

CLIMATE PROTECTION

How can Interroll contribute to a more sustainable future?

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

And specifically your department/area of responsibility?

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

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

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

Valerie Burkhardt, Sustainability Specialist

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



SDG 7.3: Double the rate of improvement in energy efficiency

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

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

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

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

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

SDG 13.3: Build knowledge and capacity to meet climate change

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

SDG 14.3: Reduce ocean acidification

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

CONTEXT

GRI 3-3

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

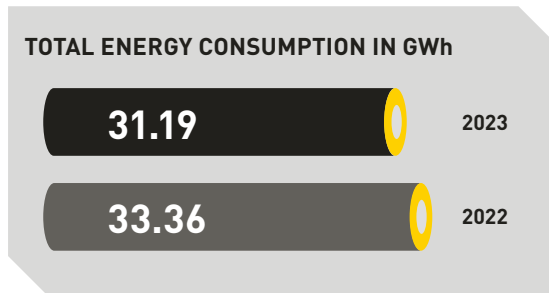
The transition to a low-carbon economy is something we work toward at every link in our value chain, which primarily comprises our upstream supply chain, our own sites and the life cycle of our products after they are delivered to users. In joining the UN Global Compact in 2016, we undertook to observe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

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

GRI 302-1
GRI 305-1
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Interroll also bears responsibility in this area with energy consumption totaling around 31.19 GWh (2022: 33.36 GWh) and associated CO₂ emissions of 7,995 tCO₂e (Scope 1 and Scope 2 location-based) and 7,077 tCO₂e market-based (2022: 8,042 tCO₂e location-based and 10,175 tCO₂e market-based). However, the Scope 1 and 2 emissions account for only around 2.2 percent of the total emissions generated along the entire value chain in 2023 (comprising Scope 1, 2 and 3). Scope 3 emissions of 319,832 tCO₂e (2022: 392,529 tCO₂e) make up the majority of the total emissions of 326,909 tCO₂e (2022: 402,704 tCO₂e). Our own energy management activities with the aim of protecting the

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



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

964 CO

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

Governance

Governance with respect to climate-related opportunities and risks

Strategy

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

Risk management

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

Indicators and targets

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



CLIMATE PROTECTION GOVERNANCE

GRI 2-9

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

964 CO

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

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

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

CLIMATE STRATEGY

GRI 3-3
GRI 2-25

964 CO

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

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

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

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

GRI 305-3

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

GRI 302-1

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

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

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

964 CO

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

CLIMATE PROTECTION

OPPORTUNITIES AND RISKS

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

964 CO

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

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

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

ESG risk category “high”

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

ESG risk category “medium”

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

ESG risk category “low”

