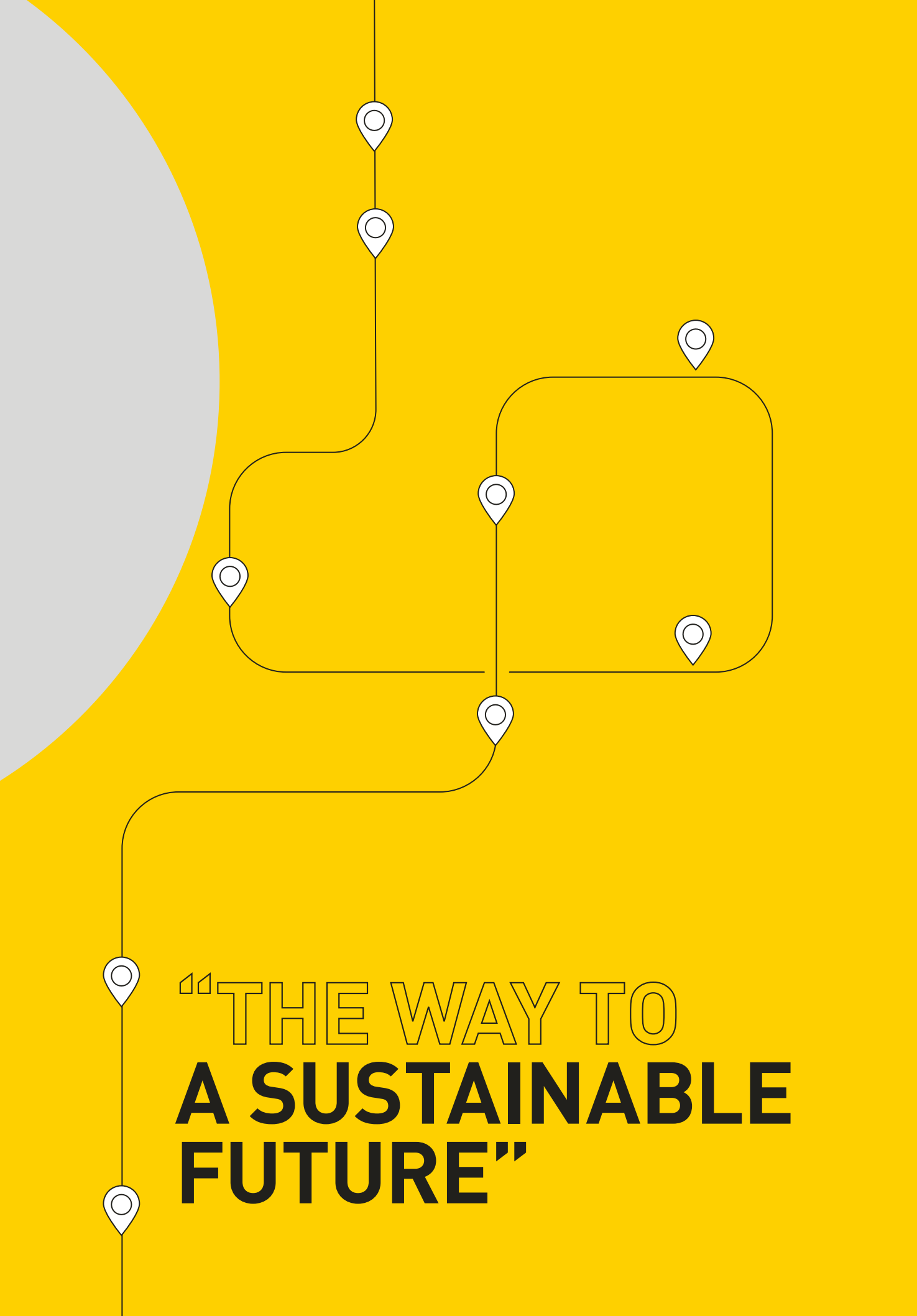


ENVIRONMENT
FINANCIAL
GOVERNANCE
SOCIAL

SUSTAINABILITY REPORT 2023

REPORT ON NON-FINANCIAL MATTERS 2023

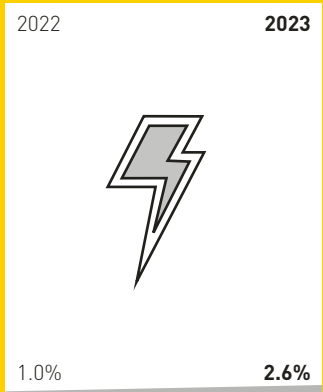




“THE WAY TO A SUSTAINABLE FUTURE”

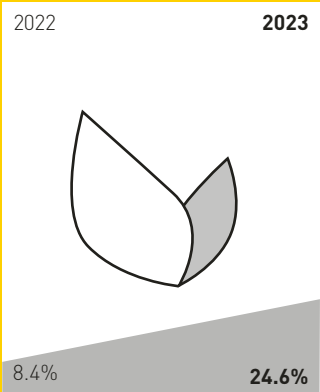
KEY FIGURES

31.2 GWh TOTAL ENERGY CONSUMPTION



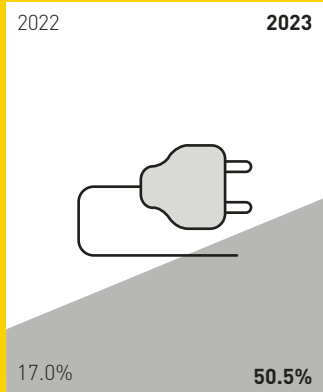
	2023	2022
Purchased	97.4%	99.0%
Self-generated	2.6%	1.0%

24.6% SHARE OF RE- NEWABLE ENERGY



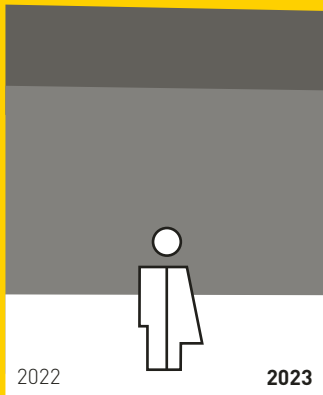
	2023	2022
Non-renewable	75.4%	91.6%
Renewable	24.6%	8.4%

15.2 GWh ELECTRIC POWER CONSUMPTION



	2023	2022
Non-renewable	49.5%	83.0%
Renewable	50.5%	17.0%

2,398 EMPLOYEES



Age structure

	2023	2022
Above 50	632	637
30 - 50	1,354	1,299
Below 30	412	501

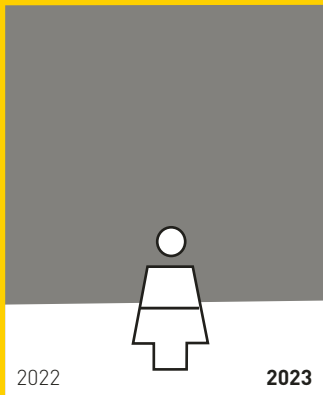
2,234 PERMANENT



Employee structure

	2023	2022
Trainees	39	33
Temporary	125	202
Permanent	2,234	2,202

24.5% WOMEN



Gender balance

	2023	2022
Men	75.5%	76.4%
Women	24.5%	23.6%

CO₂e EMISSIONS (MARKET-BASED)

1.1%
1.1%
97.8%

SCOPE 1

3,528 tCO₂e
■ 1.1% 2023
0.8% 2022

SCOPE 2

3,549 tCO₂e
■ 1.1% 2023
1.8% 2022

SCOPE 3

319,832 tCO₂e
■ 97.8% 2023
97.4% 2022

CO₂e EMISSIONS (MARKET-BASED)

2023



■ Scope 1: 3,528 tCO₂e (1.1%) ■ Scope 2: 3,549 tCO₂e (1.1%) ■ Scope 3: 319,832 tCO₂e (97.8%)

2022



■ Scope 1: 3,049 tCO₂e (0.8%) ■ Scope 2: 7,125 tCO₂e (1.8%) ■ Scope 3: 392,529 tCO₂e (96.9%)

CONTENTS

SHAPING THE FUTURE – ONE INTERROLL	2	SOCIAL – EMPLOYEES	111
		ATTRACTIVE EMPLOYER	114
ABOUT INTERROLL	4	PEOPLE DEVELOPMENT	121
		OCCUPATIONAL HEALTH AND SAFETY	126
ESG STRATEGY	13	DECLARATION OF THE BOARD OF DIRECTORS TO ARTICLE 964A SWISS CODE OF OBLIGATIONS (CO)	132
STAKEHOLDER DIALOG AND MATERIALITY ANALYSIS	14		
SUSTAINABILITY MANAGEMENT AT INTERROLL	18	GRI CONTENT INDEX	135
PRIORITY MATERIAL TOPICS	24		
CONTRIBUTIONS TO THE SUSTAINABLE DEVELOPMENT GOALS	25	ESG KEY FIGURES OVERVIEW	143
GOVERNANCE	27		
CORPORATE GOVERNANCE	30	CONTENT INDEX TO ARTICLE 964 CO	148
ESG RISK MANAGEMENT	37		
CORPORATE COMPLIANCE	43		
ENVIRONMENT	51		
CLIMATE PROTECTION	54		
ENVIRONMENTAL PROTECTION	74		
SOCIAL – SOCIETY	81		
STAKEHOLDER ENGAGEMENT	84		
SUSTAINABLE PROCUREMENT	96		
PRODUCT AND SERVICE RESPONSIBILITY	106		

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

GRI 2-22

SHAPING THE FUTURE – ONE INTERROLL



Ingo Steinkrüger, Chief Executive Officer.

Dear shareholders, valued customers, employees and business partners,

The world is changing very quickly these days. Our drive to actively shape this transformation is the key to implementing our customer-first strategy and always delivering on our customer promise of “Quality, Speed and Simplicity” in all aspects of our business.

In 2023, we launched the “ONE Interroll” program to make these fundamental principles an even more essential part of our global planning and actions.

New, challenging conditions are constantly arising, as uncertainties in supply chains persist, the risks associated with climate and social change continue to increase and the skills shortage is beginning to impact the bottom line. The ability to react quickly, speak candidly and make decisions is crucial.

This report clearly shows how we at Interroll are shaping sustainable development. After all, companies cannot be economically successful in the long run if they lack a structured management approach to the non-financial aspects of their business. It is becoming increasingly clear from the progress we made in our material areas in 2023 that our stakeholders also expect more with regard to the transparent communication of the company’s environmental targets, social contributions and good corporate governance practices (ESG).

Will we remain able to meet our customers’ expectations as they relate to energy efficiency and ethical supply chains? Will we succeed in fighting off intense competition to recruit the brightest and best by flexibly

adapting “New Work” concepts and positioning ourselves as an attractive employer? Will our ethical approach to conducting business strike a chord with our (prospective) employees? As you will see from reading just the first few pages of this report, the answer to all of these questions is a resounding “YES”!

We are supremely confident of achieving the ambitious targets we have set for ourselves in our ESG policies because we took action at an early stage and our strategy is geared toward the long term. Two pillars of this strategy are, firstly, understanding our sustainability-related impacts and risks and, secondly, further developing our sustainability management through organizational and structural measures.

By clearly assigning responsibilities for implementing projects and controls for each of our key sustainability topics, we have taken the organizational steps necessary to strengthen our Group-wide governance. The Board of Directors formed a new Sustainability Committee that is charged with regularly discussing the progress of our ESG agenda, identifying any challenges in good time and monitoring the latest developments. The size of the Corporate Sustainability and Compliance department was increased in 2023 and another round of recruitment is planned for 2024.



Paul Zumbühl, Chairman of the Board of Directors.

The regulatory expectations placed on risk reporting underscore the importance that non-financial reporting has for Interroll's business performance, position and results of operations. As a listed company in Switzerland, we are subject to the requirements set out in Article 964 of the Swiss Code of Obligations and for the first time for fiscal year 2023 must report on environmental, social and employee matters, respect for human rights and anti-corruption measures.

The risk assessment is crucial for these points as it determines the extent to which the strategy, measures and results must be presented. We are applying the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) concerning climate-related financial disclosures in particular. It is in our DNA to always look for ways to combine responsible corporate action with process efficiency, and that is exactly what we are doing.

Examples of our approach include our extensive efforts to assess our emissions across the entire value chain (Scope 1, 2 and 3) and the in-depth analysis of our own sustainability performance across the Group and at the 16 production sites and two assembly sites as part of the customer supply chain. In both respects, establishing a reliable database is an essential foundation for taking the next management steps.

We are now looking forward to making further progress in our sustainable development with our dedicated and proficient employees. Even in challenging economic times with numerous intralogistics tasks, we are always able to rely on one another. We would like to thank everyone for their hard work and for believing

in and tackling the many fascinating and cutting-edge projects with such verve. This is exactly the mindset that enables Interroll to succeed in providing holistic ESG demand-driven solutions.

This report satisfies the reporting requirements under Article 964 of the Swiss Code of Obligations. We outline the various ways in which we contribute to the United Nations Sustainable Development Goals (SDGs). We are also proud to announce that we have signed up to the UN Global Compact for a further year and affirm our commitment to its ten underlying principles. We have incorporated our seventh UNGC Communication of Progress, which covers fiscal year 2023, in its entirety in this Sustainability Report in accordance with the GRI Standards 2021.

We would like to thank all of you for your trust and constructive collaboration. We hope you enjoy reading this report and find it thought-provoking, and we look forward to receiving your feedback on the sustainable progress we have made together.

Sant'Antonino, 15 March 2024

Paul Zumbühl
Chairman of the Board of
Directors

Ingo Steinkrüger
Chief Executive Officer

ABOUT INTERROLL

GRI 2-6
GRI 2-7

964 CO

The Interroll Group is the leading global provider of material-handling solutions. The company was founded in 1959 and has been listed on the SIX Swiss Exchange since 1997. It provides system integrators and OEMs with a wide range of platform-based products and services in the following categories: rollers, drives, conveyors and sorters, and pallet handling. Interroll's solutions are used in express and postal services, e-commerce, airports, the food and beverage industry, the fashion industry, the automotive industry and many other sectors. The company's products and solutions are used by leading brands such as Amazon, Bosch, Coca-Cola, DHL, Nestlé, Procter & Gamble, Siemens, Walmart and Zalando. Headquartered in Switzerland, Interroll Holding AG boasts a global network of 35 companies with revenue of CHF 556.3 million and 2,398 employees (Headcount as of 31st December 2023).

Corporate structure

Interroll has to take a multitude of formal and conceptual requirements relating to good corporate governance into account and comply with them on a daily basis. This is reflected in our management structures and is essential for meeting the expectations of all our stakeholders, such as investors, customers, users and employees, which our success depends on:

- As a Swiss stock corporation listed on the SIX Swiss Exchange, we have to comply with a range of legal and regulatory requirements.
- And as the owner of legally independent business units in 21 countries, we are subject to legal obligations – a key factor both financially and in terms of our reputation.
- For our shareholders, we have to fulfill the obligations set out in our articles of association and the specific resolutions adopted by the annual general meeting.
- For our customers and those who use our products and services, we are a reliable and open partner and also take their interests into account in managing environmental, social and governance risks.
- Last but not least, we are responsible for our employees and their actions.

GRI 2-2

Our legally independent business units, which are included in our sustainability reporting, are listed in the corporate governance section of our annual report starting on page 11. The tables include the function, company name, legal form, region and management of the entities.

Interroll is a company steeped in tradition and operates internationally, covering markets, customers, and production and service locations on every continent and employees in well over two dozen countries. Our corporate headquarters are in Switzerland, and Interroll Holding AG is listed in the Swiss Performance Index (SPI).

What does this diversity and the complexity of our business model and value chain mean in the context of sustainability?

First of all, we have to consider global aspects when it comes to the origin of raw materials and semi-finished products at our production units, in our sales markets and in the use of our products in many countries. This spans the short, medium and long term, in some cases decades. In 2022, we examined the relevance and materiality of the sustainability topics for Interroll and reviewed the material topics identified as priorities for 2023 (see page 14).

Secondly, we need to make sure our primary focus is always on those aspects of good governance that are material to us. That applies across the board – at all levels of strategy or operations – wherever we have a significant impact on environmental, social and employee matters, human rights and the fight against corruption. This is also reflected in the wide range of associations and initiatives we have joined in the countries where we operate, and which we actively participate in and support (see page 14).

Board of Directors

964 CO

Within the company, the Board of Directors holds overall responsibility for analyzing and meeting the requirements relating to environmental, social and employee matters, human rights and anti-corruption measures. Operational implementation is delegated to Group Management. They work together to ensure that the responsibilities for setting goals, delivering resources, taking action and conducting reviews are clearly defined for all management levels and in all areas. The Group Management regularly reports to the Board of Directors on environmental, social and governance aspects and the associated risk assessment for Interroll's business model. The Board of Directors ensures that it has the requisite knowledge available to assess ESG aspects. In addition, the Board of Directors conducts an annual review to ensure that ESG compliance obligations are observed at the Group level. The Board of Directors submits the report in accordance with Article 964b CO to the annual general meeting for approval.

964 CO

Group Management

Interroll is creating the positions of Chief Technology Officer and Chief Operations Officer from January 2024. At the same time, the position of Chief Sales Officer will be assigned additional responsibilities and authorities. "The new structure will help us focus more sharply on customers, innovation, products and production. It's a logical move given where we want to be in terms of growth, and it will support our long-term strategy," said Ingo Steinkrüger, CEO of the Interroll Group.

GRI 2-9

The newly reconfigured Group Management team will be as follows:

Ingo Steinkrüger, Chief Executive Officer (CEO)
Heinz Hössli, Chief Financial Officer (CFO)
Maurizio Catino, Chief Sales Officer (CSO)
TBA, Chief Technology Officer (CTO)
TBA, Chief Operations Officer (COO)
Dr. Ben Xia, Executive Vice President Asia Pacific (EVP)
Richard Keely, Executive Vice President Americas (EVP)

ESG aspects are anchored deep in the company's overall strategy, and the Board of Directors has tasked Group Management with implementing them in operations. To that end, policies have been defined across the Group, and goals, deadlines and responsibilities have been clearly established in relation to environmental, social and employee matters, human rights and combating corruption. The opportunities and risks in relation to ESG are assessed as part of the annual risk inventory and, together with the associated reporting, they lie within the CFO's remit.

Global Centers of Excellence (CoEs)

The nine Interroll Centers of Excellence are responsible worldwide for product development, strategic purchasing and the development and application of production technologies for selected product ranges. Furthermore, they produce and supply semi-finished goods to Group companies. As important competence centers, they are symbols of the Interroll Group's ability to adapt rapidly to future customer requirements and ensure that the right solutions are always on hand. And the full range of environmental, social and governance aspects are interwoven in all they do.

Regional Centers of Excellence (RCoEs)

The regional Centers of Excellence produce for the Americas and Asia-Pacific regions. These centers handle the product range of the global Centers of Excellence and supply the regional sales and service subsidiaries with finished products and the assembly plants with semi-finished products. Our purchasing decisions are made responsibly and we raise awareness of ESG aspects among our business partners in the upstream value chain. By doing so, we influence how our business principles are implemented in line with our policy on the material topic of "sustainable procurement".

Production companies and local assembly plants

Guided by the production processes and production technologies of the global Centers of Excellence, local production companies manufacture and assemble specific products from the Interroll product portfolio. They also assemble semi-finished products for local markets. Just as in the Centers of Excellence, taking environmental, social and employee matters into account does not just make us more innovative, productive and motivated, it also strengthens our customer relationships with regard to ESG.

Sales and service companies

The sales companies concentrate on specific market and customer segments, offering the full range of Interroll products and a 24-hour repair service. As the point of contact with our customers, this is where we partner and dovetail with our most important group of stakeholders, who have very specific expectations when it comes to the ESG aspects in their supply chains. We have to meet their requirements promptly in our operations and, where possible, make sure our own suppliers do too.

Innovation Projects and Development Center (IPDC)

The Innovation Projects and Development Center in Germany is our Group-wide center for managing and implementing innovations. It develops new products and platforms in close cooperation with the Centers of Excellence and the responsible Sales Solution Directors. Anchored in the innovation culture which encompasses all parts of the company, it collaborates with external partners on interdisciplinary research and development projects and works on general engineering tasks.

Today, many of these innovations are protected worldwide as valuable "intellectual capital" by international patents and other property rights. The engineers at the IPDC manage and coordinate global innovation projects, support the cross-departmental product development activities of the Interroll Group's global Centers of Excellence (CoE) and evaluate the performance and reliability of technical solutions in a state-of-the-art test environment.

At the same time, the IPDC implements and supports research projects and maintains partnerships with recognized universities such as RWTH Aachen University and the Technical University of Munich, other institutes such as the European Hygienic Engineering & Design Group (EHEDG) and leading companies in various technological fields.

As such, the IPDC is at the core of our product performance, including when it comes to energy and resource efficiency and the associated impact at the user's location. Since this offers by far the greatest leverage to contribute to the transformation (see "Climate protection" starting on page 54), ESG aspects are of major significance when developing new products and procuring responsibly selected upstream products.

Sustainability organization

GRI 2-12
GRI 2-13

964 CO

The sustainable development of Interroll Holding AG is subject to the fundamental requirements and structures of good governance. The body with overall responsibility for this topic is the Sustainability Committee of the Board of Directors, which was established at the end of 2023. The Sustainability Committee comprises two members of the Board of Directors and receives regular reports from the CEO, the CFO and the Director Corporate Sustainability & Compliance. The latter heads the Corporate Sustainability department, which, as a central competence center, is not only responsible for important interface functions such as the transfer of expertise to the specialist departments and locations, but also for the demanding preparation of regulatory requirements. Another of its tasks is to set the tone for action to be taken in line with the objectives and the management of data provision for ESG management and reporting. Contact functions are defined at the sites, which in turn provide on-site coordination in consultation with the local management and organize data provision locally.

Headquarters

IN SWITZERLAND

1959
FOUNDED

GRI 2-1
GRI 2-6



35

COMPANIES

16

MAIN FACTORIES

2,400

EMPLOYEES

28,000

CUSTOMERS



Sustainable growth

Interroll is pursuing a course of profitable growth. Our EBIT averaged 15.4% over the past five years. This provides key value added for our customers and the users of our products: the security of a reliable partner.

Following the changes seen worldwide as a result of the COVID-19 pandemic, the war in Ukraine has been a further watershed with far-reaching consequences for the global economy and society. These factors also had a major influence on Interroll's economic performance in fiscal year 2023, which saw supply chains remain under significant pressure and plant operators realign their investment planning. That led to consolidation in the sector, which Interroll after years of record revenue could not evade.

Economic value generated and distributed in 2023

GRI 201-1

Interroll closed out fiscal year 2023 with earnings before tax (EBIT) of CHF 83.9 million (2022: CHF 105.2 million). Interroll's direct economic value generated of CHF 560.3 million (2022: CHF 668.3 million) is calculated as total revenue of CHF 556.3 million (2022: CHF 664.4 million) and the other operating income of CHF 3.9 million (2022: CHF 3.9 million).

By contrast, the economic value distributed totals CHF 493.9 million (2022: CHF 585.5 million), broken down as follows:

Materials (CHF 208.5 million), personnel expenses (CHF 157.3 million), depreciation (CHF 19.0 million) of intangible assets and plant, property and equipment, other operating expenses (CHF 88.0 million), taxes (CHF 17.6 million) and amortization (CHF 3.4 million). The difference between the economic value generated and distributed corresponds to the net profit for the year of CHF 66.3 million (2022: CHF 82.8 million).

Another key management indicator is earnings before interest, taxes, depreciation and amortization (EBITDA). This amounted to CHF 106.3 Mio in the past fiscal year (2022: CHF 129.3 million). Cash flows from operating activities in 2023 amounted to CHF 113.2 million (2022: CHF 71.4 million). The free cash flow amounted to CHF 91.1 million (2022: CHF 49.2 million).

Sustainable development is both an opportunity and an obligation. It provides us with business opportunities and obliges us to continue investing in a decarbonized economy. Our continuing mission is to seek out new ways to anchor sustainable thinking and action in our business processes. This will give us the competitive edge as we position ourselves for the future and will allow us to lock in and improve the company's cost effectiveness in the long term.

We seek to place our customer promise of "Quality, Speed, Simplicity" at the heart of everything we do, which is also reflected in our values:

- PASSIONATE ABOUT CUSTOMERS
- COMMITTED TO EXCELLENCE
- LONG-TERM THINKING
- ALWAYS RESPECTFUL

Our customer promise and our values can be summed up in a single phrase:

Interroll is: PROVEN.

Our value proposition centers around the fact that Interroll is the world's leading provider of materials transport solutions with a proven track record in all industries, sectors and regions. When customers buy from Interroll, they buy products that have been rigorously tested and feature improvements that are part and parcel of our product development process. The Interroll brand is based on this fundamental promise of quality, speed and simplicity that Interroll gives its customers, staff, business partners and shareholders. We create value from professionally managing our brand as a strategic asset. A well-managed brand that is continually being strengthened creates value added for customers and shareholders.

Quality and innovation

The key success factors in our growth are quality and innovations that make the work of our customers and the use of our products clearer and more profitable. In today's market environment, they are also a robust foundation for our ability to adapt and represent the strength of our business model. Energy efficiency is one of the deciding factors, and this applies equally to our products and services. Innovative, high-quality solutions deliver benefits in terms of higher productivity, availability and return on investment. Thanks to our modular platform strategy with products that have been proven in use millions of times worldwide, we ensure maximum flexibility, technical reliability and fast delivery times.

Process management and digitalization

We have implemented efficient digital business processes and continuously refine our products to adapt them to intelligent logistics solutions. In order to leverage further process efficiencies and retain its ability to respond flexibly to customer requirements, Interroll is making systematic investments in digitalization and its production-related software environment.

In 2023, the digital transformation was assigned to an international and interdisciplinary team with the commitment to keep the focus firmly on customers. The initial emphasis was on the clarity of the enterprise architecture and data governance, defining a concept that is fit for the future.

SAP S4/HANA Go-Live

The use of corporate software and the associated services are managed internally in a centralized process. In 2022, we began the global switch from SAP ECC 6.0 to SAP S4/HANA, which we believe will deliver increases in productivity. It will also drive forward efforts to harmonize and standardize data. Alongside our customer focus, this major project will also foster global dialog and collaboration under the auspices of "ONE Interroll." We are laying the foundation for future global digitalization and automation initiatives with S4/HANA, which will be rolled out simultaneously in the spring of 2024 to all Interroll locations still using SAP ECC 6.0.

ESG STRATEGY

STAKEHOLDER DIALOG AND MATERIALITY ANALYSIS	14
SUSTAINABILITY MANAGEMENT AT INTERROLL	18
PRIORITY MATERIAL TOPICS	24
CONTRIBUTIONS TO THE SUSTAINABLE DEVELOPMENT GOALS	25

INTERROLL'S
SUSTAINABLE
DEVELOPMENT

STAKEHOLDER DIALOG AND MATERIALITY ANALYSIS

Stakeholder engagement

GRI 2-22
GRI 2-29
GRI 3-1

964 CO

What sustainability management means for us in the current environment is to openly foster extensive, targeted dialog with our stakeholders at an early stage, but also ideally to achieve cooperation with them.

Interroll is therefore in constant communication with its core stakeholder groups, i.e., users, customers, suppliers, employees, banks, insurance companies, investors, authorities, industry associations, technology innovators and the local community neighboring our sites. We regularly consult with our customers, suppliers and technology partners regarding expectations and assessments of specific trends and developments, new challenges facing the supply chain and product-specific solutions. Thanks to their work on various boards and committees and with different associations, management and department heads can tap extensive networks of experts. As a responsible employer and corporate partner, we maintain a structured dialog with our employees' representatives.

We communicate with investors both via an institutionalized information process and in direct dialog on matters such as information that independent third parties publish about us. Group Management and the sites maintain contact with local and regional representatives. These and other frequent discussions have shown us that companies still have an interest in and specific expectations concerning sustainable development issues. After all, the discussion about the impact of our business activities and products is increasingly shaped by sustainability issues. The increasing statutory reporting requirements form a tangible framework for this.

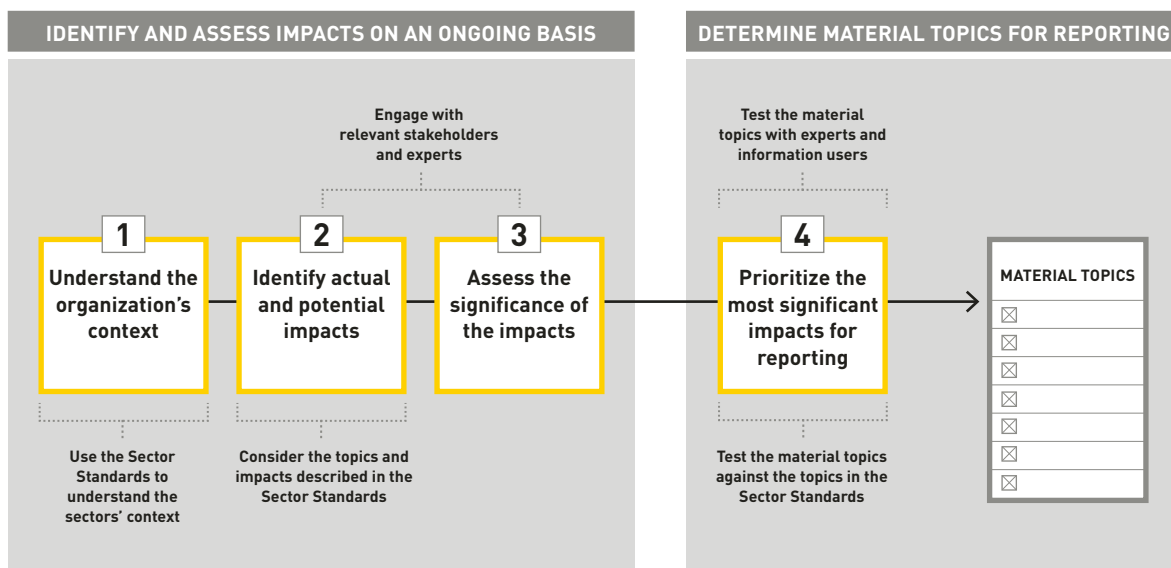
In 2021, the Director Corporate Sustainability & Compliance initiated an internal company materiality analysis process, which was continued in 2022 and 2023 and which, in cooperation with the departments and with the involvement of external experts, enabled us to identify our current and potential impacts in the context of sustainability. We pursue this process on an ongoing basis in order to remain agile in a dynamic environment and improve our business resilience.

Determining the material topics in 2022

GRI 3-1

964 CO

The 2022 Sustainability Report included a comprehensive explanation of the process; we will summarize it here to aid understanding, given that the latest legislation in the European Union (Corporate Sustainability Reporting Directive – CSRD) and in Switzerland (Article 964 of the Swiss Code of Obligations CO) expressly requires documented and comprehensible determination of materiality.



Source: GRI Standards 2021

GRI 3-1

- 1** In accordance with the four-step process under the GRI Standards, our initial focus was on understanding the organization's context in order to categorize ESG factors in specific material areas. Aspects for the internal dialog process were pre-selected on the basis of various frameworks. These include the Ten Principles of the UN Global Compact, the United Nations' 17 Sustainability Development Goals (SDGs), the 20 criteria of the German Sustainability Code, the industry-specific Sustainable Accounting Standards Board (SASB) standards and the requirements set out in the GRI Standards.
- 2** The relevance, i.e., impact, of ESG issues was discussed in depth at workshops attended by an interdisciplinary group of representatives, including the individual management teams of various regional Interroll companies. The significance of the impact was recorded as part of a structured process. Aspects pre-selected for their relevance were discussed in detail, along with their impacts, and evaluated.
- 3** The aspects to be addressed as a matter of priority were classified based on the mean value of all scores at 3.42 on a six-point scale. All aspects above this threshold were also reviewed for materiality in consultation with the Group Management.
- 4** The results of the workshops were presented to the Group Management and the assessments were scored using the same method used in the workshops. The materiality analysis process was then continued and structured based on the results of the assessments of the impacts and

taking into consideration the assessments of external stakeholders. We used questionnaires from various institutional sustainability performance service providers such as EcoVadis and customers' self-assessment questionnaires for this purpose. We tested the prioritization together with experts, information users and external ratings agencies in order to arrive at an informed list of Interroll's material topics. As a result of the assessments of the impacts, we identified twelve material topics that cover the various related material aspects.

Materiality review 2023

GRI 3-1

964 CO

The material topics defined in 2022 were subjected to a review in the fall of 2023. The process was managed by the Corporate Sustainability department and supported internally by Corporate Communications and Investor Relations, and externally by experts in the field. We also evaluated and included stakeholder feedback on the policies we published on the material topics for the first time in 2023 and on our 2022 Sustainability Report. This comprised specific feedback from customers and responses from our employees, external rating agencies and individual investors (see page 84: Stakeholder Engagement).

The results were adopted by the CEO and CFO, having been presented to, noted and approved by the Board of Directors, as the highest-ranking supervisory body, during the Sustainability Report approval process.

It proved advantageous that we had based the first determination of our material topics on a complex and

comprehensive dialog process. The review consequently revealed no need for major changes. However, we did receive some constructive criticism, particularly from employees, which showed that the extent of knowledge and the ability to categorize it still vary greatly even within our own organization – although this is hardly surprising in a decentralized international corporate structure.

The findings of the materiality review resulted in the following changes:

The previous material topic of “Information security” was no longer significant as a standalone issue, but was assessed as an interdisciplinary topic in the context of sustainability at Interroll. The objectives previously deemed relevant under this topic were reassigned to the “Corporate compliance” material topic. This will not be detrimental to information security in any way, as it is managed by its own Group department and is linked to its own operational policy for all employees in all areas. In the context of ESG, “Information security” was therefore assessed as an issue of corporate governance and compliance with the defined rules, and therefore assigned to Interroll Corporate Compliance. Moreover, the Director Corporate Sustainability is also responsible for corporate compliance management within the Group, which ensures coordination of the content.

Another change saw the previous material topic of “Sustainable growth” enhanced by “Stakeholder engagement”, i.e., dialog on ESG issues and their impact on relevant stakeholder groups. It is important to us to avoid redundancies between our non-financial reporting and other Group reports. We have therefore summarized the financial KPIs relevant to understanding the Group’s position, performance and business development in the “About Interroll” section. It is key for Interroll to treat stakeholder engagement – such as in the materiality review – as an issue to be managed structurally within the “Social” material area, and to develop it accordingly. This meets the requirements of Article 964b CO.

GRI 3-2

964 CO

UPDATED LIST OF MATERIAL TOPICS AS OF DECEMBER 2023

- Stakeholder Engagement
- Product and Service Responsibility
- Sustainable Procurement
- Climate Protection
- Environmental Protection
- Attractive Employer
- People Development
- Occupational Health and Safety
- Corporate Governance
- ESG Risk Management
- Corporate Compliance

Double materiality outlook

GRI 3-1

Interroll considers itself well prepared in terms of the developments both in the international arena and in Switzerland toward non-financial reporting with due consideration for double materiality. We will carry out the duly adjusted materiality analysis in 2024 and, in light of the Corporate Sustainability Reporting Directive adopted by the European Union, align it with the relevant European Sustainability Reporting Standards (ESRSs). This will involve both the inside-out perspective already applied to potential impacts, and the outside-in perspective of opportunity and risk-related impacts. We have also included the inventory of ESG risks and opportunities started in 2023 regarding each material topic in this report. This will be helpful in 2024 and will be further developed in a structured manner.

CLIMATE PROTECTION

ENVIRONMENTAL

PROTECTION

STAKEHOLDER

ENGAGEMENT

PRODUCT AND SERVICE

RESPONSIBILITY

SUSTAINABLE

PROCUREMENT

ATTRACTIVE EMPLOYER

PEOPLE DEVELOPMENT

OCCUPATIONAL HEALTH

AND SAFETY

CORPORATE GOVERNANCE

ESG RISK MANAGEMENT

CORPORATE COMPLIANCE

SUSTAINABILITY MANAGEMENT AT INTERROLL

GRI 2-22

964 CO

Interroll's material-handling solutions contribute to the performance and ongoing development of global logistics. Going forward, we want to make an even more sustainable contribution to this objective and promote the UN's Sustainable Development Goals. We have discussed this at length with employees, customers, users, suppliers and technical innovators, and remain in close contact with them on this important issue. We also conduct this dialog explicitly with investors and selected rating agencies in order to focus on social and financial sustainability.

We hold ourselves to the highest standards, and have prepared this Sustainability Report in accordance with the standards of the Global Reporting Initiative (GRI Standards 2021) for fiscal year 2023. In the report, we disclose our approach as well as the measures taken to ensure Interroll's sustainable development and their results.

UNGC AND SDGs

GRI 2-23

By joining the UN Global Compact in November 2016, we underscored our global commitment for the first time and also pledged to make our progress in the aforementioned areas transparent. Our seventh Communication on Progress, which covers fiscal year 2023, demonstrates the key measures and achievements of our ongoing commitment to comply with the Ten Principles of the UN Global Compact. We also explain in more depth than in the past how we contribute to the United Nations' 17 Sustainable Development Goals (SDGs) and their targets, thereby underscoring the importance we place on social responsibility in business activities. We are also proud to announce that we have signed up to the UN Global Compact for a further year.

NON-FINANCIAL MATTERS UNDER ARTICLE 964 CO

GRI 2-23

964 CO

Interroll's ESG management pursues a strategic and holistic approach. The material topics listed above already fully cover the non-financial reporting requirements pursuant to Article 964 CO.

Inclusion of social matters

964 CO

The material topics "Stakeholder engagement," "Product and service responsibility" and "Sustainable procurement" correspond to the social issues under Article 964b CO. We apply defined management approaches including specific, measurable objectives, an opportunity and risk assessment and adequate KPIs with the

aim of improving social aspects of the supply chain and security in connection with our products and services. Structured stakeholder engagement in the sustainable corporate development process enhances our understanding of customers, investors and various other stakeholder groups, and secures social dialog and our market position going forward.

Inclusion of employee matters

964 CO

The material topics "Occupational health and safety," "Attractive employer" and "People development" correspond to the employee issues under Article 964b CO. We apply defined management approaches including specific, measurable objectives, an opportunity and risk assessment and adequate KPIs with the aim of improving aspects of occupational health and safety for all our employees as a focal point in 2024. Compliance with recognized labor standards, engaging in social dialog with employee representatives and paying a fair wage are also on our agenda. Modern management techniques in human resources combine personnel development and advancement with the demands placed on an attractive employer in a tight market for the best recruits.

Inclusion of environmental matters

964 CO

The material topics "Climate protection" and "Environmental protection" correspond to the environmental issues under Article 964b CO. We apply defined management approaches including specific, measurable objectives, an opportunity and risk assessment and adequate KPIs in order to make an active contribution to the UN's Sustainable Development Goals and Switzerland's climate targets and the associated energy and emission factors. Moreover, our entire value chain has a range of environmental impacts on the ecosystem, which we aim to mitigate through active environmental management.

Inclusion of human rights

964 CO

The material topics “Sustainable procurement” and “Corporate compliance” correspond to the inclusion of human rights under Article 964b CO. We apply defined management approaches including specific, measurable objectives, an opportunity and risk assessment and adequate KPIs in order to make an active contribution both in our own organization and in the upstream supply chain. Risk assessment mechanisms and a whistleblowing system are available, in addition to a current code of conduct – also for suppliers.

Inclusion of anti-corruption measures

964 CO

The material topic “Corporate compliance” corresponds to anti-corruption matters under Article 964b CO. We apply defined management approaches including specific, measurable objectives, an opportunity and risk assessment and adequate KPIs in order to make an active contribution both in our own organization and in the business environment of our activities. A code of conduct requiring signatures is in place, training has been provided and a state-of-the-art whistleblowing system is available around the clock.

