

# PEOPLE DEVELOPMENT

## How can Interroll contribute to a more sustainable future?

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

## And specifically your department/area of responsibility?

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

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

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

**Andrew Phuang**, Director HR Asia/Pacific

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



**SDG 1.3: Implement nationally appropriate social protection systems.**

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

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

**SDG 8.6: Promote youth employment, education and training**

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

**SDG 10.3: Ensure equal opportunities and end discrimination**

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

**CONTEXT**

GRI 3-3

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

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

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

**CONCEPTS AND GOALS**

GRI 3-3  
GRI 2-25

964 CO

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

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

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

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

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

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

### **Governance and compliance**

GRI 2-9

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

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

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

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

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

**OPPORTUNITIES AND RISKS OF PEOPLE DEVELOPMENT**

GRI 3-3  
GRI 2-25

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

964 CO

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

**ESG risk category “medium”**

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

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

**STATUS, MEASURES AND RESULTS**

964 CO

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

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

**Succession management**

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

### Onboarding

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

### 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.

GRI 404-1  
GRI 404-3

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