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

STATUS, MEASURES, RESULTS**Energy consumption**

GRI 302-1

964 CO

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

GRI 305-5

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

ELECTRICITY FROM RENEWABLE SOURCES IN %

50.5

2023

16.7

2022

PROPORTION OF SELF-GENERATED ELECTRICITY IN %

5.38

2023

1.97

2022

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

964 CO

Energy consumption in MWh

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

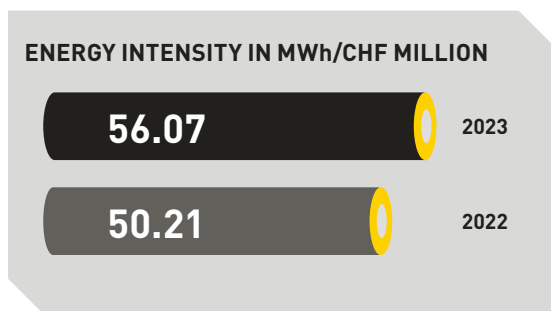
Energy consumption by physical units

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

Energy intensity

GRI 302-3

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



GRI 302-4

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

Cogeneration units

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

Self-generated solar power

GRI 302-1

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

Action to reduce energy consumption

GRI 302-4

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

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

Reductions in energy requirements of products and services

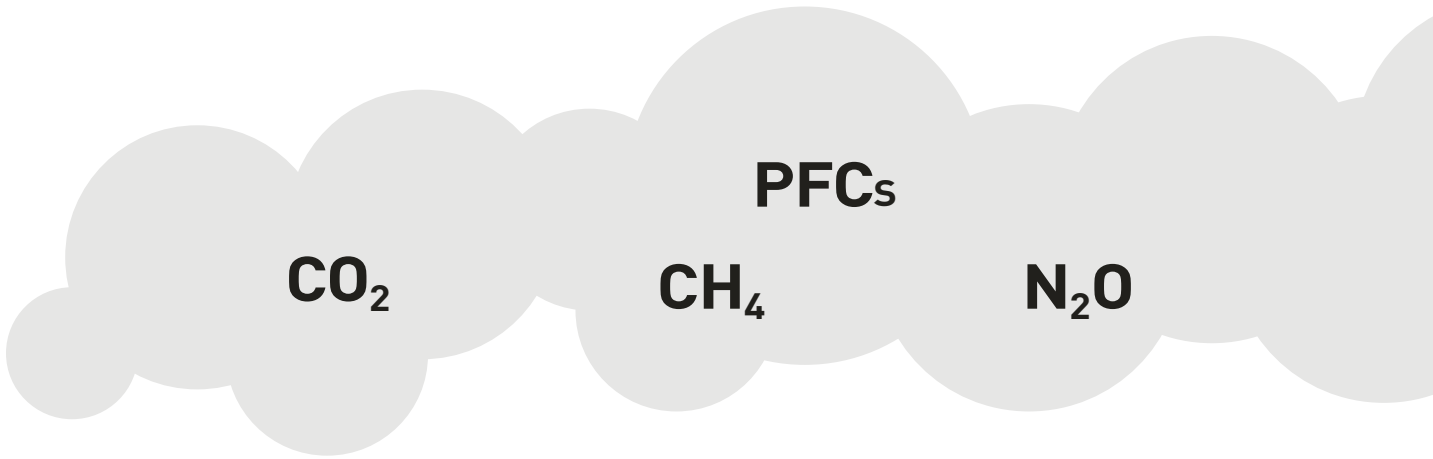
GRI 302-5

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

GRI 302-2

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

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

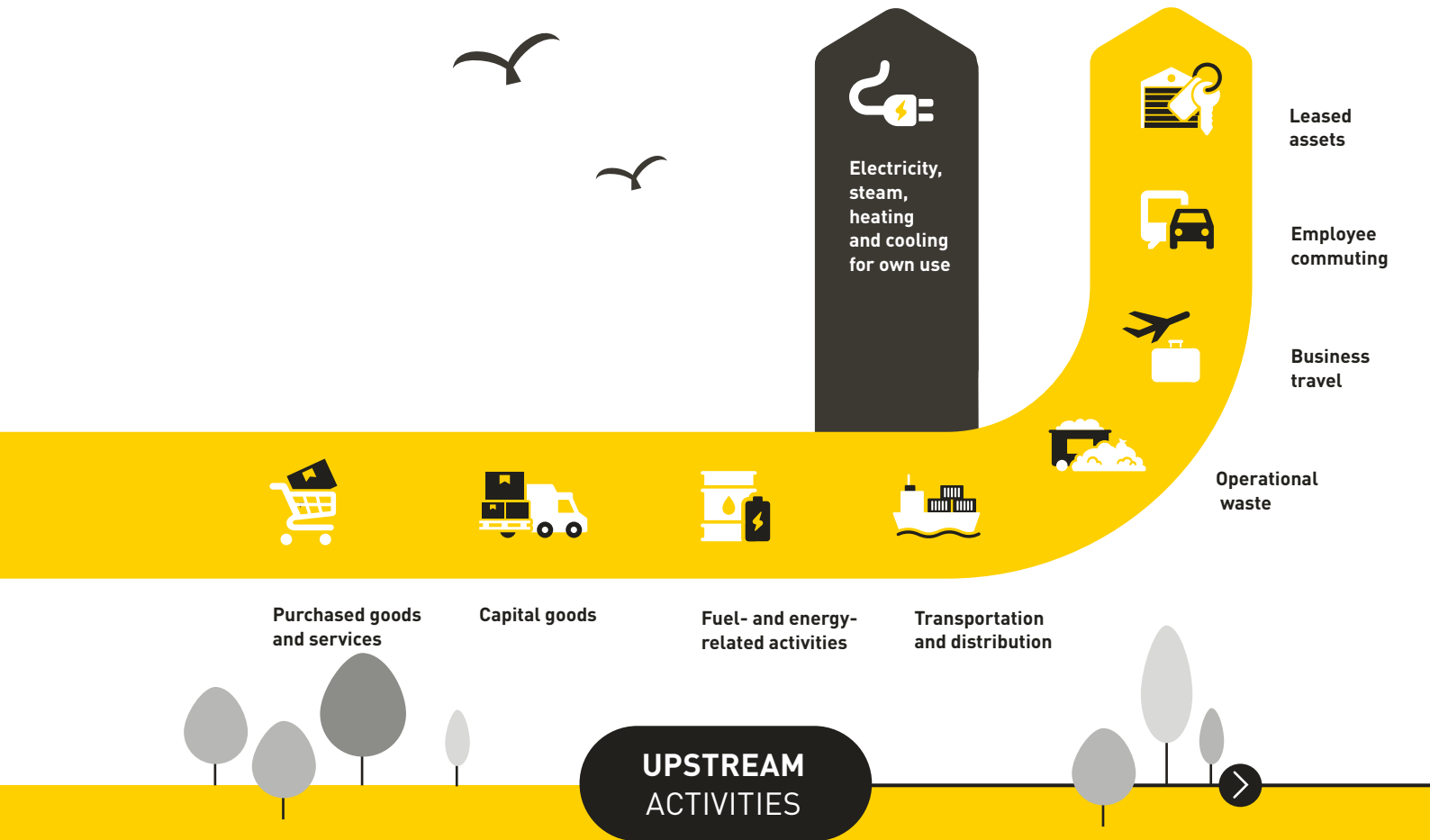


SCOPE 2

INDIRECT

SCOPE 3

INDIRECT



CO₂e FOOTPRINT ACCORDING TO GREENHOUSE GAS PROTOCOL

HFC_s

SF₆

GREENHOUSE GASES

SCOPE 1

DIRECT



Company facilities



Company vehicles



Refrigerants

SCOPE 3

INDIRECT



Transportation and distribution



Processing of sold products



Use of sold products



End-of-life treatment of sold products



Leased assets



Franchises



Investments

REPORTING COMPANY

DOWNSTREAM ACTIVITIES

EMISSIONS

GRI 3-3

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

GRI 2-4

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

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

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

These emissions are then further categorized into three broad scopes:

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

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

GRI 3-3

Methodology

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

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

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

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

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

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

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

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

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

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

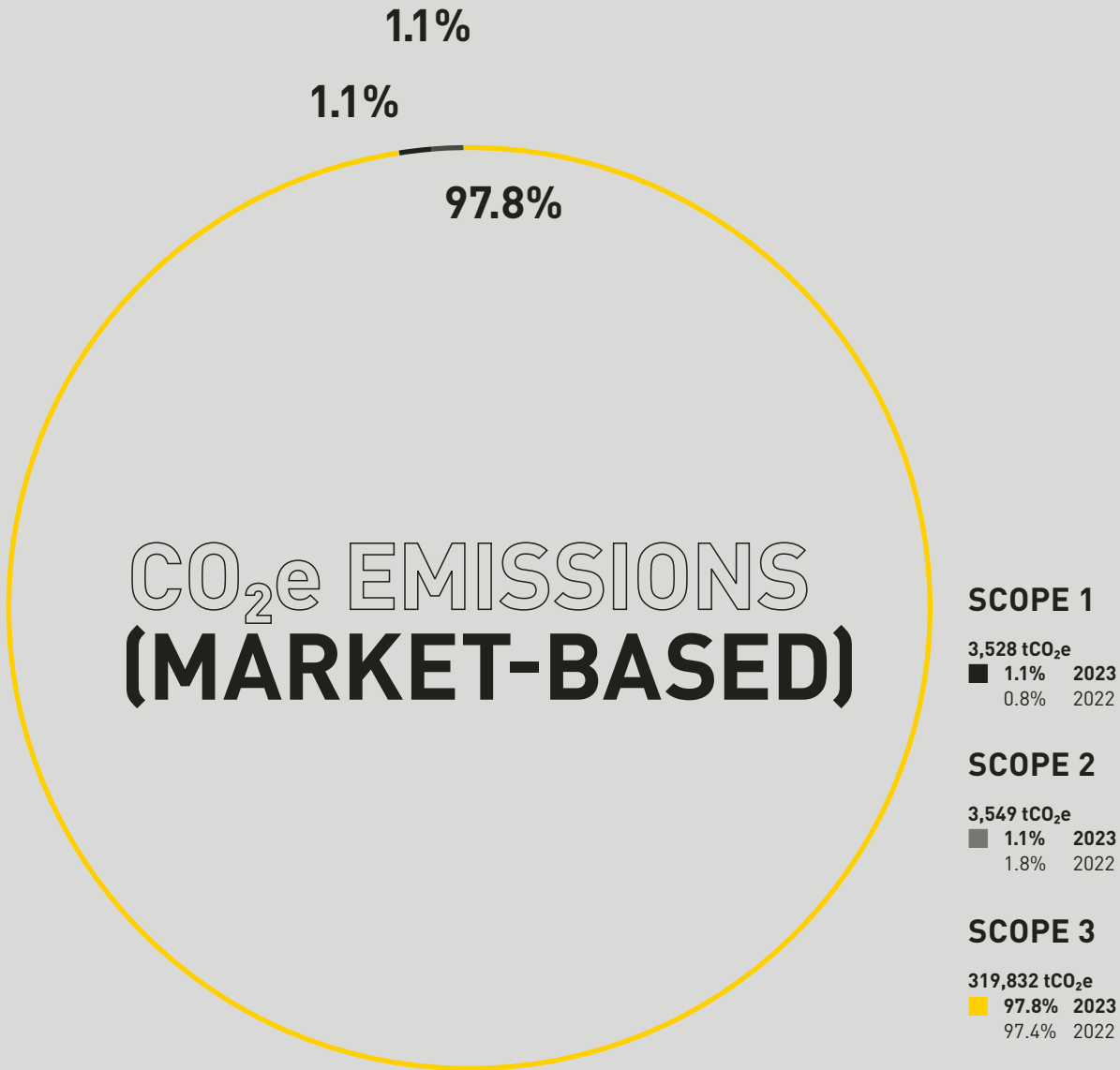
Scope 3 Category		2023		2022	
Scope 3 Category	Scope 3 Category	tCO ₂ e	%	tCO ₂ e	%
1	Purchased goods and services	63,301	19.8%	59,148	15.1
2	Capital goods	4,053	1.3%	7,602	1.9
3	Fuel- and energy-related activities	2,006	0.6%	1,774	0.5
4	Upstream transportation and distribution	29,075	9.1%	34,319	8.7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

* Minor deviations due to roundings

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

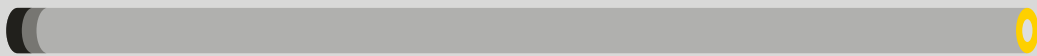
964 CO

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



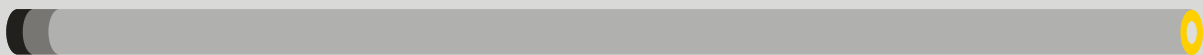
CO₂e EMISSIONS (MARKET-BASED)