INTERROLL'S STRUCTURAL DEVELOPMENT

GRI 2-22

964 CO

Interroll's sustainable development is in line with our values and business objectives. Our ESG strategy is an integral part of the Group's overall corporate strategy and thus has a holistic influence on any and all decisions. In the context of our “ONE Interroll” initiative launched in 2023, it makes a high-level contribution to process optimization, with responsibilities and objectives that are clearly structured in accordance with a time-based agenda.

The purpose of the further development in 2023 is to guide the actions of both the departments at the Group's headquarters and the business units at the Group's locations abroad. Overall responsibility for implementation lies with the Group Management, which reports regularly to the Board of Directors.

We support internationally recognized targets for the priority material areas described above. Respect for human rights and the associated due diligence obligations are particularly important in this regard, although they are by no means the only worthwhile objectives. We are also continuing along the ambitious path laid down by the Paris Climate Agreement to reduce greenhouse gas emissions and limit global warming to 1.5°C.

Interroll continued its structured development process in 2023, which involved further developing the integrated “Sustainability and Compliance Strategy” with ESG policies including specific objectives that was adopted by both Group Management and the Board of Directors. The Director Corporate Sustainability & Compliance is responsible for a department at Group level which implements management approaches including measurable targets, opportunity and risk analysis, relevant KPI definitions and the data capture necessary for documentation.

The contribution to operations of our 35 production, sales and service units located in at least two dozen countries around the world is key to development, as significant progress in day-to-day business is planned, budgeted and realized, and the results reviewed at a local level.

“Environmental,” “Social” and “Governance” (ESG) as material areas

GRI 2-4
GRI 2-22

964 CO

The new name and structure of our three ESG material areas reflect the understanding that it is important in the current climate for Interroll to interpret ESG as a comprehensive framework with a financial impact on the company. Understanding the non-financial aspects as a holistic corporate context with an effect on the Group's financial position, business development and performance is also relevant. This is borne out by the rapid development of legislation and regulation on sustainability and ESG requirements in the past two to three years – evident in the requirements on obligatory non-financial reporting – in both the European Union and Switzerland. This reflects the demand for transparency regarding ESG opportunity and risk assessments.

We have therefore taken the decision no longer to view the economic material area as a separate topic. As explained and substantiated above, the material topics “Sustainable growth,” “Product responsibility” and “Sustainable procurement” previously allocated to that material area have either been removed or their substance refined for those very same reasons. These were then allocated to the “Social” material area, which focuses on social responsibility, where “Stakeholder engagement,” “Product and service responsibility” and “Sustainable procurement” make relevant social contributions.

The relevant economic KPIs that give a comprehensive insight into the company have been expanded in the “About Interroll” section, in light of the inclusion of digitalization, innovation and sustainable growth in this area, too.

Dialog with the sites

GRI 2-29

We started to ramp up contact with a prioritized selection of sites during the period under review, using our additional human resources to make in-person visits. The sites were prioritized based on developmental or production relevance.

Eight site visits provided both the central function and the site management with an improved understanding of how the status quo is determined. We found that the holistic topic of ESG had not been consistently taken on board at the local level, and that some sites significantly underestimated their developmental progress. We plan to use this initial status comparison and associated explanation of targets, the agenda and the data requirements to increase the efficiency of communication and in particular to provide motivation and momentum within a Group-wide concept. This will also contribute to the success of the “ONE Interroll” approach.

We agreed to hold an online meeting with the local contact persons on a quarterly basis, where possible, in order for both sides to benefit from best practice.

Climate protection: Scope 3 emissions

In terms of allocating the management's time in 2023, we also placed a central focus on determining our CO₂ emissions throughout the value chain. We have provided an extensive report on the progress under “Climate protection” from page 54.

ESG STRATEGY AREAS, POLICIES AND TARGET OVERVIEW AT GROUP LEVEL

GRI 2-23
GRI 2-24

964 CO

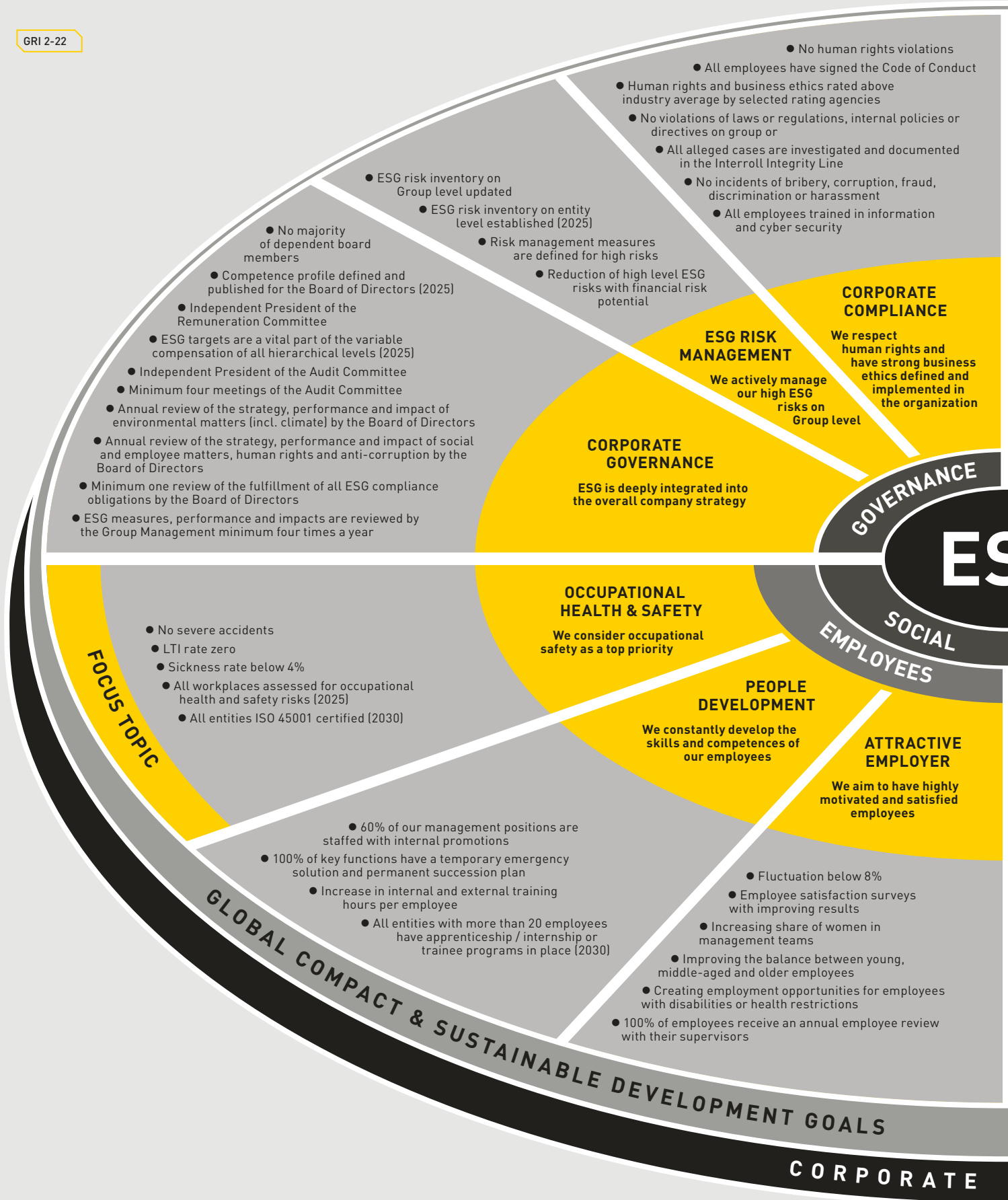
As we developed our sustainability management concept, we attached great importance to formulating specific measurable targets and key performance indicators (KPIs). We defined qualitative and quantitative targets and their deadlines in writing in our updated ESG policies, and designated the relevant operating scope, responsibilities and control, assessment and reporting cycles. Each ESG policy was signed by the Chief Executive Officer and the Chief Financial Officer, underscoring their significance as foundational strategic and operational documents for sustainable development at Interroll.

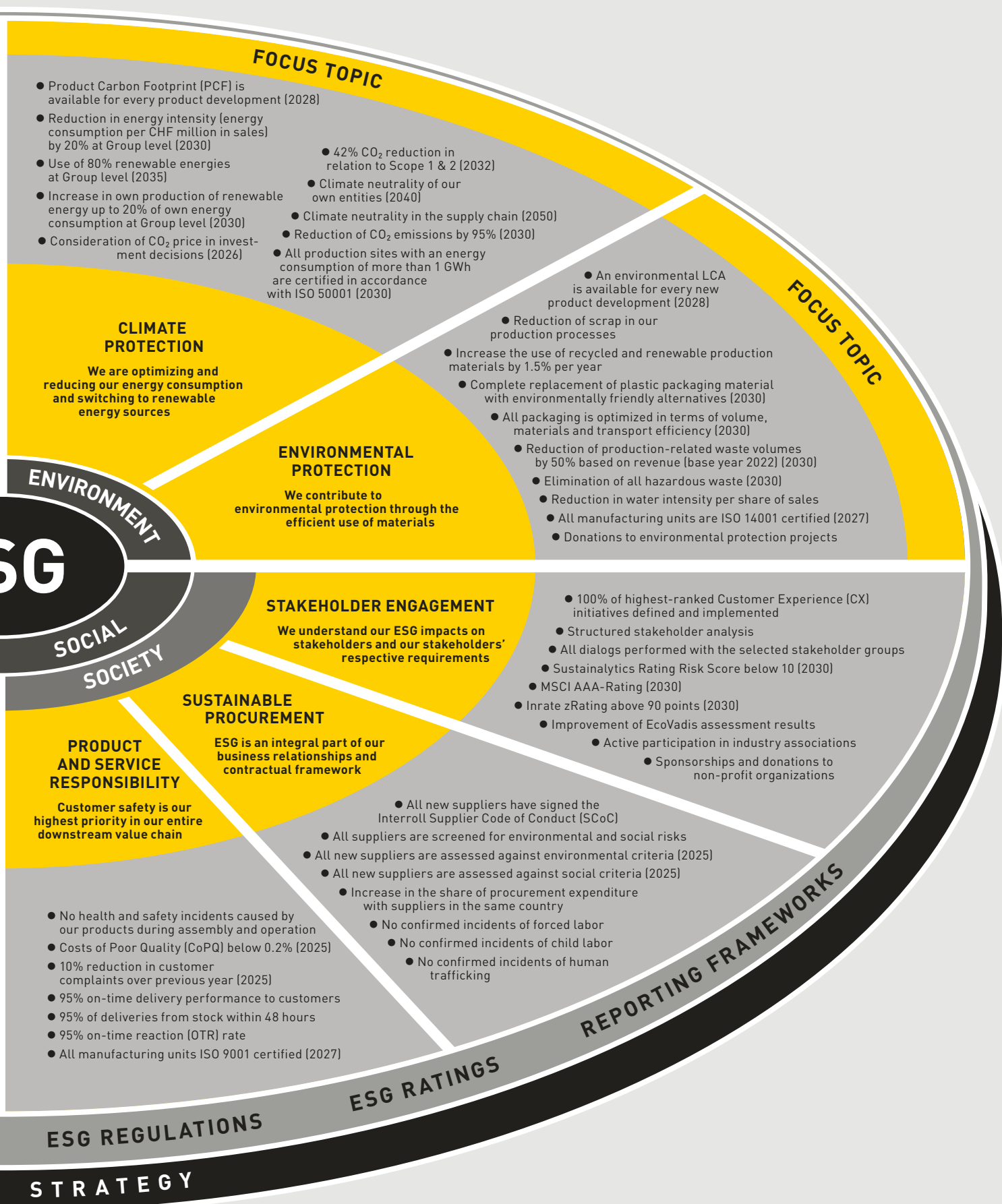
We currently have 11 ESG policies covering all the material topics identified as priorities in the 2023 materiality analysis. The process followed in line with the GRI Standards – in particular how stakeholders are involved in the process – is explained in detail on pages 14 and 15. The ESG policies in our three material areas of sustainability, “Environment,” “Social” and “Governance” (ESG), are set out in the following graphic. The specific contributions to the SDGs are also detailed in each ESG policy. In this regard, respect for human rights forms the basis of all our policies and is something we consider to be non-negotiable. At the beginning of each section describing the material areas and material topics, we highlight the respective SDGs.

The ESG policies are publicly available at <https://www.interroll.com/company/sustainability/sustainability-management/>. The policies are mandatory and must be signed by every employee, who are also given further specific instructions regarding the policies. The management teams of the local companies are responsible for implementing specific training measures. Our overall deadline for this work is 2030. Where we plan to complete an activity before or after this date, we have specified targets in the respective ESG policies. We report on these in every material topic.

ESG STRATEGY AREAS

GRI 2-22





PRIORITY MATERIAL TOPICS

GRI 2-23
GRI 2-24

964 CO

At Interroll, we have flat, agile management structures, and we encourage everyone to take responsibility in their respective areas at the local business units. Systematically determining specific targets at the local level is therefore key as this promotes development throughout the Group. Of the 11 material topics (see page 16) that define our sustainable business development, we have prioritized the following three for 2024 and made them focal points of our development agenda: “Climate protection,” “Environmental protection” and “Occupational health and safety.”

CLIMATE PROTECTION ENVIRONMENTAL PROTECTION OCCUPATIONAL HEALTH & SAFETY

These are essentially linked to our business model and values. Of course, this does not mean that we will lose sight of the other topics – as is demonstrated by our focus on supply chain factors, especially with regards to human rights. While we have also drawn up corresponding plans and initiated specific steps for these topics, the top three topics are being prioritized.

CONTRIBUTIONS TO THE SUSTAINABLE DEVELOPMENT GOALS

GRI 2-24

964 CO

Interroll contributes to the Sustainable Development Goals (SDGs) in a variety of ways. We provide details of the SDGs at the beginning of each section describing the ESG material areas and the material topics.

However, it became quite clear during the analysis and development process described above that Interroll's contributions to the 17 SDGs and their targets vary in significance. The assessment of our major and minor contributions presented on the next page formed the foundation for managing our sustainable development.

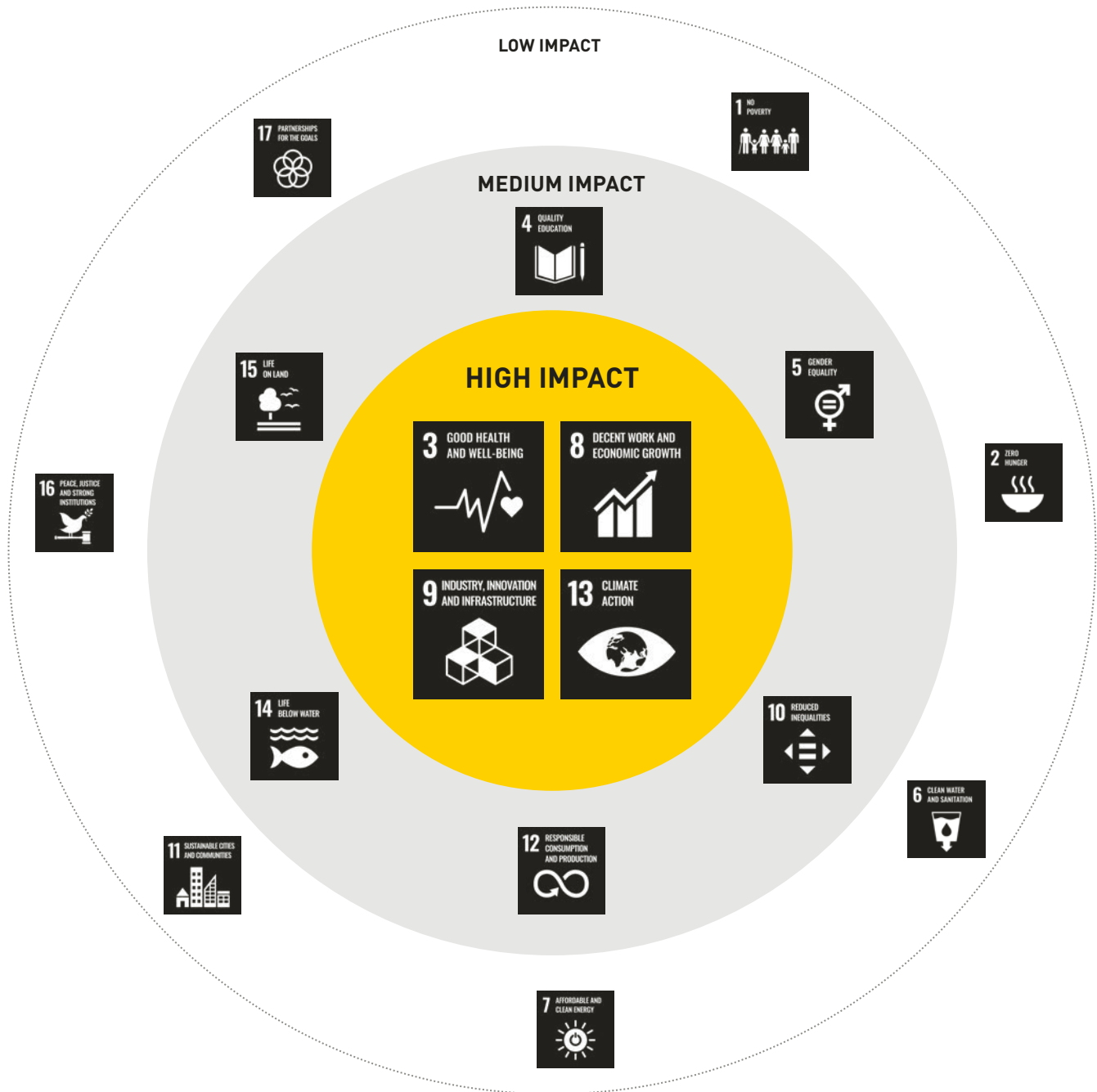
The congruence of our major contributions to the SDGs and pressing global issues demonstrates to us that our corporate development is, at its core, strategically correct and in line with internationally agreed development goals. Interroll can and will make important contributions to the sustainability agenda within its own defined business model. In connection with this, we continue to see great potential for optimizing our own activities and excellent opportunities in the market.

Major contributions

Interroll's biggest contributions are to SDGs 3, 8, 9 and 13. For instance, through our direct product solutions, we have a major impact on the health and well-being of people who depend on a fast and hygienic supply of goods, food and medical products. The demonstrably high energy efficiency of our applications contributes to climate action; the social standards within the Group and those in the supply chain are high. We present this in detail in the material topic Climate Protection and in the social field of action. Our ingenuity in advancing and optimizing material-handling solutions in intralogistics is part of Interroll's success story.

Relevant contributions

We make relevant contributions to the other SDGs depicted in the following graphic. As a conscientious present-day employer, we strive to increase the educational opportunities available in the communities where we are located. Moreover, we are an equal opportunity employer and do not tolerate any form of discrimination. We work to reduce social inequalities by paying fair wages. We take a holistic approach and examine both our own production processes and their ecological footprint as well as the entire value chain and its impact on habitats on land and in water. We have a less pronounced, indirect influence on the SDGs depicted in the outer circle.



GOVERNANCE

CORPORATE GOVERNANCE	30
ESG RISK MANAGEMENT	37
CORPORATE COMPLIANCE	43

ENSURING GOOD CORPORATE MANAGEMENT

UN GLOBAL COMPACT IN CONTEXT

HUMAN RIGHTS AND ANTI-CORRUPTION

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2

Businesses should make sure that they are not complicit in human rights abuses.

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Our commitment

GRI 2-23

As a signatory to the UN Global Compact (UNGC), we are committed to complying with its principles and promoting sustainable development in our own country and worldwide. The management approaches to the material topics in the material area of “Governance” are related to UNGC Principles 1, 2, and 10 concerning human rights and anti-corruption. It goes without saying that labor and environmental standards must be complied with. This is something we address specifically in our material areas.

Interroll respects human rights and does not tolerate any form of discrimination, harassment or unfair treatment on the basis of gender, race, disability, ethnic or cultural background, religion, ideology, age or sexual orientation. In the Interroll Code of Conduct, we and our employees commit to respecting human rights and the related laws, to not being involved in human rights abuses and to actively raising awareness of human rights aspects. With our Supplier Code of Conduct, we have extended this approach to our supply chain. Interroll's good reputation and the trust placed in Interroll by customers, suppliers, business partners, shareholders and the general public depend heavily on the responsible conduct of all its employees.

Interroll expects all its suppliers and their subcontractors to comply with these principles, which reflect Interroll's corporate values and are an important aspect in selecting and assessing suppliers. We also expect our suppliers to implement these standards in their own supply chains. The guidelines contained in the Supplier Code of Conduct are intended to ensure compliance with all applicable laws, regulations and ordinances and to ensure that the processes along the Interroll supply chain meet our social, environmental and ethical requirements.

Anti-corruption

GRI 205-2

964 CO

Fighting corruption means both ensuring that Swiss or foreign public officials do not obtain illicit advantages and that private individuals do not engage in active or passive bribery. Bribery is defined as offering, promising, granting, accepting or promoting an advantage in return for an illegal act or breach of trust. It includes accepting gratuities of material value in exchange for a commercial, contractual, governmental or personal benefit. In accordance with our Code of Conduct, we conduct our business honestly and ethically. We have a zero-tolerance policy regarding bribery and corruption. We are committed to acting professionally, fairly and with integrity at all times in all our business relationships and to implementing, applying and enforcing effective anti-bribery mechanisms.

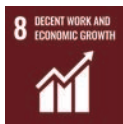
Measures in 2023 and measuring the results

In accordance with GRI Standards 2021, the management approaches, including the measures taken and their results, are presented in detail in this section for each material topic.

SDGS IN CONTEXT

Our management approach in the “Governance” material area helps work toward achieving the following United Nations Sustainable Development Goals (SDGs):

DECENT WORK



We are doing our part to help achieve SDG 8 “Decent Work” by adopting fair work practices, for example by providing employees with adequate wages, safe working conditions and equal opportunities. We help to advance social justice by complying with international labor standards and promoting diversity and inclusion. Investments in training and further education strengthen the qualifications of our employees and contribute to increasing productivity. We work closely with our suppliers and partners, thereby promoting fair trading practices. By following these good corporate governance practices, Interroll actively promotes decent work, economic growth and sustainable development.

PEACE, JUSTICE AND STRONG INSTITUTIONS



Interroll is helping to achieve SDG 16 by following transparent and responsible business practices that seek to prevent corruption. Furthermore, we place great value on implementing internal control mechanisms, ethical principles and codes of conduct, and offering employees the relevant training courses. We also contribute to this SDG by helping to protect human rights, complying with labor standards and engaging with employee representatives. Interroll has implemented a modern whistleblower system with continuous availability and structured process sequences and responsibilities.

CORPORATE GOVERNANCE

How can Interroll contribute to a more sustainable future?

As an equipment manufacturer, the vast majority of our emissions come from Scope 3. In other words, all indirect greenhouse gas emissions in the upstream and downstream value chain, except for emissions from purchased energy, which are Scope 2. By far the largest category is emissions during the lifetime of the products with the end users, followed by the materials purchased to manufacture the goods. The biggest levers for contributing to a more sustainable future are therefore reducing the energy consumption of our products and buying more sustainable materials, both of which we can influence directly.

And specifically your department/area of responsibility?

Together with the CEO, I am the ambassador for sustainability in the Group Management and together we ensure that sustainability is not only a cornerstone of the Group strategy, but is also implemented effectively. I am also responsible for the topic in the Group Management. The Director of Sustainability & Compliance reports directly to me and it is our job to raise awareness of sustainability topics throughout the Group. The local controllers in the subsidiaries also play a key role in collecting sustainability data and KPIs.

What are the key principles and practices that guide our company to ensure transparency, accountability and responsible decision-making?

Speed, quality and simplicity are our principles, and Interroll has a long-term strategy that promotes long-term thinking, which is also reflected in our decision-making. At the same time, the Group has a highly decentralized organization with very flat hierarchies, which promotes clear accountability, effective communication and transparency and provides agility to make quick decisions and swift adaptations to changing circumstances, but always focusing on the long-term consequences rather than the short-term impact.

Heinz Hösli, Chief Financial Officer

Our management approach for corporate governance helps work toward achieving the following United Nations Sustainable Development Goals (SDGs):



Target 16.6: Develop effective, accountable and transparent institutions

We contribute to the above target by promoting transparent business practices, improving anti-corruption measures and participating in social associations and initiatives. We help to reinforce accountable institutions by implementing ethical standards, providing training on integrity and publishing informative reports about our social responsibility.

CONTEXT

GRI 3-3

Interroll's responsible and forward-looking governance makes its business model more resilient and boosts the company's ability to increase value over the long term. At Interroll, corporate governance comprises the entire system for directing and monitoring the company. This includes organization, values, business policy principles and guidelines, and internal and external control and monitoring mechanisms. Good corporate governance with clearly linked content guarantees the responsible leadership and control of the company with a focus on efficiency and effectiveness in all areas and at all levels. It requires trust to be placed in Interroll by the financial markets, customers and other business partners, but also by employees and the public at large.

In the interests of avoiding redundancies in our financial reporting, we directly address the reporting requirements of the GRI Standards and Article 964 CO in the context of sustainability and the transparency requirements of non-financial reporting. We meet the regulatory requirements on financial reporting with the appropriate content in the corporate governance chapter of the Annual Report 2023 starting on page 11.

964 CO

As part of our corporate management approach, we have introduced a range of specific ESG policies covering human rights, environmental, social and employee issues, anti-corruption and ethical conduct. Climate action plays a major role as a pressing social issue and is fully incorporated into our strategic corporate development.

CONCEPT AND GOALS

GRI 2-9
GRI 2-12
GRI 2-23
GRI 2-25
GRI 3-3

964 CO

We have made a commitment to good governance through our corporate governance management approach in which we have defined an organizational framework of rules to ensure responsible conduct at all times. To this end we implement the necessary requirements and structures to address our responsibility with respect to legal, regulatory, contractual and self-imposed ESG obligations in a verifiable and transparent manner.

These include structured communication, assessment, and checks and balances of the highest governance bodies. These are carried out by three committees:

1. The Audit Committee receives the audit reports prepared by the local external auditors and the Group auditor and prepares a report for the Board of Directors. In particular, the committee ensures that the Group companies are subject to regular audits. The Audit Committee mandates local internal audits and reviews the resulting audit reports. It commissions a report on audits undertaken and planned several times a year, and reviews proposals to improve the audit function. The Audit Committee submits its proposals to the Board of Directors for decision-making.
2. The Remuneration and Nomination Committee submits its proposals for the total remuneration of the CEO, the members of Group Management and the Board of Directors to the Board of Directors for decision-making. At the CEO's request, the committee defines the targets with respect to the Group Management's variable portion of remuneration at the beginning of the year. It also proposes the terms of the share ownership scheme to the Board of Directors. The remuneration system is described in the Remuneration Report on pages 25 to 35 of the Annual Report.
3. The Sustainability Committee supports the Board of Directors in consulting on the sustainability strategy, goals, initiatives and legislation on ESG issues and monitors the sustainable development of the Interroll Group. It reviews the long-term qualitative and quantitative ESG objectives and the annual ESG risk inventory and submits these for

GRI 2-14

964 CO

approval to the Board of Directors. The Sustainability Committee assesses the completeness and accuracy of sustainability reporting and monitors the progress made in the initiatives launched and in terms of target achievement. It submits its proposals to the Board of Directors for decision-making.

GRI 2-17
GRI 2-19

We ensure the professional competence, functional structure and absolute integrity of our Board of Directors, and strive to maintain the relevance and quality of the defined control processes at the highest level. Our aim is to avoid having a majority of non-independent members of the Board of Directors. We regularly review and adjust our remuneration standards for managers and will include the ESG criteria for all managers from 2025.

964 CO

ESG aspects are embedded in the company's overall strategy, which is why our corporate governance includes responsibility for ESG matters at the top decision-making level. The Board of Directors therefore reviews the ESG strategy once a year, including ESG risks and the effectiveness of the action the Group has taken, in relation to environmental, social and employee matters, human rights and anti-corruption measures. The Board of Directors conducts an annual review to ensure that ESG compliance obligations are observed at the Group level.

Governance and compliance

GRI 2-9

The Board of Directors bears ultimate responsibility for considering and implementing the requirements of corporate governance in the overall structures of the company. Operational implementation is delegated to Group Management. They work together to ensure that the responsibilities for setting goals, delivering resources, taking action and conducting reviews are clearly defined for all management levels and in all areas.

The Board of Directors receives regular information on corporate governance and assessments of the associated risks from Group Management. This ensures that the Board of Directors has the requisite knowledge available to assess these aspects.

ESG measures, performance and impacts are reviewed by the Group Management minimum four times a year.

GRI 2-14

The risks in relation to the Interroll corporate governance structures are assessed as part of the annual risk inventory and lie within the CFO's area of responsibility along with the associated reporting to the Board of Directors which submits the report in accordance with Article 964b CO to the annual general meeting for approval (see page 132).

964 CO	Targets	KPIs	Unit	2023	2022	Date
	No majority of dependent board members	Percentage of dependent board members	%	50	50	Continuously
	Competence profile defined and published for the Board of Directors	Competence profile defined and published	Yes / No	No	No	2025
	Independent President of the Remuneration Committee	President of the Remuneration Committee independent?	Yes / No	Yes	Yes	Continuously
	ESG targets are a vital part of the variable compensation of all hierarchical levels	ESG targets are part of the variable compensation	Yes / No	No	No	2025
	Independent President of the Audit Committee	President of the Audit Committee independent?	Yes / No	Yes	Yes	Annually
	Minimum four meetings of the Audit Committee	Number of meetings of the Audit Committee	Number	5	7	Annually
	Annual review of the strategy, performance and impact of environmental matters (incl. climate) by the Board of Directors	One review performed	Yes / No	No	No	Annually from 2024
	Annual review of the strategy, performance and impact of social and employee matters, human rights and anti-corruption by the Board of Directors	One review performed	Yes / No	No	No	Annually from 2024
	Minimum one review of the fulfillment of all ESG compliance obligations by the Board of Directors	Minimum 1 review performed	Yes / No	No	No	Annually from 2024
	ESG measures, performance and impacts are reviewed by the Group Management minimum four times a year	Minimum 4 reviews performed	Yes / No	No	No	Annually from 2024

CORPORATE GOVERNANCE OPPORTUNITIES AND RISKS

GRI 3-3
GRI 2-25

The corporate governance risk analysis is an important component of the statutory reporting requirements to be met by Interroll Holding AG – not only in Switzerland. The holistic focus here too is on respect for human rights, labor and social standards, environmental and climate matters and fighting corruption.

964 CO

The risk analysis helps us to identify and evaluate the potential impact. The identified risks can be categorized as followed based on the three defined risk classes:

ESG risk category “high”

- Investor withdrawal, i.e., investors avoid companies with inadequate corporate governance
- Insufficient professional competence of the highest governance bodies in assessing ESG risk factors for the company and in terms of ESG management performance and efficiency of measures
- Resistance in corporate culture, i.e., limited willingness to implement ESG management approaches

ESG risk category “medium”

- Failure of governance bodies
- Diversity in governance bodies, i.e., the risk of rating downgrades and reactions from investors due to inadequate performance in terms of the company’s own requirements and best practice in the sector

ESG risk category “low”

- Non-compliance with regulatory requirements which are becoming more complex and thus more demanding
- Non-compliance the company’s own values at management level damages the company’s reputation

We present the specific measures taken to manage our corporate governance in the following.

STATUS, MEASURES, RESULTS

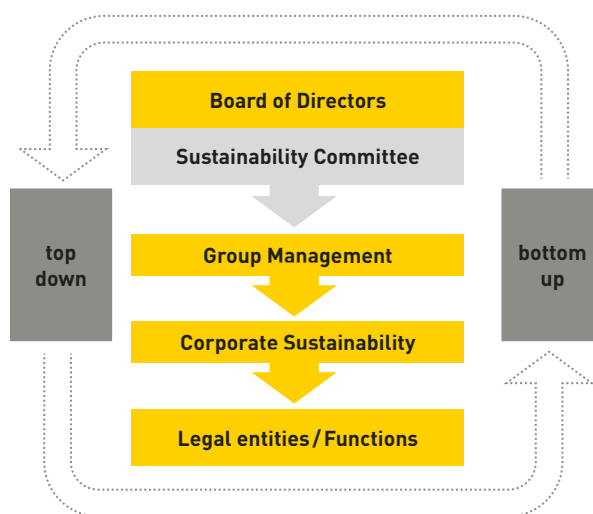
Sustainability Committee

Interroll resolved at the last Board of Directors meeting in 2023 to establish a two-member Sustainability Committee. The CEO, CFO and Director Corporate Sustainability & Compliance will report to the Sustainability Committee in at least two meetings per year on the Interroll Group’s sustainable development and target achievement.

GRI 209

964 CO

Governance Structure of Sustainability Management



Management structure, role of the highest governance body and avoiding conflicts of interest

The management structure and composition, the nomination and selection of members of the highest governance body, the role of that body and the procedure in the event of conflicts of interest are described in detail in the “Corporate Governance” section of the 2023 Annual Report (starting on page 11).

GRI 2-9
GRI 2-10
GRI 2-11
GRI 2-12
GRI 2-15
GRI 405-1

Delegation of responsibilities, overseeing management and reporting

GRI 2-13

Responsibility for managing the impacts is delegated to the CEO and Group Management, who are also responsible for the strategic implementation and further development of aspects of operational governance.

GRI 2-14

The Board of Directors acknowledges the interim results of operational measures and submits the annual Sustainability Report, including the non-financial report, to the annual general meeting for approval.

GRI 2-15
GRI 2-16

Each member of the Board of Directors is required to act in the best interests of the Company and must report conflicts of interest, in particular those that may arise due to an advisory function or position on the governing bodies of investors, customers, suppliers,

lenders or other third parties. Informing the Board of Directors about the communication of critical issues such as acute and severe negative impacts on people and the environment is the responsibility of the CEO, who also directly initiates or commissions the measures.

**Collective knowledge and assessment
of the highest governance body in respect
of sustainability issues**

GRI 2-17
GRI 2-18

The collective knowledge of the highest governance body will be enhanced from 2024 by the regular information cycles described above and dialog with the Sustainability Board which was established in 2023. Its performance is assessed by analyzing the pertinent results of external ratings (see page 89 to 93).

**Remuneration policy, process to determine
remuneration, annual total remuneration ratio**

GRI 2-19
GRI 2-20
GRI 2-21

The remuneration policy, the process to determine remuneration and the basis for calculating the annual total remuneration are described in the Remuneration Report contained in the Annual Report.

The annual total remuneration ratio (annual total remuneration of the highest-paid member of the organization divided by the average annual total remuneration of all other employees excluding the highest total remuneration) was 15.2 (2022: 15.3). The following were included in the calculation of the total remuneration ratio: the management, salaried full-time employees, salaried part-time employees (extrapolated to full-time), excluding interns, temporary staff and trainees.

ESG RISK MANAGEMENT

How can Interroll contribute to a more sustainable future?

Interroll is committed to environmental, social and governance (ESG) principles, particularly with regard to climate change. We make our products, platforms and solutions energy-efficient to reduce our environmental impact. Interroll supports environmental sustainability and responsible social and governance practices through our strategies. We are decarbonizing our own operations to meet global standards and we take a holistic approach that addresses not only environmental, but also social and governance issues to help create a more sustainable and ethical future.

And specifically your department/area of responsibility?

Interroll's Sustainability Department is vital for our ESG commitment. We collaborate with other functions to design and implement strategies to lower our environmental impact and promote social responsibility and good corporate governance. We support and guide the organization's entities and functions, offering expertise for ESG integration into their strategies, processes and daily work. We also assist the Board and Group Management in ESG decision-making. We play a leading role in developing the decarbonization and sustainability roadmap with the aim of aligning with global standards and creating a holistic, sustainable and ethical corporate culture.

How does Interroll identify, assess and manage environmental, social and governance (ESG) risks to ensure long-term sustainability and resilience?

Interroll prioritizes long-term sustainability and resilience by adopting a comprehensive approach to identify, assess and manage environmental, social and governance (ESG) risks and impacts. Proactive measures are then implemented to mitigate these risks, in line with Interroll's commitment to responsible business practices. This ESG risk management framework not only safeguards against potential challenges, but also fosters a resilient organizational structure. By integrating ethical considerations and sustainable practices, Interroll is well positioned for success in a rapidly evolving global landscape, contributing to a positive and lasting impact on both the business and the wider community.

Patrick Wedewardt, Director Corporate Sustainability & Compliance

Our management approach to ESG risk management helps work toward achieving the following United Nations Sustainable Development Goals (SDGs):



SDG 8.1: Sustainable economic growth

Sustainable economic growth can only succeed with structured management of opportunities and risks in the competitive environment. To that end, ESG risk management at Interroll considers environmental, social and governance factors, thereby enabling better integration of sustainability aspects in corporate strategy and contributing in macroeconomic terms to job creation, productivity and prosperity.

SDG 16.6: Develop effective, accountable and transparent institutions

By integrating environmental, social and governance factors into our risk assessments and business practices, Interroll helps to fight corruption, bribery and compliance violations. This in turn fosters integrity and transparency in competition and reinforces responsible business practices.

CONTEXT

GRI 3-3

964 CO

In our view, good ESG risk management means protecting our business model, its material and non-material benefits, and the legitimate interests of our stakeholders. We are developing a structured Group-wide ESG risk management system in order to identify strategic and operational ESG risks, avoid or mitigate negative impacts and exploit positive potential for Interroll's operational and financial resilience. An effective ESG risk management system enhances the future prospects of our company.

For us, a well-functioning ESG risk management system protects our business model, our operating performance, our supply chain, our customer relationships and the legitimate interests of other stakeholders. This includes identifying and evaluating the relevant ESG risks, and understanding and prioritizing the potential impacts.

Interroll places great importance on active management of ESG risks, including in the interests of our stakeholders. We are therefore expanding our existing active risk inventory to include identification of ESG risks relating to environmental, climate, social and employee matters, as well as corruption, procurement from conflict regions and respect for human rights.

ESG risk management at the Group level aids our strategic and operational decision-making process, strengthens our governance and monitors the aspects associated with our business model. Group Management systematically analyzes the ESG risks every year.

CONCEPT AND GOALS

GRI 3-3
GRI 2-25

964 CO

A well-designed and well-functioning ESG risk management system increases the resilience of our company by enabling us to react quickly to systemic risks. This protects in particular the legitimate interests of all internal and external stakeholders, which we also identify, assess and manage according to priority – as we do with our strategic and operational ESG risks. For this reason, we review our business risk inventory annually for ESG risks. We are working on a structured risk inventory at the level of the independent organizational units to supplement the existing processes, with the aim of realization in 2025. The fast operational responsiveness this enables will boost Group-wide ESG risk management and our strategic decision-making process.

Active management of ESG risks is important to Interroll. Qualitative and quantitative goals and deadlines for their achievement have therefore been defined for the entire Interroll Group. This affects in particular all risks identified as high, which are counteracted with risk mitigation measures. This contributes to the reduction of ESG-related financial risks.

We will be developing specific implementation plans for each Interroll site to achieve the goals based on their individual situation.

The main focus of our ESG risk management is on the issues that have to be addressed under Article 964 CO: social, employee and environmental matters, corruption and respect for human rights.

Governance and compliance

GRI 2-9

The Board of Directors and Group Management are responsible for considering and implementing the requirements of ESG risk management in the overall corporate strategy. They ensure that the responsibilities for setting goals, delivering resources, taking action and conducting reviews are clearly defined. The Board of Directors receives regular information on ESG risk management and the associated assessment from Group Management. This ensures that the Board of Directors possesses the requisite knowledge to evaluate these aspects.

The CFO is responsible within the organizational structure of Interroll for ESG risk management and reporting. The Board of Directors submits these reports in accordance with Article 964a CO to the annual general meeting for approval (see page 132). Operational implementation and performance by the legal entities is delegated to the local management teams.

