

ENVIRONMENTAL  
FINANCIAL  
SOCIAL GOVERNANCE

“THE WAY  
TO A  
**SUSTAINABLE  
FUTURE”**

# ESG-IMPACTS

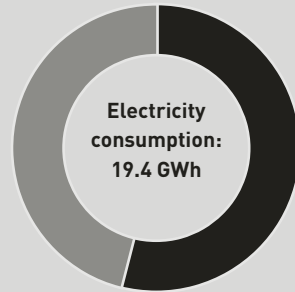
## 2022 IN FIGURES



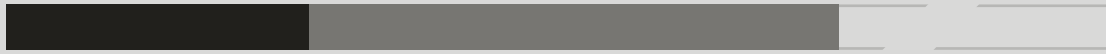
**33.5% SHARE OF RENEWABLE ENERGY**

**31.05 GWh**

**TOTAL ENERGY CONSUMPTION**



Scope 1 and 2 GHG emissions ("market-based"): 8,356.8 tCO<sub>2</sub>e



**SCOPE 1 GHG EMISSIONS: 3,072.2 tCO<sub>2</sub>e**

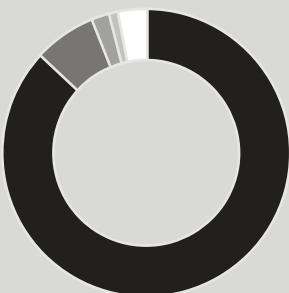
**SCOPE 2 GHG EMISSIONS: 5,284.5 tCO<sub>2</sub>e**

"market-based"  
"location-based" 6,459.2 tCO<sub>2</sub>e

**SCOPE 3 GHG EMISSIONS: Not tracked in 2022**

**65,040 t**

Consumption of raw materials



- Steel: 55,955 t
- Plastic: 4,279 t
- Other alloys: 1,425 t
- Electronic/electrical components: 923 t
- Other materials: 2,458 t

**3,805 t**

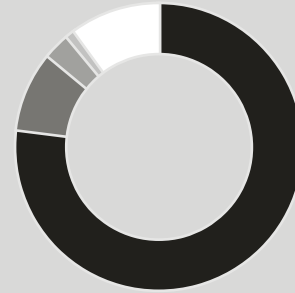
Packaging material



- Wood: 3,001 t
- Paper/cardboard packaging: 709 t
- Plastic: 95 t

**4,268 t**

Production waste

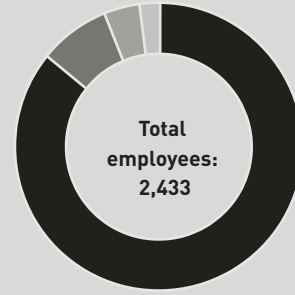


- Steel: 3,272 t
- Wood: 394 t
- Plastic: 139 t
- Hazardous waste: 58 t
- Others: 423 t

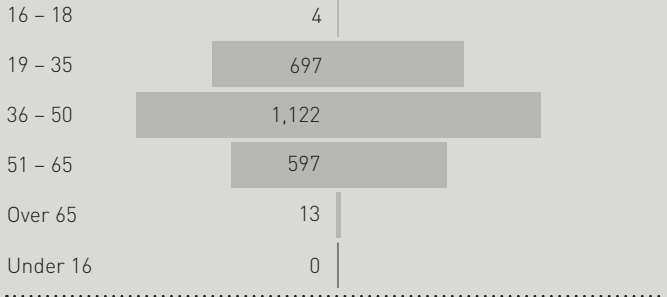


# 2,433

employees



- Full-time: 2,110
- Temporary/agency workers: 211
- Part-time: 81
- Trainees/interns: 41



Years old Employees (As of 31 December 2022)



18 different nationalities



# 35

## LOCAL MANAGING DIRECTORS

Men: 100% Women: 0%



# 23%

## SHARE OF WOMEN IN MANAGEMENT POSITIONS

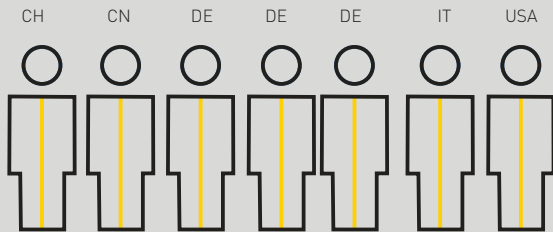
Men: 77%



# 39%

## OF NEW APPOINTMENTS TO MANAGEMENT POSITIONS WERE STAFFED INTERNALLY

Staffed externally: 61%



## GROUP MANAGEMENT (NUMBER OF MEMBERS): 7

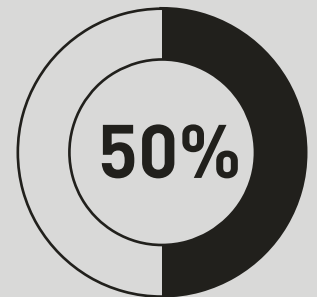
Men: 100% Women: 0%



## BOARD OF DIRECTORS (NUMBER OF MEMBERS): 6

Nationality:  
 Switzerland: 1  
 Dual nationality Switzerland & Italy: 1  
 Italy: 1  
 Germany: 3

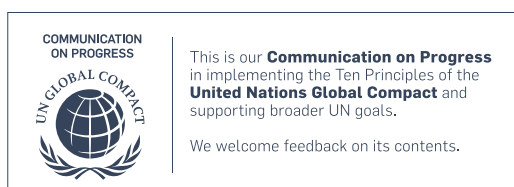
- Men: 4
- Women: 2



## SHARE OF INDEPENDENT MEMBERS

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GRI 2-22

## THE WAY TO A SUSTAINABLE FUTURE



Ingo Steinkrüger, Chief Executive Officer.

### **Dear shareholders, valued customers, employees and business partners,**

In these turbulent times, Interroll remains steadfast in its mission to provide demand-driven customer solutions that are a cut above the competition. An unusual introduction to our first Sustainability Report, which we have prepared in accordance with the internationally recognized GRI Sustainability Reporting Standards? On the contrary.

Loud and clear are the signals coming from our many stakeholders as they navigate a rapidly evolving, more socially responsible marketscape. We are witnessing a fundamental shift in the statutory and regulatory framework in favor of responsibility across the board. The financial markets now face the reality of natural resource overconsumption and the urgent need to cut harmful emissions. Customers now want information about your carbon footprint, talented young recruits are looking for purpose and meaning in their work, and legislators are tightening regulations. Interroll was and is prepared for this shift, because we develop innovative, responsible solutions that will help propel our customers to new heights and success on the market going forward.

Of course we have our work cut out for us. A significantly more holistic approach has to be taken to demand-driven solutions than was the case up until recently. What price do we have to include in our calculations for environmental impacts throughout the value chain? How do decisions change when the total cost of ownership of machinery has to be taken into account to a greater extent in light of rising energy

costs? How do we convey our advantages to the market even more transparently? How can we continue to attract the best employees?

We are supremely confident in our ability to address these pressing questions concerning the future. For one, we have been working on these solutions for a long time, leveraging both the challenges and opportunities presented to us along the way. And secondly, the debate on how to combine profitability with responsibility is not only long overdue, but also provides us a glimpse of what progress can look like – for us and our society in the future. It is true that in the age of moving targets, it's not where you're going but how you get there. But we still believe that results count. It is important to us how we manage our sustainable development, and that is something we work on every day. We proudly present the fruits of that labor in this Report.

Our understanding of sustainable corporate development is fundamentally shaped by our efforts to improve the group's performance while taking into account our impact on social systems, on the well-being and prosperity of our employees, and on the environment. We want to secure our success in the long term. To achieve this goal, we will not only meet our stakeholders' expectations, we will also be pioneers and deliver excellent results. As always, the key to this is speed. And, as you know, speed is part of our DNA here at Interroll.



Paul Zumbühl, Active Chairman.

We are already preparing for the sustainability megatrends of tomorrow in the full knowledge that transformation, and not disruption, will be the order of the day. Who among us can claim that they have reached their company's sustainable development goals? There is still much to achieve in terms of the conservation of resources, energy efficiency, more sustainable procurement, environmentally friendly product innovations, occupational health and safety, respect for human rights and compliance with labor standards throughout the value chain. With our "proven" energy efficient products and solutions, we contribute to the net zero CO<sub>2</sub> targets of our customers. We are increasing the resiliency of our good corporate governance. This allows us to simultaneously optimize our solutions for future markets while continuing to meet the requirements international customers place on their partners. We underscored our firm commitment to the Ten Principles of the UN Global Compact by joining the UN Global Compact in 2016, and have once again reaffirmed our commitment to those principles. We have incorporated our sixth UNGC Communication of Progress (CoP), which covers fiscal year 2022, in its entirety in this Sustainability Report in accordance with the GRI Standards 2021. It is a testament to our holistic development. We also outline the various ways in which we contribute to the United Nation's Sustainable Development Goals (SDGs), thereby underscoring the enormous value we place on social responsibility in our business activities. We are also proud to announce that we have signed on to the UN Global Compact for a further year.

In the face of all the difficulties and fierce competition that the 2022 fiscal year had to offer, our company and

our employees were always there for one another. This team spirit is what makes us such a highly attractive employer in the industry. Our goal is to enable both current and future employees to thrive in this environment. That is why we are focusing on and investing in their individual skills and careers over the long term. Our academy provides our employees with excellent training and professional development opportunities. We firmly believe that our corporate culture and regular specialist training courses are the basis for motivating our employees to work on their professional development.

The many crises we have faced – from the pandemic and supply bottlenecks through to the energy shortage and rising inflation resulting from the war in Ukraine – have not deterred us from pursuing our sustainable development objectives and helping to ensure supply security for billions of people around the globe, genuine climate and environmental protection efforts and respect for inalienable human rights. Knowing that we can rely on a highly motivated team of proficient employees fills us with pride and joy. We would like to take this opportunity to thank them for always being on deck and so enthusiastic to work on new, cutting-edge projects.

We are and remain your dependable partner – a partner that forges ahead reliably with sustainable innovation based on its long-standing experience, execution and highly sophisticated technology. We would like to thank all of you for your trust and constructive collaboration. We hope that you find this Report inspiring and thought-provoking and look forward to your feedback and, in particular, to the progress we will achieve together.

Sant'Antonino, March 16, 2023

**Paul Zumbühl**  
Active Chairman

**Ingo Steinkrüger**  
Chief Executive Officer

# ABOUT INTERROLL

GRI 2-6

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. Interroll provides system integrators and OEMs with a wide range of platform-based products and services in these categories: rollers, drives, conveyors & 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 manufacturing industries. Leading brands such as Amazon, Bosch, Coca-Cola, DHL, Nestlé, Procter & Gamble, Siemens, Walmart and Zalando are some of the company's end users. Headquartered in Switzerland, Interroll has a global network of 35 companies with sales of CHF 664.4 million and 2,500 employees (average number of employees in 2022).

## Global Centers of Excellence (CoEs)

The nine Interroll Centers of Excellence are responsible worldwide for product development, strategic purchasing, the development and application of production technologies for selected product ranges. Furthermore, they produce and supply semi-finished goods to Group companies.

## Regional Centers of Excellence (RCoEs)

The regional Centers of Excellence produce for the EMEA, Americas and Asia-Pacific regions. These centers handle the full 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.

## 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 their local markets.

## 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.

## Innovation

The Innovation Projects and Development Center (IPDC) develops new products and platform concepts in close cooperation with the Sales Solution Directors and the Group Management. Moreover, the IPDC is in charge of managing Interroll's patent activities and ensures the protection of its intellectual property.

## 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 relevant stakeholders, such as investors, customers, and employees, on which our success depends:

- As a company listed on the SIX Swiss Exchange, we have to comply with myriad legal and regulatory requirements.
- We have to fulfill our obligations to our shareholders as set out in our articles of association and the resolutions adopted by the annual general meeting.
- We are a reliable partner for all of our customers and users of our products and services and manage environmental and social risks.
- Last but not least, we are responsible for the actions of all our employees.



GRI 2-1  
GRI 2-2

Our business entities, 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 with a large global presence, covering markets, customers, and production and service locations across five continents and employees in well over two dozen countries. The headquarters are in Switzerland and Interroll is listed on the SIX Swiss Exchange. The diversity and complexity of the business model and value chain in the context of sustainability means two things:

- Firstly, due to the international nature of our business, we have to take into consideration a number of global aspects with regard to the origin raw materials and semi-finished products, our production units, markets and ultimately how our products are used – in some cases over a period of decades. Therefore, we reviewed the materiality of the sustainability topics for 2022 at length.
- Secondly, in managing the company at all levels – strategically, operationally, and in terms of our impact on people and the environment – we must devote the utmost attention to what we consider to be the key aspects of good corporate governance. This is also reflected by the associations and initiatives we have joined.

# HEADQUARTERS

IN SWITZERLAND

# 1959

FOUNDED

GRI 2-1  
GRI 2-6



**35**

COMPANIES

**16**

MAIN FACTORIES

**2,500**

EMPLOYEES

**28,000**

CUSTOMERS



GRI 2-28

## MEMBERSHIP ASSOCIATIONS

- Associação Brasileira da Indústria de Máquinas e Equipamentos (ABIMAQ), Brazil
- Associazione Industrie Ticinesi (AITI), Switzerland
- Automated Material Handling System Association (AMHSA), United Kingdom
- Center for Corporate Reporting (CCR), Switzerland
- China Federation of Logistics & Purchasing (CFLP), China
- Chamber of Commerce and Industry, Germany
- Chamber of Crafts, Germany
- Deutsche Unternehmensinitiative Energieeffizienz e.V. (DENEFF), Germany
- European Hygienic Engineering & Design Group (EHEDG), Germany
- EHI Retail Institute e. V., Germany
- Food-Processing Initiative e.V., Germany
- German Airport Technology & Equipment e.V., Germany
- German-Norwegian Chamber of Commerce, Germany
- Industrie-Pensions-Verein e.V., Germany
- Japan Institute of Material Handling (JIMH), Japan
- The Japan Machinery Federation (JMF), Japan
- Mayor of Canon City Advisory Council, United States of America
- Paulding Chambers of Commerce, United States of America
- Procession & Packaging Machinery Association (PPMA), United Kingdom
- Sindicato Nacional da Indústria de Máquinas (SINDIMAQ), Brazil
- Singapore Business Federation (SBF), Singapore
- Singapore International Chamber of Commerce (SICC), Singapore
- Società impiegati di commercio, Switzerland
- Spanish Red Cross, Spain
- Stichting EHEDG, Germany
- Stiftung Logistik Schweiz, Switzerland
- Swisscham, China
- Thai Business Association of Myanmar (TBAM), Thailand
- United Nations Global Compact
- Unternehmerverband Südwest E.V., Germany
- Upper Arkansas Valley Workforce Board, United States of America
- Wirtschaftsforum Sinsheim, Germany

# INTERROLL'S SUSTAINABLE DEVELOPMENT

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# INTERROLL'S SUSTAINABLE DEVELOPMENT

GRI 2-22

With its material handling solutions, Interroll contributes significantly to boosting the performance and further development of global logistics, which is critical for creating prosperity in our society. Going forward, we want to contribute even more sustainably to this goal and promote the UN's Sustainable Development Goals. We have discussed this at length with our employees, customers, suppliers, and investors, and remain in close contact with them on this important issue.

We hold ourselves to the highest standards. Accordingly, we have prepared this Sustainability Report in accordance with the standards of the Global Reporting Initiative (GRI Standards 2021) for fiscal year 2022, in which we disclose our holistic strategic approach as well as the measures and results of Interroll's sustainable development. At the same time, this is also our Communication on Progress (CoP), which we are required to prepare as a signatory of the UN Global Compact.

## Corporate social responsibility

Interroll's sustainability development principles are as follows:

- We act sustainably and focus on long-term business success. In doing so, we seek to strike an appropriate balance between ecological action, social responsibility and economic success.
- We require our business partners and suppliers to comply with minimum principles on respecting human rights, observing labor standards, promoting environmental protection and fighting corruption.
- We require our managers and employees to follow our Code of Conduct.
- As we continue to refine our technology platform, we are constantly looking at where and how we can leverage alternative concepts, designs and materials to help conserve resources, reduce pollutants and save energy in our manufacturing and product operation processes.

