

Corporate Responsibility Report 2021



Schindler



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GRI: Global Reporting Initiative
SASB: Sustainability Accounting Standards Boards

Highlights 2021

Schindler committed to science-based targets

-50%
of scope 1 and 2 GHG emissions
by 2030

-42%
of scope 3 GHG emissions
by 2030

Net zero
by 2040



100%
of our production
sites' electricity
was sourced from
renewable energy

Schindler joins
RE100
global initiative to
procure 100%
renewable
electricity by 2025

RE100



Schindler recognized
as a Top Employer 2022
in Europe by the Top
Employers Institute

thanks to the participation of
Spain, Germany, Norway, Sweden,
and the Netherlands.



Top 25
Schindler included in
SXI Switzerland
Sustainability 25-Index
which selects the top 25 companies
of the SMI Expanded

Schindler committed
to UN Standards
of Conduct for Business
on Tackling Discrimination
against LGBTI People

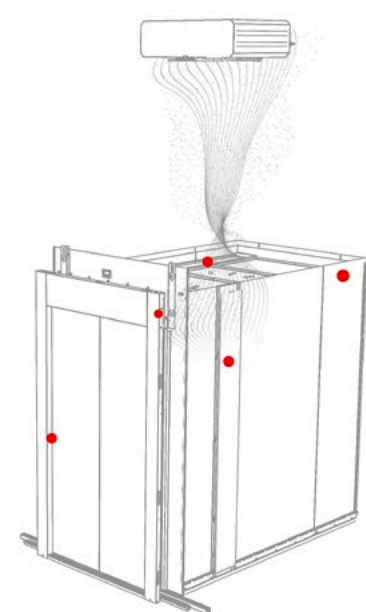
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**STAND UP
FOR HUMAN
RIGHTS**

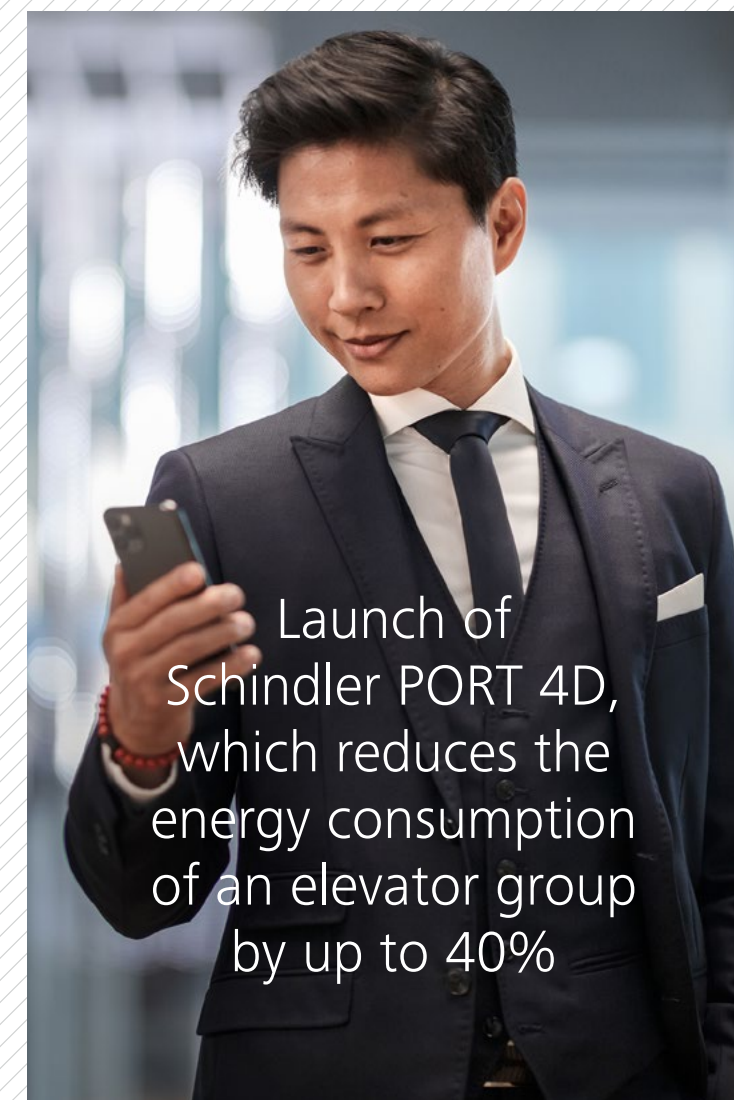


Schindler's start-up
BuildingMinds selected
by Microsoft as one
of the 20 global partners
for its Global
Sustainability Campaign



>20%
of the maintained portfolio
is connected

Schindler
committed to the
UN Women's
Empowerment
Principles



Launch of
Schindler PORT 4D,
which reduces the
energy consumption
of an elevator group
by up to 40%

-26.9%

waste sent to landfill
compared with 2020

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All our latest generation
products can achieve
energy class A according to
ISO 25745

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Launch of a
human rights
due diligence
initiative in line
with international
standards

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Introduction

**“We committed
in 2021 to adopting
science-based targets
and to reaching
net-zero emissions
by 2040.”**

Silvio Napoli,
Chairman of the Board of Directors & CEO
Executive Chairman of the Board of Directors,
Chairman of the Supervisory and Strategy Committee
and of the Nomination Committee since 2017,
CEO since the end of January 2022

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A message from our Chairman & CEO

We need to change our ways – and we need to do it fast.

Cities, accountable for 70% of global carbon emissions, hold the key to climate change. Home to 4 billion people today, cities will house no less than 6.5 billion people by 2050. They're the battleground where the fight against climate change needs to take place – and we can help improve the odds of success by promoting smart and sustainable mobility that avoids environmentally damaging congestion and improves quality of life.

Over the past twelve months, we've accelerated and ramped up our ESG efforts. Further integrating ESG into our business model is central to our Top Speed 23 program, launched in 2021 to accelerate our Group's digital transformation, and boost product innovation and profitability.

Adding to our range of eco-friendly mobility solutions is, of course, one way of doing this. In September last year, we



rolled out Schindler PORT 4D, the latest version of our leading transit management solution, which reduces the energy consumption of an elevator group by up to 40%. This focus on energy efficiency cuts across all our product lines and continues to be an important focus of our R&D strategy.

Over the same period, we increased the sales of connected units as a share of total shipments. Our connected units, which can be monitored and maintained remotely, reduce the need for our technicians to travel on-site.

We're not just working on providing building owners with more energy-efficient and carbon-friendly mobility solutions – we're also working on how we can manufacture them more efficiently. We committed in 2021 to adopting science-based targets and to reaching net-zero emissions by 2040. We announced a full transition to renewable electricity by 2025, and joined RE100, the global environmental initiative led by the Climate Group in partnership with the Carbon Disclosure Project (CDP).

We also continued to roll out our platform of modular elevators. Modularity provides the ability to use the same components across our entire product range, allowing us to consolidate our shipments and thereby reduce the environmental impact of transportation. In the future, modularity could also help us to contribute to the circular economy, through the refurbishment of spare parts that could be reused on other units.

And, as decarbonization emerges as a global priority, BuildingMinds – our Berlin-based "Software as a Service" (SaaS) start-up bringing to market digital real estate management solutions – helps building owners to bring to life their net-zero vision.

Climate action is of course a critical component of ESG – but it's far from being the only one. In 2021, we continued to support the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption. We used the UN Sustainable Development Goals (SDGs) to guide our materiality analysis, which will inform our 2030 Sustainability Roadmap. We also continued progressing on our human rights due diligence project, launched in 2020. And we did all this while continuing to advance Inclusion & Diversity in our operations – on top of so much more, as you'll find out going through this report.

Looking ahead, translating our global ESG commitments into practice across our local operations worldwide will be a priority. Some of our key markets, such as China, Germany, and the US, already have a cross-functional structure in place whose task is to incorporate sustainability into their operations. This is a great start and we're now looking to replicate this setup in other markets for maximum impact.

Reporting helps to keep us on track and accountable – it also helps our customers and investors make informed decisions. In 2021, we expanded the coverage of our Environmental Products Declarations to new geographical zones. We've increased our ESG disclosures in the latest Annual Report to address the needs of investors who want to know how we are managing material ESG risks and opportunities, while continuing to produce a sustainability report providing information on how we are managing our broader impact on society and the environment.

Our journey is far from over. But we will continue to build on our efforts to meet the ambitious targets that we've set ourselves, helping to shape the smart and sustainable urban centers that we need.

Our reporting standards

Reporting transparently on ESG performance is essential for business efficiency and to maintain the trust of all our stakeholders.

GRI Standards have been the main reference for Schindler’s sustainability reporting since its first report in 2012.



The information disclosed in Schindler’s sustainability reporting serves as a progress follow-up on implementation of the United Nations Global Compact’s Ten Principles.



The SASB accounting metrics were considered in our 2021 materiality analysis.

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Schindler uses the recommendations of the TCFD to report on its climate action targeting investors starting in its 2021 Annual Report.



Schindler has identified the nine Sustainable Development Goals on which it can have the most impact, through its operations or throughout the value chain. These are embedded in the Corporate Responsibility Report.



In addition, we have responded to CDP since 2015 and used EcoVadis since 2019 to share sustainability performance information with our investors and customers. We regularly engage with the financial community to understand their information needs on ESG performance and enhance our disclosures.



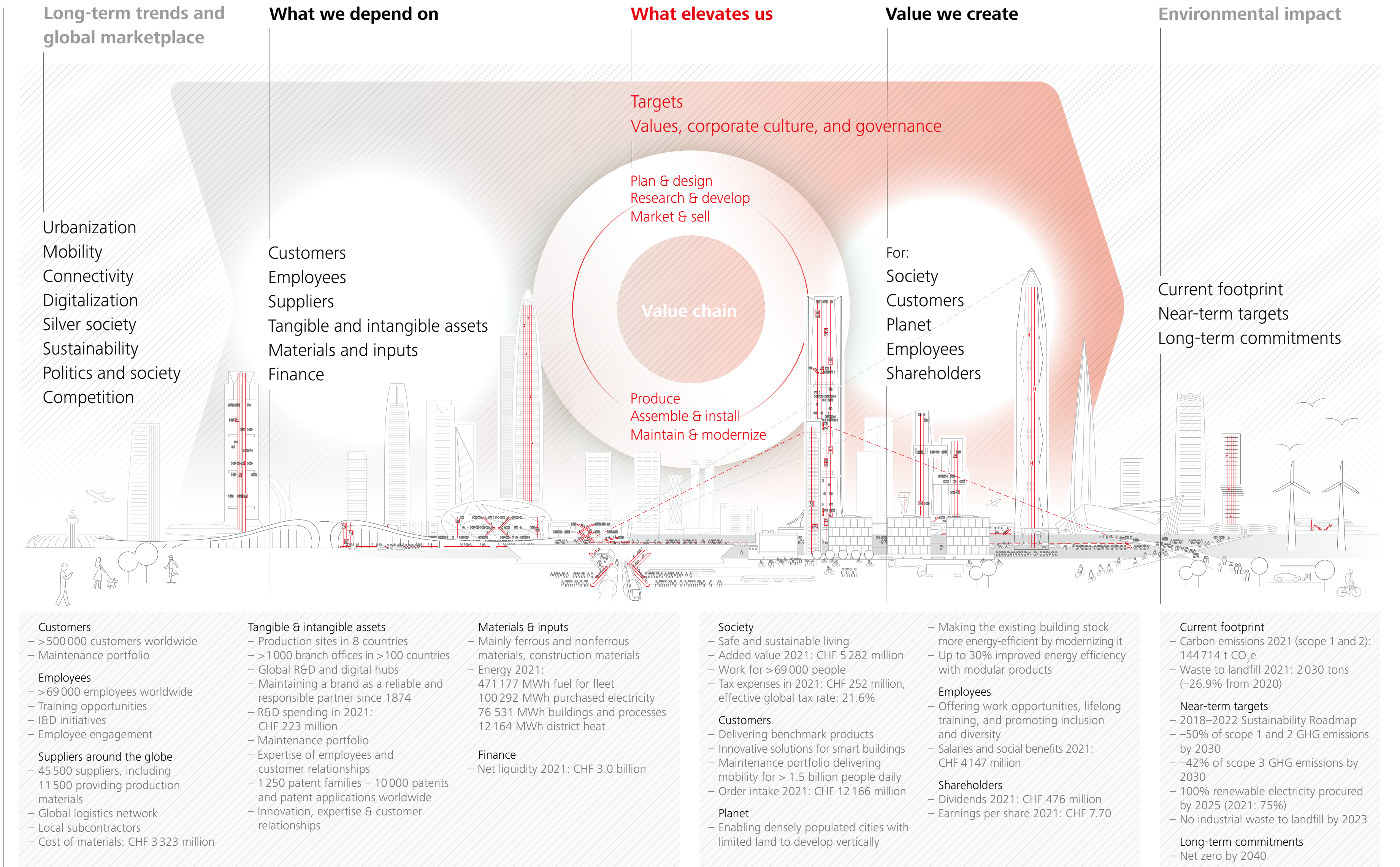
In 2021, we increased the share of ESG information and data published in our Annual Report to address investor needs for better disclosures on the management of ESG material topics. We support the TCFD recommendations and will continuously progress on their implementation.

We are preparing for new reporting requirements from the EU and the Swiss government, and these will be reflected in subsequent reports. We will also be updating our disclosures in line with the revised GRI Standards. Our sustainability performance is verified by a third party.

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About Schindler

Schindler enables smart, sustainable urban spaces and keeps cities moving. We strive to create value for all our stakeholders: society, customers, employees, and shareholders.



Overview of stakeholder engagement

We engage with our stakeholders to better understand our impacts and define our priorities.



Customers

Architects, building developers, construction companies, operators, and owners

We build relationships with customers to design and deliver products and services according to their priorities and needs.

- Partnering with building designers to find solutions to very specific needs
- Promoting energy-efficient configurations to achieve energy-efficient class A elevators and escalators
- More than 126 000 customer surveys conducted
- Net promoter score increased by 3.2% compared to 2020
- Swiss Pavilion's first Main Partner at Expo 2020 Dubai dedicated to mobility, sustainability, and opportunities
- Responding to 85+ global customers demanding our EcoVadis performance scorecard



Employees

We engage employees to develop skills, improve working conditions, and promote an inclusive and diverse workforce.

- Quarterly global employee townhall meetings streamed live to all our locations
- Biannual employee engagement survey
- Performance and development discussions
- Training centers and global online learning solutions
- Schindler recognized as a Top Employer 2022 in Europe
- European Works Council and national trade unions



Passengers

End-users are at the core of Schindler's interest. We work every day to allow 1.5 billion people to travel safely daily and have a seamless urban mobility experience.

- Preventative and proactive maintenance programs
- Safety collaboration and awareness-raising projects worldwide
- Supporting users behavioral change to reduce incidents and accidents through our pioneering Behavior LAB
- Tips and educational material for parents and children on safe use of elevators and escalators
- Hygiene and social distancing solutions



Suppliers

Production materials and services, including logistics

We engage with suppliers through our Strategic Sourcing Organization to deliver competitive, innovative, and sustainable supply solutions for Schindler globally.

- EcoVadis supplier sustainability assessments
- Discussions on sustainability performance with vendor policy and supplier evaluation
- Continuous dialogue including online workshops and regular exchange with key strategic suppliers of production materials
- Sharing of best practice with peers via the Global Compact Network Switzerland supply chain initiative



Academia

We maintain close ties with research entities and engage with universities to foster innovation and contribute to developing future design of our products, services, and urban mobility.

- Platinum Sponsor to the 2021 Council of Tall Buildings and Urban Habitat's (CTBUH) international conference
- Innovation Labs with EPFL and the Polytechnic University of Milan and close collaboration with other universities like MIT, ETH, and TUE
- Hackathon with Chinese universities on the Future City Plan
- Swiss Tech4Impact fund with other industry partners to foster applied research on sustainability
- Multiple partnerships with technical colleges



Shareholders and investors

We communicate on our governance, the latest developments of our strategy, and our performance against the targets we set in the context of our Roadmap.

- Annual General Meeting and quarterly results presentations
- Roadshows and other online engagement with asset managers and ESG analysts
- CDP supporting investors fiduciary duty to manage climate risks across portfolios
- MSCI, Sustainalytics, ISS Oekom, and other ratings for transparent review of our sustainability performance



Associations and global organizations

We partner with peers facing similar challenges, either in the industry or on specific matters, to foster collaboration and share best practice.

- The UN Global Compact and its Swiss network
- The Corporate Electric Vehicle Alliance led by Ceres
- The Conference Board's Responsible Sourcing Council
- RE100, the global corporate leadership renewable electricity initiative
- ISO: contributing to new standards
- Railsponsible, the railway industry supply chain initiative
- European Lift Association
- Green Building Councils
- International Building Performance and Data Initiative
- US National Women in Construction (NAWIC) organization
- DGNB, the German Sustainable Building Council (first elevator company to join)

Roadmap 2022

We support the sustainable development of the cities of tomorrow through technology and innovation. Our products and services are engineered around providing urban mobility that is smart, inclusive, and sustainable.

Driven by the Board of Directors, our 2022 Sustainability Roadmap outlines Schindler's priority action areas.

These were defined by considering our most important impacts across the company's value chain and identifying areas where we make the biggest contribution to the 2030 UN Agenda for Sustainable Development.

Our sustainability priorities were identified following consultations with the Group Executive Committee and a selection of senior managers, with insights from a panel of independent experts.

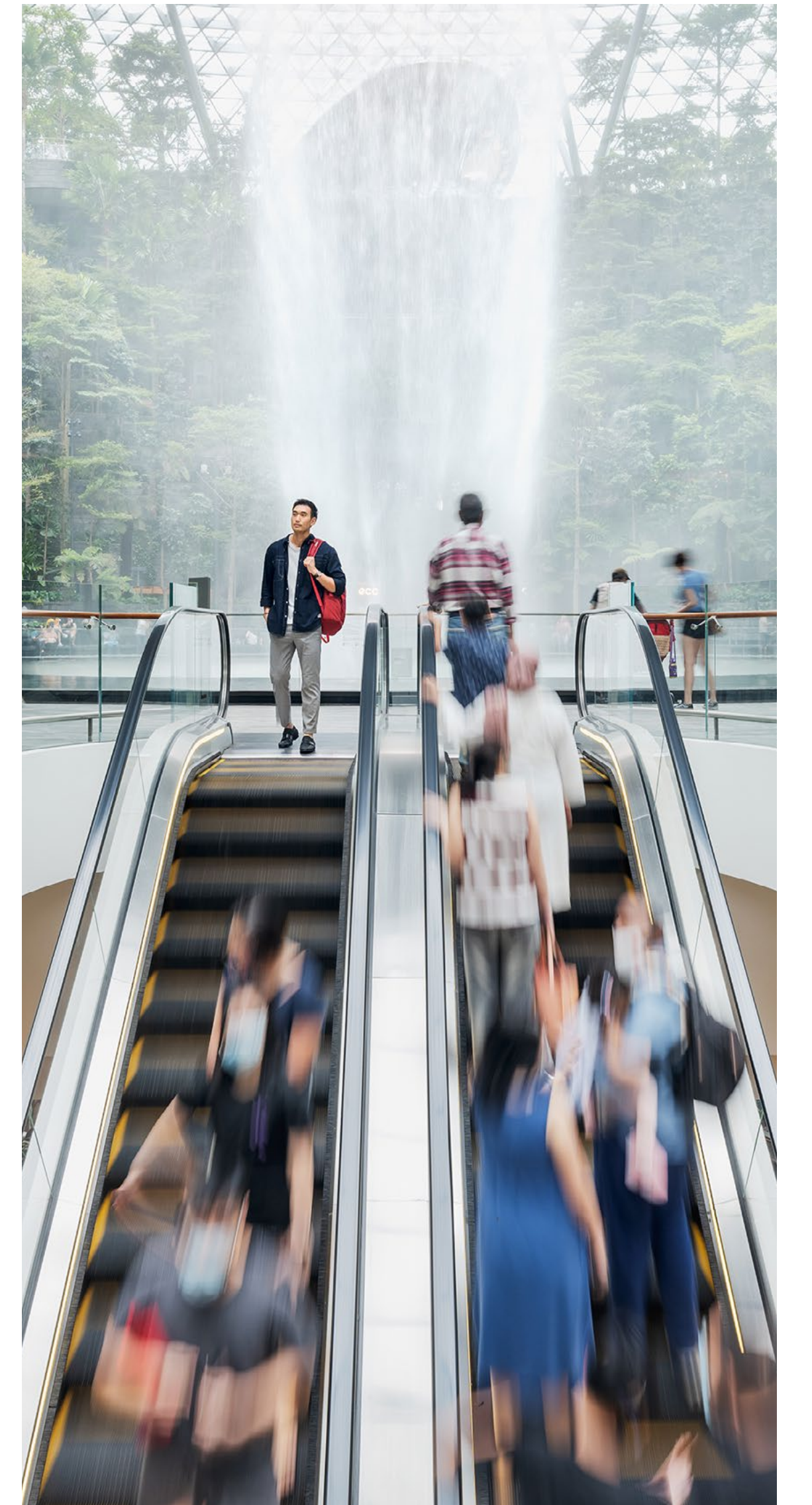
In 2021, we undertook a review of our priorities to account for changes in our external environment, the impacts of our activities, and evolving customer expectations. Informed through external and internal stakeholder consultations, the results of our updated materiality analysis will shape the development of our 2030 Roadmap. Materiality provides focus in determining our approach to deliver long-term value to all our stakeholders.

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In addition, we conducted a human rights risk assessment to identify our biggest impacts across our value chain. We will develop a framework and management system to address our most salient human rights issues.

Our Roadmap supports our goal to pioneer smart and sustainable ways to keep people moving easily and safely, and be part of creating a seamless journey for all city dwellers. Time-bound targets together with performance indicators and clear accountability guide our action for each priority and enables us to measure and report on our progress annually. Moderate-level assurance is provided on our carbon footprint scope 1 to 3 as well as on all our quantitative roadmap targets.