ESG risk inventory

GRI 2-25

This year's ESG risk inventory was compiled for the first time on the basis of a consolidated view of the material topics for Interroll Holding AG. This was the responsibility of Group Finance led by the Chief Financial Officer (CFO).

In line with the goals set under our current ESG risk management policy, we will continue to develop ESG risk management with the aim of compiling a risk inventory at the level of the individual legal entities for 2025 and then consolidate these at Group level. In Switzerland and Spain, ESG risk aspects are already taken into account via the management systems in accordance with ISO 14001 and 45001.

964 CO

The process is based on the issues for non-financial reporting defined in Article 964b CO which addresses environmental matters, in particular carbon targets, social matters, employee matters, respect for human

964 CO

Targets	KPIs	Unit	2023	2022	Date
ESG risk inventory on Group level updated	ESG risk inventory on Group level updated?	Yes / No	Yes	n/a	Annually
ESG risk inventory on entity level established	Number of local entities with established ESG risk inventory	Number	2	n/a	2025
Risk management measures are defined for high risks	Percentage of risk management measures defined for high risks	%	100	n/a	Annually
Reduction of high-level ESG risks with financial risk potential	Percentage of high-level ESG risks with reduced financial risk potential after measures	%	0	n/a	Annually

STATUS, MEASURES, RESULTS

GRI 3-3

964 CO

Group Management performs a systematic operational risk analysis every year. The risks identified are examined, analyzed and discussed at an annual strategy meeting. The Board of Directors receives regular reports in a uniform format detailing the type, extent and assessment of operational and strategic risks, as well as the countermeasures taken.

The Group-level risk management process was expanded in 2023 to include specific consideration of ESG aspects. The governance and compliance of ESG risk management were stepped up.

rights and anti-corruption measures. "Procuring raw materials from conflict regions" is not significant for Interroll at present.

Based on the materiality analysis performed in 2021/22 and the review of the analysis in 2023, the material topics identified at Interroll were allocated as follows to the non-financial matters from the article referenced above. We determined that this covered the non-financial matters prescribed by law:

964 CO	Material topics	Non-financial matters under Article 964 CO
	Environmental Protection	Environmental matters, in particular climate protection
	Climate Protection	
	Corporate Governance	
	ESG Risk Management	
	Corporate Compliance	Social matters; protection of stakeholder interests
	Product and Service Responsibility	
	Sustainable Procurement	
	Stakeholder Engagement	
	Corporate Governance	Employee matters
	ESG Risk Management	
	Corporate Compliance	
	Occupational Health and Safety	
	Attractive Employer	Respect for human rights
	People Development	
	Corporate Governance	
	ESG Risk Management	
	Corporate Compliance	Anti-corruption measures
	Sustainable Procurement	
	Corporate Compliance	
	ESG Risk Management	
	Corporate Compliance	
	Corporate Governance	
	ESG Risk Management	
	Corporate Compliance	

The objectives set out in the ESG risk management policy were used in the ESG risk analysis to allow for a clearer view and evaluation of the risk aspects. Additionally, a workflow involving

- the Chief Executive Officer, responsible for applying strategy at the Group level;
- the Chief Financial Officer, responsible for consolidated risk management;
- the Director Corporate Sustainability & Compliance, responsible for ESG aspects; and
- external ESG experts

enabled the identification of further risk aspects in the context of ESG that could have a significant impact on the company's position, performance and business development.

A further step was to describe the identified risks and assess the probability of their occurrence and consequences *before* taking action, based on historical data (previous loss events) and expert opinions. This is set out in detail in the special internal report on the ESG risk inventory.

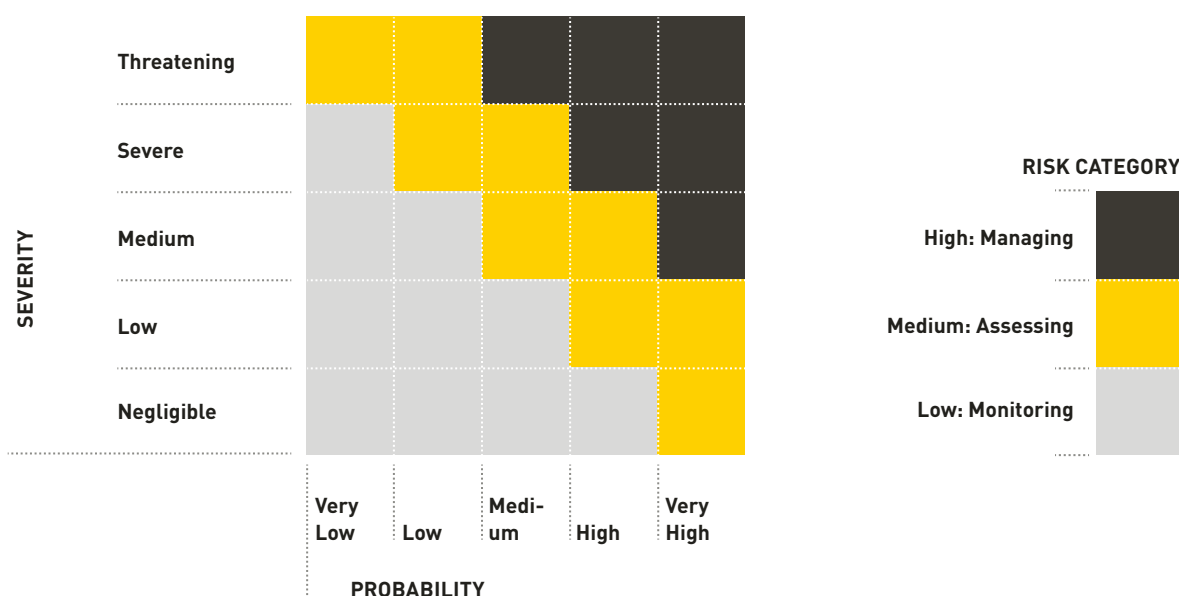
Each individual risk identified was examined and categorized. The ESG risks determined locally and consolidated at the Group level, along with the assessable

impact factors, form the basis for future ESG risk management and action planning at Interroll Holding AG. The quality and significance of the information affect the direction existing measures will take and determine future decisions. In addition to disclosing all material risks, ESG risk management should, in particular, enable a controlled approach to risks and help to reduce the probability of their occurrence. The ESG risk inventory lies at the heart of this and is where all material ESG risks along with general external risks and risks from the internal corporate organization and culture are systematically compiled.

A matrix diagram (ESG risk heat map) compares two vectors of the risk inventory:

- the probability of occurrence of a certain event or development,
- the extent of loss, and therefore the severity of the possible consequences if such an event should occur.

The risk inventory will include specific measures in future to avoid or mitigate each risk and will evaluate the risks as a whole. The second step involves reviewing and evaluating the probability of occurrence of the risks and their consequences again *after* action has been taken.



Assessment of ESG risks

GRI 2-25
GRI 201-2

964 CO

The common approach to quantitative assessment was selected in the first step to determine the probability of occurrence and extent of loss on a five-point scale. The probability of occurrence before action was taken was assigned to the categories: very low, low, medium, high and very high, on a rising scale from 1 to 5.

The assessment of the extent of damage as an impact on EBIT was categorized as follows:

- Factor 1: negligible – economic impact less than CHF 500,000
- Factor 2: low – economic impact CHF 500,000 to CHF 1,000,000
- Factor 3: medium – economic impact CHF 1,000,000 to CHF 10,000,000
- Factor 4: high – economic impact CHF 10,000,000 to CHF 50,000,000
- Factor 5: severe – economic impact greater than CHF 50,000,000

The risks were classified in qualitative terms in the categories low, medium and high.

Low: assessment result of 1 to 6

Medium: assessment result of 5 to 12

High: assessment result of 15 to 25

The ESG risks in the upper right section of the heat map are therefore assessed as potentially high. Please note that ESG risks with an assessment result of “5” were included in the medium category because they had either a very high probability of occurrence or a severe extent of loss and therefore represented a potentially significant financial risk. The basis of assessment was determined in consultation with management at the Group level.

ESG risks categorized as “high” are therefore actively managed in order to mitigate the financial risk potential in the short to medium term. “Medium” ESG risks are monitored and evaluated on an ongoing basis in order to reduce their potential financial impact in the medium term. ESG risks in the “low” category are subject to a minimum of constant monitoring.

CORPORATE COMPLIANCE

How can Interroll contribute to a more sustainable future?

Due to the high number of development activities, Interroll's products are always at the cutting edge of technology. This allows the customer to reduce energy costs while simultaneously increasing efficiency. Thanks to reliable, high-quality regional suppliers, the supply chains are short and the requirements for long-lasting products can be met.

And specifically your department/area of responsibility?

Interroll relies on the latest technologies not only in the development of new products. Processes in administration are also being optimized to reduce paper and energy consumption. In addition, the Finance and Controlling department contributes to the collection of sustainability data. Without the relevant database, no fundamental decisions can be made regarding investments in a more sustainable future.

How does our organization ensure strict adherence to legal and regulatory requirements, fostering a culture of corporate compliance and ethical conduct?

Thanks to a multi-level compliance team, Interroll covers all facets of compliance. The HR department contributes to this by requiring every employee to sign the Code of Conduct and, of course, to act in accordance with it. Data security is the responsibility of a site-specific data protection officer who is in constant contact with external service providers. In addition to the site-specific compliance officer and an active compliance management system, the topic of compliance is also assessed and managed by our German holding company, which actively supports the individual locations.

Nicolas Emmerich, Head of Finance and Controlling Interroll Automation GmbH

Our management approach to corporate compliance helps work toward achieving the following United Nations Sustainable Development Goals (SDGs):



SDG 16.2: End abuse, exploitation, trafficking and all forms of violence against children

SDG 16.5: Reduce corruption and bribery

SDG 16.B: Promote and enforce non-discriminatory laws and policies

Interroll contributes to the achievement of the targets of SDG 16 listed above by ensuring that strict ethical policies for all business areas and relevant business activities were implemented. These have an effect along the entire value chain. Our Code of Conduct, which every employee is required to sign, ensures that our behavior is in line with our values. We conduct risk assessments in the supply chain to help raise awareness among suppliers and eliminate their involvement in child labor, exploitation and human trafficking. We commissioned EcoVadis to conduct a sustainability performance review of all our production sites in 2023 – including the social and human rights aspects mentioned in this section.

We operate a zero-tolerance policy as regards bribery, corruption, fraud, discrimination and harassment. At the same time, we promote diversity, equality and inclusion. Transparent recruitment and promotion practices ensure equal opportunities. A whistleblowing system and secure reporting channels for cases of discrimination enable effective responses.

CONTEXT

GRI 3-3

964 CO

Comprehensive corporate compliance is paramount for Interroll, as transparency regarding compliance is a key aspect of performance, in particular as a listed company. We must comply with all applicable laws, regulations and agreements, as well as certain standards, in order to ensure that our business activities are conducted in a socially, environmentally and ethically responsible manner at all levels and by all the company's organizational units.

Through its defined and active corporate culture and effective compliance management, Interroll ensures that both management and employees observe applicable rules and regulations. Alongside laws and regulations, the Interroll Code of Conduct for all employees is the yardstick for ethical behavior. As part of our supplier relationships, the Supplier Code of Conduct ensures that this is achieved in our supply chains too.

CONCEPT AND GOALS

GRI 3-3

GRI 2-25

964 CO

Corporate compliance management is developed on an ongoing basis at Interroll. The objective is to fully comply with all laws and regulations, internal rules and policies at the Group and local company level, and with voluntary commitments to society. We started updating our Code of Conduct to this end in 2023. All employees will be required to sign it after it is published in 2024.

We respect human rights and have defined a strict system of business ethics, which has been implemented across the organization. We aim to achieve an above-industry-average rating for our human rights and business ethics compliance from selected rating agencies.

We apply a zero-tolerance policy throughout the Group and in all independent units with regard to bribery, corruption, fraud, discrimination and harassment – as well as child and forced labor. This ensures that our business activities are performed responsibly, while also benefiting our working atmosphere and protecting our reputation outside of the company. We plan to start introducing training from 2024. We already maintain an efficient and effective system for reporting breaches. All suspected cases are subject to structured investigation and documented in the Interroll Integrity Line.

We protect our IT infrastructure. Interroll has been managing information security continuously and consistently for many years. Our goals are to protect relevant business data and the corresponding IT infrastructure and to raise employee awareness of the issues. In order to anchor the principles and necessary level of information security within our organization, we have implemented policies which ensure our employees'

support in protecting information and the associated technology. We plan to train all our employees in information security and cyber security.

We have defined qualitative and quantitative goals for the entire Interroll Group which require ongoing compliance. Interroll's reputation and the trust of our business partners, shareholders and the general public depend in large part on the responsible conduct of all employees. It is therefore vital that all management levels of the Interroll Group demonstrate a high degree of ethical competence. Our managers are both role models and ambassadors for such conduct. This reflects our corporate culture, which is built on our common values and the observance of our compliance policies.

Governance and compliance

GRI 2-9

The Board of Directors and Group Management are also responsible for considering and implementing the requirements of corporate compliance. They ensure that the responsibilities for setting goals, delivering resources, taking action and conducting reviews are clearly defined. The Board of Directors receives regular information on corporate compliance and the assessment of the associated risks from Group Management. This ensures that the Board of Directors possesses the requisite knowledge to evaluate these aspects.

964 CO

The CFO oversees corporate compliance within Interroll's organizational structure. Risk factors relating to corporate compliance are assessed as part of the annual risk inventory and, together with the associated reporting, they lie within the CFO's area of responsibility. The Board of Directors submits these reports in accordance with Article 964b CO to the annual general meeting for approval (see page 132).

Operational implementation and performance are delegated to the Director Corporate Sustainability & Compliance in his role as Group Compliance Officer and the local management teams of the legal entities. The latter are responsible for ensuring compliance.

Adherence to this corporate compliance policy and all associated and local statutory obligations is regularly reviewed by Group Management and Corporate Compliance. We will be developing specific implementation plans for each Interroll site to achieve the goals based on their individual situation.

	Targets	KPIs	Unit	2023	2022	Date
964 CO	No human rights violations	Number of human rights violations	Number	0	0	Annually
GRI 205-2	All employees have signed the Code of Conduct	Percentage of employees having signed the Code of Conduct	%	87.6	80.6	Annually
	Human rights and business ethics rated above industry average by selected rating agencies	Number of selected rating agencies that rated Interroll's human rights and business ethics above industry average	Number	5	2	Annually
964 CO	No violations of laws and regulations, internal policies and directives on Group and entity level	Number of violations	Number	2	0	Annually
GRI 2-26	All alleged cases are investigated and documented in the Interroll Integrity Line	Number of reported cases in the Integrity Line that are investigated and documented	Number	10	6	Annually
GRI 205-3	No incidents of bribery, corruption, fraud, discrimination or harassment	Number of incidents of bribery, corruption, fraud, discrimination and harassment	Number	18	21	Annually
	All employees trained in information and cyber security	Number of employees trained in information security and cyber security	Number	1,494	1,079	Annually
		Percentage of employees trained in information and cyber security	%	62.3	44.3	Annually

OPPORTUNITIES AND RISKS OF CORPORATE COMPLIANCE

GRI 3-3
GRI 2-25

964 CO

The corporate compliance risk analysis is an important component of the statutory reporting requirements to be met by Interroll Holding AG – not only in Switzerland. The holistic focus here too is on respect for human rights, labor and social standards, environmental and climate matters and fighting corruption.

The risk analysis helps us to identify and evaluate the potential impact. The identified risks can be categorized as follows based on the three defined risk classes (there were no risks allocated to the “high” category in the reporting year):

ESG risk category “medium”

- Violations of the law by responsible governance bodies
- Violations of the law by individuals
- Legal compliance with Article 964 a-l CO: non-compliance with reporting obligations with the minimal risk of fines for the Board of Directors
- ESG management risk: insufficient opportunities to carry out due diligence at Interroll may result in breaches of contract with stakeholders.
- Human rights violations and/or breaches of international agreements by the Group or Group companies
- Risk of active or passive bribery
- Reputational risks from inadequate or incomplete compliance management and critical gaps revealed in the review process
- Penalties or reputational damage from loss of data

ESG risk category “low”

- Unfounded failure to meet voluntary commitments may trigger disproportionate external criticism and raise questions as to credibility/sincerity among key stakeholders
- Greenwashing in product marketing and communication has negative consequences for the company’s reputation, with potential lawsuits being brought by affected stakeholders (customers and investors)
- Non-compliance with SIX requirements for listed companies

We present the specific measures taken to manage corporate compliance in the following.

STATUS, MEASURES, RESULTS**Organizational changes**

GRI 3-3

964 CO

On 1 January 2023, Interroll created the Corporate Compliance department and the roles of Group Compliance Officer and Group Data Protection Officer. The Director Corporate Sustainability & Compliance is currently responsible for corporate compliance and the two newly created roles. We currently refer to the staff department reporting to the Chief Financial Officer as Corporate Sustainability & Compliance.

Interroll’s Group Compliance Officer is responsible for ensuring compliance with legal provisions and the company’s internal guidelines. His duties include the development and implementation of compliance guidelines, regular monitoring of compliance, employee training, risk assessment and reporting to Group Management.

The Interroll Group Data Protection Officer (DPO) is responsible for compliance with data protection laws and guidelines. He develops and implements data protection guidelines, ensures compliance with data protection regulations, advises employees on data protection issues, liaises with authorities and carries out data protection impact assessments. He ensures that Interroll respects the privacy and rights of data subjects and protects sensitive data appropriately.

Code of Conduct

964 CO

The current Code of Conduct was signed by 2,101 employees, or 87.6 percent of staff in 2023 (2022: 1,965 employees or 80.6 percent). We started updating our Code of Conduct in 2023, and all employees will be required to sign it after it is published in 2024. The Code of Conduct is available online.

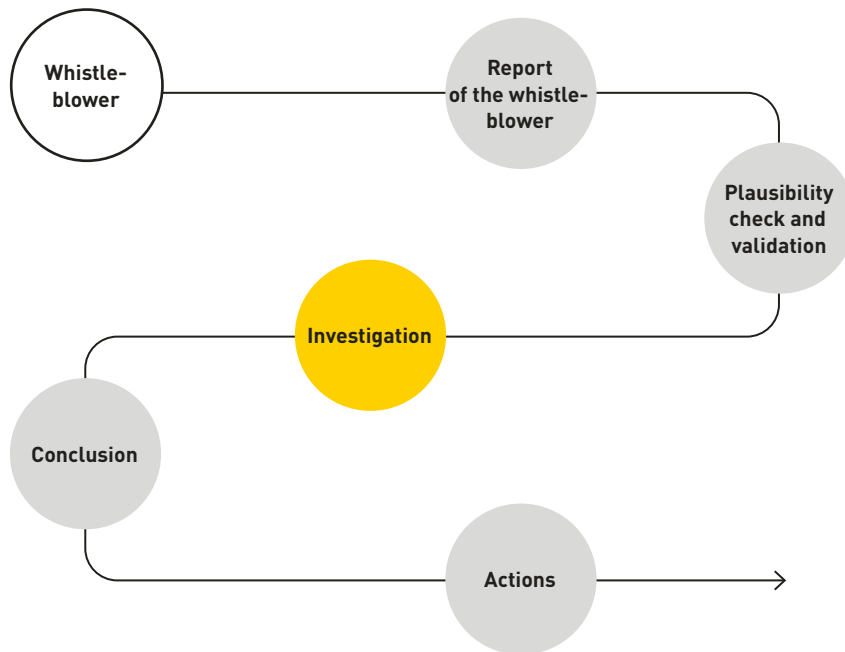
Updated whistleblowing policyGRI 2-25
GRI 2-26
GRI 205-1

Interroll implemented an updated whistleblowing policy in April 2023. We encourage Interroll’s employees past and present, interns, job applicants, customers, suppliers, partners, shareholders and stakeholders in general to immediately report any conduct which gives rise to the reasonable assumption that it breaches applicable laws, regulations, internal control principles, company policies, instructions and rules such as the Supplier Code of Conduct or the anti-bribery and anti-corruption policy or a professional standard.

The whistleblowing policy applies for concerns about actual or potential criminal behavior, unethical conduct and any other misconduct, such as a (suspected) violation of the law by or within Interroll, including but not limited to:

- Bookkeeping, internal checks on bookkeeping and accounting
- Tax evasion
- Money laundering or terrorist financing
- Violations of export control or sanctions
- Market manipulation or insider trading
- Breaches of confidentiality or data privacy
- Theft, fraud, bribery or corruption
- Environmental crime or damage
- Health and safety concerns (including physical and mental wellbeing)
- Undesirable behavior
- Human rights violations
- Serious breaches of the integrity of the whistleblowing system
- Violations of other laws, regulations or Interroll policies

INVESTIGATION PROCESS



Personal grievances such as harassment or bullying do not generally fall under the whistleblowing policy. Every Interroll company is required to implement a grievance mechanism for employees. However, employees are encouraged to report personal grievances via the whistleblowing system if the local procedure has failed or if they fear retaliation, and therefore seek protection via the whistleblowing mechanism. Under the terms of the German Whistleblower Protection Act (Hinweisgeberschutzgesetz), personal grievances about harassment or bullying do fall under Interroll's whistleblowing policy.

The Interroll Compliance Office (ICO) is responsible for the whistleblowing policy, protecting whistleblowers and investigating cases. It comprises the Director Corporate Sustainability & Compliance, who is also Group Compliance Officer, and the Head of Group Auditing. The whistleblowing policy is available online.

Compliance with laws and regulations

GRI 2-27
GRI 205-3
GRI 206-1
GRI 308-2
GRI 406-1
GRI 414-2
GRI 416-1
GRI 417-2

Interroll is committed to lawful and compliant behavior. In 2023, ten reports were received by the Interroll Integrity Line from anonymous whistleblowers, which led to an investigation by the ICO in accordance with the process described above. Of the ten reports, nine were considered to be unfounded. In one case, the suspicion of embezzlement was confirmed, which led to the accused person being dismissed. It is crucial for Interroll to have a functioning whistleblowing system, as the previous confirmed case of embezzlement clearly shows. Such a system enables us to recognize potential breaches of ethical standards or legal regulations at an early stage and to act appropriately. It helps to strengthen employees' trust in Interroll's integrity and at the same time protects Interroll's reputation.

The site in Cañon City (USA) was fined USD 5,425 by the environmental authority for failing to comply with a reporting deadline. In the reporting period, no other cases of corruption, anti-competitive behavior, violation of environmental requirements or non-compliance with laws were recorded, nor any significant cases in connection with media and data protection law.

Information security

GRI 418-1

In terms of managing information security and protecting our information infrastructure, an important ongoing task for Interroll is to identify critical security requirements at the strategic level. The Information Security Board (ISB) has been established to coordinate this centrally, comprising the CFO, the Head of Corporate IT, the Head of Corporate Business Applications and the Director Corporate Sustainability & Compliance.

Security requirements must be formulated in such a way that they meet the business process needs of the Interroll Group, its local companies and its business partners. At the same time, physical and software-based security mechanisms must be implemented and security hierarchies defined covering data access for the people involved and document classification levels.

We did not become aware of any relevant cases of customer data loss or information leaks during the reporting period. We protected our operations against external attacks. We trained 1,494 employees, or 62.3 percent of staff, on aspects of information security in the period under review (2022: 1,079 employees or 44.3 percent).

ENVIRONMENT

CLIMATE PROTECTION

54

ENVIRONMENTAL PROTECTION

74

PROTECTING
THE CLIMATE
AND THE
ENVIRONMENT

UN GLOBAL COMPACT IN CONTEXT

ENVIRONMENT AND CLIMATE

Principle 7

Support a precautionary approach to environmental challenges.

Principle 8

Undertake initiatives to promote greater environmental responsibility.

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

GRI 2-23

As a signatory to the UN Global Compact, we are committed to complying with the UNGC's Ten Principles and promoting sustainable development in the countries in which we operate and worldwide. Our management approaches to the "Environment" material area are directly related to UNGC Principles 7, 8 and 9.

Our commitment

Using resources responsibly and protecting the environment and the climate are core issues of social responsibility, and they constitute a material area for our strategy at Interroll. Businesses can use our products and solutions to boost their productivity and at the same time rely on Interroll for solutions that focus firmly on conserving resources, protecting the environment and, in particular, preventing harmful emissions. These solutions help our customers to reduce their carbon footprint and promote sustainable growth. At Interroll, we also attach the greatest importance to our own resource efficiency. For us, using resources and energy properly is a key prerequisite as we seek to remain the market leader for technology and innovation in the area of intralogistics. That benefits our customers too.

Measures in 2023 and measuring the results

In accordance with GRI Standards 2021, the management approaches, including the measures taken and their results, are presented in detail in this section for each material topic.

SDGs IN CONTEXT

The forward-thinking nature of our “Environment” material area has become our template for decision-making. We must proactively seek solutions, take action and motivate others to do their part to protect the environment. At Interroll, we have taken specific steps to refine our individual customer solutions and products. The purpose – in line with the principles of the UN Global Compact – is primarily to ensure that we are as environmentally friendly as possible when procuring the necessary materials and resources within the supply chain, to achieve optimal efficiency in our own production operations, and to offer our customers solutions to enhance resource and energy efficiency when using our products.

Our management approaches in the “Environment” material area help toward achieving the following United Nations Sustainable Development Goals (SDGs):

CLEAN WATER AND SANITATION



We help to ensure that water can be safely processed and reused at our sites. As a part of the local communities we operate in, we are aware that one of our core responsibilities is to align our operations to SDG 6 even though they do not have a significant impact on water and effluents.

AFFORDABLE AND CLEAN ENERGY



The supply of affordable and clean energy has long been a major challenge of critical importance for almost every society. The crisis in Ukraine has led to a dramatic spike in energy prices. Whether it concerns jobs, security, climate change, food production, or economic development, the importance of access to and consumption of clean energy is something that has been made abundantly clear to us all. Therefore, one of our main concerns is to offer our customers product solutions featuring high energy efficiency that enhance the economic and environmental productivity of their intralogistics systems.

RESPONSIBLE CONSUMPTION AND PRODUCTION



At Interroll, taking a responsible approach to products is a key issue and the foundation for our market success. The use of base products that have been sourced responsibly and in a way that conserves resources is key to meeting our customers' demands for high quality, and already reduces their environmental footprint in purchasing and efficient operation. Our goal is to optimize cost and environmental aspects for our customers, secure a leading market position in terms of total cost of ownership over the entire product life cycle, and to be the partner of choice for innovation leadership.

CLIMATE ACTION



Interroll is developing insights into how it can achieve carbon neutrality in its own production operations. Firstly, this means reducing the amount of energy we consume and using electricity and heat generated from renewable sources. We also factor in the purchase of materials and energy and the use of our energy-efficient product solutions. This is followed by offsetting unavoidable emissions.

LIFE BELOW WATER AND LIFE ON LAND



Healthy living and sustainable development depend on intact ecosystems. The consequences of destroying marine and terrestrial ecosystems are severe. At Interroll, we are committed to protecting, conserving and restoring biodiversity through efforts to conserve natural resources, increase material efficiency and reduce or completely eliminate waste.

CLIMATE PROTECTION

How can Interroll contribute to a more sustainable future?

Interroll plays a pivotal role in advancing sustainability through several key initiatives. Firstly, our commitment to designing and manufacturing energy-efficient products aligns with the global push for reduced environmental impact. Additionally, as intralogistics becomes increasingly vital in optimizing supply chains, Interroll's solutions contribute to streamlined operations, minimizing resource consumption. Furthermore, the company actively works on providing genuine alternatives that prioritize sustainability, offering innovative solutions to address evolving industry needs.

And specifically your department/area of responsibility?

In my specific department, our focus is on driving transformative change by introducing new ideas and challenging our daily business operations. We strive to be visionary leaders, demonstrating the feasibility of sustainable practices. Through workshops and discussions, we engage in collaborative efforts to discover and implement innovative possibilities. By consistently questioning and evolving the way we operate, our department actively contributes to a dynamic and forward-thinking organizational culture that not only embraces change but leads the way in demonstrating its positive impact.

What specific measures has our organization implemented to mitigate its carbon footprint and contribute to climate protection?

Our organization has implemented comprehensive measures to mitigate its carbon footprint and actively contribute to climate protection. To assess our impact thoroughly, we measure our Scope 3 emissions, identifying key leverage points for reduction. Additionally, we have made strategic investments in sustainable infrastructure, transitioning to renewable energy sources and optimizing energy efficiency across our operations. These initiatives extend beyond internal practices, emphasizing collaboration with suppliers and partners to create a collective commitment to environmental responsibility. By addressing both direct and indirect emissions and investing in sustainable infrastructure, our organization is dedicated to making tangible contributions to climate protection.

Valerie Burkhardt, Sustainability Specialist

Our management approach to climate protection helps work toward achieving the following United Nations Sustainable Development Goals (SDGs):



SDG 7.3: Double the rate of improvement in energy efficiency

We contribute to the achievement of SDG target 7.3 by offering the latest technology for energy efficiency

in intralogistics and optimizing our own and our customers' production processes. Other key factors include investment in sustainable production infrastructure, regular energy audits and transparent reporting. Our cooperation with industry partners, research institutes and authorities, and our involvement in initiatives and associations enable us to share best practices and develop innovative solutions in order to significantly increase energy efficiency in our processes.

SDG 12.1: Implement the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns

Interroll makes its SDG contribution in this context by using resource-efficient production methods, promoting recycling, establishing sustainable supply chains, and developing products with a small environmental footprint. Continuing education opportunities for staff and customers on sustainable processes and application methods are just as important as cooperation with stakeholders, in order to promote sustainable innovation through their feedback.

SDG 13.1: Strengthen resilience and adaptive capacity to climate-related natural disasters

SDG 13.3: Build knowledge and capacity to meet climate change

We contribute to the specified SDGs by developing more resilient business models through active, climate-based risk management, and increasing the resilience of our infrastructure to climate-related natural disasters. Investment in renewable energy, energy efficiency and reduction of greenhouse gas emissions is key in this regard. We run risk assessments to determine the impact of climate change on Interroll and identify strategies for realignment based on the results. Regular internal reviews, staff training at all levels, and reporting on climate action initiatives and their effects also contribute to strengthening resilience and adaptive capacity.

SDG 14.3: Reduce ocean acidification

We contribute to reducing ocean acidification by minimizing our impact on the marine environment through climate action measures. These include reducing carbon emissions by using renewable energy, improving energy efficiency and promoting sustainable means of transportation.

CONTEXT

GRI 3-3

Climate change represents one of the greatest challenges of our time, posing a – now largely undisputed – existential threat to society and businesses. A key element of our Group-wide sustainability strategy is to position ourselves as the leading provider also of energy-efficient material-handling solutions and technologies through our product portfolio.

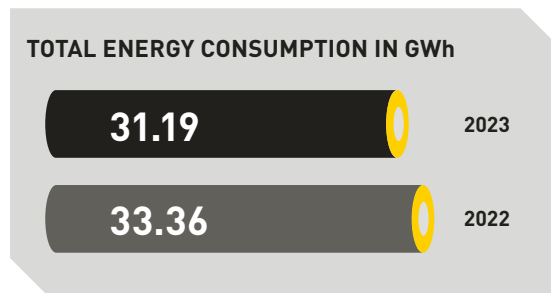
The transition to a low-carbon economy is something we work toward at every link in our value chain, which primarily comprises our upstream supply chain, our own sites and the life cycle of our products after they are delivered to users. In joining the UN Global Compact in 2016, we undertook to observe the precautionary approach to environmental challenges and thus to reduce harmful emissions. By introducing targeted solutions to enhance our systems' energy efficiency, we also aim in particular to meet the objectives and thus also the expectations of our stakeholders.

GRI 302-1
GRI 305-1
GRI 305-2
GRI 305-3

Around the world, there is still too little being done to limit global warming to 1.5°C. Greenhouse gas emissions relating to energy consumption account for a large part of the adverse environmental and social impact. This also concerns Interroll's production and administration activities, primarily those along the upstream and downstream value chain.

Interroll also bears responsibility in this area with energy consumption totaling around 31.19 GWh (2022: 33.36 GWh) and associated CO₂ emissions of 7,995 tCO₂e (Scope 1 and Scope 2 location-based) and 7,077 tCO₂e market-based (2022: 8,042 tCO₂e location-based and 10,175 tCO₂e market-based). However, the Scope 1 and 2 emissions account for only around 2.2 percent of the total emissions generated along the entire value chain in 2023 (comprising Scope 1, 2 and 3). Scope 3 emissions of 319,832 tCO₂e (2022: 392,529 tCO₂e) make up the majority of the total emissions of 326,909 tCO₂e (2022: 402,704 tCO₂e). Our own energy management activities with the aim of protecting the

climate while also reducing the costs of production still form a central pillar of our sustainability strategy and implementation measures.



Improving the energy efficiency of the value added by our customers – or to be more specific, the users of our products – is a crucial competitive factor because energy is the one thing that intralogistics needs most of all. Interroll's energy efficient solutions therefore make a direct contribution to climate action and lower energy costs for the user.

964 CO

In line with the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) and the requirements of Article 964 CO regarding non-financial reporting, we will base our report on the material topic of "Climate protection" on the following structure. The core components of the recommended climate-related financial information are:

Governance

Governance with respect to climate-related opportunities and risks

Strategy

Effective and potential impacts of climate-related opportunities and risks on the organization's business, strategy and financial planning

Risk management

Organizational processes to identify, assess and address climate-related risks

Indicators and targets

Indicators and targets used to assess and address relevant climate-related opportunities and risks



CLIMATE PROTECTION GOVERNANCE

GRI 2-9

The Board of Directors and Group Management are also responsible for considering and implementing the requirements of climate protection in the overall corporate strategy. They ensure that the responsibilities for setting goals, delivering resources, taking action and conducting reviews are clearly defined. The Board of Directors receives regular information on the "Climate protection" topic and assessments of the associated risks from Group Management. This ensures that the Board of Directors possesses the requisite knowledge to evaluate these aspects. The CEO oversees climate protection within Interroll's organizational structure.

964 CO

Climate-related risks are assessed as part of the annual risk inventory and, together with the associated reporting, they lie within the CFO's area of responsibility. The Board of Directors submits these climate reports in accordance with Article 964b CO to the annual general meeting for approval.

The responsible parties for operational implementation and performance are: the Chief Operations Officer (COO) for action concerning production sites and the upstream supply chain, and the Chief Technology Officer (CTO) for product development (product innovation and energy efficiency of products).

Adherence to this policy and local statutory obligations relating to climate protection by our sites is regularly reviewed by Group Management and Corporate Compliance.

CLIMATE STRATEGY

GRI 3-3
GRI 2-25

964 CO

Climate protection and energy efficiency are at the core of our product portfolio as an intralogistics, engineering and production company, and necessitate structured integration of climate-related opportunities and risks into our corporate strategy. Accordingly, we have committed to climate action and defined our short-, medium- and long-term strategic goals to reduce the adverse impact of the energy required at our sites and to improve the climate-related impact in upstream and downstream value chains. Our Group-wide corporate policy on “Climate protection” is in place to provide qualitative and quantitative goals for our management approach, and to provide measurable and management-related key performance indicators (KPIs).

Interroll recognizes the international agreements to limit global warming to 1.5°C, and contributes to this target with our management of the “Climate protection” material topic. As we are domiciled in Switzerland, we have aligned our own structured reduction path with Switzerland’s climate neutrality targets, and defined our own goals (see page 58).

We aim for our own sites to be climate neutral by 2040, and those in the supply chain (Scope 3) by 2050. In 2024, we plan to review and adjust our current target of a 42% reduction in Scope 1 and 2 emissions (direct and indirect emissions from purchased energy) by 2032, based on the methods of the Science Based Targets initiative.

This agenda contributes to the needs of our customers, to the goals and expectations of our other stakeholders and – in a macrosocial context – to the SDGs.

GRI 305-3

Upstream and downstream value creation in our supply chain and the use of our products is key to reducing harmful emissions, as was clearly shown by our Scope 3 emissions figures for 2023. This is where the lion’s share of our emissions lies, at 97.8 percent (2022: 97.4%). We are therefore pursuing climate action and energy efficiency targets for the life cycle of our products and aim to produce a life cycle product carbon footprint (PCF) for all new products we develop by 2028. This requires enhancement of internal expertise and a significant amount of financial resources which cannot be reliably quantified at present.

GRI 302-1

Interroll tracks and analyzed its own energy use in order to gain a transparent picture of its consumption patterns and – where relevant – to systematically reduce consumption. The results of our emissions calculations, including Scope 3 for the first time, were taken into account in the updated goals of our climate protection policy. Although our Scope 1 and 2 emissions seem low in a direct comparison, the Group-wide direct total energy consumption from the Group’s own operations is relevant, at 31.19 GWh (2022: 33.36 GWh). We are therefore optimizing our own energy consumption and transitioning to renewable energy. This involves reducing our energy intensity by 20 percent at the Group level by 2030 (energy consumption per CHF million sales), and covering 80 percent of our energy needs with renewable energy by 2035. We will also take structured consideration of carbon pricing in investment decisions involving more than CHF 1 million from 2026 onward. In this context too, we will need to enhance internal expertise and have access to financial resources that are not yet fully quantifiable.

We are implementing an ISO 50001-certified energy management system to optimize/improve our operating procedures. We have set ourselves the goal of having all production sites with more than 1 GWh of energy consumption certified by this standard from 2030 onward.

Interroll considers itself well positioned with the defined targets in a global market with increasing demands for energy efficiency solutions. The Board of Directors and Group Management are taking this ambitious step forward through appropriate measures and efficient leadership.

964 CO

	Targets	KPIs	Unit	2023	2022	Date
	Product Carbon Footprint (PCF) is available for every product development	Number of Product Carbon Footprints (PCF) available for every product development.	Number	0	0	2028
GRI 302-3	Reduction in energy intensity (energy consumption per CHF million in sales) by 20% at Group level	Energy intensity in terms of sales	MWh/CHF million sales	56.07	50.21	2030
	Use of 80% renewable energies at Group level	Percentage of renewables in the energy mix	%	24.55	8.37	2035
	Increase in own production of renewable energy up to 20% of own energy consumption at Group level	Percentage of self-generated renewable energy	%	2.62	0.99	2030
	Consideration of CO ₂ price in investment decisions	Percentage of investment decisions > 1. million CHF with consideration of the CO ₂ price	%	0	0	2026
GRI 305-1 GRI 305-2	42% CO ₂ reduction in relation to Scope 1 & 2	Greenhouse gas emissions (Scope 1)	tCO ₂ e	3,527.5	3,049.3	2032
		Greenhouse gas emissions (Scope 2 market-based)	tCO ₂ e	3,549.3	7,125.2	2032
GRI 305-3	Climate neutrality in the supply chain	Reduction of Greenhouse gas emissions (Scope 1 & 2) on 2022 basis	tCO ₂ e	7,076.8	10,174.5	2040
	Climate neutrality in the supply chain	Reduction of Greenhouse gas emissions (Scope 3) on 2022 basis	tCO ₂ e	319,832	392,529	2050
	Reduction of CO ₂ emissions by 95%	CO ₂ emissions from Interroll fleet	tCO ₂ e	827.2	867.6	2030
	All production sites with an energy consumption of more than 1 GWh are certified in accordance with ISO 50001	Number of manufacturing units	Number	0	0	2030

CLIMATE PROTECTION

OPPORTUNITIES AND RISKS

GRI 3-3
GRI 2-25
GRI 302-2

964 CO

Opportunities and risks relating to climate matters include the effects of climate change on Interroll as well as the impact of our activities on climate change. Interroll considers itself well positioned compared to competitors thanks to its energy-efficient product solutions, and this was confirmed by an industry study of the willingness of potential customers to invest in energy efficiency in intralogistics. We plan to seize the opportunity to reinforce our market-leading position by investing in direct customer benefits, applying the total cost of ownership approach. Given the high proportion of operating costs attributable to energy, the medium-term market opportunities for investment in energy-efficient replacements are promising overall.