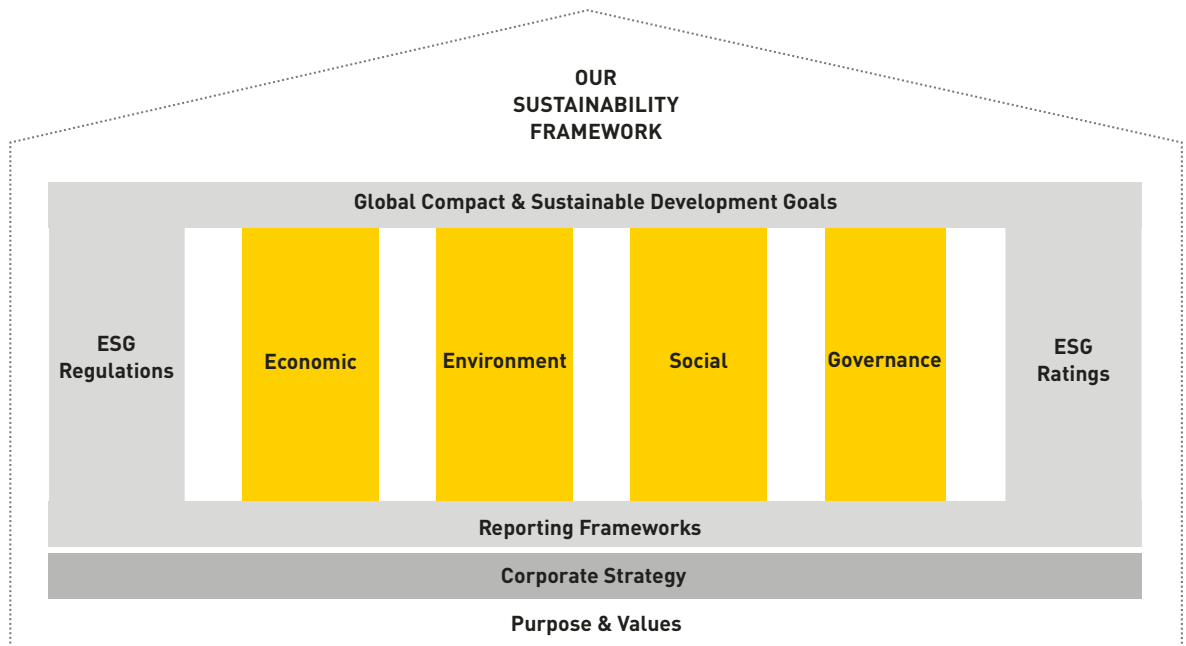
These universal principles guide our strategies and activities. In addition, we strive to advance social causes and objectives. By joining the UN Global Compact in November 2016, we underscored our global commitment for the first time and also pledged to transparently document our progress in the aforementioned areas. Our sixth Communication on Progress, which covers fiscal year 2022, demonstrates the key measures and achievements of our ongoing commitment to comply with the Ten principles of the UN Global Compact. We also outline how we contribute to the United Nation's 17 Sustainable Development Goals (SDGs), thereby underscoring the enormous value we place on social responsibility in our business activities. We are also proud to announce that we have signed on to the UN Global Compact for a further year.

## Interroll's conceptual development

Interroll's sustainable development is in line with our values and business objectives. We support internationally recognized targets that address the priority material topics described below. Respect for human rights and the associated due diligence obligations must be explicitly mentioned in this regard, although they are by no means the only worthwhile objectives. We also continue to contribute to the ambitious plans of the UN's Climate Change Conference in Paris to reduce greenhouse gas emissions and limit global warming to 1.5°C. We recognize and support universal agreements to cut the relevant emissions in half by 2030 and to achieve climate neutrality by 2050.

Our own ambitious environmental protection target is to help our customers contribute – with regard to the processes that we can influence – to meeting the climate neutrality goals by as early as 2030.

With this in mind, Interroll continued its structured development process in 2022. We subsequently drew up an integrated "Sustainability and Compliance Strategy" comprising specific objectives that has been adopted by both the Board of Directors and the Group Management. This element of our strategy is an integrated part of the Group's overall corporate strategy and thus holistically influences any and all decisions. It also helps guide the actions of the departments at the Group's headquarters and those of 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 have established a central “Sustainability & Compliance” department. The implementation of the overall concept is the responsibility of the management teams of the individual companies.

Our ambitious sustainability objectives are geared toward contributing to the overarching targets of international agreements and based on the systematic implementation of our holistic corporate development strategy. The central pillars are the economic, environmental and social material areas as well as a modern and forward-looking understanding of good corporate governance. These four material areas are closely related to the development of an Integrated Management System (IMS) in the areas of environmental and energy management, quality management, and occupational health and safety management.

All of this is based on the corporate strategy and Interroll’s aforementioned principles and values.

**Sustainability policy and Group policies**

GRI 2-23  
GRI 2-24

As we developed our sustainability management concept, we attached great importance to formulating specific, measurable targets and key performance indicators (KPIs). We have documented these in written ESG policies, defined the respective operational framework and determined responsibilities as well as control, assessment and reporting cycles. Each ESG policy is signed by the Chairman of the Board of Directors, on behalf of the entire Board of Directors, and the Chief Executive Officer (CEO).

There are ESG policies for every material topic identified during the materiality analysis (GRI Standards 2021). The process followed for this – in particular how stakeholders participate in this process – is explained in detail below. The twelve ESG policies in our four sustainability material areas are presented in the graphic. Furthermore, the specific references to the UNGC principles and the SDGs are specified in each policy. In this respect, the respect for human rights forms the basis of all our ESG policies and is something we consider to be non-negotiable. At the beginning of each section describing the individual material areas we highlight the respective SDGs.

The ESG policies can be viewed online at <https://www.interroll.com/company/sustainability/esg-download-center/> The ESG policies are mandatory and must be signed by every employee, who are also given further specific instructions regarding the ESG policies. The management teams of the local companies are responsible for implementing specific training measures. We plan to complete this by 2030. Where we plan to complete something sooner or later we have specified this in the respective ESG policies.

# STAKEHOLDER DIALOG AND MATERIALITY ANALYSIS

## Stakeholder engagement

GRI 2-29

Interroll continuously seeks to engage with its core stakeholder groups: users, system integrators, suppliers, employees, banks, insurance companies, investors, public authorities, policymakers, and the community at our locations. We regularly consult with our customers and suppliers regarding expectations and assessments of future developments, certain supply chain expectations 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.

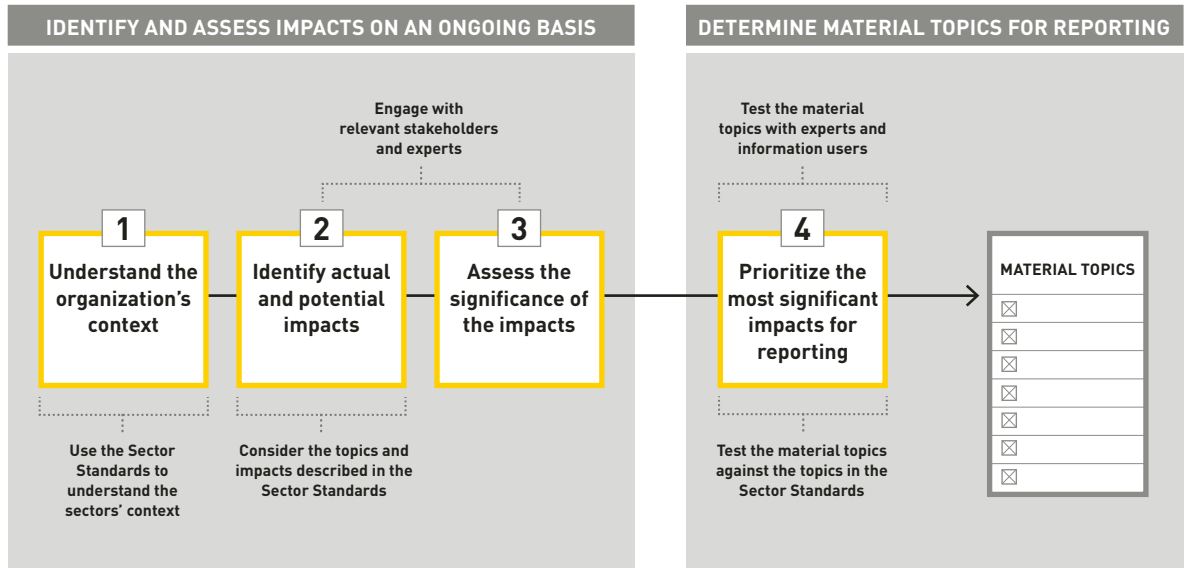
## Study on "Energy efficiency in material handling" published

According to an Interroll study in 2022 on increasing energy efficiency, the companies surveyed attach particular importance to high energy efficiency (81 percent), cost savings in ongoing operation (80 percent), resource-saving manufacturing (74 percent) and ease of operation (70 percent) when using new equipment in material handling. Corresponding investments in the area of material handling are planned for the next five years. 53 per cent of those surveyed have plans to do so, compared to only 43 per cent in production. This shows the need to catch up: 49 percent of German companies have already invested in energy efficiency in production, but only 36 percent in material handling.

We communicate with our investors as part of an institutionalized information process. We also remain in contact with local and regional representatives. These and other frequent discussions have shown us that the public's and companies' interest in and specific expectations concerning sustainable development issues has increased significantly. After all, the discussion about the impact of our business activities and products is increasingly being shaped by sustainability issues.

In 2021, the Director Corporate Sustainability & Compliance initiated an internal company process, which was continued in 2022 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. Going forward, we will continue the process so that we can remain proactive in a dynamically changing environment.





Source: GRI Standards 2021

GRI 3-1

**Process to determine material topics**

- 1 In accordance with the four-step process under the GRI Standards, our initial focus was on understanding the organization's context with regard to the social, economic, ecological and human rights-related areas of action. Aspects for the 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 including sector-specific supplements.
- 2 Interroll's impact on the economy, environment and society was discussed at length in workshops attended by an interdisciplinary group of representatives, including the individual management teams of various regional Interroll companies. These include our production facilities in Germany (four), Switzerland, France, USA, Thailand and China, as well as the sales operation in Spain, and Brazil, where we maintain a local assembly and sales operation.
- 3 The significance of our impact was recorded as part of a structured process in these workshops. With regard to relevance, pre-selected aspects and their impacts were first discussed in detail and then immediately evaluated on a scale of 1 (very low) to 6 (very high). In addition, we assessed the need to act in each case in order to record specific courses of action and to assign a valid ranking for the individual aspects. The aspects to be addressed

as a matter of priority were classified based on the mean value of all scores, 3.42. All aspects above this threshold were also reviewed for materiality in terms of their content in consultation with the Group Management.

- 4 The results of the workshops were presented at one of the monthly Group Management meetings, and the management's assessments were scored using the same method that was 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 a well-founded 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. For instance, the "Employer of choice" material topic covers the aspects "Employment" and "Diversity & equal opportunity". The "Climate protection" material topic includes the "Energy" and "Emissions" aspects.

The results were presented to the Board of Directors as the highest-ranking supervisory body and were adopted by the Group Management as the highest-ranking management body.

GRI 3-2

### **LIST OF MATERIAL TOPICS**

- Sustainable growth
- Product responsibility
- Sustainable procurement
- Climate protection
- Environmental protection
- Employer of choice
- People development
- Occupational health and safety
- Corporate Governance
- Corporate Compliance
- Risk management
- Information security

# CONTRIBUTIONS TO THE SUSTAINABLE DEVELOPMENT GOALS

Interroll contributes to the Sustainable Development Goals (SDGs) in a variety of ways. We outline our contributions at the beginning of each section for the economic (from p. 34), environment (from p. 49) and social material areas (from p. 61).

However, it became quite clear during the analysis and development process described before that Interroll's contributions to the 17 SDGs and their sub-goals vary in significance. The aforementioned assessment of our major and minor contributions 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 case. In connection with this, we continue to see great potential for optimizing our own actions and excellent opportunities in the market.

## Major contributions

Interroll's biggest contributions are to the SDGs 3, 8, 9 and 13. For instance, through our direct product solu-

tions, 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, our internal social standards and those in the supply chain are high, and our ingenuity in advancing and optimizing material handling solutions in intralogistics is part of Interroll's success story.

## Relevant contributions

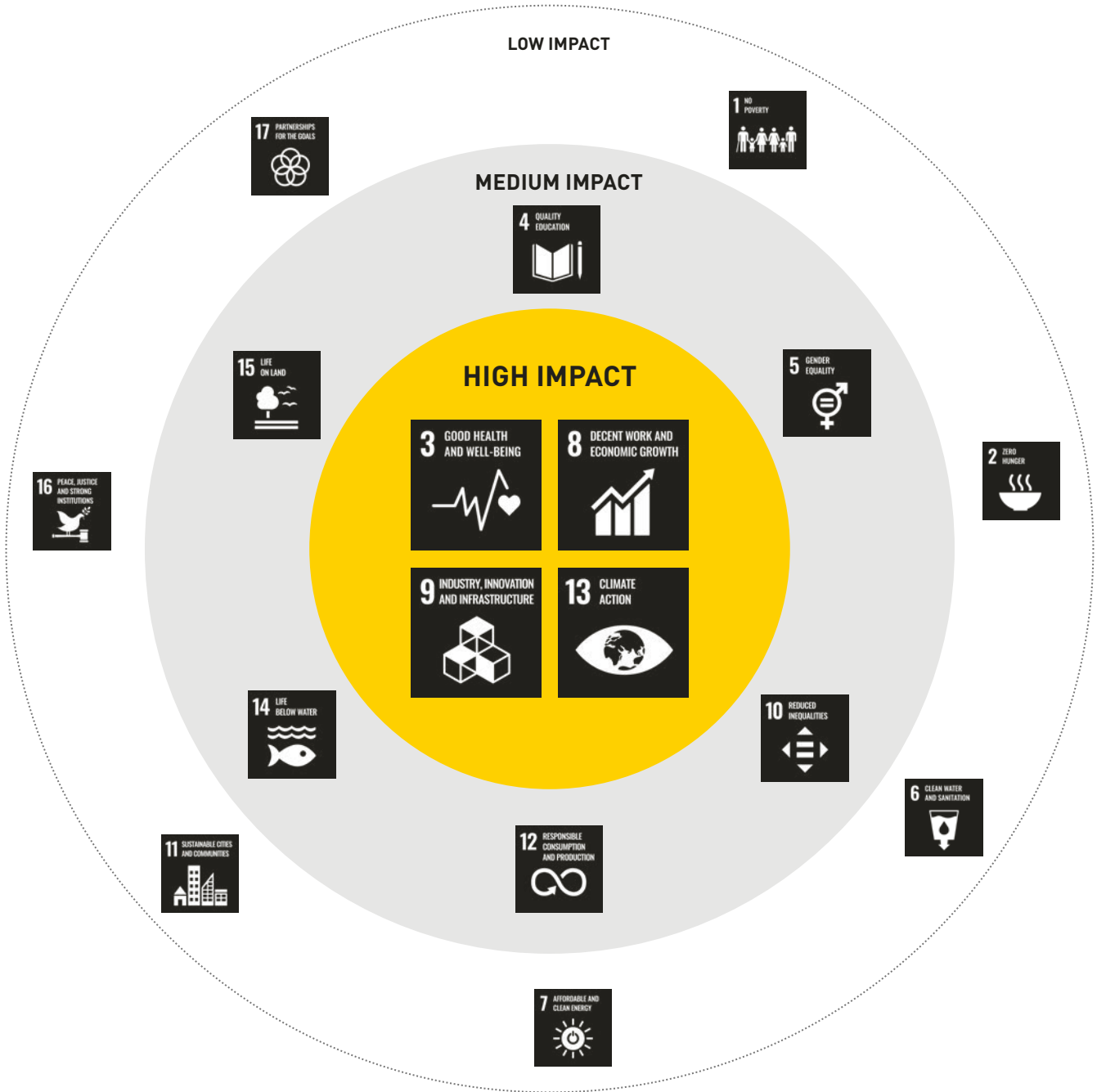
We make relevant contributions to the other SDGs depicted in the graphic on page 16. As a conscientious present-day employer, we strive to increase the educational opportunities available in the communities where we are located. Moreover, we are an equal opportunity employer and do not tolerate any form 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 underwater. We have a less pronounced, indirect influence on the SDGs depicted in the outer circle.

# PRIORITY MATERIAL TOPICS

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 implementing specific targets at the local level is therefore key as this promotes development throughout the Group. In this context, we have assigned particular priority to three of the twelve material topics that significantly determine our business development.

For these reasons, we have placed the material topics "Sustainable growth", "Climate protection" and "Occupational health and safety" at the top of our sustainabi-

lity agenda. They are centrally 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 issues and our own perception as an attractive employer in a competitive labor market. While we have also drawn up corresponding plans and initiated concrete steps for these topics, the top 3 topics are being prioritized.



