the final process stage in ring and compact spinning, the winding machine accounts for around 14% of energy consumption in the spinning mill and is therefore the focus of efforts to reduce energy consumption. Generating the vacuum is one of the processes

that consumes the most energy in the winding process. A vacuum is necessary to enable reliable yarn detection and gripping during all cycle operations on the Autoconer. Reliable yarn detection and gripping means high productivity, resource conservation, and quality-assured package handling. The Autoconer operates at a lower vacuum than competitor machines thanks to sensory monitoring and control. The resulting advantages in energy consumption over competitor machines are significant and range from 7% to 70%, depending on the competitor, machine type and number of winding units and cycles.

When it comes to minimizing material consumption, precision in yarn cleaning is key. During yarn cleaning, faults are removed and yarn ends are reconnected using splicing technology. Eliminating a defect, including splicing, takes only five to six seconds. Then the splice optics are checked to ensure that they meet the quality requirements. If the spliced yarn is too thick or too thin, it is spliced again.

The new open prism splicing technology improves the optics of the splice joint with high precision and uniformity. This means fewer repeats and consequently less yarn waste.

Positive impact on downstream process stages

One example of the increase in efficiency in downstream process stages is the production of dyeing packages on the Autoconer X6. The package building process has a significant influence on the dyeing process and thus on the consumption of water, dye chemicals, energy consumption and the quality of the dyeing results. With the Preci FX drumless yarn traversing system, the Autoconer took on a pioneering

role at an early stage and for the first time specifically optimized the design of the dyeing packages. The combination of Preci FX and the yarn tension control system Autotense FX allows the production of the exact uniform package density as required by the dyer. This is a prerequisite for uniform dyeing results in the first dyeing cycle. This conserves resources and lowers costs.

New prospects thanks to artificial intelligence

The Autoconer X6 is integrated into the Rieter ring and compact-spinning system via ESSENTIAL, Rieter's digital platform for spinning mill control. Integration opens up the potential for enhanced transparency and optimization from bale to bobbin. Not only will it be possible to detect relevant deviations

in production even faster and more comprehensively, but it will also be possible to identify and eliminate the causes across the entire process. This takes place based on rules and thresholds as well as the evaluation of machine events throughout the process. In this way, ESSENTIAL maps the expert knowledge of spinning operations in the form of artificial intelligence and creates the basis for a learning system.

The use of artificial intelligence will make a significant contribution to automation and process optimization, and thereby advance sustainability in the textile industry. To further develop expertise in the field of Industrial Artificial Intelligence, Rieter and the Johann Jacob Rieter Foundation are funding a professorship at the ZHAW School of Engineering in Winterthur (Switzerland).



In the future, quality deviations will be analyzed during production with the help of artificial intelligence and corrective measures will be initiated.

R 37: NEW OPPORTUNITIES FOR RECYCLED ROTOR YARNS



Stricter legal requirements and changed consumer expectations are stimulating greater demand for textiles made from recycled materials. In India, one of the world's largest textile markets, spinning mills are increasingly relying on Rieter's semi-automatic rotor spinning machine R 37 to meet rising demand. The R 37 is proving to be particularly suitable for opening up qualitatively more challenging areas of application for yarns made from recycled raw materials.

Mechanical recycling of textiles generates a high proportion of short fibers. This represents a particular challenge for the production of yarns using the ring and compact spinning process. Rotor spinning, therefore, is a proven alternative for processing raw material with a high short fiber content.

Until now, rotor-spun yarns, with their specific properties, have been used by spinning mills mainly for denim jeans fabrics or lower-grade applications. Due to increasing demand, more and more spinning mills in India are adapting their processes to meet increased requirements. Their aim is also to produce finer knitting yarns on rotor spinning machines from blends with recycled fibers that are well suited for T-shirts and sweaters.

The R 37 semi-automatic rotor spinning machine is particularly suitable for this purpose. The R 37 produces yarns with high tenacity and uniformity. It allows high-quality yarns to be spun, even from blends with a high short fiber content. A decisive factor for economic efficiency is a high fiber yield combined with the highest possible trash elimination. With the R 37, the replaceable trash disposal channel allows optimal adaptation of the trash elimination to the recycled material, which also makes it possible to separate out yarn ends that are not completely fiberized. The R 37 thus extracts more impurities from the raw material than comparable machines, while retaining spinnable fibers for the production process. This results in clear advantages: better yarn strength, greater productivity, and excellent spinning stability. In addition, the highly efficient drive system of the R 37 reduces power consumption.

This offers great potential because the better the quality of the recycled rotor yarns, the more possible applications there are for sustainable textiles. Rieter is also further developing [recycling technology](#) for ring yarns to promote the creation of a circular economy in textiles.

REPAIR SERVICES FOR MORE COMPETITIVENESS AND LESS WASTE

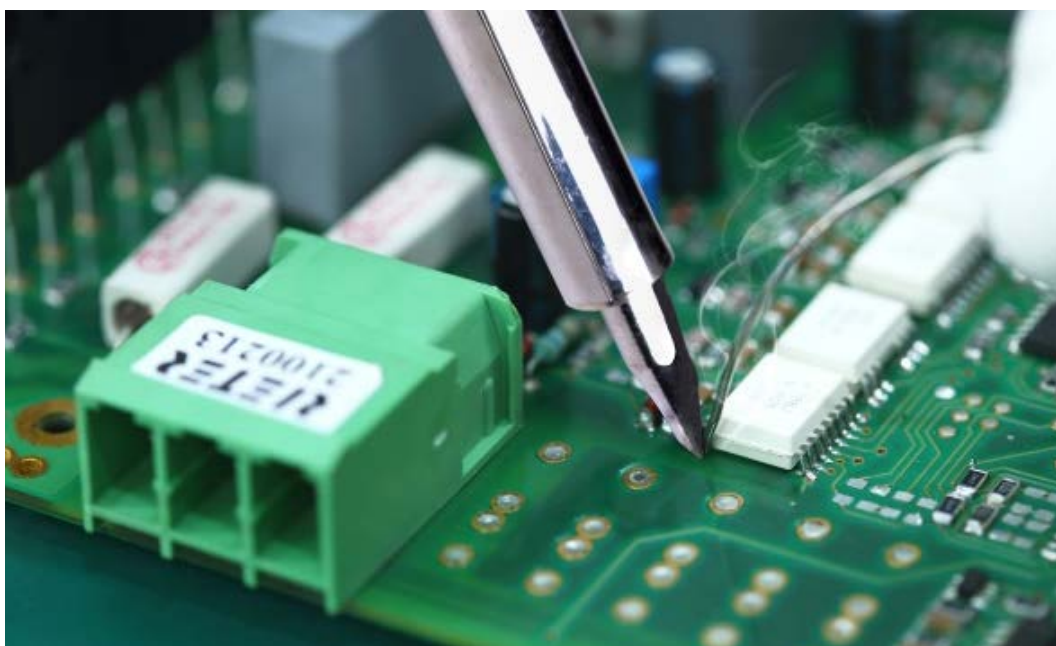
Repairing defective parts makes both ecological and economic sense. Repairs are often cheaper and quicker to conduct and conserve valuable resources. Over one hundred Rieter repair engineers are deployed globally. After heavy floods devastated a mill in India, they helped restore operations quickly and avoided 1.5 tons of electric waste.

