

THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT



Global Compact
Network Switzerland

PROGRESS REPORT 2021

1. STATEMENT OF SUPPORT FROM THE GROUP MANAGEMENT

By 2050, the world’s population will grow to around 10 billion people. Optimizing processes and supplying people and the economy with the necessary goods and food is a key challenge for the future. Logistics will play a crucial role in this: Only with well-thought-out concepts and technologies will it be possible to manage the increasing complexity and volume in supply chains in a demand-oriented and sustainable way. This applies in particular to our industry, intralogistics: It will receive a great deal of social significance and attention in terms of speed, increased efficiency, networking and individualization, but also in terms of resource conservation, environmental friendliness and food safety. We are facing up to this social responsibility.

Interroll makes a significant contribution to the performance and further development of global logistics, which plays a central role in the development of prosperity. It is important to us to make this contribution even more sustainable in the future. To this end, we want to engage even more intensively with our employees, customers, suppliers and investors. We set high standards for ourselves and will publish sustainability reports that meet the standards of the Global Reporting Initiative beginning in the fiscal year 2022. This report will focus on the three topics of environment, society and governance (together referred to as ESG). With new management systems, we are now also ensuring internal transparency in order to be able to improve continuously and comprehensively in this area. We also aim to continuously improve our performance in risk management.



Safety to school, our HR and safety departments contacted a primary school near our factory and planned a special class for students to learn about safety in school, outside school and at home. The purpose is to reduce accidents, damage and injuries to students and teachers.

Sustainability principles

- We act sustainably and focus on long-term business success. In doing so, we strive for an appropriate balance between ecological action, social responsibility and economic success.
- We oblige business partners and suppliers to comply with basic principles.
- We commit our managers and employees to our Code of Conduct.
- In the further development of our technology platform, we continuously examine where we can contribute to the conservation of resources and the reduction of pollutants and energy consumption in manufacturing and product operation with alternative concepts, designs or materials.

Our strategies and activities are consistently guided by universal principles in the areas of human rights, labor standards, environmental protection and corruption prevention. In addition, we strive to advance social objectives. By joining the United Nations (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 areas mentioned. Our fifth progress report, which covers fiscal year 2021, demonstrates the key measures and achievements of our ongoing commitment to comply with the 10 principles of the UN Global Compact.

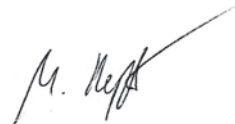
In addition, we outline how our actions support the United Nations Sustainable Development Goals (SDGs). In doing so, we emphasize the relevance of social responsibility for our business activities. At the same time, we renew our commitment as a member of the UN Global Compact for another year.

February 28, 2022

Interroll Holding AG



Heinz Hössli
Chief Financial Officer



Martin Regnet
Head of Communications &
Investor Relations

2. PRESENTATION OF PRACTICAL MEASURES AND MEASUREMENT OF RESULTS IN 2020

HUMAN RIGHTS

Principle 1

Support and respect international human rights within its own sphere of influence.

Principle 2

Ensure that the company itself is not complicit in human rights abuses.

Interroll's commitment

“Interroll does not tolerate any discrimination, harassment or unfair treatment based on gender, race, disability, ethnic or cultural origin, religion, belief, age or sexual orientation.”

This extract from the Interroll Code of Conduct requires the company and its employees to respect human rights and the relevant laws. 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 of its employees.

Interroll expects all suppliers and subcontractors to comply with these principles, which reflect Interroll's corporate values. They represent an important component of supplier selection and evaluation. Furthermore, we expect our suppliers to observe these standards in the further course of their supply chain.

The relevant guidelines explained in the Interroll 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 certain social, ecological and economic requirements.

Measures in 2021

1. Compliance with the Interroll Supplier Code of Conduct
2. Compliance with the Code of Conduct
3. Education and prevention through training
4. Continued implementation and expansion of the Compliance Management System
5. Introduction of a whistleblower platform
6. Further development and training

Measurement of the results

Res 1: When selecting new suppliers, a commitment to comply with our principles is a mandatory prerequisite for a business relationship. The aim is also to commit the most important existing suppliers to compliance with the Supplier Code of Conduct. By the end of 2021, 95% of all suppliers to the European companies had already been covered, and great progress was also made in the Americas and Asia-Pacific in 2021. For 2022, we target 95% of all suppliers worldwide.

