

# THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

## 2018 PROGRESS REPORT



### 1. DECLARATION OF SUPPORT FROM GROUP MANAGEMENT

Interroll sets new standards worldwide with its material flow solutions. We play a responsible role in creating new links between the physical and digital worlds. Our principles make it easier for our customers and employees to act responsibly in a complex environment on a daily basis. We combine economic success with sustainable, ecological awareness and social responsibility – both in the short and long term.

#### Principles towards sustainability

- We act sustainably and focus on long-term business success. We strive to achieve an appropriate balance between ecological action, social responsibility and economic success.
- We oblige business partners and suppliers to adhere to minimum principles.
- We commit our managers and employees to our Code of Conduct.

Our strategies and activities are based on universal principles in the areas of human rights, labour standards, environmental protection and anti-corruption. We also strive to advance social objectives.

By joining the UN Global Compact in November 2016, we underscored our global commitment for the first time and also committed ourselves to documenting our progress in these areas transparently.

Our second progress report for financial year 2018 now highlights the key actions and achievements of our ongoing commitment to the ten principles of the UN Global Compact. This underscores the relevance of social responsibility for our corporate activities.

At the same time, we are renewing our commitment as a member of the UN Global Compact for another year.

28 February 2019

Interroll Holding AG

**Paul Zumbühl**  
CEO

**Daniel Bättig**  
CFO

## 2. PRESENTATION OF PRACTICAL MEASURES AND MEASUREMENT OF RESULTS IN 2018

### HUMAN RIGHTS

#### Principle 1

Support and respect international human rights in your own sphere of influence.

#### Principle 2

Ensure that your company does not participate in human rights abuses.

#### Self-commitment

«Interroll does not tolerate discrimination, harassment or unfair treatment based on gender, race, disability, ethnic or cultural origin, religion, belief, age or sexual orientation.» With this sentence from the Interroll Code of Conduct, the company commits itself and its employees to respect human rights and the relevant laws. Interroll's good reputation and the trust placed in it by customers, suppliers, business partners, shareholders and the general public depend to a large extent on the responsible conduct of all employees.

Interroll expects all suppliers and subcontractors to adhere to these principles, which are in line with Interroll's corporate values. They are an important part of supplier selection and evaluation. In addition, we expect our suppliers to comply with these standards throughout their supply chain.

The guidelines explained in the Supplier Code of Conduct are intended to ensure compliance with all applicable laws, regulations and ordinances and to ensure that processes along the Interroll supply chain meet social, ecological and economic requirements.

#### Measures in 2018

1. Global roll-out of a Supplier Code of Conduct
2. Prevention through training
3. Continued implementation and expansion of the Compliance Management System
4. Enhanced cooperation between the Chief Compliance Officer and the local officer

#### Measurement of the results

Re 1: When selecting new suppliers, the obligation to adhere to our principles is a mandatory prerequisite for a business relationship. The aim is also to oblige our most important current suppliers to comply with the Supplier Code of Conduct. By the end of 2018, 90% of all suppliers to European companies had already been

covered. For 2019, we aim to achieve this goal for all companies worldwide.

Re 2: In order to ensure that our Code of Conduct continues to be lived, the managers of the Chinese, Danish and French companies were trained on the Code of Conduct and compliance rules in 2018. This is planned for the companies in the USA in 2019.

Re 3: The Interroll Group's Compliance Management System (CMS) is based on the recommendations of the international standard ISO 19600 Compliance Management System. The risk-based approach is designed to weight the severity of any possible breaches of laws and obligations in terms of the achievement of corporate objectives and the negative impact on the Group's reputation, and to define appropriate priorities for action. The Compliance Management System was further implemented and expanded in 2018. This included the definition of responsibilities and the preparation of a compliance manual.

Re 4: Every employee has the right to report violations of the rules of the Code of Conduct, a law or an obligation to his or her superior. If necessary, an anonymous whistleblower report can be made to the Chief Compliance Officer of the Interroll Group (in an initial phase this is the CFO of the Interroll Group). Cooperation between the Chief Compliance Officer and the local officer was expanded in 2018. Coordination meetings were held on a regular basis. Internal training of compliance managers, including an examination, is planned for 2019. This is intended to ensure the quality and further targeted optimisation of the Compliance Management System.