The globally installed base of spinning machines produces a variety of yarns around the clock. Based on demand and utilization, even machines and parts that are regularly and perfectly maintained can occasionally show defects and lead to machine breakdowns. More than 100 Rieter repair engineers are well equipped and on standby all over the world to perform all levels of repair and maintain machines for customers.

However, when heavy monsoon rains in 2022 flooded the spinning unit of the vertically integrated denim manufacturing plant of Bhaskar Industries in central India, Rieter's repair team faced a far greater challenge than in its normal day-to-day business. The water level had risen to more than 1.50 meters inside the machine hall and penetrated all the machines' electronic components, including inverters. Inverters are crucial components of spinning machines, without which they can't operate.

Akhilesh Rathi, the Managing Director of Bhaskar Industries, said: "We believe in sustainable and circular business processes with regard to fibers, yarn, dyeing and chemicals, water and air levels so why not repair our machines?"





Rieter's repair engineers collected and analyzed parts to repair and restore all systems to the greatest extent possible and get the spinning mill up and running again. Over three weeks, they repaired and overhauled more than 80 inverters as well as many other important electronic components. This reduced the downtime to a minimum. The complete replacement of the defective components would have taken significantly longer. In addition, the repairs were less expensive than spare parts and more than one and a half tons of electric waste were avoided.

Stepping up circularity globally

Rieter has implemented sustainable recycling processes at each of its 27 repair service stations across 22 countries. Every Rieter repair station around the globe can now recycle components and all byproducts of the repair operations in collaboration with specialized local subcontractors.

Sustainability is also key for Rieter in this area. The company is on a mission to support its customers in reducing their environmental footprint by offering sustainable [repair solutions](#), retrofits, upgrades, performance optimization services and re-use of original parts.

ENERGY-EFFICIENT AND ECOLOGICAL PRODUCTION PROCESSES

The threat of an energy crisis in Europe has given further impetus to Rieter's existing strategy of optimizing energy consumption. All European locations were instructed to take rapid and comprehensive measures to increase energy efficiency and reduce dependence on fossil fuels, especially gas. The company plans to switch entirely to renewable energy sources for heating and cooling by 2030.

Under the slogan "Reduce energy consumption – minimize energy losses – substitute fossil fuels", Rieter is pressing ahead with its strategy of reducing energy consumption and substituting fossil fuels. In cooperation with external consulting firms, further potential savings are being identified. In 2022, Rieter

conducted energy audits at all production sites. The results of these audits are expected during the course of 2023, and recommended action will be derived from them. The initial recommendations have already been implemented at individual sites. In Winterthur, energy-saving measures such as reducing the heating temperature resulted in a 23% reduction in total energy consumption in the last quarter of 2022 compared to the same quarter of the previous year.

Wherever possible, energy specialists at Rieter exploit further potential savings measures, such as heat recovery in machines and the elimination of leaks in the compressed air network.



The largest photovoltaic system is located in Changzhou (China) with a capacity of 3 350 MWh.



Energy efficiency was key during the redesign of the Temco site.

Innovative approaches for greater efficiency

In Hammelburg (Germany), Temco manufactures components for the production of filament yarns and man-made fibers. The production site has been redesigned for improved energy efficiency and increased flexibility. Since the beginning of 2023, the company has replaced an outdated, centralized filtration system and the associated cooling system with new, decentralized systems. Various machine

groups are now supplied with oil from multiple systems, and three lathes are equipped with individual supply units. This lowers the energy requirements of the entire site by almost 5%, the plant requires less chemicals and cooling water, and maintenance work is also reduced.

Expansion of solar capacity

Rieter further expanded its [solar power capacity](#) in 2022. Four new photovoltaic systems (PVS) in three countries deliver an additional 4 200 MWh of capacity. The company now has ten PVS in four countries with an annual capacity of 7 500 MWh, and worldwide can cover approximately 13% of its own electricity requirements with renewable energy.

The largest PVS is in Changzhou (China). With a capacity of 3 350 MWh, it has provided between 25% and 30% of the electricity demand since May 2022. In November, the Group commissioned a new PVS in Ústí nad Orlicí (Czech Republic). This supplies 20% of the site's electricity needs.

In Switzerland, following the commissioning of two further plants, the company now has more than seven PVS. Since May 2022, the Rapperswil-Jona site has been meeting 5% of its electricity requirements with its own solar power. A new plant with an annual capacity of 100 MWh complements the existing PVS at the headquarters in Winterthur (Switzerland). Together with the small hydropower plant, which has a capacity of 1 000 MWh, the Winterthur site can now cover 25% of its electricity requirements with its own renewable energy. In India, the company has already been sourcing around 20% of its electricity needs from solar power since 2019.

SOCIAL GOALS

Focus on Integration and Team building

Employees were faced with a variety of challenges in 2022. In order to safeguard deliveries, it was necessary to compensate for serious material bottlenecks, particularly for electronic components, which resulted in considerable additional development expenditure. Clear communication from the CEO in the form of employee letters, town hall meetings, and videos focused the workforce on priorities and drove their implementation. There were constant reminders to adhere to COVID-19 precautions, as the pandemic was still not over in 2022.

A key focus in 2022 was the integration of the new business units following their acquisition in 2021 and 2022. After the integration of Accotex and Temco in December 2021, Rieter's entire senior management team welcomed the management team in a virtual meeting in January 2022. Town hall meetings were held in Germany with the local workforce of Temco in

Hammelburg and Accotex in Muenster. Accordingly, following the integration of the winding machine business at the beginning of April 2022, a town hall meeting was also held in Uebach-Palenberg (Germany). In September 2022, at a management conference in Lucerne (Switzerland), the worldwide leadership team met for the first time in full and in person to discuss the strategic priorities and their implementation.

Ukraine

After the outbreak of the war in Ukraine, immediate, non-bureaucratic support was offered to refugees at various Rieter locations. Material relief supplies were collected and safe accommodation was provided. At the Czech sites in Boskovice and Ústí nad Orlicí, a total of around 180 refugees were recruited and given the opportunity to build a new livelihood with their families. Hiring translators helped to overcome the language barrier in training and inclusion activities and facilitated social integration.



The Rieter Interns program gives university graduates an opportunity to get to know Rieter as an employer.



The Performance Management Process supports professional personnel development.

Management development and the promotion of employees and young talent

The Group strives to fill as high a percentage of management positions as possible with employees from its own ranks. The “Performance Management Process” supports professional personnel development. In the 2022 financial year, this process was again carried out at all locations worldwide. An intensive bottom-up process across the global management structure identifies internal employees with strong potential and facilitates their advancement in a targeted manner.

