



In Motion

Responsibility Report 03

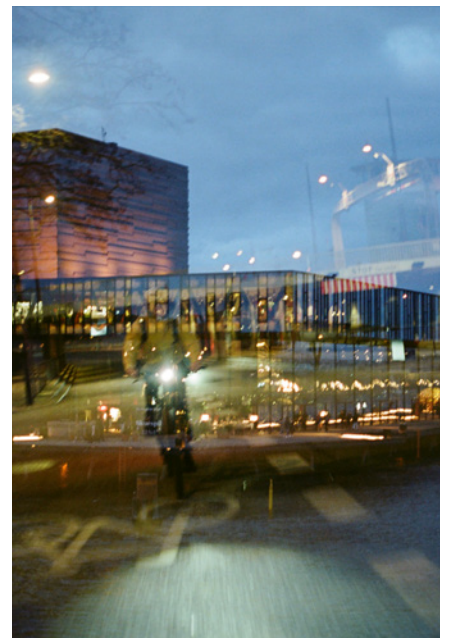
RIESE & MÜLLER

Foreword 5

Changing Cities 15

Facts and Figures 47

Outlook 79





All photos in this Responsibility Report were taken by Lars Schneider (www.larsschneider.com).



Heiko Müller, Dr Sandra Wolf and Markus Riese

Dear Reader,

Three years ago, we set out to be the most sustainable company in the cycling industry by 2025, so we still have two years ahead of us to achieve this goal. Much has happened since 2020, but there is still much to do, and the challenges are increasing in number. We have learned that acting sustainably and changing our business is an ongoing process that we do not expect to have completed even in 24 months. Why is this the case, why are we further ahead than we planned on some issues, and far less advanced or have even taken a step back on others?

Issues that we can control ourselves, where we can have a major or very major impact have particularly made a lot of progress. These include, in particular, the design of our campus and our internal processes, for instance in the area of waste management.

Initiatives that are advancing business in the cycling sector make it easier for us to work towards our own goals. We are making good progress wherever we have partners and are committed to a common vision. Our work in national and international associations and work on infrastructure requirements to improve everyday mobility, as well as industry-specific standards, are at the forefront of this.

Multi-complex issues that are breaking new ground, where we are dependent on the cooperation of various stakeholders and are confronted with the current world crises, present us with major challenges that disrupt our schedules. But they also encourage us to adopt new perspectives time and time again. Our priority here is the transparent supply chain, as well as all our objectives relating to the circular economy, or improvements in detailed issues regarding risk materials, such as aluminium.

This report makes it clear where we stand today. It also shows that practising sustainability means constantly being in motion. It requires resilience, because we are not dealing with a linear process, but learning as we go with any number of twists and turns. We see even more clearly how important our attitude and the will to change things is. 2025 is “only” a number, a beacon, and we will do everything possible to act responsibly until then and beyond.

What we are also seeing is how our actions affect our cities and the positive change that cycling can bring about. Be inspired by the many stories in this report and the “Changing Cities”.

Enjoy the read.

Best regards,

Dr Sandra Wolf
Managing Partner, Riese & Müller
Responsible for sustainability

Our vision: we will be the most sustainable company in the E-Bike sector by 2025.

We are convinced that E-Bikes can change mobility in towns, cities and rural areas in the long term.

For more and more people today, largely foregoing a car is simply part and parcel of a sustainable and healthy lifestyle.

Our high-quality and reliable E-Bikes enable just that. Our commuting or adventure bikes means that every destination is now within reach, every route easy. Our durable Cargo Bikes get entire families on the move – transporting children, carrying the weekly shop, or arranging a spur-of-the-moment trip. Finally, our smart bikes for the city represent modern mobility in transition.

We are also working on innovative concepts to inspire even more people to enjoy alternative mobility: with practical rental bikes in retail, hire bikes for tradespeople or lightweight urban bikes that are flexibly available on a rental plan.

We are the “creators of tomorrow’s mobility”. In the almost 30 years since our company was established, it has always been our ambition to develop innovative folding bikes, bicycles and E-Bikes for everyday use, and to produce them in a resource-conserving manner. We have remained true to these basic principles to this day. Since 2019, part of our corporate strategy has also included the endeavour to make our business operations as environmentally and socially responsible as possible.

To achieve this, we are working to further reduce our CO₂ emissions, advancing waste-prevention projects and screening our supply chains for social and environmental risks. We are working towards maximum transparency across the entire value chain and are in direct contact with suppliers and partners. We want our actions to encourage other companies in the cycling industry and to lead by example and personal commitment. Sustainable business is not optional, especially in times of crisis – it is a necessity for real change and a basic prerequisite for lasting success.

*“I am convinced:
it is our mission to bring transparency
into all areas of our business.”*

Dr Sandra Wolf, Managing Partner, Riese & Müller



Our strategy: responsibility at every level of our activities.

Within the company, sustainable business means rethinking the business model and acting responsibly as an individual and as a company. This is an integral part of our strategy, which is based on four levels of responsibility.

Economics

Efficient use of high-quality materials, avoidance of unnecessary waste and the use of natural alternatives for an environmentally-friendly production process and sustainable economic efficiency.

Ecology

Sustainable energy production, avoidance of CO₂ emissions, resource conservation and sensible waste management for a healthy interaction between our company and the environment.

Social

Social commitment and promotion of community as a prerequisite for good cooperation. Meaningful activities and new work models that put people first.

Culture

Creativity and ideas form an effective corporate and product culture in harmony with nature. We take responsibility for a future worth living in.













Changing Cities

The impact of social and industrial change on mobility in towns and cities

Who influences whom?

Are society and industry influencing cities – or is it the other way around? Are people influencing mobility and mobility influencing towns and cities?

Cars are the primary mode of transport in many towns and cities today. They have uniquely shaped the urban landscape. Decades of focussing on cars have resulted in a transport reality that has lost sight of us as people. That is precisely where we need to start.

In March 2022, we travelled to cities where fundamental change is under way: San Francisco, Copenhagen, Rotterdam, Paris and Berlin. Our mission was to find out what it takes for cities to change their mobility strategy.

We would like to present brief profiles of some cities that have succeeded in doing so, showing the lighthouse projects that are being promoted there, and ask dealers about their experiences of living there.

You can also find more answers to the questions about the commonalities of bike mobility, what is currently changing car-dependent cities, and what is helping them to become mobility-friendly and people-friendly cities in the magazine "UBN – A Photographic Journey about Urban Bike Culture." #



Changing Cities

San Francisco, USA

How cycling is succeeding in a city that is not actually designed for it.







Welcome to San Francisco

Welcome to the city built on hills.

With Slow Streets, car-free routes, and the rediscovery of a park, San Francisco is showing what the streets of tomorrow could look like, and thus is reclaiming natural mobility.

Main transport arteries that rise incredibly steeply. Cliff-like intersections where cars dive into side streets. Pavements with such steep gradients that you need steps: San Francisco, the city of hills and steep roads, is an impressive place of extremes – and cycling is certainly not the first mode of transport you think of here. And yet, the city on the west coast of America is currently experiencing a real bike boom. The trigger: the changing roads.

An afternoon in the Golden Gate Park shows what this ‘transport revolution’ looks like. The green lungs of the city are intersected by John F. Kennedy Drive, a main road some 5.5 km in length. A section of it has been car-free since mid-2020, and is now the gathering place par excellence for anyone who wants to jog or cycle, inline-skate or skateboard. There is finally enough space for everyone here on the JFK “Promenade”: it is quiet, safe and peaceful. People come alone and as families, they come in contact with each other, cycle side by side as a group and chat. All in the midst of a park landscape of lakes, meadows and woodland. A unique atmosphere.

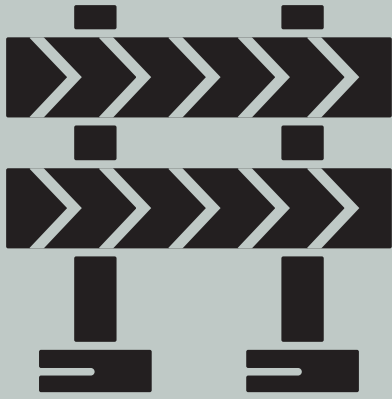
The car-free JFK Drive is part of a new network of protected roads, of car-free and Slow Streets. A programme initiated by the local SFMTA road authority during the COVID lockdown in April 2020 was an urgent measure but one that had far-reaching consequences. With the help of signs and barricades, dozens of Slow Streets were set up and freed of through traffic in a very short time, and many main routes even became totally car-free. In places where until recently cycling was too dangerous, this suddenly created safe and connected cycling routes from one end of the city to the other. Around 80 km in the shortest imaginable time – the biggest change to the cityscape in decades.

But this was not a change that happened without some pushback. There was resistance among car owners in the affected districts. Recently, even the originally temporary blocking-off of the JFK Drive was the subject of a controversial political discussion. However, a majority of San Francisco citizens prevented demands for its reopening to cars in a vote on the fringes of the 2022 mid-term elections. This is a clear sign that city dwellers are demanding a redistribution of public space.

Bikes have arrived in the heart of society

San Francisco’s bike community is growing, and E-Bikes undoubtedly make up a fair share of this. After all, when you get on an electrically assisted bike, the city becomes flat in an instant. Suddenly, it is no longer just sporty bike enthusiasts climbing the hills in and around the city on their racing bikes and gravel bikes. Bikes have arrived in San Francisco as an everyday urban mode of transport in the form of E-City Bikes, touring bikes or Cargo Bikes, which families in particular benefit from. It has never been easier and safer to get around the city without worrying about traffic jams and parking.

389 roadblocks were erected for the Slow Streets to create minor detours^[7].



\$
112,
600,
000

€105,956,600

Total budget
for cycle path projects ^[8]

San Francisco residents who regularly cycle ^[9].

16%

Expansion of the
cycle path network in kilometres
(now totalling 746.2 km) ^[10]

2020
24.6
+
2021
28.5

Through the eyes of our dealers

Karen Wiener, founder of The New Wheel

“Bike stores are the car dealerships of the 21st century.”

San Francisco has changed dramatically in recent years.

When did you personally first become aware of this?

I remember in March 2020, during the early days of the pandemic, the streets were quiet, animals were out, the air was unusually fresh and sweet. There was a distinct feeling of uncertainty, but the quiet made room for us all to feel the beauty of our surroundings. When I went outside, I had a distinct sensation of a new space and opportunity for positive change.

What role does political leadership play in transforming a city in your opinion?

The changes that we have seen on our streets in the last two years did not necessarily come from politicians. It was more the accomplishment of what individuals can do – especially volunteers and our civic workers. But, to make large scale change in San Francisco that will make our streets safe, useful, and joyous for human-scaled transportation, we need strong and visionary political leadership. A significant majority of voters support car-free roads, such as those in the Golden Gate Park or on the Great Highway. I am confident that with this vote, we will also see new politicians come up who are leaders for truly sustainable transportation and for cyclists.

How would you describe the local bike community?

San Francisco bicycle culture has a tough history and its very own DNA. Bikers in San Francisco used to predominantly be two things: strong, to climb our hills, and tough, to brave the often dangerous traffic conditions. That has

changed in the last 10 to 15 years. E-Bikes and the increasing use of bikes by commuters and families have surely played a role in that transformation. However, during the pandemic, we experienced a tipping point-motivated by a need to get out of apartments, to find creative ways of being outdoors. Many of the new riders are still in the process of learning the rules and the rituals of the cycling community. Now it's important to include and support these new riders and to grow the presence of bicycles on our streets. There is still a lot of work to do!

What do typical new customers want today compared to the past?

Our customers' requirements are clearly expanding. Whereas a rider might have wanted to commute to work by bike five years ago, they now want to ride with their children, ride to get the shopping or run day-to-day errands. We have seen a massive increase in the use of Cargo Bikes across our city. It is now difficult to go anywhere in the city and not see a Load!



How can the cycling industry with its products play a role in changing a city?

By bike manufacturers understanding that the product is not just the physical thing – it is the experience. This is why new services like GPS tracking, built-in anti-theft protection, and overall lifespan of the product and parts are so important.

What is the role of a modern bike shop?