We have established an ESG risk inventory with Group Management, which starts by identifying and describing climate-related risks. The process is set out in detail in the section of this report on “ESG risk management” starting on page 37. Following a quantitative assessment of the probability of occurrence and extent of loss, they are then qualitatively allocated to one of three risk categories: low, medium or high.

The identified climate-related risks can be categorized as follows based on the three defined risk classes:

ESG risk category “high”

964 CO

- Energy costs: rising average temperatures and more heat waves increase energy consumption to cool machinery, processes and workstations. Rising energy prices, which are difficult to reliably assess, may cause uncertainty among customers, who may then halt their investment decisions.
- Coastal production sites are at risk in the medium to long term and need protection from flooding. This may result in increased investment at these sites, thereby reducing income. Site closures result in a write-off of capital expenditures (CapEx).
- Non-transparent supply chain contributions: a lack of climate-related procurement criteria – such as green steel or renewable plastic – may cause reputational damage, which may lead to a loss of customers and investors. This potentially also means that banks only offer financing at unfavorable rates as they are also increasingly legally required to report on ESG – and in particular climate-related – criteria as well as their own balance sheet risks.

ESG risk category “medium”

- Interruptions in the logistics chains and even the company's own production due to extreme weather events such as flooding and storms
- Loss of customers due to inadequate carbon emissions performance at all levels of value creation
- Increase in costs due to carbon pricing
- Loss of investors caused by non-transparent carbon strategy and reporting
- Competitive disadvantage due to below-average climate arguments in support of our products by salespeople
- Adjustment risk: low level of agility in terms of emission-optimized business models
- Financial risks: statutory or market-specific reduction of carbon emissions and its financial impact

ESG risk category “low”

- Production downtime due to extreme weather events such as flooding and storms
- Damage to property caused by extreme weather events such as flooding and storms
- Failure to comply with statutory requirements on climate reporting due to uncertain legal interpretation or lack of alignment of the transition plan with Swiss climate targets
- Failure to comply with climate reporting requirements: quantitative information and disclosure of material basic assumptions and methods and standards used for comparability purposes lacking or inadequate

STATUS, MEASURES, RESULTS**Energy consumption**

GRI 302-1

964 CO

Interroll's total energy consumption across all production and management sites in 2023 was 31.19 GWh (2022: 33.36 GWh). For reasons of timely data provision and due to the extended billing processes at local utilities, the energy consumption figures for the last few months of 2023 were calculated using projections based on current and past annual consumption figures.

GRI 305-5

Electricity was the most consumed form of energy at 15.17 GWh (2022: 16.71 GWh), of which 7.66 GWh or 50.5 percent came from renewable sources (2022: 2.79 GWh or 16.7%). This equates to 24.55 percent of total energy consumption (2022: 8.37%). As such, we are already making a relevant contribution to reducing the carbon footprint for our customers. This was significantly extended by a new electricity supply contract for the German sites (valid from 1 January 2023 onward). The graphic below presents a breakdown of energy consumption by source.

ELECTRICITY FROM RENEWABLE SOURCES IN %

50.5

2023

16.7

2022

PROPORTION OF SELF-GENERATED ELECTRICITY IN %

5.38

2023

1.97

2022

Of the total electricity consumed in 2023, 815.8 MWh or 5.38 percent was self-generated electricity from an existing photovoltaic system in Sant'Antonino and cogeneration units in Germany (2022: 329.1 MWh or 1.97%). We will be expanding these capacities significantly.

964 CO

Energy consumption in MWh

Consumption type	Unit	2023	2022
Total consumption of electricity	MWh	15,170.4	16,710.3
of which renewable electricity	MWh	7,658.7	2,792.7
Oil consumption (heating)	MWh	2,545.9	239.0
Gas consumption (heating)	MWh	7,611.0	10,795.2
Fuel consumption for own or leased vehicles; gasoline	MWh	1,894.0	1,706.5
Fuel consumption for own or leased vehicles; diesel	MWh	3,036.3	2,864.8
Other: district heating, liquefied gas (LPG), propane	MWh	935.9	1,047.6
Total energy consumption	MWh	31,193.4	33,364.3

Energy consumption by physical units

Purchased electricity	MWh	14,355	16,382
Oil consumption (heating)	l	237,100	22,255
Gas consumption (heating)	m ³	716,751	1,016,616
Fuel consumption for own or leased vehicles; gasoline	l	125,022	119,789
Fuel consumption for own or leased vehicles; diesel	l	210,294	238,329
District heating	MWh	265	363
Consumption of liquefied gas (LPG) and propane	t	48	51

Energy intensity

GRI 302-3

Given the large number of extremely diverse products and components to be considered, energy intensity can be expressed most meaningfully in terms of total energy consumption per unit of sales. This figure was 56.07 MWh per CHF million in 2023 (2022: 50.21 MWh per CHF million). This means that energy intensity has risen year-on-year, as energy consumption has not fallen to the same extent as turnover.

ENERGY INTENSITY IN MWh/CHF MILLION

56.07

2023

50.21

2022

GRI 302-4

We have begun looking into the feasibility of installing photovoltaic systems elsewhere, and the buildings at some sites already meet the technical requirements. We plan to install a photovoltaic system combined with a heat pump for process heat at the Obrigheim site in Germany in 2024. As of the copy deadline for this report, the funding from the German Federal Office for Economic Affairs and Export Control (BAFA) necessary for the project had not yet been confirmed. Installation of a photovoltaic system is also planned at our site in Thailand in 2024.

Cogeneration units

Interroll has cogeneration units at two of its sites in Germany. They operate on natural gas and are used primarily to heat production and administration buildings. The cogeneration units produced a total of 361.4 MWh of electricity as a byproduct in 2023 (2022: 329.1 MWh). As the carbon emissions generated by the combustion process were already included in the calculation of gas consumption, Interroll considers the self-generated electricity from the cogeneration units to be carbon neutral.

Self-generated solar power

GRI 302-1

At many production sites, photovoltaic systems – solar power – are a practical way to generate renewable energy using existing rooftop space. The system brought online in November 2022 at the production site and headquarters in Tessin (Switzerland) generated 584.5 MWh of electricity in 2023, of which 454.4 MWh was used at the site. A total of 130.1 MWh was fed into the general grid, which is equivalent to own use of 78 percent.

Action to reduce energy consumption

GRI 302-4

A range of measures were initiated for the German sites in 2023 as a result of the legally required energy audits. These include a pilot project on energy data management already realized in Obrigheim. The necessary hardware and software tools were installed in the fourth quarter of 2023 in order to collect specific data on machinery and production buildings, and implementation in operations also began. Specific data will automatically be collected and made transparent from the beginning of 2024 to create a basis for an energy management system and the associated energy efficiency and cost advantages in production.

As a result of the success of the project, other sites with high energy consumption are also interested in integration. The Baal site plans to begin before the end of 2024.

Reductions in energy requirements of products and services

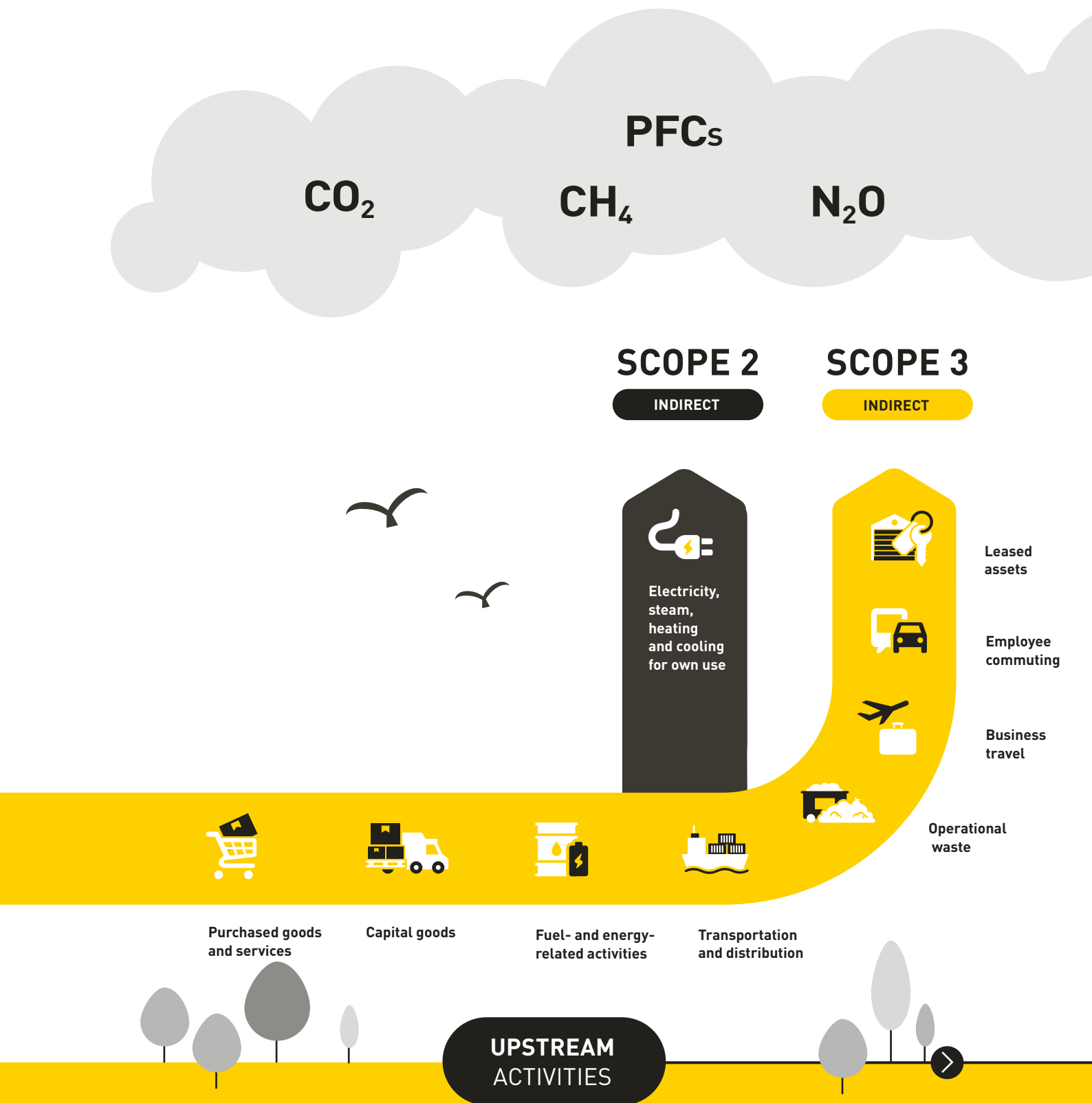
GRI 302-5

Interroll offers a wide range of energy-efficient products. Through our active end customer ("customer of the customer") approach, we want to make the users of our products more aware of their high energy efficiency. The aim of this approach is to make our energy-efficient strategy widely known in the intralogistics market. Market expectations are not just part of our stakeholder dialog, they are a guide to future product developments. This is because the useful lives of our products – in other words the energy consumption and indirectly the Scope 3 emissions when installed at users' sites – are a relevant part of our carbon footprint throughout the entire value chain.

GRI 302-2

In the coming years, we will work hard to make our footprint transparent, particularly with regard to the Scope 3 emissions, and map out our journey toward net zero using the Science Based Targets initiative methodologies.

A particularly relevant aspect of our action on climate change is to increase the energy efficiency of our products and services. Interroll's solutions have a reputation on the market for energy efficiency. The target for one stage of our energy efficiency roadmap is, by 2028, to create a product carbon footprint (PCF) for every new product we develop in order to make our life cycle energy performance transparent.



CO₂e FOOTPRINT ACCORDING TO GREENHOUSE GAS PROTOCOL

HFC_s

SF₆

GREENHOUSE GASES

SCOPE 1

DIRECT



Company facilities



Company vehicles



Refrigerants

SCOPE 3

INDIRECT



Transportation and distribution



Processing of sold products



Use of sold products



End-of-life treatment of sold products



Leased assets



Franchises



Investments

REPORTING
COMPANY



DOWNSTREAM
ACTIVITIES

EMISSIONS

GRI 3-3

Interroll made significant structural improvements to the calculation and presentation of all emissions in 2023, along with the analytical determination of the consequences on climate protection management. This involved reviewing and editing the results of our evaluation of harmful emissions for fiscal year 2022 to create a coordinated and secure basis to pursue the next quantitative goals with 2022 as the base year.

GRI 2-4

As a result of this process, different figures are published here for 2022 than in the 2022 Sustainability Report, although they do not indicate that any significant change in direction is planned. Nevertheless, they contribute to increased certainty for the next steps. From a structural perspective, the deviations with regard to the 2022 results were based on the energy consumption figures that are now definitive (no estimates for the end of 2022), on methodological refinements and on an increased awareness of the interrelationships and the associated improvement in data quality.

The GHG Protocol Corporate Standard distinguishes between direct and indirect emissions from companies:

- Direct emissions are emissions from sources that are owned or controlled by the reporting entity.
- Indirect emissions are emissions that are a consequence of the activities of the reporting entity, but occur at sources owned or controlled by another entity.

These emissions are then further categorized into three broad scopes:

- Scope 1 (direct emissions): emissions from sources that are owned or controlled by the reporting entity
- Scope 2 (indirect emissions): emissions from purchased electricity, steam, heat and cooling consumed by the reporting entity
- Scope 3 (indirect emissions): all other indirect emissions (not covered in Scope 2) resulting from the reporting entity's value chain, including upstream and downstream emissions

All figures are now presented as CO₂ equivalents, as in the GHG Protocol. The energy consumption figures were calculated based on the period from 1 January to 31 December for each year.

GRI 3-3

Methodology

Interroll's greenhouse gas inventory is based on the guidance of the Greenhouse Gas Protocol (GHG Protocol), which was jointly developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Interroll calculates its greenhouse gas emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard. The inventory contains data concerning the entire organization, including a company overview, reporting boundaries, emission sources, data management, quantification methods, emission factors and base year.

The process is based on the five principles: relevance, completeness, consistency, transparency and accuracy, to ensure that the inventory is created in line with best practices recognized throughout the industry. The accounting and reporting principles set out below correspond to those of the Greenhouse Gas Protocol developed by the WRI and WBCSD.

In setting organizational boundaries, an organization selects an approach for consolidating GHG emissions to define which of the organization's activities will be considered. In accordance with the GHG Protocol, an organization can select one of three consolidation approaches in setting its organizational boundaries. Interroll selected the principles of the "operational control approach" to measure its GHG emissions. Based on this approach, Interroll accounts for all emissions from operations over which it has direct control and where it can influence decisions that affect greenhouse gas emissions. These include all owned and leased plants and vehicles operated by Interroll.

Establishments where Interroll has control over operations but which it does not wholly own are also included within the organizational boundaries. This approach is compliant with the GHG Protocol and general protocols and directives on sustainability reporting as regards setting organizational boundaries.

Interroll included 30 national sites, all of which were monitored during the period under review and for which the relevant greenhouse gas emissions were calculated. No site under Interroll's operational control was excluded.

All the data required for the 2022 greenhouse gas inventory was available from all sites. Cost and activity data was fully recorded at site level. However, we reviewed and adapted the method used to estimate data that was unavailable or incomplete. Estimates can be made using the following approach in future:

If no data is available for a certain site, data from other similar sites is extrapolated to estimate the emissions

based on available key data (e.g., space, number of employees, production volume or energy consumption of the same month in the previous year). If only incomplete energy consumption data is available for a certain reporting year due to data capture difficulties, specific estimation processes can be used as described below.

However, some estimates were made with respect to product-related emissions (categories 3.11 and 3.12). The specific estimation methods used for Interroll's 2022 inventory are documented in detail in the Management Report within the Greenhouse Gas Inventory.

GRI 305-1
GRI 305-2
GRI 305-3

964 CO

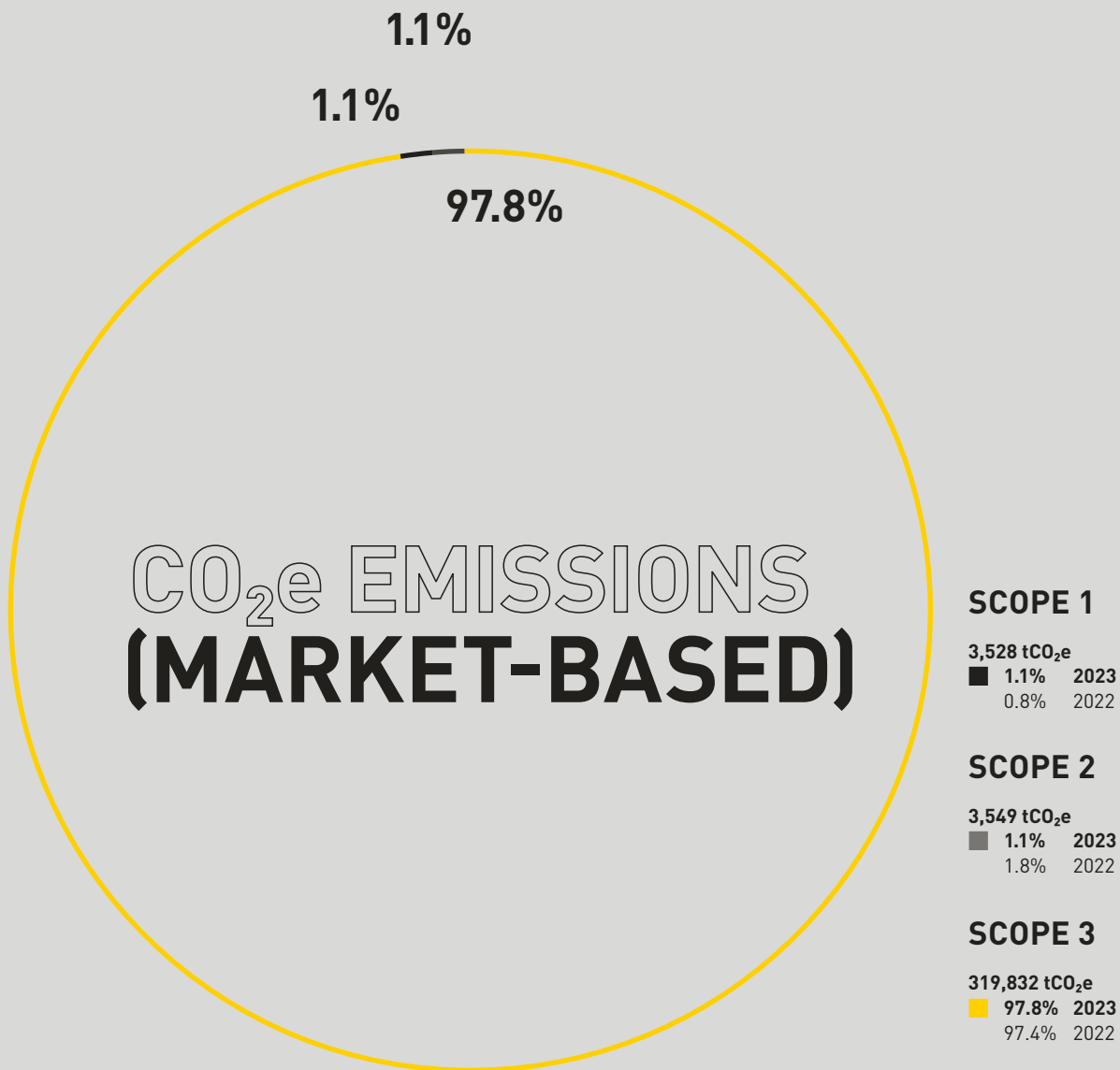
CO₂-Emissions Scope 1 - 3

		2023		2022	
Emissions		tCO ₂ e	%	tCO ₂ e	%
Scope 1 Emissions		3,528	1.1%	3,049	0.8%
Scope 2 Emissions (market-based)		3,549	1.1%	7,125	1.8%
Scope 2 Emissions (location-based)		4,467		4,993	
Scope 3 Emissions		319,832	97.8	392,529	97.4%

		2023		2022	
Scope 3 Category	Scope 3 Category	tCO ₂ e	%	tCO ₂ e	%
1	Purchased goods and services	63,301	19.8%	59,148	15.1
2	Capital goods	4,053	1.3%	7,602	1.9
3	Fuel- and energy-related activities	2,006	0.6%	1,774	0.5
4	Upstream transportation and distribution	29,075	9.1%	34,319	8.7
5	Waste generated in operations	968	0.3%	813	0.2
6	Business travel	2,637	0.8%	2,182	0.6
7	Employee commuting	2,965	0.9%	2,973	0.8
8	Upstream leased assets	24	0.0%	24	0.0
9	Downstream transportation and distribution	3,451	1.1%	4,325	1.1
10	Processing of sold products	n/a	n/a	n/a	n/a
11	Use of sold products	198,676	62.1%	260,746	66.4
12	End-of-life treatment of sold products	12,677	4.0%	18,623	4.7
13	Downstream leased assets	n/a	n/a	n/a	n/a
14	Franchises	n/a	n/a	n/a	n/a
15	Investments	n/a	n/a	n/a	n/a
Total Scope 3 Emissions		319,832	100%	392,529	100%
Total Emissions*		326,909		402,704	

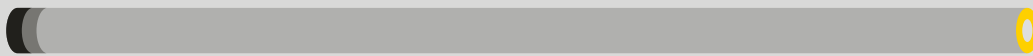
* Minor deviations due to roundings

GRI 305-1
GRI 305-2
GRI 305-3



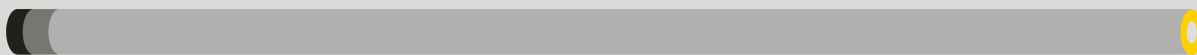
CO₂e EMISSIONS (MARKET-BASED)

2023



■ Scope 1: 3,528 tCO₂e (1.1%) ■ Scope 2: 3,549 tCO₂e (1.1%) ■ Scope 3: 319,832 tCO₂e (97.8%)

2022



■ Scope 1: 3,049 tCO₂e (0.8%) ■ Scope 2: 7,125 tCO₂e (1.8%) ■ Scope 3: 392,529 tCO₂e (96.9%)

Scope 1

GRI 305-1

Under Scope 1, direct CO₂ emissions are recorded as CO₂-equivalent emissions of harmful gases. This figure amounted to 3,528 tCO₂e in 2023 (2022: 3,049 tCO₂e). Interroll's direct emissions were produced by stationary and mobile combustion sources:

- Stationary sources accounted for 65 percent in 2023 (2022: 72%), and thus the largest portion of Interroll's Scope 1 emissions. They were mainly created in connection with the use of natural gas and fuel oil in heating and in production processes. An improved energy management system will help to manage and optimize these emission sources. Audits, monitoring solutions and efficient processes offer promising prospects for decarbonization at Interroll.
- In 2023, mobile sources accounted for 23 percent (2022: 28%) of Interroll's Scope 1 emissions, primarily in connection with the use of cars.
- Refrigerants and lubricants were included in Scope 1 for the first time in the 2023 analysis and accounted for 12 percent of direct emissions

DISTRIBUTION OF SCOPE 1 EMISSIONS

3,528 tCO₂e

2022: 3,049 tCO₂e

In tCO ₂ e	2023	2022
Natural gas	1,392	1,971
Fuel oil	753	60
Vehicle fleet, diesel cars	551	609
Vehicle fleet, petrol cars	276	258
LPG	121	116
Other	434	35

Scope 2

GRI 305-2

Carbon emissions from the use of electricity at Interroll's production and administration sites fall under Scope 2, as do emissions from district heating, albeit to a negligible extent.

The Greenhouse Gas Protocol differentiates between "location-based" and "market-based" Scope 2 emissions:

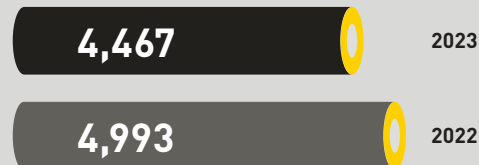
The location-based method quantifies Scope 2 GHG emissions based on average emission factors of energy generation for defined geographical locations, including local, subnational and national areas.

The market-based method quantifies Scope 2 GHG emissions of the reporting entity based on GHG emissions generated by the energy providers that the entity sources electricity from, bundled with contractual instruments.

Unless otherwise stated in the following, Interroll will report in accordance with the market-based method only.

SCOPE 2 EMISSIONS IN tCO₂e

LOCATION-BASED



MARKET-BASED



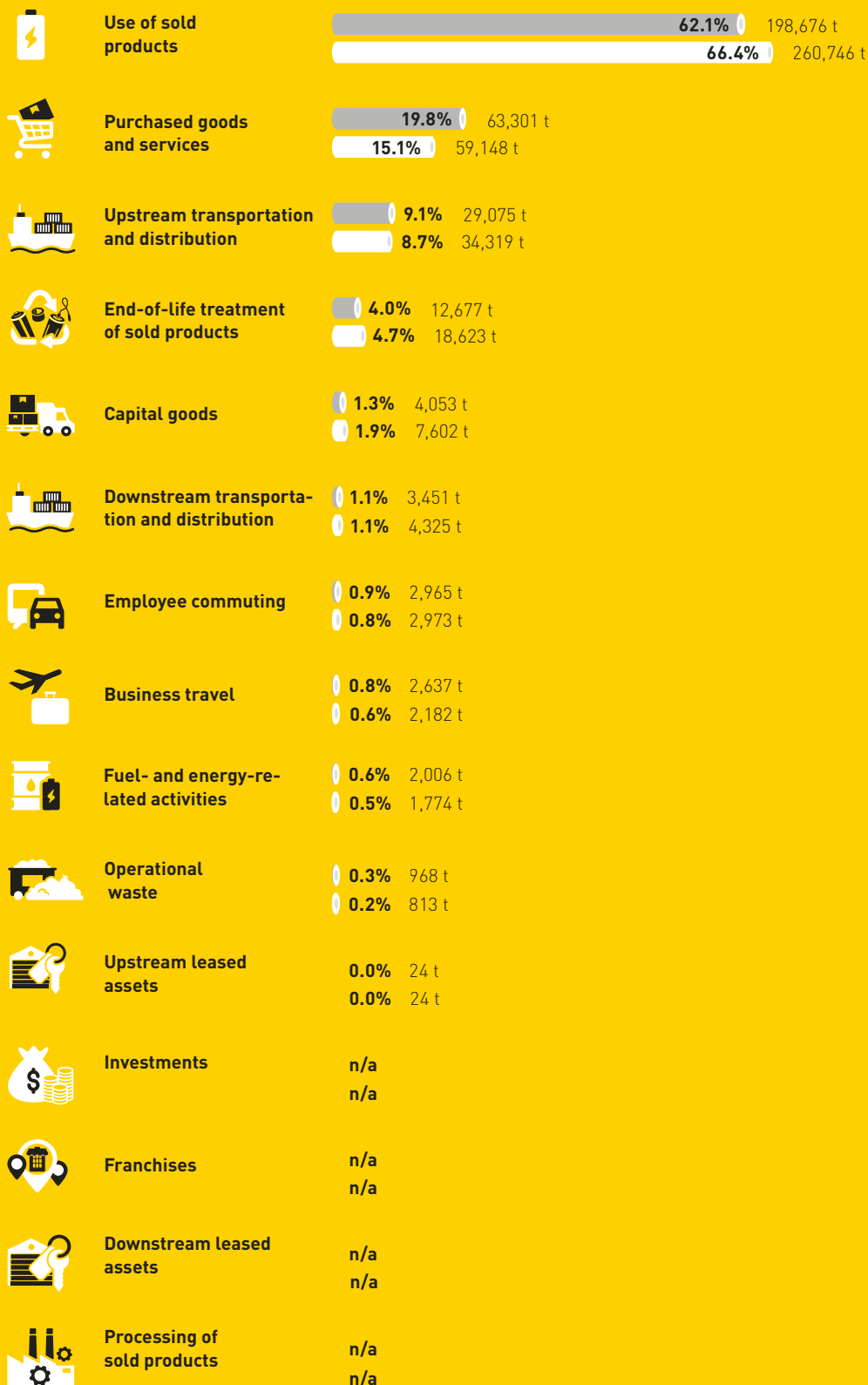
Electricity accounted for 98 percent of indirect emissions in connection with Interroll's activities (2022: 98%); 2 percent came from district heating (2022: 2%). Renewable energy made up 50.5 percent of total electricity consumption (2022: 16.7%). Contracts in place in Germany since January 2023 have made a significant positive difference. A total of 815.8 MWh of electricity, or 5.38 percent, was self-generated by a photovoltaic system and cogeneration units and used on site (2022: 329 MWh; 2%).

GRI 305-3

■ Emissions 2023

■ Emissions 2022

DISTRIBUTION OF SCOPE 3 EMISSIONS BY CATEGORY in % and tCO₂e



Scope 3

GRI 305-3

The calculation and analysis of Interroll's Scope 3 emissions in 2023 represented a significant step forward for climate protection management, and therefore also for one of the main ESG strategy topics. This required input of considerable time and financial resources, both in the Group Sustainability department and at the sites, to compile the data for base year 2022 and for 2023, and to create a sound basis for further development.

Scope 3 includes all other emissions related to the manufacturing and transport of raw materials and semi-finished products in the company's upstream supply chain and the emissions attributable to customers' downstream deployment of products. As can be inferred from comparable plant engineering sectors, these likely account for the majority of harmful emissions.

See below for a brief explanation of the eight upstream and seven downstream categories and their contribution to the calculation of Scope 3 emissions.

UPSTREAM EMISSION CATEGORIES

These are emissions that occur in our upstream value chain, including emissions associated with the manufacture and transportation of raw materials, other materials and components provided to Interroll by suppliers.

1. Purchased goods and services

This category comprises indirect greenhouse gas emissions from the extraction and processing of raw materials, and from goods and services in the supply chain that Interroll uses for its own further processing. The manufacture of raw materials, other materials and components purchased for the production of products causes indirect emissions. The services we use also cause emissions in this category if they are associated with high energy consumption or other processes that have an environmental impact.

The "purchased goods and services" category has a significant effect on Interroll's total emissions, as it makes up a substantial portion of Scope 3 emissions, at 63,301 tCO₂e or 19.8 percent (2022: 59,148 tCO₂e or 15.1%).

"Purchased goods" accounted for the largest share, 80 percent (2022: 87%), with "purchased services" accounting for 20 percent (2022: 13%).

Among the "purchased goods," metals made up the largest share in 2023, at 33,458 tCO₂e or 66 percent (2022: 32,806 tCO₂e or 64%). The remainder of the category was made up in order of relevance by electric/electronic and optical components at 8,757 tCO₂e or 17 percent (2022: 10,948 tCO₂e or 21%) and plastics at 6,448 tCO₂e or 13 percent (2022: 5,358 tCO₂e or 10%).

We can reduce these emissions by selecting suppliers in the medium to long term who are minimizing their own carbon emissions. This presents challenges at a global and macroeconomic level, as the use of green steel requires the availability of a secure supply of hydrogen for steel manufacture.

2. Capital goods

This category comprises the indirect greenhouse gas emissions generated by the manufacture of plants, equipment, machinery and other capital goods used by Interroll in its business activities. These include, for instance, the erection of new buildings, installation of new production systems and acquisition of other capital goods. The manufacture of these capital goods causes indirect emissions, as do the use and maintenance of these goods throughout their useful lives.

The "capital goods" category accounts for 4,053 tCO₂e or 1.3 percent of Scope 3 emissions at Interroll (2022: 7,602 tCO₂e or 1.9%). We will contribute to the reduction of these emissions by factoring in the carbon price in future investment decisions, and considering energy efficient technologies and environmentally-friendly materials in the manufacture and use of capital goods.

Purchase-related emissions

GRI 305-3

Category 1 “purchased goods and services” and category 2 “capital goods” are generally grouped together as they both concern upstream emissions that can be influenced by the purchasing entity’s general purchasing strategy.

Together, these purchasing activities account for 67,354 tCO₂e or 21.1 percent of Scope 3 emissions (2022: 66,750 tCO₂e or 17.0%).

PURCHASE-RELATED SCOPE 3 EMISSIONS IN tCO₂e

67,354 tCO₂e

2022: 66,750 tCO₂e

In %	2023	2022
Purchased goods	75	78
Purchased services	19	11
Purchased capital goods	6	11

3. Fuel- and energy-related activities

This category comprises indirect greenhouse gas emissions generated by upstream chains and attributable to transmission and distribution (T&D) losses of energy and fuels. Losses arise in production of crude oil, generation of electricity in power plants and extraction of natural gas, in the form of energy that is unusable or not recoverable. These losses occur before the energy enters the use process, and represent a small portion of our Scope 3 emissions, at 2,006 tCO₂e or 0.6 percent (2022: 1,774 tCO₂e or 0.5%).

4. Upstream transportation and distribution

This category comprises indirect greenhouse gas emissions generated by transportation and distribution of raw materials, other materials and products delivered to Interroll by suppliers. When we source raw materials, semi-finished products and other materials from suppliers, the transportation of these goods from the suppliers’ manufacturing locations to our sites generates emissions. This includes transportation by road, as well as by rail, water and air.

The category “upstream transportation and distribution” accounts for a significant portion of Interroll’s Scope 3 emissions, at 29,075 tCO₂e or 9.1 percent (2022: 34,319 tCO₂e or 8.7%) because we source a large amount of goods and services from global value chains despite our regional procurement focus. We aim to reduce these emissions initially by seeking shorter distribution routes.

UPSTREAM TRANSPORTATION AND DISTRIBUTION

29,075 tCO₂e

2022: 34,319 tCO₂e

In tCO ₂ e	2023	2022
Air freight	5,297	5,259
Water freight	3,208	3,296
Rail freight transport	4	28
Road freight transport	19,108	23,281
Downstream storage	1,080	1,928
Logistics for third parties	377	520

5. Waste generated in operations

This category comprises indirect greenhouse gas emissions generated by the disposal and treatment of waste generated during our activities.

This includes all forms of production waste, office waste and other waste generated during our business operations, the disposal of which results in emissions. This category accounts for a small portion of our Scope 3 emissions, at 968 tCO₂e or 0.3 percent (2022: 813 tCO₂e or 0.2%). We are addressing these emissions by implementing an environmental management system that promotes waste prevention and use of recycled materials.

6. Business travel

This category comprises indirect greenhouse gas emissions generated by business trips taken by Interroll employees. Business travel takes different forms, such as air, rail, car and other modes of transportation.

These emissions are considered indirect because they are not generated by business operations at the corporate headquarters or any of the sites, but instead occur as a result of our employees' travel in connection with their work. This category accounts for a relatively small portion of our Scope 3 emissions, at 2,637 tCO₂e or 0.8 percent (2022: 2,182 tCO₂e or 0.6%).

Interroll can reduce these emissions by continuing to use alternative technologies such as video conferencing and, in particular, by replacing gasoline and diesel cars with electric models. We have set specific targets in this area.

7. Employee commuting

This category comprises indirect greenhouse gas emissions generated by our employees' daily travel from their homes to their workplaces. These emissions arise from the energy consumed and the associated greenhouse gas emissions released during the commute, such as through the use of fuel if commuting by car or the energy used by public transportation. This category also accounts for a relatively small portion of our Scope 3 emissions, at 2,965 tCO₂e or 0.9 percent (2022: 2,973 tCO₂e or 0.8%).

8. Upstream leased assets

This category is largely irrelevant for Interroll, with emissions of 24 tCO₂e (2022: 24 tCO₂e). It is relevant if a company does not own tangible assets such as production plants and machinery, but leases it from third parties. This is very rarely the case at Interroll.

DOWNSTREAM EMISSIONS

GRI 305-3

These are emissions that occur in our value chain from the point at which the product leaves our company. These are generated through the use, consumption or disposal of Interroll's products or services by the customers or users of our solutions.

9. Downstream transportation and distribution

This category comprises indirect greenhouse gas emissions generated by transportation and distribution to customers or users paid for by third parties. This includes transportation by road, as well as by rail, water and air.

This category accounts for a relatively small portion of our Scope 3 emissions, at 3,451 tCO₂e or 1.1 percent (2022: 4,325 tCO₂e or 1.1%). We can reduce these emissions by supporting sustainable transport solutions, more efficient logistics routes, and environmentally friendly shipping methods.

10. Processing of sold products

This category comprises indirect greenhouse gas emissions generated by the processing of products after we have sold them. We conducted a de minimis assessment for this category because our solutions are primarily installed at users' sites by system integrators and we estimate that they do not release any significant emissions.

This assessment produced a total of 97 tCO₂e for Interroll products in 2022, meaning that emissions associated with processing of sold products therefore make up less than 1 percent of our total emissions, which meets the de minimis criterion for exclusion. Due to the 2022 assessment and the exclusion of the category, the corresponding data for 2023 was no longer collected.

11. Use of sold products

This category generates by far the largest share of our Scope 3 emissions. It comprises indirect greenhouse gas emissions from the use of our sold solutions by users. These emissions are generated by the energy that is consumed during operations throughout the product life cycle. This category accounts for the largest portion of our Scope 3 emissions, at 198,676 tCO₂e or 62.1 percent (2022: 260,746 tCO₂e or 66.4%).

Calculating the emissions in this category requires certain assumptions to be made. The products Interroll sells have differing energy intensities and sale volumes. They are distributed in more than 70 countries around the world with differing emission factors and are usually operated there. We categorized and applied these factors accordingly.

Gear motors have the highest energy consumption per product, whereas industrial drum motors and power supplies are the greatest sources of emissions, due to their large numbers combined with significant energy intensity.

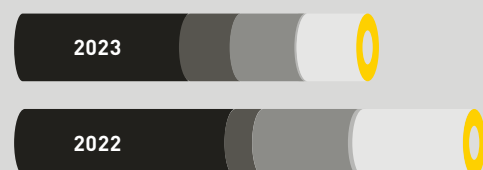
RollerDrives on the other hand, represent the highest number of electrified products sold, but consume very little energy in operation, and therefore make a small contribution to emissions.

GRI 305-3

Scope 3 emissions (tCO₂e) of products sold in 2023 / 2022 through use by the user over the entire service life

Type of product	Number of countries	Units of sold products	Average energy consumption (kWh/LT*)	2023	Number of countries	Units of sold products	Average energy consumption (kWh/LT*)	2022
				Total emissions (tCO ₂ e)				Total emissions (tCO ₂ e)
Drum motors	72	129,058	2,659	99,209	69	195,476	2,559	126,601
MultiControl	42	39,386	99	1,168	36	25,607	280	2,036
Power supplies	41	4,387	26,837	35,027	20	9,444	26,837	60,777
RollerDrive	47	440,392	273	34,409	72	618,820	40	50,894
Gear motors	n/a	5,476	17,991	28,863	n/a	6,120	13,110	20,438
Total				198,676				260,746

LT = lifetime

USE OF SOLD PRODUCTS**198,676 tCO₂e**2022: 260,746 tCO₂e

In tCO ₂ e	2023	2022
■ Drum motors	99,209	126,601
■ Gear motors	28,863	20,438
■ Power supplies	35,027	60,777
■ MultiControl	1,168	2,036
■ RollerDrive	34,409	50,894

The “use of sold products” category is a strategically important aspect of Scope 3 emissions, as the use of our products by users has a substantial impact on our total greenhouse gas emissions. We therefore focus on this significant leverage factor by considering energy efficiency right from the product development stage.

12. End-of-life treatment of sold products

This category comprises indirect greenhouse gas emissions generated by the disposal and treatment of products when they reach the end of their life. The disposal and recycling process creates emissions, such as from incineration of waste or dismantling and reuse of products. This category accounts for a relevant portion of our Scope 3 emissions, at 12,677 tCO₂e or 4.0 percent (2022: 18,623 tCO₂e or 4.7%).