Managers from China, Germany, India, the Czech Republic and Switzerland took part in the annual leadership program. Digital learning opportunities and practical exercises helped the participants to develop their individual leadership style. Positive feedback and high demand led to an increase in the number of participants by 33% in 2022. The program was extended from six to nine months. Exchanging experiences with other participants and discussions with experts are integral parts of the program.

Quarterly induction programs for new employees were also held in 2022. Onboarding provides basic information about Rieter in five half-day online events. This includes the strategy, organization and corporate culture, business units and strategies, textile technology, customer information and relevant future topics.

Rieter provides the opportunity for talented young people to enter professional life in a structured manner through a variety of young talent programs. After their basic education, school-leavers can complete vocational training at various European locations of the Rieter Group. Upon successful completion, the majority were taken on as permanent employees. At the production site in India, talented young people from the disadvantaged surrounding villages were trained in technical professions as part of a vocational education and training (VET) program. The majority of the graduates of the VET program were hired as employees at Rieter.

University graduates can put their knowledge from their studies to practical use in the “Rieter Interns” program for young talent and kick off their career at Rieter.



Building schools, investing in the future

As part of its traditional social engagement in India, Rieter is helping to rebuild an urgently needed school near the production site in Wing. Rieter also supported the victims of the flood disaster in Pakistan in 2022 with a donation of CHF 100 000.

The school in Gokawadi, a village near Rieter's production site in Wing, collapsed a few years ago. Since then, the children have been attending classes provisionally in a temple or in the local community hall. The reconstruction began in 2022. Rieter is supporting this with a contribution of around CHF 150 000.

The school will be completed during 2023 and will have five classrooms and access to clean drinking water.

Help for flood victims in Pakistan

One of the many devastating effects of the 2022 monsoon floods in Pakistan is that millions of children can no longer go to school. The Citizens Foundation, a non-profit organization in Pakistan, is now working to rebuild schools so that the affected children can resume their education as soon as possible. Months after the floods, millions of people in Pakistan are still suffering from poor sanitary facilities, hunger and lack of shelter. The non-profit organization ZMT Clinics, which works to establish comprehensive primary health care in Pakistan, has set up medical relief camps for flood victims.

In November 2022, Rieter donated a total of CHF 100 000 in equal parts to the two non-governmental organizations.

CORPORATE GOVERNANCE

Code of Conduct

The Code of Conduct is part of every employee's contract of employment and is part of the induction program in the individual business units. In 2022, centralized coaching was also provided for members

of management in the form of an e-learning program. Compliance with the Code of Conduct is regularly verified in the context of internal audits and by additional audits.



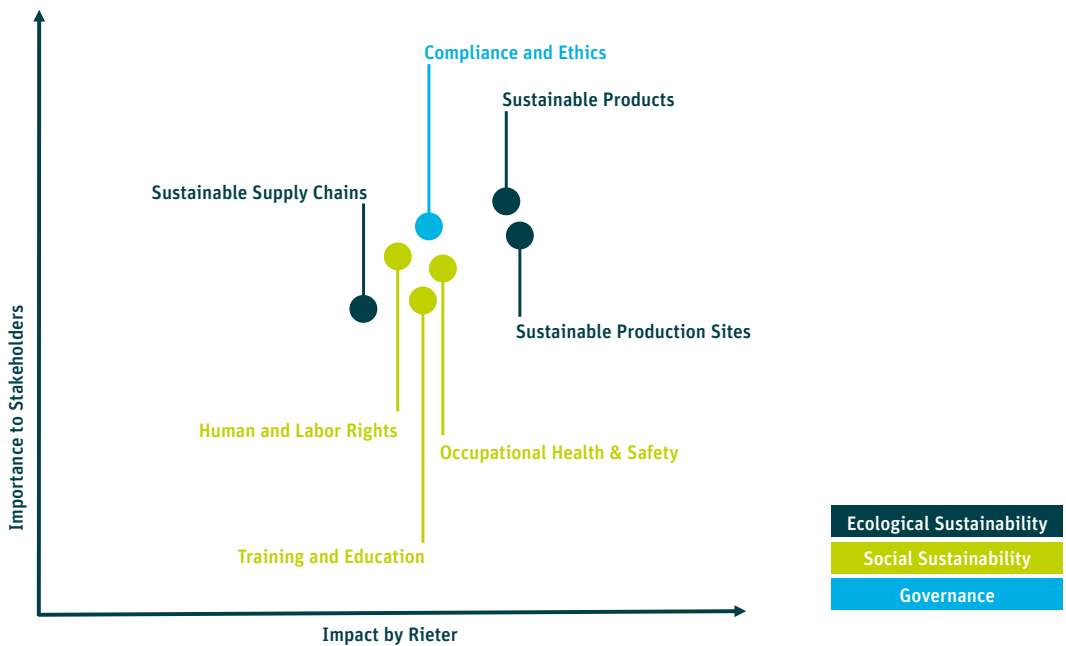
DOUBLE MATERIALITY ANALYSIS

This year Rieter introduced a double materiality analysis in the publication of its key data on the environment, social issues and corporate governance. The basis for this was a survey of the Group Executive Committee.

The first perspective of the double materiality analysis describes the impact of the company’s business activities on sustainability issues. The second perspective addresses the impact of sustainability issues on the company’s economic situation. The assessment of seven relevant criteria regarding the

is why solutions are offered to optimize performance throughout the entire service life. Automation and digitization through the ESSENTIAL spinning management system represent business opportunities that at the same time decisively improve the environmental balance of the products.

The importance of the sustainability of the **production sites** is also rated highly. Based on ecological performance indicators, Rieter has been tracking, controlling and improving its environmental performance for many years. The company plans to switch



impact of Rieter’s business activities and six criteria regarding the influence on Rieter’s business activities was based on a survey of the members of the Group Executive Committee.

Impact of business activities

The importance of the sustainability of **Rieter’s products** is rated as high. Their energy efficiency is critical to improving sustainability in the spinning process. Therefore, Rieter has set specific targets to further improve the energy efficiency of its spinning systems by 2030. Productivity plays an equally vital role in improving environmental performance, which