In 2021, we made significant progress and met most of our targets over the five-year reporting period of our Roadmap 2022. We aim to build on these achievements and learnings, and focus on the areas that proved more challenging, including our transition to a more sustainable fleet and targeted engagement with our most carbon-intensive suppliers. Looking forward, we will build on our materiality analysis and commitment to set science-based emissions reduction targets to develop our 2030 sustainability roadmap.

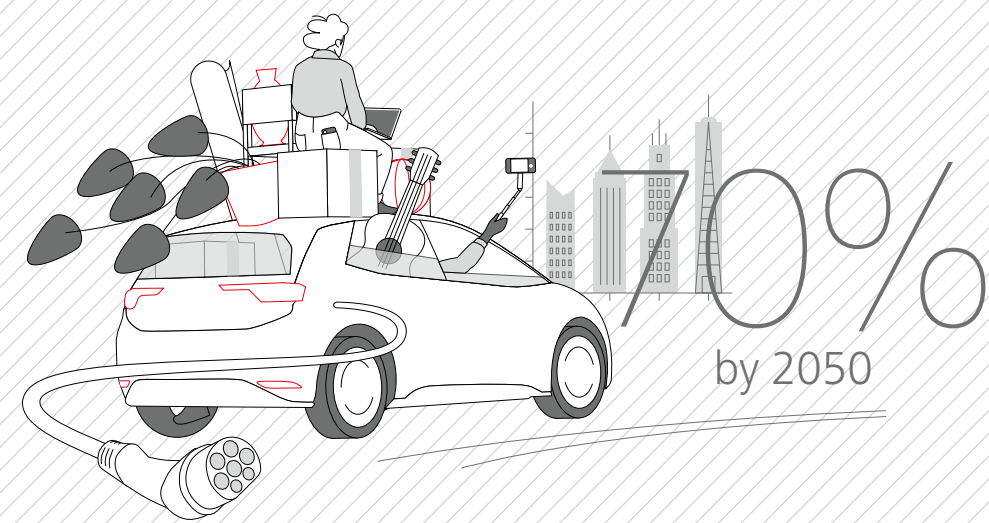


Roadmap 2022

What moves the world: global trends

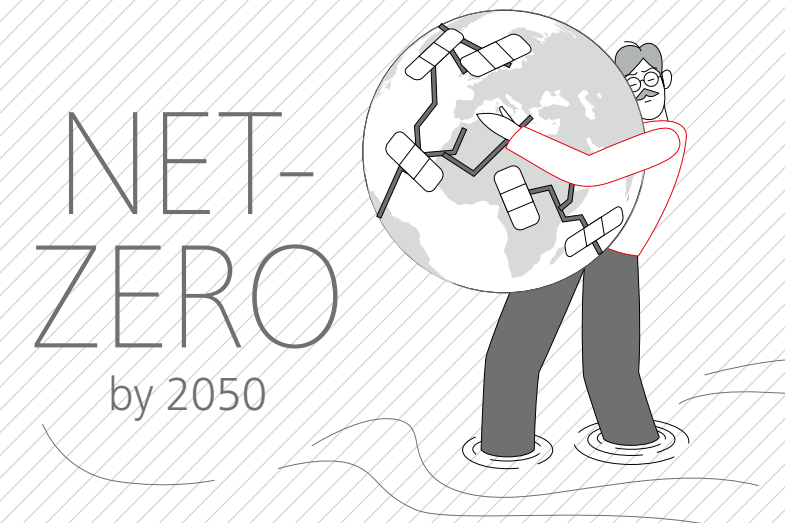
Considering our external environment, we took the following megatrends into account as they impact our strategy and performance.

Urbanization



By 2050, the global proportion of people living in cities is expected to reach 70%. In the face of rapid population growth and limited land supply, cities will need to expand vertically. Super-tall buildings will become ever more common, further fueling demand for vertical mobility solutions.

Climate change



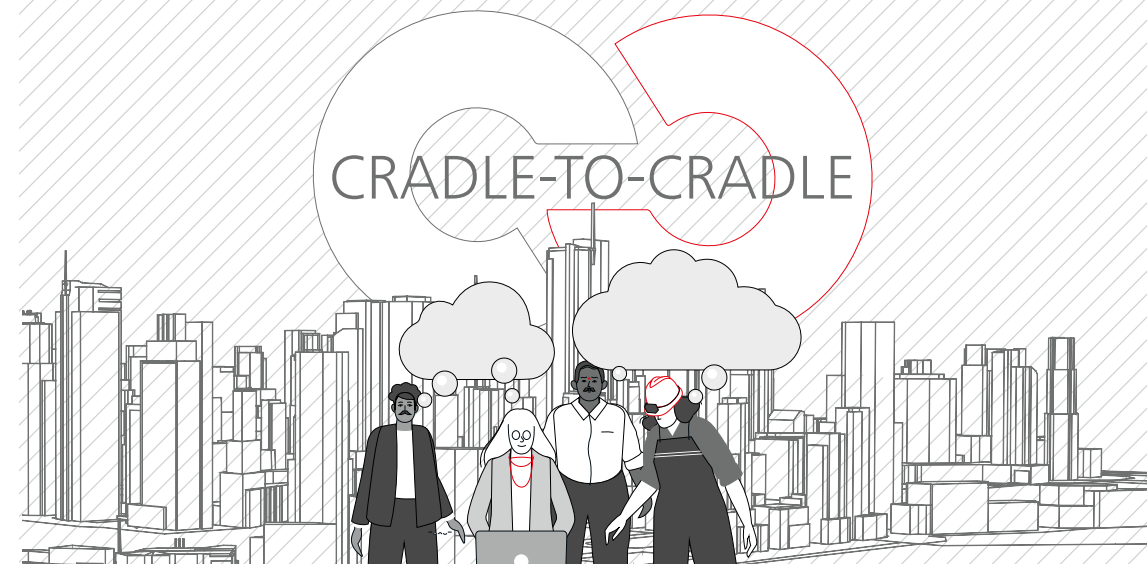
To avoid the worst impacts of climate change, the world needs to build a net-zero global economy by 2050. Cities are on the frontline of the climate battle because they account for about 75% of global CO₂e emissions. Net-zero buildings must become the norm.

Connectivity



The construction industry is being reshaped by new technology: Building Information Modeling and Digital Twin technology simplify design and planning processes, while connected elevators and escalators allow for better maintenance and management – ultimately resulting in a more efficient use of resources.

Circular economy



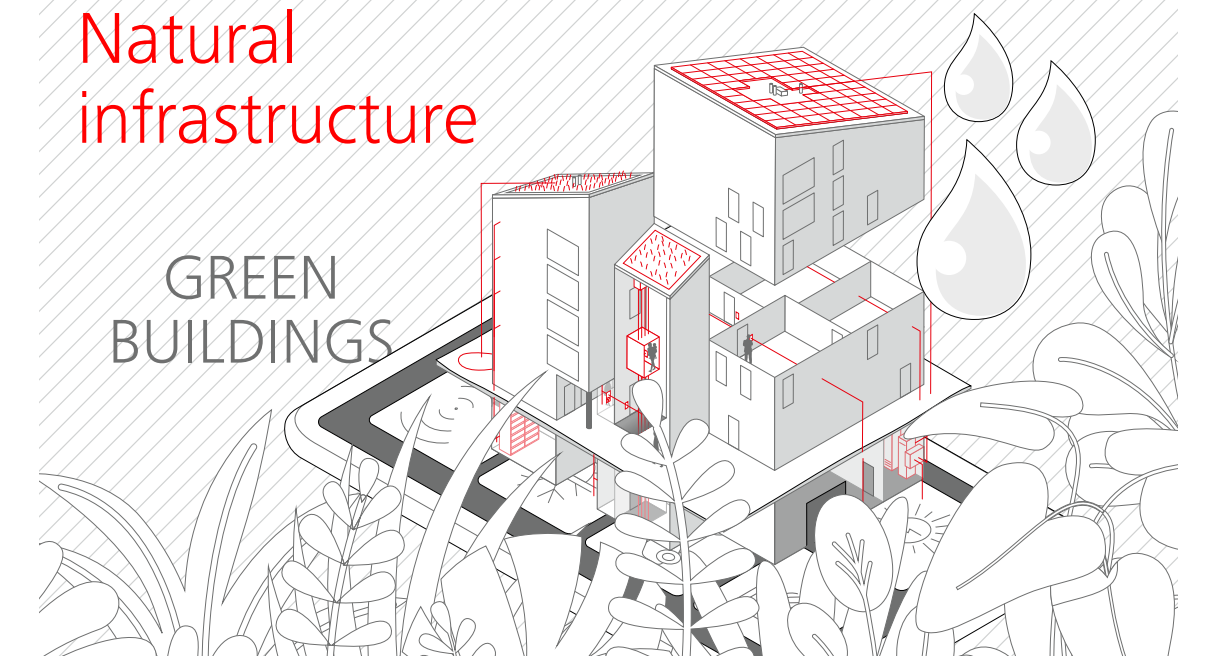
Current consumption and production patterns need to change. Resources should be used and reused in an endless loop. Architects, manufacturers, and those operating in the construction sector will be increasingly expected to apply cradle-to-cradle principles in their projects.

Social impact



Buildings play a role in social care. Infrastructure needs to provide working and living spaces that prioritize people’s comfort, safety, and quality of life, while catering to an aging population. Buildings are more than simply infrastructure. They can offer an inclusive space where communities come together.

Natural infrastructure



Natural ecosystems provide climate benefits. For example, green buildings incorporate vegetation that can capture carbon, retain water, and provide natural cooling in the form of shade. Buildings will increasingly be expected to provide such benefits in the future.

Roadmap 2022

We report our performance in three categories:

Environment

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People

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Governance

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Priorities and goals 2018–2022

Priorities

Goals

Progress

Enhance safety

Reduce the number of employee incidents and injuries expressed as Total Case Rate (TCR) by 20% compared to 2017.



Attract diverse talents

Increase the number of women in the succession planning for leadership roles to 25% and promote an inclusive work culture.



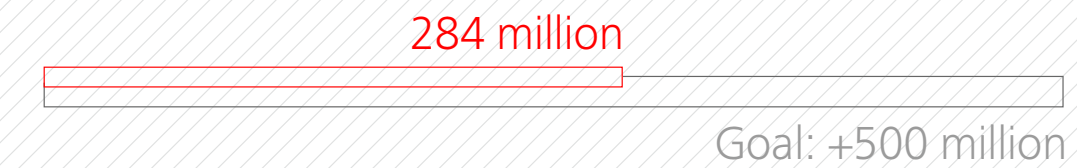
Create value in communities

Develop our vocational education programs to support communities.

Vocational education programs across the globe enrolling more than 4 000 students

Pioneer smart urban mobility

Increase the number of passengers using Schindler’s digitally connected elevators and escalators to over half a billion people per day.



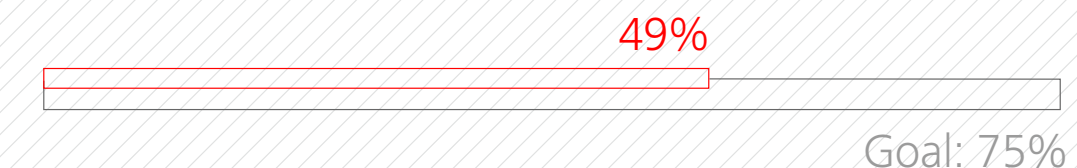
Lower vehicle fleet emissions

Reduce the CO₂ intensity of our global vehicle fleet by 25% compared to 2017 (t CO₂e/CHF million at 2017 average rates).¹



Increase sustainability in the supply chain

Perform independent sustainability assessments of suppliers representing 75% of our manufacturing purchases.



¹ Without neutralizing the currency effect on our revenue, the progress on our vehicle fleet goal would be -16% in 2021.

Information on our roadmap goals are integrated in the relevant section of the report.

Supporting data is included within each report section. Refer to the Global Reporting Initiative (GRI) index and the Sustainability Accounting Standards Board (SASB) sector-specific metrics at the end of this report.

→ See page 45 for the GRI Content Index

→ See page 50 for SASB metrics

Further details on corporate governance can be found in the Annual Report.

→ See Annual Report 2021

A conversation with our Head Global Sustainability

Jörg Naescher
Head Global Sustainability
Schindler Group

2015 Schindler Germany, Managing Director Haushahn,
2018 Schindler Germany, Chief Financial Officer,
2021 Schindler Germany, Supply Chain & Sustainability Director,
2022 Schindler Group, Head Global Sustainability

You've recently joined the Corporate Sustainability Office from Schindler Germany, what motivated you in accepting this new role?

In my previous positions in operations and finance, I witnessed how dramatically customer and societal expectations about the role of companies in society have changed, as well as the challenges and opportunities climate change presents. In 2021, I took on an additional leadership mandate to advance sustainability in our operations with a pilot project to transition to e-mobility at scale.

No one can afford to ignore sustainability. To truly embed it into Schindler's fabric, we need to combine our global perspective, ambitions, and vision with the local insights to make sustainability part of our daily business across functions and regions.

Together with my team of highly knowledgeable sustainability professionals and the support of the executive leadership team, I am eager and determined to bring responsible business conduct to the next level across our global organization.

In 2021, we announced our commitment to set science-based targets. How significant is that move and why?

Our commitment was a natural next step after conducting a materiality assessment, developing climate scenarios, and learning from the implementation of our 2022 Roadmap.

It is essential to align with the Paris Agreement if we are serious about tackling the climate crisis. Science-based targets are an internal and external commitment made by our Board of Directors, and consequently by our entire organization. This sends a clear message to our stakeholders that we mean business, and gives us the impetus and the focus to get traction across the Group.

Looking ahead and beyond 2025, what will be our focus as far as sustainability is concerned?

Schindler operates in the built environment, which has a major role to play in reducing CO₂e emissions. According to the last IPCC report, we have three years to act. The year 2025 and 2030 are now closer than ever and no longer represent a long-term vision – but rather a short-term due date.

In view of the urgency of the situation, the next years will be decisive for us. We can now build on the solid foundations we've laid out – our first materiality assessment, a climate scenarios analysis, our net-zero commitment, a strong I&D program, a human rights due diligence project. Our Roadmap to 2030 will lay out clear actions to advance our current objectives, while setting out ambitious goals with regard to climate change and innovation in the context of sustainable building design.

But ESG goes well beyond climate. We strive to develop an overall approach as E, S, and G issues are deeply intertwined. Climate change already has and will continue to have irreversible repercussions on people and communities. We need to adopt an integrated perspective that takes into account these interdependencies when taking business decisions.

Our responsibility is to our 69 000 employees and 1.5 billion passengers who use our products daily – we want to always ensure their safety. We will also continue to build on our efforts to create a work environment that is inclusive and diverse, one where diversity is celebrated, not just tolerated. We believe in treating our customers, suppliers, value chain partners, and other stakeholders with respect and fairness.

To succeed on our sustainability journey, collaboration will be essential. We'll need to build on our existing relationships and forge new partnerships within the building ecosystem to co-create the smart and sustainable cities that we need.



“Supporting our customers on this journey toward a sustainable built environment is our focus. Acting as a responsible partner for all our stakeholders is enshrined in our company's values.”

Environment

We are committed to reducing environmental and climate-related impact throughout the entire value chain and product life cycle.

This means we promote resource efficiency and develop products and services while seeking to continually reduce our environmental impacts and those of our customers. We use quality and environmental management systems based on International Standards Organization (ISO) norms and perform Life Cycle Assessments (LCA) of our products.

We support our customers in meeting green building standards such as the Leadership in Energy and Environmental Design (LEED), Building Research Establishment Environmental Assessment Method (BREEAM), German Green Building Standard (DGNB), the Indian Green Building Council (IGBC), and the Singapore Green Mark certification.

Schindler's latest product generation improved energy efficiency up to 30% compared to the previous product generation.

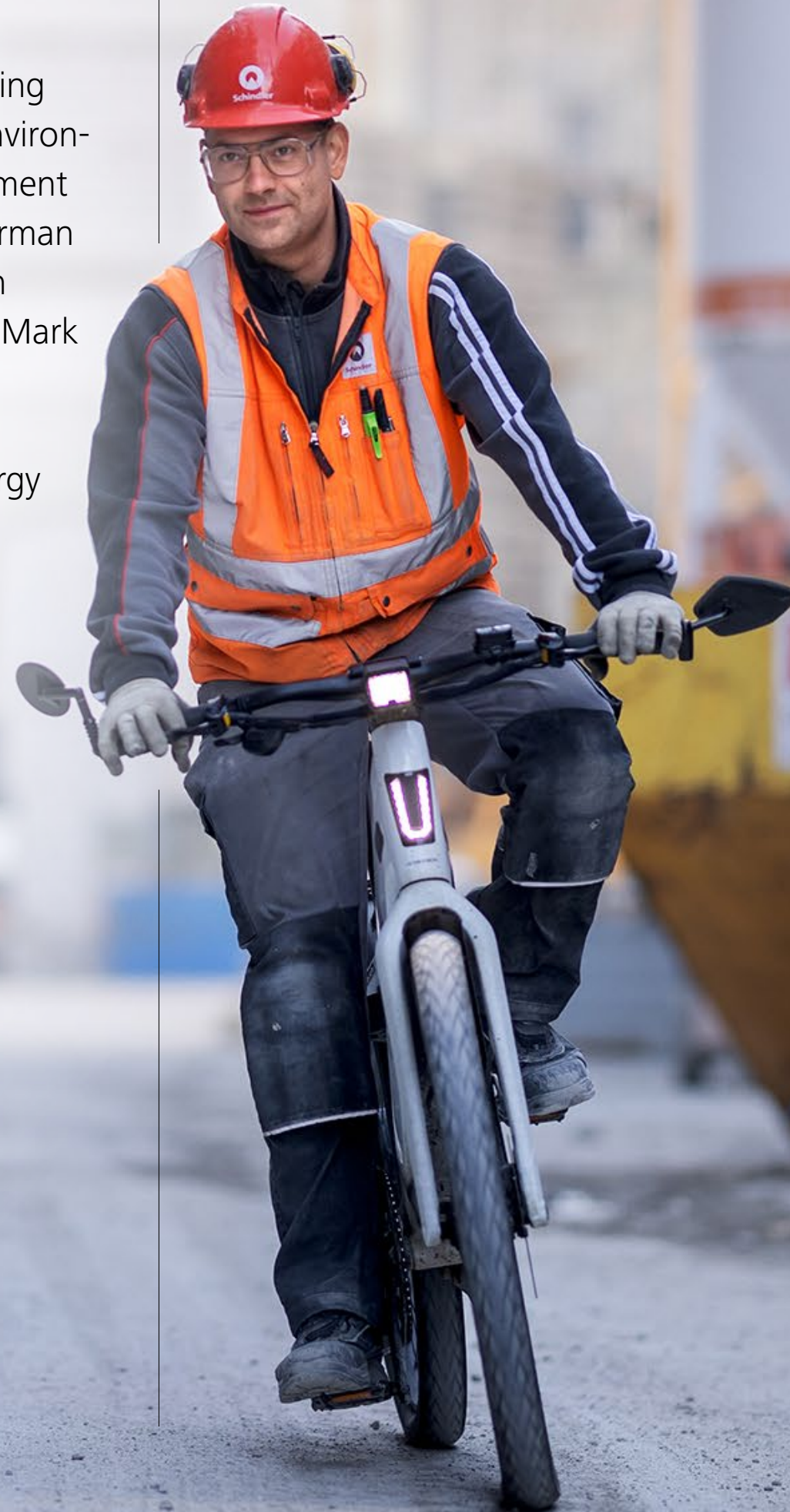


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Environment

Climate

Green buildings are a global priority for smart and sustainable cities. We work with our customers to help them meet their climate targets and engage with other players in the built environment to drive change across our entire value chain in collaboration with the whole sector.

Schindler’s innovative solutions can contribute to this required transformation. Our products – elevators, escalators, moving walks, and related software and services – play an important role in addressing the impact of climate change by enabling efficient vertical and indoor mobility and creating the best use of space in cities. We transport more than 1.5 billion people up and down buildings and across transportation hubs every day.

Digitalization provides decarbonization technologies – it is an enabler, leading to enhanced transparency, better collaboration, and more informed production and consumption decisions thanks to data. At our level, it also allows us to digitalize maintenance and optimize energy consumption, and thereby to help make cities more sustainable.