13. Downstream leased assets

This category does not create any significant emissions, as these activities are minimal at Interroll.

14. Franchises

This category does not create any significant emissions, as franchising is irrelevant for Interroll.

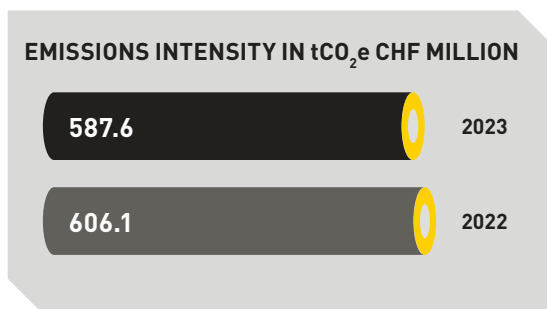
15. Investments

This category does not create any significant emissions, as investments in non-operating materials are insignificant at Interroll.

Emissions intensity

GRI 305-4

Total emissions in Scope 1, Scope 2 (market-based) and Scope 3 amounted to 326,909 tCO₂e in 2023 (2022: 402,704 tCO₂e), resulting in an emissions intensity per CHF 1 million of 587.6 tCO₂e per CHF million sales in 2023 (2022: 606.1 tCO₂e per CHF million sales). The contracts concluded in 2023 for the purchase of electricity from renewable sources have a positive impact here.



Reduction of greenhouse gas emissions

GRI 302-5
GRI 305-5

In 2022, a budget and resources were earmarked for fiscal year 2023 to reduce energy consumption and achieve the climate protection effects as described above. The implementation plans for emission reductions were refined in 2023.

Electric vehicles

GRI 305-5

These plans were used to develop a priority agenda, also including electric transport. A total of between 40 and 50 charging stations for electric vehicles will be installed at four sites in Germany in 2024, with other Interroll sites in countries such as Denmark, France, Switzerland and the UK also in the plans for 2024/2025. Charging stations are also due to be installed at our Thailand site in 2024.

We will be negotiating with our landlords on the installation of wallbox chargers at leased international sites. Expanding the charging infrastructure will enable us to plan the electrification of our own vehicle fleet as the next step.

ENVIRONMENTAL PROTECTION

How can Interroll contribute to a more sustainable future?

Through continuous development, Interroll offers innovative, high-quality solutions and supplies the market with sustainable products with an optimized service life. Globally distributed production sites with local sources of supply lead to lower CO₂ emissions throughout the supply chain to the customer. The drive for innovation also leads to modern and efficient machinery in Interroll's factories, which supports the continuous reduction of emissions and of resource waste.

And specifically your department/area of responsibility?

As plant manager, my employees and I make consistent use of lean management methods to reduce our environmental impact. By continuously analyzing our production and assembly processes, we are always on the lookout for more efficient ways and solutions to help us save resources and reduce the need for additional machinery. We monitor the market and evaluate new technologies to see whether they can help us achieve our goal of working in a cost- and resource-optimized way. Every single employee is encouraged to contribute their ideas to the optimization process and will receive an additional bonus for identifying any significant potential savings.

How is our company actively working to reduce its overall environmental impact across its operations?

In the 2023 fiscal year, we worked intensively on ways to reduce packaging waste for our customers; a solution has now been found and will be introduced in the next fiscal year, which will reduce the volume of packaging waste by 90%. Machine running times have been reduced by optimizing the programs and 16-year-old compressors have been replaced with more efficient models.

We offer our employees the opportunity to charge their e-bikes, which means that more employees cycle to work. During the next fiscal year, we are also planning to enable our employees to charge their electric cars.

Christopher Schafhausen, Plant Manager, Interroll Trommelmotoren GmbH

Our management approach to environmental protection helps work toward achieving the following United Nations Sustainable Development Goals (SDGs):



SDG 6.3: Improve water quality, wastewater treatment and safe reuse

Interroll contributes to the realization of SDG 6.3 by implementing innovative technologies for wastewater treatment as part a structured

environmental management program. Efficient treatment systems can improve effluent quality and reduce pollutants. Closed loop systems already help to reduce water consumption. We make sure that effluents are discharged into the intended infrastructure in line with statutory requirements, and that all sanitary facilities meet the local statutory requirements.

SDG 12.1: Implement the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns

SDG 12.2: Sustainable management and efficient use of natural resources

SDG 12.4: Responsible management of chemicals and waste

SDG 12.5: Substantially reduce waste generation

We contribute to the achievement of SDG 12 by integrating sustainable practices with respect to the use of natural resources and the avoidance of waste in our production processes. This includes introducing an ISO 14001-compliant environmental management system in our production units and providing an environmental footprint for every new product we develop. We collect our share of reusable scrap material and add this to the closed loop systems.

We are reducing the additional waste created, in particular hazardous waste, and dispose of it responsibly – in accordance with local requirements.

SDG 14.1: Reduce marine pollution

Installing closed-loop wastewater treatment systems, where possible and relevant, minimizes the amount of pollutants released into rivers and oceans. Using recognized and efficient waste management systems reduces the release of plastics and other harmful materials into the sea. Employing more environmentally friendly packaging and supporting recycling initiatives also helps to reduce plastic waste.

CONTEXT

GRI 3-3

Environmental protection is one of the core societal concerns of our time, as the demands of a growing global population for quality of life and living space overwhelm the earth's natural resources and ecosystems. The material topic "Environmental protection" includes the key aspects "use of materials, water consumption and waste," which have a relevant environmental impact. We have included water consumption issues based on external advice. Supply chain aspects are addressed under the material topic "Sustainable procurement."

At Interroll, our aim is to supply customers and users with products that are developed, manufactured and used with a focus on environmental protection. We are well aware of our responsibility within the supply chain when selecting materials. Despite the challenges on the intralogistics market, in 2023, Interroll processed 40,371 t of steel (2022: 53,589 t), 1,323 t of other alloys (2022: 1,752 t), 3,304 t of polymers (2022: 4,294 t) and 603 t of electrical/electronic components, such as motors, control units and printed circuit boards (2022: 928 t).

MATERIALS USED IN METRIC TONS

STEEL

40,371

2023

53,589

2022

POLYMERS

3,304

2023

4,294

2022

Avoiding waste is another significant factor that affects production waste within our sphere of influence, the period of use of our products in customer applications and finally the end of product life. Interroll creates approximately 3,820 t of production waste per year across the Group (2022: 4,377 t), primarily waste metal, plastic and wood – the latter mainly from shipping our products. The recycling rate for metals at the end of a plant's life is high and cannot be compared with the recycling rates given in household waste statistics. Scrap metal and plastic generated in manufacturing is generally sold and sent for recycling. Interroll has little information on users' end-of-life scenarios, as our customers – the system integrators – have a direct contractual relationship with the plant operators.

The design of our products greatly influences our environmental performance and the corresponding impact. Product quality, durability and the ability to exchange components flexibly are designed to result in a high level of resource efficiency in the materials used. The modular nature of our solutions means we can replace and repair individual components. This is something we consider right from the product development stage.

We do what we can to reduce the negative environmental impact of our products by sourcing components responsibly, by considering ways to leverage the circular economy and by implementing resource-efficient manufacturing processes. Another increasingly relevant environmental aspect of our systems is to keep their operation as quiet as possible. It is not uncommon for our plant operators' sites to be subject to noise restrictions, and we factor in appropriate solutions to address this as early as the product development phase.

CONCEPT AND GOALS

GRI 3-3
GRI 2-25

We have committed us in our environmental protection policy to using natural resources and the biosphere responsibly. Our long-term strategic goals are based on preventing – or at least reducing – adverse environmental impacts along the entire Interroll value chain.

964 CO

Environmental protection is one of the core social concerns and corporate obligations of our time. At Interroll, our aim is to supply customers and users with products that are developed and manufactured and can be used, with a focus on all relevant aspects of environmental protection.

We want to improve the environmental footprint along our entire value chain, which we are doing by implementing an ISO 14001-certified environmental management system at all production units by 2027. We are also basing the design of our products on resource effi-

ciency and ensuring the procurement and use of materials and components are environmentally responsible. We protect the environment by reducing scrap and waste in production. We are continuously reducing the amount of scrap in steel and plastic processing, and have set the target of cutting production-related residual waste by 50% per share of sales by 2030 (from base year 2022). We are also increasing our use of recycled and renewable production materials by 1.5% per year.

Focusing on the circular economy is also of paramount importance to us. We are transparent about the environmental impacts of our products by preparing life cycle assessments (LCAs). Our goal is to present an environmental footprint for every new product we develop from 2028 onward.

The packaging of our products is another environmentally relevant factor. We are constantly working on optimizing packaging and reducing its environmental impact. Our goal is to fully replace plastic packaging with environmentally friendly alternatives by 2030. We also plan to optimize all packaging in terms of volume, materials and transport efficiency, including wood, paper and cardboard.

We avoid the adverse environmental impacts of water consumption and wastewater disposal, and are therefore seeking to reduce water intensity per share of sales.

As a market leader, we not only assume responsibility for our products and services, but also seek to contribute to societal well-being, both globally and locally.

Qualitative and quantitative goals and deadlines for their achievement have been defined for the entire Interroll Group. We will be developing specific implementation plans for each Interroll site to achieve the goals based on their individual situation.

Governance and compliance

GRI 2-9

The Board of Directors and Group Management are also responsible for considering and implementing the requirements of environmental protection in the overall corporate strategy. They ensure that the responsibilities for setting goals, delivering resources, taking action and conducting reviews are clearly defined. The Board of Directors receives regular information on the "Environmental protection" topic and an assessment of the associated risks from Group Management. The Board of Directors thereby ensures that it possesses the requisite knowledge to evaluate these aspects. The CEO oversees environmental protection within Interroll's organizational structure.

Environmental risks are assessed as part of the annual risk inventory and, together with the associated reporting, they lie within the CFO's area of responsibility. The Board of Directors submits environmental reports in accordance with Article 964b CO to the annual general meeting for approval (see page 132).

Adherence to this policy and local statutory obligations relating to environmental protection is regularly reviewed by Group Management and Corporate Compliance.

The responsible parties for operational implementation and performance are: the Chief Operations Officer (COO) for action concerning production sites and the upstream supply chain, and the Chief Technology Officer (CTO) for product development (product innovation and environmental aspects of products)

964 CO	Targets	KPIs	Unit	2023	2022	Date
	An environmental LCA is available for every new product development	Number of LCAs	Number	0	0	2028
	Reduction of scrap in our production processes	Percentage of scrap in processed steel	%	6.8	5.9	Continuously
		Percentage of scrap in processed plastics	%	2.5	2.3	Continuously
GRI 301-2	Increase the use of recycled and renewable production materials by 1.5% per year	Percentage of recycled materials (currently measurable: plastics)	%	0.5	0.5	Continuously
	Complete replacement of plastic packaging material with environmentally friendly alternatives	Packaging material (plastics) intensity	t / CHF million sales	0.2	0.1	2030
	All packaging is optimized in terms of volume, materials and transport efficiency	Packaging material (wood, paper, cardboard) intensity	t / CHF million sales	13.7	14.6	2030
	Reduction of production-related waste volumes by 50% based on revenue (base year 2022)	Production-related waste intensity	t / CHF million sales	6.9	6.5	2030
	Elimination of all hazardous waste	Volume of hazardous waste	t	59	70	2030
	Reduction in water intensity per share of sales	Water intensity	m³ / CHF million sales	62.2	52.3	Continuously
	All manufacturing units are ISO 14001 certified	Number of manufacturing units that are ISO 14001 certified	Number	1	0	2027
	Donations to environmental protection projects	Total of donations to environmental protection projects	CHF	n/a	n/a	Annually

OPPORTUNITIES AND RISKS OF ENVIRONMENTAL PROTECTION

GRI 3-3
GRI 2-25

The environmental risk analysis is an important component of the statutory reporting requirements to be met by Interroll Holding AG – not only in Switzerland.

964 CO

The focus is on environmental protection, while also addressing human rights, labor and social standards and the fight against corruption.

The risk analysis helps us to identify and evaluate the potential impact that often relates to multiple sustainability areas. The identified risks can be categorized as follows based on the three defined risk classes:

ESG risk category “high”

- Loss of customers and market share: new product development does not adequately address environmental aspects

ESG risk category “medium”

- Reputational risk: failure to live up to voluntary commitment to societal responsibility
- Loss of customers: failure to achieve the expected reduction in the environmental footprint for the user
- Investors: loss of leadership role in innovation and technology
- Supply chain and production risk: loss of suppliers due to non-compliance with environmental requirements
- Investors: deterioration of Interroll’s environment rating
- Rating: inadequate recording of water consumption and waste management
- Failure to achieve environmental targets

ESG risk category “low”

- Legal compliance: non-compliance with REACH requirements
- Reputational risk: failure to achieve planned increase in resource efficiency

We present the specific measures taken to manage environmental protection in the following.

STATUS, MEASURES, RESULTS

Use of materials

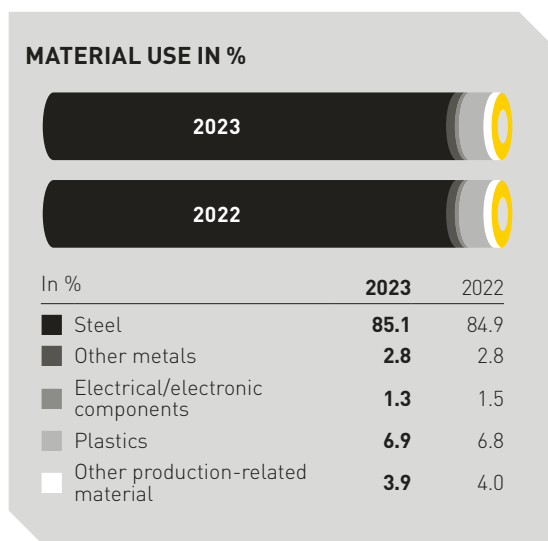
GRI 301-1

964 CO

With 47,451 t of materials processed in the period under review (2022: 63,125 t), our use of natural resources in production is a material aspect of sustainable corporate development. Steel, polymers, other alloys and electronic components top the list of materials used. These all involve energy-intensive raw material extraction and processing, and as such a substantial proportion of the environmental impact can be attributed to their carbon footprint in the supply chain. We have the latest emissions data in this area for 2022 (base year) and 2023, which is presented in detail in the section on the “Climate protection” material topic.

Use of materials	Unit	2023	2022
Steel	metric tons	40,371	53,589
Other alloys	metric tons	1,323	1,752
Polymers	metric tons	3,304	4,294
Electrical/electronic components	metric tons	603	928
Other production-related materials	metric tons	1,834	2,539
Recycled polymers	metric tons	17	22
Total	metric tons	47,451	63,125
Packaging			
Plastic packaging	metric tons	86 t	96 t
Wood packaging	metric tons	7,005 t	8,935 t
Cardboard packaging	metric tons	624 t	796 t
Administration			
Paper/cardboard	metric tons	37 t	48 t

Interroll complies with all statutory and regulatory environmental requirements. All of the materials used comply with the requirements of the EU Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH).



GRI 301-2

The use of recycled materials is also gaining in significance as efforts continue to achieve a circular economy. Past pilot projects have not yet produced the desired quality of recycle admixture needed for our products to be used in the long term. The proportion of recycled material in plastics is therefore still low. We have to weigh up the use of recycle and the potential increase in expense due to shorter replacement cycles against the impact on the environment. However, this may not adversely impact customer satisfaction.

Packaging and packaging materials

Our goal is to reduce the amount of plastic packaging. We already record the volume of all packaging materials, and can report that Interroll used 7,005 t of wood packaging in 2023 (2022: 8,935 t), which corresponds to a wood packaging intensity in relation to sales of 12.6 t per CHF million sales (2022: 13.4 t per CHF million sales). The equivalent for paper and cardboard packaging was 624 t in relation to sales of 1.1 t per CHF million sales (2022: 1.2 t per CHF million of sales). The share of plastic packaging currently stands at 0.15 t per CHF million sales (2022: 0.14 t per CHF million of sales), and we want to reduce that figure by 10% per year.

We started optimizing packaging at the Hückelhoven-Baal site in Germany in 2023, where the industrial drum motors they manufacture had previously been secured in wooden shipping crates with a two-component foam system. This foam is made of diisocyanates and is considered a hazardous substance and a potential carcinogen in its non-combined form. After the two components are mixed, the foam is no longer considered harmful. We will be gradually transitioning the packaging from February 2024 onward, and will therefore largely be able to dispense with the foam. From that point on, the industrial drum motors will be switched over step by step to a recycled cardboard framework, secured with shrink wrap containing 80 percent recycled materials, and shipped in wooden crates. This will save some 18 t of plastic foam.

Packaging material	Unit	2023	2022
Corrugated cardboard boxes	metric tons	199	254
Paper packaging	metric tons	425	543
Pallets/wooden crates	metric tons	481	613
Wood packaging	metric tons	6,524	8,322
Plastic packaging	metric tons	86	96
All packaging material	trees	14,862	18,932

The wood used for packaging purposes in the form of pallets, crates, boxes and packing cases, along with paper and cardboard, was equivalent to 14,862 trees in 2023 (2022: 18,932), based on trees 10 m high with a 30 cm diameter.

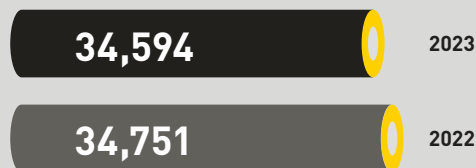
Water and effluents

GRI 303-5

Our water consumption of around 34,594 m³ (2022: 34,751 m³) and low environmental impact in terms of effluents are not a significant consideration in the environmental context, in our view. We use water from the public supply networks without accessing our own wells. At Interroll, water is essentially used in the sanitary facilities and kitchens for our employees. Moreover, we use water in the production area only in closed cycles with secured disposal paths.

We are unable to provide much information regarding the volume of effluents, also relating to rainwater at our production and administration sites, as we do not have access to the relevant data. The effluent produced is treated in line with local regulations. The effort required to determine the solid content of effluent seems excessively high.

WATER CONSUMPTION IN M³



Waste generation and its impact

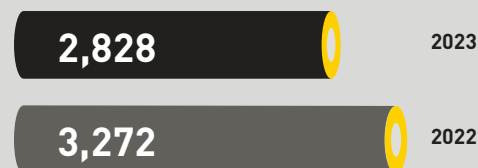
GRI 306-1
GRI 306-2
GRI 306-3
GRI 306-4
GRI 306-5

A total of 3,820 t of production waste was created throughout the Group in the period under review (2022: 4,337 t). Significant quantities of this consisted of scrap metal, at 2,828 t (2022: 3,272 t), primarily comprising metal offcuts, plastics from injection molding at 117 t (2022: 138 t), other waste at 817 t (2022: 896 t) and hazardous waste at 59 t (2022: 70 t). Since structured waste management is still under development, no valid data can yet be disclosed in relation to the waste mix on site. The recyclables are generally sold or transferred to a specialist waste handler, and thus the materials are reused.

By converting the packaging in Hückelhoven-Baal and replacing the two-component foam, we will avoid around 18 metric tons of plastic waste for our customers in future.

Waste disposal is the responsibility of the individual sites in compliance with local laws. We are not aware of any violations. The volume of Group-wide non-harmful waste in 2023 was 817 t (2022: 896 t), and hazardous waste was 59 t (2022: 70 t), largely comprising motor oils, lubricants, batteries and waste materials from an in-house powder coating system, which were properly disposed of.

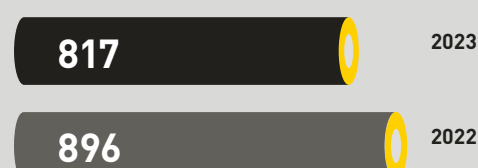
STEEL SCRAP IN METRIC TONS



PLASTIC SCRAP IN METRIC TONS



WASTE IN METRIC TONS



HAZARDOUS WASTE IN METRIC TONS



Sealed surfaces

Interroll companies are located at 30 sites around the world, including production plants, both owned and rented, and rented office space.

In 2023, the total sealed surface area of these Interroll sites (production/administration buildings, parking lots, access roads, in-plant roads and rented offices) was approximately 40 hectares or 56 soccer fields.

SOCIAL – SOCIETY

STAKEHOLDER ENGAGEMENT	84
SUSTAINABLE PROCUREMENT	96
PRODUCT AND SERVICE RESPONSIBILITY	106

MAKING A
CONTRIBUTION
TO SOCIETY

UN GLOBAL COMPACT IN CONTEXT

HUMAN RIGHTS, ANTI-CORRUPTION AND LABOR STANDARDS		
Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights.	Principle 4 The elimination of all forms of forced and compulsory labor.	Principle 5 The effective abolition of child labor.

GRI 2-23

As a signatory to the UN Global Compact, we are committed to complying with its principles and promoting sustainable development in our own country and worldwide. The management approaches to the material topics in the “Social – Society” material area are related to UNGC Principles 1, 4, and 5 concerning human rights and the prevention of child and forced labor.

Our commitment

Interroll respects human rights and does not tolerate any form of discrimination, harassment or unfair treatment on the basis of gender, race, disability, ethnic or cultural background, religion, ideology, age or sexual orientation. This also applies to our supply chain. We have a strict zero-tolerance policy with regard to child and forced labor.

Through the Interroll Code of Conduct, we and our employees commit to respecting human rights and the applicable laws, to not participating in human rights violations and to actively promoting awareness of human rights issues.

With our Supplier Code of Conduct, we have extended this approach to our supply chain. Interroll’s good reputation and the trust of customers, suppliers, business partners, shareholders and the public in the company depend greatly on the responsible conduct of all employees.

Measures in 2023 and measuring the results

In accordance with GRI Standards 2021, the management approaches, including the measures taken and their results, are presented in detail in this section for each material topic.

SDGs IN CONTEXT

Our management approach in the “Social – Society” material area helps us work toward achieving the following United Nations Sustainable Development Goals (SDGs):

NO POVERTY



We ensure both a decent living for our employees and fair wages in our supply chain through our business dealings. Interroll is part of a value chain that helps the many communities we operate in throughout the world to prosper.

GOOD HEALTH AND DECENT WORK



In our Supplier Code of Conduct, we set binding standards for decent working conditions which reflect our own practices and international conventions. Our safe products boost occupational health and safety for our customers and plant operators. We believe in the fair treatment of all and in the importance of reducing social inequalities and therefore ensure that all our employees have equal access to our training and education programs and are paid fairly.

INDUSTRY, INNOVATION AND INFRASTRUCTURE



A functioning infrastructure is the basis for ensuring healthy lives and a productive economy and industry. Infrastructure is not just about roads, bridges, railway lines, the internet, electricity, water and public transportation. To a similar extent, companies depend on a functioning internal infrastructure (intralogistics), which is Interroll's core business. Whether in distribution centers, the supply of medicines or the provision of healthy foodstuffs – Interroll contributes to ensuring the functioning of complex supply chains worldwide.

RESPONSIBLE CONSUMPTION AND PRODUCTION



Interroll ensures that the interests of many different groups are considered in its decision-making. Participation mechanisms such as stakeholder consultation and employee surveys and the outcomes of external ratings foster the quality of our decisions. At Interroll, taking a responsible approach to intralogistics products is a key issue and the foundation for our market success. The use of base products that have been sourced responsibly and efficiently is critical to meeting our customers' high-quality requirements and reduces their environmental footprint in both purchasing and efficient operation.

CLIMATE ACTION



Interroll is gaining insights into how it can achieve carbon neutrality in its own production operations. This includes optimizing supply chains to ensure that environmental factors are considered when we select our suppliers. We also take these factors into account when procuring materials and energy in order to keep the environmental burden of our solutions as small as possible for our customers.

LIFE BELOW WATER AND LIFE ON LAND



Healthy living and sustainable development depend on intact ecosystems. The consequences of destroying marine and terrestrial ecosystems are severe. At Interroll, we are committed to protecting, conserving and restoring biodiversity through efforts to conserve natural resources, increase material efficiency and reduce waste in the supply chain.

PEACE, JUSTICE AND STRONG INSTITUTIONS



In light of our international operations, we as a Group and our companies in different countries are involved in many bodies and initiatives promoting fairness, the balance of interests and international understanding between different people.

STAKEHOLDER ENGAGEMENT

How does Interroll contribute to a more sustainable future?

Interroll contributes to a more sustainable future by enabling its customers to operate more efficiently, for example by reducing energy consumption, and more safely with its advanced solutions.

And specifically, your department/area of responsibility?

We engage with all our stakeholders to ensure we are fully aware of sustainability risks, opportunities, and responsibilities. We are also part of the conversation on these key issues and communicate how Interroll strives to operate more sustainably. Interroll's Communication Department integrates all the aspects relating to sustainability into our messaging where appropriate. We make every effort to raise awareness and incorporate a commitment to sustainability into our internal and external messaging to increase awareness on all levels.

In what ways does our organization involve and respond to the needs and expectations of our diverse stakeholders, ensuring meaningful engagement?

We make every effort to actively engage with all our diverse stakeholders on a regular basis in a number of settings and media. We constantly review the results and feedback from these activities and use this valuable information in our work to develop our offering and ourselves as an organization. We still have a long way to go, but with the resources we have, we are making progress and seeking new ways to communicate our commitment to sustainability and improve our sustainability approach.

Julia Weinhart, Head of Communication & Investor Relations

Our management approach to stakeholder engagement helps us work toward achieving the following United Nations Sustainable Development Goals (SDGs):



SDG 12.6: Encourage companies to adopt sustainable practices and integrate sustainability information into their reporting cycle

SDG 16.7: Ensure responsive, inclusive and representative decision-making

Interroll contributes to achieving the aforementioned SDGs by promoting transparent and inclusive decision-making processes. At the same time, we ensure that the interests of many different groups are considered in our decision-making process in order to take account of diverse perspectives. Participation mechanisms such as stakeholder consultation and employee surveys foster the quality of our decisions. We regularly analyze the results of external ratings. It is important to review and adapt these processes to facilitate continuous improvement.

CONTEXT

GRI 3-3
GRI 2-29

Interroll is passionate about its customers, always placing them at the heart of what it does. Active dialog and optimization of the customer experience are key success factors. However, it is only possible to achieve sustainable growth through continuous performance improvement and the development of products and services that deliver long-term value if we also consider the interests of other stakeholder groups such as investors, lenders and suppliers in our decision-making.

That is why managing our stakeholder engagement is a key activity that enables us to be aware of the interests and expectations of our stakeholder groups in respect of economic and ESG-related aspects and to prepare the necessary information to address each group specifically.

CONCEPT AND GOALS

GRI 3-3
GRI 2-25
GRI 2-29

Our goal is to systematically grow our international leadership position as a sustainable provider of material-handling solutions by applying integrated product and service concepts. That is why Interroll maintains a consistent customer focus. We seek to identify the most relevant customer experience factors and evolve these in the interests of our customers. This is the core mission of our “ONE Interroll” initiative.

964 CO

In our view, long-term success means ensuring structured and continuous stakeholder engagement in order to understand and manage our ESG impacts on stakeholders and their respective requirements. Each year, we analyze which stakeholder groups are relevant to our company and continue to evolve our ESG strategy in light of our engagement and dialog with selected stakeholders.

It is important for us to achieve transparency in respect of ESG aspects, which is why we aim to always satisfy our stakeholders' expectations in the external ratings produced by selected providers.

Our goal is to minimize ESG risks to our investors. We therefore produce an annual non-financial report that provides the necessary transparency and are open to assessment by selected rating service providers. We aim to achieve a Sustainability risk score lower than 10 by 2030. Relevant information about our own ESG performance and the risks in our supply chain are also provided in our sustainability reports and the EcoVadis evaluations.

Sustainable growth at Interroll benefits from our holistic understanding of developments in our sector. That is why we feel it is important to maintain an open dialog with our competitors and participate in initiatives and industry organizations as part of our stakeholder engagement. Lastly, we support our local communities with sponsorship and donations to non-profits, usually relating to environmental activities or for social purposes.

Governance and compliance

GRI 2-9

The Board of Directors and Group Management are responsible for considering and implementing the requirements of stakeholder engagement in the overall corporate strategy. They ensure that the responsibilities for setting goals, delivering resources, taking action and conducting reviews are clearly defined. The Board of Directors receives regular information on stakeholder engagement and the assessment of the associated risks from Group Management, thereby ensuring that it possesses the requisite knowledge to evaluate these aspects. The CEO holds overall responsibility for stakeholder engagement within Interroll's organization.

Stakeholder-related risks are assessed as part of the annual ESG risk inventory, and together with the associated reporting they lie within the area of responsibility of the Chief Financial Officer (CFO). The Board of Directors submits these reports in accordance with Article 964b CO to the annual general meeting for approval (see page 132).

The responsible parties for operational implementation and performance are: the Chief Sales Officer (CSO) in respect of customer groups and the Chief Financial Officer (CFO) in respect of investors and lenders.

The operational implementation and provision of services are delegated to the Head of Communication & Investor Relations, the Director Customer Experience and the Director Corporate Sustainability & Compliance.

Adherence to this policy and local statutory obligations is reviewed annually by Corporate Compliance on behalf of Group Management.

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Targets	KPIs	Unit	2023	2022	Date
100% of highest-ranked Customer Experience (CX) initiatives defined and implemented	Share of highest-ranked Customer Experience (CX) initiatives defined	%	30	n/a	Continuously
	Share of highest-ranked Customer Experience (CX) initiatives implemented.	%	10	n/a	Continuously
Structured stakeholder analysis	Structured stakeholder analysis established	Yes / No	Yes	Yes	Annually
All dialogs performed with the selected stakeholder groups	Percentage of selected stakeholder groups with dialogs performed	%	100	100	Continuously
Sustainalytics Rating Risk Score below 10	Sustainalytics Rating Risk Score	Score	21.5	32.6	2030
MSCI AAA-Rating	MSCI Rating	Rating	A	A	2030
Inrate zRating above 90 points	Inrate zRating	Score	69	62	2030
Improvement of EcoVadis assessment results	EcoVadis Group assessment results	Rating	65	29	Annually
	EcoVadis Entity assessment Platin	Quantity	3	0	Annually
	EcoVadis Entity assessment Gold	Quantity	10	0	Annually
	EcoVadis Entity assessment Silver	Quantity	4	4	Annually
	EcoVadis Entity assessment Bronze	Quantity	1	6	Annually
Active participation in industry associations	Number of participations in industry associations and initiatives	Quantity	74	45	Continuously
Sponsorships and donations to non-profit organizations	Total of sponsorships and donations to non-profit organizations	CHF	120,856	104,246	Annually

OPPORTUNITIES AND RISKS OF STAKEHOLDER ENGAGEMENT

GRI 3-3
GRI 2-25

964 CO

The stakeholder engagement risk analysis is an important component of the statutory reporting requirements that must be met by Interroll Holding AG – not only in Switzerland. Here, too, the holistic focus is on respect for human rights, labor and social standards, environmental and climate matters and fighting corruption.

The risk analysis helps us to identify and evaluate the potential impact. The identified risks can be categorized as follows based on the three defined risk classes:

ESG risk category “high”

- Failure to recognize or observe market trends

ESG risk category “medium”

- Reduced customer satisfaction due to lack of engagement
- Loss of confidence of individual investors as a result of below-average ratings due to poor ESG performance
- Failure to recognize or correctly assess the impact on individual stakeholders or stakeholder groups

ESG risk category “low”

- Deterioration of ESG ratings from rating agencies
- Loss of reputation due to negative media reporting
- Greenwashing allegation arising from corporate communications activities
- Loss of acceptance or image among customers and users due to unexpectedly high end-of-life disposal costs

We present the specific measures taken to manage our product and service responsibility in the following.

STATUS, MEASURES, RESULTS

GRI 2-29

964 CO

In the context of the “ONE Interroll” transformation project, we are concentrating Group-wide on developing the customer focus of our structure and strategy. The aim is to reduce our complexity, increase transparency and further specify responsibilities across the Group. In defined, interdisciplinary and international working groups called Focus Teams, we are addressing various priority issues. To ensure the project’s successful management, one Group Management member has been assigned to each team as a sponsor. The entire Group Management team serves as a steering committee that is very involved in decision-making and implementation. It was equally important for all Focus Teams to identify the relevant stakeholders and their expectations and requirements of Interroll. In this way, “ONE Interroll” is contributing significantly to our stakeholder engagement.

One of these “ONE Interroll” Focus Teams is working to drive the company’s customer-focused digitalization at Group level. Since January 2023, the newly created Customer Experience (CX) department – which reports directly to the CEO – has been working with an interdisciplinary and international team to ensure that our customers’ journeys are efficient and focused on their needs. The Focus Team will now put these customer journeys at the heart of our digitalization initiative in order to digitalize and optimize those processes that are responsible for our customers’ pain points during their different journeys. The goal is to work quickly and pragmatically because customer requirements relating to material handling and process automation change rapidly. Our mission of actively shaping this transformation is the key to successfully implementing our strategy and delivering on our customer promise of “Quality, Speed, Simplicity.” In terms of stakeholder engagement, the task is to optimize customer dialog and satisfaction.

“Passionate about customers” is one of Interroll’s values that lies at the heart of everything we do. This is evidenced by the activities of our Customer Experience department. The global team is supported by 42 CX Facilitators, one for each Interroll site and Corporate Function. Their task is to liaise between the global CX Team, the sites and customers, actively requesting feedback from customers for use within the Interroll organization and by the CX network.

In 2023, the CX Facilitators began collecting relevant customer feedback and analyzing this together with the CX department. As a result, they have identified a total of 70 issues requiring action. A structured process was applied to these 70 issues and other customer feedback to identify the five main areas for improvement that reflect our customer pain points.

These are:

- Efficient layout and preparation of offers for projects
- Online purchasing of Interroll products
- Rapid delivery of Interroll replacement parts
- Smooth handling of customer complaints
- Order tracking for customer projects

As an aspect of the work by our “ONE Interroll” Focus Team on customer-focused digitalization, these five topics – together with the development of an enterprise architecture and master data governance – will be optimized and implemented as core topics.

Rolling On Interroll (ROI)

GRI 2-29

For many years, Interroll has been building a global network of local material transport and process automation experts known as the ROI Community. In this context, the ROI quality label serves as a recognized market standard. Each partner that uses this logo has gone through a clearly defined selection process based on specific criteria. Qualification as an ROI Partner requires expertise in Interroll technologies and products, proven installation success and the completion of product training.

These carefully defined criteria ensure that ROI Partners are seen as specialists who stand for consistency worldwide. The network currently consists of more than 130 ROI Partners in over 45 countries, who deploy their experience in more than 35 sectors. All ROI Partners have completed training on specific Interroll product technologies and the average length of their partnership with Interroll is more than eight years.

ROI Partners generate added value and benefits for end users on the basis of long-standing partnerships built on trust. The unique combination of Interroll's high-quality product platform and experienced local partners facilitates the seamless and expert integration of technologies into end users' processes. This results in a longer service life, enhanced safety and greater customer satisfaction and ensures consistently high service worldwide.

In addition to the added value and benefits for end users, Interroll also profits from the ROI Partner network. As the voice of the customer, this dialog provides us with key insights and specific feedback that we then integrate into developing our products, solutions and services. One example of this is the participation of the ROI Advisory Board – made up of representatives from all regions – in our Interroll Summer Summit 2023 at which these selected customers were able to discuss key issues with our Group Management and the senior executives of the Interroll Group worldwide.

EcoVadis ESG ratings

GRI 2-29

964 CO

As well as enhancing our own service offering to customers, the transparency of our ESG performance and the impact of our business activities is increasingly important as a decision-making criterion for stakeholders that are not customers. Investors too are basing their investment decisions increasingly on sound ESG management by the company. We use EcoVadis to provide us with an overview of our risk profile in the supply chain (see "Sustainable Procurement" starting on page 96) and, in 2023, we commissioned an assessment of our own services as part of an end-to-end customer supply chain. The results are described below.

With our products and services, we are part of a complex value chain alongside our customers, employees and suppliers. In order to minimize the risks to our company's success from these key stakeholders and make our own ESG contributions as transparent as possible, we engaged our partner EcoVadis to conduct extensive assessments of 16 production sites and two assembly sites in 2023.

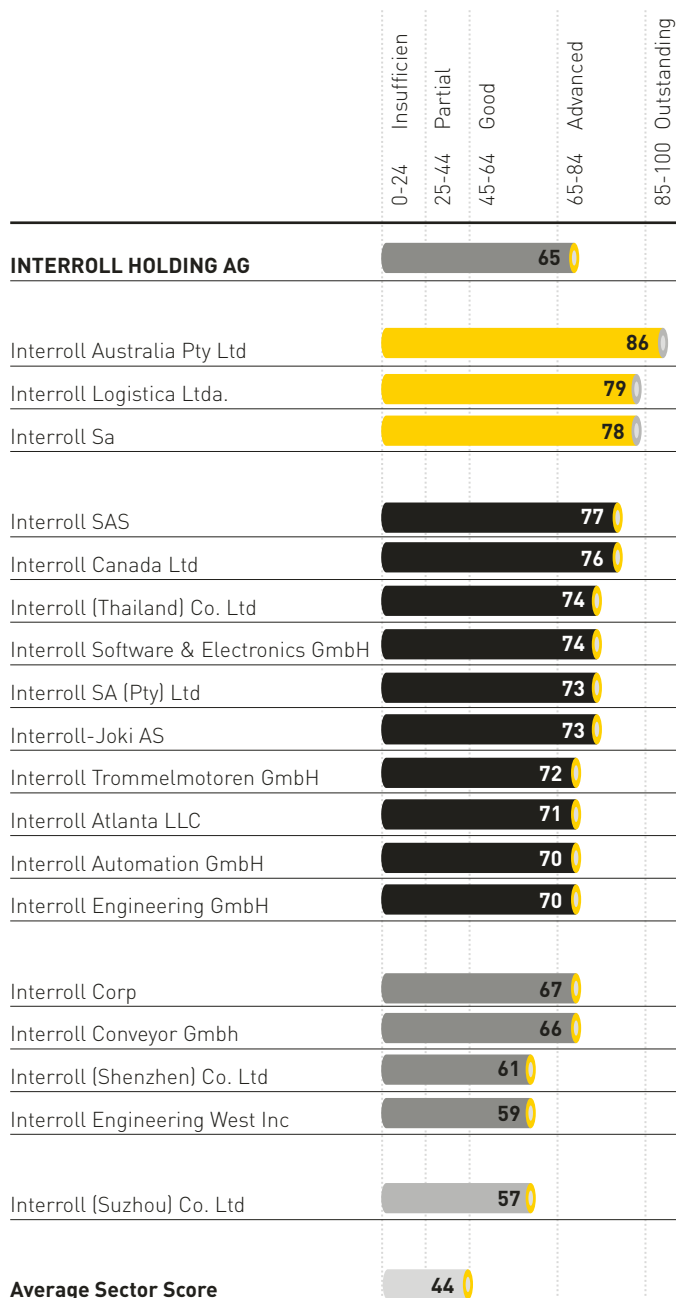
EcoVadis has developed a method that assesses the company's policies, measures and results as well as its reporting in respect of 21 criteria relating to the environment, labor standards, human rights, business ethics and sustainable procurement. These 21 criteria are based on international sustainability standards such as the UN Global Compact Principles, International Labor Organization (ILO) conventions and Global Reporting Initiative (GRI) standards.

The policies account for 25 percent of the assessment and cover mission statements, strategies, targets and management approaches. Also included in the assessment is support for external sustainability initiatives such as UNGC. Measures account for 40 percent of the assessment and include those measures and activities (e.g., processes, training and equipment) that have already been implemented, certifications and quality labels (e.g., ISO 14001) and their reach within the company. The third aspect – accounting for 35 percent of the assessment – consists of the results achieved. The reporting of key performance indicators (KPIs) as well as convictions, controversies and awards play a role here.