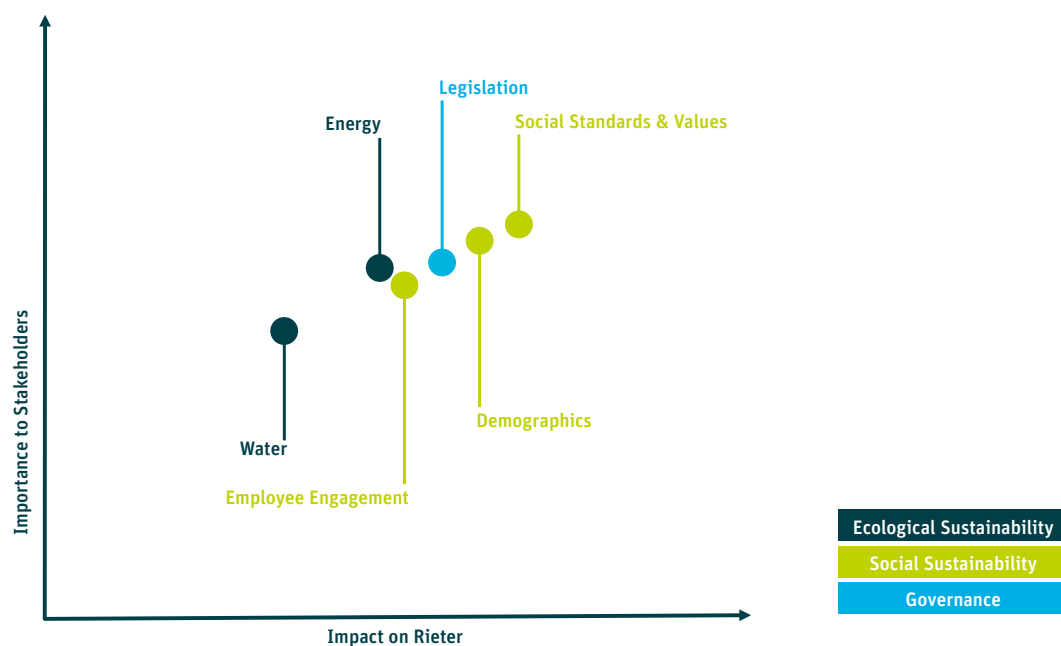
fully to renewable energy sources for heating and cooling by 2030. All business units are preparing an implementation plan this year. This allows Scope 1 and Scope 2 emissions to be influenced directly.

Business units are encouraged to further increase energy efficiency and to minimize any energy losses. The aim is to cooperate with suppliers to reduce Scope 3 emissions in the medium term.

The social issues of **health and safety** at work, **training and education**, as well as **human and labor rights** also carry a high weighting. These include issues such as **diversity and integration**, equal rights and the attractiveness of working conditions. Social performance indicators have been used to measure these issues for many years now. The pandemic stalled the long-standing positive trend of some social indicators. In the current year, measures and initiatives are planned with a view to reactivating the positive trend and achieving the targets by the end of 2025.

for Rieter is the type of textiles in demand, especially with regard to the proportion of recycled fibers. Rieter invests in the technology required to offer solutions to increase the use of recycled fibers.

The availability of skilled labor and the purchasing power of customers are grouped under **demographics**. As a technology leader, the company’s success is closely linked to the performance of its employees, which is why Rieter does everything in its power to be perceived as an attractive employer, and to provide



Impact on Rieter

Social norms and values regarding the consumption of textiles are of paramount importance for Rieter’s business activities. The focus here is, firstly, on how per capita consumption of textiles is developing, and secondly, on the type of textiles that are in demand. In Europe, for example, the level of per capita consumption is the subject of widespread discussion under the term “fast fashion”.

Rieter offers cutting-edge technology which allows high-quality yarns to be produced economically. Yarns from Rieter systems can be used to produce durable and as such sustainable textiles. Also important

the right working environment for employees. This is linked to **employee engagement**, which contributes significantly to the company’s success. The social expectations placed on Rieter with regard to **sustainable principles and forms of behavior** will continue to increase, which is why this influencing factor is also considered to be significant.

Rieter is planning to survey dialogue groups (customers, suppliers, employees, analysts, shareholders, policy-makers, regulators, and universities) this year to further explore its materiality analysis and ensure long-term business success.

SUSTAINABILITY GOALS 2025

Rieter is conscious of its responsibility towards its employees, the environment and society. The company has set specific goals for 2025 in relation to the environment and its employees.

Energy consumption



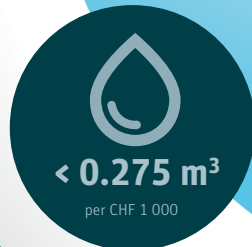
Greenhouse gas emissions



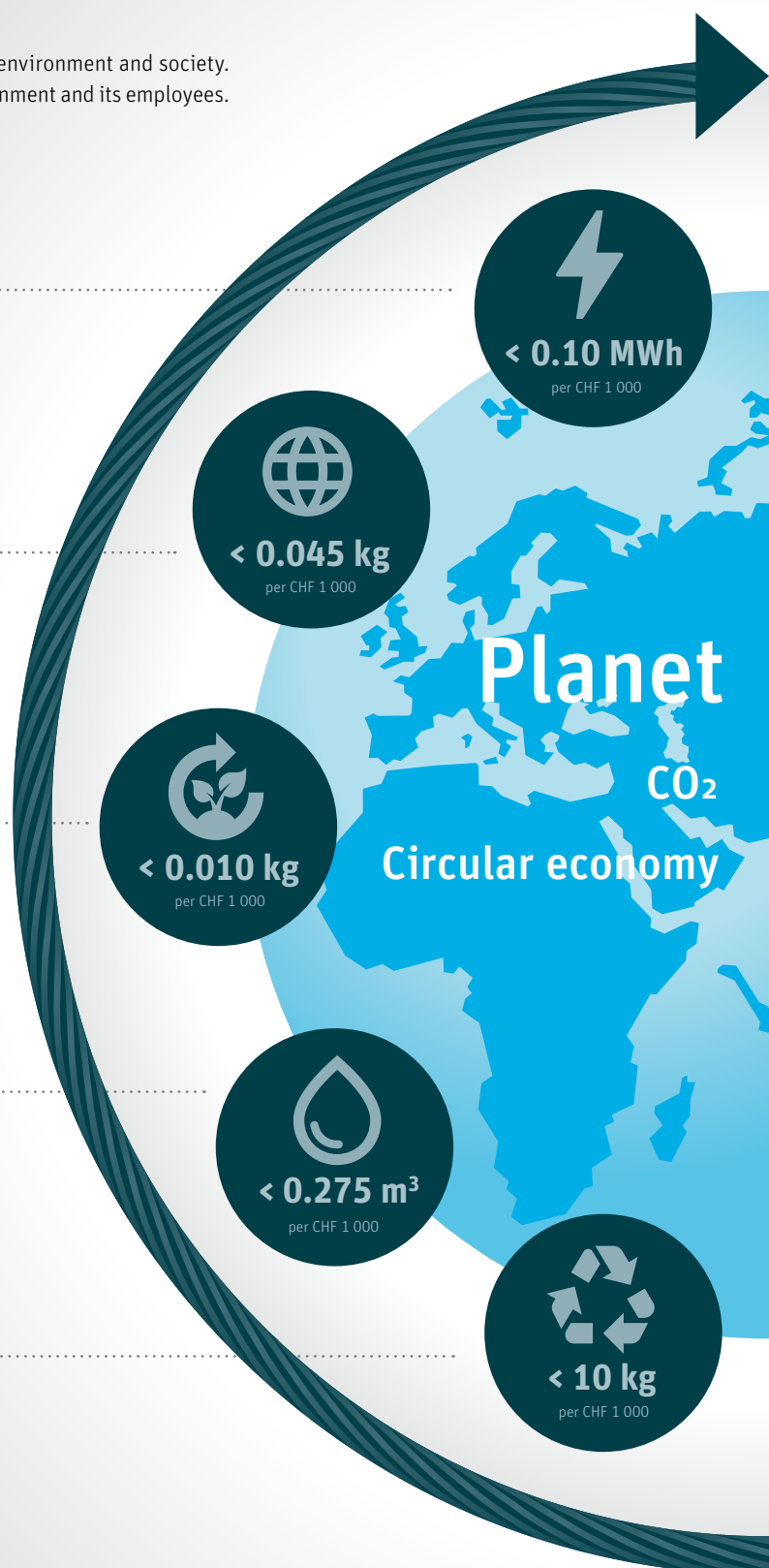
Acidification



Water consumption



Waste and recycling



The data for measuring the goals are recorded in the SEED database (Social, Environmental, Economic Data). They form the basis for key data on the environment, social issues and corporate governance. Progress is reviewed and evaluated annually.