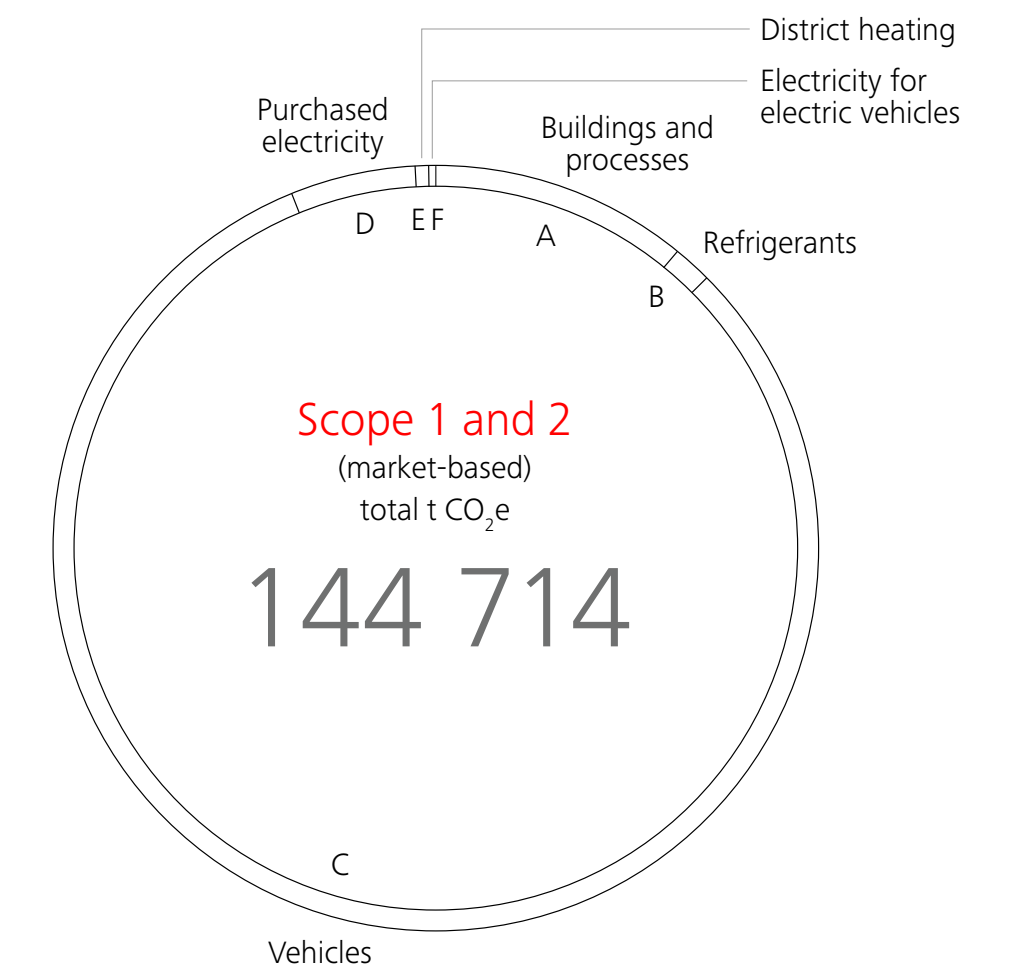
Greenhouse gas (GHG) emissions overview

Scope 1 and 2

t CO ₂ e	2021	%	2020	%	2019	%
A Buildings and processes	15 729	11.6	13 604	10.5	13 858	9.5
B Refrigerants	2 469	1.8	1 008	0.8	2 515	1.7
C Vehicles	117 707	86.6	115 068	88.7	129 151	88.8
Total scope 1	135 905	100.0	129 680	100.0	145 524	100.0
Purchased electricity	48 410	94.6	40 421	94.5	47 864	94.4
District heating	2 624	5.1	2 367	5.5	2 825	5.6
Electricity for electric vehicles	124	0.3	6	0.0	5	0.0
Total scope 2 (location-based)	51 158	100.0	42 794	100.0	50 694	100.0
D Purchased electricity ¹	7 908	89.8	52 531	98.3	65 751	98.2
E District heating	777	8.8	907	1.7	1 237	1.8
F Electricity for electric vehicles	124	1.4	19	0.0	0	0.0
Total scope 2 (market-based)	8 809	100.0	53 457	100.0	66 988	100.0
Total scope 1 and 2 (location-based)	187 063		172 474		196 218	
Total scope 1 and 2 (market-based)	144 714		183 137		212 512	

¹ In 2021, Schindler procured 75% of electricity as renewable through green electricity products and unbundled energy attributes certificates.

We have reported our CO₂e emissions from our own operations (scope 1) and our use of electricity and district heat (scope 2) since 2011. We collect data from all our material Group companies as outlined in our Financial Statements (p. 51–52). We measure our carbon footprint in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, and report scope 2 emissions using both the location- and market-based methods as described in the GHG Protocol Scope 2 Guidance.

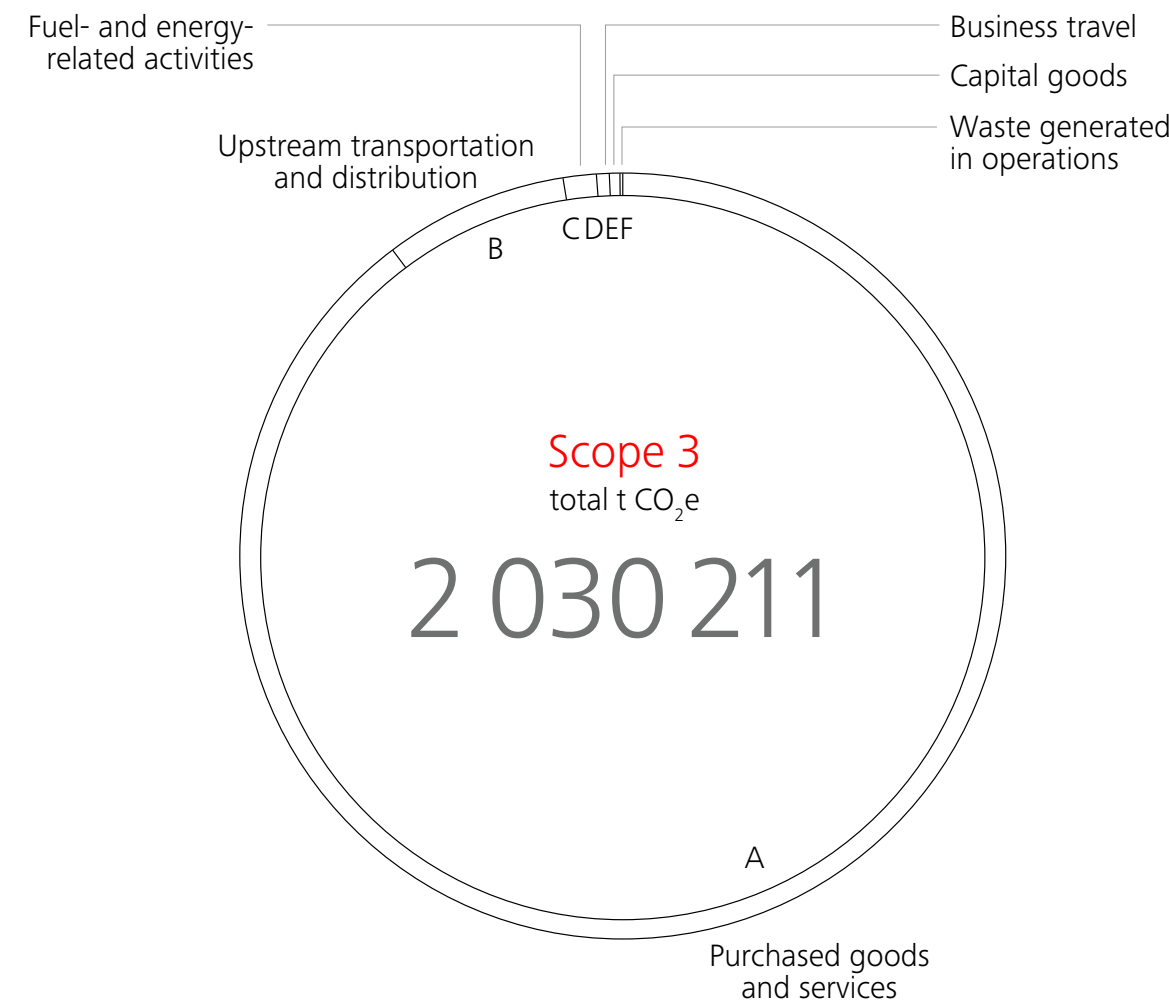


Environment

Scope 3

t CO ₂ e	2021	%	2020	%	2019	%
A Purchased goods and services	1 783 611	87.9	1 610 743	89.9	1 652 696	87.4
B Upstream transportation and distribution	203 697	10.0	142 119	7.9	180 942	9.6
C Fuel- and energy-related activities	27 044	1.3	25 378	1.4	25 128	1.3
D Business travel	6 821	0.4	7 017	0.4	19 852	1.0
E Capital goods	8 303	0.4	6 973	0.4	14 161	0.7
F Waste generated in operations	735	0.0	794	0.0	752	0.0
Total scope 3	2 030 211	100	1 793 024	100	1 893 531	100

Scope 3 emissions in our value chain, e.g. from materials and components we purchase and the logistics of getting our products to the construction site, have been calculated since 2015. To ensure a maximum coverage of all materials, goods, and services purchased, we decided to use the recognized environmentally extended input/output methodology developed by Sustain. This links all monetary spending on products and services from all suppliers globally with country- and category-specific emission factors. These factors are reviewed and updated annually. The methodology complies with external reporting requirements (e.g., CDP, Greenhouse Gas Protocol) and has been verified by CDP. Our external assurance covers scope 3 emissions categories as disclosed in the table above.



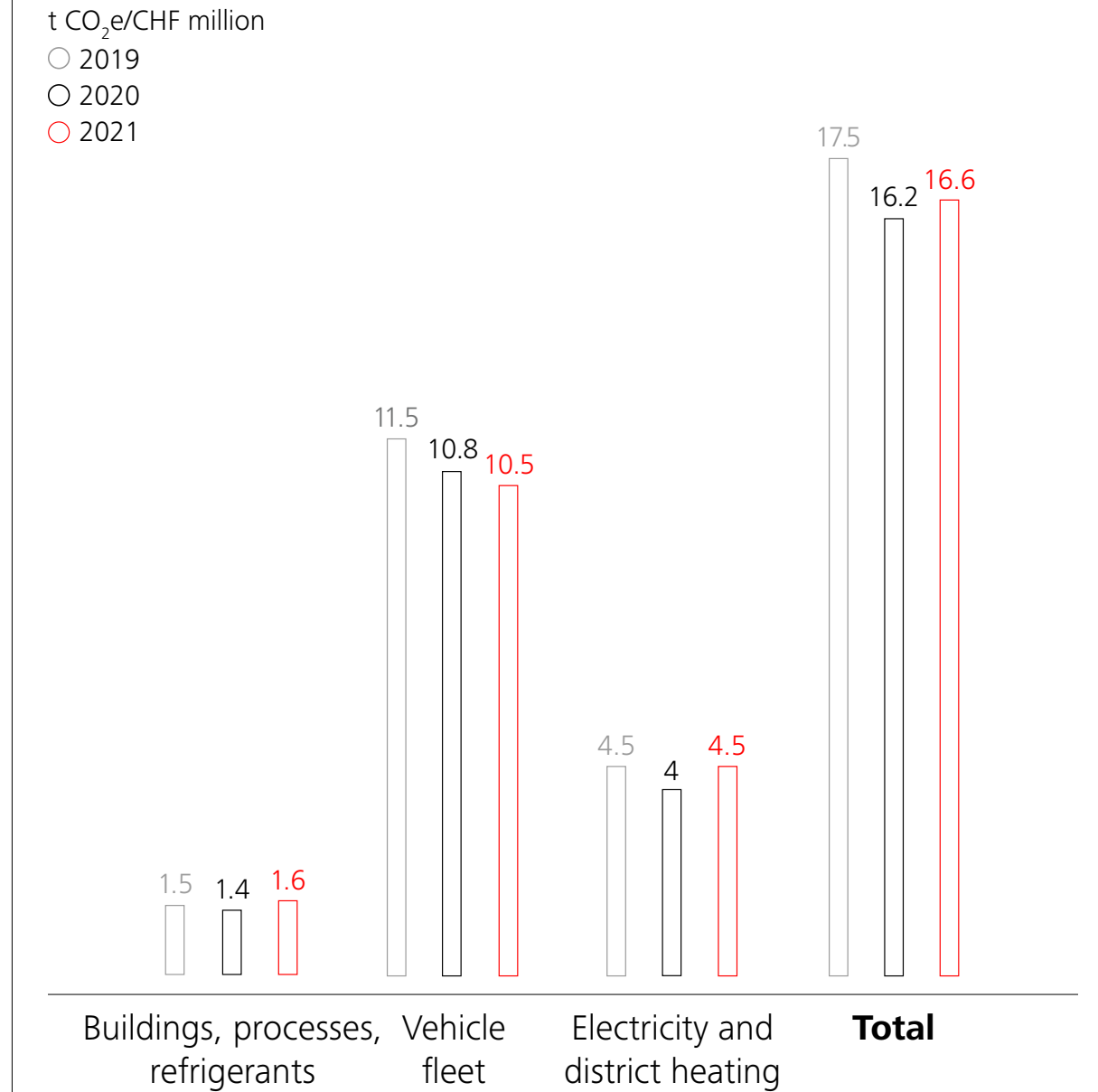
We are currently refining the measurement of our consolidated product use phase footprint for future disclosure as this category is highly relevant for Schindler, representing as it does the biggest share of our scope 3 GHG emissions. We are also investigating how to access more detailed and specific data for a selection of raw materials while working with transportation partners to develop and optimize the availability of logistics data.

In 2021, we piloted and implemented a global concept for carbon-neutral shipping for our largest projects. The measures taken included avoiding emissions on the main shipping routes through the use of biofuels and offsetting the remaining CO₂e emissions automatically for all less than container load deliveries.



In 2021, we piloted and implemented a global concept for carbon-neutral shipping for our largest projects.

GHG emissions trends relative to revenue



Environment

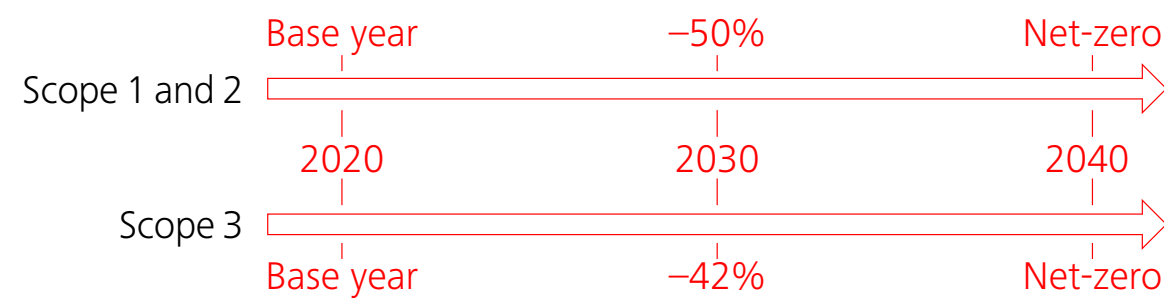
Net-zero by 2040

Climate change is a material topic for Schindler. We consider the carbon emissions of our own operations, products and services and within the supply chain as a material impact on the environment and society at large, and we are committed to align our corporate climate action with the 1.5°C goal of the Paris Agreement.

In 2021, Schindler committed to set near- and long-term company-wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi) and the Business Ambition for 1.5°C campaign.

The SBTi has approved Schindler’s near- and long-term science-based emissions reduction targets. The target consists of a 50% absolute reduction in greenhouse gas emissions from our own operations by 2030 from a 2020 base year: direct emissions from the fuels we use in our fleet and buildings and from local processes (scope 1) and indirect emissions from our purchase of electricity, heat, and cooling (scope 2).* Furthermore, the target includes a 42% absolute reduction of emissions in our value chain (scope 3) by 2030 from a 2020 base year.

Net-zero commitment



* The target boundary includes land-related emissions and removals from bioenergy feedstocks.

In addition, Schindler's 2040 net-zero target consists in reducing absolute scope 1, 2, and 3 GHG emissions by 90% from a 2020 base year. In line with SBTi criteria and recommendations, Schindler prioritizes direct emissions reduction to advance decarbonization, while working to neutralize its residual emissions.

After our initial commitment to setting science-based targets in 2021, Schindler submitted its near- and long-term targets for validation by the SBTi in January 2022, which were validated in June 2022. The results are published on group.schindler.com as well as on the SBTi public listing of companies taking action.

→ See sciencebasedtargets.org

75%

Amount of electricity sourced from renewable energy in 2021



Transition to renewable electricity

We also announced a full transition to renewable electricity by 2025, and joined RE100, the global environmental initiative led by the Climate Group in partnership with CDP. In 2021, 75% of our electricity sourcing came from renewable energy sources, including all our production sites. We reached this goal through several measures: on-site generation of renewable electricity, selection of green electricity products from local utilities, and the purchase of energy attributes certificates. In parallel, we continue to invest in the installation of solar panels on our buildings’ roofs and the implementation of energy efficiency measures with a focus on our production sites.

Reducing impact from maintenance and service

In addition to our long-term targets, we continued to work on reducing the carbon footprint of our global fleet of vehicles. We set ourselves the target to reduce our fleet’s carbon intensity by 25% by 2022 with a 2017 base year and contribute to the transport sector’ imperative need for decarbonization.

In 2021, we adjusted the way we measure progress against our goal by neutralizing the currency effect on our revenue for the years 2017–2021. The intensity of the carbon footprint of our global fleet of vehicles (t CO₂e/CHF million at 2017 average rates) decreased by 23% this year vs. 2017. Without adjusting the methodology, the intensity of the carbon footprint of our global fleet was 16%.

- Reduce the need to travel
- Optimize planning and logistics
- Transform the fleet

Over the years, we have diversified our action to progress on our fleet target. Our approach, however, has remained the same: reduce the need to travel, optimize planning and logistics, and transform the fleet.

As the supporting infrastructure develops across countries, we will accelerate the electrification of our fleet, working towards the best long-term solution. In the US, for example, we have joined the Corporate Electric Vehicle Alliance, led by Ceres to boost the electrical vehicle market by signalling the breadth and scale of corporate demand. In Germany, our fleet of over 3 000 vehicles is well on its way to becoming fully electric. Further activities to transition from combustion engines to electric vehicles, to reduce the fuel consumption of remaining combustion vehicles, and to increase the use of biofuels are underway in multiple of our locations. We also continued to promote alternatives to cars such as the use of cargo e-bikes and public transport in city centers.

We are further deploying remote recovery and adaptive maintenance to make every trip count. Connectivity increases our remote maintenance capacities, which avoids unnecessary trips to sites. Connectivity enables us to check if a unit is in a safe condition and to resolve breakdowns remotely, confirm if and which components are defective before dispatching a technician on site, and change routine maintenance visits to more frequent digital health checks where permitted by regulation.

In 2021, more than 20% of our maintained portfolio was connected, and we also have extended these capabilities to non-Schindler elevators.

Environment

All aboard! Schindler Germany's holistic switch to electric cars

Smart and sustainable urban mobility is always on our minds at Schindler – but usually we focus on transporting others. Following a change in Germany's energy policy, our colleagues at Schindler Germany were quick to initiate the transition of their fleet to electric vehicles.

With two-thirds of us at Schindler either working on a job site, installing, or modernizing elevators and escalators, or providing services to our customers, most of the direct CO₂e emissions we generate are attributable to our vehicle fleet. Reducing travel for our technicians and switching to electro-mobility is therefore part of our strategy to minimize our own climate impact.

There are different routes to success, but Schindler Germany has had a particularly remarkable journey – one that might inspire others. The country organization began the switch to electric vehicles in 2021. Carolin Wand, Head of Mobility Management at Schindler in Germany, comments: "A new policy framework in Germany gave us the impetus to switch, as the German government wants to cut emissions from traffic by 42% by 2030." To encourage investment in e-vehicles, the German government provides a range of financial incentives.

"The vehicles in our fleet each emit around 17 000 tons of CO₂e per year," says Carolin. "With the switch to e-mobility, we can massively reduce our carbon footprint." Schindler Germany has set itself the year 2024 as a deadline for its 3 000+ car fleet to be fully electric – and has already made great strides.



This transition wouldn't be possible without a clearly defined strategy and the inclusive approach to change that Schindler Germany has adopted from the beginning. The main focus has been on getting the drivers on board – sometimes quite literally – by testing different car models for safety, range, and loading space." Besides researching best practices and analyzing our fleet, we made a conscious decision to include our colleagues from the very beginning," says Carolin. "We interviewed employees to gauge their willingness to change and understand their wishes to make this transition a success."

The analysis revealed for instance that adoption would be easier if colleagues could start their day with a fully charged battery. This led to the decision by Schindler Germany to provide drivers with charging stations for e-cars at home at the company's expense in collaboration with a service provider that guarantees the charging with green electricity (three-quarters of the drivers have private parking). In addition, charging stations are being built at larger Schindler Germany locations, some of which generate electricity regeneratively with the help of photovoltaic systems on the roof.

"We've put technicians at the heart of our approach, and by involving colleagues early on in the process we were also able to address their concerns," says Stefan Steinmetz, Chairman of the Works Council at Schindler Germany. "The interviews showed that 80% of our drivers cover less than 200 kilometers a day, which is a very good prerequisite for the electrification of our fleet."

Our technology platform Schindler Ahead, which allows physical visits to be partially replaced by digital checks, already allowed for permanent monitoring in an environmentally friendly way. Now, thanks to the use of e-vehicles for the remaining physical visits, Schindler Germany can offer its customers servicing with a significantly lower carbon footprint.

The results speak for themselves. Emissions are down, as a recent study by TÜV Rheinland – an independent certification company – shows: the carbon footprint of a digital service contract using electric vehicles is reduced by 99.5% compared to a traditional one with on-site visits. Most importantly though, the technicians who use the cars are raving about them. "We just have this one planet, so we should take care of it. The switch to e-mobility is a no-brainer", says Markus Koelsch, a Schindler service technician in Berlin, who is proud to get to customers with his new e-powered set of "wheels." Mission accomplished!

"We just have this one planet, so we should take care of it. The switch to e-mobility is a no-brainer."