A specific strength and weakness profile has been prepared for each of the 16 production sites and two assembly sites, providing our customers with important information about their procurement risks but also helping our sites to leverage their specific improvement potential and define focused measures. Those customers who are linked with us in the EcoVadis portal can view these improvement measures directly and can prioritize them.



OVERALL ECOVADIS ASSESSMENT RESULT



ECOVADIS SCORE

Platin



Gold



Silver



Bronze



Average
Sector
Score

EcoVadis assessment

GRI 2-29

964 CO

The 2023 assessments enabled us to make significant progress at our 16 production sites and two assembly sites compared with 2022. An impressive team effort at the sites resulted in three platinum, ten gold, four silver medals and one bronze medal. The Interroll sites in Switzerland, Brazil and Australia were awarded EcoVadis platinum medals for 2023 for their impressive overall performance across all four assessment criteria. The three sites thus rank among the top one percent of all companies in our sector that have been assessed by EcoVadis worldwide.

The extraordinary number of gold and silver medals awarded to 14 sites is proof that, despite its ambitious ESG development roadmap, Interroll can already demonstrate a certain level of ESG performance across the entire organization. These awards spur us to take further successful steps.

However, it is not just the overall results that are remarkable. It is gratifying to see that none of our local companies was rated lower than “good” in any of the four assessment categories.

“Environment” category

In the “Environment” category, we scored an excellent 80 points at three sites in Australia, Switzerland and Austria. At the lower end of the scale, another three sites received 50 points, which still resulted in a rating of “good.”

Across all sites, strengths were identified in respect of defined and measurable environmental targets in the areas of energy efficiency, greenhouse gas emissions, materials, chemicals and waste. Potential for improvement was identified in the lack of a comprehensive certified environmental management system and of detailed information in the policies relating to water, the use of products and the end of life of products.

“Labor and Human Rights” category

In the “Labor and Human Rights” category, we achieved an outstanding 90 points at three sites in Australia, Canada and France. We scored 80 points at five sites; two sites achieved 60 points, which is still above average for the industry sector.

Across all sites, strengths were identified in respect of defined and measurable labor and human rights targets including policies and targets relating to diversity, integration, equal opportunities and integration in the workplace, employee health and safety, human rights policy and a zero-tolerance policy with regard to child and forced labor and human trafficking. Positive mention was also made of policies relating to career man-

agement and employee development. The Interroll Code of Conduct was given particularly positive mention. Potential for improvement was identified in the lack of a comprehensive certified occupational safety management system (ISO 45001), which to date has only been implemented at the Interroll SA production site in Switzerland. Since it is a sales company, the Interroll site in Spain was not reviewed by EcoVadis and the ISO 45001 management system in place there was not included in the EcoVadis assessment.

“Ethics” category

In the “Ethics” category, we achieved an outstanding 90 points at two sites in Australia and Brazil. We scored 80 points at six sites; two sites achieved 60 points, which is still above average for the industry sector.

Across all sites, strengths were identified in respect of policies with defined and measurable targets as well as measures that have been implemented and are the subject of transparent reporting. For example, our position on ethical business practices and the clear governance structure in existing policies were given positive mention. Among the strengths are the prevention of corruption, principles relating to conflicts of interest, disciplinary sanctions for policy violations and the information security policy.

The measures highlighted included our membership of the United Nations Global Compact (UNGC), the whistleblower procedure for stakeholders and the corruption risk assessments conducted at the sites.

“Sustainable Procurement” category

In the “Sustainable Procurement” category, we achieved an excellent 80 points at three sites in Brazil, Denmark and France.

Across all sites, strengths were identified in respect of the defined and measurable targets contained in a sustainable procurement policy. The assessment was influenced positively by the fact that a code of conduct for suppliers was in place with defined expectations for environmental and social practices. Aspects included diversity, integration and human rights, especially relating to child labor. Potential for improvement was identified in the consistent and regular monitoring – including structured audits – of suppliers at their own sites.

Interroll Holding AG “Advanced”

964 CO

In 2023, the Interroll Group scored 65 points to earn a silver medal for sustainability, with its overall performance classified in the “Advanced” category. This already represented a significant improvement over the 2022 assessment. In order to receive a silver medal in 2023, companies were required to score a total of 59 to 70 points. Our overall performance was thus substantially higher than the industry average of 44 points in 2023.

In the “Environment” category, our score of 50 points was slightly above the sector average, whereas scores of 70 to 100 points in the “Labor and Human Rights”, “Ethics” and “Sustainable Procurement” categories were substantially higher than average. We are confident that we can further improve the assessment of the qualitative and quantitative targets set in our climate and environmental policies and of the corresponding measures. These include in particular the analysis of our total emissions (Scope 1, 2 and 3) and the resulting priorities.

A further aspect in the Group’s comparatively low score in the “Environment” category was a deduction for the late submission of a report by Interroll Engineering West Inc. to environmental authorities, resulting in a penalty of USD 5,425. In accordance with the EcoVadis methodology, penalties paid by subsidiaries to environmental agencies have a negative impact on the overall result.

The “corrective action plan” is a joint instrument for supporting companies in improving their ESG performance. It enables them to create a plan online, communicate planned and completed corrective action and exchange feedback.

Dialog with Interroll sites

GRI 2-29

In 2023, our internal company dialog included one-day workshops to explain our corporate strategy and the associated policies in person to our internal stakeholders at eight production sites. This improved mutual understanding of expectations and gave everyone involved the opportunity to say what sustainability means to them individually and to Interroll and how they can contribute to its positive and sustainable development.

During the workshops, we explained the policies relating to our material topics as well as our targets – both overall and for each site. This enabled attendees to understand the significance of the company’s overarching targets for their own work. A structured roadmap of priority steps was then developed for each material area and topic, together with a schedule. Aspects of occupational safety, energy efficiency and climate protection were frequently very high on the local priority

lists. In order to be able to implement the planned and certified management systems in the medium term, it was felt that work needed to start soon.

Nevertheless, there were many intrinsically motivated ideas for achieving the targets that were not tied to an extensive planning process. Attendees often demonstrated an eagerness to just get things done, which could result in gratifying quick wins. Examples include trash separation, lights-off initiatives, water-saving projects and the identification of available recycled materials. Also important were the topic of packaging materials and the avoidance of pollutant substances and packaging waste.

The targets and measures discussed were classified into still open items, projects that had already been started and targets that had already been achieved.

On the basis of the individual roadmaps that were developed, which are harmonized with the Group’s targets, specific options where the corporate function could to provide support were discussed. For example, it was considered sensible to provide central support for the ISO certification process at the sites in order to share available expertise and previous experience in line with the “ONE Interroll” approach. Sustainable procurement issues were mentioned frequently, along with their translation to the local context and support for compliance and ESG risk aspects.

Of course, the lack of human resources for the complex requirements was also mentioned. The workshops were assessed by their participants as soon as they had ended. This resulted in very positive feedback and the identification of an urgent need for dialog between the responsible employees. It was agreed that online meetings would be held on a quarterly basis if possible to ensure better coordination.

MSCI ESG Ratings

GRI 2-29

The MSCI ratings break down sustainability aspects to three dimensions: environment, social responsibility and corporate governance.

The main aspects of the environmental dimension are the contribution to climate change, the use of natural resources, environmental pollution, waste management and the use of green technologies and renewable energy. The social dimension includes the aspects of employee health, safety and development, product and consumer safety and local community relations. Corporate governance covers the aspects of governance, fairness and compliance, transparency and business ethics. By analyzing indicators relating to each aspect, MSCI rates companies on a scale of one to ten – one being the lowest and ten the highest rating. In 2023,

Interroll scored 5.4 points and thus exactly matched the sector average, resulting in an unchanged “A” score. Although the company achieved a slight improvement in the environmental dimension, there is further potential for development because we still rank below the sector average. Performance could be improved by increasing investment in environmentally friendly production plants.

We rank above the average in respect of working conditions and employee management, achieving a slight improvement here as well. Our corporate governance is considered strong and ranks significantly above the sector average although a slight decline was seen here.

Sustainalytics Rating Risk Score

GRI 2-29

The Sustainalytics ESG Risk Rating measures a company's exposure to industry-specific ESG risks and how well it manages these risks on the basis of its disclosures. This multi-dimensional approach to measuring ESG risks combines the assessment concepts of exposure and management to produce an ESG risk rating. Five ESG risk levels are applied: severe (40+), high (30 to 40), medium (20 to 30), low (10 to 20) and negligible (0 to 10).

With an ESG risk rating of 21.5, Interroll falls in the medium risk level. Having declined by 11.1 points, the rating is far more positive than in 2022. The risk exposure is assessed as “medium” and ESG risk management as “strong” with a significantly positive momentum (+29). If we sustain our focused management activities, a “low” ESG risk rating is attainable. With its score, Interroll ranks in the top 10th percentile of the Sustainalytics “Industrial Machinery” sector.

Inrate zRating

GRI 2-29

The zRating study has been published since 2009. Inrate assesses the corporate governance of publicly listed Swiss companies using a scoring model that combines quantitative and qualitative criteria. In 2023, the companies were analyzed on the basis of their articles of association, annual reports and the resolutions taken at their shareholder meetings. A maximum of 100 points can be achieved in five categories: “Shareholders and capital structure,” “Shareholders’ participation rights,” “Composition of Board of Directors (BoD)/Board of Management (BoM),” “Compensation and participation models BoD/BoM” and “Sustainability and information policy.” Inrate identifies potential corporate governance risks that could impact the company's value and thus have an adverse effect on minority shareholders.

In 2023, Interroll scored 69 out of a possible 100 points in the Inrate zRating. The following individual scores went into the overall rating:

	Degree of achievement	Scores
Category 1: Shareholders and Capital Structure		
1.1: Shareholders and share categories	82%	9 / 11
1.2: Balance sheet quality and capital structure	89%	8 / 9
Category 2: Shareholders' Rights		
2.1: Shareholders' participation rights	43%	6 / 14
2.2: Duty to offer and change of control Auditor	82%	9 / 11
Category 3: Composition BoD/BoM		
3.1: Board of Directors	71%	15 / 21
3.2: Board of Management	75%	3 / 4
Category 4: Compensation and Participation Models		
4.1: Remuneration and participation	38%	3 / 8
4.2: Compensation components and models	75%	9 / 12
Category 5: Sustainability and Information Policy		
5.1: Sustainability	60%	3 / 5
5.2: Information policy	80%	4 / 5

S&P Global ESG Score

GRI 2-29

The S&P Global ESG Score is produced on the basis of publicly available data and documents submitted by the company. Interroll participates in the Corporate Sustainability Assessment (CSA) survey every year. The resulting “ESG Score” is based on disclosures made by Interroll, publicly available data and, to a small extent, modelling. The CSA concentrates on the quality of the company’s disclosures as well as on past and current ESG performance. The availability of Interroll data within the IEQ Machinery and Electrical Equipment sector is high at 69 percent and 41 percent of the required and additional disclosures, respectively.

The actual rating covers nine areas assigned to three dimensions: environmental, social, and governance and economic. With a CSA score of 28 out of a possible 100 points, we feel that Interroll did not receive a satisfactory rating. Although the sector average is lower at 21 points, this will not stop us from analyzing the assessment in detail and taking the necessary steps to achieve improvements.

Our below-average scores for the environmental dimension resulted from the fact that our updated environmental and climate protection policies were still unpublished. These contain specific targets and measures such as an ISO-certified environmental management system, the calculation of total emissions across the value chain and climate neutrality targets, which should improve our future rating.

We rank significantly above the industry average in the social and governance dimensions (35 to 27 points and 36 to 28 points, respectively) but we will also leverage the potential we know is available here as well.

GRI 2-29

Excellent SIX Value Reporting score for 2022

The SIX annual report rating placed Interroll among the top 100 companies for annual and sustainability reports. Interroll was ranked rising star of the year in the “Value Reporting” category. We received this recognition for our first-time publication of a full sustainability report. The jury carefully reviewed the quality of the information as well as our commitment to environmental and socio-political aspects.

Social commitment

GRI 2-28
GRI 203-1
GRI 203-2
GRI 413-1

To date, the company’s donations to local communities have not been fully evaluated. The disclosures show a volume of CHF 120,856 (2022: CHF 104,246), which is equivalent to 0.14 percent of EBIT (2022: 0.09 percent). In 2023, financial support or volunteering was provided in communities close to 17 sites (2022: 16).

DONATION VOLUME IN CHF

120,856

2023

104,246

2022

At its sites, Interroll supports more than 70 organizations of all kinds (see list on next page) such as industry associations, lobby groups, initiatives, non-profits, research projects and dialog platforms, paying fees or other contributions of around CHF 300,230.

MEMBERSHIP OF ASSOCIATIONS AND INTEREST GROUPS

Association/interest group	Abbreviation	Country
Associação Brasileira da Indústria de Máquinas e Equipamentos	ABIMAQ	Brazil
Airport Association		USA
Associazione Industrie Ticinesi	AITI	Switzerland
Asociación de las Empresas Industriales Internacionalizadas	AMEC	Spain
AS International Association e. V.		Austria
Automated Material Handling System Association	AMHSA	United Kingdom
Berufsgenossenschaft Holz & Metall	BG	Germany
Bundesvereinigung Logistik e.V. Bremen	BLV	Switzerland
BranEins		Germany
Bundesverband mittelständische Wirtschaft e.V.	BVMW e.V.	Germany
Centre for Corporate Reporting	CCR	Switzerland
Conveyor Equipment Manufacturers Association	CEMA	USA
Centre Metal·lúrgic		Spain
CFO Forum		Switzerland
Chamber of Commerce	CoC	USA
China Federation of Logistics & Purchasing	CFLP	China
Controller Area Network in Automation	CiA	Germany
Construction Industry GUARANTEE		South Korea
Dansk Industri		Denmark
Deutsche Unternehmensinitiative Energieeffizienz e. V. Deneff		Germany
DIN Deutsches Institut für Normung	DIN	Germany
Executives Global Network	EGN Network	Denmark
European Hygienic Engineering & Design Group	EHEDG	Germany
EHI Retail Institute e.V.		Germany
Engineering Council of South Africa		South Africa
ExperSuisse		Switzerland
Federation of Thai Industries	FTI	Thailand
Food-Processing Initiative e.V.		Germany
The Federation of Chonburi	FTI Chonburi	Thailand
German Airport Technology & Equipment e.V.	GATE e.V.	Germany
Logistics Hall of Fame Ismaning		Switzerland
Segretariato HR Ticino		Switzerland
Industrie- und Handelskammer Aachen		Germany
Industrie- und Handelskammer Köln		Germany
Industrie- und Handelskammer Rhein-Neckar		Germany
Intralogistik Schweiz	ILS	Switzerland
Institut für Produktionserhaltung e.V.	Infpro	Germany
Institut der beim Europäischen Patentamt zugelassenen Vertreter		Germany
Industrie-Pensions-Verein e.V.	IPV	Germany
Istif Makinalari Distribütörleri ve İmalatçıları Derneği	Isder	Turkey

GRI 2-28

Association/interest group	Abbreviation	Country
Kunststoff Ausbildungs- und Technologiezentrum	KATZ	Switzerland
Kunststoff.swiss	KUNSTOFF	Switzerland
Der Verband der Schweizer Kunststoffindustrie		
Light Engineering Industries Association of South Africa		South Africa
LinkedIn		Germany
LOG-IT Club e.V.		Germany
Material Handling Equipment Distributors Association	MHEDA	USA
The Industry That Makes Supply Chains Work	MHI	USA
ODVA (EtherNet/IP),		Germany
Patentsanwaltskammer		Germany
The Association for Packaging and Processing Technologies	PMMI	USA
Procession & Packaging Machinery Association		United Kingdom
Profibus		Austria
Profinet		Germany
Plateforme Dédieée à la Robotique Industrielle	PROXINNOV	France
Spanish Red Cross		Spain
The Professional Body for Supply Chain Management	SAPICS	South Africa
Steel and Engineering Industries Federation of Southern Africa	SEIFSA	South Africa
Società degli impiegati del commercio Sezione Ticino	SIC	Switzerland
Sindicato Nacional da Indústria de Máquinas	Sindimaq	Brazil
Singapore Business Federation (SBF)	SBF	Singapore
Singapore International Chamber of Commerce	SICC	Singapore
Stiftung ear		Germany
Swissbilling		Switzerland
Swiss Chinese Chamber of Commerce	Swisscham	China
Thai Subcontracting Promotion Association		Thailand
Union des Industries de la M.tallurgie Vend.e	UIMV	France
Unternehmensverband Südwest	USW	Germany
Verband für Lagertechnik		Germany
Weka Business		Switzerland
Wilmington Chamber of Commerce		USA
Wir in Wermelskirchen e.V.	WiW	Germany
Wirtschaftskammer Österreich	WKO	Austria
XING		Germany
Zukunft Metropolregion Rhein-Neckar	ZMRN	Germany

SUSTAINABLE PROCUREMENT

How can Interroll contribute to a more sustainable future?

Long-term thinking is one of the most important Interroll values. The world is facing the pressing sustainability challenges of our time – climate change, natural resource conservation and waste reduction. Interroll always pursues sustainable growth, and we are making great efforts to implement corporate social responsibility throughout the entire product life cycle, maintain green development and create sustainable development to reduce negative impacts on the environment.

And specifically your department/area of responsibility?

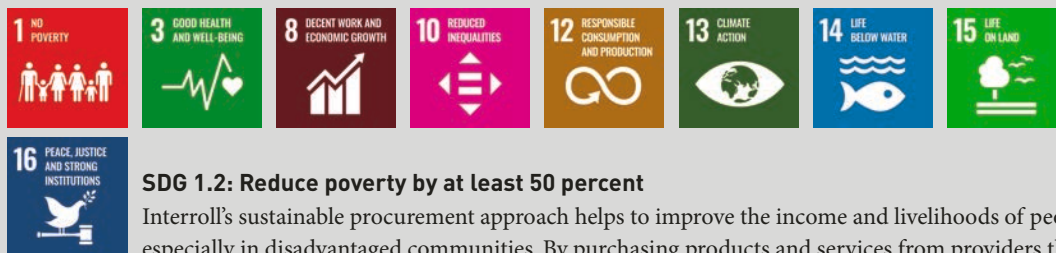
As Director of Strategic Purchasing APAC, I work with my colleagues to achieve for sustainable procurement in APAC. In our region more and more attention is being paid to environmental and energy topics. We have been working with partners to establish a “local for local” and diverse supply chain to mitigate risk, and also to offer sustainability benefits by means of shorter transport routes. We are taking measures to create a regional green supply chain, including purchasing more environmentally friendly products and services in accordance with our global purchasing guidelines.

How does our company integrate sustainability criteria into the procurement process, ensuring ethical sourcing and responsible supply chain practices?

The Supplier Code of Conduct contains the key guidelines for our supplier relationships. It includes our expectations relating to ethical responsibility, labor and human rights, health and safety, quality and environment. In addition to signing the Supplier Code of Conduct with our suppliers, we are also introducing an ESG risk assessment of suppliers to ensure ethical sourcing and responsible supply chain practice. We are establishing a common understanding of sustainability and improving transparency in our procurement process.

Daisy Bay, Director Strategic Purchasing Asia/Pacific

Our sustainable procurement management approach helps us work toward achieving the following United Nations Sustainable Development Goals (SDGs):



SDG 1.2: Reduce poverty by at least 50 percent

Interroll's sustainable procurement approach helps to improve the income and livelihoods of people, especially in disadvantaged communities. By purchasing products and services from providers that pay fair wages and ensure good working conditions, we are contributing to social responsibility.

SDG 3.8: Achieve universal health coverage

We can indirectly influence the positive development of health coverage by considering social criteria relating to working conditions and preventive healthcare when selecting suppliers.

SDG 3.9: Reduce the number of illnesses and deaths from hazardous chemicals and environmental pollution

By considering environmental criteria in the upstream value chain with a view to reducing negative environmental impacts, we can ensure awareness of these issues through our supplier relationships.

SDG 5.1: End discrimination against women and girls

SDG 5.2: Eliminate all forms of violence against and exploitation of women and girls

SDG 8.7: End modern slavery, trafficking, and child labor

SDG 8.8: Protect labor rights and promote safe and secure working environments

SDG 16.2: End abuse, exploitation, trafficking and all forms of violence against children

SDG 16.5: Reduce corruption and bribery

Our zero-tolerance policy in respect of human rights violations, discrimination, bribery, fraud and harassment ensures that our own sites and our contractual partners have an awareness of and actively comply with the expectations and requirements contained in our (Supplier) Code of Conduct. This also applies to compliance with applicable labor standards.

SDG 12.6: Encourage companies to adopt sustainable practices and integrate sustainability information into their reporting cycle

By including ESG criteria in our Supplier Code of Conduct, we are enforcing compliance with these aspects in our supply chain. At the same time, our daily and intensive dialog with our partners fosters acceptance of sustainable business practices.

SDG 13.1: Strengthen resilience and adaptive capacity to climate-related natural disasters

SDG 14.1: Reduce marine pollution

SDG 15.5: Protect biodiversity and natural habitats

By seeking to raise awareness of negative environmental impacts and their economic consequences, we are contributing to aspects such as climate resilience within the supply chain. This applies as much to protecting the oceans from pollution as to preserving natural habitats and biodiversity.

CONTEXT

GRI 3-3

According to forecasts made by recognized demographic institutions – and also the United Nations (UN) – the global population is expected to continue growing. A key challenge is to provide people and businesses with the goods and food they need while at the same time conserving resources. This is particularly true of the material-handling industry, which will grow in social significance and perception in terms of speed, efficiency gains, networking and individualization, but also when it comes to resource conservation, environmental friendliness and food safety.

Our customers and users have expectations of products and services with bona fide ethical and ecological credentials, and this is increasingly a critical factor for us at Interroll. Added to this are stricter laws in respect of due diligence and transparency along the upstream supply chain. New reporting obligations have been introduced especially for companies like Interroll Holding AG, which are subject to the Swiss Code of Obligations (OR). In the following, we explain in detail our position in respect of Article 964j-k CO concerning critical minerals and child labor. Our aim is to increase transparency and reduce negative environmental and social impacts in the supply chain. We address these aspects in both our central and local procurement activities.

Due diligence and transparency obligations in connection with conflict minerals and child labor pursuant to Article 964j-k CO

964 CO

The new due diligence obligations relating to the supply chain and the special reporting obligations in respect of preventing child labor and ensuring the ethical procurement of conflict minerals, as defined in Article 964j-k CO, apply to companies with their registered office, headquarters or main branch in Switzerland if they:

- a) release minerals or metals containing tin, tantalum, tungsten or gold obtained from conflict or high-risk regions for free circulation in Switzerland or process these substances in Switzerland; or
- b) offer products and services for sale if there are justified grounds to suspect that child labor has been used in their manufacture or provision. Companies must demonstrate that they have performed the necessary checks to ensure whether the grounds for such suspicion in relation to their products and services are justified.

Conflict minerals and metals

964 CO

The amounts of tin, tantalum, tungsten and gold imported to Switzerland in the 2023 reporting year were 0 kilograms, respectively. Therefore, Interroll Holding AG did not import the volumes of tin, tantalum, tungsten and gold that are defined in the law on due diligence and transparency obligations in connection with minerals and metals obtained from conflict regions and using child labor. Therefore, there are no particular due diligence, management or reporting obligations pursuant to Article 964j-k CO.

Child labor

GRI 408-1

964 CO

At Interroll, we have a zero-tolerance policy in respect of child labor. Due to our own values and our Code of Conduct, we can rule out the existence of child labor at our own sites.

In our supply chains, we comply with the due diligence obligations required by our own Sustainable Procurement Policy and the provisions of our Supplier Code of Conduct and, in respect of child labor, by Article 964j-k CO. Careful selection of our suppliers and a structured global ESG risk screening process enable us to identify potential risks relating to child labor. We procure goods and services in 38 countries. Only a very small number of our suppliers are based in countries whose due diligence response has been classified as enhanced by UNICEF in its Children's Rights in the Workplace Index. In respect of the suppliers from these countries, some of which we have known for a long time, we have received no indications of the use of child labor via our whistleblower platform or from other sources. On the basis of our current assessment, there is no reporting obligation pursuant to Article 964j-k CO.

Notwithstanding the legal obligations, we implement our own ethical principles and targets in respect of responsible business practices and are working consistently and continuously to develop our management approach relating to sustainable procurement, which is a material topic for Interroll.

CONCEPT AND GOALS

GRI 3-3
GRI 2-25

The consideration of ESG aspects is an integral part of our business relationships and contractual framework. We accept our social responsibility and are committed to reducing the adverse impact of our business activities in the upstream supply chain. We also manage opportunities and risks in the supply chain in order to make the potential financial impact on our business more transparent and forward-looking for both us and our stakeholders.

964 CO

Our principles and management systems relating to sustainable procurement contribute to improving the performance of our supply chain in respect of business ethics and corruption, environmental and social aspects, labor and human rights, as well as our suppliers' upstream procurement practices. We expect our suppliers to exercise the same due diligence in selecting their suppliers and in providing products and services and to apply only those international standards on working conditions and responsible business practices that Interroll itself recognizes.

Interroll has a zero-tolerance policy in respect of human rights abuses. This is also reflected in the core element of our supplier relationships: our Supplier Code of Conduct, which is an integral aspect of our contractual conditions in procurement.

Through its organizational units in 30 countries, Interroll assumes corporate responsibility in local supply chains as well. Our procurement strategy supports local economies because we seek to purchase from suppliers located in the same country. In this way, we are actively strengthening social development and prosperity in the vicinity of our sites. Moreover, we are shortening supply routes and making a positive environmental contribution in respect of transport.

Our updated Sustainable Procurement Policy is the basis for fulfilling our stakeholders' growing expectations for transparency, complying with legislative requirements and satisfying the increasing demands made of management in respect of ESG risks. Our goal is to systematically record the environmental and social risks in the supply chain and to reduce these by way of suitable action. To this end, we assess our suppliers during the selection process and throughout our relationship using existing management systems for environmental and social standards. We have already started selecting new business partners in a structured manner that takes account of environmental aspects, labor standards and human rights.

Governance and compliance

GRI 2-9

The Board of Directors and Group Management are responsible for considering and implementing the requirements of sustainable procurement in the overall corporate strategy. They ensure that the responsibilities for assessing risks, setting goals, delivering resources, taking action and conducting reviews are clearly defined. The Board of Directors receives regular information on "sustainable procurement" and an assessment of the associated risks from Group Management, thereby ensuring that it possesses the requisite knowledge to evaluate these aspects.

The COO has overall responsibility for sustainable procurement within the organizational structure. The opportunities and risks in relation to procurement are assessed as part of the annual ESG risk inventory and, together with the associated reporting, they lie within the CFO's area of responsibility. The Board of Directors submits these reports in accordance with Article 964b CO to the annual general meeting for approval (see page 132).

At Group level, the Vice President Strategic Purchasing is responsible for operational implementation and execution. This responsibility is delegated to the respective management teams of our legally independent organizational units.

Qualitative and quantitative goals and deadlines for their achievement have been defined for the entire Interroll Group. We have developed or will be developing specific implementation plans for each Interroll organizational unit to achieve the goals based on their individual situation.

964 CO	Targets	KPIs	Unit	2023	2022	Date
	All new suppliers have signed the Interroll Supplier Code of Conduct (SCoC)	Percentage of new suppliers who have signed the Interroll Supplier Code of Conduct	%	20.4	n/a	Continuously
	All suppliers are screened for environmental and social risks	Percentage of suppliers screened for environmental and social risks	%	62.1	59.7	Annually
GRI 308-1	All new suppliers are assessed against environmental criteria	Percentage of suppliers assessed with environmental criteria	%	14.0	n/a	2025
GRI 414-1	All new suppliers are assessed against social criteria	Percentage of suppliers assessed with social criteria	%	14.3	n/a	2025
GRI 204-1	Increase in the percentage of procurement expenditure with suppliers in the same country	Percentage of procurement expenditure with suppliers in the same country	%	82.4	93.7	Annually
GRI 409-1	No confirmed incidents of forced labor	Number of confirmed incidents of forced labor	Number	0	0	Continuously
GRI 408-1	No confirmed incidents of child labor	Number of confirmed incidents of child labor	Number	0	0	Continuously
	No confirmed incidents of human trafficking	Number of confirmed incidents of human trafficking	Number	0	0	Continuously

OPPORTUNITIES AND RISKS IN SUSTAINABLE PROCUREMENT

GRI 3-3
GRI 2-25

The supply chain risk analysis is an important component of the statutory reporting requirements to be met by Interroll Holding AG – not only in Switzerland. Here, too, the focus is on respect for human rights, labor and social standards, environmental matters and fighting corruption.

The German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG) and the future European Corporate Sustainability Due Diligence Directive (EU-CSDDD) include requirements that fulfill the transparency expectations of our customers and stakeholders. Associated with these is the report on supply chain risks that must be submitted to Germany's Federal Office of Economics and Export Control (BAFA).

The risk analysis helps us to identify potential violations of these requirements. Therefore, risk analysis in the supply chain is closely tied to the corresponding reporting obligations. In assessing the ESG risks in sustainable procurement, Interroll distinguishes between general risk assessments and the dedicated screening activities by our service provider EcoVadis in order to analyze and manage specific supplier risks arising from country and industry sector risks.

General Interroll risk assessment of sustainable procurement based on the 2023 risk inventory

ESG risk category “high”

- Supply chain interruptions due to pandemics, natural disasters and/or socio-political instabilities may result in production outages in cross-linked and complex production chains, and thus also lead to lost revenue. Interroll has already been impacted by these in the recent past.

ESG risk category “medium”

- Reputational risk arising from unethical or environmentally harmful procurement activities
- Management effort and legal risks arising from new legislative requirements
- Raw material price risks: significant price fluctuations for sustainable raw materials
- Reduced competitiveness due to higher procurement costs

ESG risk category “low”

- Quality risks of sustainable procurement: necessary quality not consistent
- Ethical risks: violations of ethical principles and human rights violations

EcoVadis risk profiling of the Interroll supply chain

GRI 308-2
GRI 414-2

964 CO

In addition to the general ESG risks from the Interroll ESG risk inventory, we take a dedicated approach to assessing our ESG risks when selecting our supply chain partners. Interroll applies the differentiated EcoVadis methodology in systematically analyzing the supply chain for ESG risks. Group-wide, Interroll assesses 2,935 suppliers in 38 countries and 161 sectors in respect of their ESG risks. Specific ESG country risks are combined with differentiated sector risks. To start with, all 2,935 suppliers were categorized on the basis of these country and sector assessments to produce an individual risk profile.

In addition, a selected group of some 200 suppliers were assessed by Interroll in relation to aspects such as supplier criticality or sales volume. For these suppliers, the aforementioned aspects accounted for 30 percent of the supplier risk assessment.

This resulted in the risk map and risk profiles shown in the graphic on pages 104 and 105. The Group procurement assessment revealed no suppliers with a very high ESG risk profile, 124 with a high ESG risk profile and 889 with a medium-high ESG risk profile.

The EcoVadis country and sector assessments are based on a large number of specific company assessments that are held in a database. These assessments consider ESG aspects in the four categories of environment, working conditions and human rights, ethical business conduct and sustainable procurement. Interroll has had its own production sites assessed in this way, with the pleasing outcomes described in the “Stakeholder Engagement” section.

We present the specific measures taken to manage our supplier relationships and assess risks in our upstream supply chain in the following.

STATUS, MEASURES, RESULTS

Sustainable supply chain management

GRI 3-3
GRI 308-1
GRI 414-1

We attach great importance to a stable and fair relationship with our suppliers as our key business partners. Given the extremely specialized nature of the goods purchased, a high degree of expertise must be available on both sides. Many articles and components are custom-made for Interroll and it is virtually impossible to procure alternatives quickly and in the same quality. Although Interroll works actively to diversify this risk, we continued to face global supply chain challenges in 2023. As a consequence, as was the case in 2022, we had to turn to an unusually large number (901) of new suppliers for standard semi-finished products and were only able to assess a small proportion of these at the start to check their compliance with or enforce our requirements in terms of social and environmental standards. In 2023, our sites assessed 129 new suppliers in respect of social criteria and 126 in respect of environmental criteria. This equates to 14.3 percent and 14.0 percent of our new suppliers, respectively.

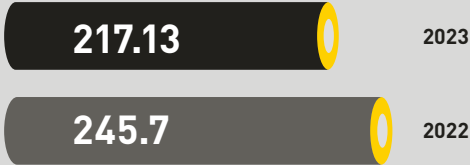
964 CO

By contrast, we know our system suppliers very well. The level of continuous dialog and the number of sites we are actually familiar with are high, although it is not possible to make a quantitative disclosure at present. We will optimize this going forward and introduce a quantitative supplier evaluation that regularly assesses logistics, quality, technological and commercial criteria.

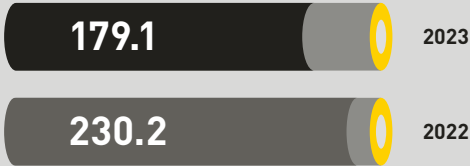
GRI 204-1

Interroll has a decentralized procurement process for 4,726 suppliers (2022: 4,929) with a purchasing volume of CHF 217.3 million (2022: CHF 245.7 million). Of this, CHF 179.1 million or 82.4 percent (2022: CHF 230.2 million or 93.7 percent) is paid for products and services from suppliers based in the same country as the procuring Interroll site, applying the principle of “in the region for the region.” In this way, we avoid long transport routes by ship, for example from Asia to Europe.

PURCHASING VOLUME IN CHF MILLION



PURCHASING VOLUME FROM LOCAL SUPPLIERS IN CHF MILLION



Supplier Code of Conduct

GRI 3-3

A core element of our sustainable procurement is our Supplier Code of Conduct. The associated management system is in a state of dynamic development so it is currently not possible to ensure the comparability of the data. In 2023, the Supplier Code of Conduct was revised substantially, not only to highlight the importance of sustainability issues but also to ensure compliance with the increasingly stringent underlying legislation, such as the German Supply Chain Due Diligence Act (LkSG). In 2023, 184 of our new suppliers signed our updated Supplier Code of Conduct. This applies to the extended supplier group for the production and service sites and represents a ratio of 20.4 percent.

The best way to live up to our responsibility for sustainable supply chain management is by implementing it centrally at headquarters and through our local purchasing locations worldwide.

**Specific ESG risk assessment of
the supply chain for the German sites
(focusing on LkSG requirements)**

GRI 2-25

964 CO

The German Supply Chain Due Diligence Act (LkSG) requires special reporting about suppliers from our German sites. In this context, we have assigned 1,041 suppliers to three classes – strategic, moderate and critical – on the basis of their ESG risks.

GRI 308-2
GRI 414-2

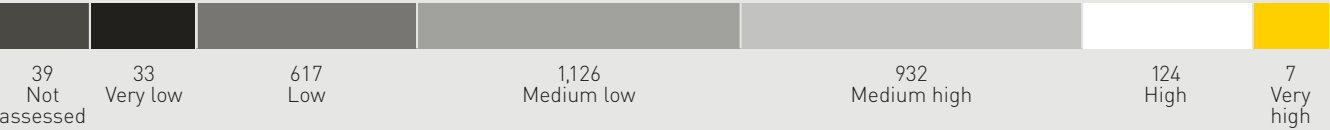
We used the EcoVadis IQ platform and LkSG Lens tool in assessing the ESG risks of these 1,040 suppliers. As a result, 82 of the suppliers categorized as critical were invited to participate in an individual assessment process via the IQ platform. This involved intensive dialog and, in some cases, several communication cycles. In qualitative terms, the process has certainly helped to make suppliers aware of their own ESG performance in the supply chain. As of the copy deadline for this report, no quantitative findings were yet available.

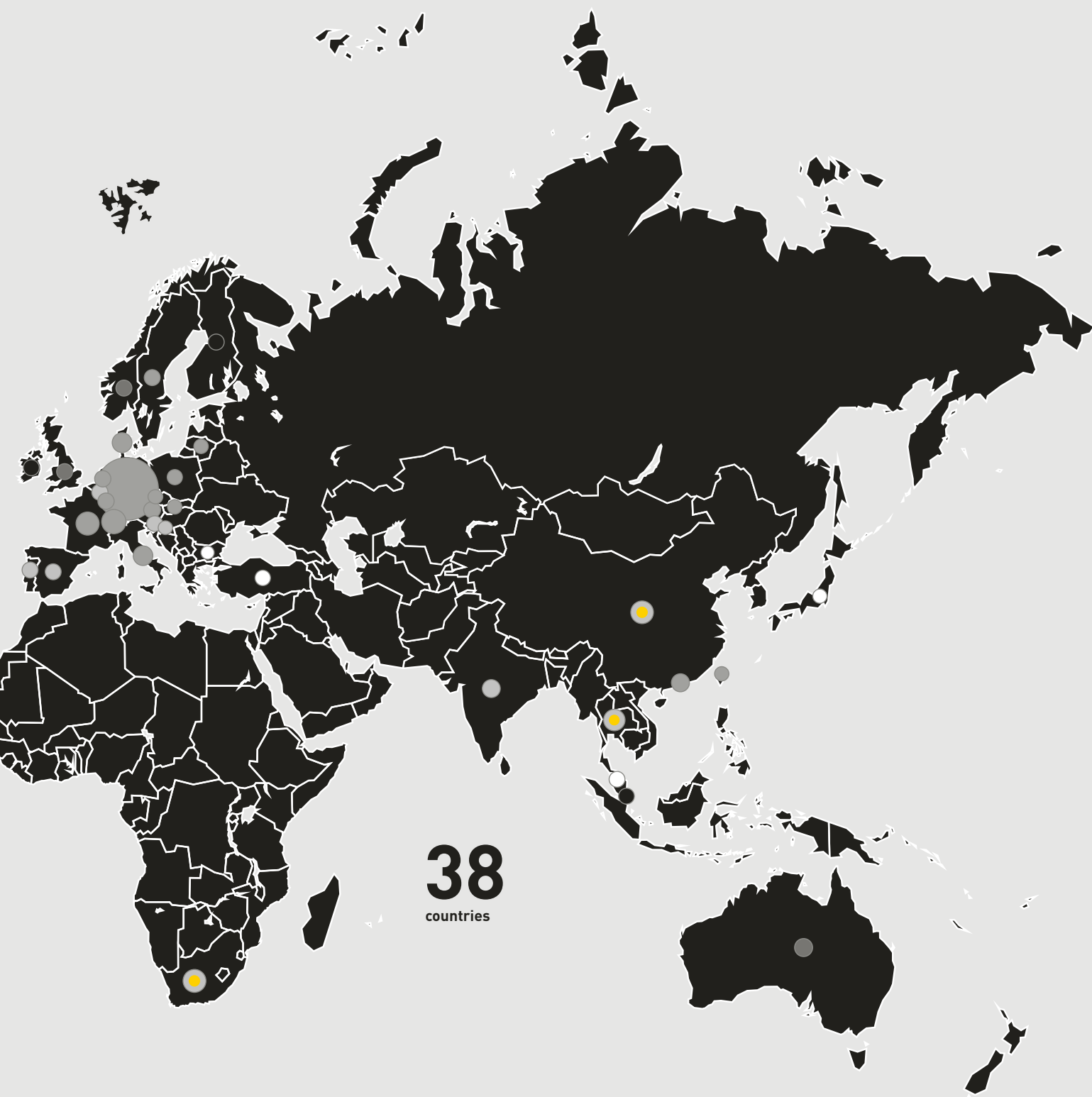
OVERVIEW OF THE SUPPLIER PANEL

GRI 204-1



Overall distribution of sustainability risk





PRODUCT AND SERVICE RESPONSIBILITY

How can Interroll contribute to a more sustainable future?

With professional maintenance, high-quality spare parts and a sophisticated repair concept, components and systems can have a longer life and a second life. In addition, modernizations, conversions and expansions can further extend the product service life. Interroll plays a crucial role in promoting a more sustainable future by implementing clearly defined processes. These include a step-by-step installation process, local work instructions, comprehensive documentation and a formal training and certification program.