..... Labor turnover rate as percentage of workforce

..... Women in management positions

..... Education and training days per employee per year

..... Absence rate in relation to working hours

..... Occupational safety accidents per million working hours

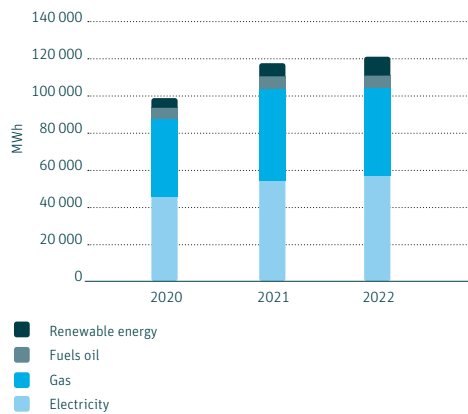
SUSTAINABILITY GOALS



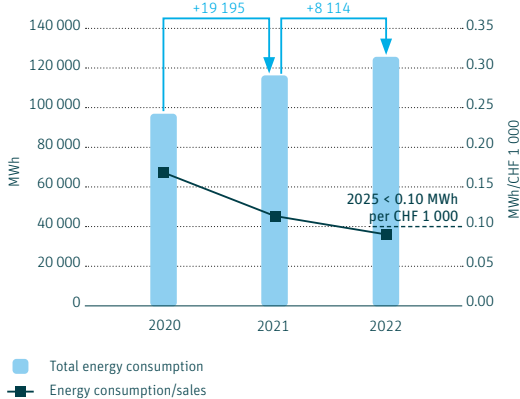
In 2022, Rieter reduced energy consumption to 0.086 MWh per CHF 1 000 of sales, thus already beating the target value for 2025 of 0.10 MWh per CHF 1 000 of sales. In absolute terms, energy consumption was 124 532 MWh and, despite significantly higher sales compared to the previous year, increased by a relatively modest 6.96%. The improvement in energy consumption was achieved by consistently implementing energy-saving measures across all sites and through the use of energy efficiency analyses.

In 2022, 85% of energy consumption was still attributable to the main energy sources of electricity and gas. In the year under review, renewable energy account-

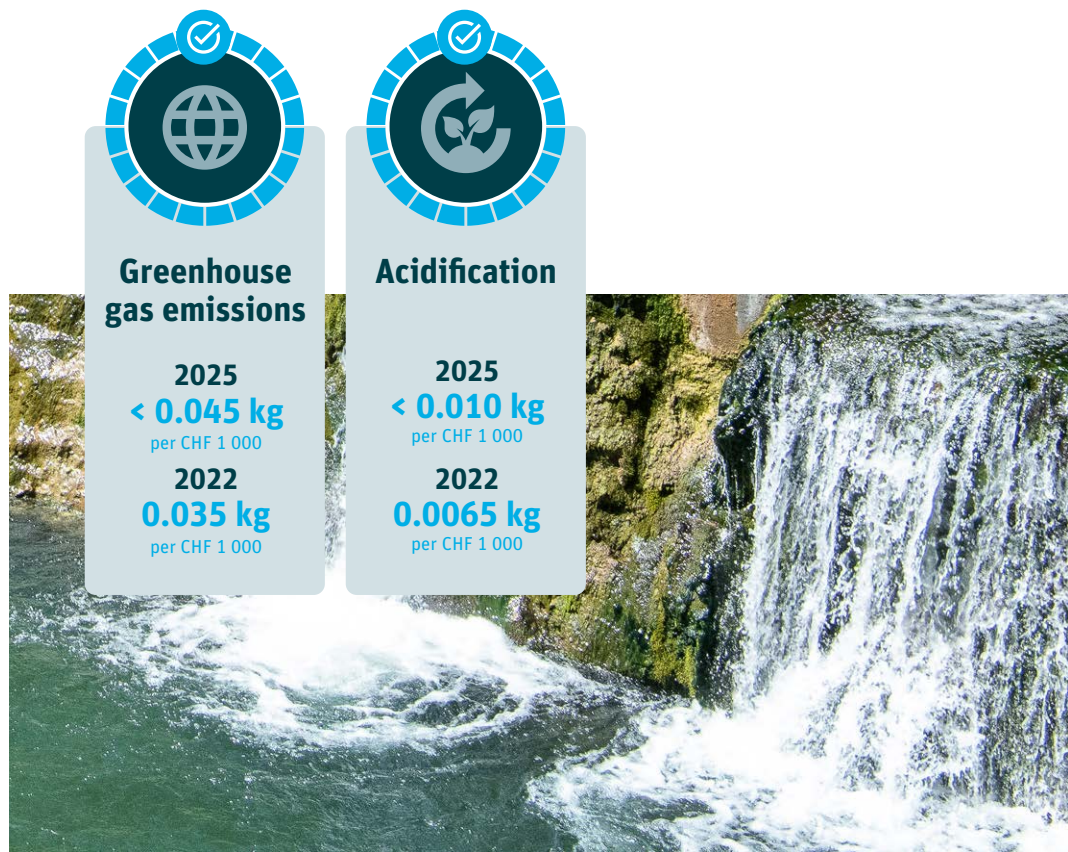
Energy Mix



Energy consumption

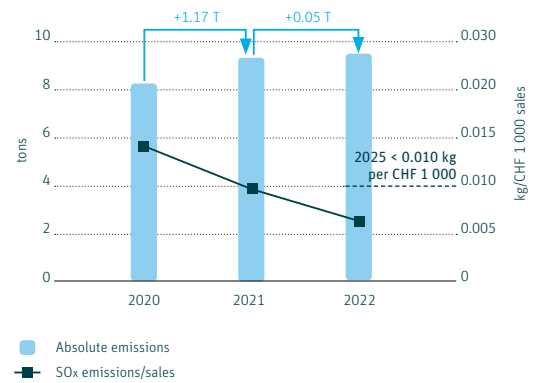


ed for 11% of energy consumption, more than double the previous year's figure. The increase was primarily due to the generation of electricity from photovoltaic systems at the production sites in India, in China, and Winterthur, Pfäffikon and Rapperswil in Switzerland. In addition, at sites in Switzerland and Germany, the procurement of electricity from unknown sources (so-called gray energy) was switched to hydropower. The switch to heating systems using wood pellets and biogas at various locations also improved the mix.