At The New Wheel, we understand our role as the automobile shop for the 21st century. Our job is to make cycling easy, convenient and reliable transportation. We want to get people out of cars and onto bikes.







Michael A. Estrada, 31, writes, photographs, shapes and actively campaigns for environmental protection. Michael lives in Oakland, on the other side of San Francisco Bay. Michael discovered his love of cycling years ago at college, training on a heavy steel bike for the triathlon team. Since then, cycling has remained an integral part of Michael's life.

Michael tested the Riese & Müller UBN Five for us in San Francisco.



Changing Cities

Copenhagen, Denmark

Why the transport revolution is much more than a wide cycle path.







Velkommen til København

Welcome to the cycling city, literally urban design personified.

The transport revolution began in Copenhagen in the early 1980s: thousands of people took to the streets and demanded for urbanisation to be regulated, but above all highlighted the dangers posed by the rising volume of traffic. This set in motion an unprecedented urban and transport design that has been steadily advancing for over 40 years. Today, the city gives its name to the “Copenhagenize Index”, a ranking of the world’s most bike-friendly cities.

Long-John Cargo Bikes were developed in Denmark in the 1920s. From there, they have spread right around the globe. Especially in the capital Copenhagen, bikes are an integral part in the day-to-day lives of almost 650,000 people – something that is particularly evident during rush hour.

Hundreds of commuters pedal by bicycle, Cargo Bike or E-Bike along, including over the Cykelslangen, or “Bicycle Snake”, which runs next to Fisketorvet Mall: this over 200 metre-long, orangish-red cycle bridge winds up to the Bryggebrüen Bridge, at a height of almost six metres, connecting the Vesterbro district to the Havenstad district.

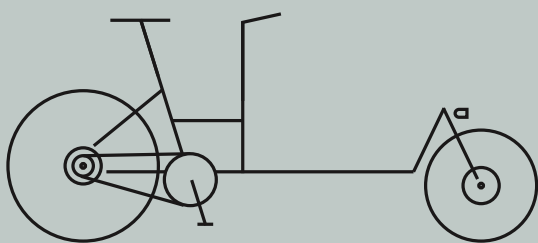
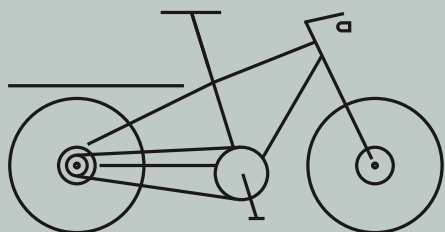
The two-minute ride between the districts passes the futuristic glazed façades of the branches of large companies. It meanders across the tranquil harbour basin, which reflects the cityscape of Copenhagen, and ends at the silo-like towers of the Gemini Residence, a massive residential complex on the other side of the river.

Distances are given here in cycling minutes.

Time seems to pass more slowly the first time you cross the bridge. It is a very special experience, as new space has been created for movement and been allowed to grow here – as witnessed by the constant flow of bikes over the ‘Bicycle Snake’ and the Bryggebroen. But there has been a lasting change not only in these places but in the minds of the people who live here. The number of deaths on the road has been falling since 2005, with almost 80% of cyclists saying that they feel safe on the road ^[14] – unfortunately, still not a matter of course anywhere.

Safety is one aspect. But there are also no traffic lights to delay cyclists from heading onto the ‘Bicycle Snake’. No one has to wait in a traffic jam or for a ferry, and you don’t even need to weave your way around a roundabout. Life can be simpler when you ride a bike. This totally unrestricted crossing of the bridge gives people a feeling of timelessness and vastness, a feeling of freedom. The ‘Bicycle Snake’ is thus a living monument to the bicycle: it is celebrated and revered as a mode of transport, tangible in the here and now. Uncompromising.

1 in 4 Copenhagen families with two children own a Cargo Bike ^[15]



Commuters who bike to work ^[17]

65%

DKK
594,
165,
382

€79,855,827

Expenditures on transport and infrastructure in 2020. ^[16]

420

Cycle path network in kilometres^[18]

Through the eyes of our dealers

Johnny Stampe, Assistant Managing Director of Ladcyclen



“E-biking can be more than just cycling with ease.”

Copenhagen has been a cycling city for more than 50 years. What have been the major changes?

Most of all, it has been the development of cycle paths that has increased the Danes' desire to cycle. It is in the nature of the Danes to cycle – 9 out of 10 own a bicycle, and to help support that trend, more space is needed for bikes. The city of Copenhagen alone already has around 400 kilometres of cycle paths – all clearly separated from car lanes and pavements. So things are going in the right direction.

What contribution is society making today and in the future?

There are, for example, annual biking campaigns to get even more people on bikes, and a lot is being done to build jobs around commuting. In addition, science is making a great contribution with studies that prove the great health benefits for people who bike regularly. They request fewer sick days, reduce emissions by 20,000 tonnes a year, and gain €1.00 euro per kilometre in terms of health benefits – quite in contrast to driving.

What does cycling – especially with E-Bikes – mean to the people of Copenhagen today?

E-Bikes are on the rise. Where we used to cycle, enjoyed it and broke sweat, today we can cycle and enjoy it without overexerting ourselves. An average trip by bike in Copenhagen is about five to seven kilometres. This radius extends to 13 to 18 kilometres by E-Bike.

Covering a greater distance offers more flexibility and, when you think of Cargo Bikes, makes bikes the best-suited means of inner-city transport.

If you could be mayor of Copenhagen for one year, what would be the first thing you changed?

First, I would widen the cycle paths even more. More and more people are getting on their bikes, and our infrastructure needs to not just adapt but get a head-start on the development we aspire to achieve. Next, I would close the old city centre of Copenhagen to cars.

Where are the limits to cycling in Copenhagen?

Which infrastructural elements should be focussed on in the coming years?

We should build more cycle superhighways, as they have helped to promote cycling as our number-one everyday mobility solution. On these cycle routes, the commuters' needs have been given the highest priority – providing a smooth ride with fewer stops and increased safety. The main purpose of the cycle superhighways is to create better conditions for cyclists and to connect work, study and residential areas, making it even more appealing for commuters to bike to and from work instead of taking a car. Furthermore, the cycle superhighways run near bus and train stations, making it easy to combine cycling with public transportation to cover longer distances smoothly.







Elena Arndt-Jensen is an actor and native of Copenhagen. Cycling has always been synonymous with freedom for the 26-year-old. Her bike is now her main mode of transport and Copenhagen is the ideal place to use it, with magnificent views, wide cycle paths and flat terrain.

Elena tested the Riese & Müller UBN Five for us in Copenhagen.



Changing Cities

Paris, France

How the redistribution of public space can work even in a major city.







Bienvenue à Paris

Welcome to the city that makes things easy.

The French capital has completed what many major cities only dream of – not overnight, but at a breathtaking pace: Paris has reorganised its public transport, limited motorised vehicles to major routes, created new living spaces in the heart of the city, and made cycling attractive to thousands of people in everyday life.

It is clear how Paris has reinvented itself in the Rue de Rivoli, not far from the Seine, between the Rue de Sévigné and the Place de la Concorde. If you stand here, close your eyes and listen carefully, you will not hear the roaring and rumbling of cars, mopeds or small trucks. The engine noises and honking have given way to a mix of the sounds of derailleur gears, bike bells and the coasting of city bikes. Very occasionally an electric scooter, taxi or bus zips by. Something has changed. The typical traffic noise of a major city has practically disappeared on this road formerly busy with traffic. All of a sudden, you can even hear people's conversations again.

The Rue de Rivoli, a good three-kilometre-long straight commercial street and one of the most important transverse axes through Paris, has been car-free since the summer of 2020. The street – and with it many others in Paris – has been converted to a massive double-lane bike route. The remaining traffic – taxis, buses and vans – is restricted to a single lane. This distribution of the public space is just one part of a whole series of measures that Paris intends to implement under its Plan Vélo. In the coming years, non-essential through traffic will be banned from the city centre. It is expected that this will eliminate about half of all car journeys through the city centre.

The amazing thing about Paris is how quickly this change has taken place. People on bikes literally appeared overnight, as soon as appropriate bike paths had been created on an ad-hoc basis. It looks as if many of them will remain.

What happened here in Paris was not a coincidence, but the result of a clear vision, strict leadership and decisions made by people. The clear driver of this change is Mayor Anne Hidalgo. She is tirelessly committed to creating a city of short distances, where Parisians can reach everything they need within 15 minutes. The vision: a 100% bicycle-friendly Paris that is even denser, more mixed and more connected. The means to this end: wider pavements, new exclusive bike highways, school grounds that double as weekend gardens, crossroads that will become neighbourhood meeting points and car parking spaces that will give way to bike parking spaces. Paris has understood: cities have to provide space for people, not for cars.

Others are undertaking long-winded pilot projects – Paris is getting on and doing it

This has already succeeded in the Rue de Rivoli; elsewhere there are still some snags, as not everywhere is moving at the same pace. There is still no cycling infrastructure at all in many districts and on routes dominated by cars. In addition, inaccuracies in traffic management and signage continue to cause some bother. These are problems caused by the rapid change to the infrastructure. While other cities are conducting long-winded pilot projects, Paris is getting on and doing it. This might not always be ideal. But cities are changing dynamically, with the needs of people and traffic, and cannot change overnight. But Paris is determined to keep going and is doing the best it can.

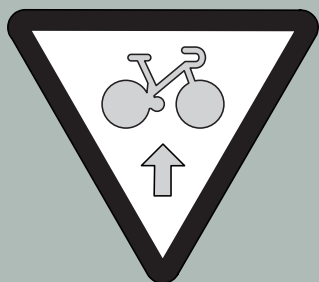
Percentage of cyclists on pop-up cycle paths who have only been cycling regularly since the 2020 COVID lockdown. ^[11]

45%

€

250,
000,
000

Total investment 2021–2026 ^[12]



New priority signs for cyclists at traffic lights

Kilometres of cycle paths since 2010 ^[13]

2020
1094
+
180

2021–2026



Through the eyes of our dealers
Sébastien Reboux, Managing Director of Les Vélos Parisiens



“Bikes make people independent.”

Paris has changed dramatically in recent years.

When did you first become aware of this?

When people massively switched from public transport to bikes during the lockdowns. The COVID pandemic clearly changed the mentality of people living in big cities. I first noticed it cycling around the city – and later through customers coming to my shop with new requirements.

What were these new requirements?

Very few now wanted bikes to go for trips around the world or cycling holidays. Instead, there was a boom in bikes for around town and for commuting to work, i.e. for short distances. There were also more and more people who wanted to replace their car or were looking for an alternative to the underground and buses. Some have also rediscovered a mode of transport on their bikes that makes them more independent from social changes and upheaval. We are also noticing that people would prefer to take their entire family with them on their bike – Cargo Bikes are hugely popular; the Multicharger is our best-selling bike at the moment. And the trend is clearly towards E-Bikes.

How has the Parisian cycling community changed?

Triggered by public transport strikes, the cycling community had already grown before the pandemic, but it virtually exploded during the COVID lockdowns. Since then, it seems to be growing steadily. One reason is certainly the amazing network of cycle paths created by Mayor Anne Hidalgo. Politics has really helped to give bikes more space in the city. I think the trend is unabated and is linked to a change in people's mentality.

Imagine that you could be mayor of Paris for a year. What would be the first thing you changed?

First of all, I would ensure greater safety in road traffic. It's a real challenge for everyone to stay safe with all the scooters, electric scooters and skateboards. A lot of cyclists are complaining they don't feel comfortable or safe on cycling lanes. So changing the mentality and optimising safety on the roads would be my priority. The fact that more and more people are choosing to cycle also requires some adaptation on the part of those who have been cycling for a long time. Every cyclist needs to find their own pace. And we also need to pay greater attention to pedestrians, as they can no longer safely cross the road in many places.

What is your personal mission?

To get as many people on bikes as possible and provide them with just the right support. I bike because ... cycling is freedom!



Top: Céline Champonnet is an entrepreneur and founder of Wilma, a fashion brand specialising in women's cycling clothing. She wants to make a difference and encourage women to express their opinions and be confident with her innovative collection. The 36-year-old lives and works in Paris.