## WORK STANDARDS

### Principle 3

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

### Principle 4

Strive to eliminate of all forms of forced labour.

### Principle 5

Promote the abolition of child labour.

### Principle 6

Promote the elimination of discrimination in respect of employment and occupation.

### Self-commitment

Interroll's worldwide codes of conduct contain fundamental internationally recognised labour standards such as freedom of association, the exclusion of forced and child labour and a non-discriminatory working environment. Interroll and its suppliers do not tolerate discrimination against employees on the grounds of gender, race, disability, ethnic or cultural origin, religion, belief, age or sexual orientation.

### Measures in 2018

1. Global roll-out of a Supplier Code of Conduct
2. Prevention through training
3. Continued implementation and expansion of the Compliance Management System
4. Enhanced cooperation between the Chief Compliance Officer and the local officer
5. Measurement of Key Performance Indicators (KPI)
6. Employee involvement
7. Employee training
8. Working conditions

### Measurement of the results

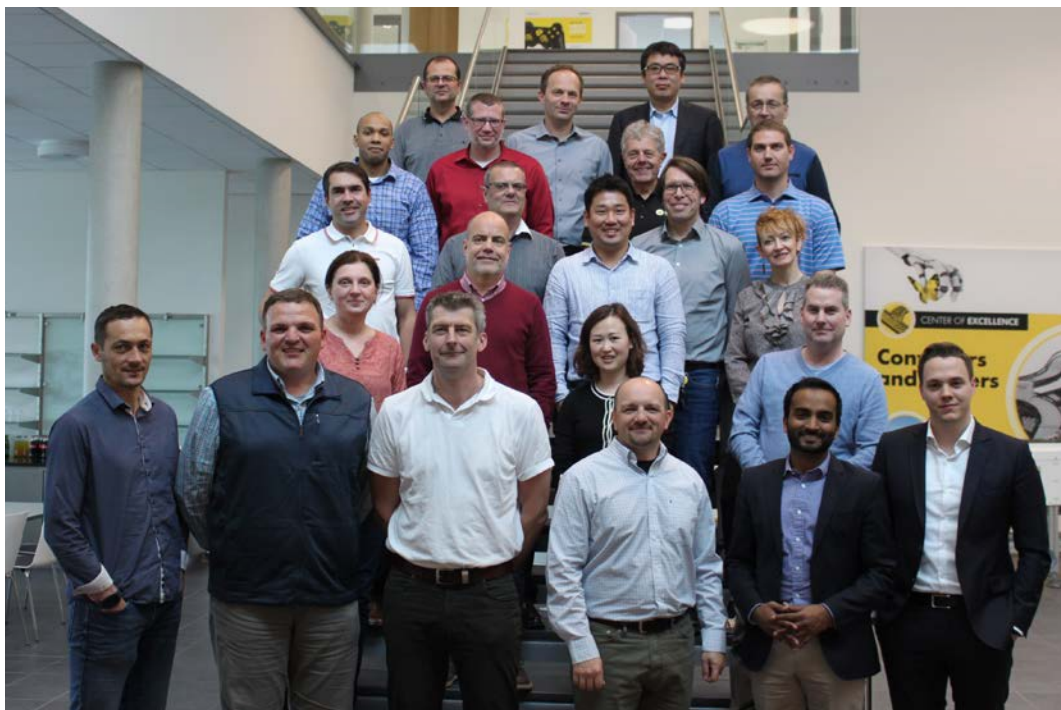
Re 1 to 4: see section on human rights.

Re 5: There were no reported cases of forced or child labour at Interroll or in the supply chain during the year under review.

Re 6: A Group-wide Employee Engagement Survey conducted in 2017 showed very positive results. Interroll has a committed workforce that is ready to go the extra mile for the company at any time. The employees also clearly confirmed the quality and customer orientation within the Group. For this reason, the next Global Employee Survey will be conducted in 2019 to check this consistency.