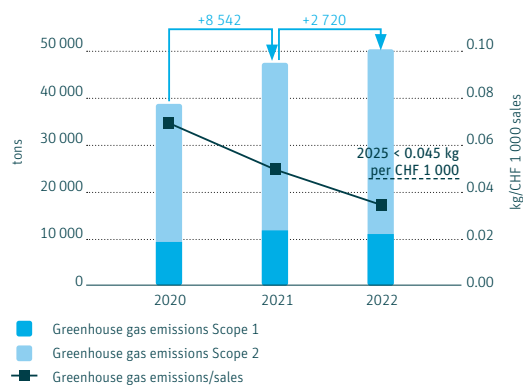


The use of renewable energy sources combined with significant efficiency improvements in energy consumption led to a reduction in CO₂ emissions to 0.035 kg per CHF 1 000 of sales. As a result, the company achieved the 2025 target of 0.045 kg per CHF 1 000 of sales ahead of time. Greenhouse gas emissions increased by 5% or overall by 2 720 tons to 50 541 tons, while sales grew by 56%.

Acidification

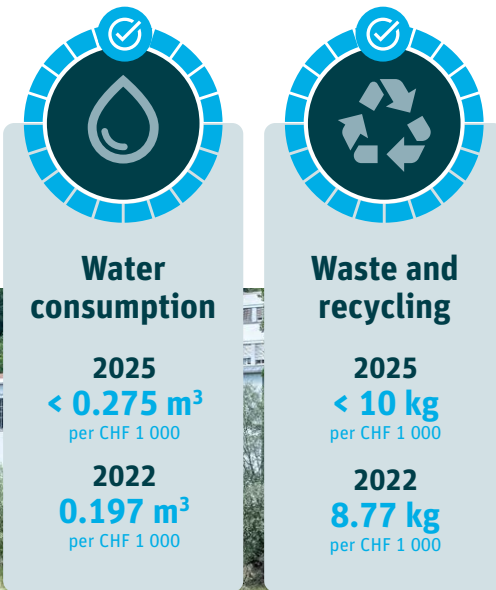
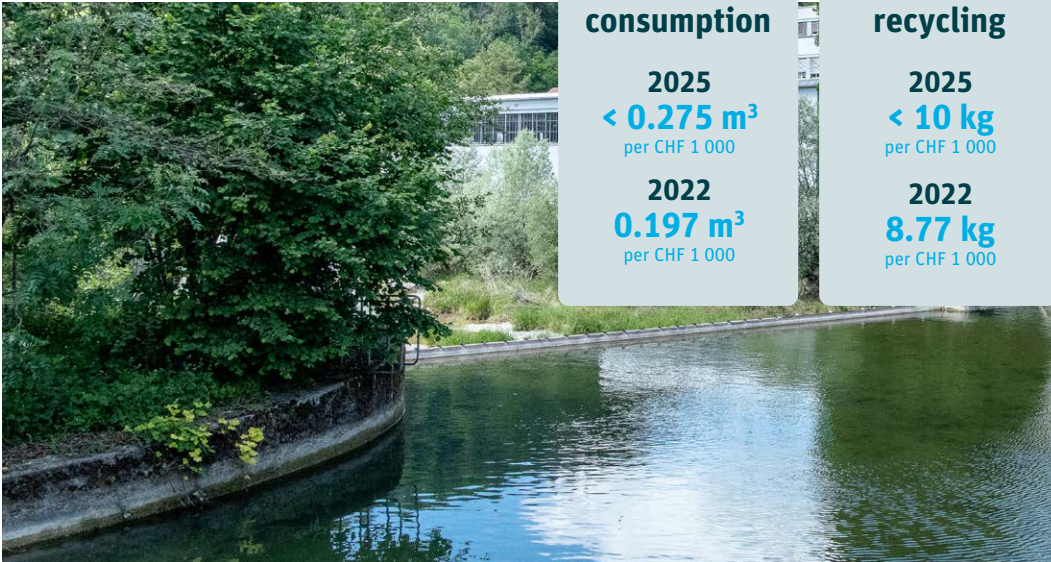


Greenhouse gas emissions



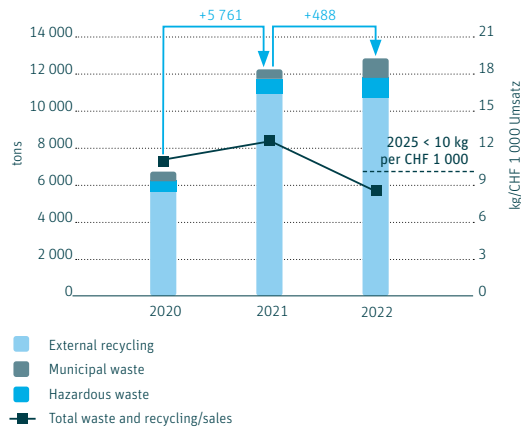
Sulfur dioxides are formed in industrial plants when fossil fuels are burned for the production process. Air purification equipment and filters help to reduce the potential for acidification at all Rieter sites. Absolute SO_x emissions in 2022 were 9.47 tons, only slightly above the previous year's figure. This means that, at 0.0065 kg per CHF 1 000 of sales, the 2025 SO_x emissions target of 0.010 kg per CHF 1 000 was beaten for the second year in succession.

SUSTAINABILITY GOALS

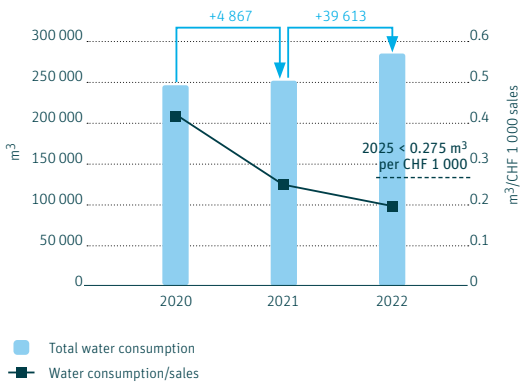


Rieter uses water in the production process only where it is absolutely necessary and has made significant progress in this regard. In 2022, Rieter sites again exceeded the 2025 target of 0.275 m³ per CHF 1 000 of sales, with 0.197 m³ per CHF 1 000 of sales achieved in the year under review. In absolute terms, due to increased sales, water consumption increased by 16% from 247 533 m³ to a total of 287 146 m³.

Waste and recycling



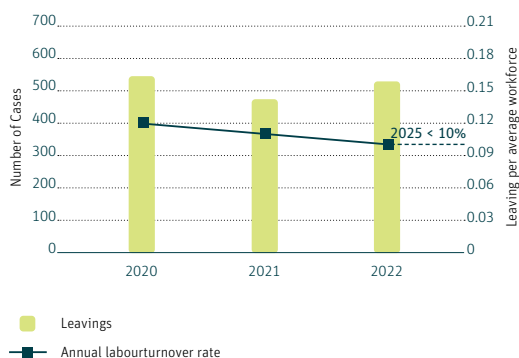
Water consumption



Rieter uses resources sparingly and promotes the circular economy. All sites have had a collection system for recyclable waste since 2021. In 2022, the recycling rate dropped to 84% from 90% in the previous year. Despite the sales increase of 56%, the amount of waste grew by a mere 4%, which translates into an increase of 488 tons to 12 748 tons. At 8.8 kg in 2022, the Rieter sites beat the 2025 target of 10 kg per CHF 1 000 of sales.