Res 2 and 3: To ensure the continued practical implementation of our Code of Conduct, it was updated in 2020 and translated into all national languages of our sites and distributed to all employees. The employees have signed the Interroll Code of Conduct, thereby committing themselves to comply with it. All new employees also sign the Code of Conduct. In some companies, additional special in-depth training courses were held. More in-depth training will take place in FY 2022.

Res 4: The Compliance Management System (CMS) of the Interroll Group is structured according to the recommendations of the international standard ISO 19600 Compliance Management Systems. The risk-based approach is designed to weigh up the severity of potential violations of laws and obligations in relation to the achievement of corporate objectives and the negative impact on the Group's reputation, and to determine appropriate priorities for action. In Germany, a local compliance board has been active since 2019. Renewed readiness checks were carried out in Germany by an external compliance expert. In addition, global risk analyses were carried out and weak points were addressed. The findings from the risk analysis and whistleblower system will be further deepened and rolled out globally in the fiscal year 2022.

LABOR STANDARDS

Principle 3

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

Principle 4

Advocate for the elimination of all forms of forced and compulsory labor.

Principle 5

Advocate for the elimination of child labor.

Principle 6

Advocate for the elimination of discrimination in respect of employment and occupation.

Res 5: Interroll has launched a new digital whistleblowing system throughout the Group in 2021. The aim is to identify and remedy violations of laws and internal rules of conduct as early as possible. In the few cases received, it was possible to follow up on all tips.

Res 6: Every employee has the right and the duty to report violations of the rules of the Code of Conduct, of a law or of an obligation, either in the digital whistleblowing system or directly to his or her superior.

Commitment

Interroll's globally applicable Codes of Conduct include fundamental internationally recognized labor standards such as freedom of association, the exclusion of forced labor and child labor, and a working environment free of discrimination. Interroll and its suppliers do not tolerate discrimination against employees on the basis of gender, race, disability, ethnic or cultural origin, religion, belief, age or sexual orientation.

Measures in 2021

1. Compliance with our Supplier Code of Conducts
2. Compliance with the Interroll Code of Conduct
3. Education and prevention through training
4. Continued implementation and expansion of the compliance management system
5. Expanded cooperation between the Chief Financial Officer and local compliance managers
6. Measurement of key performance indicators (KPIs)
7. Involvement of employees
8. Employee training
9. Working conditions

Measurement of the results

Res 1 to 5: See the section on human rights.

Res 6: Overall, there were no reported forms of forced labor or child labor at Interroll or in the supply chain in the reporting year.

Res 7: The third Group-wide Employee Engagement Survey showed very good results in 2019. Interroll has a dedicated workforce that is willing to go the extra mile for the company at any time. Employees also clearly confirmed the quality and customer focus within the Group. In order to verify the consistency, the next Group-wide Employee Engagement Survey is planned for the 2022 financial year.

Res 8: The Interroll Academy is the driving force behind knowledge transfer in all aspects of material flow. With our strong commitment to the training and development of our employees and the exchange of know-how with customers and partners, we make an important contribution to the success of the company and the further development of our industry. We are convinced that good training is a prerequisite for motivated employees. Therefore, our goal is to provide the expertise that will enable them to serve our customers and users as a competent partner in all phases of customer projects.

Interroll Academy participants, who come from all areas of the company, therefore familiarize themselves during a training course not only with Interroll products, but also with the applications and problems of our customers.

Our numerous learning solutions and training offerings enable all employees to optimally develop and use their talents. A blended learning combination of hands-on workshops and new, Internet-based training methods (e-learning offerings) overcomes internal barriers and reaches inquisitive employees who cannot be on-site in Baal, Germany. In this way, we also achieve global consistency. In 2021, a large amount of new content (e.g., for new product developments) was added to the learning program. Further expansion of the internal training offering is planned for 2022. In the 2021 pandemic year, the Interroll Academy greatly expanded its virtual training program and supplemented the offering to employees with new formats such as gamification apps and podcasts.



Cooperation with universities was also expanded. For example, Interroll has agreed to cooperate with the Fontys University of Applied Sciences and the Baden-Württemberg Cooperative State University in Mosbach, Germany, for instance at Career Days. The common goal is to introduce students of logistics, information technology (IT), engineering and business administration to the world of modern intralogistics and to enable them to apply their acquired knowledge in practice at Interroll, the world's leading supplier of material-handling solutions.