Markus Koelsch
Schindler service technician



Environment

Our solutions

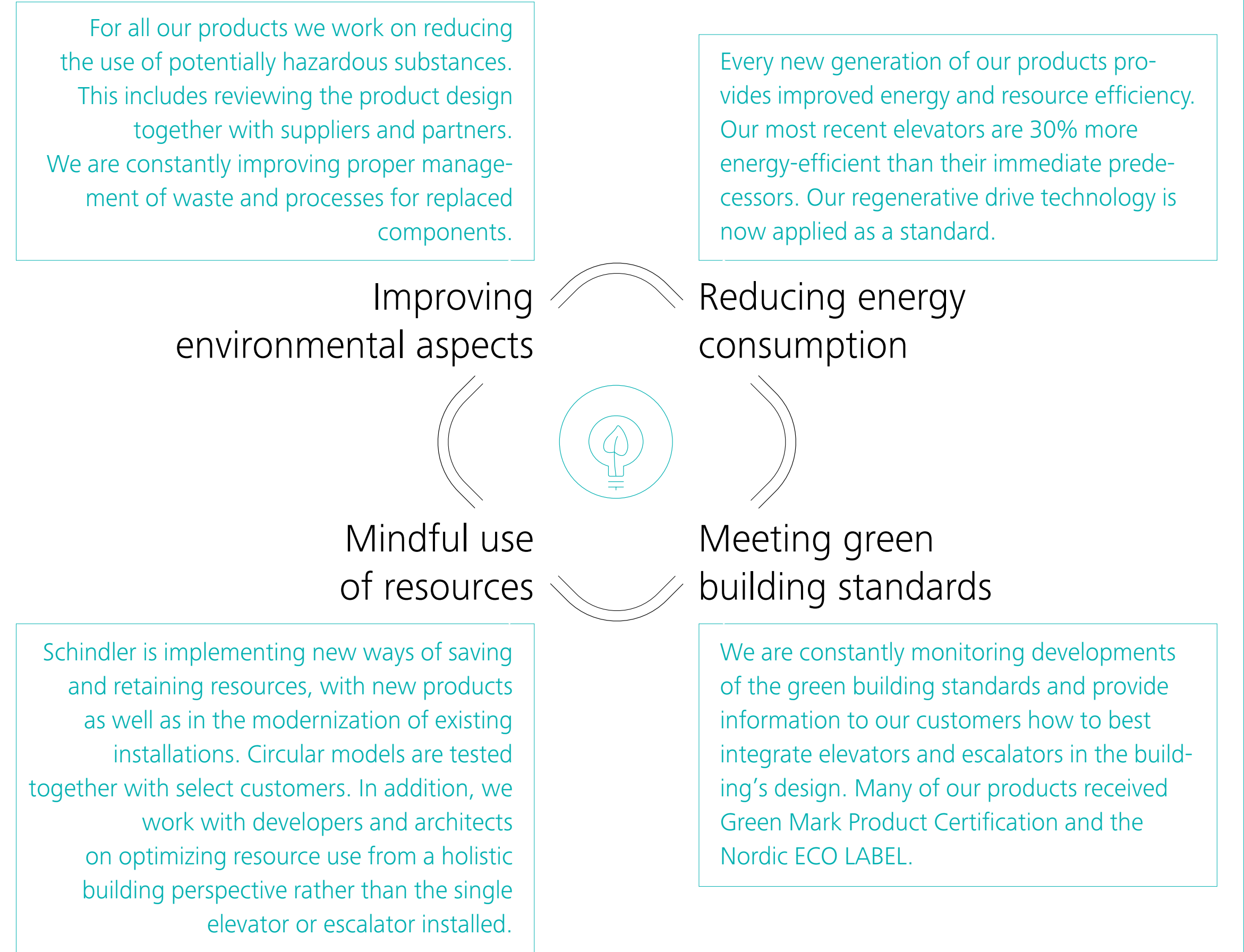
At Schindler, environmental considerations and requirements are an integral part of product development.

All our products undergo a strict life cycle assessment (LCA) in accordance with the ISO 14040 standard. This standard is embedded in our research and development approach, while our overarching environmental management systems are certified according to ISO 14001. LCAs inform our Environmental Product Declarations (EPD), in line with the ISO 14025 standard.

Schindler strives to eliminate any substances deemed hazardous or as very high concern in its final products. Declarable and hazardous substances are managed at the product design phase, including banned substances lists and related checks within the product creation process. Clear requirements for suppliers are set through policies and declarations of hazardous substances are requested. In parallel, Schindler is supporting the EU's approach to make substance data available throughout the whole life cycle and follows its obligations to report into the EU SCIP database*.

* SCIP is the database for information on Substances of Concern in articles as such or in complex objects (Products) established under the Waste Framework Directive.

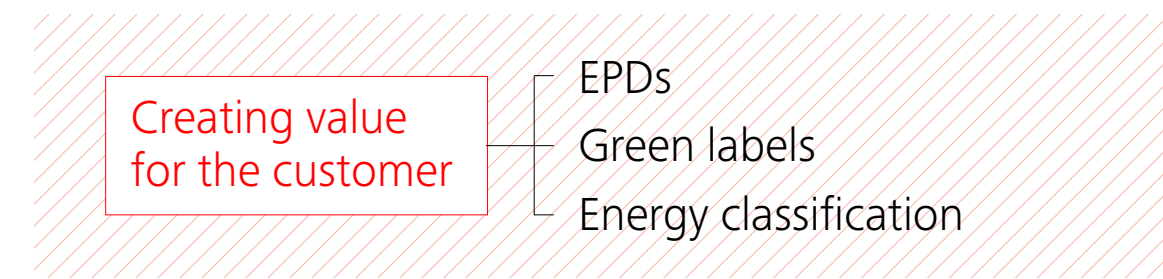
We use a life cycle approach to meet our customer needs for sustainable products



Environment

Promoting environmentally preferable products

In 2021, we further increased transparency about our products to support our customers in making sustainable decisions.



Environmental Product Declarations (EPDs)

With manufacturing plants strategically located in Europe, Brazil, USA, China, and India, Schindler focuses on local production for our local markets and customers. This advance promotes not only shorter lead-times as well as better quality, consistency and service, but also reduces the environmental impact of shipping and transport around the world. In order to reflect this concept, it was strategically determined to provide EPDs for each individual sourcing zone starting with our latest product release.

The first EPDs corresponding to this strategic positioning were completed in 2021, including EPDs for our newest line of elevator products: “Schindler 1000 (Plus) and 3000 (Plus) – Europe,” “Schindler 3000 belt – China,” and “Schindler 3000 and 5000 Rope – China.”

Our EPDs provide transparent and third-party verified information on the environmental impact of a product throughout its life cycle. Schindler is also leading industry-wide efforts to establish standardized PCRs for escalator and moving walk products. This will allow comparable EPDs, and as a result could increase transparency of the environmental product performance industry-wide.

Recognized by most green building certification schemes such as LEED, DGNB, and BREEAM, our EPDs can count towards receiving credits for our customers building certification project.

Further EPDs are continuously made available via the database of the International EPD Association.

→ See environdec.com

Green labels

In 2021, a large number of our products were certified in accordance with the Green Mark Product Certification and the Nordic ECO LABEL.

The Green Mark Product Certification gives customers, constructors, and purchasers a clear guideline for environmentally preferable products while also supporting the green building scheme “Green Mark.” Green Mark is a highly recognized and accepted green building rating system in Singapore that evaluates a building on its environmental performance. With Schindler’s pre-authorized products, our customers can easily gain credits when aiming to have their building Green Mark certified by the Singapore Building and Construction Authority.

Our Schindler 5500 and 7000 elevators have received the highest possible “Leader” score in the Singapore Green Building Product (SGBP), while our escalators and moving walks, Schindler 9300 and 9500, have obtained the rating “Excellent”.

In 2021, Our Schindler 3000, 3300, and 5500 also achieved the Nordic ECO LABEL certification, which complies with ISO 14024 standards. ECO LABEL is one of the most recognized environmental certificates in the world requiring a life cycle perspective and third-party verification.

Energy classification of our products

Growing demand for green building standards presents an opportunity to innovate and develop the most energy-efficient products possible, helping our customers shrink the carbon footprint of buildings.

Note: the classification and estimated annual energy consumption always refers to a specific configuration. Usage, load capacity, energy-saving options, and site conditions also influence the final rating.

¹ ISO 25745 is the latest international standard for the energy performance of elevators, escalators, and moving walks
² The VDI 4707 guideline published by the German Association of Engineers classifies elevators based on their energy consumption

<p>Schindler 1000 Our passenger elevator for low- to mid-rise residential buildings is simple to plan, fast to install, and economical to maintain</p> <p>A A</p>	<p>Schindler 3000 Our flexible solution that unifies form and function. An all-around passenger elevator applicable to various building types and use cases.</p> <p>A A</p>	<p>Schindler 3300 EU Pre-engineered passenger elevator for residential and up to mid-sized commercial buildings</p> <p>A A</p>	<p>Schindler 5000 This passenger elevator integrates the latest technologies to deliver faster handling times for higher passenger volumes with optimum ride quality</p> <p>A A</p> <p>ISO 25745¹ VDI 4707²</p>
<p>Schindler 5500 Modular passenger elevator for commercial and high-end residential buildings</p> <p>A A</p>	<p>Schindler 7000 commercial This elevator transports millions of people in the world’s tallest buildings</p> <p>A A</p>	<p>Schindler 7000 residential Passenger and goods transportation solutions for global high-rise and urban landmark buildings</p> <p>A A</p>	<p>Schindler 9300 escalators and 9500 moving walks Versatile escalators and moving walks</p> <p>A+++ n/a</p> <p>ISO 25745¹ VDI 4707²</p>

Environment

Promoting sustainable building design through technology

Our customers are looking for climate-neutral building infrastructure and modernizing solutions. With our range of digital services and energy-efficient equipment, we enable this transformation. Our smart urban mobility journey includes digital innovations that go from the product development phase (Digital Twin) to installation (Schindler R.I.S.E), and finally operations and maintenance (Schindler PORT and Schindler Ahead).



In 2021, we further expanded our digital solutions portfolio.

Schindler Ahead

Schindler increased the number of passengers using digitally connected elevators and escalators to 284 million per day, keeping Schindler on track with our 2022 target. With Schindler Ahead and our global network of Technical Operation Centers, we monitor the performance of elevators, giving customers complete transparency about all connected equipment in their portfolio.

→ See Schindler Group website

Schindler R.I.S.E

Schindler's Robotic Installation System for Elevators, Schindler R.I.S.E, has for the first time been deployed in customer projects in the Asia-Pacific region after having supported various high-level installations in Europe. It is the world's first self-climbing, autonomous robotic system to enable installation work to be conducted in an elevator shaft with enhanced accuracy and speed while improving the health and safety conditions for technicians. This innovation was shortlisted in the category Innovation Leaders of the Swiss Technology Award, the most important distinction for innovation and technology transfer in Switzerland.

→ See Schindler Group website

Schindler PORT 4D

We launched Schindler PORT 4D, the new version of our leading transit management solution. With Schindler Port 4D we make buildings even more appealing, eco-friendly and easy to access. It's the first holistic building traffic management system that enables seamless and secure transportation. And it can reduce the energy consumption of an elevator group by up to 40%.

→ See Schindler Group website

BuildingMinds

BuildingMinds has developed an integrated SaaS cloud platform for holistic real estate management. Its digital solutions currently focus on ESG management, offering automated sustainability reporting, carbon risk and retrofit scenario analysis. Thanks to a unique data management approach, BuildingMinds is able to realize multiple additional use cases, such as strategic location management, space optimization, and well-being management. BuildingMinds is a founding partner of IBPDI (International Building Performance & Data Initiative), which develops the Common Data Model for Real Estate, namely an industry data standard that takes data-driven real estate management to a whole new level.

→ See buildingminds.com

→ See page 21

For existing buildings, our modernization solutions can significantly improve the energy efficiency of the original elevator or escalator, lower operating costs, extend their longevity, and limit the need for total replacement.

Schindler's modernization solutions include regenerative drives, intelligent power management systems, the installation of LED lighting systems, and energy-efficient dispatch systems optimizing traffic flow, as well as ways to increase the capacity and reduce resource usage. Elevators and escalators offer a long-lasting solution with a life span of over 30 years.

284 M

number of passengers using Schindler's digitally connected elevators and escalators daily

Environment

BuildingMinds

Berlin-based start-up, BuildingMinds, is developing digital solutions to decarbonize the real estate sector.

The offices of the Berlin-based start-up command impressive views above the rooftops of the German capital. There, employees from 30 different nationalities are invested with a mission: to embed sustainability in the real estate sector. Schindler has been the sole investor in the company since it was founded in 2019.

Unlike any other real estate data platform, the BuildingMinds SaaS solution is designed to adapt to user needs, use cases and to the varying digital maturity levels of their customers. Able to connect to any software or system, the product-agnostic data platform securely stores all information in one single source of truth with a Digital Building Twin.



Together with leading partners in the industry and under the roof of the International Building Performance Data Initiative (IBPDI), BuildingMinds is hard at work developing the first global industry data standard, the Common Data Model for Real Estate.

In 2021, BuildingMinds became Premier and Data Partner of GRESB, one of the leading global ESG benchmarks providing ESG data to financial markets. The BuildingMinds platform enables automated data collection for efficient and reliable reporting according to GRESB and other reporting frameworks.

Buildings account for 40% of global greenhouse gas production. At the same time, they are the largest consumers of energy. This is where BuildingMinds wants to start because the leverage effect is immense. In fact, 80% of the buildings where people will live and work in 2050 have already been built.

Retrofit measures based on data-driven insights will enable harmful emissions to be cut significantly.

The real estate management platform created by BuildingMinds empowers owners and managers to:

- Profit from full data transparency. Any software system or application can be connected to the BuildingMinds platform – taking data management to a whole new level.
- Use data for more than just reporting – from advanced benchmarking to risk calculation and impact analysis
- Harness new insights to develop actionable roadmaps, from integrated building management all the way through to decarbonization

Zurich Insurance is a customer and partner that has already benefited from this offering. “Together with BuildingMinds, we are capturing the power of ESG data to actually lower emissions,” says Roger Baumann, COO and Head Product Development Global Real Estate at Zurich Insurance.

Sustainability and transformation lie at the heart of BuildingMinds’ business model. With its holistic, data-driven approach to the decarbonization of buildings, the real estate sector can help to create a greener future in a way that makes good economic sense.

“Together with BuildingMinds, we are capturing the power of ESG data to actually lower emissions.”

Roger Baumann
COO and Head Product Development Global Real Estate
at Zurich Insurance

Environment

Modernization matters

David Risch
Head Global Modernization Sales
Schindler Group

To what extent can modernization help our customers to achieve their sustainability goals?

It's difficult to give a blanket statement as every installation is different and there're lots of variables to take into consideration. What's for sure is that the modernization of escalators and elevators can lead to a drastic reduction in their energy consumption when in operation. But energy consumption is just one aspect of sustainability – we also need to look more broadly at carbon emissions. In that respect, upgrading to connected units – which can be monitored, maintained, and sometimes even fixed remotely – can also lead to a drastic reduction in the number of technician visits, which typically generate carbon emissions.

Could you give us a sense of the challenges and opportunities facing our modernization business?

It's estimated that up to 80% of the buildings that will exist in 2050 have already been built. That means the modernization of buildings will be key in reaching our collective net-zero targets. We're going to continue to support and guide our customers toward the most relevant and sustainable solution – but there's no one-size-fits-all silver bullet. Where in one building a complete replacement might be the appropriate solution, in the building next door, restoring or renewing the existing installation might make more sense. At all times, the projected gains in energy efficiency need to be balanced out with the carbon footprint of the modernization itself.



“It is estimated that up to 80% of the buildings that will exist in 2050 have already been built.”

We tend to focus on the energy efficiency aspect of modernization, but are there any other sustainability aspects that modernization can help advance?

We apply a full life cycle lens when considering whether to restore, renew, or replace each component in order to minimize waste, limit new material use, and reapply what is still valuable. This of course reduces the amount of energy used in providing and installing the equipment, but also contributes to the circular economy.

Upgrading to the latest traffic management, signalization, and lighting technologies can also go a long way in improving accessibility in a building. We can also increase the resilience of buildings in the face of pandemics with our suite of CleanMobility products. That's particularly important for public areas that need to be cleaned and sanitized quickly and easily.

Environment

Manufacturing and fulfillment

With eight production sites strategically located in Europe, the Americas, and Asia, Schindler focuses on regional production for local markets. By doing so, we reduce environmental impacts from shipping and transport around the world. Our modular packaging concept further reduces CO₂ emissions by decreasing the space needed per package and increasing the truck loading capacity.

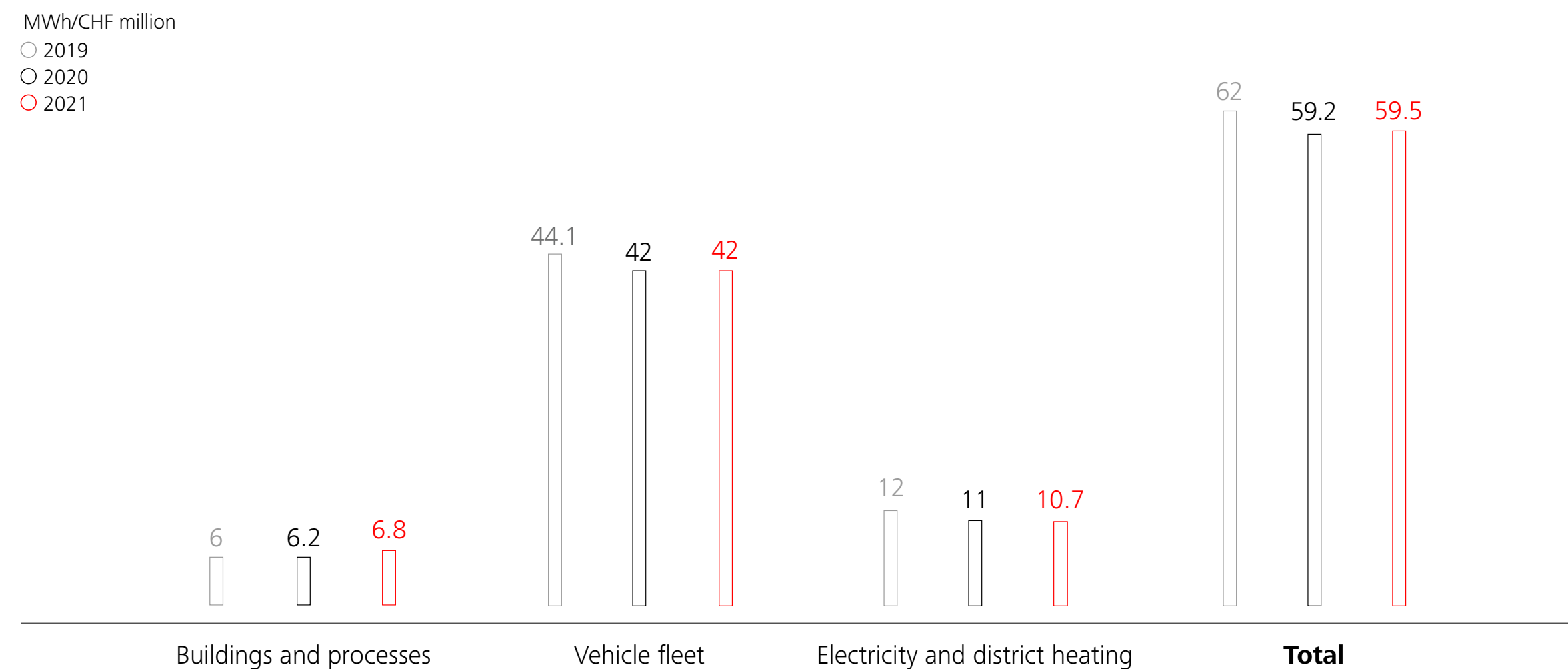
→ See page 26

In 2021, all our production sites' electricity was sourced from renewable energy.

Energy consumption

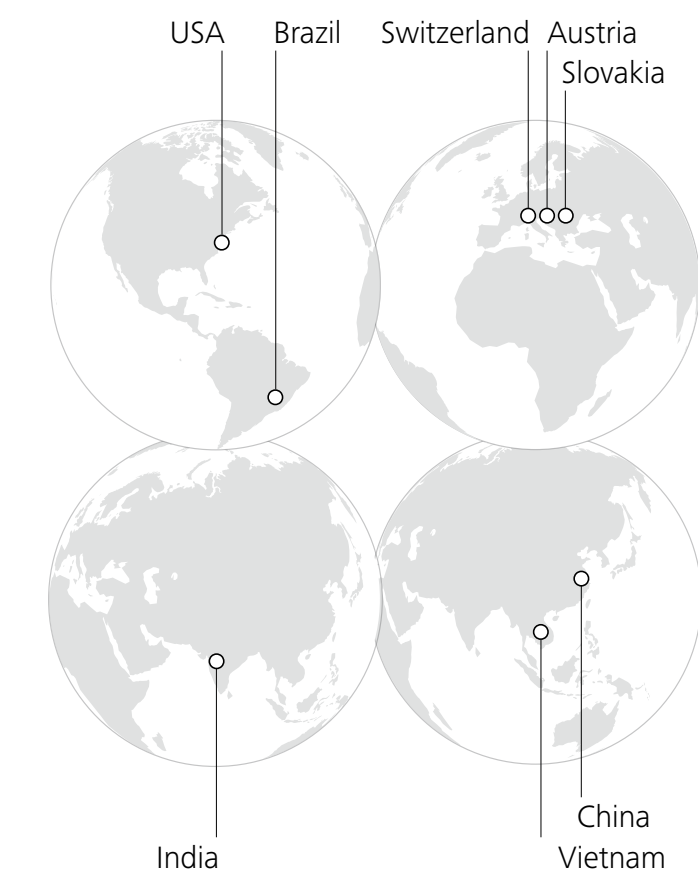
MWh	2021	2020	2019
Natural gas	71 480	62 008	63 073
Fuel oil	1 872	2 059	1 800
Other fuels	3 179	2 091	2 530
Subtotal buildings and processes	76 531	66 158	67 403
Petrol/gasoline	215 250	187 277	216 215
Diesel	238 832	245 956	265 406
Other fuels	17 095	13 643	15 055
Subtotal vehicle fleet	471 177	446 876	496 676
Total direct energy	547 708	513 034	564 079
Electricity purchased	100 292	98 791	116 958
District heating	12 164	12 091	14 027
On-site generated solar energy consumed	8 082	5 835	4 136
Electricity for electric vehicles	385	171	67
Total indirect energy	120 923	116 888	135 188
Total energy consumption	668 631	629 922	699 267

Energy consumption trends relative to revenue



Our manufacturing units consists of final part production and assembly with most components sourced from third-party suppliers. We measure the environmental footprint of our production facilities and monitor reductions in energy consumption and waste, while continuously improving quality. In 2021, more than 80% of our production sites were ISO 14001 certified, and more than 95% attained ISO 9001 certification for robust quality management systems. Our large factories in China are implementing energy management systems in accordance with the ISO 50001 standard.

We announced a full transition to renewable electricity by 2025, and joined RE100. In 2021, all our production sites' electricity use was sourced from renewable energy. We continued to expand our capacity to generate renewable energy with plants in Austria and Vietnam installing new solar panels on-site.