Céline tested the Riese & Müller UBN Seven for us.

Bottom: Anthony Richelot is a photographer, architect and designer. The 28-year-old was born in Paris and grew up in Guadeloupe. Today he lives in Rosny-sous-Bois, a suburb of Paris.

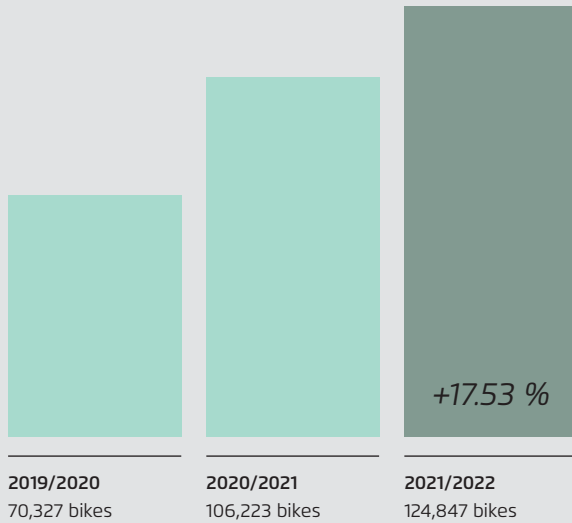
He rides virtually any type of bike, says Anthony, and Paris is the best place in the world to do so.

Anthony tested the Riese & Müller UBN Five for us in Paris.

Facts and figures in the
2021/22 business year

Influencing factors

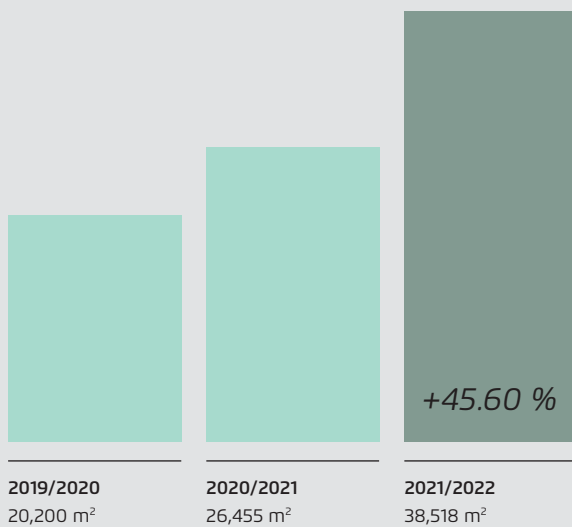
E-Bikes and Cargo Bikes produced



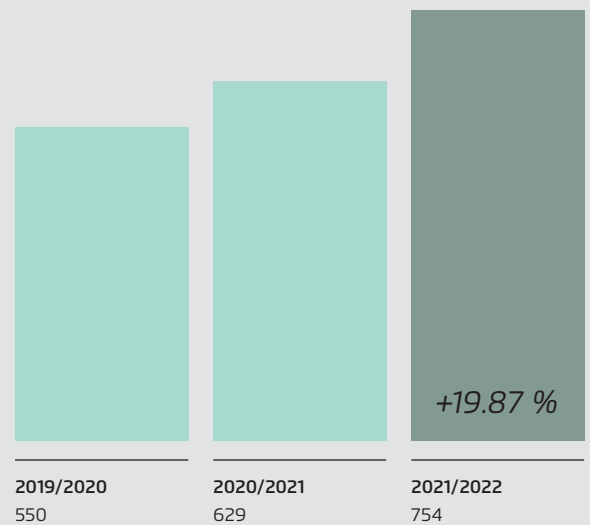
More and more people are opting for climate-friendly everyday mobility and switching to an E-Bike or Cargo Bike. We were thus also able to grow significantly in the 2021/22 business year. Growth is part of our corporate strategy, because we believe that every E-Bike sold contributes to a more sustainable lifestyle. It is therefore important for us to stand up for our growth and to keep an eye on the consequences of our actions.

To produce more bikes, however, we need more resources, more people who work for us, and more space for our production site. The number of our employees rose by just under a fifth in the 2021/22 business year. Even if we have a host of heavily used mobility offers and also the option to work from home, the commuting distances travelled by car are on the increase. At the same time, we need more space for storage, production and jobs.

Usable area



Employees





Carbon footprint 2021/22

Distribution of CO₂e emissions by category

	Gross	Net
Scope 1: Direct emissions (t CO₂e)	305.13	189.57
Mobile combustion (fleet)	189.57	189.57
Stationary combustion (green natural gas)	115.56	0 ⁽¹⁾
Scope 2: Indirect emissions from energy provided (t CO₂e)	0	0
Purchased green electricity	0	0 ⁽²⁾
Scope 3: Other indirect emissions (t CO₂e)	6,896.12	6,796.51
Fuel and energy-related emissions	128.22	99.62 ⁽³⁾
Transport and distribution	5,740.87	5,669.87 ⁽⁴⁾
Waste produced	38.74	38.74
Business travel	117.32	117.32
Commuting	865.01	865.01
Digital working	5.96	5.96
Total (t CO₂e)	7,201.25	6,986.08

The gross emissions include all emissions reported in accordance with the Greenhouse Gas Protocol (GHG). The GHG is an international standard for accounting a company's greenhouse gas emissions.

Any emissions already offset are then deducted to arrive at the net emissions – for instance, we purchase climate-neutral natural gas, which has already been offset by our supplier ENTEGA.

We calculated our carbon footprint with the support of the myclimate non-profit foundation.

CO₂ equivalents (CO₂e)⁽⁵⁾ indicate the different climate gases and their impact on the environment and climate. They are given in relation to the same volume of pure CO₂ over a defined period of usually 100 years. According to the Kyoto Protocol, there are several greenhouse gases: carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O), as well as the fluorinated greenhouse gases (F gases) – hydrofluorocarbons (HFCs) containing hydrogen, perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆). The United Nations has defined this index to enable the different greenhouse gas emissions to be compared. It is indicated by the lowercase "e" behind the formula for carbon dioxide: CO₂e.

We have succeeded in reducing our net emissions from 7,746.82 tonnes of CO₂e in the previous year by just under 10% to 6,986.08 tonnes of CO₂e. At the same time, we have grown considerably, now producing over 124,000 bikes (previous year: 106,000 bikes). We were thus able to decouple emissions from growth.

Short journeys pay off

As a result of our growth, emissions produced from our vehicle fleet, fuel and the waste we produce have increased as expected.

However, at the same time, we managed to reduce overall logistics emissions, due to significantly fewer air freight shipments and shorter supply chains through a higher proportion of European suppliers.

The calculated CO₂ emissions per bike thus did not reach the pre-pandemic level of 47.36 kg CO₂e (2019/2020 business year), but amounted to 55.96 kg CO₂e – a decrease of 23% compared to the previous year. Our efforts to reduce emissions are moving in the right direction.

Green electricity and photovoltaics

A solar system on the roofs of our plant in Mühlthal generates 43% of our direct electricity consumption. We also purchase certified green electricity at night from fully renewable energy sources for our electric logistics vehicles. During the day, we feed excess electricity produced by the plant into the grid – we have calculated that we thus cover around 80% of our electricity consumption.

CO₂ compensation through myclimate

In the 2021/22 business year, we fully compensated for the emissions from our production site in Mühlthal and our sales logistics, totalling 1,788 t CO₂e, through a myclimate gold standard-certified climate protection project. The project contributes to reducing greenhouse gas emissions and contributes to sustainable development in the regions in accordance with the UN Sustainable Development Goals.

10,000 trees for the Darmstadt Forest

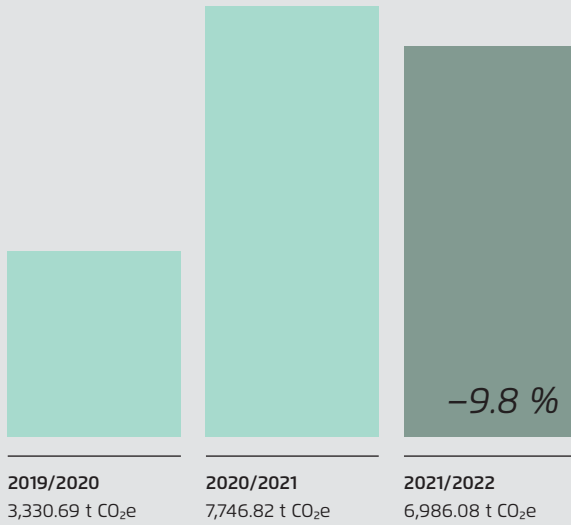
The company has also donated 10,000 climate-stable seedlings for reforestation in order to initiate sustainability projects on our doorstep. The tree species – oak, hornbeam, linden, douglas fir and elderberry – were selected from a sustainability perspective and planted in the spring of 2022 on a 1.3-hectare clear site near Darmstadt.

Mountain forest project and customer reviews

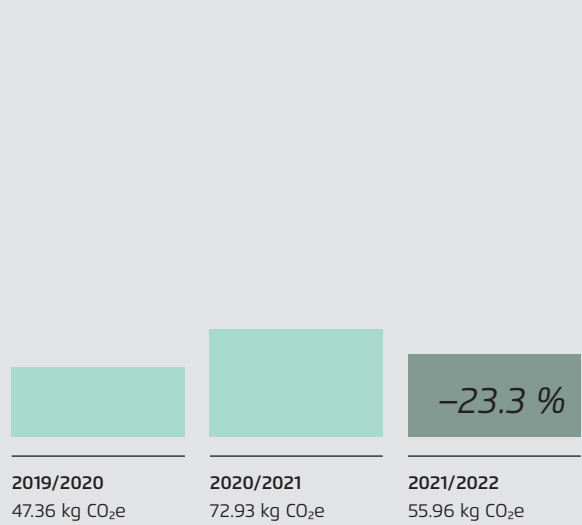
We have also planted 1,000 white maple seedlings in the Neu-Anspach forest with the help of the Bergwaldprojekt mountain forest association. The native tree species help with environmental reforestation. We also donate a tree for every customer review on Trustpilot. A further 96 trees were thus planted in the 21/22 business year.

Carbon footprint compared

Total CO₂e emissions



CO₂e emissions per bike produced



Distribution of CO₂e emissions by category

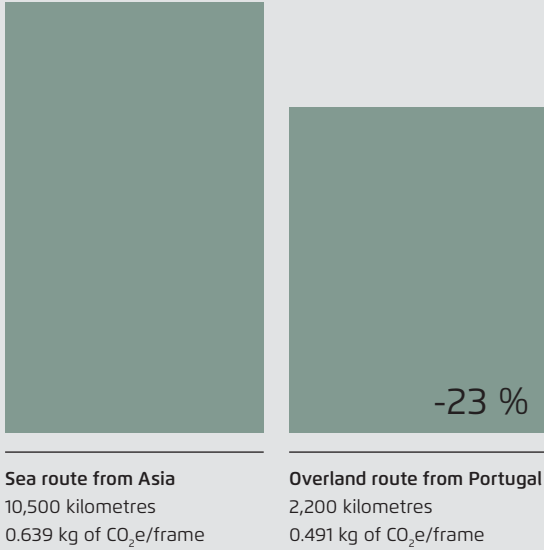
2019/2020	2020/2021	2021/2022	
94.28	134.59	189.57	Scope 1: Direct emissions (t CO₂e)
94.28	134.59	189.57	Mobile combustion (fleet)
0 ^[1]	0 ^[1]	0 ^[1]	Stationary combustion (green natural gas)
0	0	0	Scope 2: Indirect emissions from energy provided (t CO₂e)
0 ^[2]	0 ^[2]	0 ^[2]	Purchased green electricity
3,530.62	7,612.23	6,796.51	Scope 3: Other indirect emissions (t CO₂e)
182.64 ^[3]	72.22 ^[3]	99.62 ^[3]	Fuel and energy-related emissions *
2,452.16 ^[4]	6,653.00 ^[4]	5,669.87 ^[4]	Transport and distribution
27.22	30.97	38.74	Waste produced
51.16	7.75	117.32	Business travel
817.44	843.50	865.01	Commuting
0.00	4.79	5.96	Digital working
-294.21	0.00	0.00	Klima-Invest **
3,330.69	7,746.82	6,986.08	Total (t CO₂e)

* "Fuel and energy-related emissions" measures the emissions for the electricity, gas and raw material transport infrastructure provided for our fleet fuels. The value measured in the 2019/2020 business year turned out to be incorrect retrospectively, as the monitoring of our photovoltaic system exhibited measurement errors. We were able to approximate the values here retrospectively and assume an approximate value of 75 t CO₂e instead of the stated 182.64 t CO₂e.