**SUSTAINABLE  
GROWTH PRODUCT  
RESPONSIBILITY**

**SUSTAINABLE  
PROCUREMENT**

**CLIMATE PROTECTION  
ENVIRONMENTAL  
PROTECTION**

**EMPLOYER OF CHOICE**

**PEOPLE DEVELOPMENT  
OCCUPATIONAL HEALTH  
AND SAFETY**

**CORPORATE GOVERN-  
ANCE CORPORATE  
COMPLIANCE**

**RISK MANAGEMENT  
INFORMATION  
SECURITY**



# ENSURING GOOD CORPORATE MANAGEMENT

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# ENSURING GOOD CORPORATE MANAGEMENT

## CORPORATE GOVERNANCE

Viewed from a holistic perspective, Interroll defines the following as the pillars of good corporate management: corporate governance, corporate compliance, risk management and information security. This enables us to comply reliably with the relevant requirements and respond nimbly and specifically to any challenges which arise. On the following pages, we present these corporate management pillars in more detail. To avoid any redundancy with our financial reporting, we specifically address sustainability reporting requirements and the transparency mandated by GRI Standards. We meet the requirements for financial reporting by providing the corresponding content in the Corporate Governance chapter of the Annual Report 2022 starting on page 11.

### CONTEXT

GRI 3-3

Corporate governance establishes an organizational framework based on the principles and rules of good corporate conduct. Our corporate governance approach defines the structure for our business activities, as well as the communication, assessment and checks and balances of the highest governing bodies at Interroll.

As part of our corporate management approach, we have introduced various ESG policies covering human rights, environmental awareness, ethical conduct, strategy, remuneration and risk management. By establishing a sustainability management system, we have committed to introducing policies on the following material topics: sustainable growth, product responsibility, sustainable procurement, climate protection, environmental protection, employer of choice, people development, occupational health and safety, corporate governance, corporate compliance, risk management and information security.

### CONCEPT AND GOALS

GRI 3-3

Our goal is to continuously improve the structure and integrity of our Board of Directors as the company's highest governing body. To this end, we are developing a specific profile of skills for each board member and seeking to improve the transparency of the nomination process. To achieve this, we will establish all the relevant committees and clearly define their responsibilities. Moreover, we will avoid creating a majority of dependent members on the Board of Directors. We will be communicating transparently on these activities in our annual sustainability reports.

It remains our goal to review our remuneration standards on a regular basis and adjust them if necessary. The Remuneration Committee, which will have an independent majority, will tie ESG performance targets to executive remuneration by 2024.

In order to further improve the performance of our Audit Committee, we will also be ensuring the independence of the members, hold at least four meetings each year and initiate the rotation of the lead auditor at least every seven years.



Qualitative goals	Quantitative goals	KPIs	KPIs 2022
We ensure the excellent performance of our Audit Committee and our processes.	The Audit Committee is made up of independent members.	Proportion of independent members in %	50%
	At least four meetings of the Audit Committee each year	Number of meetings	5
	Rotation of lead auditor every seven years at least	Current term of lead auditor	4 years

**STATUS, MEASURES, RESULTS**

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

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

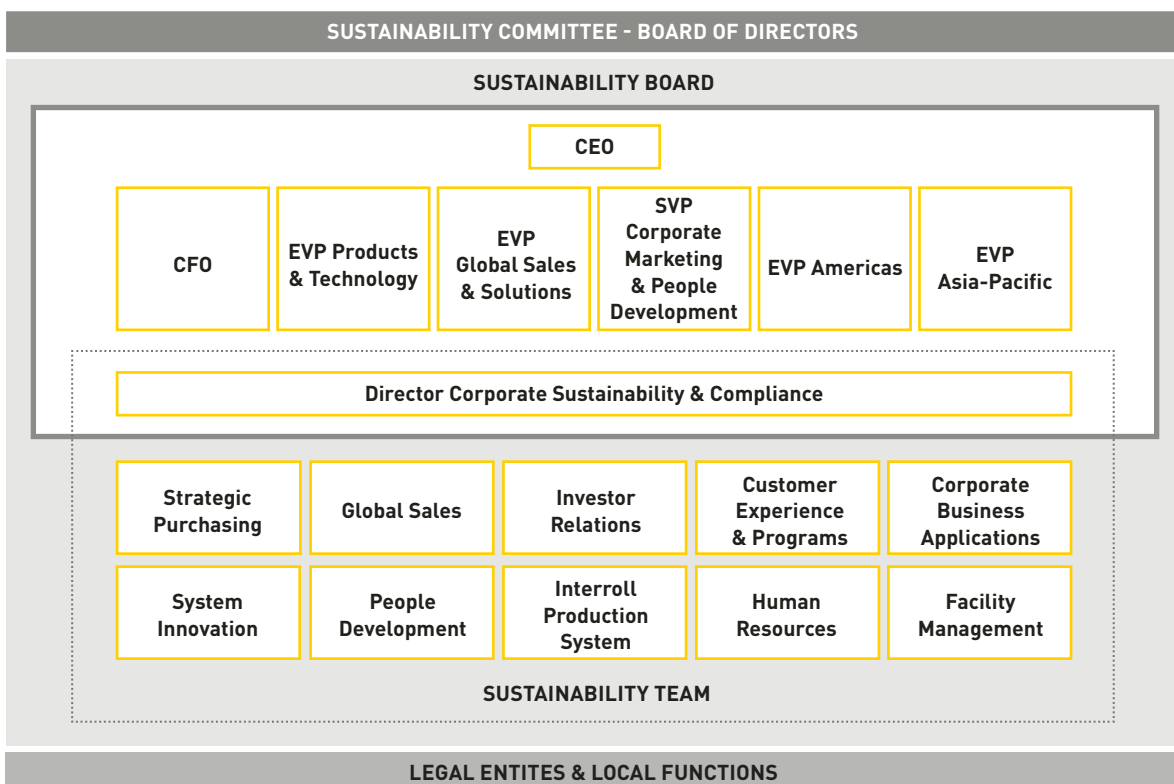
Management structure and composition, the nomination and selection of members of the highest governance body, the role of that body and the procedure in the event of conflicts of interest are described in detail in the “Corporate Governance” chapter of the Annual Report 2022 (starting on page 11).

GRI 2-13

**Delegation of responsibilities, overseeing management and reporting**

Responsibility for managing the impacts is delegated to the CEO and Group Management, which is also responsible for the implementation and further development of the company’s strategy.

The Group Management members and the Director Corporate Sustainability & Compliance together make up the Sustainability Board, which continuously examines the company’s needs, applications from the company’s organizational units, proposals and information from stakeholders such as customers, investors and external auditors and monitors their implementation.



CEO = Chief Executive Officer, CFO = Chief Financial Officer, EVP = Executive Vice President, SVP = Senior Vice President

The Sustainability Board and its members also maintain a dialog with selected stakeholders, the results of which are used in the further development of strategy or in defining courses of action.

The CEO reports several times a year – and on an ad hoc basis if necessary – to the Board of Directors (the entirety of which makes up the Sustainability Committee) on the status of implementation activities, the effectiveness of measures, the attainment of specific sustainable development goals and the outcome of special reviews.

GRI 2-14

The Board of Directors acknowledges the interim results of operational measures and formally approves the annual Sustainability Report concerning the outcome of transformation processes and the improvement or reduction of negative impacts.

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 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 is enhanced by regular dialog with the Sustainability Board and its performance is assessed by analyzing the pertinent results of external ratings.

#### **Remuneration policy, process to set remuneration, annual total remuneration ratio**

GRI 2-19  
GRI 2-20

The remuneration policy, the process to set 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) is 18.5. 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.

GRI 2-27

# CORPORATE COMPLIANCE

## CONTEXT

GRI 3-3

Comprehensive, well-managed and transparent corporate compliance is a key element in the performance of a publicly listed company. Through its vibrant 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 is the yardstick for ethical behavior.

## CONCEPT AND GOALS

GRI 3-3

Interroll has set itself the goal of continuing to develop its corporate compliance management so that it is able to satisfy its legal, regulatory and contractual obligations and its voluntary commitments to society. We must comply with all applicable laws and regulations in order to ensure that our business activities are conducted in a socially, ecologically and economically responsible manner at all levels and by all the company's organizational units.

An important aspect here is our clearly formulated Code of Conduct, which is binding on all the company's employees. We will be updating this in 2023 and, following training, all employees will be required to sign the new Code of Conduct. The newly formulated policies on our material sustainability topics described in the "Corporate Governance" chapter will be communicated internally and externally to ensure that they are applied correctly.

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. All management levels of the Interroll Group must demonstrate a high degree of ethical competence and leadership. 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.

## What is the significance of compliance to our corporate social responsibility?

**"We operate in an environment which is changing rapidly and dramatically. The core task of Compliance is to monitor regulatory requirements, evaluate what they mean for us and use them to define transparent business processes. Another aspect of our corporate social responsibility is providing guidance for our employees, enabling them to take decisions today that we can still subscribe to tomorrow."**

**Katharina Bärwald**, Compliance Manager,  
Interroll Engineering GmbH

GRI 408-1  
GRI 409-1  
GRI 205-1

We have a zero tolerance policy when it comes to child labor, forced labor, corruption, bribery and fraud and investigate any suspected cases, including those reported to us via our existing whistleblower system (see below). In this respect, the management teams of the individual business units are required to exercise care and investigate corruption risks. This also applies to data protection, which is implemented across every business unit.

	Qualitative goals	Quantitative goals	KPIs	KPIs 2022
GRI 205-2	We have defined a system of business ethics, which has been implemented across the organization.	All employees will have received training on and signed our Code of Conduct.	The number of employees who have received training and signed the Code of Conduct in %	100%
	We comply in full with laws and regulations, internal policies and Group and local company instructions.	No breaches of laws and regulations, internal policies and Group and local company instructions	Number of breaches	0
GRI 205-3	We have a zero tolerance policy regarding bribery, corruption and fraud.	No cases of bribery, corruption and fraud	Number of known cases	0
	We maintain an efficient and effective system for reporting breaches.	All alleged cases reported in the EQS Integrity Line are investigated.	Number of cases reported and investigated	6 cases, 5 closed with no relevant findings, 1 under investigation
	We ensure that employees are familiar with policies, have received training and have signed the policies.	Employees are familiar with policies, have received training and have signed the policies.	Number of employees who have received training on the policies in %	78%

**STATUS, MEASURES, RESULTS**

**Complaints mechanisms and whistleblower policy**

GRI 2-25  
GRI 2-26  
GRI 205-1

Interroll has a whistleblower policy that can be accessed at any time at <https://interroll.integrityline.com>. The goal is to encourage Interroll’s employees, customers, suppliers, partners, shareholders and stakeholder groups in general to 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 Code of Conduct or the anti-bribery and anti-corruption policy or other professional standards. The policy also defines the reporting process.

The principles of this policy do not affect or restrict reporting obligations vis-à-vis the relevant justice, supervisory or regulatory authorities in the countries in which Interroll companies operate nor the reporting obligations vis-à-vis established control bodies.

**The conduct covered by the whistleblower policy includes:**

- Crimes or breaches of the law;
- Accounting matters;
- Health and safety risks;
- Environmental damage;
- Fraud or corruption;
- Other unethical conduct;
- Loss of personal data;
- Network and information system risks;
- Conflicts of interest.

Interroll has decided to implement an EQS Integrity Line as its digital whistleblower system, enabling whistleblowers to submit reports (including attachments) anonymously and in confidence. The EQS Integrity Line can be accessed via the company’s website and via the intranet (SharePoint). It meets the requirement to provide reporting channels for the submission of written or oral reports – including by phone or other means of voice transmission – and, at the request of the whistleblower, agree a face-to-face meeting within an appropriate period of time.

Interroll investigates every report made via the EQS case management platform. The platform also facilitates communication with whistleblowers, even those who choose to remain anonymous. The case managers are the regional compliance coordinators appointed by the Group Compliance Officer. It is ensured that they are well trained for their job and act independently. They report directly to the Head of Group Internal Audit and the Group Compliance Officer in relation to their role as case managers.

2022, a total of six notices were given via the EQS Integrity Line. In the reporting period ending 31 December 2022, 5 cases were closed and one case was still under investigation at that time.

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## What happens when someone reports something via the whistleblowing platform?

“Every tip that we receive via the EQS system or other channels is taken very seriously and examined in detail. Whistleblower protection is our top priority. The further investigation follows a standardized process that includes, for example, personal interviews with employees, in which applicable standards are always taken into account.”

**Kristijan Šagud**, Head of Internal Audit, Interroll Holding GmbH

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

### Compliance with laws and regulations

Interroll is committed to complying with all applicable laws and regulations. No cases of corruption, anti-competitive behavior, violations of environmental law requirements, non-compliance with laws or any significant cases related to social, media and data protection laws were reported during the reporting period.

In one case that already occurred in 2019, which was assessed as minor by SIX Group AG, we were late in publishing our annual report. Interroll took steps to ensure the future compliance of its processes with the requirements specified by SIX. The penalty of CHF 100,000 was only imposed in 2022 and thus in the reporting period.

# RISK MANAGEMENT

## CONTEXT

GRI 3-3

In our view, good risk management means protecting our business model, its material and non-material services/benefits, and the relationships with our stakeholders. It includes identifying the various risks, understanding their potential impact and managing known risks or – if possible – transferring them to the financial markets.

## CONCEPT AND GOALS

GRI 2-25  
GRI 3-3

Interroll's goal is to identify and manage risks in the interests of all stakeholders. A well-designed and functioning risk management system enables us to increase our company's resilience by identifying and managing those risks we can control ourselves, reacting promptly to systemic risks, seeking support and reducing economic and reputational impacts. For this reason, we regularly review our business risk inventory in order to identify any significant environmental risks and the risks of management failure, corruption and human rights violations.

At Group level, risk management serves to support the strategic decision-making process. Operational and strategic risk management coordinates and monitors the risks associated with the business. Each year, management systematically analyzes the operational risks.

Complementing existing processes, we will look more closely at capturing environmental, governance and human rights risks – particularly in the supply chain – by 2024.

Qualitative goals	Quantitative goals	KPIs	KPIs 2022
We constantly assess our processes and identify, assess and manage our business risks.	We constantly assess our processes and identify, assess and manage our business risks.	Number of risks identified	118
We constantly assess our processes and identify, assess and manage our ESG risks.	All business units determine the risks connected with environmental aspects.	Risks identified in connection with environmental aspects	5
	All business units determine the risks connected with governance and corruption.	Risks identified in connection with governance and corruption	4
	All business units determine the risks connected with social aspects.	Risks identified in connection with social aspects	9
We continually manage our financial and capital risks.	Long-term equity ratio >50%.	Equity ratio	72.2%
		Return on equity	22.4%
	The usual payout ratio is around one third of net profits.	Payout ratio per registered share	33.0%

**STATUS, MEASURES, RESULTS**

Each year, management performs a systematic operational risk analysis. 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 results of the risk analysis and the “risk map” generated from it are presented to and approved by the Board of Directors on an annual basis.

GRI 201-2

This risk analysis considers external and internal risks in the following categories:

**EXTERNAL RISKS****Financial**

Macroeconomic  
Legislation  
Competition  
Supply chain  
Customers

**Environment**

Procurement  
Production

**Geopolitics**

Government failure  
Political instability

**Society**

Demographic trends  
Social instability  
Infectious diseases

**Technology**

Disruptive technologies  
Collapse of information infrastructures  
Cyber attacks  
Data fraud and theft

**INTERNAL RISKS****Strategy**

Mid-term planning  
Social responsibility  
Product development  
Market trends

**Business activity**

Employees  
Organization  
Technology  
Processes  
Projects  
Products  
Investor relations

**Finance**

Liquidity  
Creditworthiness  
Investments  
Exchange rates  
Interest rate trends

# INFORMATION SECURITY

## CONTEXT

GRI 3-3

We are advancing digitalization through the use of evolving software, intranet and internet solutions. The added value for Interroll and its business partners is derived from being able to connect, analyze and make available large quantities of data in order to optimize business processes. At the same time, exchanging and processing business-relevant data has implications for the significance and effectiveness of information security.

## CONCEPT AND GOALS

GRI 3-3

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 for 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.

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 company has established a central function, the Interroll Security Board ("ISB") to coordinate these activities. 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. Management provides adequate resources for the technical implementation and maintenance of security aspects.

Qualitative goals	Quantitative goals	KPIs	KPIs 2022
We consistently manage our information security.	All business units have implemented the information security policies.	Proportion of business units which have implemented the policy in %	79%
We protect our IT infrastructure.	All employees have received training in information security.	Proportion of employees trained in aspects of information security in %	89%



### STATUS, MEASURES, RESULTS

In 2022, we engaged an external consultant to work with us on a cyber security project; in November 2022, we provided our local companies with a concrete policy for implementation. This covers the development of a response plan for application in the event of a data leak and business continuity measures to ensure the continuation of our business operations and provide defense against external attack. It also includes a refined definition of our most sensitive and important data and describes the optimization of the relevant access hierarchies and protective measures.