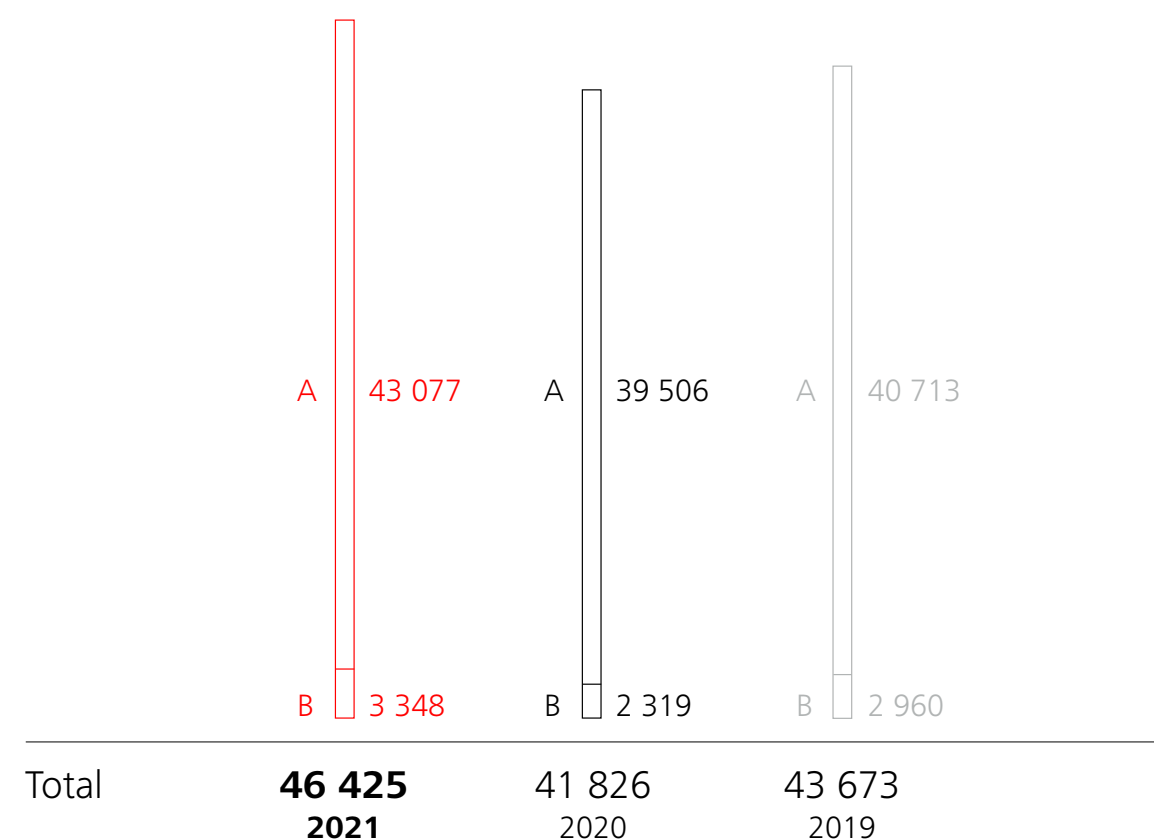
Environment

The waste we generate, such as cleaning agents and oils, is linked to our maintenance activities, and to the manufacturing and replacement of product components such as batteries and electrical and electronic equipment. It also includes office, packaging, and cafeteria waste. As a responsible company, we aim not only to avoid and reduce waste, but also to reuse and recycle as much as possible.

In 2021, more than 86% of the total volume of waste was recycled and 8.8% was incinerated. Hazardous waste represented around 7.2% of the total waste generated, of which 73% was recycled and 15% incinerated. Our target is to achieve zero industrial waste to landfill by 2023.

Hazardous/non-hazardous waste

A Total non-hazardous waste (tons)
B Total hazardous waste (tons)



Some of our factories in Switzerland, Austria, India, and China already achieved the target in 2021. Across the entire organization, industrial waste is being diverted over the years from landfill to recycling and incineration, with a reduction of 43% of industrial waste sent to landfill since 2019.

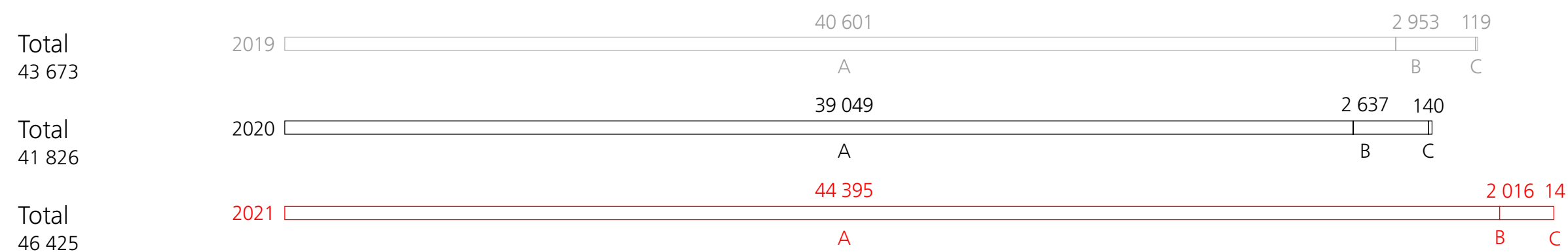
To support our effort to reach zero waste to landfill, we are also looking at further optimizing our packaging to reduce waste. Almost all the materials, e.g., wood and cardboard, are suitable for recycling. We are also reducing impacts from installation with the deployment of INEX, our standardized process for installing products without scaffolding, which is often made from wood, bamboo, or steel.

We expect our modular approach to system development to contribute to better sourcing management with our suppliers and result in enhanced resource efficiency by enabling us to use the same components across our product range. It will also allow us to create innovative solutions and cradle-to-cradle concepts contributing to a circular economy in the future, including the re-use of spare parts.

→ See page 26

Waste disposal

t
A Recycling and incineration
B Landfill: non-hazardous waste
C Landfill: hazardous waste



-90%

Hazardous waste to landfill (compared to 2020)

Air emissions

Air emissions mainly result from the use of paint and solvents in our production and maintenance activities, and from refrigerant losses in our air-conditioning systems. We are focusing on reducing the use of volatile organic compounds (VOCs) through the transition from solvent to water-based paints. Once installed, elevators emit no VOCs or other harmful substances. Elevators can optionally be ordered halogen-free – which includes the cabling and wiring. Hazardous substances are avoided as much as possible, in accordance with the Regulation for Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), its candidate list and other regulations.

Refrigerants

	2021	2020	2019
Refrigerants loss refilled (t)	1.8	1.2	2.1
ODP* of refrigerants (kg R-11 equivalents)	0.0	0.0	0.8
GHG emissions from refrigerants (kt CO ₂ e)	2.5	1.0	2.5

* Ozone Depletion Potential

Volatile organic compounds (VOCs)

t	2021	2020	2019
Non-chlorinated	195	224	125
Chlorinated	0	0	0

Environment

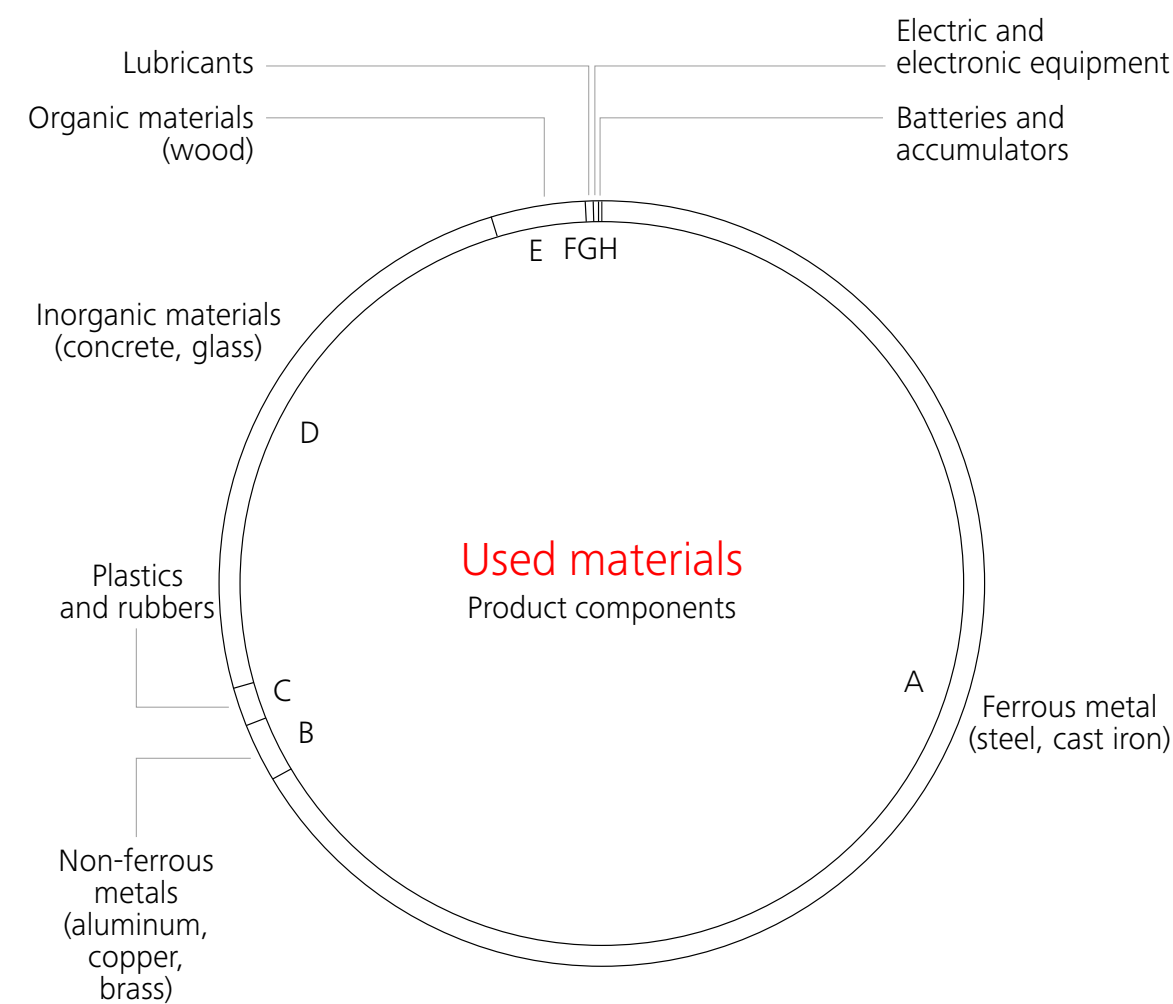
Used materials – an overview*

With a life span of over 30 years, our products are made of highly durable materials. At the end of an escalator’s life, over 90% of the materials are suitable for recycling. Similarly, up to 80% of materials used in our elevators can be recycled.

Product components	
A	Ferrous metal (steel, cast iron)
B	Non-ferrous metals (aluminum, copper, brass)
C	Plastics and rubbers
D	Inorganic materials (concrete, glass)
E	Organic materials (wood)
F	Lubricants
G	Electric and electronic equipment
H	Batteries and accumulators
Total	

* The figures given are based on a Schindler 3000 elevator

→ Source: EPD



Schindler and timber

Timber is increasingly popular as a building material. In 2021, Schindler equipped several of these wooden buildings by adapting its solutions to fit their specificities. In Switzerland, we were proud to team up with timber construction manufacturer Renggli AG on a timber building construction project in St. Gallen. The project, a first in Switzerland, saw us develop prefabricated elevator hoistway modules outfitted with pre-installed elevator components. The elevator modules, made of timber, were assembled in the factory before being transported to the construction site for assembly. This method results in quicker installation time on-site while advancing safety: our workers assemble the different elevator modules in the controlled environment of the factory.

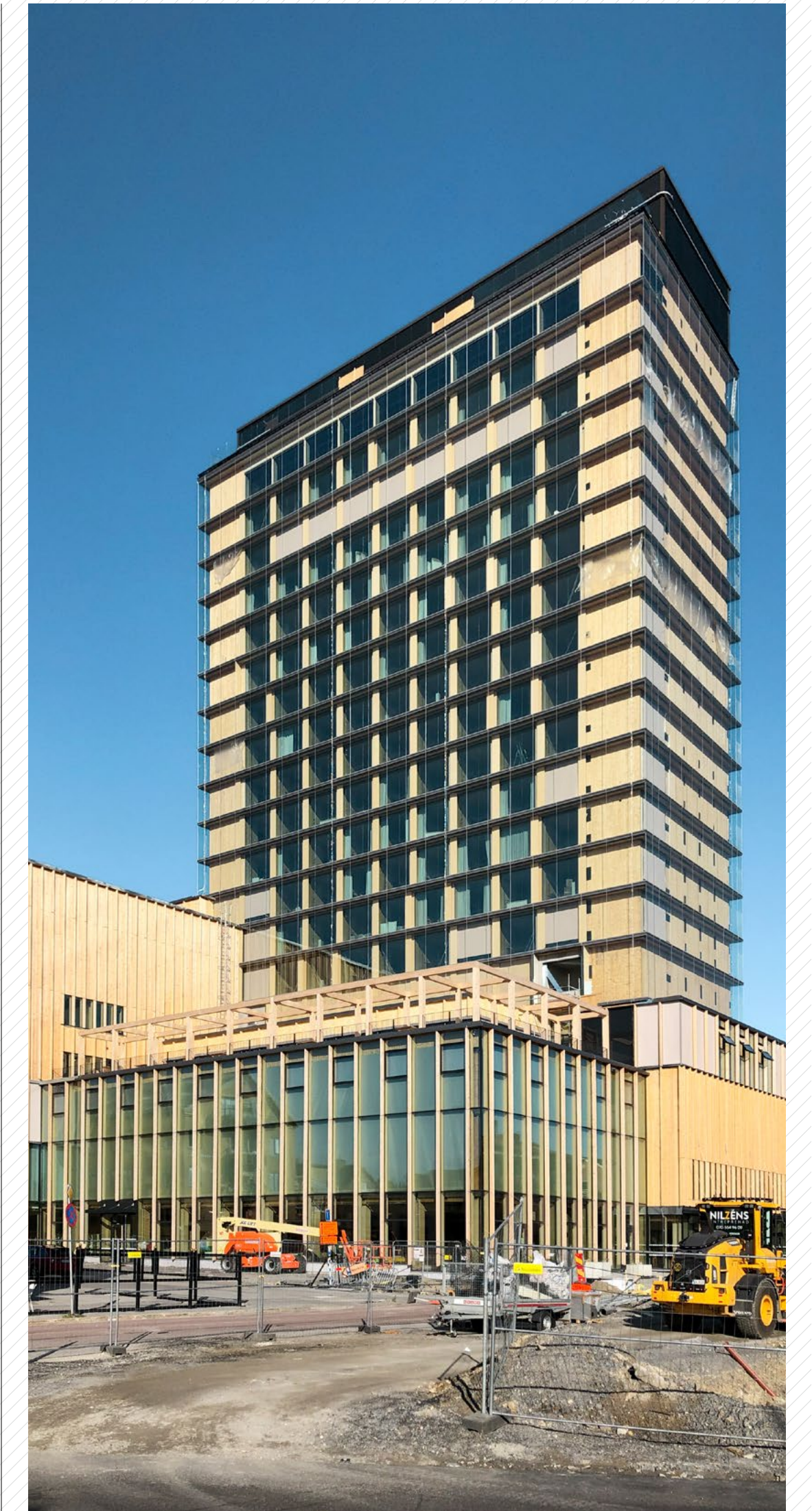
In Germany, we were approached last year by construction company Kaufmann Bausysteme to install an elevator for a three-story school annex built entirely out of timber. We developed a fixing solution in 14 weeks, becoming in the process the first elevator company to develop a standard fixing solution for buildings with timber hoistways in Germany. Following the success of the project, we were mandated by Kaufmann Bausysteme for the installation of elevators in 24 all wooden three-story school extensions planned in the greater Berlin area.

In Sweden, our teams installed eight elevators in a cultural center made exclusively out of local timber in Skelleftea. The multi-purpose complex houses art galleries, a conference center, and a 20-story boutique hotel wrapped in a glass façade.

→ See Schindler Group website



In Sweden, our teams installed eight elevators in a cultural center made exclusively out of local timber in Skelleftea



Environment

Reducing our environmental footprint – zoom in on our supply chain in Europe

Improving our manufacturing processes is essential to tackle climate change. In 2021, we made great strides in embedding sustainability in our European supply chain business, as the Group gradually pivots to next-generation manufacturing models.

In Europe, we manufacture our products in three factories located in Slovakia and Switzerland, while working with thousands of upstream suppliers to source raw materials, components, and parts. Reducing our carbon footprint therefore required us to take a multi-prong, holistic approach.

As a first step, Schindler focused on suppliers' deliveries. We first set limitations on air freight to further reduce the environmental impact of inbound logistics activities. We also reviewed R&D and supply chain order forms with a view to streamlining, wherever possible, plastic and cardboard use in packaging and limiting waste generation in manufacturing and installation processes.

By reducing the use of materials, we achieved a six-ton plastic reduction compared to last year. The use of less voluminous packaging resulted in improved truck loading ratios and greater cost efficiency. In addition, we digitalized installation handbooks for elevators, thereby saving over 30 million A3-size pages yearly.

We also looked at ways to bring greater efficiency into outbound deliveries. Our efforts focused on packaging, approaching the issue from two angles: how to reduce waste generated in the manufacturing process, and how to optimize transportation.

Packaging remains an indispensable part of our business – we need it to transport our products safely to destination. But elevator parts are bulky items, making it essential to optimize transportation to reduce our carbon emissions. Here again, we approached the issue from two different sides: packaging design, and materials used in our packaging.

We set out to design a unique model of packaging using a set of predefined dimensions to optimize the loading rate

of trucks. We also transitioned to recyclable packaging. With a few exceptions, most of the packaging we use now is recyclable. The wooden frame serves as a shell, and the cardboard walls seal the envelope. The cardboard is suitable for sea freight, allowing for a single packaging model to be used across all transport means in Europe.

The elimination of surplus materials combined with the new modular packaging approach led to tangible improvements. In 2021, our trucks could transport 30% more orders. Our aim is now to optimize truck loading capacity by an extra 10% in 2022, with further improvements expected in the coming years. Truck loading ratios are also now monitored across our global operations. The approach we have taken across our European supply chain operations will serve as a template for our other operations worldwide.

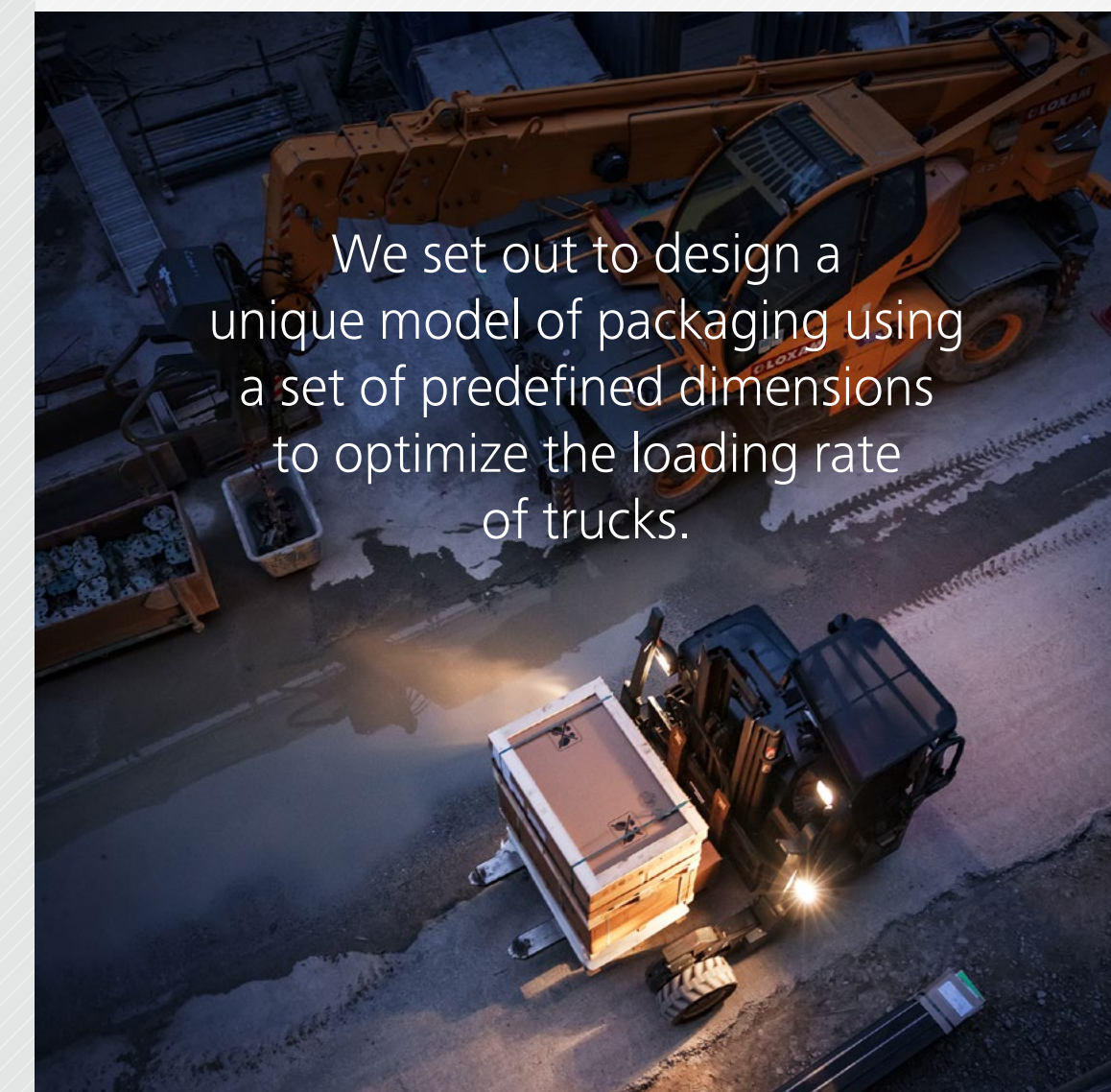
To track and optimize the impact of all the measures implemented, we developed in 2021 a tool to measure the carbon footprint generated by the transport from our factories and tier 1 suppliers to our end customers. In 2020, our transport emissions were reduced by 5.8%* compared to the previous year. In 2021, global supply chain disruptions, coupled with the relocation of a part of our supply chain, as well as changes in suppliers designed to get components closer to our factories, resulted in a 2.1% increase.