2023



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

2022



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

Scope 1

GRI 305-1

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

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

Scope 2

GRI 305-2

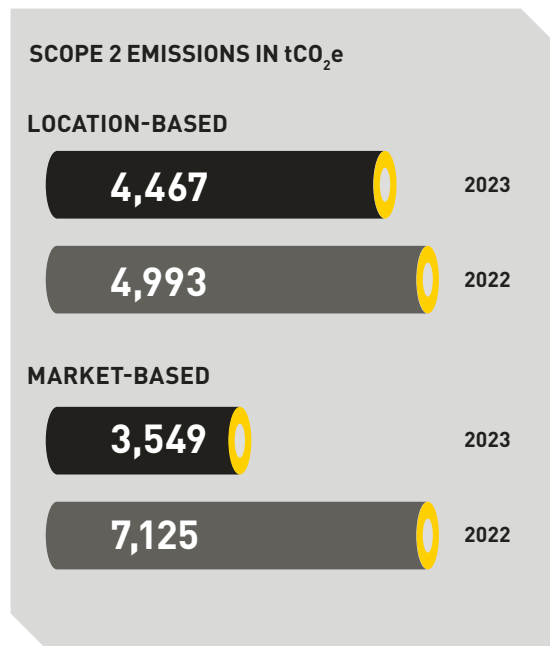
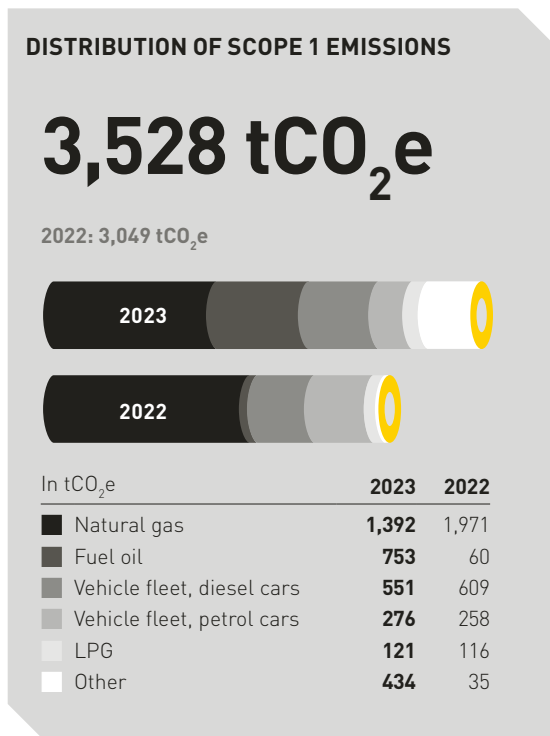
Carbon emissions from the use of electricity at Interroll's production and administration sites fall under Scope 2, as do emissions from district heating, albeit to a negligible extent.