** The "Klima-Invest" figure is based on the greenhouse gas emissions avoided by third parties from the green electricity fed in from the photovoltaic system. We have no longer deducted these emissions in our calculations from the 2020/2021 business year onwards. The stakeholder who purchases the green electricity could also deduct the emissions, which would then result in dual posting.

Nearshoring and reshoring

Transport emissions per frame



Responsible management also means that we take a critical look at our delivery routes and assess the procurement of components from a sustainable perspective.

Nearshoring and reshoring represents the desire to bring production sites closer (back) to the company headquarters from more distant sites. They are usually faster, more flexible and provide environmental and economic benefits. For this reason, we aim to further increase the percentage of components that we procure overland from Europe.

At the same time, we need to take product development into account. Every decision for or against a component needs to be weighed up on the basis of interdependencies:

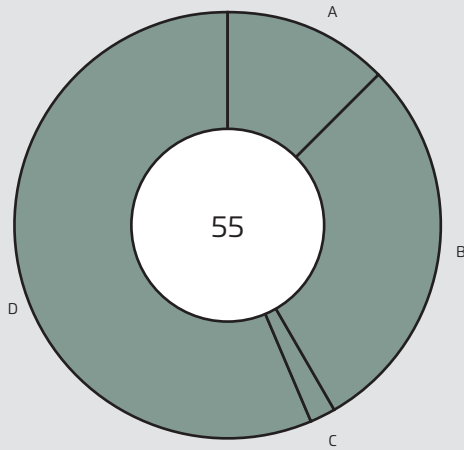
- Test criteria and standards for approval
- Safety and quality requirements
- Aesthetic design with a high degree of integration and harmonious functionality
- Product-specific pricing framework
- Sustainable manufacturing

We are also linked by partnerships to many manufacturers in Asia, some of which date back decades, which we will continue to maintain. Our aim is to select the best partners with consideration of resource-conserving aspects – worldwide.

Conversion of the fleet

Our fleet in detail

- A Electric
7 cars
- B Hybrid
16 cars
- C Petrol
1 car
- D Diesel
23 cars and 8 trucks



The future belongs to electric mobility. We are therefore systematically converting our fleet to electric vehicles by 2026, which can be charged at our site with electricity we generate ourselves using our photovoltaic system.

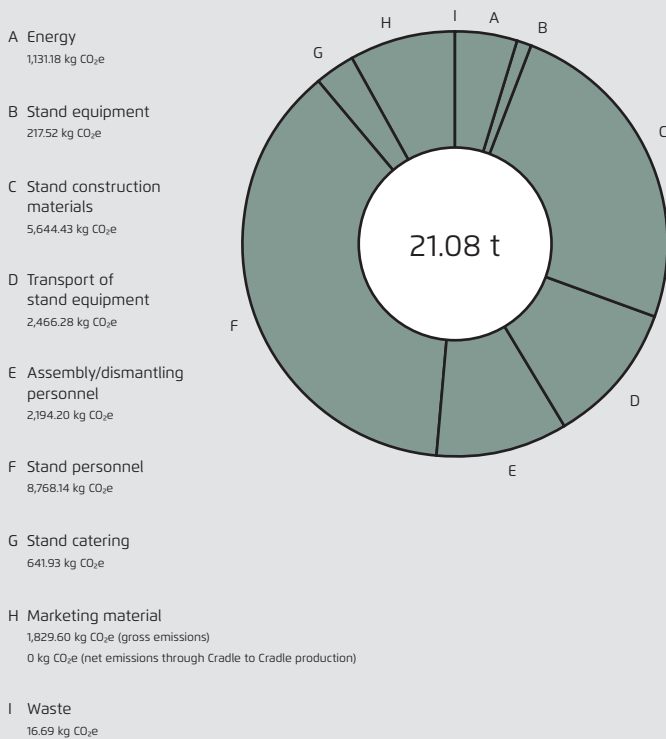
This decision means that we are investing in climate-friendly mobility in the long term, as the direct emissions from our fleet constitute a large proportion of our emission footprint.

With seven electric cars and 16 hybrid models, over 40% of our total of 55 vehicles are already (partially) electrically powered. Due to the lack of alternatives, we are unable to convert the eight vans and light trucks that we use for our factory transport to electric drives for the time being. This represents potentially 40 cars that can be replaced by electric cars.

The conversion of the fleet will take up to four years due to ongoing leasing contracts. We expect to significantly reduce the CO₂ footprint once our fleet of cars has been fully electrified.

Sustainable appearance at the Eurobike 2022 trade fair

Climate footprint of our trade fair appearance



Our attendance at Eurobike 2022 in Frankfurt was linked to our aim to generate as low of CO₂ emissions as possible. To do so, we revised the concept and systematically paid attention to climate-friendly factors.

- **Reuse of construction materials**

From the outset, we adhered to the standard that we had to be able to reuse many components of the fittings. We use plastic parts four to six times, and metal and wood parts even more frequently. In addition, we rent platforms, walls, equipment and furniture from a stand builder or store them for reuse.

- **Flooring**

We have deliberately chosen an additional floor meant to increase our employees' comfort during the long days at the trade fair. When going to other events, we take the floor tiles with us, and at the end of their life they are recycled by the manufacturer. We fitted the wooden floor of the outdoor stand as the surface of pedestals and furniture in our newly created Family & Friends Store in Mühlthal.

- **Climate-friendly travel**

We encourage our employees to travel to the fair by public transport, bike or using car-sharing.

- **Catering**

We uphold the same standards of catering as in the café at our company headquarters (vegetarian, organic or Demeter, fair trade). We have distributed any unused food through a food-sharing network. That way, we did not have to throw any away.

- **Overnight accommodation**

The hotel we use buys 100% green electricity, carries a resource-conserving building certificate (LEED-Gold certification) and offers organic products.

- **General renunciation of marketing material**

We avoid the use of printed give-aways and catalogues – instead, a sticker that can be written on acts as a reminder of the brand. A magazine produced for our UBN range is climate-neutrally Cradle to Cradle-certified. Press kits are available digitally, with only a few copies printed.

- **"A Photographic Journey through Urban Cycling" Gallery**

We plan to show the photographs from the UBN Gallery at other sites and finally exhibit them at our Mühlthal site.

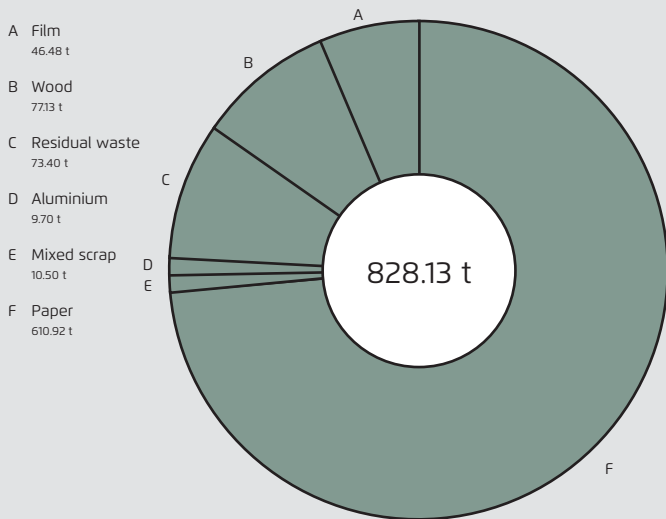
The result: significantly lower CO₂ emissions

According to calculations by our climate protection partner myclimate, the carbon footprint of our exhibition stand is far below the average of comparable exhibition stands.



Waste management in the 2021/22 business year

Waste generated at the Riese & Müller site in Mühlthal in the 2021/22 business year



The majority of waste generated at our site in Mühlthal comes in the form of packaging material from suppliers, especially cardboard, wood and film. We reuse some of these materials: cardboard boxes are shredded and used as filling for shipments, and we cut up bubble wrap to protect parts of finished bikes from damage.

In addition to small amounts of mixed scrap and aluminium, we systematically recycle what we cannot reuse, thereby achieving a recycling rate of over 90%. This percentage rate remained stable even with our higher production figures last year: so our recycling is working.

Nonetheless, our aim is to continuously reduce the total amount of waste produced and thus lower the volume of waste generated for every bike we produce. External circumstances also account for the fact that this percentage has increased slightly over the past three years.

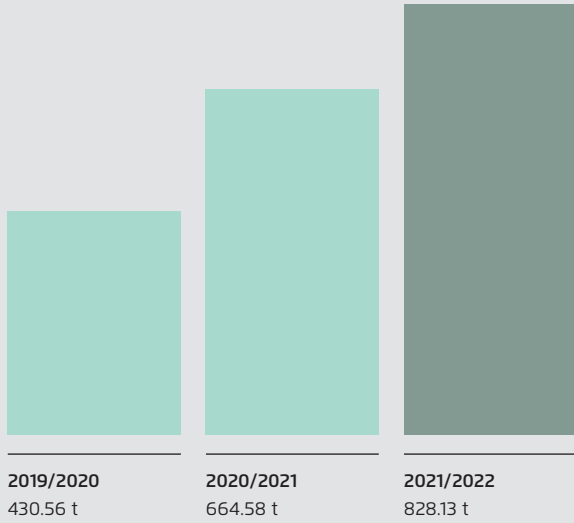
Among other factors, rising wood prices and the global logistics crisis during the pandemic led to a worldwide shortage of euro pallets. As a result, many of our suppliers had to resort to temporarily using simpler disposable pallets, which we cannot reuse and need to recycle.

At the same time, in times of uncertain supply chains, we have systematically pursued the strategy of the permanent availability of parts in order to be able to continuously deliver. As a result, packaging waste from supplied components went into the recycling last year, some of which we still have in storage.

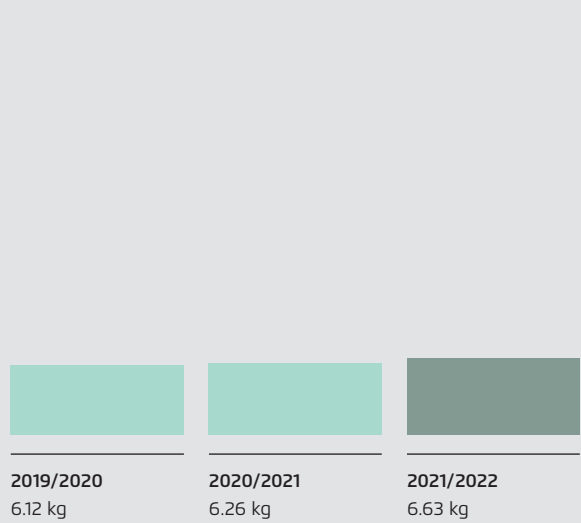
We therefore expect a steadily decreasing percentage of waste per bike in future, through close dialogue with our suppliers as well, in order to achieve further progress in reducing packaging (see "Waste avoidance projects", page 60).