The central function provides an e-learning platform for training purposes. For many years, this has been used for information campaigns on subjects such as phishing, password management and using the internet. Data stewards have been appointed by local company management to initiate and document local training and further development measures. They focus particularly on the human factor of security, which is often the weak point of any security infrastructure due to a lack of awareness or knowledge. Proximity has proved to be a major advantage in communicating individual requirements at local level.

Two employee training campaigns took place in June and October 2022, covering all Interroll's business units. In June 1,034 and in October 1,146 eLearnings have been carried out.

## 2,180 eLEARNINGS CARRIED OUT IN CYBER SECURITY

GRI 418-1

We did not become aware of any relevant cases of customer data loss or leaks during the reporting period. We protected our operations against external attacks.



# SECURING LONG-TERM SUCCESS

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# SECURING LONG-TERM SUCCESS

## UN GLOBAL COMPACT IN CONTEXT

HUMAN RIGHTS AND ANTI-CORRUPTION		
<p><b>Principle 1</b> Businesses should support and respect the protection of internationally proclaimed human rights.</p>	<p><b>Principle 2</b> Businesses should make sure that they are not complicit in human rights abuses.</p>	<p><b>Principle 10</b> Businesses should work against corruption in all its forms, including extortion and bribery.</p>

We are seeking to optimally leverage current and future growth drivers. To this end, we are taking a long-term approach. As we grow dynamically, we are conscious of our responsibility to our customers, shareholders, business partners, many other stakeholders and society to exercise the necessary care. This applies to our corporate development, to the purchase of goods, products and services and, especially, to our own products and services. Our goal is always to develop our business in such a way that we have the necessary financial headroom to invest in our innovative technology platform, our production capacities, our employee development measures, long-term customer trust and thus in our future. In this way, we are continuously improving our competitiveness and remaining attractive to our customers, employees and investors.

Our activities revolve around foresight, fairness and a responsible range of products and services and factor in the risks and opportunities of digitalization in particular. Our actions are primarily guided by the principles of the UN Global Compact. Respecting human rights, complying with labor standards and fighting corruption are of particular importance in our upstream value chains.

### 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 “Long-term success” 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 social, environmental and economic requirements.

### Anti-corruption

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 2022

- Establishing the Interroll Group’s sustainability development management system.
- Conducting a stakeholder dialog and a materiality analysis in accordance with the GRI Standards 2021 and defining the material topics of “Sustainable growth”, “Sustainable procurement” and “Product stewardship” in the “Economy” material area.
- Developing management approaches and implementing and publishing Group-wide policies.
- Formulating management approaches with defined qualitative and quantitative objectives as well as measurable key performance indicators (KPIs).
- Preparing sustainability reports on relevant and existing KPIs.

### 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 “Economy” material area helps 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 relation to decent working conditions, our Supplier Code of Conduct sets binding standards which reflect our own practices and international conventions. Our safe products boost occupational health and safety at 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 professional development programs and earn a fair pay.



### 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 (material handling), which is Interroll's core business. A highly efficient infrastructure safeguards supplies to people around the world and, given the growing global population and the constantly increasing flows of goods, is dependent on a large commitment to innovation and research for reliable solutions. Whether in distribution centers, the supply of medicines or the provision of healthy foodstuffs – Interroll contributes to ensuring the function of complex supply chains worldwide.

### RESPONSIBLE CONSUMPTION AND PRODUCTION



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 key to meeting our customers' high quality requirements and already reduces their ecological footprint in purchasing and efficient operation. Interroll's goal is to optimize cost and environmental aspects for its customers.

### CLIMATE ACTION



Interroll is developing insights into how it can achieve carbon neutrality in its own production operations. Aspects include optimized supply chains to ensure the consideration of environmental aspects when selecting our suppliers. We also look at the procurement of materials and energy in order to keep the ecological backpack of our solutions for customers as light as possible.

### 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 are involved in many bodies and initiatives promoting fairness, the balance of interests and international understanding between diverse people.

# SUSTAINABLE GROWTH

Our management approach to “Sustainable growth” helps work toward achieving the following United Nations Sustainable Development Goals (SDGs):



## CONTEXT

GRI 3-3

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. Interroll is pursuing a course of profitable growth. In the past eight years, our profitability was consistently in the double-digit percentage range. This provides crucial added value to our customers and the users of our products. Wherever they are, they can be certain of being able to fully leverage the performance and economic benefits of our innovative solutions, both now and in the future. In the past five years, Interroll's sales grew by an average of 8.1%/p.a.

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:

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

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Our customer promise and our values can be summed up in one word:

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**PROVEN**

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That is why the key success factors in our growth are quality and innovations that make the work of our customers and users simpler, more efficient and more profitable. Energy efficiency is becoming increasingly important in this respect, which 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. Interroll's innovative strength is evident in the high proportion of sales generated by recent product solutions that came to market in the last three years. Around two percent of Interroll's sales are already accounted for by these products. This is remarkable because our customers focus on the greatest functionality and reliability of the systems, meaning that product innovations require a corresponding start-up time in the market.

The more successful our company is, the more positive our contribution to the environment and society as a whole. A positive operating result enables us to invest more in the sustainable development of our company and solutions, thus contributing to social and ecological change.

	Qualitative goals	Quantitative goals	KPIs	KPIs 2022
GRI 201-1	We facilitate sustainable growth by significantly increasing our sustainability performance. To this end, we invest a defined proportion of our financial profitability each year.	We invest 5% of EBITDA	Percentage of EBITDA invested	25.1%
	We are growing sustainably by involving selected stakeholders in a continuous dialog.	We maintain a continuous dialog with all relevant stakeholder groups.	Percentage of stakeholder groups with a continuous dialog	100%
	We continuously develop new products and innovations with long-term growth potential.	By 2024, 5% of our annual sales will come from product innovations of the last three years.	Proportion of sales from product innovations in %	2%
GRI 413-1	We assume social responsibility and invest in our local communities.	All Interroll locations contribute to local community projects.	Number of locations which contribute to local community projects	15

### CONCEPT AND GOALS

GRI 3-3

Our goal is to consistently expand our international leadership position as a sustainable provider of material flow solutions. That is why Interroll systematically focuses on its customers, is committed to excellence and long-term thinking and always treats employees and partners respectfully. We concentrate on quality and innovation and strive for perfection when it comes to achieving the highest customer value and customer trust in the industry. We couple this approach with our stated principles of sustainable development as the basis for the success of our business and sustainable growth. It is important to us to achieve transparency, which is why we aim to always satisfy our stakeholders' expectations in external ratings by selected providers.

Sustainability is both an opportunity and an obligation. It provides us with business opportunities and obliges us to continue investing in a decarbonized economy. Our goal is always to integrate a sustainable mindset and conduct in the structure of our business processes in order to ensure our competitiveness for the future and to safeguard and increase the company's long-term profitability. To achieve this, we will invest 5% of our EBITDA in operational sustainability measures. We will not only be investing in the infrastructure of our sites but also in boosting the sustainability performance of our products.

GRI 2-29

Open dialog with our stakeholders is the key to successfully managing customer expectations and dynamically growing an attractive product innovation pipeline. Our main stakeholders are our direct customers as system integrators, plant operators, our shareholders, employees, business partners in the supply chain, banks, rating agencies, the Swiss stock exchange and the neighboring communities at our sites. Interroll maintains a continuous and structured dialog with these stakeholders.

GRI 203-2

As a market leader, we not only assume responsibility for the energy efficiency and life cycle performance of our products and services but also seek to contribute to societal well-being, both global and local. That is why we are committed to supporting the success of the communities close to our sites.



## STATUS, MEASURES, RESULTS

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. Interroll's economic performance was also massively impacted by these effects in the 2022 financial year, with supply chains remaining under severe stress and plant operators realigning their investment plans.

### Economic value generated and distributed

GRI 201-1

Interroll ended fiscal year 2022 with Group earnings before interest and taxes (EBIT) of CHF 105.2 million (2021: CHF 99.3 million). The company's economic value generated of CHF 668.3 million (2021: CHF 643.3 million) is the sum of sales of CHF 664.4 million (2021: CHF 640.1 million) and other operating income of CHF 3.9 million (2021: CHF 3.2 million).

On the other side is the economic value distributed of CHF 585.5 million (2021: CHF 562.8 million), consisting of the following items:

material costs (44.2%), personnel costs (25.0%), depreciation (3.0%) of intangible assets and property, plant and equipment, other operating expenses (11.8%), taxes (3.3%) and amortization (0.6%). The difference between the economic value generated and distributed corresponds to the net profit for the year of CHF 82.8 million (2021: CHF 80.6 million).

The earnings before interest, taxes, depreciation and amortization (EBITDA) is another key indicator. In the past fiscal year, the operating result amounted to CHF 129.3 million (2021: CHF 122.5 million). In 2022, the cash flow from operating activities was CHF 71.4 million (2021: CHF 47.3 million). Free cash flow amounted to CHF 49.0 million (2021: CHF -0.8 million).

### Process management and digitalization

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. The use of company software and the associated services are centrally controlled by internal resources. The Group-wide digitalization strategy is based on local lighthouse projects which are piloted at one site before being rolled out to others. Each project has a roadmap tailored to the needs of the sites.

In 2022, we began the global switch from SAP ECC 6.0 to SAP S4/HANA, which we believe will deliver major efficiencies and speed as well as harmonizing and standardizing data. This major project with the internal name “#one4hana” will also foster global dialog and collaboration under the motto of “One Interroll”. Site-specific manufacturing execution systems (MES) are deployed in production. The company's largest production site at Wermelskirchen in Germany has a dedicated commissioning team that manages process transitions and ensures performance. In this way, we are increasing our competitiveness and innovation capability.

## Why is #one4hana important to Interroll's sustainable growth?

“SAP S/4HANA not only supports the efficient management of the company's resources but also integrates sustainability data into the core processes along the entire value chain. In addition, it accelerates innovation thanks to native integration with a portfolio of applications focused on climate protection, the circular economy and social responsibility.”

Juri D'Arcangelo, Project & Integration Manager  
#one4Hana, Interroll Management SA

### **Innovation Projects and Development Center (IPDC)**

The Innovation Projects and Development Center (IPDC) in Germany is the Interroll Group's center for managing and implementing innovations. 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 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. A high-performance quality management system ensures the recognized and certified quality of the solutions developed. This optimally satisfies existing legal requirements and systematically anticipates future product development requirements.

At the same time, the IPDC implements and accompanies research projects and maintains partnerships with leading 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.

### **Social commitment**

GRI 203-1  
GRI 413-1

Interroll supports more than 39 initiatives at its sites with an investment of CHF 83,000. To date, the company's donations to local communities has not been fully evaluated. However, initial data shows a volume of around CHF 111,000. In 2022, financial support or volunteering was provided in the communities close to 15 sites, representing 39.5% of our sites. We will be systematically increasing this commitment in the future.

### **Aid delivery for Ukraine refugees**

**Quick help:** The Interroll Show Truck was used at short notice in 2022 to bring important foodstuffs and necessary goods to Poland for distribution to Ukrainian refugees. A team of volunteers, their relatives and employees of the trading partner Metro Düsseldorf managed, with great personal commitment, to make the relief goods available to the Polish Red Cross directly on site for further distribution.

In Denmark, Interroll Joki A/S was recognized for its sustainability-related commitment when it was nominated for the local sustainability prize of the town of Hvidovre. This was based on the following criteria:

- You have demonstrated social responsibility and local commitment.
- You have found innovative new ways to develop your company.
- You have contributed to the positive development of the business community in Hvidovre.
- You have addressed sustainability, climate challenges or the green transition.

# SUSTAINABLE PROCUREMENT

## CONTEXT

GRI 3-3

There are already 8 billion people in the world, and that figure is set to rise to some 10 billion by 2050. A key challenge is to provide people and businesses 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.

GRI 3-3

### Material handling solutions for the food and pharmaceuticals industry

Based on the advantages offered by Interroll's globally successful technology platforms, the Modular Hygienic Platform (MHP) is a flexible modular solution based on the principles of Hygienic Product Design. This makes it possible to significantly improve food safety and shelf life – while at the same time optimizing energy and operational efficiency. The conveyor platform includes the Special Hygienic Conveyor (SHC) and the Ultra Hygienic Transfer (UHT).

The Special Hygienic Conveyor (SHC), for example, makes the added customer value offered by the globally popular Modular Conveyor Platform (MCP) available to system integrators and users who have to implement particularly demanding hygiene requirements. In this way, highly efficient, zero-pressure accumulation material flows can be implemented in food processing work processes, which until now have usually only been used in modern parcel centers or other distribution facilities. The decentralized drive concept used in the Special Hygienic Conveyor (SHC) saves up to 50 percent energy in start-stop operation alone compared to centralized drive solutions that run continuously. At the same time, this results in a noise level that provides an improved working environment and reduced wear when conveying E2 standard crates, where hygienic impairments are reduced.

In addition to the SHC, Interroll has also launched the Ultra Hygienic Transfer (UHT), an automation solution specifically suited for use in plants dedicated to chicken processing. This is a disruptive innovation solution that makes a key process step in the cutting of chicken meat significantly more hygienic and can thus help to enable a longer shelf life for chicken products.

Our customer and users have expectations of products with bona fide ethical and ecological credentials, and this is a critical factor for us at Interroll. Moreover, companies face increasingly strict statutory obligations to perform supply chain due diligence. Our ambitions are to increase transparency and reduce negative environmental and social impacts in the supply chain. We address these aspects both from headquarters and in our local procurement activities.

**Our “Sustainable procurement” management approach helps work towards achieving the following United Nations Sustainable Development Goals (SDGs):**



**CONCEPT AND GOALS**

GRI 3-3  
GRI 2-29

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. By doing so, we will not just enhance our procurement performance but also credibly improve our compliance with sustainability requirements. At Interroll, we are committed to protecting the environment, strengthening labor practices, upholding human rights and promoting business ethics across our entire supply chain. In doing so, our procurement practices create value for society. Our systematic materiality assessment and the stakeholder dialog for our sustainability strategy and ESG policy confirmed the considerable impact and priority of sustainable procurement practices throughout Interroll’s entire supply chain. This is also reflected in the contractual framework for our relationship with suppliers: the Supplier Code of Conduct. Our goal is for all system suppliers to be bound by our Code of Conduct or to ensure that they abide by a similar code.

**How does strategic purchasing contribute to sustainability?**

**“In Strategic Purchasing, we are taking specific action to reduce the negative impacts of our business operations on the environment and society, such as by using local or regional suppliers, consolidating deliveries, or purchasing more environmentally friendly products.”**

**Aipi Kabenla**, Strategic Purchasing Manager, Interroll Atlanta LLC

All new suppliers are screened for social and environmental risks. Our procurement activities are global, and as such it makes sense for us to give preference to the respective regional and/or national markets in purchasing, where permitted by price, quality aspects and delivery capacity. Procurement expertise is greater at the regional level, and for that reason our aim is to source 95% of external purchasing value from regional suppliers so as to balance risks in the supply chain.

Going forward, we will increase transparency by managing ESG risks in the supply chain in a more structured way. We will assess suppliers based on their ISO environmental or occupational health and safety management systems (ISO 14001/ISO 45001), and select new partners (as we have already begun to) on a structured basis in line with environmental aspects, labor standards and human rights. For this purpose, we are establishing a corresponding Sustainable Supply Chain Management (SSCM) system.

	Qualitative goals	Quantitative goals	KPIs	KPIs 2022
	ESG as an integral part of our business relationship and the contractual framework	All suppliers to have signed the Interroll Supplier Code of Conduct or have their own code of conduct of similar quality	Percentage of Interroll suppliers who have signed the Code of Conduct	26%
GRI 204-1	Balanced ESG risks in the supply chain	95% of purchasing value to be sourced from regional suppliers	Percentage of purchasing value sourced from regional suppliers	89%
	High level of transparency about our business partners' ESG performance	All suppliers of production material to be assessed pursuant to ESG criteria	Percentage of suppliers assessed pursuant to ESG criteria	63%
	Reduced climate impact and more effective environmental protection throughout the supply chain	80% of "A" suppliers of production materials to be ISO 14001-certified	Number of ISO 14001-certified "A" suppliers	134
GRI 308-1		All suppliers to be screened for environmental risks	Number of suppliers screened for environmental risks	90
	Highest occupational health and safety standards in the supply chain	80% of "A" suppliers of production materials to be ISO 45001-certified	Number of ISO 45001-certified "A" suppliers	7
GRI 414-1	Application of international labor standards and safe-guarding human rights in the supply chain	All suppliers to be screened for social risks	Number of suppliers screened for social risks	90

### STATUS, MEASURES, RESULTS

Interroll attaches great importance to a stable and fair relationship with its suppliers as key business partners. Given the extremely specialized nature of the goods purchased, a high degree of expertise must be available on both sides. Many items are custom-made for Interroll and there is little flexibility to procure them elsewhere. Interroll is working to diversify its risks in this regard, however the global challenges posed by supply chain disruptions affect us too.