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

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

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

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



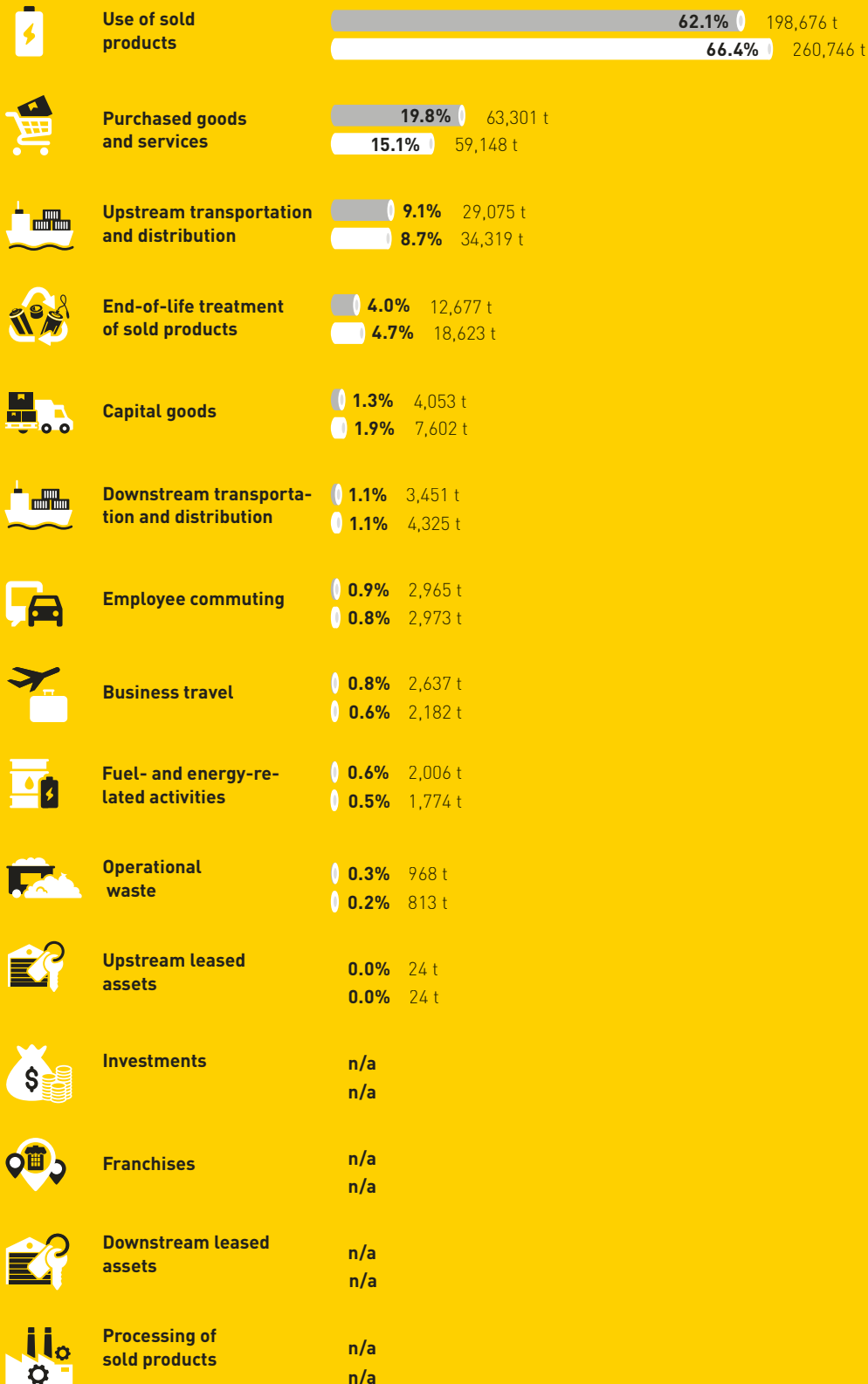
Electricity accounted for 98 percent of indirect emissions in connection with Interroll's activities (2022: 98%); 2 percent came from district heating (2022: 2%). Renewable energy made up 50.5 percent of total electricity consumption (2022: 16.7%). Contracts in place in Germany since January 2023 have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

GRI 305-3

■ Emissions 2023

■ Emissions 2022

DISTRIBUTION OF SCOPE 3 EMISSIONS BY CATEGORY in % and tCO₂e



GRI 305-3

Scope 3

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

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

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

UPSTREAM EMISSION CATEGORIES

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

1. Purchased goods and services

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

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

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

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

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

2. Capital goods

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

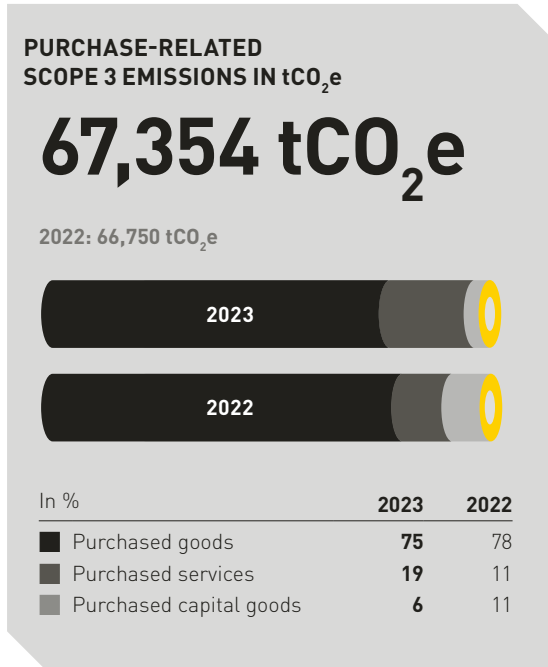
The "capital goods" category accounts for 4,053 tCO₂e or 1.3 percent of Scope 3 emissions at Interroll (2022: 7,602 tCO₂e or 1.9%). We will contribute to the reduction of these emissions by factoring in the carbon price in future investment decisions, and considering energy efficient technologies and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