Workforce turnover



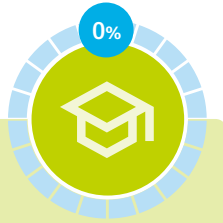
for more than 30%. The number of 20 – 29 year-olds increased by 1%.

In 2022, women accounted for around 23% of the workforce. The share of women in management positions was 12%. On the four top management levels, there was a decline from 14% in the previous year to 12% this year. Rieter intends to increase the share of women in management positions to at least 20% by 2025.

The labor turnover rate improved for the third year in succession, reaching around 10% in the year under review. The number of employees increased from the previous 4 907 at the end of 2021 to around 5 630 at the end of 2022, which was in part due to the integration of the winding machine business.

The number of temporary employees again rose sharply year-on-year in 2021 as a result of increased production, by 376 to 1 197. The age distribution of the Rieter workforce remained broadly the same. The largest proportion of employees continues to be in the 30 – 39 and 40 – 49 age groups, each accounting

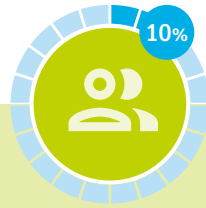
SUSTAINABILITY GOALS



Education and training days per employee per year

2025
> 3

2022
1.28



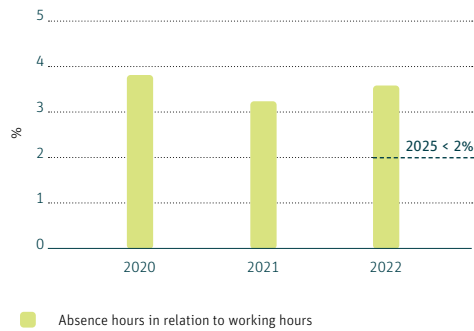
Absence rate in relation to working hours

2025
< 2%

2022
3.69%

In the year under review, every hour of production counted. In a challenging market environment, employees did their utmost to convert order backlogs into profitable sales. At 1.3 days, the average number of annual continuing education and training days per employee remained unchanged from 2021.

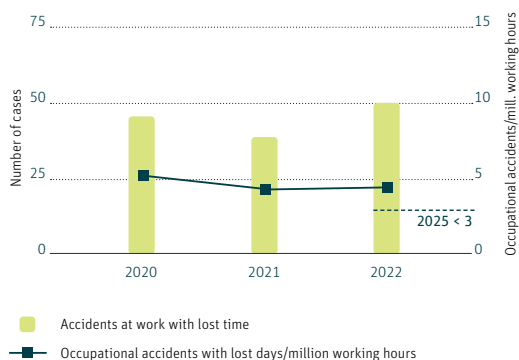
Rate of absenteeism



In 2022, the Rieter Group employed 163 apprentices, 57 of which were based in Switzerland. Due to further COVID-19 waves in key markets, the absence rate deteriorated to 3.69% in 2022, from 3.11% in 2021.



Occupational accidents



4.67. Rieter investigates every accident in detail and reinforces training and preventive measures. Thus, Rieter pursues the goal of fully avoiding occupational accidents.

In 2022, twelve Rieter plants were certified for compliance with ISO 9001, one plant for compliance with ISO 14001 and one plant for compliance with OSHAS 18001. Across the company, 86% of all employees work in an ISO-certified plant.

The absolute number of occupational accidents increased from 39 to 50 in the reporting year. This was primarily due to the high number of new employees as a result of the order situation. This brought the accident rate per million hours worked to around

	2020	2021	2022
ISO 9001 (locations)	11	11	12
Employees	90%	87%	86%
ISO 14001 (locations)	1	1	1
OSHAS 18001 (locations)	1	1	1
Rieter production locations	15	17	18

