CORPORATE GOVERNANCE

How can Interroll contribute to a more sustainable future?

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

And specifically your department/area of responsibility?

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

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

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

Heinz Hössli, Chief Financial Officer

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

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Target 16.6: Develop effective, accountable and transparent institutions
We contribute to the above target by promoting transparent business practices, improving anti-corruption measures and participating in social associations and initiatives. We help to reinforce accountable institutions by implementing ethical standards, providing training on integrity and publishing informative reports about our social responsibility.

CONTEXT

GRI 3-3

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

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

964 CO

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

CONCEPT AND GOALS

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

964 CO

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

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

1. The Audit Committee receives the audit reports prepared by the local external auditors and the Group auditor and prepares a report for the Board of Directors. In particular, the committee ensures that the Group companies are subject to regular audits. The Audit Committee mandates local internal audits and reviews the resulting audit reports. It commissions a report on audits undertaken and planned several times a year, and reviews proposals to improve the audit function. The Audit Committee submits its proposals to the Board of Directors for decision-making.
2. The Remuneration and Nomination Committee submits its proposals for the total remuneration of the CEO, the members of Group Management and the Board of Directors to the Board of Directors for decision-making. At the CEO's request, the committee defines the targets with respect to the Group Management's variable portion of remuneration at the beginning of the year. It also proposes the terms of the share ownership scheme to the Board of Directors. The remuneration system is described in the Remuneration Report on pages 25 to 35 of the Annual Report.

GRI 2-14
964 CO

3. The Sustainability Committee supports the Board of Directors in consulting on the sustainability strategy, goals, initiatives and legislation on ESG issues and monitors the sustainable development of the Interroll Group. It reviews the long-term qualitative and quantitative ESG objectives and the annual ESG risk inventory and submits these for

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

GRI 2-17
GRI 2-19

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

964 CO

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

Governance and compliance

GRI 2-9

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

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

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

GRI 2-14

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

964 CO

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

CORPORATE GOVERNANCE OPPORTUNITIES AND RISKS

GRI 3-3
GRI 2-25
964 CO

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

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

ESG risk category "high"

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

ESG risk category "medium"

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

ESG risk category "low"

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

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

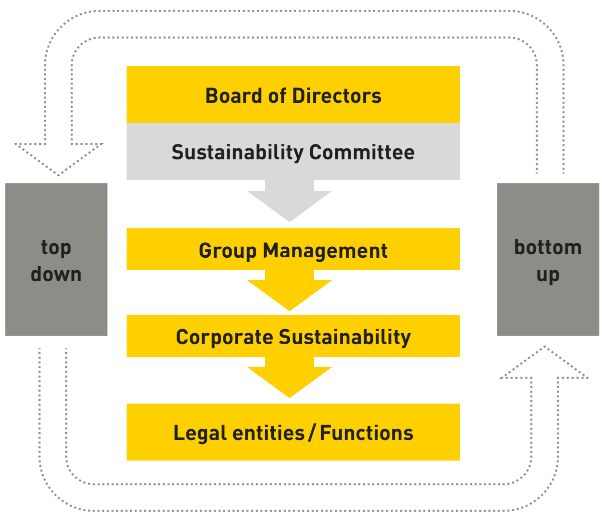
STATUS, MEASURES, RESULTS

GRI 209
964 CO

Sustainability Committee

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

Governance Structure of Sustainability Management



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

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

Delegation of responsibilities, overseeing management and reporting

GRI 2-13

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

GRI 2-14

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

GRI 2-15
GRI 2-16

Each member of the Board of Directors is required to act in the best interests of the Company and must report conflicts of interest, in particular those that may arise due to an advisory function or position on the governing bodies of investors, customers, suppliers, lenders or other third parties. Informing the Board of Directors about the communication of critical issues such as acute and severe negative impacts on people and the environment is the responsibility of the CEO, who also directly initiates or commissions the measures.

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

GRI 2-17
GRI 2-18

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

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

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

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

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