For now, the calculation only includes transport by truck from factories to final customers. The second project phase – currently under development – aims to include all forms of transport: rail between factories, air transport, and sea freight.

* In TTW/km. The term Tank-to-Wheel (TTW) refers to a sub-range in the energy chain of a vehicle that extends from the point at which energy is absorbed to discharge. TTW thus describes the use of fuel in the vehicle and emissions during driving.

Decarbonizing the manufacturing processes

Our European supply chain business took a first step toward decarbonizing its manufacturing processes. Materials and upstream/downstream transport were streamlined, resulting in cost efficiencies and greater safety on construction sites – proving yet again that sustainability can drive value creation.



Environment

Supply chain management and procurement

Schindler relies on a global network of suppliers for production materials and services including a global logistics network. In every market we operate at a regional level, helping us source as locally as possible. The final assembly of our elevators and escalators takes place during installation at the construction site.

We are committed to increase sustainability and environmental awareness in our supply chain while maintaining high standards of safety and quality. We expect our external suppliers to maintain the highest standards of professional conduct and integrity, in alignment with our values and policies. Our supplier requirements are embedded in our vendor policy. By the end of 2021, all our global key suppliers had signed the vendor policy. Looking at our total spend for production materials globally, 100% was governed by a signed vendor policy. In addition, we integrated social, environmental, and ethical business practice conditions into our contracts with suppliers and partners.

We request declarations of hazardous substances for every new or redesigned product in line with the EU REACH and Restriction of Hazardous Substances (RoHS) directives. Compliance risks are addressed during the selection process as part of our supplier qualification audits, while compliance evaluation is part of our supplier consistency audits. Schindler values suppliers with certified management systems such as ISO 45001, ISO 9001, and ISO 14001.

As sustainability considerations are central to building efficient and resilient supply chains, we are working to further embed sustainability directly into our activities and processes. To support our procurement decisions, we aim to integrate purchasing, quality, and sustainability data into one platform, while also enhancing information sharing and fostering a culture of open communication and collaboration with suppliers through our global supplier relationship management and information portal.

What we do

- ✓ Set clear requirements for suppliers through policies including our Vendor Policy, and request declarations of hazardous substances for every new or redesigned product in line with the EU REACH and RoHS Directives.
- ✓ Request suppliers to inform Schindler if they become aware of any potential violation to the Vendor Policy.
- ✓ Use the EcoVadis platform to assess a selection of suppliers in line with our Roadmap 2022 targets. These represent our most important production material suppliers from around the world.
- ✓ Assess the improvement of a supplier's sustainability performance through supplier scorecards, which also provide suppliers with an overview of strengths and areas for improvement.
- ✓ Make the information available during risk assessment and purchasing decisions, building a knowledge base that can be integrated into our risk assessment tools.
- ✓ Provide training and engagement to support suppliers on how to use EcoVadis and improve score.
- ✓ Foster internal alignment by training global and local procurement managers across all markets.
- ✓ Engage externally with peers through our membership in the Responsible Sourcing Council and Railsponsible, platforms to share best practice on supply chain ESG risk management.

Our goal is to perform independent sustainability assessments for 75% of our manufacturing purchases by 2022. At the end of 2021, suppliers representing 49% of our manufacturing purchases were assessed using EcoVadis. Production materials include car system, door system, machines, mechanics, and electromechanical components.

We are also dedicated to adopting a more strategic approach to manage human rights-related issues along the entire value chain to ensure a systematic human rights due diligence according to international standards.

→ See page 41

100% of our total production materials spend is governed by a signed vendor policy.

People

We aim to improve urban mobility for more than 1.5 billion people who rely on our products every day.

We strive to reflect the diversity of our markets and are committed to respect the human rights of the people we work with and the communities in which we operate. Keeping our passengers, customers, and employees safe is one of our core values.

In 2021, our employees continued to keep cities moving in yet again challenging circumstances. We made sure that health and safety remained our number one priority throughout. Our business resilience teams kept our work environments safe and supported employees with initiatives including vaccination programs, remote work plans, and mental health assistance.

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4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

People

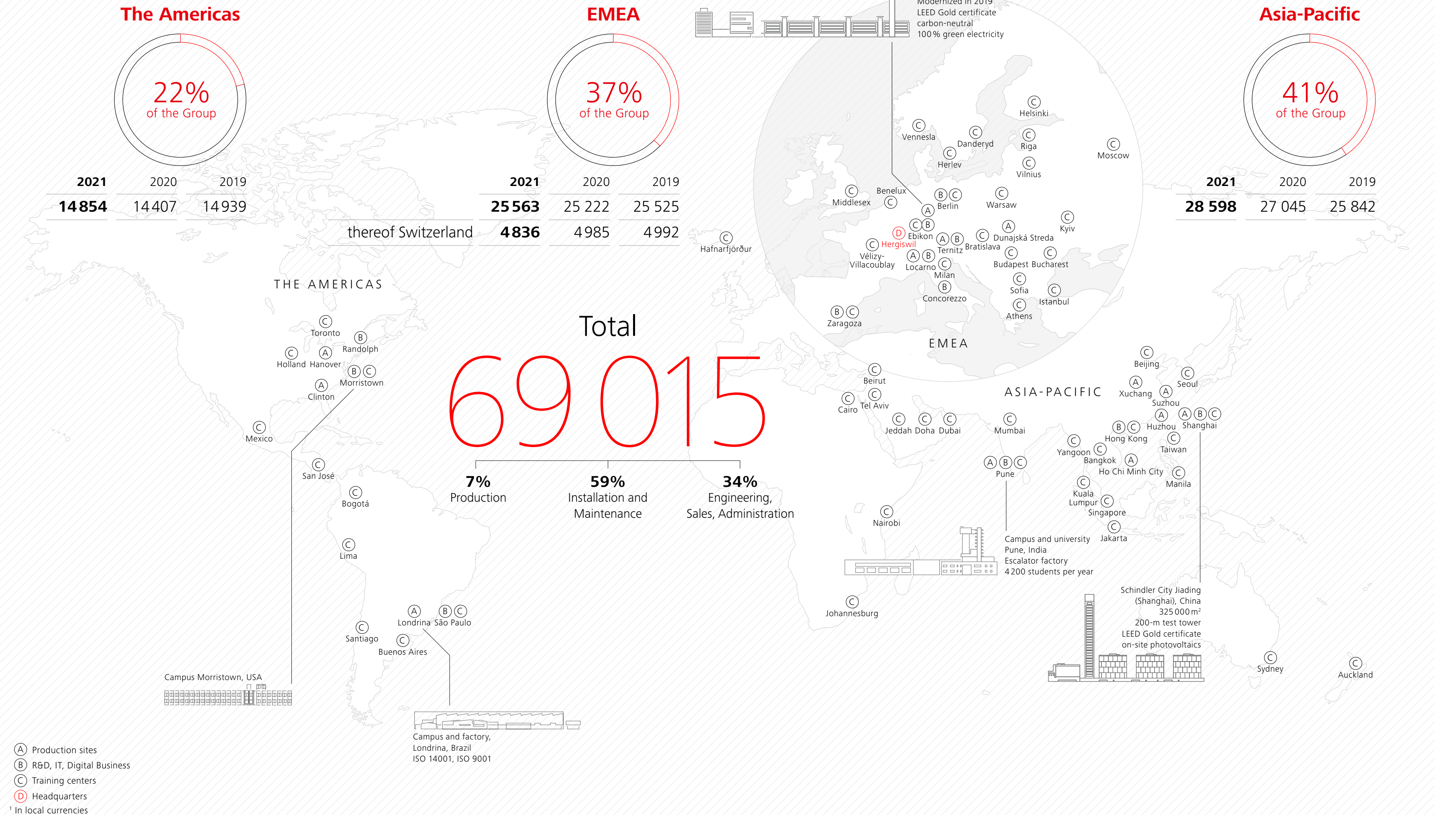
People development

At year-end 2021, we employed more than 69 000 people: from service technicians and fitters to specialist engineers and experts from complementary disciplines.

Our employees are located in over 100 countries, serve our customers from more than 1 000 branch offices worldwide, run production sites in eight countries, and operate six R&D facilities around the world.

Number of employees by region

As per December 31



People

Number of employees by business area	2021	2020	2019
Production	4 165	4 453	4 702
Installation and Maintenance	41 041	39 228	38 903
Engineering, Sales, Administration	23 809	22 993	22 701
Total	69 015	66 674	66 306

The dedication of our employees – to quality, our customers, and the development of our expert products – is one of Schindler’s greatest assets. Investing in our people’s development and careers with Schindler matters to our future success. This is why we offer full support to our colleagues in achieving their career aspirations by offering annual development reviews.

Development reviews support employees in driving their own career development but also line managers in understanding their employees’ career aspirations. They also provide an opportunity for the line manager and employee to give each other feedback and document development actions in each employee’s Individual Development Plan. By raising the awareness of the importance of employees’ Individual Development Plans, in 2021, we almost tripled the completion rate of such plans from 38% in 2020 to 94% in 2021.

We do our best to help our employees strike the right balance between work and home. We consider flexible working options wherever possible, as reflected in our global remote working policy.

Learning & development

Employees have access to tools and resources on our career center, an online platform dedicated to growth and development in Schindler. Digital learning, cross-functional mentoring programs, job rotations, international mobility and on-the-job assignments are on offer. Schindler encourages employees to plan 30 minutes a week for professional learning. Through our online learning library, employees can explore hundreds of courses in different learning formats from videos to courses and audiobooks.

Performance reviews

% completion rate	2021	2020	2019
Employees receiving performance reviews at least once per year	93	79	73

Leadership development

Leadership development is a key priority. Our leadership training programs offer a virtual and blended learning experience developed in collaboration with countries and functions to combine local expertise with market and customer intelligence. Our holistic learning approach offers courses throughout the year, such as live webinars, eLearning modules, videos, and opportunities to interact and learn from peers and trainers. All our management positions continued to receive an annual leadership development review in 2021.

Diversity in Leadership

Our Diversity in Leadership program has welcomed 180 women from Europe and the Americas since its creation in 2017. This intensive 10-month coaching-based program also involves the participants’ line managers, who learn themselves how to foster a gender-balanced culture in Schindler.

Diversity in Leadership program 2021 welcomed

180

women from Europe and the Americas

Global talent development

The Schindler Career Development Program is designed to develop global talents who aspire to take on senior leadership positions. There are a total of around 350 global talents and alumni. The program, which runs from two to four years depending on which stage you enter, provides field operational, cross-functional, and leadership job opportunities as well as learning and development interventions. In the Strategic Team Challenge, 12 talents from around the world come together to work on a strategic and cross-functional project for a six-month period assigned from and presented to the Group Executive Committee.

We almost tripled the number of global talents in senior leadership positions in the last four years from a total of 23 in 2017 to 62 in 2021. This success mainly derived from the support of the Group Executive Committee, which provided job opportunities and learning interventions, and the establishment of assessment centers since 2017 that ensure a fair, objective, and sustainable selection process.

In 2021, we also started to launch Global Functions Talent programs that offer support to global talents who aspire to have a more functional career, for example in the area of Finance, Human Resources, Quality, IT, and Research & Development.

People

Local talent development programs

In Switzerland, Schindler continued investing in apprenticeship programs to help future generations of technicians enter the field. A total of 300 apprentices and 100 interns and working students are currently training as the next generation in the industry. In addition, Schindler trains 250 fitters and service technicians in its own “Liftcamp” every year.

In 2009, we established the Field Engineering Development Program (FEDP) at Jardine Schindler, which comprises 12 country organizations and is headquartered in Hong Kong. The purpose of the program is to bring in fresh graduate engineers to build the local organization’s pool of technical talent.

In China, we established the Schindler Pioneering Program in 2017 with the aim of promoting local talents to frontline supervisors within one and a half years. As of 2021, there were 19 talents and 33 alumni. We also set up the Schindler Technical Trainee Program in 2020 with the purpose of creating a pool of quality engineers within a three-year time frame.

Technical training

Our technical training uses acknowledged, certified expert teachers. Schindler’s Group-wide certification programs ensure our fitters and service technicians, including subcontractors, receive regular trainings on the latest skills required to install and maintain our products safely. This includes theory and hands-on practical training in 230 elevator shafts and escalators specially set up for teaching. Coordinated by training centers around the world, the programs are supervised by the Head of Field Quality and Excellence at Group and country level. Employees increase their level of certification continuously, and we provide additional, targeted training to meet specific needs around the world.

Our people ambitions

-  **Attract and retain the best people**
-  **Develop future leaders and functional expertise**
-  **Foster a high-performance culture**
-  **Ensure excellent leadership behavior**
-  **Create and sustain high employee engagement**
-  **Promote open dialogue and communication**
-  **Operate a safe, diverse, and sustainable work environment**

Attrition rate

(internal employees, excl. temporary employees, subcontractors, trainees, and apprentices)

Gender	% of headcount 2021	% of headcount 2020
Female	13.68 %	12.56 % ¹
Male	11.09 %	10.76 % ²
Total	11.41 %	10.97 %

¹ Female attrition rate as a percentage of female employees as of January 1st of the year

² Male attrition rate as a percentage of male employees as of January 1st of the year

Compared to January 1, the rate of new hires at year-end was up 14%. Of these new hires, 46% are under 30 years old. 35% are in Asia, 30% in Europe, and 25% in America.

People

People safety

Safety is a core value at Schindler and our aspiration is zero incidents. We have a responsibility to our more than 69 000 employees and to more than 1.5 billion passengers who trust our products to be safe and reliable every day.

Our strong safety culture is based on 148 years of experience in vertical mobility, underpinned by regular science-based behavioral trainings and strict guidelines and policies.

Our colleagues

All Group companies and subcontractors follow our Employee Safety and Health Policy. It focuses on four areas constituting the foundation of our occupational health and safety management system and programs: product improvement, methods and tools, mindset and behavior, and risk and incident management.

→ See Schindler Group website

Regional safety councils provide strong feedback mechanisms by monitoring any incidents and reporting quarterly to our Group Executive Committee-level Safety Committee, chaired by our CEO. At site level, these committees conduct regular risk analyses and increase their frequency if changes are made to procedures. Service technicians and fitters are encouraged to voice concerns and suggest improvements through specific dedicated channels. Employees report any on-site concerns through mobile and offline apps and can share ideas on incident prevention by addressing these to a dedicated email contact address.

We do not tolerate any breaches to safety rules. Compliance with procedures is mandatory and monitored through systematic field evaluations reported to the Group. Technical compliance and safety audits are integrated in the Group audits with a defined calendar every year.

For subcontractors, clear expectations and responsibilities are defined, communicated, and monitored through safety performance standards following a robust qualification process. All Schindler subcontractors are reassessed every year. All subcontractor employees are trained and certified in safety regardless of their function on a Schindler site. Safety inspections are carried out to check compliance with the standards. Violations are documented, communicated, and used in annual evaluations, and can lead to termination of the contract.

Schindler ensures that all technicians, fitters, and subcontractors possess the essential tools to perform at high levels through a comprehensive training program including certifications. In 2021, field employees received an average of 4.2 days of technical training (2020: 5.4). To address the ongoing challenge of limited in-presence sessions, we further developed and deployed digital training and microlearning opportunities in 2021 to effectively reach employees in the field. In 2021, we totaled 1 637 616 hours of safety & technical training. We also launched the Safety Impact Package this year as a special pilot program to be fully deployed in 2022. Specifically targeting front-line workers, this two-hour session uses audio-visual material, interactive games, conversational and educational means in a theatre setting to provide impact and awareness on occupational safety topics.

Launched in 2020, our Behavior LAB is now fully operational and implemented across our sites. Interventions – or nudges – have been prepared, tested, and disseminated to tackle the most frequent hazards and risks, such as working at height, children using escalators, fatigue, and the dangers of rushing.

Encouraging the development of habits that promote safety in a culturally appropriate way is an essential complement to our focus on rules enforcement to drive our zero-incident culture. Catching incidents before they unfold is our key to keeping our workers and passengers safe.

People



By 2023, all our production sites will be certified with the ISO 45001 standard.



We measure our progress by tracking our Total Case Rate (TCR). This widely accepted indicator measures the number of all work-related injuries per million working hours. Around the world, our sites continued to convert their safety management systems from OHSAS 18001 to the new, more rigorous ISO 45001 standard. Our target is to have 100% of all production sites certified by 2023. At the end of 2021, all factories across Europe and China were certified.

In 2021, our TCR was 3.2 – a 36% improvement from our 2017 baseline. Our Lost Time Incident Rate continued to improve from our baseline year with 1.3 this year compared to 2.2 in 2017. This result was overshadowed by the loss of four Schindler employees and six subcontracted workers. The ten workplace fatalities recorded in 2021 have led us to strengthen further our approach to employee safety. We have reviewed each of these incidents to create learnings. These have been used to drive more intense programs with a focus on influencing employee behaviors, driving even greater process discipline, and engineering out risk in our products and processes wherever possible.

36%

improvement of our Total Case Rate (TCR) from our 2017 baseline

Our products and passengers

Schindler products are engineered, manufactured, installed, and maintained to the highest safety standards. Our approach to keeping everyone safe focuses on building safety into the design of our products, strict compliance with relevant codes and regulations, and clear guidance for those installing and maintaining our products.

We follow rigorous safety and quality protocols that apply to the product's entire life cycle. These include stringent requirements from development, design, and installation to maintenance, modernization, and dismantling. We ensure that insights and expertise from our fitters and service technicians are shared globally with others performing these roles and with product developers.

All our equipment is checked and tested for safety after installation has been accomplished and before the final handover to the customer according to the rules of our Schindler Acceptance Inspection Standard (SAIS). Our SAIS inspection confirms the compliance not only with legal safety requirements (e.g., The European Standard EN81-20), but also with our own more stringent Schindler safety requirements, which together ensure the highest safety for our customers worldwide.

People

We conduct a yearly Confirmation of Periodic Safety Inspection (CPSI), an industry-leading global safety standard for elevators.

We conduct a yearly Confirmation of Periodic Safety Inspection (CPSI), an industry-leading global safety standard for elevators, introduced by Schindler for periodic inspections of critical safety parts of all units under maintenance. These inspections are made up of over 70 individual tests and checks on components. Every five years, additional safety tests and checks are conducted by independent certified inspectors.

→ See Schindler Group website

Wherever possible, Schindler runs preventative and proactive maintenance programs using its own specially developed Qualison testing technology. Moreover, Schindler offers clients a range of comprehensive safety options, including the proactive upgrading of existing elevator or escalator models using the latest technology.

We ensure that all of our products and services worldwide conform to requirements, country-specific laws, regulations, and norms. Schindler actively proposes appropriate modernization solutions to the owners of the equipment to ensure newest safety regulations are met.

Our safety promise does not stop with Schindler products. Our multi-brand competence centers and international network of experts ensure that all equipment can benefit from the same professional Schindler service and be maintained to the same quality and safety standards, whatever the brand.

Schindler products are increasingly able to exchange data thanks to embedded connectivity software, sensors, and electronics. We ensure cybersecurity by integrating security principles in our product design and development, with vulnerability assessments performed across the entire product life cycle. Engineers constantly monitor our products to maintain the highest level of security and comply with applicable sector regulations.



People

An inclusive and diverse workplace

We believe that where we work must be inclusive in all aspects. It must be a place where we welcome people of all backgrounds and empower them to achieve great things – a place where we practice equity.

Schindler is committed to ensuring equal opportunities and to providing a safe and respectful work and business environment that is free of discrimination and harassment (D&H).

Our Group-level Inclusion and Diversity (I&D) committee, which includes several members of the Group Executive Committee, gives a top-level focus to the topic, and works to orient and prioritize our efforts globally.

Our Global I&D leads network is the operational arm which works to implement the six-pronged I&D strategy approved by Schindler’s Supervisory and Strategy Board-level Committee.

Each quarter, our progress on increasing the number of women in our succession planning for leadership roles is reviewed and discussed with our CEO and Head of Global HR. In 2021, we reached our goal of 25% a year ahead of our self-imposed deadline.

→ See Schindler Group website

25%

share of women in the succession planning for leadership roles

The principle of equal pay for equal work is embedded in our Global Compensation Policy. In 2021, we continued the roll out of our Global Equal Pay analysis. Our detailed country analysis results in action plans to address potential equal pay gaps.

The progress for our top 10 countries and global functions is tracked each year on four elements of diversity using our internal I&D scorecard. It includes gender, nationality, age, and experience and helps us evaluate priorities for improvement actions and identify best practices.

To ensure all understand the expectations set out in our global anti-D&H policy, a gamified e-learning module was assigned to all employees. In addition, we integrated inclusive leadership modules into our current leadership development programs and launched a specific inclusive leadership program called “The Power of Inclusion.” We continued the expansion of Schindler’s employee inclusion networks going beyond gender diversity.

Our US division has piloted Schindler I&D listening labs that allow leaders to practice deep listening to build empathy and better understand the specific challenges faced by our diverse workforce.

In line with our Valuable 500 Commitment, our Valuable 500 Task Force, including two members of the Group Executive Committee, reviewed internal and external best practices for attracting, hiring, and including people with disabilities. Recommendations were gathered and shared across the Group to support measures aimed at increasing the representation of people with disabilities in the company.

Our employee inclusion networks continue to expand covering priority topics such as: gender, LGBTQIA+, multicultural ethnicity, generational differences, disability inclusion, and US veterans.

Our commitment to the UN Standards of Conduct for Business Tackling Discrimination Against LGBTI People was made public in 2021 and signed by our CEO.

People

Nearly 600 women in Schindler have been able to participate in our monthly Elevate Talent leadership development seminars since the launch of the program in 2020.