Waste management compared

Total waste generation



Waste generated for each bike produced



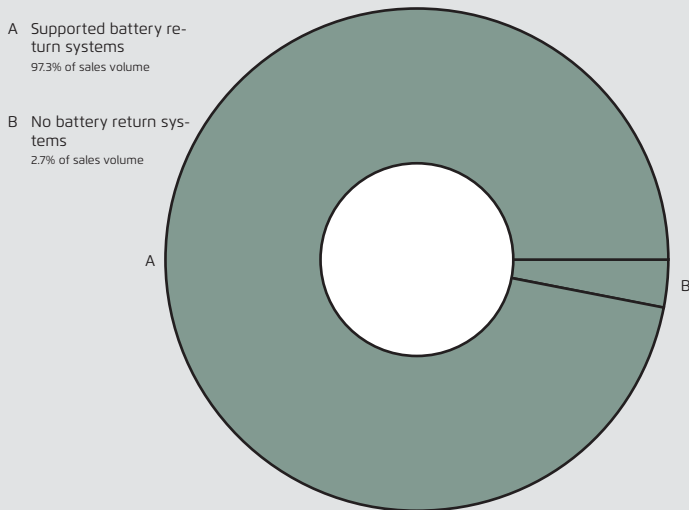
Waste generation by category

2019/2020	2020/2021	2021/2022	
430.56	664.58	828.13	Total volume
23.12 t	42.65	46.48	Film
39.86 t	59.33	77.13	Wood
42.70 t	58.71	73.40	Mixed waste
6.47 t	7.44	9.70	Aluminium
7.29 t	9.01	10.50	Mixed scrap
311.12 t	487.44	610.92	Paper



Battery return

Support for battery return systems in Germany and in our export countries



The batteries of our E-Bikes are high-quality components that can largely be recycled at the end of their intended use time. This enables the precious raw materials contained in the batteries to be reused.

The prerequisite for this is a standardised, comprehensive and professional return of used batteries. Riese & Müller currently supports battery return systems in 17 countries, which equates to 97.3% of our sales volume. In Germany, for example, we participate in the GRS Foundation (Gemeinsames Rücknahmesystem Batterien – Common Battery Return System).

In the past business year, we invested almost €230,000 in the collection, pick-up and recycling of batteries for this purpose. We are therefore making an important contribution to the environmentally friendly disposal and reuse of battery components.

-25 %

Bosch supplies motors and batteries for many Riese & Müller models and is an important and reliable partner in achieving our sustainability goals. The company has made sustainability a central pillar of its corporate strategy, with three main areas of focus: (1) reduction of the CO₂ footprint of pedelecs, (2) supply chain responsibility and (3) circular design. Bosch is committed to developing and producing components in a resource-efficient manner and is continuously working to save material.

Improvements to the Performance Line CX are examples of this effort. Bosch has been able to reduce the weight by 25% through using the latest generation of motors compared to the previous model, reducing the use of resources and simplifying production. Since the end of 2020, the company has also supplied the drives to us in easy-to-recycle moulded recycled paper packaging – without the need for film or polystyrene.



Waste avoidance projects

100 %

of supplier packaging is checked against zero waste criteria.

65 %

Reducing adhesive tape for every packaged E-Bike.

350

Rolls of film adhesive tape were avoided by the use of wet adhesive paper tape for the shipment of small parts.

80,000 m²

In future, our frame suppliers will be able to make savings at least in terms of painting, as multi-coloured frames are disappearing from almost the entire range of models.

Avoiding waste is our top priority. Waste reduction projects demonstrate to the suppliers and employees involved the importance we attach to conserving resources, and that we have it in our power to make changes.

Last year, we initiated various zero waste projects, internally at our site in Mühlthal and in dialogue with our suppliers:

One-colour frames

Working closely with our frame suppliers, last year we converted almost the entire range of models to monocoloured frames. In the past, the two-tone paint finish of some of our bikes had produced disproportionately large volumes of cover film and additional paint – which we could no longer accept. This applies to the Multicharger Mixte, Supercharger, Superdelite and Nevo models, with the exception of the red Nevo, which cannot be adapted for design reasons. Without significantly changing the colour design, this has allowed us to save an average of 52 g of paint, 5 m of tape and 2 m² of film per bike.

Zero waste quality assurance check at Incoming Goods

Every day, parts from numerous suppliers arrive at our premises, packed in films, boxes and on wooden pallets. This shipping material forms the bulk of our total waste stream – a critical starting point to reduce waste.

Therefore, since the beginning of 2022, our incoming goods inspection has also checked the quality of the packaging of components on the basis of zero waste criteria:

- How good is the utilisation of outer packaging to content?
- Is there any needless doubling-up of packaging?
- Is there any filling material in the box that can be left out?

We communicated 159 suggestions for improvement to our suppliers last year based on this review.

Over half of them are currently being worked on and 14% have already been implemented.

Reducing adhesive tape

We pack our bikes in cardboard boxes to ship them and also protect them from damage in transit with bubble wrap and adhesive tape. While we re-use the film from our suppliers' packaging, we have to use new adhesive tape. In order to reduce the use of this adhesive tape, we have analysed and completely revised the packaging guidelines for our models. The result: we were able to reduce the use of adhesive tape by over 65%, around 40 cm per bike. We are therefore saving around 45,000 m of adhesive tape each year, over 900 rolls, when this is extrapolated to all the bikes we produce.

We have also achieved improvements in the shipping of small components. By switching from film adhesive tape to paper tape, we have been able to reduce the amount of plastic waste in our packaging. Paper-based tape is much easier to have involved in the recycling process. We thus avoid some 350 rolls of film adhesive tape with over 44,000 small packages shipped.

Preparation for the German Supply Chain Act

Our E-Bikes consist of hundreds of components that we procure from suppliers from all over the world. In spite of this, we have the same standards across the whole supply chain: we want to be able to track the journey our parts make – and ensure good and fair conditions with suppliers and their upstream suppliers.

We are therefore already working on measures that will be called for from companies in future by the Supply Chain Act (LkSG). The act is the German means of implementing the EU Supply Chain Directive and applies from 2023 to companies with over 3,000 employees, and from 2024 to companies with more than 1,000 employees.

The German Supply Chain Act comprises these main cornerstones ⁽⁶⁾:

- **Declaration of Principles:** companies have an obligation to adopt a Declaration of Principles to respect human rights.
- **Risk analysis:** companies are required to carry out an annual and incident-based risk assessment of all tier 1 suppliers, examining the value chain for social and environmental risks. If a company determines legal violations, it is obliged to take appropriate counter-measures.
- **Reporting:** companies must submit annual documentation on the implementation of their due diligence obligations to the Federal Office for Economic and Export Control (BAFA).
- **Complaints procedure:** companies are obliged to provide the stakeholders in their value chain with an opportunity to lodge an independent, anonymous complaint.

What is Riese & Müller working on?

Riese & Müller, together with the Supply Chain Act Initiative developed by the Business & Human Rights Resource Centre, has campaigned for a strong Supply Chain Act. Even if the act does not come into effect for us as a company until 2024, we have decided to adapt our business to it now.

Our actions include visual audits, a risk analysis of our over 70 tier 1 suppliers and the establishment of a whistleblower system on our homepage, where individuals and companies can anonymously report information about corruption, harassment or environmental violations. To date, we have not received any complaints through the whistleblower system.

Back in February 2021, Riese & Müller published a Declaration of Principles on the respect of human rights. It includes all the policies and standards that guide our business activities and culture. Among other things, the Declaration of Principles is based on the UN Charter of Human Rights and the International Labour Organisation's labour guidelines and can be found [here](#).

Compliance

Business operations must comply with the law and with international conventions and standards. We also define our own values and standards, which our employees, suppliers and business partners must adhere to when collaborating with us.

Compliance is the word we use to describe this approach and, at Riese & Müller, this includes the following:

- **Workplace Code of Conduct**

This set of rules is part of all employees' employment contracts and forms a simple, clear value base for a healthy working environment and a good working relationship. Alongside rules governing order and care in everyday work, the Workplace Code of Conduct also includes guidelines on tolerance and community.

- **Data protection**

We particularly protect personal data, confidential communication and sensitive information. Apart from an internal team that looks after all data-protection-related issues, we also have an external Data Protection Officer to whom violations can be reported anonymously.

- **Anti-discrimination Office**

Our principle is: zero tolerance of discrimination, bullying or violence. We respect all people, regardless of their origin, religion, sexual identity, gender or age, and whether or not they have a disability or chronic illness.

- **Code of Conduct**

The Code of Conduct for our suppliers and business partners sets out our principles for dealing with people, the environment, business relationships, market behaviour, data, business secrets and company assets.

- **Responsibility Report**

This annually published report documents the steps we are taking on our journey towards becoming the most sustainable company in the E-Bike industry by 2025. Transparency is the priority.

- **Travel Policy**

We are down-to-earth and act in a tolerant and sustainable manner on business trips. The same rules apply to anyone who travels. We are committed to the legal principles and our own values and uphold them uncompromisingly.

- **Antitrust law**

As a company operating in Germany, we comply with German antitrust law and the EU antitrust law.

- **Whistleblower system**

The whistleblower system offers our employees, customers, dealers and suppliers the opportunity to report compliance violations anonymously. To date, we have not received any compliance-related notifications through this channel.

r-m.de/hinweisgebersystem or compliance@r-m.de

There is a Compliance Officer on the Management Board. Together with People & Culture, the Compliance Officer is responsible for training in the company.



2021/2022 Sustainability Survey

Suppliers registered at sustainabill

97 %

of the total purchased volume (tier 1)

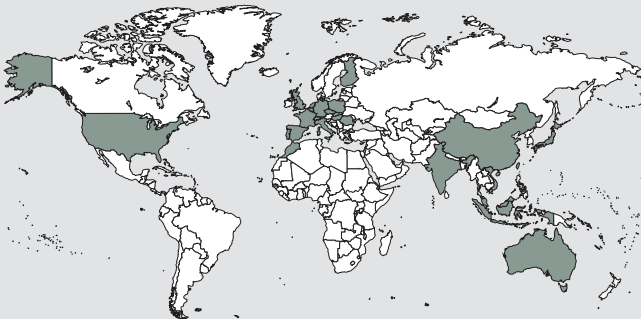
71

Tier 1 suppliers

62

Tier 2 suppliers

Countries of origin



About sustainabill

sustainabill is a cloud-based platform on which suppliers provide information on their due diligence obligations and environmental impacts.

The information is based on certification and suppliers' voluntary disclosures, which are then validated by sustainabill. The analysis also includes the upstream supply chain. The objective: full transparency in terms of human rights, working conditions, environmental standards and product compliance.

We use the cloud platform sustainabill to map our global supply chain transparently and comprehensibly. In terms of sustainability aspects, this enables us to view our suppliers' best practices, where there are still risks lurking, and where there is potential for improvement. It allows us to take responsibility, increase transparency in the supply chain and, together with our suppliers, take action throughout the entire value chain.

The survey is divided into four sections:

- **Company Management**

To what extent is sustainability anchored in the corporate strategy? The companies surveyed need to provide information here about whether they have already designated employees responsible or defined specific targets.

- **Climate Practices**

What climate change mitigation measures is the company undertaking? These measures can involve steps to reduce the company's own greenhouse gas emissions or CO₂ compensation through certified projects.

- **Social Practices**

How are working conditions at the company? The survey asks whether there is a strategy for compliance with minimum standards on human rights and occupational safety issues.

- **Sourcing Practices**

Does the company have a responsible procurement strategy? This section also asks how and where the company purchases parts or whether it conducts audits at its suppliers.

Outlook

In future, we will regularly update and expand the sustainabill survey. It is also important for us to remain in a personal dialogue with our suppliers in order to create the greatest possible transparency along the supply chain.

Sustainable industry effects

We have received unequivocally positive feedback from our partners on the sustainabill project. Some of the participating companies used the survey as a self-check and developed approaches they want to work on.

Other key players in the cycling industry have now also joined the sustainabill platform, including the tire producer Schwalbe or drive manufacturer Fazua. These two companies have, in turn, also invited their own suppliers to participate, and so the number of users continues to grow. This will have a positive impact on the entire industry. After all, once you have provided information on social and environmental aspects, you can simply and easily share it with new sustainabill users – for even greater transparency. This is a prerequisite for openness, trust and dialogue in a comprehensively networked cycling sector.

2021/2022 Sustainability Survey Riese & Müller – Tier 1



Extended Tier 1 analysis

Following the successful pilot phase in the spring of 2021, we extended the project and invited other suppliers to join the sustainability platform. We have trained them on how to use the cloud platform in webinars. We deal with our suppliers on an equal footing and make them personally aware of the issue in workshops. After all, trust-based partnerships and a joint approach are essential components of our mission to achieve a fully transparent supply chain.