We know our suppliers very well. The level of continuous dialog and production sites we are actually familiar with is 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.

**CHF 240 MILLION  
PURCHASING VOLUME.  
CHF 214 MILLION  
(89%) FROM LOCAL  
SUPPLIERS**

GRI 204-1 Worldwide, Interroll sources products on a decentralized basis from roughly 4,700 suppliers and invests some CHF 240.3 million. Of that figure, approximately 89% (CHF 214.0 million) is spent on products from local suppliers. The underlying concept is "in the region for the region" and it enables us to avoid long maritime transport routes, for example from Asia to Europe. In the context of Interroll, we define local suppliers as those operating in the same economic region as the Interroll production site. The regions are defined as follows: Europe/Middle East/Africa (EMEA), Americas (North and South America) and Asia/Pacific including Oceania (APAC).

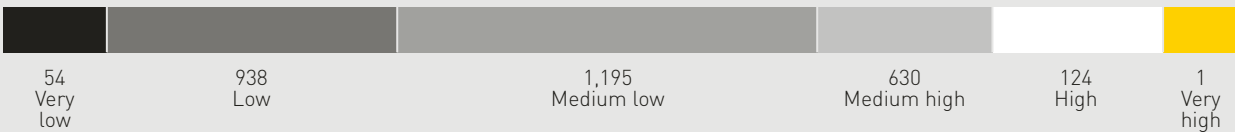
# OVERVIEW SUPPLIER PANEL



**2,942**  
partners

**161**  
industries

Overall distribution of sustainability risk





A core element of sustainable procurement is our Supplier Code of Conduct. The first version was signed by 26% of our suppliers worldwide. It will be fundamentally reworked again in 2023 to not only emphasize the importance of sustainability topics but also to reflect changes in the law, in particular the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz).

#### Supply chain sustainability assessment

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

In 2022, Interroll partnered with France-based sustainability ratings specialist EcoVadis to address the burgeoning significance of environmental issues, labor and human rights, business practices and sustainable supply chains.

In cooperation with EcoVadis, we have now conducted a risk assessment for 2,942 suppliers. The first step is to determine the industries and country in which the supplier operates. The suppliers included in the assessment were distributed among 161 industries in 38 countries.

## ecovadis

Since its founding in 2007, EcoVadis has become the world's largest and most trusted provider of corporate sustainability assessments, building an international network of more than 100,000 assessed companies. EcoVadis is a purpose-driven company with a mission to provide the world's most reliable corporate sustainability scores. Its actionable scorecards, benchmarks, carbon action tools and insights help improve environmental, social and ethical practices across 200 industry categories and 175 countries. EcoVadis assesses companies' sustainability performance based on their policies, actions and results, as well as data from external specialists and sources. Companies are required to submit evidence, which is reviewed to ensure that the documents are valid and their content is accurate.

The methodology is based on a framework of 21 sustainability criteria that correspond to global standards and is guided by an international scientific committee.

Source: EcoVadis, Company brochure as of 27.01.2023

For 2023, we will refine our risk management and not just examine the industry and country in which the supplier is active, but prioritize the evaluation of our suppliers and their specific sustainability activities directly on the basis of the latest risk assessment.

GRI 308-2  
GRI 414-2

In 2022, we audited 90 suppliers using environmental and social criteria. Of those suppliers, two had potential negative effects on the environment, labor and human rights, and business practices, and five others had potential negative effects on the sustainable supply chain. All seven (100%) of the suppliers in question presented action plans to address the potential and actual negative effects. If these persist in the follow-up assessment for 2023, we will look into terminating the business relationship.



# PRODUCT RESPONSIBILITY

Our management approach for "Product responsibility" helps work towards achieving the following United Nations Sustainable Development Goals (SDGs):



## CONTEXT

GRI 3-3

One of the key factors for our success is customer satisfaction, and this is directly linked to the experience customers and users have with our products and services. When it comes to product responsibility, our efforts focus on customer safety and product and service quality.

In a world marked by unrelenting economic competition, products known for performance, quality and safety stand apart from the rest. Our first priority is to ensure user safety, and as such we provide the required certifications and safety information for all products. Product and service quality must go hand-in-hand with customer and user requirements and expectations. This revolves around where our customers' and users' priorities lie. Environmental and safety aspects are playing an ever-greater role.

## CONCEPT AND GOALS

GRI 3-3  
GRI 416-1

The overriding goals of product responsibility are the safety of our products and a guarantee of minimal plant down time for the customers who use our components. Interroll has an excellent reputation in the industry on both counts, and this is reflected in customer surveys and documented in accident reports for our systems (no incidents in the reporting period). Encouraging as that is, we have set our sights even higher and are working towards ISO 9001 certification (quality management) at all of our production sites. The safety-related information for our products always complies with the applicable local safety requirements.

7 OF 17  
**PRODUCTION SITES  
ISO 9001  
CERTIFIED**

A key goal is to offer our customers the highest product and service quality, and we make it our mission to avoid product defects wherever they might arise. We keep track of complaints about product defects and work systematically towards reducing these each year. We measure customer service by how reliable we are in delivering our products and 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.

GRI 416-2  
GRI 417-1

Qualitative goals	Quantitative goals	KPIs	KPIs 2022
We attach the greatest significance to our customers' safety.	No health and safety incidents resulting from the use of our products	Number of health and safety incidents caused by our products	None
	Requisite safety data sheet to be available for each relevant product	Percentage of relevant products with safety data sheet	100%
	All products to comply with the mandatory safety requirements	Percentage of relevant products without mandatory safety requirements	0%
We offer our customers the highest product and service quality.	No product defects	Cost of poor quality (CoPQ) in % of revenue	0,24%
	95% on-time deliveries	Percentage ODP	88,5%
We are implementing an externally certified quality management system at all manufacturing units.	All production sites to be ISO 9001-certified (2027)	Number of ISO 9001-certified sites	7

**STATUS, MEASURES, RESULTS**

Of the 17 Interroll production sites, seven have an ISO 9001-certified quality management system in place. Work has begun to ensure the uniform development of all production sites as we establish an integrated management system. Interroll products have a reputation for quality, both among our customers and on the market. A total of 16,030 service inquiries were documented with a ticket. Of that number, 10,469 (65%) received a qualified response from Interroll within 48 hours. We are not aware of any work-related accidents or injuries in the reporting period resulting from the use of our products. All requisite customer and safety information was available.

The total cost of complaints was less than 0.24% of sales. Due to relevant delays in the supply chain, we were unfortunately unable to achieve our usual high delivery punctuality in the reporting period. This was 88.5% in the reporting period.

**COST OF POOR QUALITY BELOW**  
0.24% OF TURNOVER

**How does product quality tie in with sustainability?**

“Our efforts to deliver customers the highest-quality products mean we can avoid scrappage, extra deliveries, follow-up work and service calls. It’s our way of helping the company cut unnecessary emissions. By providing high-quality products with long working lives, we can save our customers the resources needed to buy new ones.”

**Quality Team**, Interroll Automation GmbH

# PROTECTING THE CLIMATE AND THE ENVIRONMENT

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# 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.

As a signatory to the UN Global Compact (UNGC), we are committed to complying worldwide with the UNGC’s ten principles and promoting sustainable development in the countries in which we operate. The management approaches to climate protection and environmental protection relate to the UNGC’s environment principles (7, 8 and 9).

**Our commitment**

GRI 2-23

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, but they can also rely on Interroll for solutions that focus firmly on conserving resources, protecting the environment, ensuring a safe and accident-free workplace and guaranteeing food safety. They reduce their environmental footprint and at the same time support sustainable growth. At Interroll, we also attach the greatest importance to our own resource efficiency. Using resources and energy properly is the key prerequisite for maintaining our market leading position in technology and innovation. That benefits our customers too.

**Measures in 2022**

- Establishing the Interroll Group’s sustainability development management system.
- Conducting a stakeholder dialog and a materiality analysis in accordance with the GRI Standards 2021 and defining the environment-related material topics of “Climate protection” and “Environmental protection”.
- Developing management approaches and implementing and publishing Group-wide policies.
- Formulating management approaches with defined qualitative and quantitative objectives as well as measurable and management-related key performance indicators (KPIs).
- Preparing sustainability reports on relevant and existing KPIs.

**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 work to protect the climate and environment has become our template for decision-making. We must produce ideas and find 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 UN development goals – is to ensure that we are 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 customers resource- and energy-efficient solutions in the application of our products.

## Synchronous Drum Motors with very high efficiency

Interroll's Drum Motors are an example of maximum energy efficiency. They have been specially designed for use in belt conveyors. The synchronous drum motors are particularly economical with the energy supplied: They achieve an overall efficiency of over 90%. Compared to gear motors with worm gears, they require about 40 percent less energy.

Due to their better efficiency, synchronous motors also remain cooler than the still widely used asynchronous motors, since a smaller proportion of the electrical energy supplied is converted into heat. At the same time, this increases their suitability for use in temperature-critical applications – such as food processing, where products must be processed cool for microbiological reasons. As a direct consequence of the lower operating temperatures, the synchronous motor type is characterized by an extremely long service life and its suitability for a wider range of applications.

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

### 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 Ukraine crisis has led to a drastic increase in the price of energy. Whether it's 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. It is therefore of great concern for us to offer our customers product solutions featuring high energy efficiency that enhance the economic and environmental productivity of their material handling 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 a 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. Once that has been achieved, the second step is to offset emissions we cannot cut. We also factor in the purchase of materials and energy as well as the use of our energy-efficient product solutions.

### 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.



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.

# CLIMATE PROTECTION

Our management approach for “Climate protection” helps work towards achieving the following United Nations Sustainable Development Goals (SDGs):



## CONTEXT

GRI 3-3

Climate change represents one of the greatest challenges of our time, posing an existential threat to society and businesses. Around the world, there is still too little being achieved to limit global warming to 1.5°C. Energy-related greenhouse gas emissions are responsible for many of the detrimental impacts on the environment that are caused by our own production and management activities as well as the activities of others along the entire value chain. With energy consumption totaling 31.05 GWh and CO<sub>2</sub> emissions of 8,356.8 t of CO<sub>2</sub>eq (scope 1 and 2), Interroll is also responsible for this development. Our sustainability activities therefore center on energy management, with its twofold goals of protecting the climate and reducing costs.

**TOTAL ENERGY CONSUMPTION:**  
31.05 GWH

At Interroll, the responsible use of energy and our role in protecting the climate are fundamental principles that have gained a new urgency since the war in Ukraine and energy resources have been subject to shortages and price increases. The energy-efficient value added for 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. The energy-efficient solutions offered by Interroll thus have a direct impact in the form of cost-reducing climate protection for users.

## CERTIFICATION OF ENERGY MANAGEMENT ACCORDING TO ISO 50001 CONCRETE GOAL

### CONCEPT AND GOALS

GRI 3-3

One element of our Group-wide sustainability strategy is to position ourselves as the leading provider of bespoke, energy-efficient material handling solutions through our product portfolio. We aim to achieve climate-neutral production (scope 1 and 2) and going forward we will provide information via formal environmental product declarations (EPDs) on key product modules. Environmentally friendly product design uses solutions rooted in the circular economy.

Our sustainable development objectives focus on becoming more energy-efficient, reducing harmful emissions and using environmentally friendly renewable energy. A Group-wide corporate policy on “Climate protection” is in place to provide qualitative and quantitative goals for our management approach, and to ensure measurable and management-related key performance indicators (KPIs).

The transition to a low-carbon economy is something we work towards 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. By 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 aim to meet the objectives and expectations of our stakeholders.

Qualitative goals	Quantitative goals	KPIs	KPIs 2022
We are optimizing and reducing our energy consumption and using renewable energy	20% increase in energy efficiency	Energy intensity in terms of sales: MWh/CHF million sales	46.73 MWh/CHF million
	80% share of renewables	Quantity/share of renewables in the energy mix	10.4 GWh 33.5%
	Increase in own generation of renewables to up to 20% of own energy requirements	kWh/share of self-generated renewable energy	30.000 kWh 0.15%
We are helping our customers achieve their net-zero goals	Reduction in greenhouse gas (GHG) emissions in line with the Science Based Targets initiative (SBTi)	Greenhouse gas emissions (Scope 1 t CO <sub>2</sub> eq)	3,072.2 t CO <sub>2</sub> eq
		Greenhouse gas emissions (Scope 2 t CO <sub>2</sub> eq), market-based	5,284.5 t CO <sub>2</sub> eq

Interroll tracks and analyzes its own energy use in order to gain a transparent picture of its consumption patterns and – where relevant – to systematically reduce consumption. We are increasing the use of renewable energy at our sites, on the one hand by procuring “green” energy where available, on the other by generating our own energy with a target share of 20% of our overall energy requirements. A specific goal for our sites with high energy consumption is to introduce a recognized and certifiable energy management system in accordance with ISO 50001 in the coming years.

To further reduce our emissions impact, we are systematically refining our energy management and regularly calculate our carbon footprint at Group level. Updates on progress made in this area will be published in subsequent annual sustainability reports.

**53.6% ELECTRICITY FROM RENEWABLE SOURCES**  
**0.15% WAS SELF-GENERATED ELECTRICITY**

**STATUS, MEASURES, RESULTS**

**Energy consumption**

Interroll’s total energy consumption across all production and management sites in 2022 was 31.05 GWh. For reasons of timely data provision and due to the extended billing processes at local utilities, the energy consumption figures for the last quarter/last months of 2022 were calculated using projections based on current and past annual consumption figures. The primary component was electricity (19.40 GWh), of which 10.39 GWh or 53.6% was sourced from renewables. That constitutes 33.5% of total energy consumption. As such, we are already making a relevant contribution to reducing the carbon footprint for our customers. This was significantly expanded by contracting activities for the German sites (valid from January 1, 2023 onwards). The graphic below presents a breakdown of energy consumption by source. Approximately 30,000 kWh (0.15%) was self-generated electricity from an existing photovoltaic system. We will be expanding these capacities significantly.

**GRI 302-1 Energy consumption in kWh**

Total consumption of renewable electricity	kWh	10,391,407
Total consumption of non-renewable electricity	kWh	9,006,939
Oil consumption (heating)	kWh	465,381
Gas consumption (heating)	kWh	8,011,652
Fuel consumption for own or leased vehicles	kWh	2,356,193
Other: district heating, liquefied gas (LPG)	kWh	161,155
Total energy consumption	kWh	31,050,392

**Energy consumption by physical units**

Purchased electricity	kWh	10,361,407
Oil consumption (heating)	l	46,819
Gas consumption (heating)	m <sup>3</sup>	820,026
Fuel consumption for own or leased vehicles	l	237,999
District heating	kWh	112,522
Liquefied gas (LPG) consumption	kg	3,459

**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. The figure for 2022 was 46.73 MWh/CHF million.

**Energy efficiency in intralogistics**

In a first step towards laying a foundation for structured development in the area of climate protection, in 2021 we carried out an online survey of 266 decision-makers in the logistics industry from eight European countries. The fundamental question of interest to us was “What do medium-sized businesses in the production, consumer goods and food industries in selected European countries think about the issue of energy efficiency?”

**GRI 302-2** 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 – are a relevant part of our carbon footprint throughout the entire value chain.

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 towards net-zero using the Science Based Targets initiative (SBTi) methodologies.

**Conveyor system reduces energy consumption by 50%**

Plant modernization in France: By installing a decentralized drive concept based on the EC 5000 Roller-Drive and the ZoneControl control system from Interroll, Triumph in Obernai was able to reduce energy consumption by around 50 percent compared to the existing conveyor solution. At the same time, the performance and availability of the material flow process was increased and the maintenance effort minimized. In addition, the low noise level created a more pleasant working environment and increased occupational safety.





Photovoltaic (PV) system at the Headquarters in Canton Ticino

**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 Ticino (Switzerland) has generated roughly 30,000 kWh in electricity.

We have begun looking into the feasibility of installing photovoltaic systems elsewhere, and the buildings at some sites already meet the technical requirements.

**Action to reduce energy consumption**

GRI 302-4  
GRI 302-5

Given the universal spike in energy costs and efforts to safeguard energy supply in Europe, all Interroll sites drew up their own concepts in the reporting period with the goal of reducing energy use by 20%. These plans were used to develop a priority agenda, and the Group’s energy efficiency roadmap will be refined in 2023. Progress was made at our Center of Excellence in Sant’Antonino and at corporate headquarters in the reporting period, with upgraded window insulation and a photovoltaic system installed that enables 15% of electricity demand to be generated on site.