In 2021, Schindler endorsed the UN Women’s Empowerment Principles and committed to upholding the Standards of Conduct for Global LGBTI Equality. These mark important steps taken to advance our company goal to be an equal opportunity employer and provide a work environment free from discrimination.

Our commitment produces action and results. By the end of 2021, nearly 600 women in Schindler had participated in our monthly Elevate Talent leadership development seminars, which were launched in 2020. And in 2021, 40 women and their managers participated in our nomination-based Diversity in Leadership program for female leaders. Not only does the program ensure an equitable approach to leadership development, it also helps strengthen sponsorship from managers. In addition, we initiated a global network for female branch managers.

Gender diversity overview*

	2021	2020	2019
Women on the Board of Directors	3	3	2
Women on the Group Executive Committee	1	1	0
Women in Group Management	80	73	56
Women in leadership pool (%)	25	23	21

* Schindler recognizes that gender is not a binary concept. At present, we are only able to present binary statistics on gender globally due to data constraints in some countries.

Pursuing our work on human rights

As a company operating globally and with highly complex value chains, Schindler is exposed to increased risks of being linked with human rights-related impacts. We are therefore striving to ensure we do our business responsibly and with respect to the people affected by our operations or through our activities in the value chains.

Human rights are rights inherent to all human beings, irrespective of nationality, place of residence, gender, ethnic background, race, religion, sexual orientation, or any other status.

Dedicated to adopting a more strategic approach to the “S” of ESG and proactively assessing, identifying, preventing, and mitigating actual and potential adverse human rights impacts on potentially affected rights-holders across our value chain, we embarked on a process following the United Nations Guiding Principles on Business and Human rights (UNGPs) as well as the OECD Guidelines for Multinational Enterprises. Based on consultations with over 30 key stakeholders including external human rights experts, document reviews as well as a series of workshops as part of the gap analysis, we analyzed to which extent our current policies, processes, and practices meet the requirements on human rights due diligence (HRDD) and responsible business conduct (RBC). In parallel, we conducted a human rights risk assessment (HRRRA) to identify our salient human rights issues along the value chain. Based on this analysis, we will develop a robust HRDD/RBC management system for Schindler.

By the end of 2022, Schindler will establish a more detailed implementation plan with clear responsibilities, KPIs, and targets. The plan will outline the practical application, embedding, and monitoring of HRDD/RBC within our business. This initiative is being led by a cross-functional internal human rights working group.

Governance

Our values describe how Schindler, as a company, and our employees behave. They are the principles upon which we base our business relationships.

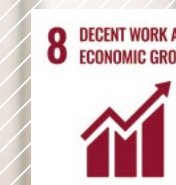
Dedicated to safety and quality, creating value for the customer, with integrity and trust, committed to our people. Building on foundations laid over five generations, these values are at the core of our organization, now and in the future.

Our mission is to create long-term value. Our Sustainability Roadmap is driven by Schindler's Board of Directors, while its implementation is led by our Group Executive Committee. Our Code of Conduct clearly defines the ethical standards we require from our employees and business partners.



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Governance

Structure and roles

Sustainability is a Board of Directors matter as per our Organizational Regulations. Executive remuneration is linked to progress on key sustainability performance indicators.

In 2021, the Global Sustainability Committee, chaired by our CEO, led and controlled progress on our Sustainability Roadmap. It defined operational targets, drove implementation, and ensured integration across the business. The committee met quarterly and reported to the Group Executive Committee, whose role is to implement the strategy and sanction changes needed to ensure we conduct our business sustainably.

The Corporate Sustainability Office advises, recommends, and proposes how to integrate sustainability into the business, including external commitments and target-setting. It leads the annual reporting on corporate sustainability performance. The Chairman of the Board of Directors receives quarterly updates on progress from the CSO.

As of 2022, ESG topics will be addressed at Group Executive Committee meetings, which are held regularly under the leadership of Schindler’s Chairman & CEO. This development is in line with broader changes to our overall governance and organization.

Additional corporate governance issues are reported in the Annual Report.

→ See Annual Report 2021

Corporate governance structure (as of December 31, 2021)

Board of Directors

- Silvio Napoli ◻
Chairman
- Alfred N. Schindler ◻
Chairman emeritus
- Prof. Dr. Pius Baschera ◻
Vice Chairman
- Erich Ammann ◻ ◻ ◻
Member
- Luc Bonnard ◻
Member
- Patrice Bula ◻
Member
- Prof. Dr. Monika Büttler ◻
Member
- Orit Gadiesh ◻
Member
- Adam Keswick ◻
Member
- Günter Schäuble
Member
- Tobias B. Staehelin
Member
- Carole Vischer ◻
Member

◻ Supervisory and Strategy Committee

Silvio Napoli
Chairman

◻ Nomination Committee

Silvio Napoli
Chairman

◻ Compensation Committee

Prof. Dr. Pius Baschera
Chairman

◻ Audit Committee

Erich Ammann
Chairman

Group Executive Committee

- Thomas Oetterli ◻
CEO
- Paolo Compagna
Europe North, Deputy CEO
- Urs Scheidegger ◻
CFO
- Julio Arce
Europe South
- Matteo Attrovio
Chief Information Officer
- Karl-Heinz Bauer ◻
Chief Technology Officer
- Andre Inserra
Americas
- Jujudhan Jena
Asia-Pacific
- Christian Schulz ◻
Operations
- Robert Seakins ◻
Field Quality & Excellence
- Sabine Siméon-Aissaoui ◻
Escalators and Supply Chain
- Tobias B. Staehelin ◻
Corporate Human Resources
- Daryoush Ziai
China

◻ Global Sustainability Committee

Thomas Oetterli
Chairman

Chaired by the CEO, this committee is in charge of leading and controlling progress on sustainability. It defines operational targets, drives implementation and actions, and ensures integration across the business. It includes leaders of all major corporate functions.

Governance

Materiality and risk management

Conducting our materiality assessment allows us to base our sustainability efforts on topics that are material for Schindler’s core business and at the same time for all our stakeholders. Meanwhile, it strengthens our risk management, allows opportunities to be identified, and provides a basis for engagement with our stakeholders.

Materiality assessment procedure

Identification

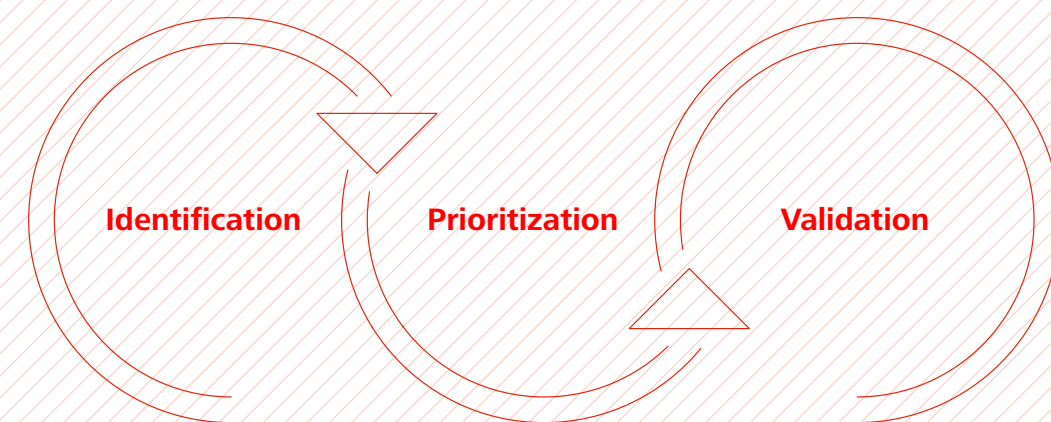
We identified 18 industry-specific topics for prioritization based on a peer analysis and an external trend analysis covering the main industry sustainability trends and drivers that are relevant to the building and elevator industry. These include priorities for our own business as well as for our stakeholders.

Prioritization

Through interviews, a global employee survey, and customer focus groups we collected feedback on the industry-specific topics to gather insights into topics where Schindler has significant impact and topics that influence stakeholders’ view of Schindler. We interviewed over 25 internal and external stakeholders, over 350 employees participated in the survey, and over 10 representatives from six different customers took part in a focus group. External participation included representatives from academia, international business associations, non-profit organizations, investors, and customers. The process followed a structured approach where each individual was asked to rank the topics against a set of defined criteria: the business impact a topic has on Schindler and the degree of influence Schindler has over the topic.

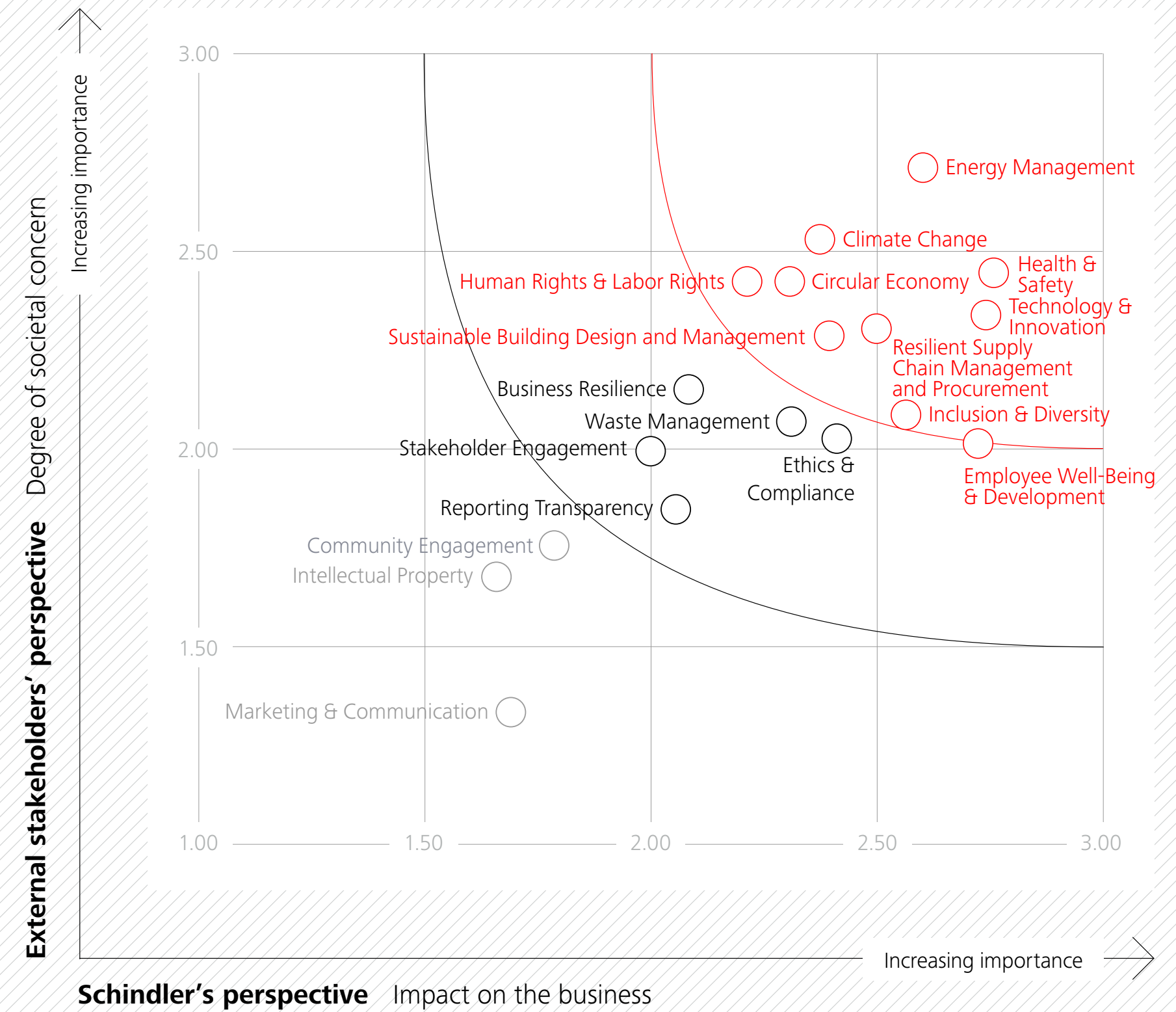
Validation

Analyzing the stakeholder input resulted in eight topics that are material for Schindler. These were validated by the Group Executive Committee and the highest governance body, the Board of Directors. The eight material topics will inform the upcoming 2023–2030 Schindler strategy roadmap, including the management of the identified impact and related risks. Accountability for each material topic will be linked to executive management.



Materiality assessment matrix

○ Material Issues



Governance

Climate scenario analysis

Climate change has been identified as a material topic for Schindler. We recognize that it has the potential to impact our business over short-, medium- and long-term time horizons. In particular, we have identified the various ways in which we may be exposed to physical climate risks, such as extreme weather events, as well as risks and opportunities related to the low-carbon transition. These include changing consumer preferences and future climate policy and regulation.

To better understand the material climate-related risks and opportunities for Schindler, we worked with an external consultant in 2021 to conduct a climate change scenario analysis. Senior representatives from different departments, including as Risk Management, Technology, Supply Chain and Procurement, Product Innovation, Sales and Marketing, Compliance and Quality, participated in a series of nine workshops to identify climate-related risks and opportunities for the following business areas: manufacturing, new installation, maintenance and repair, and modernization.

Time frames and scenarios used in the assessment

Physical risks

2030 and 2050, using the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 4.5 and 8.5.

- RCP 4.5: A lower emissions scenario which assumes that there will be the implementation of emissions management and mitigation policies to align with the Paris Agreement.
- RCP 8.5: A higher emissions scenario, also known as a “business as usual” scenario, which sees emissions increasing year on year till the end of century and around three times today’s CO₂ emissions by 2100.

Transition risks and opportunities

2025, 2030, 2035, 2040, 2045, and 2050, using two scenarios “Stated Policies Scenario (STEPS)” and “Sustainable Development Scenario (SDS)” provided by the International Energy Agency (IEA). Scenario data from other sources was taken from equivalent scenarios to STEPS/SDS.

- Stated Policies Scenario: The transition to a low carbon economy uses a “base case” scenario which accounts for announced climate-related policies, but which does not forcefully pursue decarbonization with an implied global climate warming of approximately 3°C by 2100.
- Sustainable Development Scenario: This scenario characterizes the effects of the energy transition: markets favor low carbon goods and services, low carbon technology costs fall rapidly, and policies develop to constrain fossil fuel demand. This scenario trends towards 1.8°C of average global atmospheric warming.

Schindler is working to respond to the range of climate-related risks and opportunities that were identified through scenario analysis. Some of these responses are already being implemented while others require further work before they can be integrated into the company’s strategies and business plans. Still, these insights continue to inform Schindler’s future 2023–2030 strategy roadmap and net-zero plan that is currently under development.

While in 2021, we focused on the scenario analysis, we will expand our TCFD disclosure in future years to a more comprehensive disclosure covering all four pillars of the TCFD guideline.

Governance

Ethics and integrity

Our employees commit themselves to the highest ethical standards of professional and personal conduct in all interactions with customers, colleagues, business partners, competitors, regulators, and the communities in which we operate.

Our Code of Conduct and anti-corruption policies define our expectations. These are communicated to all employees, suppliers, and other business partners. We monitor compliance with these requirements through regular audits led by our global compliance. Global compliance supports and supervises a team of 120 local compliance officers at area, regional, and local level. Our Group Compliance Officer has a direct reporting line to the Group General Counsel and periodically reports to the Audit Committee, the Supervisory and Strategy Committee, and to the Chairman.

Internal and third-party compliance is monitored by our dedicated due diligence programs. Partners are vetted before and during business engagements. Suppliers' compliance risks are evaluated during the selection process as part of our Supplier Qualification Audits while compliance evaluation is part of our supplier consistency audits. The distributor compliance support program includes a mandatory annual compliance questionnaire, audits and training. As of 2020, we included updates to regulatory requirements in our distributor compliance newsletters. Since 2007, compliance clearance processes are in place for all new intermediaries or agents as well as for invitations to external events. In 2021, additional clearance processes were established for sponsorships and involvement of politically exposed persons (PEP) in business activities. For all new acquisitions, a Code of Conduct implementation plan is established, with its implementation audited at the latest one year after signing.

Corruption risk assessments are part of our audit process and led by the global compliance team. Prior to assessment, Schindler companies complete a self-assessment that covers anti-bribery risks. The results are discussed during the audit with the managers of the company's main functions. Where needed, the resulting audit report issued by global compliance includes recommendations on how to better manage and mitigate anti-bribery risks. Any action required following an audit is recorded in compliance upgrade modules.

Our global compliance team regularly audits all Schindler companies. These audits include compliance briefings, reviews of accounts, mock dawn raids, spot checks on branch offices, and reviews to monitor the implementation of the compliance program at a local level. In addition, our compliance team investigates any potential signs of corruption and is supported by external specialists in this area. Additional audits are conducted by our internal audit, technical, IT security, and supply chain compliance teams.

Risks are specified by global compliance for consistent global use and risk control modules help Schindler companies to better control risk exposures. These modules are regularly updated, based on audit and investigation findings. We are establishing an online portal for every Schindler company, where real-time compliance with our Code of Conduct can be monitored with easy communication between local and global compliance teams.

Schindler encourages good faith reporting of potential violations and protects whistleblowers against discrimination. Concerns can be made known to the Schindler Ombudsman or via local whistleblower hotlines. In 2021, Schindler issued a Speak-up Guideline (for all employees) and a Concern Handling Guideline (for compliance officers handling concerns) aligned with the EU Whistleblower Directive. Schindler makes sure that employees at all entities with at least 50 employees have the choice of reporting either locally or globally.

→ See Schindler Group website

Governance

The implementation of our Code of Conduct follows three pillars: Educate – Examine – Enforce. This means that we educate employees regularly on how to address

compliance risks, examine cases systematically to discover possible deficiencies, and enforce compliance by taking appropriate corrective action if any breaches occur.

Educate

In 2021, every Schindler employee received at least one Code of Conduct training – in line with our Group-wide target. We offer a Code of Conduct e-learning module on mobiles and desktops, enabling employees who work in the field to easily access training. Training on competition and anti-corruption must be regularly completed by employees in market-focused functions such as sales and procurement.

Our managers continued to offer their teams periodic training based on real Schindler case studies (“Spot trainings”), which include topics such as confidentiality on social media, conflicts of interest, anti-bribery, competition, and fraud.

Examine and Enforce

An annual compliance audit plan is reviewed and approved by Schindler’s Audit Committee applying clear selection criteria such as evaluation of risk exposure, size of entity, and time since the last audit was performed. Despite the travel ban due to COVID-19, we performed 36 audits in 2021 and investigated 257 compliance-related allegations. Corrective actions were specified for every investigation, with our global compliance team monitoring implementation.

In 2020, we successfully launched the initiative “We say NO to illicit requests.” This campaign encourages employees to report illicit demands and rewards them for speaking up. In 2021, 108 reports were submitted globally.

In 2021, we took further steps towards the implementation of a technology-centric approach to compliance with the introduction of a compliance monitoring program that will help to identify potential Code of Conduct infringements based on real-time data analytics.

Customer and employee privacy and data

The data privacy of the individuals we interact with is of utmost importance to Schindler.

Schindler has a Global Privacy Policy that is applicable to all personal data processed by Schindler (including but not limited to customers, suppliers, employees, and job applicants) and all Schindler companies globally. It includes our expectations for breach reporting and requires Schindler employees to treat personal data in accordance with privacy standards defined in the policy and applicable data protection laws such as the European Union’s General Data Protection Regulation.



Governance

Tax approach

As a globally responsible corporate citizen with operations in over 100 countries, Schindler pays taxes in multiple jurisdictions.

All Schindler entities are responsible for ensuring that their business activities comply with all local tax laws, regulations, and disclosure requirements. They ensure that Schindler acts within the various national jurisdictions as a good citizen as well as making full disclosure in tax returns, reports, and documents submitted. All tax positions and transactions are aligned with our real commercial and economic activity.

We aim to identify and to minimize tax risks to safeguard Schindler’s assets and reputation. Schindler cooperates with all tax authorities and other relevant bodies in a proactive, open, honest, and transparent way. We maintain and follow a strict transfer pricing policy, based on the OECD Transfer Pricing Guidelines and on the Base Erosion and Profit Shifting (BEPS) Project deliverables. In addition, we have taken steps to comply with evolving initiatives like that of the OECD’s project for a global minimum tax rate. We file a country-by-country report to the Swiss Tax Administration, which contains aggregated tax information per country relating to the global allocation of income, taxes paid, and other key indicators.

Globally, Schindler reported CHF 252 million income taxes in 2021 (2020: CHF 246 million). Our ten largest countries by revenue paid more than 80% of this total. The biggest contributors were Switzerland, Germany, and the United States. In Switzerland, where our headquarters are located, we paid CHF 52 million taxes in 2021 (2020: CHF 45 million).

About this report

Aligning with Group financial reporting, our consolidation scope includes the entities covered in the Group consolidated financial statements. The list of material Group companies is presented in Schindler’s Financial Statements 2021 (see pages 51–52). Our sustainability performance data cover the period from January 1 to December 31, 2021. We report using the GRI Standards Core option. The content index provides an overview of how we comply with the standards. We have self-declared our reporting to be in accordance with the Core level. This is our 10th Sustainability Report; the last one was published on June 17, 2021.

Management and performance improvement of sustainability data is key for robust ESG reporting and achieving goals. We collect data using a professional ESG performance management software called Sphera. Quality control is performed at country and global levels to ensure accuracy.

The consultancy company, Swiss Climate Ltd., has provided moderate-level assurance on Schindler’s carbon footprint data (scope 1 and 2) in accordance with AA1000 Assurance Standard (AA1000AS v3) together with the four main sustainability KPIs of our 2022 Roadmap. true&fair.expert was commissioned by Swiss Climate Ltd. on behalf of Schindler to provide moderate level assurance on our scope 3 carbon footprint data in accordance with AA1000AS v3. This year, emissions were calculated using the Sphera-curated GaBi v14 (12/2021) factors for scope 2 and the GHG Protocol/IEA (11/2021) factors for scope 1. In 2021, we adjusted the way we measure progress against our fleet carbon intensity reduction goal by neutralizing the currency effect on our revenue for the years 2017–2021.