71 of our direct suppliers have now registered on the platform and have taken part in a survey on their sustainability performance. Once their data has been evaluated, each of the participating suppliers will receive a resulting score. We then seek a discussion with individual suppliers should they receive a low score or if we need clarification. For instance, we discussed with suppliers whose production sites are in so-called risk countries what measures they can take to combat the risk factors identified. We then prepared a risk analysis (see page 67) from the results of this survey and the subsequent feedback discussion.

The 71 companies that have registered have provided us with an insight into the processes and working methods of these suppliers, mapping around 97% of our purchasing volume – a significant success.

Examples from the Sustainability Survey

Growth of Riese & Müller

We have improved from 80 to 100% in the Social Practices category. Firstly, we did so by obliging existing and future suppliers to sign our Code of Conduct or to draw up a comparable Code of Conduct. Secondly, the fact that our risk analysis highlights the issues of human rights and working conditions along the supply chain also contributes to this improvement.

Our score of 65% was slightly lower in the Climate Practices category (previous year: 67%). This development is due to a slight change in the weighting and differentiation of the survey by sustainability and does not represent an actual deterioration of our climate protection efforts.

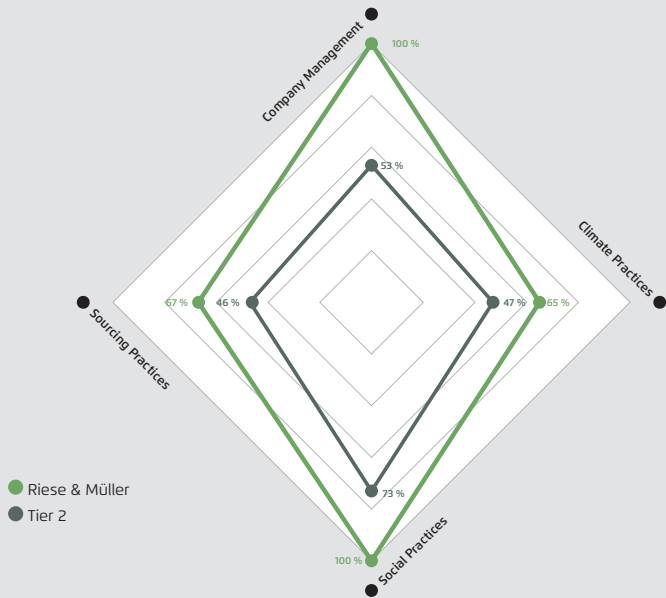
A supplier example

One of our suppliers is significantly improving their overall score. This improvement is due to several factors: the company has appointed a person responsible for sustainability, is planning to publish a CSR report, has introduced a Code of Conduct and audits for suppliers, and has defined targets to reduce greenhouse gases.

Tier 1 means the first supplier in the supplier pyramid.
Tier 2 means the upstream supplier to our supplier in the supplier pyramid.

2021/2022 Sustainability Survey

2021/2022 Sustainability Survey Riese & Müller – Tier 2



Tier 2 analysis started

In a second extension of the sustainabil project, during this business year we also included upstream suppliers ("tier 2") in a sustainability analysis for the first time.

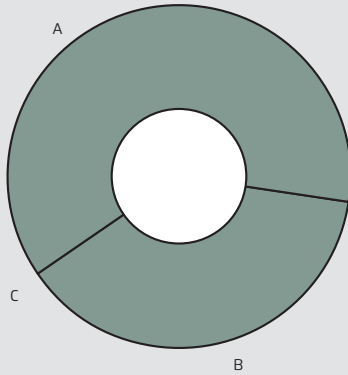
This Tier 2 analysis also permits companies to provide information anonymously on the platform. In this case, we only see the scores and the country in which the suppliers are located, not the names of the companies. Of the 62 registered Tier 2 suppliers, 18 entered their information anonymously.

Analysing upstream suppliers is of enormous importance, not just for us but for all participating companies. Every additional sustainabil user who invites their own upstream suppliers to provide information generates new and valuable information about the entire value chain for all related members, even if the suppliers decide to submit their data anonymously.

Risk analysis / Desk audit

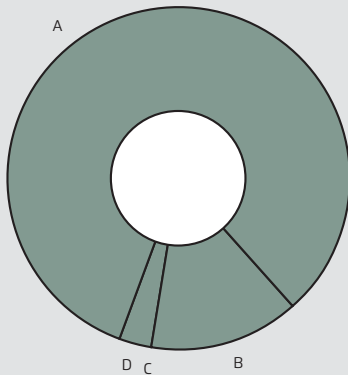
Result by supplier

- A No risk (0) 44 suppliers
- B Low to medium risk (1-2) 27 suppliers
- C High risk (3) 0 suppliers



Result by purchase volume

- A No risk (0) 83% of purchase volume
- B Low to medium risk (1-2) 14% of purchase volume
- C High risk (3) 0% of purchase volume
- D Not evaluated* 3% of purchase volume



The risk analysis pursues the goal of visualising risks to humans and the environment and evaluating them along the supply chain. Every year we evaluate all companies that we have also invited to sustainabil. We attach particular importance to the well-being of the people who work for us.

The risk analysis is a snapshot and is based on our assessment using international standards, visual audits and supplier self-reporting.

The assessment is based on a scale we have defined (0: No risk, 1: Low risk, 2: Medium risk, 3: High risk). The following aspects were considered:

- Has our Code of Conduct been accepted and signed?**

Our Code of Conduct documents our values on environmental protection and human rights and is an integral part of and prerequisite for future supply relationships. So far, almost all our suppliers have signed, while some companies have produced their own Codes of Conduct which are comparable to ours. Together, these companies represent 97% of our total purchasing volume.
- Where are our suppliers' production facilities located?**

We evaluate all countries in relation to the issues of forced labour and corruption. We are guided by the Global Slavery Index, the Corruption Perception Index and sustainabil's assessment. If suppliers have several production sites, we evaluate each individual delivery country.
- How did the company perform in the sustainabil Sustainability Survey?**

All issues covered in the survey are relevant, but the "Social Practices" and "Sourcing Practices" results are particularly relevant in assessing social risks.
- What certifications, processes and targets does the supplier have?**

Certifications give us the assurance that target-orientated production and minimum standards are being met and that this has been verified by an independent authority. We are aware that not every supplier is certified. We also record when suppliers communicate processes and targets to us in our regular supplier discussions.
- What findings do we take home from discussions with suppliers and visual audits?**

If there are any uncertainties in our initial risk assessment, we then seek a discussion with the suppliers in person. Often, many perceived risks can thus be resolved or explained. This has also improved our assessment of some companies. Impressions gained from visits to suppliers (visual audits) are also included in the overall assessment. If a medium to high risk were to be identified during the analysis, we would immediately engage in a constructive dialogue with the relevant supplier, set deadlines for the correction of deficiencies, and schedule re-audits. Our aim is to improve working and production conditions and to achieve the lasting, sustainable growth and development of supplier companies. We will terminate our collaboration in the event of intolerable conditions and a lack of willingness to cooperate.

Result

We do not consider there to be any environmental or social risks with 44 suppliers, who represent 83% of our purchase volume. With 27 suppliers, who represent 14% of our purchase volume, we have identified a low to medium risk. We do not currently consider any of our suppliers to pose a high risk.

Examples from the risk analysis process

- Rating improved**

We identified a medium risk with a particular supplier. In their Code of Conduct, there was no mention of the prohibition of forced labour and corruption, two key issues for Riese & Müller – and a clear reason to seek a subsequent discussion. The company then adapted its Code of Conduct, obtained signatures from all upstream suppliers and cleared up further questions. The supplier then improved from 2 to 0 (No risk) in our assessment.
- Suggestions accepted**

A component supplier took our feedback as an opportunity to create its own Code of Conduct and have it signed by its suppliers. Two other companies increased their human resources for sustainability and responsibility following our discussions with suppliers.
- Under observation**

A supplier with a medium country risk signed our Code of Conduct but did not achieve a good result in the sustainabil survey, among other things for Social Practices and Climate. There was little response to our inquiries. As we are reliant on self-disclosure, we therefore only classified this supplier as 2 (Medium risk) and kept an eye on them separately.

* We evaluate our main suppliers who represent 97% of our purchase volume

Audits

We conduct three different types of audits to obtain a comprehensive picture of sustainability issues at our suppliers.

Visual audits

We take every opportunity to gain insights into our suppliers' environmental and social conditions. We have therefore trained all our employees who regularly visit suppliers to pay attention to certain aspects during their visit to site and to record their personal impressions in a structured manner. Employees are also strongly encouraged to report positive feedback.

Our employees subsequently document these observations with grades in a kind of "grade card" accompanied by additional written notes. The following are evaluated:

- **Overall impression:** what about cleanliness, the corporate culture encountered or the way employees interact with each other and with guests? Is there openness and transparency?
- **Environment:** how environmentally orientated is the company? Are there obvious environmental violations, such as waste water drained into a river?
- **Human rights:** are there any noticeable problems in the way employees are dealt with? Are there any signs of child labour, forced labour or unclear or unusual working arrangements?
- **Health and safety at work:** do the employees have a good, safe workplace? Are the working conditions okay in terms of space, escape routes, noise and hazard sources?
- **Bribery:** were inappropriate gifts or leisure activities offered, or were any signs of corruption observed?

If there are any noticeable problems that cannot be tolerated, we will then immediately confront the supplier and ask for an explanation.

Quality audit

Our Total Quality Management system also conducts comprehensive, systematic audits of our suppliers. This results in extensive, in-depth reports that provide a detailed picture of local conditions.

Observations during audits can be divided into three basic areas:

- **Zero tolerance:** violations of human rights, dangerous disregard for occupational safety, or serious damage to the environment. Examples: child labour and forced labour, life-threatening conditions, abuse or corruption.

In the event of zero tolerance violations, we demand for the deficiency to be rectified immediately. The company concerned will also receive a mandatory catalogue of measures and will be audited again within a short period of time. We also reserve the right to terminate our collaboration and to initiate legal proceedings if no action is taken by the supplier.

- **Problematic violation:** disregard for occupational safety and environmentally harmful conduct. Examples: exposure to extreme noise, insufficient air conditioning, protective clothing is not worn, waste materials are not properly disposed of.

The supplier will receive immediate feedback in the form of a catalogue of measures and will be tasked with resolving the problem in the short term. We will set a deadline and conduct a re-audit to check whether the infringement still persists.

- **Minor violation:** occasional shortcomings or shortcomings in isolation that pose a low risk to the safety of employees or the environment.

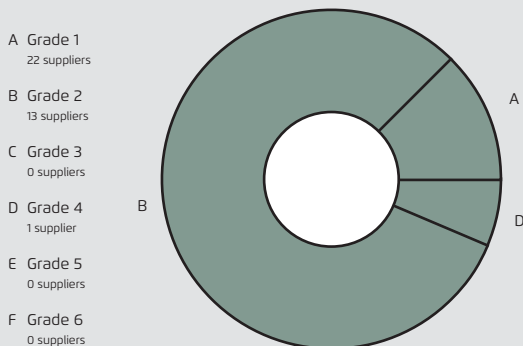
The supplier will receive feedback on our observations and will be tasked with resolving the problem in the medium term. We will then check in a re-audit whether the shortcoming still persists.

External audit

We have also been a member of the WFSGI (World Federation of the Sporting Goods Industry) since 2021. The association promotes an improved dialogue within the sporting goods industry and has developed a uniform standard for environmental and social requirements for audits with its RSI (Responsible Sport Initiative). Together with the RSI, we wish to conduct audits in future on the basis of this criteria, including supplier audits.

Due to the ongoing problems surrounding the COVID pandemic, we have not yet been able to start external audits in Asia.

Results of visual audits



The risk material aluminium

As part of our transparency analysis with sustainabill, we identified aluminium as a key risk material last year (see Responsibility Report 02, p. 32). Aluminium becomes a risk material because its mining goes hand in hand with large-scale deforestation of virgin forests, high volumes of energy are used, and the bauxite mines often have scant regard for human rights and ecological and social conditions ^[19]. In addition, aluminium is a very energy-intensive material in its further production, which is also particularly harmful to the environment due to the chemical process used in production.