8,103 t CO<sub>2</sub>e  
**TOTAL EMISSIONS  
SCOPE 1 + 2**  
12.58 t CO<sub>2</sub>e/MIO. CHF  
**EMISSIONS  
INTENSITY**

**Reductions in energy requirements of products and services**

GRI 302-5

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. Analysis overseen by a renowned external auditor at our customer Triumph in France identified energy savings of more than 50% as against comparable services. As part of our energy efficiency roadmap, from 2023 onwards the product development process will include our custom “energy” model. This will be applied in all new product developments to achieve further energy performance gains on a systematic basis throughout the product life cycle.

**Emissions**

Our emissions are tracked and classified into three categories in accordance with the principles of the Greenhouse Gas Protocol (GHG Protocol). Scope 1: direct emissions from owned or controlled sources; Scope 2: indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company; Scope 3: all other indirect

emissions generated by third parties – primarily in the supply chain and in users' operation of our products. In a departure from the GHG Protocol, all figures refer to the quantity of CO<sub>2</sub> and not to CO<sub>2</sub> equivalents. Energy consumption is calculated based on the period from January 1 to December 31, 2022.

### Scope 1

**GRI 305-1** Scope 1 includes the CO<sub>2</sub> emissions from gas consumption at the production plants, e.g., the powder coating system in Mosback (DE), heating at all sites, and the CO<sub>2</sub> emissions from fuel consumption by the vehicle fleet. The Scope 1 emissions were calculated using GEMIS 5.0, and amounted to 3,072.2 t CO<sub>2</sub>eq in 2022.

### Scope 2

**GRI 305-2** Scope 2 includes the CO<sub>2</sub> emissions from electricity consumption at the production and management sites, and CO<sub>2</sub> emissions from the consumption of electricity purchased via fuel cards for Interroll's electric vehicles. Scope 2 also includes the CO<sub>2</sub> emissions from district heating. The Scope 2 emissions were calculated using GEMIS 5.0, and in 2022 amounted to 6,459.2 t CO<sub>2</sub>eq (location-based) and 5,284.5 t CO<sub>2</sub>eq (market-based).

### Scope 3

**GRI 305-3** 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. However, Interroll does not currently have any specific information on these two sources. In 2023, a pilot scheme is being launched at the Sinsheim site to record and calculate CO<sub>2</sub> emissions along the entire value chain at a specific site. Furthermore, the Interroll Group will begin capturing and assessing the requisite upstream and downstream data in 2023 to subsequently enable valid disclosures to be made about our Scope 3 emissions.

### Emissions intensity

**GRI 305-4** The total Scope 1 and Scope 2 emissions amount to 8,356.8 t CO<sub>2</sub>eq (market-based, in other words the electricity mix specifically chosen at the sites). The emissions intensity per CHF 1 million amounts to 12.58 t CO<sub>2</sub>/CHF million.

### Reduction of greenhouse gas emissions

**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 new product development process is being modified in 2023 to harness the potential for further energy efficiency over the life cycle of our new products. Assuming a conversion factor of 627 g of CO<sub>2</sub> per kWh, generating 30,000 kWh of renewable electricity from the photovoltaic system in Sant'Antonino in the period from November to December 2022 meant that we could cut roughly 18.8 t in CO<sub>2</sub> emissions.

**PV SYSTEM IN TICINO  
AVOIDED AROUND 18.8  
T OF CO<sub>2</sub>  
EMISSIONS WITHIN  
TWO MONTHS IN 2022**

# ENVIRONMENTAL PROTECTION

Our management approach for "Environmental protection" helps work towards achieving the following United Nations Sustainable Development Goals (SDGs):



## CONTEXT

GRI 3-3

Environmental protection is one of the core social concerns of our time, as a growing global population demanding quality of life and living space overwhelms the earth's natural resources and ecosystems. The material topic "Environmental protection" includes the aspects "use of materials and waste", which have a relevant environmental impact. "Water and effluents" and "biodiversity issues" were assessed firstly as less relevant and secondly as less responsive to active management. Supply chain aspects are addressed under the material topic "Responsible procurement".

At Interroll, our aim is to supply our customers and users with products that are developed, manufactured and used with an eye on environmental protection. We are well aware of our responsibility within the supply chain when selecting materials. All the same, in 2022 Interroll processed 55,955 t of steel, 1,425 t of other alloys, 4,279 t of polymers and 923 t of electrical and electronic components, such as motors, control units, printed circuit boards.

Waste prevention is another important consideration. This affects that production waste which we are able to control, the useful lives of our products in customer applications, and finally the end of product life. The Interroll Group generates approximately 4,286 t of production waste per year, primarily waste metal, plastics and wood, the latter mainly from shipping our products. The end-of-life recycling rate for metals used in plant products can be described as high and is incomparable with the recycling rates given in household waste statistics. Waste metal is generally sold and recycled. However, we do not have access to this information since, in most cases, our customers – the "system integrators" – have a contractual relationship with the plant operator.

## USED MATERIALS

55,955 t STEEL

1,425 t OTHER METALS

4,279 t POLYMERS

The design of our products greatly influences our environmental performance and the corresponding impact. Product quality, durability and the capability to exchange components flexibly translate to a high level of resource efficiency in the materials used. 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 the 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

At Interroll, our goal is to minimize as much as possible our ecological footprint and thus our adverse impact on the environment. Key considerations that essentially determine our ecological actions include the environmental impact of our products, the definition and use of responsible materials, and the recyclability of those materials. As part of an integrated management system (IMS), we will be launching a Group-wide environmental management system in accordance with ISO 14001 or EMAS at all sites, with the production sites prioritized for implementation. Our development work likewise focuses on systematically reducing the operational noise emissions from our systems. A Group-wide corporate policy on environmental protection is in place to provide qualitative and quantitative goals for our management approach, and to ensure measurable and management-related key performance indicators (KPIs).

We are helping protect the environment through our efficient use of materials and the increasing application of recycled materials. We will increase the share of recycled materials by 1.5% per year. We will reduce plastic packaging by 10% per year in relation to sales.

It is our goal to protect the environment by actively avoiding waste. Our quantitative target is to reduce production-related waste by 50% by 2030 compared to

**UNTIL 2030 50%  
REDUCTION OF  
PRODUCTION-RELATED  
WASTE QUANTITY**

2022 figures. At the same time, we intend to separate waste systematically by material group, record the quantities and establish effective waste management at the sites.

Our new product development processes will give even greater consideration to environmental impacts. We will provide our customers environmental product declarations (EPDs) with respect to relevant components or system elements.

And it goes without saying that we comply with all statutory and regulatory environmental requirements. We also intend to monitor their implementation within the supply chain and have expanded our Supplier Code of Conduct accordingly. To assess our environmental performance, we will submit to selected external ratings and meet the specific expectations within an appropriate timeframe.

Qualitative goals	Quantitative goals	KPIs	KPIs 2022
We are helping protect the environment through our efficient use of materials and greater use of recycled materials.	Increase use of recycled materials by 1.5% per year	Recycled materials as a % of all materials (currently measurable: plastics)	2%
	Reduce plastic packaging by 10% per year in relation to sales	Packaging material (wood, paper, cardboard) in metric tons per CHF million sales	5.6 t/CHF million
		Packaging material (plastics) in metric tons per CHF million sales	0.1 t/CHF million
We are protecting the environment by reducing waste.	Reduce production waste by 50%	Production waste in metric tons, 2022	4,286 t

**STATUS, MEASURES, RESULTS**

**Use of materials**

GRI 301-1

With 65,138 t of materials processed in the reporting period, the use of resources in production is a material aspect of sustainable corporate development. Steel, electronic components, other alloys and plastics 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. However, we do not yet have any reliable data on their Scope 3 emissions (see climate protection). Structured measures to calculate valid figures are in the pipeline for 2023, and the results and progress will feature in the next sustainability report.

We intend to reduce the use of plastic packaging materials, and have already begun to record packaging material quantities. Interroll uses 3,001 t of wood packaging, which corresponds to wood packaging intensity in relation to sales of 4.5 t per CHF million sales. For cardboard boxes, the figure is 1.1 t per CHF million sales. The share of plastic packaging currently stands at 0.1 t per CHF million sales (absolute 95 t), and we want to reduce that figure by 10% per year.

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, Authorization and Restriction of Chemicals (REACH).

**How do we comply with the REACH requirements?**

“Our product safety does not just consider the potential mechanical and electrical risks of our products. We regularly follow updates to the list of substances of very high concern (SVHCs). Thanks to the REACH information requirement, we ensure that our products do not pose a chemical-related hazard to people and the environment.”

**Jörg Schiffler**, Product Compliance Counsel, Interroll Engineering GmbH

GRI 301-1

**Use of materials**

	in t
Steel	55,955
Other alloys	1,425
Plastic	4,279
Electrical/electronic components	923
Other production-related materials	2,458
Recycled plastics	98
<b>Total</b>	<b>65,138</b>

**Packaging**

Plastic packaging	95
Wood packaging	3,001
Cardboard packaging	7,709

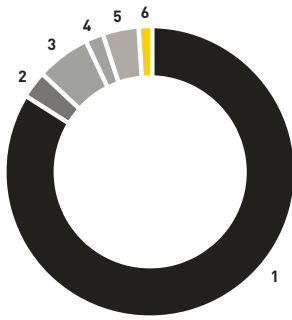
**Administration**

Paper/cardboard packaging	47
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GRI 301-1

**Use of materials**



1	Steel	85.8%
2	Other alloys	2.2%
3	Plastic	6.6%
4	Electrical/electronic components	1.4%
5	Other production-related materials	3.8%
6	Recycled plastics	0.2%

GRI 301-2

The use of recycled materials is also gaining in significance as efforts continue to achieve a circular economy. Past pilot projects did not produce the desired quality needed for our products to be used in the long term. Where plastics are concerned, the current share of recycled materials is therefore very low, at roughly 1%. Improved material properties being developed in the plastics industry based on mass balance approaches may present an interesting option, and we are keeping an eye on the developments.

4,286 t PRODUCTION WASTE  
**3,272 t METALS**  
 139 t PLASTICS FROM INJECTION MOLDING  
**394 t WOOD**  
 419 t OTHER WASTES

There are very few complaints about our products, and as such the packaging quantities required for this purpose are irrelevant and not recorded.

**Water and effluents**

GRI 303-5

Our water consumption of around 43,000 m<sup>3</sup> and low environmental impact in terms of effluents are not classified as a significant consideration in the environmental context. 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.

**Waste generation and waste-related impacts**

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

Group-wide, 4,286 t of production waste was generated in the reporting period. Significant quantities relate to metals (3,272 t) – in particular metal offcuts, plastics from injection molding (139 t), wood (394 t) and other waste (419 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. Waste disposal is the responsibility of the individual sites in compliance with local laws. We are not aware of any violations. The Group as a whole generates 4 t of electronic waste and 58 t of hazardous waste, mainly motor oils, lubricants, batteries and waste materials from an in-house powder coating system, which are duly disposed of.

# FOCUS ON OUR EMPLOYEES

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# FOCUS ON OUR EMPLOYEES

## UN GLOBAL COMPACT IN CONTEXT

### LABOR

GRI 409-1  
GRI 408-1  
GRI 405-1

#### Principle 3

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

#### Principle 4

The elimination all forms of forced and compulsory labor.

#### Principle 5

The effective abolition of child labor.

#### Principle 6

The elimination of discrimination in respect of employment and occupation.

As a signatory to the UN Global Compact (UNGC), we are committed to complying with the UNGC’s ten principles worldwide and promoting sustainable development in the countries in which we operate. The management approaches to the material area “Focus on our employees” relate to the UNGC’s labor principles (3, 4, 5 and 6).

#### Our commitment

GRI 2-23

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 Code of Conduct, which applies 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 2022

- Establishing the Interroll Group’s sustainability development management system.
- Conducting a stakeholder dialog and a materiality analysis in accordance with the GRI Standards 2021. Defining the material topics “Employer of choice”, “People development”, and “Occupational health and safety” in the “Focus on our employees” material area.
- Developing management approaches and implementing and publishing Group-wide policies.
- Formulating management approaches with defined qualitative and quantitative objectives as well as measurable and management-related key performance indicators (KPIs).
- Preparing sustainability reports on relevant and existing KPIs.
- In 2022, we created and filled the role of “Director Human Resources” for the EMEA and Americas regions. The role for APAC has been created but not staffed.

#### 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 topics relating to the “Focus on our 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 Labour 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 “Focus on our employees” material area help work towards 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 WELL-BEING



Interroll ensures reliability and high speed in the international flows of goods, in particular as this relates to the hygienic intralogistics of food products. In this way, our core business makes a significant contribution to society. Our occupational health and safety management ensures the safety and well-being of Interroll’s employees by ensuring that they have humane working conditions. Our safe products boost occupational health and safety at 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 internships and trainee positions, provide training ourselves and have partnered with local 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 and therefore ensure that all our employees have equal access to our training and professional development programs and earn a fair pay.



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 respect human rights in every aspect. We subscribe to the International Labour 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.

# EMPLOYER OF CHOICE

Our management approach to the “Employer of choice” material area helps work towards achieving the following United Nations Sustainable Development Goals (SDGs):



## Why is Interroll the employer of choice?

“Innovation, product diversity and sound finances are the foundations for Interroll’s sustainable development, ensuring that we are capable and have the confidence to truly commit to excellence.

With Group Management’s specific targets and long-term thinking guiding the way, we know who we are and where we want to go. We’ll always keep our eye on the prize and reach our goals. The working atmosphere at Interroll is congenial and the Centers of Excellence, Regional Centers of Excellence, and local assembly plants readily share information with one another.

This is also true within the individual business units, and reflects what is, at the core, a culture of mutual respect. Lastly, Interroll always strives to do whatever it takes to treat our customers well. All this demonstrates how passionate we are about winning over our customers with on-time deliveries of platform-based, quality products and simple, easy-to-use solutions.”

**Mike Zhang**, Plant Manager & Deputy General Manager, Interroll Suzhou Co. Ltd

## CONTEXT

Our employees are crucial to our success. Motivated, satisfied, highly qualified and efficient employees are key. We can only achieve our goals and turn our dreams into reality by working together in unison as one dynamic team.

We place great importance on being one of our industry’s employers of choice, both for current and future employees. In order to ensure that this remains so well into the future and that we always retain the specialists we need in a fiercely contested labor market for skilled professionals, our approach to career development is both targeted and long term. It is important that our employees possess not only expertise but also mutual respect and good social skills.

That is why we offer motivated and reliable employees a range of interesting and diverse tasks in a wide range of areas. By systematically nurturing our employees, 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 human rights in every aspect. We offer our employees fair pay and individual and/or collective bargaining agreements that govern their working conditions and hours.

GRI 2-7

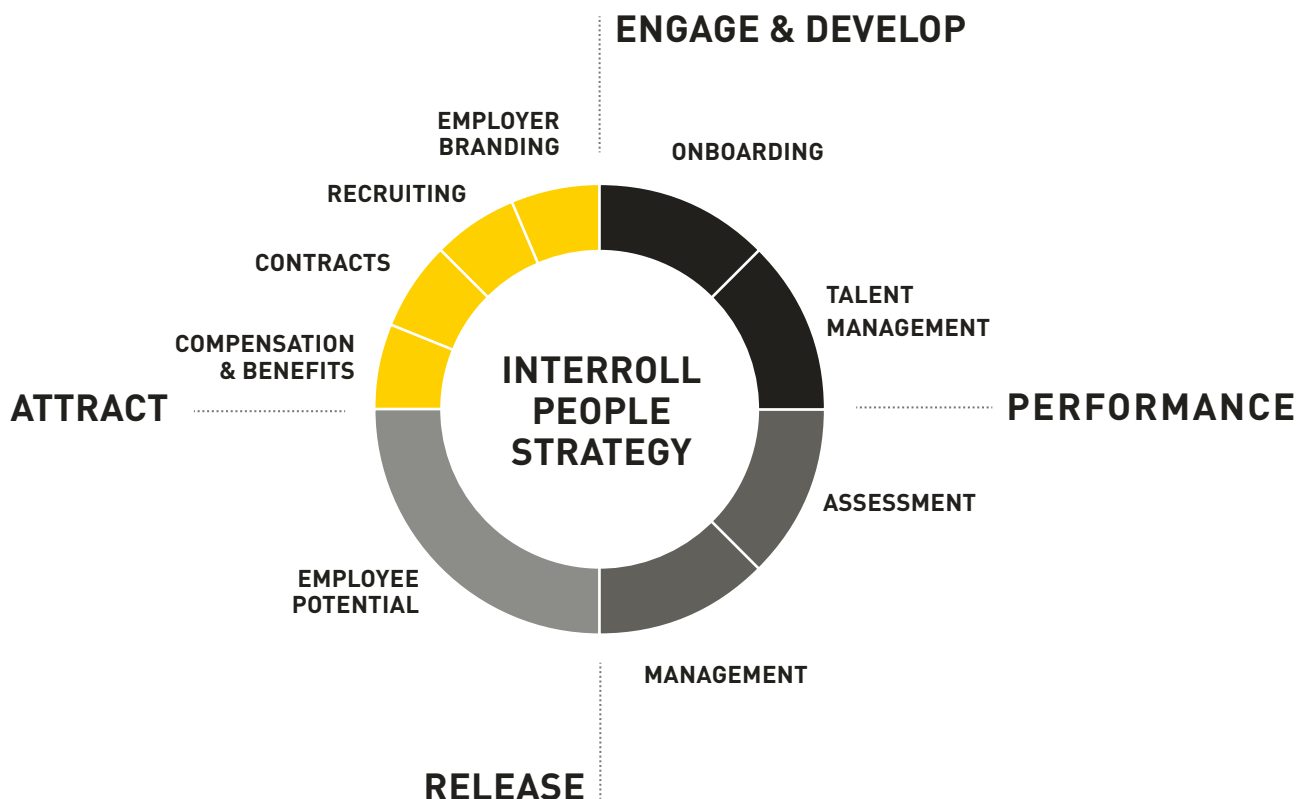
As of December 31, 2022, Interroll had 2,433 employees, which equals 2,325.44 Full Time Equivalents, of which 1,838 are men and 595 women.