The report is approved by the Board of Directors.

The Sustainability report you are currently reading is a central tool in our performance measurement approach. We invite you to share your feedback by contacting the Corporate Sustainability Office. We would also like to thank all our colleagues whose incredible work every day in the Schindler Group made this report possible. Our heartfelt thanks also go out to the contributors to this report for their expert collaboration.

Published on June 21, 2022.

→ For past reports, visit Schindler Group website

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Statement of the external assurer



Assurance Statement: Sustainability KPIs Schindler Management Ltd. 2021 (Summary)

SCOPE

Swiss Climate was commissioned by Schindler Management Ltd. to provide assurance on its four main sustainability KPIs for 2021. Swiss Climate performed a moderate-level assurance. The verification comprised a combination of interviews with relevant employees, documentation and record reviews.

Swiss Climate has analyzed:

- Activity data (raw data) accuracy;
- Methodology, data quality, calculations, assumptions, with an emphasis on the plausibility of the information;
- Responsibilities, processes and systems used to gather and consolidate data;
- Representativeness of data for the communication of the external message.

KPIs

Swiss Climate has verified the following sustainability KPIs for the year 2021:

1. Enhance safety	In 2021, Schindler Management Ltd. achieved a TCR (total case rate) of 3.2 . TCR is a comprehensive safety indicator that measures the number of lost work day cases due to injuries, as well as the restricted workday and the first-aid cases in relation to total working hours.
2. Attract diverse talents	At the end of 2021, Schindler Management Ltd. had 25.3 % women in its leadership succession pipeline .
3. Pioneer smart urban mobility	In 2021, Schindler Management Ltd. has moved 284 million passengers each day on digitally connected units (elevators and escalators) across the globe.
4. Sustainable supply chain	In 2021, Schindler Management Ltd has access to 3 rd party sustainability assessments of 49.0 % of its component suppliers in relation to purchase volume (in CHF) of production material.
5. Lower vehicle fleet emissions	In 2021, Schindler Management Ltd.'s global fleet generated 10.5 t CO₂e per total revenue (in CHF million).

OPINION

Swiss Climate did not find evidence to insinuate that the processes and systems in place to collect the data and to calculate the KPIs are such that the company's sustainability performance specifically related to these five KPIs would be erroneously described. In general, the data was found to be reliable during audit process. Any identified errors or omissions were addressed and deficiencies corrected.

SIGNED FOR AND ON BEHALF OF SWISS CLIMATE

Leading Auditor:

Sarah Klink, Senior Consultant

Zurich, 10th February 2022

Second Auditor:

Luka Blumer, Consultant

Bern – Geneva – Zurich – Hamburg contact@swissclimate.ch www.swissclimate.ch +41 31 330 15 70



Assurance Statement: CO₂ Footprint Schindler Management Ltd. 2021 (Summary)

SCOPE OF VERIFICATION

Swiss Climate was commissioned by Schindler Management Ltd. to provide assurance on its 2021 carbon footprint data, as well as to provide assurance on its KPI on fleet emissions for 2021. Swiss Climate undertook the assurance in accordance with AA1000AS v3, Type 2 moderate-level assurance. The verification comprised a combination of interviews with relevant employees, documentation and record reviews.

Swiss Climate has analyzed:

- Standards used for carbon footprint calculation;
- Carbon footprint methodology, including operational and organizational boundaries, data quality, conversion factors and calculations used, with an emphasis on the plausibility of the information;
- Activity data (raw data) accuracy; Responsibilities, processes and systems used to gather and consolidate the carbon footprint data.
- Representativeness of data for the communication of the external message.

CARBON FOOTPRINT

Swiss Climate has verified the following greenhouse gas emissions for the year 2021:

Emission source	t CO ₂ e
Scope 1, total	135'905
- stationary energy consumption	15'729
- mobile energy consumption (service fleet)	117'707
- cooling agents	2'469
Scope 2 (location-based), total	51'158
- district heating	2'624
- electricity (stationary use)	48'410
- electricity in cars	124
Scope 2 (market-based), total	8'808
- district heating	777
- electricity (stationary use)	7'908
- electricity in cars	124
Total Scope 1 + Scope 2 (location-based)	187'063
Total Scope 1 + Scope 2 (market-based)	144'713

Swiss Climate has verified the following KPIs for the year 2021: Lower vehicle fleet emissions. In 2021, Schindler Management Ltd.'s fleet generated 10.5 t CO₂e per total revenue (in CHF million).

OPINION

Swiss Climate did not find evidence to insinuate that the processes and systems in place to collect the data and to calculate the carbon footprint are such that the company's carbon management performance would be erroneously described, and that the carbon footprint would not follow the leading international standards such as ISO 14064-1 and the Greenhouse Gas Protocol, and therefore not fulfil the criteria of relevance, completeness, consistency, transparency and accuracy.

SIGNED FOR AND ON BEHALF OF SWISS CLIMATE

Leading Auditor:

Luka Blumer, Consultant

Bern, 10th February 2022

Internal Review:

Sarah Klink, Senior Consultant

Bern – Geneva – Zurich – Hamburg contact@swissclimate.ch www.swissclimate.ch +41 31 330 15 70



Assurance Statement: Scope 3 Emissions of Schindler Management Ltd. 2021 (Summary)

Scope of verification

true&fair.expert was commissioned by Swiss Climate Ltd. on behalf of Schindler Management Ltd. to provide assurance on Schindler's carbon footprint in scope 3 for the financial year 2021 carbon footprint data. true&fair.expert undertook the assurance in accordance with AA1000AS v3, Type 2 moderate-level assurance. The verification comprised a combination of interviews with relevant employees, documentation and record reviews.

true&fair.expert has analyzed:

- Standards used for carbon footprint calculation;
- Carbon footprint methodology, including operational and organizational boundaries, data quality, conversion factors and calculations used, with an emphasis on the plausibility of the information;
- Activity data (raw data) accuracy; responsibilities, processes and systems used to gather and consolidate the carbon footprint data.
- Representativeness of data for the communication of the external message.

Carbon footprint of scope 3 emissions

true&fair.expert has verified the following greenhouse gas emissions in scope 3 for the year 2021:

Emission source	t CO ₂ e
Total scope 3	2.030.210
Purchased goods and services	1.783.611
Capital goods	8.303
Fuel- and energy-related activities	27.044
Upstream transportation and distribution	203.697
Waste generated in operations	735
Business travel	6.821

Opinion

true&fair.expert did not find evidence to insinuate that the processes and systems in place to collect the data and to calculate the scope 3 emissions (as part of her carbon footprint inventory) are such that the company's carbon management performance would be erroneously described, and that the scope 3 emissions would not follow the leading international standards such as ISO 14064-1 and the Greenhouse Gas Protocol, and therefore not fulfil the criteria of relevance, completeness, consistency, transparency and accuracy.

Signed for and on behalf of true&fair.expert

Lead Auditor:

Dr. Silvio Leonardi

Technical Reviewer:

Dr. Silvio Leonardi

Bern, February 15, 2022

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GRI Content Index

Disclosure number	Disclosure title	Page number	URL / References / Direct answer
GRI 102: General disclosures			
Organizational profile 2016			
102-1	Name of the organization	7	Annual Report 2021 Financial Statements, Corporate Governance, p. 73
102-2	Activities, brands, products, and services	7	Schindler Group website: Products & Services
102-3	Location of headquarters	43	Annual Report 2021 Financial Statements, Corporate Governance, p. 73
102-4	Location of operations	7, 23, 29	Annual Report 2021 Financial Statements, p. 51–52
102-5	Ownership and legal form		Annual Report 2021 Financial Statements, Corporate Governance, p. 73–77
102-6	Markets served		Annual Report 2021 Group Review, Business Review, p. 60–65
102-7	Scale of the organization		Annual Report 2021 Group Review, About Schindler, p. 4–7
102-8	Information on employees and other workers	7, 29–31	Annual Report 2021 Group Review, Information for our shareholders, p. 77
102-9	Supply chain	27	Annual Report 2021 Group Review, Our responsibility, p. 71–72
102-10	Significant changes to the organization and its supply chain		Annual Report 2021 Financial Statements, p. 47–48, 51–52
102-11	Precautionary Principle or approach		Annual Report 2021 Financial Statements, p. 88–89 Schindler Group website: Company, Corporate Governance, Organizational Regulations Schindler is committed to the ten principles of the UN Global Compact, and supports a precautionary approach to environmental challenges.
102-12	External initiatives	8	
102-13	Membership of associations	8	
Strategy 2016			
102-14	Statement from senior decision-maker	5	Annual Report 2021 Group Review, Milestones, p. 8–9
102-15	Key impacts, risks, and opportunities	9–11, 39	Annual Report 2021 Group Review, Our responsibility, p. 67–73
Ethics and integrity 2016			
102-16	Values, principles, standards, and norms of behavior	7, 37	Schindler Group website: Company, Our values
102-17	Mechanisms for advice and concerns about ethics	41–42	Schindler Group website: Responsibility, Ethics and compliance
Governance 2016			
102-18	Governance structure	38	Annual Report 2021 Financial Statements, Corporate Governance, p. 78–95 Schindler Group website: Company, Corporate Governance
102-19	Delegating authority		Schindler Group website: Company, Corporate Governance, Organizational Regulations
102-20	Executive-level responsibility for economic, environmental, and social topics	38	Schindler Group website: Company, Corporate Governance, Organizational Regulations
102-21	Consulting stakeholders on economic, environmental, and social topics	39	
102-22	Composition of the highest governance body and its committees	38	Annual Report 2021 Financial Statements, Corporate Governance, p. 78–85 Schindler Group website: Company, Corporate Governance
102-23	Chair of the highest governance body	38	Annual Report 2021 Financial Statements, Corporate Governance, p. 79 Schindler Group website: Company, Corporate Governance
102-24	Nominating and selecting the highest governance body		Annual Report 2021 Financial Statements, Corporate Governance, p. 85 Schindler Group website: Company, Corporate Governance

GRI Content Index

Disclosure number	Disclosure title	Page number	URL / References / Direct answer
102-25	Conflicts of interest		Schindler Group website: Company, Corporate Governance, Organizational Regulations
102-26	Role of highest governance body in setting purpose, values, and strategy		Annual Report 2021 Financial Statements, Corporate Governance, p. 85–89 Schindler Group website: Company, Corporate Governance, Organizational Regulations
102-28	Evaluating the highest governance body’s performance		Schindler Group website, Corporate Governance, Organizational Regulations.
102-29	Identifying and managing economic, environmental, and social impacts	8–9 and 11	Schindler Group website: Company, Corporate Governance, Organizational Regulations
102-30	Effectiveness of risk management processes		Annual Report 2021 Financial Statements, Corporate Governance, p. 89 Schindler Group website: Company, Corporate Governance
102-32	Highest governance body’s role in sustainability reporting	43	
102-35	Remuneration policies		Annual Report 2021 Financial Statements, Compensation Report, p. 105–112 Schindler Group website: Company, Corporate Governance
Stakeholder engagement 2016			
102-40	List of stakeholder groups	7–8	
102-41	Collective bargaining agreements		Information not collected
102-43	Approach to stakeholder engagement	8	
102-44	Key topics and concerns raised	9–10	Investors’ key topics are addressed in quarterly earnings calls and at regular meetings AGM votings are documented in the minutes Schindler Group website: Investors, General meetings
Reporting practice 2016			
102-45	Entities included in the consolidated financial statements		Annual Report 2021 Financial Statements, p. 51–52
102-46	Defining report content and topic boundaries	9, 39	
102-47	List of material topics	11, 39	
102-48	Restatements of information	43	
102-49	Changes in reporting		No significant changes
102-50	Reporting period	43	
102-51	Date of most recent report	43	
102-52	Reporting cycle	43	
102-53	Contact point for questions regarding the report	43	sustainability@schindler.com
102-54	Claims of reporting in accordance with the GRI Standards	43	
102-55	GRI Context Index	45–49	
102-56	External assurance	44	
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	9–43	
103-2	The management approach and its components	9–43	The management approach of our roadmap 2022 priorities is described under the relevant section of the report
103-3	Evaluation of the management approach	9–43	Evaluation is also described in the relevant section of the report

GRI Content Index

Disclosure number	Disclosure title	Page number	URL / References / Direct answer
GRI 200: Economic			
Economic performance 2016			
201-1	Direct economic value generated and distributed	7	Annual Report 2021 Group Review, Information for our shareholders, p. 75 and 77
201-2	Financial implications and other risks and opportunities due to climate change	40	Schindler has carried out a qualitative assessment of climate risks using scenarios analysis and will assess their financial implications subsequently.
201-3	Defined benefit plan obligations and other retirement plans		Annual Report 2021 Financial Statements, p. 14–20
Indirect economic impacts 2016			
203-2	Significant indirect economic impacts	18–21, 29–31	Our products are used in small and large infrastructure projects improving mobility of people (see also Schindler Annual Report 2021 Group Review p. 16 and following). Our vocational education programs help to develop skills and experience. Our digitization is expected to make the elevator and escalator service business more efficient.
Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	41–42	
205-2	Communication and training about anti-corruption policies and procedures	41–42	
205-3	Confirmed incidents of corruption and actions taken	41–42	
Anti-competitive behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Annual Report 2021 Financial Statements, p. 42
Tax 2019			
207-1	Approach to tax	43	
GRI 300: Environmental			
Materials 2016			
301-1	Materials used by weight or volume	25	
301-2	Recycled input materials used		Information not consolidated globally.
301-3	Reclaimed products and their packaging materials		Information not consolidated globally.
Energy 2016			
302-1	Energy consumption within the organization	23	
302-2	Energy consumption outside of the organization	15	
302-3	Energy intensity	23	
302-4	Reduction of energy consumption	16–17, 23	
302-5	Reductions in energy requirements of products and services	16–17, 19–22	
Water and effluents 2018			
303-1	Water withdrawal by source		503 712 m ³ of which 99% comes from municipal water sources
Emissions 2016			
305-1	Direct (scope 1) GHG emissions	14	
305-2	Energy indirect (scope 2) GHG emissions	14	
305-3	Other indirect (scope 3) GHG emissions	15	
305-4	GHG emissions intensity	15	
305-5	Reduction of GHG emissions	14–16	

GRI Content Index

Disclosure number	Disclosure title	Page number	URL / References / Direct answer
305-6	Emissions of ozone-depleting substances (ODS)	24	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	24	
Effluents and waste 2016			
306-2	Waste by type and disposal method	24	
Environmental compliance 2016			
307-1	Non-compliance with environmental laws and regulations		No significant fines were paid in the reporting year 2021
Supplier environmental assessment 2016			
308-1	New suppliers that were screened using environmental criteria	27	
GRI 400: Social			
Employment 2016			
401-1	New employee hires and employee turnover	31	
401-3	Parental leave		Defined in country-specific human resources policies
Labor/management relations 2016			
402-1	Minimum notice periods regarding operational changes		We comply with employment laws and regulations – including rules governing minimum notice periods for significant operational changes – in the individual markets in which we operate. In certain markets, the minimum notice periods are specified in collective bargaining agreements, while in others, they are defined on a case-by-case basis. Notice periods range from no requirement to one year. Alternative arrangements may also be put in place. In such cases, the terms set out in these collective agreements exceed the minimum statutory requirements.
Occupational health and safety 2018			
403-1	Workers representation in formal joint management-worker health and safety committees	32–33	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	33	
403-4	Health and safety topics covered in formal agreements with trade unions		The composition of the committees complies with the local legislation governing employee management representation
Training and education 2016			
404-1	Average hours of training per year per employee	32	
404-2	Programs for upgrading employee skills and transition assistance programs	30–31	
404-3	Percentage of employees receiving regular performance and career development reviews	30	
Diversity and equal opportunity 2016			
405-1	Diversity of governance bodies and employees	36	
Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken		During 2021, we had 5 incidents of discrimination reported. All of them were investigated and necessary actions were taken, including sanctions and focused anti-discrimination and harassment trainings in the region where these incidents took place.
Child labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor		Our rejection of the use of child labor is set out in Schindler’s Code of Conduct and Schindler’s Vendor Policy. It is also prescribed in country-specific labor laws. The annual supplier assessments performed in 2021 did not identify any cases involving child labor risks.
Local communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	30–31	Schindler Group companies implement vocational education programs across the globe enrolling more than 4 000 students. In addition, many locally relevant initiatives are launched in diverse areas beyond education. We do not systematically track these at the global level.

GRI Content Index

Disclosure number	Disclosure title	Page number	URL / References / Direct answer
Supplier social assessment 2016			
414-1	New suppliers that were screened using social criteria	20	
Customer health and safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	27	
Marketing and labelling 2016			
417-1	Requirements for product and service information and labelling	19	
417-2	Incidents of non-compliance concerning product and service information and labelling		No incidents of non-compliance with regulations and/or voluntary codes concerning product and service information were reported in 2021
Customer privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	42	
Socioeconomic compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area		No significant fines for non-compliance with laws and regulations concerning the provision and use of products and services were paid in the reporting year 2021

SASB metrics

Topic	Accounting metric	2021 results
Energy management	total energy consumed	2 407 071.6 GJ
	% grid electricity	15 %
	% renewable	16.3 %
Hazardous waste management	amount hazardous waste generated, % recycled	3 350t hazardous waste, of which 84.1% is recycled. Schindler applies the US Resources Conservation and Recovery Act or the EU Waste Framework Directive (Directive 2008/98/EC), including its subsequent amendments, where no sufficient local standard is available. In China, Schindler uses the National Catalogue of Hazardous Waste and Catalogue of Hazardous Chemicals to define types of waste.
	number and aggregate quantity of reportable spills, quantity recovered	There were no material spills in 2021.
Product safety	number of recalls issued, total units recalled	Schindler ensures the reliability and safety of its products through systematic feedback across R&D, production, installation, maintenance and also repair and modernization functions. Installed products can be retrofitted to maintain the maximum required levels of quality and safety. All our equipment is checked and tested for safety after installation has been accomplished and before the final handover to the customer according to the rules of our Schindler Acceptance Inspection Standard (SAIS). Our SAIS inspection confirms the compliance not only with legal safety requirements (e.g., The European Standard EN81-20) but also with our own more stringent Schindler safety requirements. In 2021, Schindler had no cases of non-compliance with local codes and standards and did not receive any penalties or warnings.
	total amount of monetary losses as a result of legal proceedings associated with product safety	Safety of passengers and employees is a core value of Schindler and paramount to the way we operate. However, moving 1.5 billion passengers every day, it cannot be excluded that accidents may happen and that the end-user might seek compensation. Given the high quality and safety standards applied and relatively low occurrence of accidents, potential monetary losses are deemed as not material.
Product life cycle management	% of products in revenue that contain IEC 62474 declarable substances	We strive to eliminate in our final products any substances deemed hazardous or of very high concern. Declarable and hazardous substances are managed at the product design phase, including banned substances lists and related checks within the product creation process. Clear requirements for suppliers are set through policies and declarations of hazardous substances are requested. However, product line-specific data on the presence of IEC 62474 declarable substances cannot be provided currently on a globally consolidated basis. Given the complexity of electronics and other components, it can be assumed that our product lines can contain IEC 62474 declarable substances, especially batteries and components made of metal alloys as well as stainless steel we source. Following our obligations to report declarable substances into the EU SCIP database, we have continued to refine our systems and data management, increasing information transparency towards our customers, investors, and the public.
	% of eligible products by revenue that meet ENERGY STAR criteria	Elevators and escalators are not eligible for ENERGY STAR certification. However, we do manufacture highly energy-efficient products and have documented their environmental impacts, including energy efficiency, through Environmental Product Declarations. In 2021, we further increased transparency about our products to support our customers in making sustainable decisions. We support our customers in meeting green building standards such as LEED, BREEAM, DGNB, the IGBC rating system and the Singapore Green Mark certification.
	revenue from renewable energy-related and energy efficiency-related products	Schindler is committed to increasing energy efficiency of its products. Schindler measures its products' energy efficiency in accordance with ISO 25745 and performs life cycle assessments in accordance with ISO 14025:2006 and EN 15804:2012+A2:2019. Schindler's latest product generation improves energy efficiency by up to 30% compared to the previous product generation and all can achieve energy class A according to ISO 25745. In order to provide global information on the specific revenue contribution from energy efficiency-related products in the future, we are currently working on an appropriate classification and consolidation scheme. The energy consumption of our elevators and escalators is influenced by many factors, depending on the customer specifications. However, through our power factor 1 technologies and regenerative drives, we enable the reuse of renewable and conventional energy in buildings and lower the net energy demand of groups of elevators. In addition, we are working on smart grid integration. Schindler's leading transit management solution (PORT 4D) can reduce the energy consumption of an elevator group by up to 40%.
Materials sourcing	description of the management of risks associated with the use of critical materials	Due to the use of electrical and electronic components in our products, we might be exposed to supply chain risks from the use of critical materials, such as shortage of supply, increased global demand, or impacts from natural or geopolitical events. Direct use of specific critical materials can be identified during our product creation process and we are reviewing the product data management to enhance the visibility of critical materials on a global level. Our supplier evaluation and risk management process includes related risks such as potentials for substitution, multiple sourcing, financial and sustainability risk assessments of suppliers, and other factors.
Business ethics	description of policies and practices for prevention of (1) corruption and bribery, (2) anti-competitive behavior	Schindler Corporate Responsibility Report, Ethics and integrity section.
	total amount of monetary losses as a result of legal proceedings associated with bribery and corruption	Schindler reported no material monetary losses as a result of legal proceedings associated with bribery and corruption.
	total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Schindler reported no material monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations.
Other	number of units produced by product category	Schindler is one of the world's leading suppliers of elevators, escalators, and moving walks and offers mobility solutions across the entire life cycle of a unit – from planning and installation to maintenance and modernization. Schindler assembles more than 100 000 new units p.a., of which the vast majority are elevators. We refrain from providing more granular information due to competitive reasons.
	number of employees	69 015 employees