KEY PERFORMANCE INDICATORS – DEFINITIONS

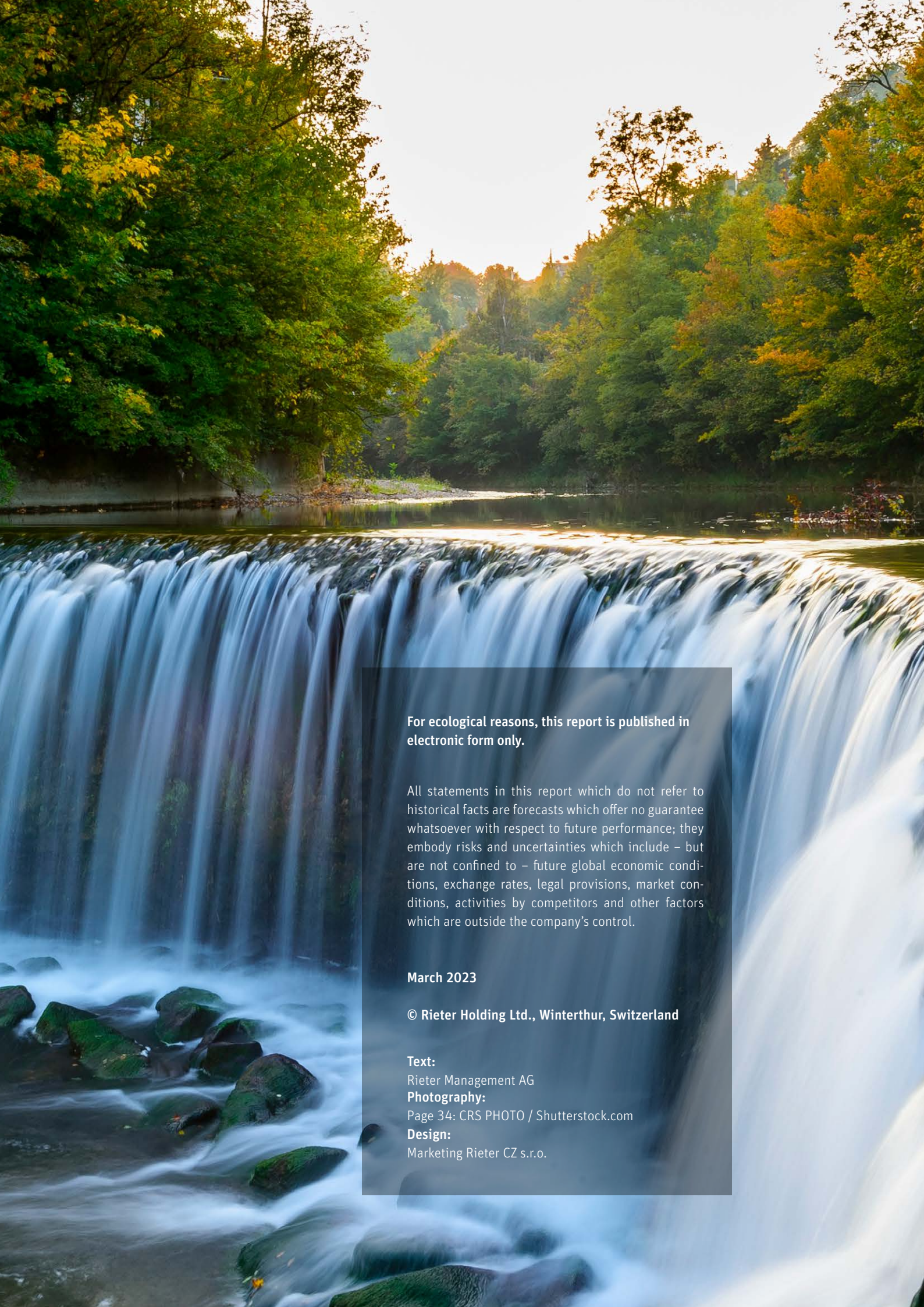
Ecological Targets (in relation to CHF 1 000 Sales)	Key Performance Indicator	Definition
Energy consumption	Energy efficiency indicator = <u>energy consumption (in MWh p.a.)</u> CHF 1 000 sales p.a.	Energy consumption from different energy sources (electricity, gas, renewable energy, other)
Greenhouse gas emissions	Greenhouse gas emissions indicator = <u>Greenhouse gas emissions (kg p.a.)</u> CHF 1 000 sales p. a.	Greenhouse gas inventory calculated in accordance with Greenhouse Gas Protocol: <ul style="list-style-type: none"> • Scope 1 emissions from direct energy use and non-energy processes • Scope 2 emissions from indirect energy use
Acidification SOx emissions	Acidification potential = <u>Acidification (kg p.a.)</u> CHF 1 000 sales p. a.	Sum of all gases from the manufacturing process that, in combination with water, can contribute to the acidification of bodies of water and soils, emissions measured in SOx or sulfur dioxide equivalent
Water consumption	Water consumption = <u>Water consumption (m³ p.a.)</u> CHF 1 000 sales p.a.	Consumption of water for production and hygiene purposes
Waste and recycling	Waste and recycling = <u>Total waste and recycling (kg p.a.)</u> CHF 1 000 sales p.a.	Total amount of waste and recycling in production process
Social Goals	Key Performance Indicator	Definition
Workforce turnover rate	Rate (in %) = <u>Total number of departures p.a.</u> Average number of employees (full-time equivalent p.a.)	Ratio of staff departures to average number of employees (full-time equivalents) in a year
Women in management positions	Rate (in %) = <u>Number of women in management positions p.a.</u> Total number of management positions p. a.	Number of women in top four management positions in relation to total number of management positions at these levels
Education and training days	<u>Total number of education days/trainings p.a.</u> Total number of employees (full-time equivalent, p.a.)	The average number of education and training days annually per number of employees (full-time equivalent)
Absence rate to working hours	Absence rate (in %) = <u>Total days of absence due to accident or illness p. a.</u> Total number working hours of all employees p .a.	Number of days lost due to accidents or illness in relation to total number working hours of all employees annually.
Accident frequency rate	<u>Total number of occupational accidents (major and minor) (p.a.)</u> Total working hours (in millions p.a).	Total number of occupational accidents (accidents with more than three days and minor ones up to three days lost) annually in relation to the total number of working hours in millions each year

GLOBAL REPORTING INITIATIVE INDEX

In its reporting on sustainability, Rieter follows the Global Reporting Initiative (GRI). The Group sets specific targets and monitors compliance with the targets. This also applies to the measurement and reporting of progress in sustainability. These requirements promote transparency and credibility and ensure uniform terminology.

The current data situation allows the tracking of eight performance indicators and is guided by a further ten performance indicators. In future Rieter will also be able to track this data. For Rieter, the achieved transparency is an important prerequisite for identifying areas for action, implementing improvements and benchmarking against best practices.

GRI 200	Economic topics	Pages	GRI performance indicators
GRI 205	Anti-corruption	13, 19, 20, 22, 23, 36, 37, 47	
GRI 206	Anti-competitive behaviour	13, 19, 20, 22, 23, 36, 37, 47	
GRI 207	Tax	13, 19, 20, 22, 23, 36, 37, 47	
GRI 300	Environmental topics	Pages	GRI performance indicators
GRI 302	Energy	2, 6, 12, 13, 14, 15, 22, 23, 30, 31, 36, 37, 38, 40, 46, 47	✓
GRI 303	Water and effluents	6, 12, 13, 22, 23, 25, 29, 31, 34, 37, 38, 42, 46, 47	✓
GRI 305	Emissions	2, 6, 12, 13, 14, 15, 18, 22, 23, 25, 29, 30, 31, 36, 37, 38, 40, 41, 46, 47	✓
GRI 306	Waste	6, 12, 13, 15, 18, 22, 23, 27, 28, 29, 31, 36, 37, 38, 42, 46, 47	✓
GRI 307	Environmental compliance	13, 18, 22, 23, 36, 37, 47	
GRI 400	Social topics	Pages	GRI performance indicators
GRI 403	Occupational health and safety	7, 12, 13, 16, 19, 20, 22, 32, 33, 34, 36, 37, 39, 44, 45, 46, 47	✓
GRI 404	Training and education	7, 12, 13, 16, 17, 22, 23, 26, 32, 33, 35, 36, 37, 39, 44, 45, 46, 47	✓
GRI 405	Diversity and equal opportunity	12, 13, 17, 23, 32, 33, 35, 36, 37, 39, 43, 46, 47	✓
GRI 406	Non-discrimination	7, 12, 13, 17, 18, 19, 22, 23, 32, 33, 35, 36, 37, 39, 43, 46, 47	✓
GRI 407	Freedom of association and collective bargaining	13, 18, 22, 23, 32, 37, 47	
GRI 408	Child labor	13, 20, 22, 23, 36, 37, 47	
GRI 409	Forced or compulsory labor	13, 20, 22, 23, 36, 37, 47	
GRI 412	Human rights assessment	13, 19, 20, 22, 23, 36, 37, 47	
GRI 414	Supplier social assessment	18, 22, 23, 36, 37, 47	
GRI 418	Customer privacy	13, 20, 22, 23, 36, 37, 47	



For ecological reasons, this report is published in electronic form only.

All statements in this report which do not refer to historical facts are forecasts which offer no guarantee whatsoever with respect to future performance; they embody risks and uncertainties which include – but are not confined to – future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors which are outside the company's control.

March 2023

© Rieter Holding Ltd., Winterthur, Switzerland

Text:

Rieter Management AG

Photography:

Page 34: CRS PHOTO / Shutterstock.com

Design:

Marketing Rieter CZ s.r.o.

Rieter Holding AG
8406 Winterthur
Switzerland
T +41 52 208 71 71
F +41 52 208 70 60

Group Communication
T +41 52 208 70 45
F +41 52 208 70 60
media@rieter.com

Group Secretary
Corporate Environment, Health and Safety
T +41 52 208 71 71
F +41 52 208 70 60

www.rieter.com