Purchase-related emissions

GRI 305-3

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

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



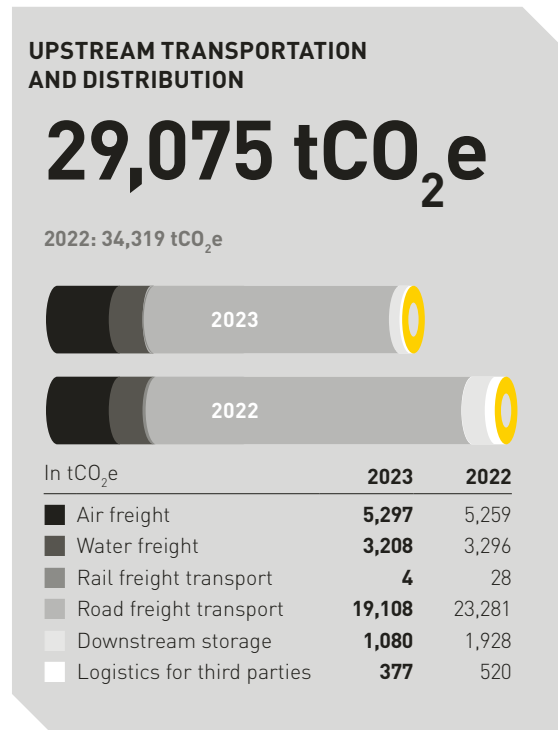
3. Fuel- and energy-related activities

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

4. Upstream transportation and distribution

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

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



5. Waste generated in operations

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

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

6. Business travel

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

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

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

7. Employee commuting

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

8. Upstream leased assets

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

DOWNSTREAM EMISSIONS

GRI 305-3

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

9. Downstream transportation and distribution

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

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

10. Processing of sold products

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

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

11. Use of sold products

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

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

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

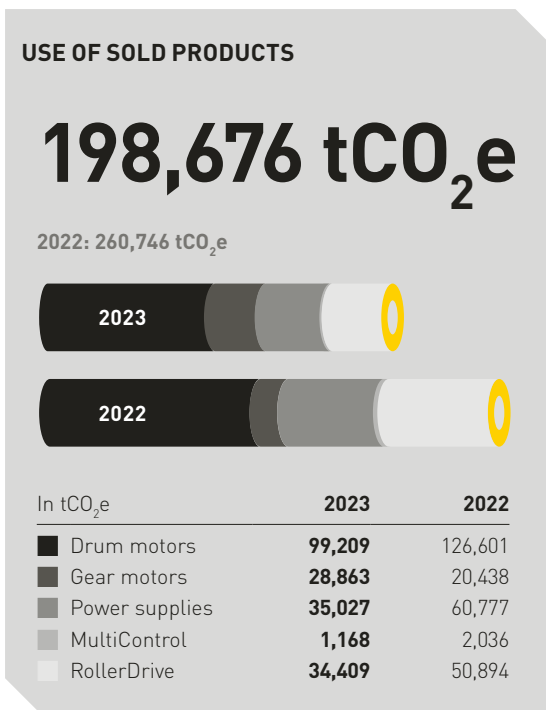
RollerDrives on the other hand, represent the highest number of electrified products sold, but consume very little energy in operation, and therefore make a small contribution to emissions.

GRI 305-3

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

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

LT = lifetime



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

12. End-of-life treatment of sold products

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

13. Downstream leased assets

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

14. Franchises

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

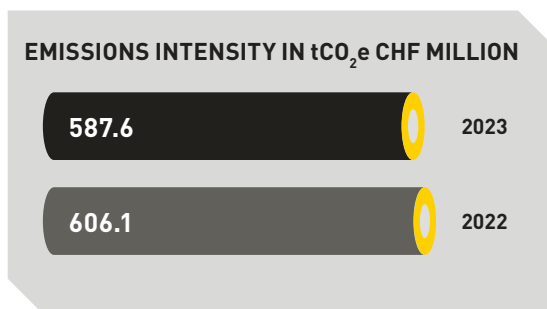
15. Investments

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

Emissions intensity

GRI 305-4

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



Reduction of greenhouse gas emissions

GRI 302-5
GRI 305-5

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

Electric vehicles

GRI 305-5

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

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