Re 7: The Interroll Academy is the driving force behind the transfer of knowledge relating to the flow of materials. With our strong commitment to the training and further education 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. That is why we train them with the aim of providing them with the specialist knowledge with which they can offer our customers valuable support. Our participants, who come from all areas of the company, therefore familiarise themselves not only with Interroll products, but also with the applications and problems of our customers.



The successful graduates of Interroll's leadership training.

Our many training and development opportunities enable all employees to develop and use their talents in the best possible way. With a blended learning combination of classical instruction and new, Internet-based training methods (e-learning offerings), internal hurdles are overcome and inquisitive employees who are not on-site are reached. New content (e.g. for new product developments) was added to the training programme in 2018. The Culture for Growth Leadership Trainings, including individual coaching, will be continued in 2019.

Re 8: Interroll and its suppliers comply with all applicable laws and regulations relating to working hours and rest periods. Overtime must always be worked voluntarily. It must be ensured that all employees receive appropriate remuneration and the applicable national statutory minimum wage.

Interroll and its suppliers ensure the safety of all employees at the workplace and ensure a healthy working environment that supports accident prevention and exposes employees to as few health risks as possible.

Interroll has an appropriate system for health and safety at work. Workers should be adequately trained in their mother tongue on health and safety issues in the workplace. Health- and safety-relevant information must be clearly displayed in the facilities. Interroll also expects this from its suppliers.

For 2018, the reduction of sick days and accident-free days was pursued through health and safety management at Interroll. To this end, an internal competition was launched with prizes for the most creative ideas.

## ENVIRONMENT AND CLIMATE

### Principle 7

Support a precautionary approach in dealing with environmental problems.

### Principle 8

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

### Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

### Self-commitment

The responsible use of resources and the protection of the environment and climate are core issues of social responsibility and therefore also a central area of Interroll's strategy.

Our basic principle «Inspired by Efficiency» does not just refer to the benefits that our customers can expect from Interroll solutions. With Interroll products and solutions, companies can increase their profits. They reduce their ecological footprint and ensure sustainable growth. Interroll also attaches great importance to its own resource efficiency. For Interroll, the proper use of resources is the most important prerequisite for maintaining our technological and innovative market leadership position. This also benefits our customers.

### Measures in 2018

1. Global roll-out of a Supplier Code of Conduct
2. Prevention through training
3. Continued implementation and expansion of the Compliance Management System
4. Enhanced cooperation between the Chief Compliance Officer and the local officer
5. Measurement of Key Performance Indicators (KPI)

### Measurement of the results

Re 1 to 4: see section on human rights.

Re 5: Target values for 2018 were set after the KPIs were first recorded in 2017. A reduction of 10% in Group-wide paper consumption was targeted and achieved. A further reduction by 10% is planned for 2019.



Customers can increase their profits with Interroll products and solutions. They reduce their ecological footprint and ensure sustainable growth.



## PREVENTION OF CORRUPTION

### Principle 10

To work against all forms of corruption, including extortion and bribery.

### Self-commitment

By preventing and sensitising our employees, we want to actively counter potential breaches of the rules in advance. Our employees receive extensive face-to-face and e-learning training on topics such as «antitrust law» or «gifts and invitations, conflicts of interest».

The anti-bribery guidelines introduced in 2016 are intended to establish control mechanisms to ensure compliance with all applicable anti-bribery and anti-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 unlawful act or breach of trust. This includes accepting benefits 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 pursue a zero tolerance policy with regard to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business relationships and to introducing, applying and enforcing effective mechanisms to combat bribery.

### Measures in 2018

1. Global roll-out of a Supplier Code of Conduct
2. Prevention through training
3. Continued implementation and expansion of the Compliance Management System
4. Enhanced cooperation between the Chief Compliance Officer and the local officer
5. Controlling of the anti-bribery guidelines

### Measurement of the results

Re 1 to 4: see section on human rights.

Re 5: There were no reported forms of corruption, extortion or bribery at Interroll or in the supply chain in the year under review.



Interroll contributes positively to industry associations in which it is member. In 2018, the general meeting of the Association of German Airport Technology & Equipment (GATE) took place at the Interroll Academy.