All our frames are made of aluminium. There are also components, such as suspension forks, foot pedals, stems and handlebars, seatposts, rims, bike stands and carriers, that are either fully or partly made of aluminium. The weight of the frame alone means that aluminium makes up the largest risk material by percentage in our products. However, for our use, aluminium remains the most durable, lightweight and sturdy material, and so it is our goal to become much more sustainable by

- making the supply chain transparent in terms of aluminium,
- collaborating with partners who support us in a sustainable process and
- actively improving environmental and human rights conditions.

Aluminium can be recycled using only a fraction of the energy required for its extraction. At the same time, it is estimated that around 75% ^[20] of the aluminium ever produced is still in circulation – this offers us massive potential to sustainably produce the main component of our bikes, the frame.

This year, we have identified we can currently start a pilot project that meets these criteria only in Europe and based on recycled aluminium. We have the ideal partners to systematically carry out a project like this with our Portuguese frame supplier Triangle's and with Hydro Avintes, the Portuguese subsidiary of the Norwegian aluminum supplier Hydro.

Hydro is one of the largest aluminium producers in the world and has a long history. The company is committed to the use of renewable energy and recycled aluminium.

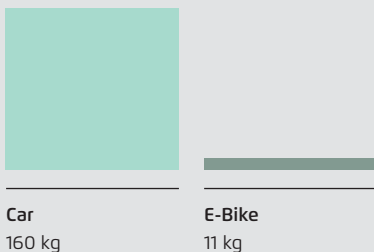
Triangle's produces hundreds of thousands of top-quality aluminium frames each year – as the first company in the world to work with automated large-scale production. Triangle's is thus aiming to become a reference company and European market leader in this sector (refer to Responsibility Report 02, Interview with Armando Silva, page 34). Together, we are committed to the objective of using only recycled aluminium for the construction of our frames from 2025 at the latest. This concerns around 40% of our models.

It is not yet possible to manufacture a bike entirely from recycled aluminium, as certain attachments are not yet available in recycled aluminium. We have therefore currently defined a target figure of 80%.

Detailed planning and coordination will be required to initiate and systematically pursue this process:

1. Certification of Triangle's according to the Aluminium Stewardship Initiative ^[21] (ASI), a seal of approval for the sustainable processing of aluminium along the material chain / completed by June 2023. Hydro is a co-initiator of the ASI and several of its production sites, including Hydro Avintes, are already certified to the ASI standard. ^[22]
2. Re-evaluation of the frame construction based on recycled material with regard to safety-related issues, such as rigidity.
3. Evaluation of all frames in terms of the efficient handling of aluminium.

Compared use of aluminium



ASI's vision, mission and values

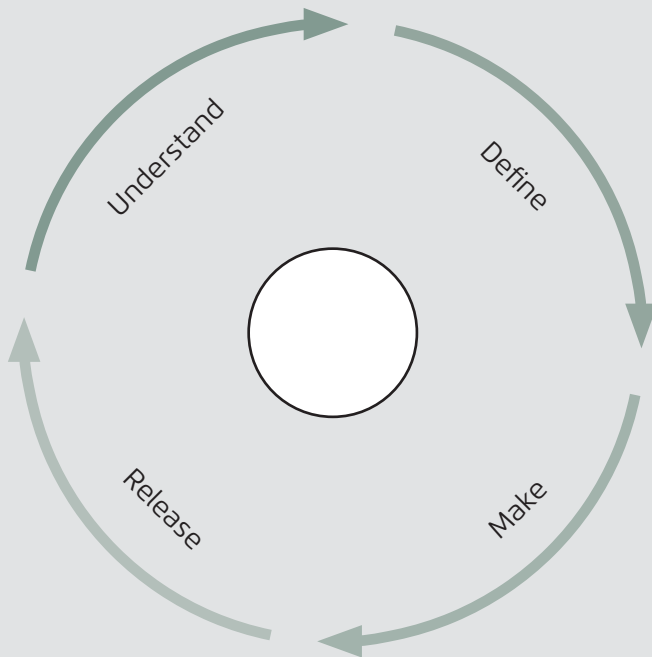
Our vision is to maximise the contribution of aluminium to a sustainable society. Our mission is to recognise and collaboratively foster responsible production, sourcing and stewardship of aluminium.

Our values include:

- Being inclusive in our work and decision making processes by promoting and enabling the participation of representatives of all relevant stakeholder groups.
- Encouraging uptake throughout the bauxite, alumina and aluminium value chain, from mine to downstream users.
- Advancing material stewardship as a shared responsibility in the lifecycle of aluminium from extraction, production, use and recycling.

Circular design

Methodology



It is more than just our business that needs to be sustainable – our product also has to be designed so that it has a lasting service life and is easy to repair or recycle.

We are not alone with this aim. The coalition currently governing Germany is committed to the circular economy as an effective means of protecting the climate, conserving resources and sustainable economic development. There are also growing industry-wide ambitions to further increase the service life of products. At the heart of these considerations is the circular design concept.

A cycle with no waste

Circular design is an elementary part of the circular economy.

The idea is simple: products should be designed from the outset so that they can be used for as long as possible and can enter a new service life at the end of their useful life. Ideally, there is no waste in a circular economy – the concept is a radical departure from the linear economy, which only knows how to make, use and throw away.

What is Riese & Müller working on?

The life of our products has always been of particular importance in product development, for instance by designing our bikes in isolation from short-term trends, installing high-quality and robust components, or using materials that can be returned to the circular economy, such as polypropylene.

Now we are going one step further. Circular design is becoming anchored even more deeply and systematically in our product development, and the circularity of materials is becoming the guiding principle of good, sustainable design.

Our Development department has formulated a mission statement for this: "All products and their development will be based on the European Parliament's ecodesign requirements for sustainable products. We are therefore applying the circular design principles."

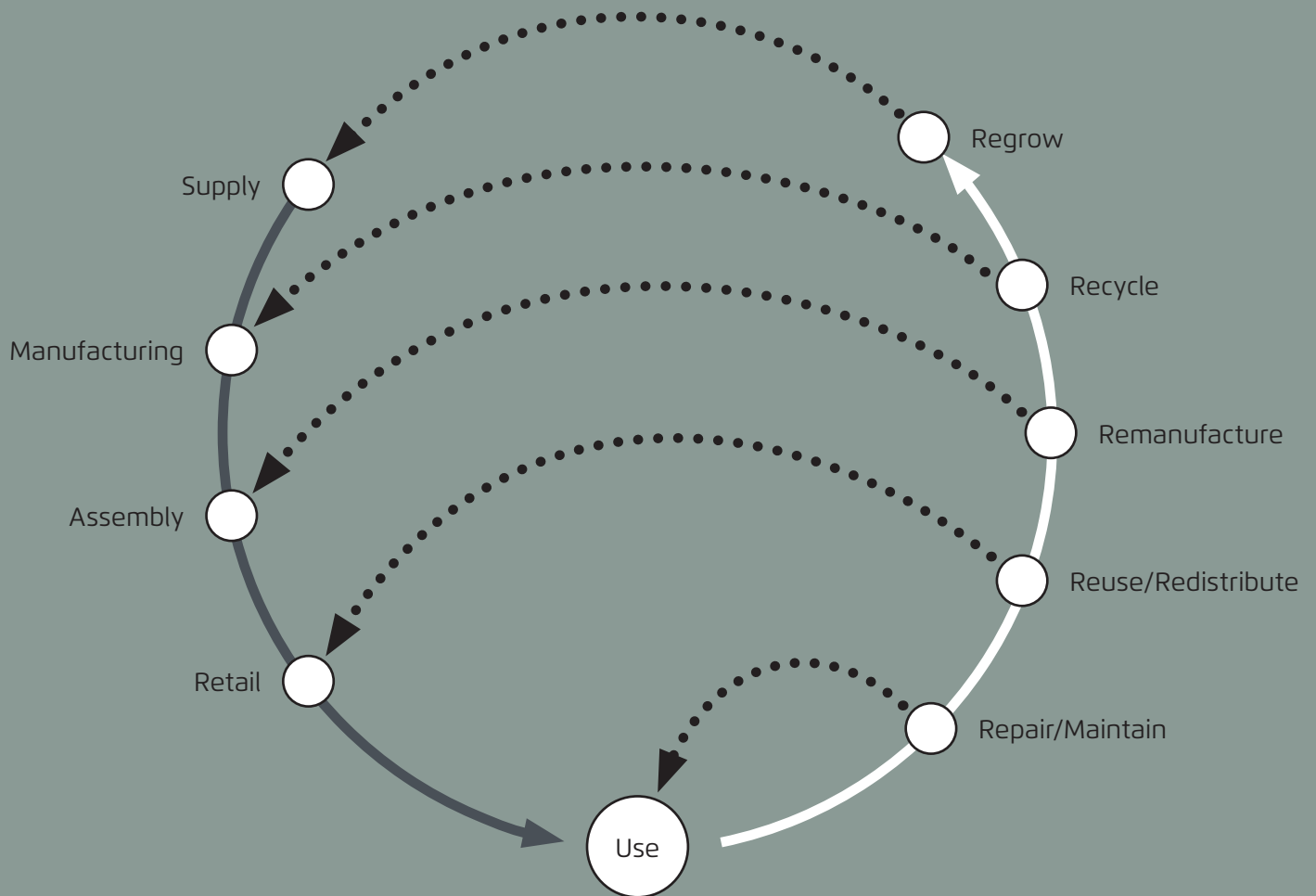
We have once again developed and defined these principles for our specific requirements. We also received ideas and suggestions from a project workshop over several months with the Shift Cycling Culture industry network. Now we are entering a systematic survey phase, in which we will fully disassemble our products and re-analyse the components from scratch. This will provide the current status quo in terms of materials.

That will then be followed by a systematic improvement phase, during which all new products will be tested for these aspects already in the development phase:

- **Materials:** does the product contain substances of concern to health and the environment?
- **Long service life:** can the product be disassembled and repaired to increase its service life?
- **Circularity:** can we use recycled materials and forego virgin materials, i.e. new materials without a recycling history? Are the raw materials used free from material mixtures that would otherwise prevent them from being sorted by type and recycled?

We have selected a substitute product from the textile sector that we are working on in a test phase to analyse the product development phase per se.

We will then extend the knowledge acquired to the development and revision of further products. The top priority of all adaptations to product design will always be their consistently high quality.



Circular design principle

A raw material (Supply) passes through a manufacturing process (Manufacturing) and is assembled with other parts (Assembly). The resulting product is sold (Retail) and then used (Use).

Circularity starts from here: during its service life, the product can be maintained and/or repaired by the user (Repair/Maintain), taken back by vendors and resold as a used product (Reuse/Redistribute), replaced by the manufacturer (Remanufacture) or disassembled into its components and recycled (Recycle). Ideally, it will be possible to return the original material back into the natural cycle (Regrow).

Site

38,518 m²

Total usable floor space

2,700 m²

Photovoltaic system

72

Additional bike parking spaces

272

Total bike parking spaces

Construction projects to be completed in 2023

9,860 m²

Extension of the headquarters
(energy-efficient building)

1,890 m²

New construction in resource-saving timber
construction

50,270 m²

Total usable floor area in 2023

The Riese & Müller site has been operating in Mühlthal near Darmstadt since 2019. The Campus consists of a production, storage and administration building, a high-bay warehouse building and three other plots of land with space for expansion.

In 2023, we will be bringing two more buildings on stream: an extension, which is connected to the headquarters building by a covered pedestrian bridge, with additional production space and around 100 high-quality, ergonomic office workplaces.

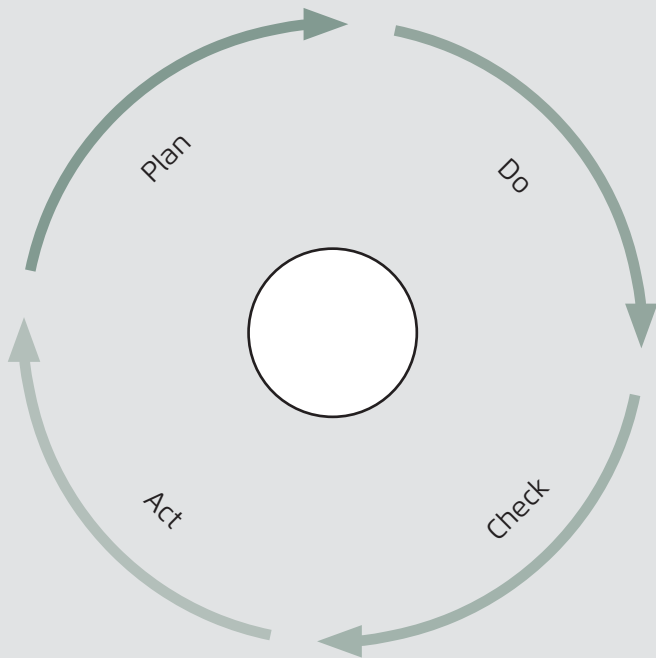
We will also be opening the "Häuser am Berg" premises (lit. Houses on the Hill).