**CONCEPT AND GOALS**

We aim to recruit qualified employees whose values align with ours and who envisage their future with us. The way we treat each other every day reflects this attitude. 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 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. This starts with the right human resources. 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. The implementation centers on leveraging the global scalability of approaches while retaining the requisite flexibility at the local level and for the individual implementation steps.

Therefore, we have defined four phases in the “Employee Journey” that we are structurally developing with specific measures (see “Interroll People Strategy” graphic below). Examining the phases of the journey led us to develop a plan of action for the coming years that we have already started to implement in 2023. In addition to ongoing employer branding efforts, the focus is particularly on personnel recruitment and thus on contractual frameworks with remuneration and target definitions.





EMPLOYER BRANDING

COMPENSATION & BENEFITS

MANAGING & PERFORMING

END OF ENGAGEMENT

ONBOARDING

HEALTH, SAFETY & WELL-BEING



RECRUITMENT

ASSESSING

DIVERSITY, EQUITY & INCLUSION

CONTRACTS & LEGAL

DEVELOPING

Employee journey

Employee satisfaction is a key management factor. We regularly measure employee satisfaction based on various factors and gauge their level of identification with Interroll as an employer. A new survey will be carried out in 2023 and we will report on the results. One key aspect is fair pay. Our goal is for all local companies to pay salaries at or above the level prevailing in the respective labor market. Furthermore, we offer all employees individual and/or collective agreements governing their working conditions and working hours. We aim to enter into a written agreement with each employee that specifies their fixed maximum working hours.

At the same time we promote diversity, equality and integration. Our performance will be measured by achieving equality in our management team with 30% of positions held by women. We are unwavering in our commitment to respecting human rights and upholding the associated International Labour Organization (ILO) conventions. To this end we avoid employing children under 16 and oppose forced labor, human trafficking and all forms of discrimination and harassment.

Qualitative goals	Quantitative goals	KPIs	KPIs 2022
We offer all employees individual and/or collective agreements governing their working conditions and working hours.	100% of employees with employment agreement and fixed maximum working hours	% of employees with agreements governing their working conditions and working hours	62%
		% of employees covered by collective bargaining agreements	45%
We promote diversity, equality and integration.	Balanced management team with 30% of members women	% of management positions held by women	23%
	5% of workforce with physical or mental disabilities	Employees with physical or mental disabilities	35
We are unwavering in our commitment to respecting human rights and upholding the associated ILO conventions.	No employees under 16	Number of employees under 16	0
	No discrimination and harassment	Number of reported cases of discrimination and harassment	0

**STATUS, MEASURES, RESULTS**

**Organizational measures**

In 2022, we drafted a policy on the material topic of “Employer of choice”. Within the organization, we created and filled the positions of “Regional Directors Human Resources” for the Europe (EMEA) and Americas regions in 2022. We therefore now have at our disposal key regional coordinators with market experience who can act as a point of contact between headquarters and the local HR managers. The position for the Asia-Pacific (APAC) region in Singapore has been advertised since December 2022. Furthermore, recruitment and executive search activities for top management functions at local companies has been designated as a central function. This will optimize the quality of decision-making in coordination with local and/or regional management.

**Employment**

GRI 2-7  
GRI 2-8  
GRI 401-3

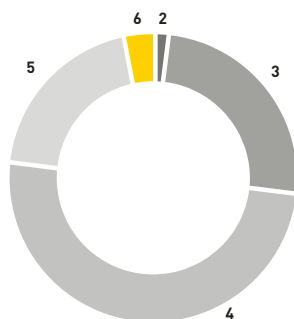
Despite what in many respects was a challenging fiscal year, staff could count on Interroll’s reliability as an employer. One place this is reflected is the headcount, which remained the same as in the record year of 2021 when order intake was exceptional. Interroll employed 2,433 staff as at the December 31, 2022 reporting date, of which 1,838 were men and 595 women. Of the apprentices and trainees at Interroll in the reporting period, there were 33 men and 8 women. Interroll uses agency and temporary workers on a seasonal basis to cover spikes in demand and absences due to vacation. Group-wide, we were aware of a total of 35 employees with physical or mental disabilities in 2022. A total of 38 men and 23 women were on parental leave.

**2,433 EMPLOYEES**  
**1,838 MEN**  
**595 WOMEN**

The management team comprised 203 people in 2022, of which 157 were men and 46 women (23% of management positions were held by women). Of the vacant management positions filled, 39% of those newly appointed were internal hires (six men and three women). Ten men and four women were brought in from outside the organization to fill management positions. Group Management and the management bodies at the sites were all-male.

**203 MANAGEMENT POSITIONS**  
**23% WOMEN**  
**39% OF OPEN MANAGEMENT POSITIONS INTERNALLY STAFFED**

**Breakdown of employees by age**



1	Employees aged 16 and below	0
2	Employees aged 16-18	4
3	Employees aged 19-35	697
4	Employees aged 36-50	1,122
5	Employees aged 51-65	597
6	Employees over 65 years old	13

### Collective bargaining agreements

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

In 2022, 1,100 employees at Interroll were covered by collective bargaining agreements. 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. The 12-strong council brings together nominated members from the seven existing works councils at the individual companies. This goes hand-in-hand with the entry into force of a master works agreement covering all of the German sites, which replaces the various local arrangements under site-specific collective bargaining agreements, works agreements, etc.

### 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. 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. These Interroll values form the basis for our approach to equal opportunities, which was fleshed out in greater detail in 2022. In 2023, we will be carrying out a regional information gathering and analysis exercise to gain a detailed insight into how things currently stand at the international level. On this basis we will launch projects, both at headquarters and regionally, to promote diversity in cases where candidates offer the same

level of skills and qualifications. In that way, we are systematically promoting a culture of integration at all team levels and ensuring that employees with the same jobs, skills, qualifications and responsibilities are treated equally.

The Board of Directors comprises six members, four of whom are men and two are women.

GRI 406-1

In 2022, a total of six reports on potential violations of the Interroll Code of Conduct were submitted via EQS Integrity Line. These may also include incidents of discrimination, however they are kept strictly confidential.

# PEOPLE DEVELOPMENT

Our management approach to the “People development” material topic helps work towards achieving the following United Nations Sustainable Development Goals (SDGs):



## CONTEXT

GRI 3-3

Our long-term success depends on our employees' opportunities and development. Our efforts to unlock and develop employees' potential are not just part of our people strategy. They represent an important and conscious business decision because we know that their expertise and motivation are among our key resources.

In the fast-paced competition for talented individuals and the executives of tomorrow, we can only be successful by being prepared to learn new skills and meeting change head on. For this reason, employee education and training are a core element of our people development concept. 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.

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. We also partner with institutions of higher education to establish contact with young talent early on. Our managers take part in a special training program so that we can work continually to improve our management skillset.

## CONCEPT AND GOALS

GRI 3-3

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. The goal in education and training is to impart the specialist knowledge our employees need to partner with and support customers and users at all phases of the customer relationship. We also conduct development reviews based on a global skills matrix, and measure the proportion of reviews that have been conducted. This is linked to a custom training and education program. All production employees receive mandatory instruction and take part in technical training relevant to their function.

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

Another goal of our people development work at Interroll is to harmonize the composition of our management in the long term. At the local level, our intention is to ensure that 60% of management functions are held by people promoted from within the organization. At the Group level, we want 50% of top management to be internal hires. 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.

## Why is People Development so important to Interroll?

“Take away the technology, take away the products and materials, and businesses are always run by people. The ability to create meaning, to make connections, human knowledge and relationships is crucial to building bridges.

At People Development, it is our mission to build bridges in order to achieve a more sustainable way of life for businesses and cities, to realize dreams and aspirations. People strategies should never stop at just enhancing productivity, performance, expertise and skills: the ultimate goal is to shape a better workplace, to build a society in which people want to live.”

**Giulia Natale**, People Development Business Partner, Interroll Group

Qualitative goals	Quantitative goals	KPIs	KPIs 2022
GRI 404-3 We support our managers in making a structured and objective assessment of their employees' soft skills and technical expertise.	All office-based employees to undergo an annual development review using a structured global skills matrix that is based on Interroll's research and requirements.	Number of employees who have taken part in a development review	1,589
			45%
GRI 404-1 We constantly expand our employees' skills and abilities.	All employees to have an individual training and education program for their function	Number of employees who have received training	5,301 (incl. multiple participations)
		Average hours of training	5.4 hours
		Training expenditure	CHF 1.02 million
We believe it is important to train and develop young professionals.	All companies with more than 20 employees to have a continuing education/ apprenticeship/trainee program	Number of apprenticeships/ traineeships	41
We have an open-door policy when it comes to interaction between employees and managers, and value good communication.	100% of our office-based employees receive an annual performance review from their line manager	% of annual performance reviews completed	65%
We are building a balanced management team in which internal hires are prioritized over external candidates.	60% of management positions to be held by persons promoted from within the organization	% of management positions filled with internal hires	39%
	50% of the management positions within the Group to be held by persons promoted from within the organization	Ratio of external hires to internal hires when filling Group management positions (in %)	No new hires in 2022



## STATUS, MEASURES, RESULTS

GRI 404-2

In 2022, we drafted a policy on the material topic of “People Development”. We also pressed forward with our conceptional work on people development. The focus points for implementation in 2023 are:

- succession management for key positions
- regular performance reviews based on clear and comprehensive factors
- the High Potentials development initiative
- general career planning for young professionals

### 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.

The Interroll Academy is the heart of the company, when it comes to learning and knowledge transfer. Training and qualification measures are carried out on technologies, products, solutions and the market for employees, partners, customers and users. Through blended learning, i.e. integrated learning, the most varied learning formats can be combined according to needs and target groups – from interactive e-learning to face-to-face training and training events.

Because many jobs at Interroll require highly specialized skills that are not widely taught in technical training courses or degree programs, we depend on our ability to pass on – and refine – this expertise internally. Training requirements are discussed at annual employee reviews.

GRI 404-1

GRI 404-3

Group-wide, we invested CHF 1.02 million in employee training in 2022. Men took part in 4,465 training sessions, women 836. The same person can take part in multiple training sessions on different subjects. A total of 19,820 hours of internal training was provided, with a further 12,170 hours of external training. Group-wide, 1,589 meetings were held with employees to discuss their performance or career planning. 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.

**19,820 HOURS**  
INTERNAL TRAINING  
**12,170 HOURS**  
EXTERNAL TRAINING

# OCCUPATIONAL HEALTH AND SAFETY

Our management approach to the “Occupational health and safety” material topic helps work towards achieving the following United Nations Sustainable Development Goals (SDGs):



## CONTEXT

GRI 3-3

At Interroll, employee health and safety are a non-negotiable part of our value system and are woven into the fabric of our corporate culture. Our responsibility for the wellbeing of our workforce is rooted in our corporate ethics and represents a top priority for us as a business, because we know that success is impossible without fit, healthy and committed people.

The action we have taken is making an impact and we are confident that we are on the right path. There were no fatal accidents in 2022, and the ratio of 556 days lost on account of occupational accidents to 577,979 days worked is low by industry standards. This also applies to the 3.2% of days lost Group-wide on account of illness.

Excellent occupational health and safety management strengthens and protects our reputation as an employer on the labor market for specialists, experts and young executives, which is currently highly competitive. This includes both our own employees and also all those who work on our behalf.

We have implemented guidelines to that effect in the form of the Interroll Code of Conduct, which is based on generally accepted social, ethical and ecological standards, such as the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD) and the labor and social standards of the International Labour Organization (ILO). A new pillar of the management approach is our corporate policy, which we describe in detail hereafter.

## CONCEPT AND GOALS

GRI 3-3  
GRI 403-1

As part of our Group-wide sustainability strategy, one of our priority and primary objectives is to proactively manage health and safety risks in order to prevent occupational accidents, injuries and lost working days. A Group-wide corporate policy on “Occupational health and safety” is in place to provide qualitative and quantitative goals for 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.

GRI 403-2

Achieving this central objective in full is no mean feat in an environment of extensive production activity, and therefore requires daily effort in the management process. The goal is to implement uniform occupational health and safety management throughout the Group and to roll out ISO 45001 certification beginning with the production sites. In conjunction with this, we promote health and safety aspects at every workplace and continue to raise awareness of these issues. Each workplace is reviewed for health and safety risks.

Qualitative goal	Quantitative goal	KPIs	KPIs 2022
Occupational health and safety is our number one priority	No fatal occupational accidents	Number of fatal occupational accidents	None
	No occupational accidents with at least one day lost	LTIR (occupational accidents with >=1 day lost per 200,000/1 million hours worked)	1.46 (per 0.2 million hours) 7.3 (per 1 million hours)
We promote the health and safety of all employees	Sickness rate under 4%	Sickness rate in %	3.2%
GRI 403-8 We raise awareness of health and safety issues among all employees	All sites to have an occupational health and safety program	% of sites with occupational health and safety programs	39%
		Number/share of employees trained	No new hires 2022
GRI 403-2	All workplaces to be reviewed for health and safety risks annually	Number of workplaces reviewed	100%

By offering attractive and productive working conditions, we achieve a secondary but nevertheless core management goal at Interroll. A fundamental factor for corporate success is to maintain complex production processes for high-quality and flexible customer solutions and to enable Interroll to grow dynamically in its various markets and locations. This is directly linked to safe and healthy workplaces that ensure the wellbeing of our employees.

**STATUS, MEASURES, RESULTS**

GRI 403-8 Occupational health and safety are embedded in our management processes. Despite local variations in some cases, they are subject to stringent regulatory requirements and are regularly included in audits. An occupational health and safety management system in accordance with ISO 45001 is in place in Spain, and our Center of Excellence in Sant’Antonino is currently undergoing certification.

## How does implementing ISO 45001 benefit our employees and customers?

“The benefit for the business is that ISO 45001 is a mark of health and safety excellence. And health is more important than ever these days.

For the team itself, certification highlights our efforts to strengthen the health and safety management system and to help reduce the number of occupational accidents. It also reflects the fact that interdisciplinary working groups within the team have helped boost productivity and thus the benefits for customers – both internal and external.

The key factors for our success in securing certification were a bespoke corporate policy, complying with legal obligations by promoting a culture based on preventative health and safety, and involving the entire team to play an active role.

I want to stress that this certification is not an end in itself. It’s the starting point for achieving excellence through continuous improvement, greater awareness and fostering a culture of prevention within the team.”

**Vanessa Calderon**, HSE Responsible, Interroll (España) SA

GRI 403-3  
GRI 403-4

We promote occupational health and safety at every workplace and are driven to identify room for health-related improvement, to the benefit of everyone working for us. We rigidly enforce the various legal requirements for occupational health and safety and workplace safety audits – either through in-house specialists or external service providers. The relevant 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 and our service providers, and initiate further steps as required.

GRI 403-9

Throughout the Group, a total of 34 occupational accidents resulting in more than one day of lost work were reported in 2022. The lost-time injury rate (LTIR) amounted to 1.46 (based on 200,000 hours worked) and 7.3 (based on 1,000,000 hours worked).

GRI 403-9

The German sites employed a total of 1,075 staff in 2022, accounting for 44% of the global workforce. In Germany, a total of 18 occupational accidents resulting in more than one day of lost work were reported. With

a total of 1,766,294 hours worked, the lost-time injury rate (LTIR) amounted to 2.04 (based on 200,000 hours worked) and 10.2 (based on 1,000,000 hours worked). The figures at Interroll are therefore well below the industry average of 21.50 (based on 1 million hours) reported for 2021 by Berufsgenossenschaft Holz und Metall, Germany’s statutory accident insurer for wood and metal processing companies.