And specifically your department/area of responsibility?

Personally, I have responsibility for all aspects of the after-sales business which includes spare parts sales, refurbishment, field service, installation, RMA process and technical training for the American region.

How does our organization prioritize and ensure the highest standards of quality in both products and services?

Our organization prioritizes the highest standards of quality by having a clearly defined IPS production system, quality control metrics through lean management processes and proper documentation.

Michael Klco, Director of Service Americas

Our management approach to the product and service responsibility material topic helps work toward achieving the following United Nations Sustainable Development Goals (SDGs):



Goal 3: Ensure healthy lives and promote well-being for all at all ages

SDG 3.4: Reduce mortality from non-communicable diseases

SDG 8.8: Protect labor rights and promote safe and secure working environments

We contribute to occupational health and safety at our customers' and plant operators' workplaces with products that are safe to install and use and with appropriate information materials. This helps to avoid work accidents in plant operations and potentially also prevent work-related illness.

SDG 9.4: Upgrade all industries and infrastructures for sustainability

Digitalizing our services helps to upgrade industries and infrastructures through the smart, networked solutions we offer for efficient use of resources and improved energy efficiency. Logistics 4.0 solutions optimize intralogistics and plant operations for the user, reduce energy consumption and minimize environmental impacts. Remote servicing and predictive maintenance improve plant availability and reduce downtime. Training for customers on sustainable use and maintenance of digitalized systems also fosters sustainable practice.

SDG 12.3: Halve per capita global food waste

Interroll's products and services provide reliability and high speed in the international flow of goods. This relates in particular to hygienic material-handling solutions for food products and pharmaceuticals, which helps to extend the shelf life of perishable goods and reduce product waste in general.

CONTEXT

GRI 3-3

Customer satisfaction – a key success factor for Interroll – is directly linked to our customer promise of “Quality, Speed, Simplicity” at the heart of our business. We fully address product and service responsibility by making user safety our utmost priority. This includes installation through system integrators and operation by the user. This is also inextricably linked to our efforts to achieve top product and service quality.

GRI 417-1

In a world of unrelenting economic competition, product and service responsibility is characterized by sustainable product performance without compromising on quality and safety. This is backed by the necessary certifications and safety information we provide for all products. Product and service quality must go hand-in-hand with customer and user requirements and expectations. Our priority is always to ensure fast and safe material handling – ideally without any downtime. Environmental and safety aspects are playing an ever greater role.

CONCEPT AND GOALS

GRI 3-3
GRI 2-25
GRI 416-1

964 CO

The overriding goals of product responsibility are the safety of our products and a guarantee of minimal plant downtime for the plant operators who use our components. Interroll has an excellent reputation in the industry in both regards, which is confirmed in our dialog with customers. Accident reports concerning our systems are documented on an ongoing basis, but are few in number and have limited consequences. We aim to eliminate customer health and safety incidents resulting from the installation and use of our products.

Our customers recognize that the quality of our services sets us apart from our competitors. We plan to reinforce this by introducing an ISO 9001-certified quality management system at all our production sites by 2027. Nine sites already have the ISO 9001 certification. We are committed to keeping product defects to an absolute minimum. We keep track of complaints about product defects and work systematically toward reducing these each year, with the aim of keeping cost of quality (COPQ) permanently below 0.2% of sales and reducing the number of customer complaints by 10% year on year.

ISO 9001 CERTIFIED ENTITIES

9 out of 18

2023

9 out of 18

2022

Fast, on-time delivery along with our availability, particularly for service issues, have a major impact on customer satisfaction, prompting our goal of permanently stabilizing on-time deliveries (ODP) to customers at 95 percent. We also aim to achieve a 95-percent rate of deliveries from stock within 48 hours. We measure customer service by the time it takes our service team to respond to customer inquiries. We aim to respond to all inquiries or provide feedback within an appropriate time, and have also set a 95-percent target for our on-time response rate.

Governance and compliance

GRI 2-9

The Board of Directors and Group Management are also responsible for considering and implementing the requirements of our product and service responsibility in the overall corporate strategy. They ensure that the responsibilities for assessing risks, setting goals, delivering resources, taking action and conducting reviews are clearly defined. The Board of Directors receives

regular information on “product and service responsibility” and an assessment of the associated risks from Group Management. The Board of Directors thereby ensures that it possesses the requisite knowledge to evaluate these aspects.

The CEO oversees product and service responsibility within Interroll’s organizational structure.

Quality and safety risks are assessed as part of the annual risk inventory and, together with the associated reporting, they lie within the CFO’s area of responsibility. The Board of Directors submits these reports in accordance with Article 964b CO to the annual general meeting for approval (see page 132).

The responsible parties for operational implementation and performance are: the Chief Operations Officer (COO) for product quality, the Chief Sales Officer (CSO) for service quality and the Chief Technology Officer (CTO) for product safety.

Adherence to this policy and local statutory obligations relating to product and service responsibility is regularly reviewed by Group Management and Corporate Compliance.

964 CO

Targets	KPIs	Unit	2023	2022	Date
No health and safety incidents caused by our products during assembly and operation	Number of health and safety incidents caused by our products	Number	0	0	Continuously
Costs of Poor Quality (CoPQ) below 0.2%	Costs of Poor Quality (CoPQ) as a percentage of revenue	%	0.26	0.21	Continuously
10% reduction in customer complaints over the previous year	Reduction in customer complaints compared to previous year	Number	3,819	3,970	Continuously
95% on-time delivery performance to customers	Percentage of on-time delivery performance (ODP) to customers	%	93.04	88.50	Continuously
95% of deliveries from stock within 48 hours	Percentage of deliveries from stock within 48 hours	%	n/a	n/a	Continuously
95% on-time reaction (OTR) rate	On-time reaction (OTR) rate	%	n/a	n/a	Continuously
All manufacturing units ISO 9001 certified	Number of ISO 9001-certified manufacturing units	Number	9	9	2027

GRI 416-2

OPPORTUNITIES AND RISKS OF PRODUCT AND SERVICE RESPONSIBILITY

GRI 3-3
GRI 2-25

964 CO

The product and service responsibility risk analysis is an important component of the statutory reporting requirements to be met by Interroll Holding AG – not only in Switzerland. The holistic focus here too is on respect for human rights, labor and social standards, environmental and climate matters and fighting corruption.

The risk analysis helps us to identify and evaluate the potential impact. The identified risks can be categorized as follows based on the three defined risk classes:

ESG risk category “high”

- Lack of product life cycle analysis: companies not in a position to assess the entire life cycle of their products may lose customers
- Innovation risks: companies that do not invest in sustainable innovation may be overtaken by more competitive rivals with more sustainable products and services. On the other hand, unforeseen pressure to catch up may result in replacing existing equipment and extraordinary capital expenditure.

ESG risk category “medium”

- Regulatory risk: unanticipated changes in environmental and product safety requirements may lead to compliance issues and legal risks

ESG risk category “low”

- Product quality and safety: insufficient product quality and safety problems may result in product recalls, causing reputational damage, as well as additional costs and even legal problems
- Loss of acceptance associated with end-of-life disposal: disposal and recycling of products at the end of their life cycle can be expensive and may involve environmentally harmful practices

We present the specific measures taken to manage our product and service responsibility in the following.

STATUS, MEASURES, RESULTS

964 CO

Out of our 16 production sites and two assembly plants, nine already had an ISO 9001-certified quality management system in the reporting period. Steps were agreed in planning talks with the production sites to provide all sites with an ISO 9001-compatible quality management system by 2027 and obtain certification.

GRI 201-1

No safety incidents associated with our products were reported during the period under review (2022: none). We received a total of 3,819 complaints in 2023 (2022: 3,970). In 2023, the total cost of complaints of CHF 1,446,380 was therefore equivalent to 0.26 percent of sales (2022: 0.21%).

We were unfortunately still unable to achieve our usual on-time delivery rate in the period under review due to persistent delays in the supply chain. We recorded a rate of 93.04 percent in the reporting period (2022: 88.50%).

COSTS OF COMPLAINTS IN % OF SALES

0.26

2023

0.21

2022

SOCIAL – EMPLOYEES

ATTRACTIVE EMPLOYER	114
PEOPLE DEVELOPMENT	121
OCCUPATIONAL HEALTH AND SAFETY	126

FOCUS ON
OUR EMPLOYEES

UN GLOBAL COMPACT IN CONTEXT

LABOR

Principle 3

The freedom of association and the effective recognition of the right to collective bargaining.

Principle 6

The elimination of discrimination in respect of employment and occupation.

GRI 2-23

As a signatory to the UN Global Compact (UNGC), we are committed to complying with the UNGC's Ten Principles everywhere around the world, and to promoting sustainable development in the countries in which we operate. The management approaches to the material area "Social – employees" relate to the UNGC's labor principles (3 and 6).

Our commitment

Respect for human rights and the observance of fundamental, internationally recognized labor standards, such as the freedom of association, the elimination of forced and compulsory labor, and a zero-tolerance policy on discrimination are enshrined in Interroll's employee code of conduct, which applies to all of the Group's companies worldwide. Interroll and its suppliers do not tolerate any form of discrimination against our employees on the basis of their gender, race, disability, ethnic or cultural background, religion, ideology, age or sexual orientation.

Measures in 2023 and measuring the results

In accordance with the GRI Standards 2021, the management approaches, including the measures taken and their results, are presented in detail in this section for each material topic.

SDGS IN CONTEXT

The topics relating to the “Social – employees” material area are critical to Interroll’s success. In this regard, Interroll contributes to international development goals, which are based on comprehensive frameworks. In connection with its “Decent Work Agenda,” the International Labor Organization (ILO) has identified four fundamental aspects for ensuring that people have access to decent work: creating more and better employment opportunities, complying with fundamental labor standards, establishing and expanding social security systems and promoting social dialog between employers and employees. In addition to these four aspects, our holistic corporate development and HR approach also takes gender equality and the good health and well-being of our employees into account.

Our management systems in the “Social – employees” material area help work toward achieving the following United Nations Sustainable Development Goals (SDGs):

NO POVERTY



We ensure both a decent living for our employees and fair wages in our supply chain through our business dealings. Interroll is part of a value chain that helps the communities in which we operate throughout the world to prosper.

GOOD HEALTH AND WELL-BEING



Interroll ensures reliability and high speed in the international flows of goods, in particular as this relates to the hygienic material-handling solutions for food products. Our occupational health and safety management ensures the safety and well-being of Interroll’s employees by making sure that they have decent working conditions. Our safe products improve occupational health and safety for our customers and plant operators.

QUALITY EDUCATION



The regular training and professional development we offer our employees are a key reason why we are such an attractive employer. We offer apprenticeship, internship and trainee positions, provide training ourselves and have partnered with institutions of higher education. In addition, we make it possible for our talented employees to gain experience at other Group sites around the world. We promote a structured dialog between our managers and our employees, thus ensuring that our staff can take advantage of individual professional development opportunities.

GENDER EQUALITY AND REDUCED INEQUALITIES



We believe in the fair treatment of all and in the importance of reducing social inequalities. Therefore, we ensure that all our employees have equal access to our training and professional development programs and earn a fair wage.



You have to take a holistic approach to human resources if you want to attract the very best talents in a fiercely competitive market. Inequalities as they pertain to working conditions are not just a problem in globalized value chains. The gender pay gap remains an issue in Europe. Interroll is committed to ensuring that all of our employees enjoy fair working conditions. We promote diversity, but not at the cost of decreasing levels of qualifications. Our aim is to systematically foster a culture of equal treatment across all of our teams.

DECENT WORK AND ECONOMIC GROWTH



We promote diversity, equal opportunities and inclusion, and uphold and defend every aspect of human rights. We subscribe to the International Labor Organization’s (ILO) “Decent Work Agenda.” This includes creating more and better employment opportunities, complying with fundamental labor standards, establishing and expanding social security systems and promoting social dialog between employers and employees. This is in line with our own values as they pertain to how we treat our employees and the requirements under international conventions.

ATTRACTIVE EMPLOYER

How can Interroll contribute to a more sustainable future?

From my point of view everything starts with the individuals – their values and based on that their motivation and behavior. We at Interroll have defined four shared values and they shape the way we act very closely. In particular, the values “long-term thinking” and “always respectful” lead us as a world-wide Group and as individual employees to make decisions and behave accordingly: sustainable investments, sustainable infrastructure, sustainable people decisions and much, much more. This is a very wide-ranging area and we are, of course, not perfect, but we are definitely on the right track.

And specifically your department/area of responsibility?

First of all, the way we act and behave as members of the human resources team – we put the values into practice and act as role models in terms of long-term thinking and always being respectful. When it comes to strategic initiatives and decisions, we function as internal consultants and provide the business with holistic advice so that sustainable decisions can be made about our employees. For example, hiring the right person for the position, not only in terms of their functional skills, but also with regard to the person’s culture and potential for further development. Especially when it comes to sensitive issues, it is not only about what we do but also about why and how we do it.

What initiatives are in place to make our organization an attractive and sustainable employer, fostering a positive and inclusive work environment?

We have an attractive and competitive C&B package in place, in combination with an up-to-date work environment, including modern office spaces, ergonomic work stations, laptops, pay slips online and much more. We also have many health and safety initiatives with an emphasis on prevention, such as sponsored memberships of fitness clubs. There is also a fitness area at one site and sports courses are also available. Remote working and flexible working hours are standard practice at Interroll, in consultation with your manager. Employees can spend part on their salary on leasing a bike through Interroll, which is a healthy and sustainable option. Employees also benefit from the opportunity to work abroad, to take on a range of different responsibilities and to participate in a variety of training programs for personal development provided by our in-house academy. We have an open, inclusive and supportive culture and an organizational structure with flat hierarchies.*

*Initiatives refer mostly to Interroll Germany

Uwe Reichert, Director European HR

Our management approach to the attractive employer material area helps work toward achieving the following United Nations Sustainable Development Goals (SDGs):



SDG 1.A: Mobilize resources to implement policies to end poverty

We do our part to help realize SDG 1 “No poverty” by paying fair wages, fighting for social justice and promoting educational opportunities for our employees. We achieve this by partnering with local communities, which we support locally by providing jobs and funding.

SDG 3.8: Achieve universal health coverage

We contribute to SDG 3.8 by promoting safe and healthy working conditions. The implementation of health and safety standards in the workplace, regular health checks for employees and access to medical care as well as preventive measures are all part of our locally tailored program. A bike lease scheme and fitness facilities round off the offering at German locations, for example.

SDG 5.1: End discrimination against women and girls

SDG 5.5: Ensure full participation in leadership and decision-making

SDG 10.1: Reduce income inequalities

SDG 10.2: Promote universal social, economic and political inclusion

SDG 10.3: Ensure equal opportunities and end discrimination

Interroll promotes an inclusive working environment. We guarantee equal opportunities and pay for men and women, prevent gender discrimination and support flexible working models. We still have a way to go on our path toward gender diversity in leadership roles.

SDG 8.5: Full employment and decent work with equal pay

We do our part to help achieve these goals by offering high-quality workplaces with a good job security.

This also means paying a fair wage and providing opportunities for professional advancement.

We foster a culture of integration by promoting diversity and inclusion.

CONTEXT

GRI 3-3

Our employees are crucial to our success. Their motivation, satisfaction, skills and performance are key. We can only achieve our goals and turn our dreams into reality by working together in unison as one dynamic team. That is why it is important for us to treat each other with respect, based on active communication and an open-door policy.

We place great importance on being one of our industry's employers of choice, both for current and future employees. To ensure that we succeed in this in the long term and that we have the right skills available to the company at all times in a competitive labor market for skilled workers, it is important to us that our employees not only have specialist knowledge, but also mutual respect and social skills. That is why we offer motivated and reliable employees a range of interesting and diverse tasks in a wide variety of areas. By creating working conditions that keep them motivated, and offering them flexible working arrangements, we have a positive social impact that we can build on. Our

focus is on high levels of employee satisfaction. We promote diversity, equal opportunities and inclusion, and respect every aspect of human rights.

GRI 2-7

As of the reporting date, 31 December 2023, Interroll employed 2,398 people, or 2,294 full-time equivalents. That figure was made up of 1,811 men and 587 women.

GRI 3-3
GRI 2-25

964 CO

CONCEPT AND GOALS

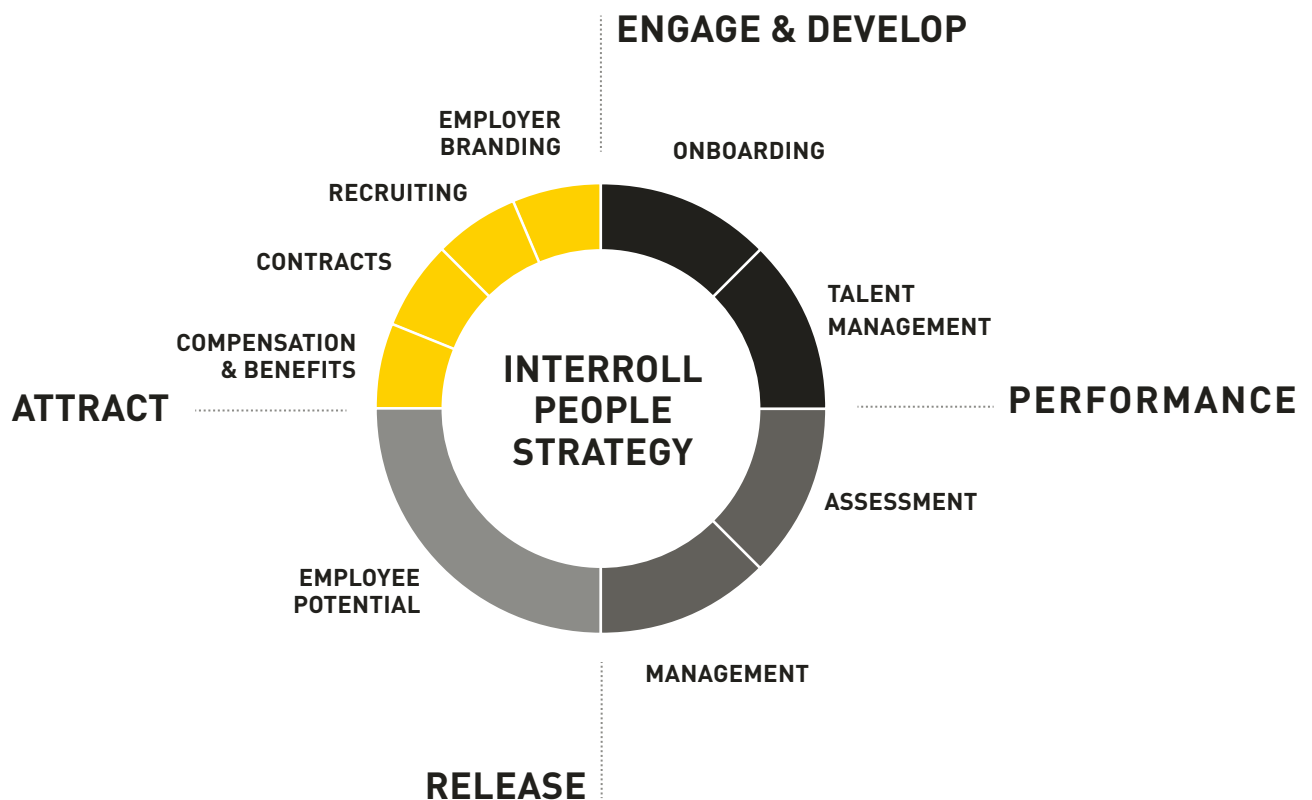
Our management approach to the “Attractive employer” topic lays the groundwork for becoming the preferred employer in a fiercely competitive market for skilled workers. Our aim is to attract motivated employees and keep existing skilled workers. To that end, we intend to maintain and improve the overall conditions for an attractive working environment in order to increase employee satisfaction. In-house, we are developing the tools to measure this satisfaction and have had positive responses to “pulse checks” among our employees, which focus on qualitative feedback on specific topics. We aim to reduce staff turnover

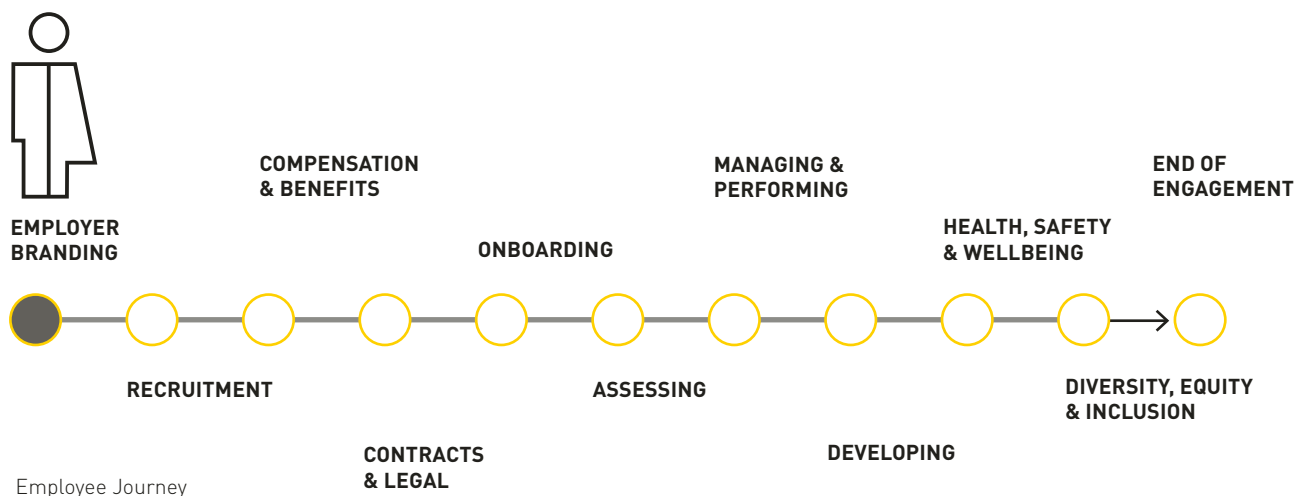
by focusing on employee satisfaction, which will have a positive influence on our productivity.

We offer our employees the opportunity to develop, both professionally and personally. We aim to embody and foster this culture. With this in mind, we have developed a “people strategy” that has its origins in the corporate strategy and is guided by the “employee journey.”

The general principle of the concept is to place our customers at the center of everything we do. We have initiated personnel management measures to lay the foundations for this. The perfect mix of developing corporate concepts, defining roles, initiating strategic projects and harmonizing the flow of information between local and regional companies is key. This centers on leveraging the global scalability of approaches while retaining the requisite flexibility at the local level and for the individual implementation steps.

The “employee journey” comprises four stages, which we guide through targeted structural measures, as shown in the graphic illustrating the “Interroll People Strategy.” The implementation resulted in the development of a plan of action for the coming years that we began to execute in 2023. In addition to ongoing activities to position the company as an attractive employer, our focus in particular lies on recruiting personnel and thus on contractual frameworks setting out appropriate remuneration and target definitions. We continue to hone the Interroll employer brand in order to find suitable specialists. This enables us to actively position ourselves in the local labor market environment where we operate and to ensure both appropriate attention and positive ratings in recruitment portals.





Our values also include promoting diversity, equality of opportunity and inclusion, and respect for human rights. We are increasing women's representation in leadership teams as well as employment opportunities for people with disabilities and health conditions. We offer our employees fair pay and individual and/or collective bargaining agreements that govern their working conditions and hours. All employees have the right to an annual performance review with their line managers. A team which strikes a balance of young professionals and experienced older employees ensures better performance.

We respect human rights and the associated ILO conventions (UN International Labor Organization, ILO) without compromise. To this end we do not employ children under 16 and categorically reject forced labor, human trafficking and all forms of discrimination and harassment.

GRI 2-9

Governance and compliance

The Board of Directors and Group Management are also responsible for considering and implementing the requirements of the material topic "Attractive employer" in the overall corporate strategy. They ensure that the responsibilities for setting goals, delivering resources, taking action and conducting reviews are clearly defined. The Board of Directors receives regular information on the "Attractive employer" topic and an assessment of the associated risks from Group Management. The Board of Directors thereby ensures that it possesses the requisite knowledge to evaluate these aspects.

Within Interroll's organizational structure, the Chief Financial Officer (CFO) bears ultimate responsibility for the "Attractive employer" topic.

It is also the CFO's responsibility to assess and report on risks within the "Attractive employer" topic as part of the annual ESG risk inventory. The Board of Directors submits these reports concerning employee matters in accordance with Article 964b CO to the annual general meeting for approval (see page 132).

Operational implementation and performance are delegated to the Director Global Human Resources and the local management teams of the legal entities. Adherence to the policy and local statutory obligations is reviewed annually by the Group Management and Corporate Compliance.

964 CO	Targets	KPIs	Unit	2023	2022	Date
GRI 401-1	Fluctuation below 8%	Fluctuation rate	%	17.5	22.4	Continuously
	Employee satisfaction surveys with improving results	Employee satisfaction survey with improved results	Yes/No	No	No	Continuously
	Increasing percentage of women in management teams	Percentage of women in management teams	%	26.9	23.2	Continuously
	Increasing the balance of young, middle-aged and older employees	Number of employees aged under 30	Number	412	501	Continuously
		Number of employees aged between 30 and 50	Number	1,354	1,299	Continuously
		Number of employees aged over 50	Number	632	637	Continuously
	Creating employment opportunities for employees with disabilities or health restrictions	Number of employees with disabilities or health restrictions	Number	36	35	Continuously
	100% of employees have an annual employee review with their supervisors	Percentage of employees who have an annual employee review with their supervisors	%	n/a	n/a	Annually

OPPORTUNITIES AND RISKS FOR THE ATTRACTIVE EMPLOYER

GRI 3-3
GRI 2-25

The risk analysis for the “Attractive employer” material topic is an important component of the statutory reporting requirements to be met by Interroll Holding AG – not only in Switzerland. The focus here is not only on labor and social standards, but also on the protection of human rights, environmental concerns and the fight against corruption.

964 CO

The risk analysis helps us to identify and evaluate the potential impact. The identified risks can be categorized as follows based on the defined risk classes:

ESG risk category “medium”

- Risk from shortage of skilled workers: insufficient success in recruiting skilled workers and inadequate internal management development can lead to bottlenecks and revenue risks
- Bluewashing: reputational and litigation risk (analogous to greenwashing) due to non-compliance with voluntary commitments that have been communicated

ESG risk category “low”

- Reputational and legal risk: failure to respect human rights and fundamental internationally recognized labor standards (freedom of association, exclusion of forced labor and child labor)
- Reputational and legal risk: insufficient protection against discrimination against our employees on the basis of their gender, race, disability, ethnic or cultural background, religion, ideology, age or sexual orientation
- Loss of appeal as an employer due to lack of environmental, climate and social focus

We present the specific measures taken to manage our product and service responsibility in the following.

STATUS, MEASURES AND RESULTS

Organizational measures

964 CO

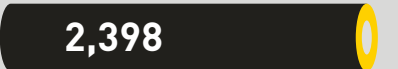
The focus of the structural-organizational transformation measures in the context of the “ONE Interroll” program in the area of human resources was the clear organizational structuring of management functions, which came into effect in early 2024. Three regional HR Directors for Europe, the Americas and Asia were assigned to the Global Director HR. They will be responsible for coordination as described above and will ensure that local, regional and global cooperation is strengthened. The focus remains on developing uniform recruiting and onboarding standards alongside training tools and talent management, with the primary activities relating to the introduction of uniform of quality standards, the implementation of succession plans for key people and the identification and advancement of suitable talent to specific positions. For more information, please refer to the material topic of “People development”.

Employment

GRI 2-7
GRI 2-8

Despite a critical business environment, staff were able to count on Interroll’s reliability as an employer. Staffing levels declined only slightly year on year (39 employees, or 1.1% of personnel, having left the company). Interroll retains its highly qualified employees, with a staff as of 31 December 2023 of 2,398 (2022: 2,437). Of that number, 1,811 were men and 587 women (2022: 1,861 men / 576 women). Of the apprentices and trainees at Interroll in the reporting period, there were 31 men and 8 women (2022: 26 men / 7 women). In 2023, Interroll employed almost no agency or temporary workers. In previous years, we used more temporary workers to handle seasonal peaks in orders and cover employee absences due to vacation.

EMPLOYEES, HEADCOUNT

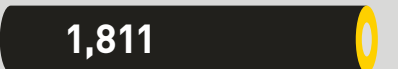


Year	Headcount
2023	2,398
2022	2,437



Year	Headcount
2023	2,398
2022	2,437

MEN

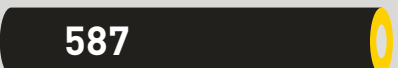


Year	Headcount
2023	1,811
2022	1,861



Year	Headcount
2023	1,811
2022	1,861

WOMEN



Year	Headcount
2023	587
2022	576



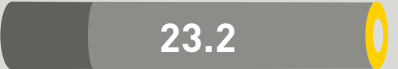
Year	Headcount
2023	587
2022	576

Group-wide, we were aware of a total of 36 employees with physical or mental disabilities in 2023 (2022: 35). In 2023, the management team comprised 216 people, of whom 158 were men and 58 women (2022: 203, of whom 156 men / 47 women). This corresponds to 26.9 percent of leadership positions being held by women (2022: 23.2%). 44.9 percent of management vacancies were filled from within (2022: 45.8%). Of that number, 15 were men and 7 women (2022: 7 men / 4 women). Of the management positions filled by external candidates, 20 were filled by men and 7 by women (2022: 9 men / 4 women). There were no women in the Group Management or among the local management bodies.

WOMEN IN MANAGEMENT POSITIONS IN %



Year	Percentage
2023	26.9
2022	23.2



Year	Percentage
2023	26.9
2022	23.2

Age structure	2023	2022
Employees aged 30 and under	412	501
Employees aged 30–50	1,354	1,299
Employees aged 50 and over	632	637

Collective bargaining agreements

GRI 2-30
GRI 401-2
GRI 402-1

In 2023, approximately 1,226 Interroll employees were covered by collective bargaining agreements (2022: 1,100). All employees are subject to the applicable provisions of labor law, international agreements that Interroll has committed to, and other social partnership agreements, some of which apply on an individual basis at the specific sites. The minimum notice period for operational changes complies with local regulations or is governed by social partnership agreements. In 2022, a general works council was elected for the first time from the seven independent companies in Germany. In addition, employees in Germany are eligible to participate in the “Job Bike” lease scheme, which is intended to help employees keep fit.

Diversity and equal opportunity

GRI 405-1

Interroll promotes diversity, equality and integration, and prohibits any and all forms of discrimination, racism, unequal treatment and marginalization. The Board of Directors comprises six members, four of whom are men and two are women. We promote an atmosphere of dignity and respect in which nobody is subjected to physical, verbal, sexual or psychological harassment or abuse of any kind. The equal treatment policy, which is based on Interroll's values, was further elaborated in 2023, and the code of conduct was updated and forms an integral part of every employment contract.

PEOPLE DEVELOPMENT

How can Interroll contribute to a more sustainable future?

Interroll can contribute to a more sustainable future in three ways. Firstly, we can continue to develop eco-efficient products, reducing energy use and environmental impact through ongoing innovation in our intralogistics solutions. Secondly, by actively engaging with our clients and end-users, we can advocate for sustainable practices in the intralogistics sector and educate them on the benefits of eco-efficient designs and products. Lastly, we need to embed our corporate culture even more deeply and operate our plants in an environmentally conscious way. In every aspect of our operations, Interroll is focused on making a positive impact on sustainability.

And specifically your department/area of responsibility?

HR has an important, yet challenging role in guiding a company toward sustainability. It starts with gently shifting employee mindsets, emphasizing how small, personal actions can collectively make a big difference in environmental stewardship. HR also plays a key part in ensuring the long-term health of the business through ongoing employee development. By fostering a culture where learning and growth are valued, HR helps build a resilient and adaptable workforce. This approach not only supports the company's sustainability goals but also helps each employee feel valued and engaged in this collective journey.

How does our company invest in the continuous development and well-being of its employees to promote personal and professional growth?

Interroll focuses on professional development through tailored workshops and training, directly enhancing skills for career advancement. Well-being initiatives, including stress management and health programs, are integral, ensuring a balanced work-life environment. Performance reviews are regular and insightful, aligning personal goals with professional trajectories. Career progression is actively supported with clear paths and opportunities for internal advancement, highlighting our commitment to each team member's ongoing development and success.

Andrew Phuang, Director HR Asia/Pacific

Our management approach to the people development material topic helps work toward achieving the following United Nations Sustainable Development Goals (SDGs):



SDG 1.3: Implement nationally appropriate social protection systems.

SDG 4.4: Increase the number of people with relevant skills for financial success

We help to weave social safety nets for employees by offering health insurance, pension plans and other social benefits tailored to local needs. We create a stable economic basis for our employees by paying fair wages and ensuring decent working conditions. In particular, however, our investments in training programs and professional development increase the qualifications and thus the employability of our workforce.

SDG 8.6: Promote youth employment, education and training

We are interested in a balanced age structure for our staff. This means giving young people a chance to grow at Interroll. We do this through a variety of measures such as the Interroll Academy.

SDG 10.3: Ensure equal opportunities and end discrimination

We are focusing our people development activities more and more on equality of opportunity between men and women. This makes it possible for us to help reduce inequality in local communities stemming from traditional attitudes to gender roles.

CONTEXT

GRI 3-3

Given the fierce competition for talented individuals and the executives of tomorrow, we can only be successful by being prepared to develop new approaches and meet changing requirements and needs head on. We are therefore focusing on our human resources development concept and its core principle of employee training and education. If we get that right, we will succeed in mastering the challenges that lie ahead – something that well-qualified and motivated employees are indispensable for.

We firmly believe that regular good-quality training is the basis for a highly motivated workforce, and the Interroll Academy is a symbol of our absolute commitment to employee training and education. We provide our employees with the specialist knowledge they need to support customers and users as competent partners in every phase of the customer relationship.

To that end, we conduct employee development reviews and combine them with a personalized training and further education program. All production employees receive mandatory instruction and take part in technical training relevant to their function.

CONCEPTS AND GOALS

GRI 3-3
GRI 2-25

964 CO

Our long-term success depends on our employees' opportunities and development. Developing and promoting the potential of our employees is not only part of our holistic HR strategy, but also an important and conscious corporate decision. We know that their expertise and motivation are among our most important resources.

We therefore ensure that the skills and abilities of our employees are maintained and continuously improved. To that end, we will offer internal and external training courses to enhance the relevant personalized training opportunities. We ensure transparency in development planning by identifying internal succession candidates and preparing talented employees for future requirements. A solution for naming substitutes and a long-term succession plan should be in place for all key functions. To achieve this, we focus on talent management, training and education, substitution and succession planning and the qualification of up-and-coming leadership talent.

Well-mannered and constructive communication in people management is another key factor in honing individual skills and boosting efficient teamwork to achieve our targets. Our systematic development dialog comprises an annual development review and an open discussion that managers hold with their staff. This addresses topics such as experience, soft skills and technical expertise, indications of potential, work performance and career development.

Another aspect of our people development work at Interroll is to harmonize the composition of our management in the long term. This will enable us to safeguard valuable experience and market knowledge while at the same time creating opportunities to integrate innovative management approaches from other businesses and industries. Our goal is to fill 60 percent of management vacancies from within.

The educational opportunities we offer young professionals are one factor that sets us apart from the competition. By 2030, we will ensure that each Interroll company with more than 20 staff has a professional training program in place.

We also partner with institutions of higher education to establish contact with young talent early on. Special programs have been developed for our managers to continuously improve their skills. This also includes knowledge of our ethical standards and aspects of our ESG strategy.

Governance and compliance

GRI 2-9

The Board of Directors and Group Management are also responsible for considering and implementing the requirements of the “People development” material topic in the overall corporate strategy. They ensure that the responsibilities for setting goals, delivering resources, taking action and conducting reviews are clearly defined. The Board of Directors receives regular information on “people development” and an assessment of the associated risks from Group Management. This ensures that the Board of Directors possesses the requisite knowledge to evaluate these aspects.

Within Interroll’s organizational structure, the Chief Financial Officer (CFO) bears ultimate responsibility for the “People development” topic.

It is also the CFO’s responsibility to assess and report on risks within the “People development” topic as part of the annual ESG risk inventory. The Board of Directors submits these reports concerning employee matters in accordance with Article 964b CO to the annual general meeting for approval (see page 132).

Operational implementation and performance are delegated to the Director Global HR and the local management teams of the legal entities. Adherence to this policy and local statutory obligations relating to people development is reviewed annually by the Group Management and Corporate Compliance.

	Targets	KPIs	Unit	2023	2022	Date
964 CO	60% of our management positions are staffed with internal promotions	Percentage of management positions filled with internal hires	%	44.9	45.8	Annually
	100% of key functions with a temporary emergency solution and permanent succession plan	Percentage of key functions with a temporary emergency solution and permanent succession plan	%	26.3	29.0	Annually
GRI 404-1 GRI 404-2	Increase in internal and external training hours per employee	Number of internal training hours per employee	Number	10	8	Annually
		Number of external training hours per employee	Number	6	5	Annually
		Number of employees who have received training (incl. multiple participants)	Number	1,537	1,327	Annually
		Average hours of training	Number	24	24	Annually
		Training expenditure	CHF	933,488	844,989	Annually
	All entities with more than 20 employees have apprenticeship/ internship or trainee programs in place	Percentage of entities with more than 20 that have having apprenticeship / internship or trainee programs in place	%	27.6	25.0	2030

OPPORTUNITIES AND RISKS OF PEOPLE DEVELOPMENT

GRI 3-3
GRI 2-25

The people development risk analysis is an important component of the statutory reporting requirements to be met by Interroll Holding AG – not only in Switzerland. The focus here is not only on labor and social standards, but also on the protection of human rights, environmental concerns and the fight against corruption.

964 CO

All of the ESG risks identified in connection with people development were categorized as “medium”.

ESG risk category “medium”

- Increase in costs due to shortage of skilled workers
- Insufficient specialist expertise on the part of responsible executives
- Reputational risk due to lack of value ambassadors

We present the specific measures taken to manage our product and service responsibility in the following.

STATUS, MEASURES AND RESULTS

964 CO

In 2023, we continued to refine our management approach to the “People development” material topic. Harmonizing Group-wide processes stood at the very top of our list of priorities for 2023 and will continue to do so in 2024. We continue to focus on succession management for key positions, regular performance reviews in accordance with clearly measurable factors, the “High Potentials” development program and general career planning for young professionals.

In 2023, we began to establish an internal talent pool in particular for expert roles. In a very short time, we were able to draw on that pool to select three employees for the next stage of their careers.

Succession management

We continued to develop our succession management regime for key positions in 2023. For 81 (2022: 73) out of 308 key positions, there is now a succession plan, representing a ratio of 26.3 percent (2022: 29.0%).

Onboarding

The newly developed global onboarding tool will be rolled out in the first quarter of 2024. We hope that this will increase public awareness, as we want to position our cooperation with the Interroll Academy as an additional valuable asset for candidates and training institutions in a pilot project. Senior executives will benefit from a more detailed leadership module during onboarding. Going forward, we will differentiate more strongly between technical and psychosocial content and training objectives in the Academy's training content in order to take greater account of the skills required in product development or sales.

GRI 404-1
GRI 404-3

In 2023, we invested CHF 933,488 in employee training throughout the Group (2022: CHF 844,989). In 2023, a total of 1,537 people participated in training sessions (2022: 1,327). People are permitted to take part in multiple training sessions on different subjects. A total of 22,957 hours of training sessions were held (2022: 20,072). A further 14,499 hours were spent in external training (2022: 11,152). The training provided locally is not yet fully recorded and documented at all sites, and as such the information given here constitutes a minimum disclosure. We are aware of the room for improvement, and we plan to address this with the people development activities we have in the pipeline. Due to a lack of resources, we were unable to reliably track the number of employee performance reviews conducted in 2023.