Res 9: Interroll and its suppliers comply with all applicable laws and regulations regarding working hours and breaks. Overtime must always be worked voluntarily. Care must be taken to ensure that all employees receive appropriate remuneration and the national statutory minimum wage where applicable. Interroll and its suppliers shall ensure the safety of all employees in the workplace and provide a health-promoting working environment that supports accident prevention and exposes employees to as few health risks as possible. Interroll has an appropriate health and safety system in place. Employees shall receive adequate training in their native language on health and safety issues in the workplace. Health- and safety-related information shall be clearly posted in the facilities. Interroll also expects this from its suppliers. In the financial year 2021, absences due to accidents were reduced and the number of accident-free days at Interroll sites were successfully increased through health and safety management at Interroll.

ENVIRONMENT AND CLIMATE

Principle 7

Support a precautionary approach to environmental challenges.

Principle 8

Take initiative to create a greater sense of responsibility for the environment.

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

Commitment

The responsible use of resources and the protection of the environment and climate are core social responsibility topics and therefore also a central field of action of the Interroll strategy. Our basic principle, “Inspired by Efficiency,” refers not only to the benefits our customers can expect from Interroll solutions. With Interroll products and solutions, companies can increase their profits, but can also rely on Interroll to provide solutions that clearly focus on resource conservation, environmental friendliness, occupational safety and food safety at the same time. They reduce their ecological footprint and ensure sustainable growth. Interroll also attaches great importance to its own resource efficiency. For Interroll, the responsible use of resources and energy is the most important prerequisite for maintaining our technological and innovative market leadership position. Our customers also benefit from this.

Measures in 2021

1. Compliance with our Supplier Code of Conduct
2. Compliance with the Interroll Code of Conduct
3. Education and prevention through training
4. Continued implementation and expansion of the Compliance Management System
5. Expanded cooperation between the Chief Compliance Officer and local officers
6. Measurement of key performance indicators (KPIs)

Measurement of the results

Res 1 to 5: See the section on human rights.

Res 6: Following the initial recording of KPIs in the fiscal year 2017, further target values were set for 2021. A reduction of 10% was targeted for Group-wide paper consumption. Further projects in the area of “paperless” were initiated. A reduction of a further 10% is planned for 2022.

CORRUPTION PREVENTION

Principle 10

Advocate against all forms of corruption, including extortion and bribery.

Commitment

We aim to actively counteract potential breaches of rules in advance through prevention and awareness-raising among our employees. In extensive classroom and e-learning training courses, our employees are trained on topics such as “antitrust law” or “gifts and invitations, conflict of interest.” The anti-bribery guidelines introduced in 2016 and updated in 2021 are designed to establish control mechanisms to ensure compliance with all applicable anti-bribery and corruption regulations and to ensure that the company conducts its business in a socially responsible manner. 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 2021

1. Compliance with our Supplier Code of Conduct
2. Compliance with the Interroll Code of Conduct
3. Education and prevention through training
4. Continued implementation and expansion of the Compliance Management System
5. Introduction of a whistleblower platform
6. Expanded cooperation between Chief Financial Officer and local compliance managers
7. Compliance with our anti-bribery and anti-corruption policy
8. Compliance with our anti-bribery and anti-corruption policy

Measurement of the results

Res 1 to 5: See the section on human rights.

Res 6: To ensure the continued practical implementation of our anti-bribery guidelines, they were updated in 2020 and translated into all national languages of our sites and distributed to all employees together with the Interroll Code of Conduct. Employees have signed the Interroll Code of Conduct, thereby committing to comply with it and with the anti-bribery guidelines. Special in-depth training was also provided at some companies.

Res 7: Overall, there were no reported forms of corruption, extortion or bribery at Interroll or in the supply chain in the reporting year.

SUSTAINABLE DEVELOPMENT GOALS

In addition to its commitment to the UN Global Compact, Interroll is also committed to selected Sustainable Development Goals (SDGs) of the United Nations. Interroll focuses on the following topics, which are presented here as examples:

Interroll promotes the health and well-being of its employees (SDG 3)



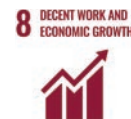
Interroll offers its employees the use of sports facilities at some of its sites, for example a fitness center on the company premises in Wermelskirchen, Germany, and an athletics track on the premises of the Interroll plant in Thailand. In addition, the canteen in Wermelskirchen offers meals made from organically grown ingredients. When it comes to occupational safety, Interroll meets the highest standards at all its sites worldwide and regularly monitors compliance. Employees receive appropriate training. This also applies to sites where there is no production. For example, an occupational health and safety management system (OH&S) in accordance with ISO 45001 was set up at Interroll España S.A. in the year under review.