The new building with its resource-conserving timber construction will provide around 1,900 m² of additional meeting space for our employees in the immediate vicinity of our headquarters. Spacious, bright rooms provide new space for meetings and courses of all kinds, while a bistro will serve organic food and drink.

Workwear from Schöffel Pro

When procuring a new work jacket, we opted for the Schöffel Pro "Einheizer" model. Apart from the good thermal performance, functionality and excellent quality of workmanship of the OEKO-TEX®-certified jacket, Schöffel Pro's membership in the Fair Wear organisation and its approach to sustainability are further reasons for opting for them as a partner. We will also be gradually changing all our employees' other workwear, including the complete outerwear, T-shirts, work trousers and jeans, on the site to Schöffel Pro products as soon as we have used up the remaining stock we still hold from the previous manufacturers.

Environmental management system



ISO 14001 is the international standard for a company's environmental management system. It takes into account all environmental aspects that are relevant in relation to the company's business operations: energy consumption, waste management, handling of hazardous materials, plus training and the raising of awareness among employees.

We are currently testing internal processes and systems in preparation for ISO 14001 certification in the autumn of 2023. Our aim is to elevate environmental management at our site in Mühlital to a standardised, industry-wide traceable level.

Re-audits by an independent inspection body will subsequently check whether the standards are being complied with. This external inspection is particularly important to us with regard to our resource conservation targets.

Employees

754

Employees

170

Women

584

Men

38 years

Average age

54

nationalities

27 %

Women in management positions,

38 % of whom have a family

11

Trainees

2

Students undergoing integrated workplace training

12

Student interns

Riese & Müller has continuously grown and developed since it was founded in 1993. We wish to carry this desire for change, our dynamic working environment and our openness to new ideas into the future. We can only do this with employees who want to grow and develop together with us: people who have taken on new roles and challenges with a great spirit of openness. People who take responsibility for increasingly complex issues. As well as people who, after a few years in their role, have set themselves other priorities, because they need more time for their families or other social involvement. We know many of these examples and they show: growth and development can mean many things and do not always have to mean higher, faster, farther.

That is why Riese & Müller considers the growth and development of its employees holistically – and relies on a corporate culture in which mutual advancement and personal success go hand in hand.

We are pleased that we were able to attract more dedicated women to management positions in our company last year. Their percentage has almost doubled compared to the previous year (previously 15%).

The principles of this understanding of development are taken from the workbook "Moving forward with Riese & Müller", which encourages personal and professional development in the company with specific questions and support.

Workshops and events

Anti-discrimination workshop

Managers are made aware of inequalities, how to handle privileges and communicative solutions in three training sessions.

Training as a collegial consultant

Training for employees as initial points of contact for colleagues who are seeking help in challenging life situations (for example, on topics such as fears, worries, addiction, stress or grief).

Dialogue among women in management positions

The externally hosted forum is intended as a friendly exchange of experiences.

Visit to the Sonnenhof for apprentices

The Sonnenhof is a farming business and part of the three recognised workshops for people with disabilities belonging to the Nieder-Ramstädter Diakonie Foundation welfare association.

Visit to the Fabiennesteig for apprentices

The 800-metre-long adventure trail is named after the storm, which caused severe damage to the forest in the summer of 2018.

Breakfast workshops

Employees exchange ideas about a current topic in a relaxed atmosphere at these regular gatherings.

Bereavement workshop

The training course helps our People & Culture team to better support employees who have experienced a loss around them.

Talk

“Healthy handling of negative news”

Journalist and best-selling author Ronja von Wurmb-Seibel gave a talk on this issue and answered employees' questions.

Addiction prevention

In the Caritas Addiction Support Centre workshop, attendees learn about the problem and are introduced to contacts and institutions in order to be able to provide help.

Compact Book Club

This continuing education programme for all employees focuses on a book. The participants share information on the content with the aim of applying it to their own daily work.

In the past two years, we have gained many new colleagues for Learning & Development in our People & Culture department. We are happy to see social education workers and a psychologist in the team. Being approachable and present every day, and offering specialist expertise and a range of services, they are able to assist and support employees in acute difficulties, but also in terms of developing resilience.

Industry and business associations

Associations

General German Bicycle Club e. V. (ADFC)

BIKEBRAINPOOL

Bike Charta – the Corporate Social Responsibility Action Plan

Federal German Working Group for Environmental Management e.V. (B.A.U.M.)

Compliance with the German Supply Chain Act

German Federal Association of Sustainable Business (BNW)

Ecological and social transformation of business

Business & Human Rights Centre

Compliance with the German Supply Chain Act

Entrepreneurs For Future

Business enterprises for greater climate protection

Sustainable Business Initiative

Initiative of the State of Hesse for the Implementation of Sustainable Measures in Companies

Material Compliance University of Darmstadt

Material compliance in accordance with REACH

Sustainable together!

Call to companies to come together for sustainability

Shift Cycling Culture

Cycling Industry Climate Commitment

UN Global Compact / UN Women

Women's Empowerment Principles (WEPPs)

Federation of the Sporting Goods Industry (WFSGI)

Future Bicycle e.V.

Two-wheeled Industry Association e.V. (ZIV)

Compliance with the Paris Agreement's climate targets

We are actively involved in leading industry associations and are committed to numerous initiatives by the bike industry to advance the "transport revolution" and a new and responsible form of business. We consciously support a multifaceted mix of interest groups, because the topics that interest us are equally diverse.

With our commitment, we wish to give the bike industry a common, strong voice. It requires professional representation on an equal footing with representatives from society, politics and business to make our concerns heard.

Our mantra is always: anyone who really wants to change something needs to be actively involved.

That is why we take personal responsibility – like our CEO Dr Sandra Wolf, who, as Chair of the German Federal Association of Sustainable Business (BNW), is campaigning for a new approach to business.

We actively sit on working groups – among other things to create a joint commitment that commits all signatories to transparency in the supply chain and waste avoidance.

And we are advancing ideas and concepts – including a bill on the re-regulation of S-Pedelecs.





Outlook 2023

Many initiatives were set up in 2022 – in the industry and at key interfaces: we are moving forward.

Nevertheless, the year was also marked by regressions, mainly due to disrupted supply chains, slow implementation speeds or more complex interrelationships. We assume that momentum will once again return in 2023, but we will have to consolidate and intensify certain processes, or rethink them.

Profound process changes, such as circular design or material compliance, change our thinking and actions, but require time as well as specialist expertise. We feel there is major potential for all aspects of sustainability in materials and will focus on this path.

We also consider there to be key common effects in the audits of our suppliers worldwide. In preparation for the Supply Chain Act, we will go deeper into individual areas and push forward documentation, with regard to the Corporate Sustainability Reporting Directive (CSRD) as well – we support both initiatives, with our voice in the German Federal Association of Sustainable Business (BNW) and in industry associations.

However, we will also take another look at the use of our products and, above all, we will argue even more strongly for a global mobility revolution and meaningful political decisions. After all, transformation can only be achieved if the framework conditions are good and it is made easy for people to forego cars and switch to bikes.

Bibliography

[1] The gross emissions include gas consumption. Riese & Müller purchases green gas from the energy provider ENTEGA that has already been certified.

[2] Green electricity per se is included in the calculation as climate-neutral.

[3] The "Fuel and energy-related emissions" value includes the infrastructure provided for the electricity and gas purchased and raw material extraction of our fleet fuels. As our natural gas is completely climate-neutral, the emissions from the gas infrastructure are deducted here.

[4] Kühne & Nagel, our logistics partner's partial container loads (also known as less-than-container-loads, LCL) are climate-neutral. 71 t CO₂e can therefore be deducted from the net emissions.

[5] myclimate Foundation; "Klimabooklet" (Climate Booklet); 2020

www.myclimate.org/fileadmin/user_upload/myclimate_Klimabooklet_2020_CH.pdf

[6] German Federal Office of Economics & Export Control; "Das Lieferkettensorgfaltspflichtengesetz im Überblick" (The Supply Chain Act at a Glance); February 2023

www.bafa.de/DE/Lieferketten/Ueberblick/ueberblick_node.html;jsessionid=ASA1C3FAACBF41DB3968309F52594463.intranet231

[7] San Francisco Municipal Transportation Agency (SFMTA)

www.sfmta.com/bicycle-ridership-data

[8] San Francisco Municipal Transportation Agency (SFMTA)

www.sfmta.com/sites/default/files/reports-and-documents/2018/04/pedaling_forward_booklet_final_web_version.pdf

[9] City and County of San Francisco

sf.gov/information/san-francisco-bicycle-strategy

[10] San Francisco Municipal Transportation Agency (SFMTA)

www.sfmta.com/bicycle-ridership-data

[11] Le bilan du Plan vélo (2015-2020)

www.paris.fr/pages/paris-a-velo-225

[12] Ville de Paris: Plan Vélo 2021–2026

cdn.paris.fr/paris/2021/11/18/80f9fd-1e6d5012e0a4a9820bd6adfd56.pdf

[13] "Ville de Paris: Paris 100 % cyclable"

cdn.paris.fr/paris/2021/11/18/80f9fd-1e6d5012e0a4a9820bd6adfd56.pdf

[14] Copenhagen Municipal Authority

www.kk.dk/sites/default/files/2022-08/Status%20p%C3%A5%20K%C3%B8benhavn%202121.pdf

[15] cargobike.jetzt (Cargo Bike.now) / Arne Behrensen

www.cargobike.jetzt/lastenrad-kinder

[16] 6-By Nogletal – Figures from six of Denmark's largest cities

www.aarhus.dk/demokrati/kommunens-oekonomi/6-by-noegletal/

[17] Studie: Öffentlicher Verkehr in europäischen Städten – ein Vergleich (2011) (Study: Public transport in European cities – a comparison) / Future of mobility

www.zukunft-mobilitaet.net/6404/analyse/oeffentlicher-verkehr-in-europa-staedte-vergleich/

[18] Copenhagen Municipal Authority

www.kk.dk/sites/default/files/2022-02/6-by_N%C3%B8gletal_2021.pdf

[19] European Commission/Joint Research Centre

rmis.jrc.ec.europa.eu/uploads/library/jrc125390_sustainability_profile_bauxite_aluminium_online.pdf

[20] Norsk Hydro ASA

www.hydro.com/de-DE/aluminium/uber-aluminium/der-lebenszyklus-von-aluminium/

[21] The Aluminium Stewardship Initiative considers business-ethical, environmental and social aspects along the entire aluminium value chain to achieve continuous improvements.

[22] Norsk Hydro ASA

www.hydro.com/de-DE/sustainability/our-approach/governance/sustainability-partnerships/aluminium-stewardship-initiative-asi/

Legal information

Publisher
Riese & Müller GmbH
Am Alten Graben 2
64367 Mühltal
Germany
+49 6151 36686-0

Responsibility / Sustainability
and Responsibility Report Team
Alexander Eilhauer
Michael Frank
Violetta Gabriel
Tim Longerich
Jörg Matheis
Hannah Müßener
Moritz Oberhofer
Volker Weinmann
Benjamin Wenz
Julia Werling
Dr Sandra Wolf

Photography
Lars Schneider

Website: r-m.de

Facebook: facebook.com/rieseundmueller

Instagram: instagram.com/riesemuller

Twitter: [@riesemuller](https://twitter.com/riesemuller)

LinkedIn: linkedin.com/company/riesemuller

Podcasts: r-m-unplugged.podigee.io

RIESE & MÜLLER