A total of 556 days were lost to occupational accidents in 2022. There were no fatal occupational accidents.

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 in context and actively encourage them to help create safe working conditions throughout the company. In 2022, 1,535 employees throughout the Group received occupational health and safety training.

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  
403-10

With a total of 577,979 days worked throughout the Group, 18,354 days were lost to illness. The sickness rate was thus 3.2% and is low in comparison with other manufacturing sectors (average sickness rate reported by statutory health insurers across all industries in Germany: 4.3% in 2021). 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) 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 CONTENT INDEX



## **GRI Service Statement**

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2–1 to 2–5, 3–1 and 3–2 are aligned with the appropriate sections in the body of the report.

The Global Reporting Initiative (GRI) is a leading organization in 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 continues to support GRI's core mission to increase both the quantity and quality of reporting, which, in turn, enhances critical market transparency. This is Interroll's first report written in accordance with the GRI Standards 2021.

Interroll Holding AG has reported in accordance with the GRI Standards for the period January 1, 2022 to December 31, 2022

GRI Standards	No	Disclosures	Page	Comments
<b>GRI 1: Foundation 2021</b>				
	1	Foundation	88	
<b>GRI 2: General Disclosures 2021</b>				
<b>ABOUT INTERROLL</b>				
The organisation and its reporting practices	2-1	Organisational details	5, 6, 88	
	2-2	Entities included in the organisation's sustainability reporting	5	
	2-3	Reporting period, frequency and contact point	88	
	2-4	Restatements of information	88	
	2-5	External assurance	88	
Activities and workers	2-6	Activities, value chain and other business relationships	4, 6	
	2-7	Employees	62, 65	
	2-8	Workers who are not employees	65	
Governance	2-9	Governance structure and composition	21	
	2-10	Nomination and selection of the highest governance body	21	
	2-11	Chair of the highest governance body	21	
	2-12	Role of the highest governance body in overseeing the management of impacts	21	
	2-13	Delegation of responsibility for managing impacts	21	
	2-14	Role of the highest governance body in sustainability reporting	22	
	2-15	Conflicts of interest	21, 22	
	2-16	Communication of critical concerns	22	
	2-17	Collective knowledge of the highest governance body	22	
	2-18	Evaluation of the performance of the highest governance body	22	
	2-19	Remuneration policies	22	
	2-20	Process to determine remuneration	22	
	2-21	Annual total compensation ratio	22	



GRI Standards	No	Disclosures	Page	Comments
Strategy, policies and practices	2-22	Statement on sustainable development strategy	2, 10	
	2-23	Policy commitments	11, 33, 48, 60	
	2-24	Embedding policy commitments	11	
	2-25	Processes to remediate negative impacts	24, 26	
	2-26	Mechanisms for seeking advice and raising concerns	24	
	2-27	Compliance with laws and regulations	23, 25	
	2-28	Membership associations	8	
	Stakeholder engagement	2-29	Approach to stakeholder engagement	12, 36, 40
2-30		Collective bargaining agreements	66	

### GRI 3: Material Topics 2021, broken down by focal points of our work

GRI 3: Material Topics 2021	3-1	Process to determine material topics	13	
	3-2	List of material topics	14	

### FOCAL POINT OF OUR WORK: ENSURING GOOD CORPORATE MANAGEMENT

#### Corporate Governance

GRI 3: Material Topics 2021	3-3	Management of material topics	20	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	21, 60	

#### Corporate Compliance

GRI 3: Material Topics 2021	3-3	Management of material topics	23	All
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	23, 24	
	205-2	Communication and training about anti-corruption policies and procedures	24	None
	205-3	Confirmed incidents of corruption and actions taken	24, 25	None
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	25	
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	25	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	23, 60	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	23, 60	

GRI Standards	No	Disclosures	Page	Comments
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	25	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	25	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	45	
	417-2	Incidents of non-compliance concerning product and service information and labeling	25	
<b>Risk management</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	26	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	27	
<b>Information security</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	28	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	29	None

## FOCAL POINT OF OUR WORK: SECURING LONG-TERM SUCCESS

### Sustainable growth

GRI 3: Material Topics 2021	3-3	Management of material topics	35, 36	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	36, 37	
	201-4	Financial assistance received from government		Takes place in part at site level, has not been surveyed for the initial report
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	38	
	203-2	Significant indirect economic impacts	36	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	36, 38	
<b>Sustainable procurement</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	39, 40, 44	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	41	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	41, 44	
	308-2	Negative environmental impacts in the supply chain and actions taken	44	

GRI Standards	No	Disclosures	Page	Comments
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	44	
	414-2	Negative social impacts in the supply chain and actions taken	44	
<b>Product responsibility</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	45	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	45	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	46	None
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	46	

## FOCAL POINT OF OUR WORK: PROTECTING THE CLIMATE AND THE ENVIRONMENT

### Climate protection

GRI 3: Material Topics 2021	3-3	Management of material topics	50	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	52, 53	
	302-2	Energy consumption outside of the organization	52	
	302-3	Energy intensity	52	
	302-4	Reduction of energy consumption	53	
	302-5	Reductions in energy requirements of products and services	53	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	53	
	305-2	Energy indirect (Scope 2) GHG emissions	54	
	305-3	Other indirect (Scope 3) GHG emissions	54	Planned, but not covered in initial report
	305-4	GHG emissions intensity	54	
	305-5	Reduction of GHG emissions	54	

### Environmental protection

GRI 3: Material Topics 2021	3-3	Management of material topics	55, 56	
GRI 301 Materials 2016	301-1	Materials used by weight or volume	57, 58	
	301-2	Recycled input materials used	58	
GRI 303: Water and Effluents 2018	303-5	Water consumption	58	

GRI Standards	No	Disclosures	Page	Comments
GRI 306 Waste 2020	306-1	Waste generation and significant waste-related impacts	58	
	306-2	Management of significant waste-related impacts	58	
	306-3	Waste generated	58	
	306-4	Waste diverted from disposal	58	

## FOCAL POINT OF OUR WORK: FOCUS ON OUR EMPLOYEES

### Employer of choice

GRI 3: Material Topics 2021	3-3	Management of material topics	63	
GRI 401 Employment 2016	401-1	New employee hires and employee turnover		Due to Covid fluctuation data was not tracked
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	66	
	401-3	Parental leave	65	
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	66	
GRI 405 Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	60, 66	
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	66	

### People development

GRI 3: Material Topics 2021	3-3	Management of material topics	67	
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	68, 69	
	404-2	Programs for upgrading employee skills and transition assistance programs	68	
	404-3	Percentage of employees receiving regular performance and career development reviews	68, 69	

### Occupational health and safety

GRI 3: Material Topics 2021	3-3	Management of material topics	70	
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	70	
	403-2	Hazard identification, risk assessment, and incident investigation	70, 71	
	403-3	Occupational health services	72	
	403-4	Worker participation, consultation, and communication on occupational health and safety	72, 73	
	403-5	Worker training on occupational health and safety	72	
	403-6	Promotion of worker health	72, 73	

<b>GRI Standards</b>	<b>No</b>	<b>Disclosures</b>	<b>Page</b>	<b>Comments</b>
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	73	
	403-8	Workers covered by an occupational health and safety management system	71	
	403-9	Work-related injuries	72	
	403-10	Work-related ill health	73	

# ESG KEY FIGURES OVERVIEW 2022

Key figures at a glance	Unit	Value 2022	GRI-Index
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## Material area: Ensuring good corporate management

Members on Board of Directors	Number	6	GRI 2-9
Nationalities represented on Board of Directors	Number	3	GRI 2-9
Share of independent members on Board of Directors	in %	50	GRI 2-10
Share of women on Board of Directors	in %	33.3	GRI 405-1
Audit Committee meetings	Number	5	Interroll disclosure
Current term of lead auditor	Years	4	Interroll disclosure
Members in Group Management	Number	7	GRI 2-9
Nationalities represented in Group Management	Number	5	GRI 2-9
Number of women in Group Management	Number	None	GRI 2-9
Legal entities	Number	43	GRI 2-6
Operational legal entities	Number	35	GRI 2-6
Data stewards appointed	Number	21	GRI 2-23
Compliance managers/coordinators	Number	21	GRI 2-23
Staff trained in cyber security	in %	89	GRI 2-23
Implementation of Interroll Code of Conduct at locations	in %	100	GRI 2-23
Confirmed cases of bribery, corruption or fraud	Number	None	GRI 205-3
Legal actions for anti-competitive behavior	Number	None	GRI 206-1
Incidents of non-compliance concerning product and service information	Number	None	GRI 417-2
Total compensation ratio	Key indicator	18.5	GRI 2-21

## Material area: Securing long-term success

Order intake	CHF million	572.6	GRI 201-1
Sales	CHF million	664.4	GRI 201-1
EBITDA	CHF million	129.0	GRI 201-1

Key figures at a glance	Unit	Value 2022	GRI-Index
EBITDA	% of sales	19.5	GRI 201-1
EBIT	CHF million	105	Interroll disclosure
EBIT	% of sales	15.8	GRI 201-1
Net profit/net loss for the year	CHF million	82.8	GRI 201-1
Net profit/net loss for the year	% of sales	12.5	GRI 201-1
Cash flows from operating activities	CHF million	71.4	GRI 201-1
Cash flows from operating activities	% of sales	10.7	GRI 201-1
Free cash flow	CHF million	40.9	GRI 201-1
Free cash flow	% of sales	7.4	GRI 201-1
Equity	CHF million	394	GRI 201-1
Equity ratio	in %	72.2	GRI 201-1
Return on equity	in %	22.4	GRI 201-1
Payout ratio	in %	33.0	GRI 201-1
Product innovations (introduction less than/equal to 3 years)	Share of sales in %	2	GRI 201-1
Investments	% of EBITDA	25.1	Interroll disclosure
Interroll suppliers who have signed the Code of Conduct	in %	26	GRI 2-23
Purchasing volume	CHF million	240.3	Interroll disclosure
Spending on local suppliers	CHF million	214.0	Interroll disclosure
Proportion of spending on local suppliers	in %	89	204-1
Suppliers that were screened using environmental criteria	Number	90	308-1
Suppliers that were screened using social criteria	Number	90	414-1
ISO 14001-certified "A" suppliers	Number	134	Interroll disclosure
ISO 45001-certified "A" suppliers	Number	7	Interroll disclosure
Suppliers of production materials assessed pursuant to ESG criteria	Number	2,942	Interroll disclosure
Suppliers of production materials assessed pursuant to ESG criteria	in %	63	Interroll disclosure
Health and safety incidents caused by our products	Number	None	GRI 416-2
On-time deliveries (ODP)	in %	88.5	Interroll disclosure
Cost of poor quality (CoPQ)	% of sales	0.24	Interroll disclosure

Key figures at a glance	Unit	Value 2022	GRI-Index
ISO 9001-certified locations	Number	7	Interroll disclosure
Locations which contribute to local community projects	Number	15	GRI 413-1
Donations	CHF	111,000	GRI 413-1

### Material area: Protecting the climate and the environment

Total energy consumption	GWh	31.05	GRI 302-1
Consumption of renewable energy	GWh	10.39	GRI 302-1
Share of renewable energy	in %	33.5	GRI 302-2
Electricity consumption	GWh	19.4	GRI 302-1
Of which from renewable sources	GWh	10.39	GRI 302-1
Of which from renewable sources	in %	53.6	GRI 302-1
Of which renewable and self-generated	MWh	0.03	GRI 302-4
Of which renewable and self-generated	in %	0.15	GRI 302-4
Scope 1 GHG emissions	t CO <sub>2</sub> e	3,072.2	GRI 305-1
Scope 2 GHG emissions, location-based	t CO <sub>2</sub> e	6,459.2	GRI 305-2
Scope 2 GHG emissions, market-based	t CO <sub>2</sub> e	5,284.5	GRI 305-2
Scope 1 and 2 GHG emissions, market-based	t CO <sub>2</sub> e	8,356.8	GRI 305-2
Energy intensity	MWh/CHF million	46.73	GRI 302-3
Emissions intensity (Scope 1 and 2)	t CO <sub>2</sub> e/CHF million	12.58	GRI 305-4
Total production materials	t	65,138	GRI 301-1
Steel	t	55,955	GRI 301-1
Other alloys	t	1,425	GRI 301-1
Plastics	t	4,279	GRI 301-1
Electrical/electronic components	t	923	GRI 301-1
Other production-related materials	t	2,458	GRI 301-1
Recycled plastics	t	98	GRI 301-2
Packaging material (plastic)	t	95	GRI 301-1
Packaging material (wood)	t	3,001	Interroll disclosure
Packaging material (cardboard packaging)	t	709	GRI 301-1



Key figures at a glance	Unit	Value 2022	GRI-Index
Production waste	t	4,286	GRI 306-3
Water consumption	m <sup>3</sup>	43,000	GRI 303-5

### Material area: Focus on our employees

Total number of employees	HC	2,433	GRI 2-7
Total number of employees	FTE	2,325.44	GRI 2-7
Under 16 years old	Number	0	GRI 2-7
16-18 years old	Number	4	GRI 2-7
19-35 years old	Number	697	GRI 2-7
36-50 years old	Number	1,122	GRI 2-7
51-65 years old	Number	597	GRI 2-7
Over 65 years old	Number	13	GRI 2-7
Temporary/agency workers	Number	211	GRI 2-8
Temporary/agency workers	%	9	GRI 2-8
Part-time	Number	81	GRI 2-7
Part-time	%	3	GRI 2-7
Trainees/interns	Number	41	GRI 2-7
Management positions held by women	%	23	GRI 405-1
Fatal occupational accidents	Number	None	GRI 403-9
Occupational accidents resulting in one or more days of lost work (LTIR)	Key indicator 200,000 h	1.46	GRI 403-9
Occupational accidents resulting in one or more days of lost work (LTIR)	Key indicator 1,000,000 h	7.3	GRI 403-9
Days lost due to occupational accidents	Number	556	GRI 403-9
Sickness rate	%	3.2	GRI 403-10
Employee turnover	%	Not tracked	GRI 401-1
Changes in Group Management	Number	None	Interroll disclosure
Recent hires for management positions were staffed internally	%	39	Interroll disclosure
Training for employees	Persons in training sessions	5,301	GRI 404-2

Key figures at a glance	Unit	Value 2022	GRI-Index
Average training session	Hours per employee	5.4	GRI 404-1
Internal training	Hours	19,820	GRI 404-2
External training	Hours	12,170	GRI 404-2
Training expenditure	CHF million	1.02	GRI 404-2
Number of reported cases of discrimination and harassment	Number	None	GRI 406-1
Employees with physical or mental disabilities	Number	35	GRI 405-1



# CONTACT AND PUBLICATION DETAILS

## Published by

GRI 2-1

Interroll Holding AG  
Via Gorelle 3 6592 Sant'Antonino, Switzerland

Tel.: +41 91 8502525  
Fax: +41 91 8502505  
www.interroll.com

If you have any general questions about the company or would like to be added to subscribe to company publications, please contact the Investor Relations team at

investor.relations@interroll.com

## Contact person for sustainability matters

GRI 2-3

Patrick Wedewardt  
Director Corporate Sustainability & Compliance  
Tel.: +49 6262 9277240  
E-Mail: sustainability@interroll.com

The online version of this report can be found at <https://www.interroll.com/annual-report/en/home.html>

## Concept and text

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www.connexis.ch  
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Artwork: Interroll Holding AG

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## Notes

GRI 2-3  
GRI 2-4

This Sustainability Report was prepared in accordance with the GRI Standards 2021. This is Interroll Holding AG's first annual Sustainability Report. Please see pages 75 et seq. for an overview of the relevant GRI disclosures (GRI content index).

The English text is a translation of the Sustainability Report issued in German language, whereas the German text is authoritative.

GRI 1

The period under review is the 2022 fiscal year. Unless explicitly stated otherwise, all information pertains to the period from January 1, 2022 to December 31, 2022. This report was also prepared in accordance with the reporting requirements of the UN Global Compact, including the Communication on Progress (CoP) policy.

## External assurance

GRI 2-5

The report was not subject to third-party audit.

## Editorial notes

GRI 1

The copy deadline for this report was February 3, 2023. In some cases, individual data that were not yet available for the full twelve months at the end of the year were extrapolated on the basis of the data available for January to November 2022.

((redundant in English))

## System limitations

The financial figures are based on the consolidated group of Interroll Holding AG.





**Interroll Holding AG**

Via Gorelle 3 | 6592 Sant'Antonino | Switzerland

[www.interroll.com](http://www.interroll.com)