Interroll promotes the training of its employees (SDG 4)



Interroll is already committed to training. In Germany and Switzerland, 29 apprentices worked for Interroll during the reporting period. In addition to the regular courses offered by the Interroll Academy, Interroll supports the further training of employees with customized programs, for example with cooperation partners such as the Fraunhofer Institute or Krauthammer. In the “Culture for Growth” leadership program, over 200 managers have been trained in recent years. Interroll has specifically expanded its cooperation with universities in order to come into contact with young talent in a targeted manner. Accordingly, sponsorships in the area of “knowledge and inspiration” were developed in this direction in 2021, for example at the Fontys Career Day and events at the Interroll Academy. In addition, students took advantage of offers for internships as well as collaboration on bachelor’s degree theses. Interroll also made a positive contribution to knowledge and inspiration in the area of social responsibility. For example, Interroll (Thailand) Co., Ltd. was involved in a cooperation with a local temple as a sponsor for educational opportunities for orphans.

Interroll is committed to fair working conditions (SDG 8)



Employees are Interroll’s most important asset. The company values their contribution and ensures fair working conditions. This includes compliance with working hours and break regulations as well as the offer of social benefits, collectively agreed wages and job security. Where locally appropriate, Interroll also offers company housing.

Interroll helps drive innovation in industry and infrastructure (SDG 9)



We see it as our responsibility to challenge the status quo of our industry and to drive its development as an innovator. Our proximity to customers and their industries, as well as our Innovation Projects and Development Center (IPDC), make a decisive contribution to the further development of our technology platform. In doing so, we network in our Rolling On Interroll partner network, learn from the best including market leaders outside our industry, cooperate with research institutes and engage in industry associations. At the same time, we are inspired by efficiency and characteristics such as precision, reliability and down-to-earthness “Swissness” as part of our self-image.



Klimabevis
VINDenergi + KLIMAtiltag

Interroll-Joki A/S
 har omlagt sit el-indkøb til 100% vedvarende og CO₂-neutral energi fremstillet ved dansk vindkraft i perioden
 fra d. 01.01.2021 til d. 31.12.2026
 og valgt at investere direkte i en yderligere reduktion af verdens CO₂-udledning i perioden 2021-2022
 I denne periode bliver virksomhedens CO₂-udledning yderligere udlignet via et projekt i Shimba Hills i det sydlige Kenya. Reduktionen sker 1:1 via investering i nye tørkornfæres, som reducerer udlledning af fæ og forbrug af træ.
 Læs mere på scanenergi.dk

Klimabevis nr.: 5607122




Interroll Joki A/S in Hvidovre, Denmark, has switched its electricity procurement to 100% renewable and CO₂-neutral energy produced by Danish wind power.

The company is “Inspired by Efficiency” and lives this also in the handling of energy. Interroll offers numerous solutions with an energy saving potential of 20% to 50% compared to standard solutions on the market. In a practical test carried out by the independent expert Bureau Veritas in the distribution center of the user Triumph International (Obernai, France), energy saving of 48% compared to conventional systems was confirmed after a retrofit with the Interroll RollerDrive EC5000.

The principle of zero-pressure-accumulation conveying and Interroll's focus on 24-volt/48-volt technology offer high potential to further reduce energy consumption for material flow. Interroll also offers modular solutions for increasing the productivity of existing systems as part of a retrofit.

Interroll is committed to the responsible consumption of materials and goods (SDG 12) and to a conscious approach to the climate (SDG 13)



The Interroll Production System (IPS), introduced in 2006, is based on the Kaizen principle and aims to achieve continuous improvement in efficiency.

Thus, waste is avoided and processes are simplified. Production employees are actively involved in the process. In addition, Interroll uses digital technologies to further increase productivity. Paperless production has already been introduced at the Wermelskirchen site and the flow of information in the production area around the orders to be processed has been digitalized. From 2021 onward, the experience gained will be incorporated into a global rollout at other sites.

In the responsible use of energy, a number of measures were taken at Interroll sites in 2021. One example is the Interroll-Joki A/S site in Hvidovre, Denmark, which has obtained 100% of its energy from wind power since 2021.