Education and training

The regular training and professional development we offer our employees are a key reason why we are such an attractive employer. We offer internships and traineeships, provide training and education, maintain close partnerships with local universities and offer not only the mandatory training in production, but also an internal career development program for middle management. In addition, we make it possible for our talented employees to gain experience at other Group sites around the world.

EXTERNAL TRAINING HOURS

14,499

2023

11,152

2022

INTERNAL TRAINING HOURS

22,957

2023

20,072

2022

OCCUPATIONAL HEALTH AND SAFETY

How can Interroll contribute to a more sustainable future?

Interroll significantly contributes to promoting a sustainable future by thoroughly analyzing the impact of new products from the request phase, using digital resources and certified databases. A concrete example is the application developed in collaboration with the local university, dedicated to the in-depth analysis of the constructive and productive parameters of molds. This tool enables our customers to assess not only the environmental footprint of production but also the total cost of ownership, putting us in a privileged position by enabling us to offer a sustainable solution.

And specifically your department/area of responsibility?

Aware of the high energy consumption in our production process, we adopt targeted strategies to mitigate its environmental impact. Initial projects, supported by the Swiss Confederation with the involvement of accredited consultants, have yielded tangible results. Among the various benefits, we can highlight the recovery of heat from production machines to heat offices, the use of groundwater for the air conditioning system, and the installation of a photovoltaic system covering 25% of our energy needs. Equally significant is employee training, raising awareness about identifying wasted energy and implementing solutions to reduce it. This combination of technical approaches and individual awareness and attention guides our path toward a sustainable production process.

What measures and programs are in place to prioritize the health and safety of employees, contractors and other stakeholders within our operations?

We are aware that the health and safety of our personnel are top priorities for our company, driving us to obtain ISO 45001 certification. The commitment emphasizes our daily dedication to the continuous assessment of hazards, with particular attention to those that could involve external companies operating within our facility, in order to ensure a safe environment for everyone. Regular audits and inspections confirm our commitment in this regard. We promote a safety culture by appointing a safety representative in each department, who raises awareness of the importance of adhering to the procedures and standards defined by the safety team. This commitment has resulted in a change in employees' mindsets, including outside the workplace, and has had a positive influence on their personal lives.

Matteo Tonolla, Head of Production, Interroll SA

Our management approach to the occupational health and safety material topic helps work toward achieving the following United Nations Sustainable Development Goals (SDGs):



SDG 3.8: Achieve universal health coverage

Interroll's in-house health management system enables it to offer general health coverage by promoting employee health and well-being. This is done locally and individually, for example by providing specific health programs, regular health checks, ergonomic workstations and contributions to promoting a healthy lifestyle.

SDG 8.7: End modern slavery, human trafficking and child labor

SDG 8.8: Protect labor rights and promote safe and secure working environments

Through occupational health and safety, we help to ensure that working conditions at our own sites are decent and that no forms of forced labor, human trafficking or child labor occur. By implementing strict labor and social standards and providing training for employees and managers, health management is helping to increasingly combat these negative aspects in the supply chain as well. As a member of the UN Global Compact, we are also committed to compliance with international labor standards.

CONTEXT

GRI 3-3

Safe, healthy workplaces which promote the well-being of our employees are a central concern to us as an employer. Concern for the health of our employees stems from both our ethical principles as a company and our economic interest in maintaining an efficient and committed workforce. Our aim is to prevent accidents and, where necessary, to actively manage absences as measurable targets. This includes both our own employees and also all those who work on our behalf.

The measures we have taken so far to prevent accidents and improve health in the workplace have not yet produced a satisfactory result. As in 2022, there were no fatal accidents in the 2023 reporting year. However, the number of accidents at work resulting in more than one day's absence from work rose slightly by 5.

CONCEPT AND GOALS

GRI 3-3
GRI 2-25
GRI 403-1

964 CO

One of the top priorities of our Group-wide sustainability strategy is to proactively manage health and workplace safety risks so that we can prevent work accidents, injuries and occupational absences, and minimize negative impacts. Because people are always at the heart of what Interroll does, health and occupational safety is one of three ESG focus areas in 2024.

Creating optimal and safe working conditions is of the utmost importance to us and a key management objective. It underpins our attractiveness as an employer and therefore our operational performance, our ability to maintain complex production processes and offer high-quality, flexible customer solutions.

A Group-wide corporate policy on "Occupational health and safety," updated in 2023, is in place to provide qualitative and quantitative goals to actively shape our management approach, and to ensure measurable and management-related key performance indicators (KPIs). This applies to production employees as well as to administrative staff – regardless of their contractual basis. In this way, we promote the health and well-being of all employees.

We are also committed to creating and maintaining the highest occupational health and safety standards at all of our locations around the world. We intend to introduce a certified management system for occupational health and safety in accordance with ISO 45001 at every company unit by 2030. This is linked to measures for the general or specific promotion of health and safety aspects at every workplace. This also includes assessing every workplace for health and safety risks.

Governance and compliance

GRI 2-9

The Board of Directors and Group Management are also responsible for considering and implementing the requirements of the material topic “Occupational health and safety” in the overall corporate strategy. They ensure that the responsibilities for setting goals, delivering resources, taking action and conducting reviews are clearly defined. The Board of Directors receives regular information on “occupational health and safety” and an assessment of the associated risks from Group Management. The Board of Directors thereby ensures that it possesses the requisite knowledge to evaluate these aspects.

Within Interroll’s organizational structure, the Chief Operations Officer (COO) is responsible at the overall Group level for occupational health and safety.

It is the CFO’s responsibility to assess and report on risks within the “Occupational health and safety” topic as part of the annual ESG risk inventory. The Board of Directors submits these reports concerning employee matters in accordance with Article 964b CO to the annual general meeting for approval (see page 132).

Responsibility for operational implementation and performance is delegated to the management teams of the legal entities.

We will be developing specific implementation plans for each Interroll site to achieve the goals based on their individual situation.

GRI 3-3
GRI 2-25
GRI 403-2

964 CO

OPPORTUNITIES AND RISKS OF OCCUPATIONAL HEALTH AND SAFETY

Internationally, occupational safety is one of the key decision points when selecting an industrial site. Excellent occupational health and safety management strengthens and thus protects our reputation as an employer on the labor market for specialists and executives, which is currently highly competitive.

All occupational health and safety-related ESG risks identified in the initial inventory and assessment were categorized as “medium.”

ESG risk category “medium”

- Accidents and absences due to failure to comply with local safety requirements;
- Reputational risks caused by failing to live up to our responsibility as a company in the event of significant, consequential incidents; and
- Impacts on ESG ratings and investor reactions.

As we describe below, while the corresponding management performance at Interroll is on a firm footing, the risks were nevertheless classified as medium in light of the absolute importance of this aspect. One severe work accident at a location in the USA in 2023 resulted in the identification of “occupational health and safety” as one of the three focal points throughout the Group in 2024.

964 CO

Targets	KPIs	Unit	2023	2022	Date
No severe accidents	Number of severe occupational accidents	Number	1	0	Annually
LTI rate zero	LTIR (occupational accidents with ≥ 1 day lost per 1 million hours worked)	Figure	9.0	7.9	Annually
Sickness rate below 4%	Sickness rate	%	3.4	3.5	Annually
All workplaces assessed for occupational health and safety risks	Percentage of workplaces assessed for occupational health and safety risks	%	n/a	n/a	2025
All entities ISO 45001 certified	Number of entities	Number	2	1	2030

STATUS, MEASURES AND RESULTS

GRI 403-8

964 CO

Occupational health and safety is an element of our ESG management system. Depending on the unit and location, the characteristics differ but strict regulatory requirements apply. For our unit in Spain and our Swiss Center of Excellence in Sant'Antonino, an occupational health and safety management system in accordance with ISO 45001 has been implemented and certified.

GRI 403-3
GRI 403-4

We focus on occupational safety at every workplace and follow up on any potential for improvements we identify. In Germany, our specialized committees discuss the efficiency and effectiveness of existing measures, any necessary statutory adjustments, and the findings of regular workplace inspections together with HR management, employee representatives, our internal safety officers/coordinators and our service providers, and initiate further steps as required. In 2023, we began to train up our own employees at three German locations as occupational safety experts. One of these people will complete their training in 2024, and the other two in 2025.

GRI 403-9

Throughout the Group, a total of 40 occupational accidents resulting in more than one day of lost work were reported in 2023 (2022: 34). The Lost Time Injury Rate (LTIR) amounted to 9.0 (based on 1,000,000 hours worked; 2022: 7.9).

A total of 436 days were lost to occupational accidents in 2023 (2022: 556). There were once again no fatal occupational accidents. The Lost Time Injury Severity Rate (LTIR Severity) for work accidents was 10.9 (2022: 16.4).

Occupational safety at Interroll Germany

GRI 403-9

The German locations employed a total of 1,027 people, or 42.8 percent of our staff worldwide in 2023 (2022: 1,072 employees, or 44.0%). In Germany, a total of 28 occupational accidents resulting in more than one day of lost work were reported (2022: 18). With a total of 1,816,320 hours worked, the Lost Time Injury Rate (LTIR) amounted to 15.4 (based on 1,000,000 hours worked; 2022: 9.4).

ACCIDENT RATE (LTIR) GERMANY

15.4

2023

9.4

2022

OCCUPATIONAL ACCIDENTS

40

2023

34

2022

ACCIDENT RATE (LTIR)

9.0

2023

7.9

2022

ACCIDENT SEVERITY (LTIR)

10.9

2023

16.4

2022

The figures at Interroll Germany are therefore well below the industry average of 20.41 (based on 1,000,000 hours) reported for 2022* by Berufsgenossenschaft Holz und Metall, Germany's statutory accident insurer for wood and metal processing companies.

*Source: <https://www.bghm.de/bghm/amtliche-informationen/kennzahlen>
The current statistics for the insurer were available as of the copy deadline for 2022.

Occupational safety at Interroll USA

GRI 403-9

The American locations employed a total of 411 people, or 17.1 percent of our staff worldwide in 2023 (2022: 430 employees, or 17.6%). In the USA, a total of 4 occupational accidents resulting in more than one day of lost work were reported (2022: 4). With a total of 929,280 hours worked, the Lost Time Injury Rate (LTIR) amounted to 4.3 (based on 1,000,000 hours worked; 2022: 5.2).

One severe work accident in 2023 at the site in Hiram gave cause to examine local safety measures in closer detail. This resulted in an action plan which was coordinated with the Group Management and has already been implemented. As the injured person was a temporary worker, the accident was included in the calculation of the Lost Time Injury Rate (LTIR), but not in the statistics on the severity of the accident as the temporary worker was replaced immediately. We want to improve our reporting system in future so that the lost time of temporary workers can also be recorded.

Occupational safety at Interroll China

GRI 403-9

The Chinese locations employed a total of 218 people, or 9.1 percent of our staff worldwide in 2023 (2022: 218 employees, or 8.9%). In China, a total of 2 occupational accidents resulting in more than one day of lost work were reported (2022: 3). With a total of 392,480 hours worked, the Lost Time Injury Rate (LTIR) amounted to 5.1 (based on 1,000,000 hours worked; 2022: 7.9).

Measures to promote occupational safety

GRI 403-6

In addition, the following occupational safety-related matters are addressed: disaster prevention, incident and accident management, fire protection, handling of chemicals and hazardous substances, machine and plant safety, personal protective equipment, workplace ergonomics, first aid measures and medical care in emergencies. On-site risk assessments for work processes and workplaces are carried out by local management. Appropriate measures are put in place to minimize risks.

GRI 403-4
GRI 403-5

Managers are expected to lead by example. They assume responsibility for occupational health and safety. We involve our employees in decisions relating to occupational health and safety. Through regular updates and training, we promote the skills and awareness of our employees and actively encourage them to help create safe working conditions throughout the company. In 2023, 1,854 employees throughout the Group received occupational health and safety training (2022: 1,945). This corresponds to 77.3 percent (2022: 79.8%).

Sickness rate

With a total of 556,380 working days (2022: 539,660) Group-wide, there were 18,790 (2022: 18,756) days of absence due to illness. The sickness rate was thus 3.4 (2022: 3.5) percent.

SICKNESS RATE IN %



GRI 403-10

We employ technical and ergonomic measures to prevent occupational illness. The number of confirmed occupational illnesses and associated days lost is not currently recorded, as no particular problem has been identified to date.

GRI 403-6

Preventative action of different types is used throughout the Group. Wermelskirchen (Germany), for instance, has a detailed occupational health management system, and throughout Germany return-to-work initiatives support employees after extended periods of sick leave. In Thailand, employees take part in weekly jogging sessions to keep fit and spend time together.

GRI 403-7

For our partners and service providers, the same safety standards apply as for our employees. For instance, our Mosbach (Germany) site has a three-stage safety briefing system. Among our own employees, we differentiate between production and administrative staff. There is also a dedicated safety briefing for third-party staff in production operations, including provision of safety footwear and eyewear, ear protection and high-visibility vests.

GRI 3-3
GRI 403-1

Implementing ISO 45001 at Sant'Antonino (CH)

In keeping with the Group's goal of improving occupational health and safety, the process for implementing ISO 45001 at the Sant' Antonino location was kicked off in 2022 with the support of an external advisor. The central strategy was to establish and enhance safety-specific expertise internally and in particular to integrate an active safety culture into the day-to-day operations.

In a first step, a five-person team, including the managing director, received training from a Swiss safety officer over three months. An implementation roadmap was developed, to be concluded in 2024 with external certification. The process advanced at a rapid pace, meaning that the implemented and certified ISO 45001 occupational safety management system was already in place by April 2023.

In spring 2022, the strategy was developed, followed by a six-month risk analysis in which every relevant process was described and analyzed, with recommendations for improvements noted. This culminated in 35 process descriptions to set out a specific procedure for avoiding risks. A November 2022 pre-audit already produced results that were so encouraging that the external advisor brought the certification audit forward to spring 2023.

Corrective measures were developed based on the SUVA checklist. The possibility of ad hoc, dialog-based safety checks during operation also represents a major step forward in the process. Brief five-minute mini-audits covering specific, safety-relevant situations can be carried out using smartphones. This has quickly resulted in an active process for making suggestions for improvement. Another indicator is the number of risk reports prepared. While the annual number had previously been 10 to 20 reports per year, this figure had already risen to 70 by 2022. This is not an indication of increasing risks in essentially the same working environment, but of increased awareness, which will hopefully also systematically help to prevent accidents in the future.

It is important to note that the existing safety culture on site has a decisive influence not only on implementation, but also on success in day-to-day operations. One example of this is the extent to which people's willingness to wear protective goggles and footwear whenever appropriate differs.

DECLARATION OF THE BOARD OF DIRECTORS OF INTERROLL HOLDING AG REGARDING THE NON-FINANCIAL REPORT PURSUANT TO ARTICLE 964a OF THE SWISS CODE OF OBLIGATIONS

At its meeting on 14 March 2024, the Board of Directors of Interroll Holding AG unanimously adopted this Sustainability Report by the Group Management for fiscal year 2023 and confirms this with the signature of each member. The Board of Directors requests that the Annual General Meeting on 3 May 2024 adopt this report in order to fulfill the annual reporting obligation of Interroll Holding AG on non-financial matters in accordance with Article 964a CO. This non-financial report pursuant to Article 964b CO covers all content specified in paragraph 1:

- Environmental matters, in particular climate aspects and carbon emissions targets;
- Social matters;
- Employee matters;
- Respect for human rights; and
- Anti-corruption measures.

Based on the materiality analysis performed in 2022 and its review in 2023, the material topics identified at Interroll Holding AG were allocated as follows to the non-financial matters from Article 964b CO. We determine that this fully covers the non-financial matters prescribed by law:

964 CO	Material topics	Non-financial matters under Article 964 CO
	Environmental Protection Climate Protection Corporate Governance ESG Risk Management Corporate Compliance	Environmental matters, in particular climate protection
	Stakeholder Engagement Sustainable Procurement Product and Service Responsibility Corporate Governance ESG Risk Management Corporate Compliance	Social matters; protection of stakeholder interests
	Attractive Employer People Development Occupational Health and Safety Corporate Governance ESG Risk Management Corporate Compliance	Employee matters
	Sustainable Procurement Corporate Governance ESG Risk Management Corporate Compliance	Respect for human rights
	Corporate Governance ESG Risk Management Corporate Compliance	Anti-corruption measures

The report contains the information required to obtain an understanding of the Group's development, performance and position, and the impact of its activity on these matters.

The report includes in particular:

1. a description of the business model;
2. a description of the concepts pursued in relation to the matters set out in paragraph 1, including the due diligence applied;
3. a presentation of the measures taken to implement these concepts as well as an assessment of their effectiveness;
4. a description of the material risks in connection with the matters specified in paragraph 1 as well as the management of these risks by the company; the relevant risks are:
 - a. those which arise in connection with the company's own business; and
 - b. if relevant and reasonable, those which arise in connection with the company's business relationships, products or services;
5. the key performance indicators for the business in relation to the matters pursuant to Article 964j-l (1) CO

With respect to Article 964j-l CO, relating to conflict materials and metals as well as child labor, we note that we have no reporting obligation:

- a) Conflict minerals and metals
Interroll Holding AG does not achieve the import quantities of tin, tantalum, tungsten and gold into Switzerland specified in the Ordinance on Due Diligence and Transparency with regard to Minerals and Metals from Conflict-Affected Areas and Child Labor, which would trigger the special due diligence, management and reporting obligations under Article 964j-l CO.
- b) Child labor
Our structured risk screening and whistleblower system, which also covers aspects of child labor, enables us to perform the required due diligence with regard to suppliers. No indication of the use of child labor has been identified in our supply chain. This means that the reporting obligation in accordance with Article 964j-l CO regarding child labor does not apply.

As previously, Interroll Holding AG reports in accordance with the 2021 GRI Standards for the period from 1 January 2023 to 31 December 2023. In addition, our seventh UNGC Communication on Progress for the 2023 fiscal year is fully integrated into this Sustainability Report.

The report is available in German and English and is available at www.interroll.com. The information in the German version is authoritative; the English version is a translation. The appendix on page 145 contains an index of specific information in accordance with Article 964b CO for ease of reference.

Sant'Antonino, March 15, 2024



Paul Zumbühl
Chairman



Markus Asch
Vice-Chairman



Susanne Schreiber



Stefano Mercorio



Dr. Elena Cortona



Ingo Specht

GRI CONTENT INDEX



GRI Service Statement

For the Content Index – Essentials Service, GRI Services checked whether the GRI Index was presented in a way that meets the requirements for reporting according to the GRI Standards and whether the information in the GRI Content Index is clearly presented. The service was performed on the German version of the report.

The Global Reporting Initiative (GRI) is a leading organization in the field of global sustainability reporting. GRI promotes the use of sustainability reporting as a way for organizations to become more sustainable and contribute to sustainable development. Interroll supports the GRI's core mission to increase the quantity and quality of reporting, which in turn increases market transparency. This is Interroll's second report prepared in accordance with the GRI Standards 2021.

Interroll Holding AG has reported in accordance with the GRI Standards for the period: 01.01.2023 to 31.12.2023.

GRI Standards	No	Disclosure	Page	Comments
GRI 1: Foundation 2021				
GRI 2: General Disclosures 2021				
ABOUT INTERROLL				
The organization and its reporting practices	2-1	Organizational details	8; 150	
	2-2	Entities included in the organization's sustainability reporting	4	
	2-3	Reporting period, frequency and contact point	150	
	2-4	Restatements of information	64	
	2-5	External assurance	150	
Activities and workers	2-6	Activities, value chain and other business relationships	4; 8	
	2-7	Employees	4; 7; 119	
	2-8	Workers who are not employees	119	
Governance	2-9	Governance structure and composition	5; 31; 32; 34; 39; 45; 56; 76; 85; 99; 108; 117; 123; 128	
	2-10	Nomination and selection of the highest governance body	34	
	2-11	Chair of the highest governance body	34	
	2-12	Role of the highest governance body in overseeing the management of impacts	7; 31; 34	
	2-13	Delegation of responsibility for managing impacts	7; 34	
	2-14	Role of the highest governance body in sustainability reporting	31; 32; 34	
	2-15	Conflicts of interest	34	
	2-16	Communication of critical concerns	34	
	2-17	Collective knowledge of the highest governance body	32; 35	
	2-18	Evaluation of the performance of the highest governance body	35	
	2-19	Remuneration policies	32; 35	
	2-20	Process to determine remuneration	35	
	2-21	Annual total compensation ratio	35	

GRI Standards	No	Disclosure	Page	Comments
Strategy, policies and practices	2-22	Statement on sustainable development strategy	2; 14; 18; 19; 20; 22	
	2-23	Policy commitments	18; 21; 24; 28; 31; 52; 82; 112	
	2-24	Embedding policy commitments	21; 24; 25	
	2-25	Processes to remediate negative impacts	31; 34; 38; 39; 41; 44; 46; 47; 57; 58; 76; 78; 85; 87; 99; 100; 103; 107; 109; 115; 118; 122; 124; 127; 128	
	2-26	Mechanisms for seeking advice and raising concerns	46; 47	
	2-27	Compliance with laws and regulations	49	
	2-28	Membership associations	93; 94; 95	
	2-29	Approach to stakeholder engagement	14; 20; 85; 87; 88; 90; 91; 92; 93	
	2-30	Collective bargaining agreements	120	

GRI 3: Material Topics, broken down by focal points of our work

GRI 3: Material Topics 2021	3-1	Process to determine material topics	14; 15; 16	
	3-2	List of material topics	16; 17	

GOVERNANCE

Corporate Governance

GRI 3: Material Topics 2021	3-3	Management of material topics	31; 34	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	28	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	34	

ESG Risk Management

GRI 3: Material Topics 2021	3-3	Management of material topics	38; 39	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	10	

GRI Standards	No	Disclosure	Page	Comments
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	41	
Corporate Compliance				
GRI 3: Material Topics 2021	3-3	Management of material topics	44; 46; 47	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		All
	205-2	Communication and training about anti-corruption policies and procedures	28; 46	
	205-3	Confirmed incidents of corruption and actions taken	46; 49	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	49	
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	49	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	49	
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	49	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	49	
GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	49	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	49	

ENVIRONMENT

Climate Protection

GRI 3: Material Topics 2021	3-3	Management of material topics	55; 57; 58; 64	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	55; 57; 59; 60	
	302-2	Energy consumption outside of the organization	58; 61	
	302-3	Energy intensity	58; 60	
	302-4	Reduction of energy consumption	60; 61	
	302-5	Reductions in energy requirements of products and services	61; 73	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	41; 42	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	55; 58; 65; 66; 67	
	305-2	Energy indirect (Scope 2) GHG emissions	55; 58; 65; 66; 67	
	305-3	Other indirect (Scope 3) GHG emissions	55; 57; 58; 65; 66; 68; 69; 70; 71; 72	

GRI Standards	No	Disclosure	Page	Comments
	305-4	GHG emissions intensity	73	
	305-5	Reduction of GHG emissions	59; 73	
Environmental Protection				
GRI 3: Material Topics 2021	3-3	Management of material topics	75; 76; 78	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	78	
	301-2	Recycled input materials used	77; 79	
GRI 303: Water and Effluents 2018	303-5	Water consumption	80	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	80	
	306-2	Management of significant waste-related impacts	80	
	306-3	Waste generated	80	
	306-4	Waste diverted from disposal	80	
	306-5	Waste directed to disposal	80	

SOCIAL – SOCIETY

Stakeholder Engagement

GRI 3: Material Topics 2021	3-3	Management of material topics	85; 87	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	93	
	203-2	Significant indirect economic impacts	93	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programs	93	

Sustainable Procurement

GRI 3: Material Topics 2021	3-3	Management of material topics	98; 99; 100; 102	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	100; 102; 104	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	100; 102	
	308-2	Negative environmental impacts in the supply chain and actions taken	101; 103	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	98; 100	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	100	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	100; 101	

GRI Standards	No	Disclosure	Page	Comments
	414-2	Negative social impacts in the supply chain and actions taken	100; 102	
Product and Service Responsibility				
GRI 3: Material Topics 2021	3-3	Management of material topics	107; 109	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	109	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	107	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	108	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	107	

SOCIAL – EMPLOYEES

Attractive Employer				
GRI 3: Material Topics 2021	3-3	Management of material topics	115; 118	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	118	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	120	
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	120	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	120	
People Development				
GRI 3: Material Topics 2021	3-3	Management of material topics	122; 124	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	124; 125	
	404-2	Programs for upgrading employee skills and transition assistance programs	124	
	404-3	Percentage of employees receiving regular performance and career development reviews	125	
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	127; 128; 131	

GRI Standards	No	Disclosure	Page	Comments
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	127; 131	
	403-2	Hazard identification, risk assessment, and incident investigation	128	
	403-3	Occupational health services	129	
	403-4	Worker participation, consultation and communication on occupational health and safety	129; 130	
	403-5	Worker training on occupational health and safety	130	
	403-6	Promotion of worker health	130	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	130	
	403-8	Workers covered by an occupational health and safety management system	129	
	403-9	Work-related injuries	129; 130	
	403-10	Work-related ill health	130	

ESG KEY FIGURES OVERVIEW 2023

Key figures at a glance	Unit	2023	2022	GRI index
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Economic KPIs

Order intake	CHF million	519.7	572.6	GRI 201-1
Sales	CHF million	556.3	664.4	GRI 201-1
EBITDA	CHF million	106.3	129.3	GRI 201-1
EBITDA	% of sales	19.1	19.5	GRI 201-1
EBIT	CHF million	83.9	105.2	GRI 201-1
EBIT	% of sales	15.1	15.8	GRI 201-1
Net profit/net loss for the year	CHF million	66.3	82.8	GRI 201-1
Net profit/net loss for the year	% of sales	11.9	12.5	GRI 201-1
Operating cash flow	CHF million	113.2	71.4	GRI 201-1
Operating cash flow	% of sales	20.4	10.7	GRI 201-1
Free cash flow	CHF million	91.1	49.2	GRI 201-1
Free cash flow	% of sales	16.4	7.4	GRI 201-1
Equity	CHF million	410.8	394.2	GRI 201-1
Equity ratio	in %	75.5	72.2	GRI 201-1
Return on equity	in %	16.5	22.4	GRI 201-1

Governance

Corporate governance

Members on Board of Directors	Number	6	6	GRI 2-9
Nationalities represented on Board of Directors	Number	3	3	GRI 2-9
Share of independent members on Board of Directors	in %	50	50	GRI 2-10
Share of women on Board of Directors	in %	33.3	33.3	GRI 405-1
Audit Committee meetings	Number	5	7	Interroll disclosure
Current term of lead auditor	years	5	4	Interroll disclosure
Members in Group Management	Number	7	7	GRI 2-9

Key figures at a glance	Unit	2023	2022	GRI index
Nationalities represented in Group Management	Number	5	5	GRI 2-9
Number of women in Group Management	Number	0	0	GRI 2-9
Legal entities	Number	42	43	GRI 2-6
Operational legal entities	Number	35	35	GRI 2-6
Total compensation ratio	Key indicator	15.2	15.3	GRI 2-21
Rating agencies that rate Interroll's business ethics as above average	Number	5	2	Interroll disclosure
ESG Risk Management				
ESG risk inventory at Group level in place	in %	100	n/a	GRI 2-25
ESG risk inventory at local level in place	in %	2	n/a	GRI 2-25
ESG risks with high risk potential at Group level	Number	12	n/a	GRI 2-25
ESG risks with high risk potential and defined measures	in %	100	n/a	GRI 2-25
Human rights abuses	Number	0	0	GRI 408/409
Corporate Compliance				
Employees who have signed the code of conduct	in %	87.6	80.6	GRI 2-23
Breaches of laws and regulations, internal rules and regulations and Group and local company policies	Number	2	0	GRI 205-3
Integrity Line cases reported and investigated	Number	10	6	GRI 2-26
Incidents of bribery, corruption, fraud, discrimination and harassment	Number	18	21	GRI 205-3
Legal actions for anti-competitive behavior	Number	0	0	GRI 206-1
Incidents of non-compliance concerning product and service information	Number	0	0	GRI 417-2
Employees trained in information and cyber security	Number	1,494	1,079	GRI 2-23
Employees trained in information and cyber security	in %	62.3	44.3	GRI 2-23
Breach of customer privacy or loss of customer data	Number	0	0	GRI 418-1

Environment

Climate Protection

Total energy consumption	GWh	31.19	33.36	GRI 302-1
Consumption of renewable energy	GWh	7.66	2.79	GRI 302-1
Percentage of renewable energy in total energy consumption	in %	24.55	8.37	GRI 302-2

Key figures at a glance	Unit	2023	2022	GRI index
Percentage of self-generated energy in total energy consumption	in %	2.62	0.99	GRI 302-2
Electricity consumption	GWh	15.17	16.71	GRI 302-1
Percentage of renewable energy in electricity consumption	in %	50.5	16.7	GRI 302-1
Consumption of self-generated energy	GWh	0.82	0.33	GRI 302-4
Percentage of self-generated energy in electricity consumption	in %	5.38	1.97	GRI 302-4
Energy intensity	MWh/CHF million	56.07	50.21	GRI 302-3
Scope 1 GHG emissions	tCO ₂ e	3,527.5	3,049.3	GRI 305-1
Scope 2 GHG emissions, location-based	tCO ₂ e	4,467.4	4,992.9	GRI 305-2
Scope 2 GHG emissions, market-based	tCO ₂ e	3,549.3	7,125.2	GRI 305-2
Scope 1 and 2 GHG emissions, market-based	tCO ₂ e	7,076.8	10,174.5	GRI 305-2
Scope 3 GHG emissions	tCO ₂ e	319,832	392,529	GRI 305-3
Total Scope 1, 2 and 3 GHG emissions, market-based	tCO ₂ e	326,909	402,704	GRI 305-3
Emissions intensity (Scope 1, 2 and 3), market-based	tCO ₂ e/CHF million	587.6	606.1	GRI 305-4
CO ₂ emissions of Interroll's fleet	tCO ₂ e	827.2	867.6	Interroll disclosure
Environmental Protection				
Total production materials	t	47,451	63,125	GRI 301-1
Steel	t	40,371	53,589	GRI 301-1
Other alloys	t	1,323	1,752	GRI 301-1
Plastics	t	3,304	4,294	GRI 301-1
Electrical/electronic components	t	603	928	GRI 301-1
Other production-related materials	t	1,834	2,539	GRI 301-1
Recycled plastics	t	17	22	GRI 301-2
Percentage of recycled materials (currently measurable: plastics)	in %	0.5	0.5	GRI 301-2
Packaging material (plastic)	t	86	96	GRI 301-1
Packaging material (wood)	t	7,005	8,935	GRI 301-1
Packaging material (cardboard packaging)	t	624	796	GRI 301-1
Production waste	t	3,820	4,337	GRI 306-3
Water consumption	m ³	34,594	34,751	GRI 303-5
Water intensity	m ³ per CHF million sales	62.2	52.3	GRI 303-5

Key figures at a glance	Unit	2023	2022	GRI index
Percentage of scrap in steel processing	in %	6.8	5.9	GRI 306-3
Percentage of scrap in plastic processing	in %	2.5	2.3	GRI 306-3
Packaging intensity (plastics)	t per CHF million sales	0.2	0.1	Interroll disclosure
Packaging intensity (wood, paper, cardboard)	t per CHF million sales	13.7	14.6	Interroll disclosure
Waste intensity from production-related waste	t per CHF million sales	6.9	6.5	Interroll disclosure
Amount of hazardous waste	t	59	70	GRI 306-3
Number of ISO 14001-certified production units	Number	1	0	Interroll disclosure

Social – Society

Stakeholder Engagement

Structured stakeholder analysis conducted	Yes/No	Yes	Yes	GRI 2-29
Percentage of selected stakeholder groups with whom dialog was conducted	in %	100	100	GRI 2-29
Sustainalytics Rating Risk Score below 10 points	Rating	21.5	32.6	GRI 2-29
MSCI AAA rating	Rating	A	A	GRI 2-29
Inrate zRating above 90 points	Rating	69	62	GRI 2-29
EcoVadis score – Group	Rating	65	29	Interroll disclosure
Organizational units with EcoVadis Platinum score	Number	3	0	Interroll disclosure
Organizational units with EcoVadis Gold score	Number	10	0	Interroll disclosure
Organizational units with EcoVadis Silver score	Number	4	4	Interroll disclosure
Organizational units with EcoVadis Bronze score	Number	1	6	Interroll disclosure
Active participation in industry associations and initiatives	Number	74	45	GRI 2-28
Donations to sponsorships and non-profit organizations	CHF	120,856	104,246	GRI 413-1
Locations which contribute to local community projects	Number	17	16	GRI 413-1

Sustainable Procurement

Number of Interroll suppliers	Number	4,726	4,929	GRI 2-6
Percentage of suppliers assessed for environmental and social risks	in %	62.1	59.7	GRI 2-25
New Interroll suppliers who have signed the code of conduct	in %	20.4	n/a	GRI 2-23
Purchasing volume	CHF million	217.3	245.7	Interroll disclosure

Key figures at a glance	Unit	2023	2022	GRI index
Spending on local suppliers	CHF million	179.1	230.2	Interroll disclosure
Proportion of spending on local suppliers	in %	82.4	93.7	GRI 204-1
Percentage of new suppliers assessed pursuant to environmental criteria	in %	14.0	n/a	GRI 308-1
Percentage of new suppliers assessed pursuant to social criteria	in %	14.3	n/a	GRI 414-1
Suppliers of production materials assessed pursuant to ESG criteria	Number	2,934	2,942	Interroll disclosure
Number of confirmed incidents of forced labor	Number	0	0	GRI 409-1
Number of confirmed incidents of child labor	Number	0	0	GRI 408-1
Number of confirmed cases of human trafficking	Number	0	0	GRI 414-2
Product and Service Responsibility				
Health and safety incidents caused by our products	Number	0	0	GRI 416-2
On-time deliveries (ODP)	in %	93.04	88.50	Interroll disclosure
Cost of poor quality (CoPQ)	% of sales	0.26	0.21	Interroll disclosure
ISO 9001-certified locations	Number	9	9	Interroll disclosure

Social – Employees

Attractive Employer

Total number of employees	HC	2,398	2,437	GRI 2-7
Total number of employees	FTE	2,294	2,325.4	GRI 2-7
Number of employees aged 30 and under	Number	412	501	GRI 2-7
Number of employees aged 30–50	Number	1,354	1,299	GRI 2-7
Number of employees aged 50 and over	Number	632	637	GRI 2-7
Permanent employees	Number	2,234	2,202	GRI 2-7
Permanent employees	in %	93.2	90.4	GRI 2-7
Temporary employees	Number	125	202	GRI 2-8
Temporary employees	in %	5.1	8.3	GRI 2-8
Apprentices/trainees	Number	39	33	GRI 2-7
Apprentices/trainees	in %	1.6	1.4	GRI 2-7
Employee turnover	in %	17.5	22.4	GRI 401-1

Key figures at a glance	Unit	2023	2022	GRI index
Management positions held by women	in %	26.9	23.2	GRI 405-1
Employees with physical or mental disabilities	Number	36	35	GRI 405-1
People Development				
Changes in Group Management	Number	1	0	Interroll disclosure
Recent hires for management positions were staffed internally	Number	22	11	Interroll disclosure
Percentage of management positions filled from within	in %	44.9	45.8	Interroll disclosure
Training for employees	Persons in training sessions	1,537	1,327	GRI 404-1
Average number of hours for training sessions	Number	24	24	GRI 404-2
Internal training	Hours	22,957	20,072	GRI 404-2
External training	Hours	14,499	11,152	GRI 404-2
Training expenditure	CHF	933,488	844,989	GRI 404-2
Occupational Health and Safety				
Severe occupational accidents	Number	1	0	GRI 403-9
Occupational accidents resulting in one or more days of lost work (LTIR)	Figure based on 1,000,000 hours worked	9.0	7.9	GRI 403-9
Days lost due to occupational accidents	Number	436	556	GRI 403-9
Sickness absence rate	in %	3.4	3.5	GRI 403-10
ISO 45001-certified locations	Number	2	1	Interroll disclosure

CONTENT INDEX

FOR NON-FINANCIAL REPORTING PURSUANT TO ARTICLE 964 OF THE OF THE SWISS CODE OF OBLIGATIONS (CO)

Content of report	Reporting obligations pursuant to Article 964 CO	
Report structure	Matters pursuant to Article 964b and 964j CO	"Description of business model Article 964b (2) no. 1"
About Interroll		4
ESG Strategy		
Stakeholder dialog and materiality analysis		
Sustainability management at Interroll		
Priority material topics		
Contributions to the Sustainable Development Goals		
Governance		
Corporate Governance	Environmental, social and employee matters, respect for human rights and anti-corruption measures	
ESG Risk Management	Environmental, social and employee matters, respect for human rights and anti-corruption measures	
Corporate Compliance	Environmental, social and employee matters, respect for human rights and anti-corruption measures	
Environment		
Climate Protection	Environmental matters, in particular carbon emissions targets	
Environmental Protection	Environmental matters	
Social – Society		
Stakeholder Engagement	Social matters	
Sustainable Procurement	Social matters, respect for human rights	
	Conflict minerals	
	Child labor	
Product and Service Responsibility	Social matters	
Social – Employees		
Attractive Employer	Employee matters	
People Development	Employee matters	
Occupational Health and Safety	Employee matters	

"Concepts, including due diligence applied Article 964b (2) no. 2"	"Measures taken and results Article 964b (2) no. 3"	"Risks from own operations Article 964b (2) no. 4a"	"Risks from business relationships, products or services Article 964b (2) no. 4b"	"Key performance indicators Article 964b (2) no. 5"
5; 7				
13 - 26				
14; 15; 16				
18; 19; 20; 21				
24				
25				
27 - 50				
28; 31; 32; 33	34	34		33
38	39	39; 40; 41	40	39
44; 45	47	46		46
51 - 80				
56; 57	59; 60	58; 59	58; 59	58; 59; 60; 65
76	78	78		77
81 - 110				
85	87	87	88; 90; 91	86
98; 99	102	100	101; 102; 103	100
98	98; 99	98; 99	98; 99	98; 99
98	98; 101	100	100; 102	100
107	109	109	109	108
111 - 131				
115	119	118		118
122	124	124		124
127	129	128		128

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GRI 2-5

The report was not subject to a third-party audit.

Notes

GRI 2-3

This Sustainability Report was prepared in accordance with the GRI Standards 2021. This is Interroll Holding AG's second annual Sustainability Report. Please see pages 135 et seq. for an overview of the relevant GRI disclosures (GRI content index).

The period under review is the 2023 fiscal year. Unless explicitly stated otherwise, all information pertains to the period from 1 January 2023 to 31 December 2023. This report was also prepared in accordance with the reporting requirements of the UN Global Compact, including the Communication on Progress (CoP) policy.

Editorial notes

The copy deadline for this report was 9 February 2024. In some cases, individual data that was not yet available for the full twelve months at the end of the year was extrapolated on the basis of the data available for January to November 2023.

This text is a translation of the Sustainability Report published in German and, whereas the German text is authoritative.

System limitations

The financial figures are the consolidated group figures of Interroll Holding AG.

Corrections to 2022 report

Interroll Holding AG is very careful in gathering and publishing the contents of its reports. Nevertheless, progress made with ESG management at the Group and local levels has resulted in changes to data published in the first sustainability report in 2022. Where energy and emissions figures are concerned, the differences do not indicate that any significant change in course is needed. However, they increase certainty about the next steps to be taken.

From a structural perspective, the differences with regard to the 2022 results were based on the energy consumption figures that are now definitive (no estimates for the end of 2022), on methodological refinements and on an increased awareness of the interrelationships and the associated improvement in data quality. The latter also applies to the social and governance material areas, where we have also clarified the data from 2022.



Interroll Holding AG

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