

Thinking ahead. Acting today.

Sustainability Report 2014

According to the GRI G3.1 guidelines
Published in September 2015



Schindler

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Introduction

This Sustainability Report (referred to hereinafter as ‘the Report’) describes the economic, environmental, and social impacts of our activities. It also provides details of our corporate values and governance, and it demonstrates the link between our strategy and our commitment to promoting sustainable urban mobility.

We have adopted the Global Reporting Initiative (GRI) guidelines – a widely recognized global framework for sustainability reporting. This framework ensures greater organizational transparency and accountability and enables the company to effectively communicate our sustainability performance to our stakeholders. When developing the Report, we took account of the GRI G3.1 guidelines and adopted the same structure to allow for comparability.

Our first GRI-based sustainability report was published in 2013 and contained data relating to the reporting year 2012. This is therefore the third year in which the Report has been aligned with the GRI format. To facilitate comparisons of our sustainability performance in consecutive reporting years, the nature of the disclosures has been maintained or enhanced.

We publish information on sustainability topics in three documents: our Corporate Sustainability Policy, our Sustainability Brochure, and this Report.

Our Corporate Sustainability Policy focuses on future challenges relating to sustainability and sets out the main issues we face in this context, as well as the ways in which we address them.

Our Sustainability Brochure expands on these core topics by providing more specific information about our ambitions, initiatives, achievements, and targets. The Brochure, which was first published in 2013 and was updated in 2014, also outlines the commitment to sustainability of both our Chairman and our Chief Executive Officer (CEO).

This Report contains standard disclosures, details of our management approach, and data on sustainability performance indicators.

The information contained in this Report relates to the period from January 1, 2014, to December 31, 2014, unless otherwise stated.

1 Strategy and analysis

1.1 Statement from the most senior decision-makers in the organization

Chairman’s statement:

Mobility is an essential requirement in the world in which we live and work. Schindler is renowned as a global provider of smart, sustainable mobility solutions. Quality and safety are the hallmarks of our business: every day, one billion people across five continents place their trust in our products and services. At Schindler, we believe that mobility is about more than just reaching a destination: mobility begins in the mind. We are committed to continuously improving the environmental footprint of our products and processes as well as our social conduct.

CEO's statement:

Sustainability – which is encapsulated for us in our motto of “Thinking ahead. Acting today”. – is an ongoing commitment with no end date. If we are to achieve it, the most important changes must be a permanent shift in our day-to-day behavior. With forward-looking attitudes that inform and influence every decision taken within our company, from global supply chain policies to opting for local sourcing, we can embed sustainability in every area of our business and every part of our corporate culture. And this, we believe, will help us create and maintain a viable synthesis of economic ambition, social responsibility and ecological concern.

The full statements of the Chairman and CEO are provided in the Sustainability Brochure published in 2014 (pages 2–3).

Additional information on our overall vision and strategy is available in:

- Schindler in Brief (GR 2014, pages 2–5)
- Statement of the Board of Directors (GR 2014, pages 15–19)

1.2 Key impacts, risks, and opportunities**Key social impacts**

Our key social impacts include: ensuring the safety of passengers and our employees, providing customers with the products and services they expect from a leading market participant, and investing in the professional training and development of employees.

Safety

We do not compromise on safety in any aspect of our work. As well as striving to systematically guarantee customer safety, we want to continue to improve employee safety following our success in this area over the last eight years.

Customer Excellence

As part of our commitment to offering high-quality products and services to existing and potential customers, we launched our Customer Excellence program in 2012. The program provides additional training for our teams of service technicians as well as survey tools to ensure that we can realize our value proposition.

People strategy

Our People Strategy was introduced in October 2013. It consists of seven ambitions to help employees realize our business strategy and, ultimately, to ensure the sustainability of the business. The professional development of employees is essential to make sure that they all possess the necessary skills and expertise to perform their respective roles. Our People Strategy includes a leadership framework, a performance management initiative, a recruiting policy, a global technical training and certification scheme, and a career development program to ensure a pipeline of potential leaders within our company.

Key environmental impacts

Our key environmental impacts include: the energy efficiency of our products, our global service fleet of around 20 000 vehicles, the environmental footprint of our production facilities, and supply chain activities.

- We can reduce the energy needs of buildings by providing mobility solutions featuring elevators and escalators that are best-in-class in terms of energy efficiency. Enhancing the energy efficiency of buildings is becoming increasingly important in view of global urbanization: it is estimated that by 2050, over 70% of the world's population will live in urban areas¹. Our objective when developing new elevators and escalators is therefore to achieve continued advances in energy efficiency.
- We operate a global fleet of service vehicles. This is essential in order to effectively maintain our product portfolio and deliver swift and reliable services to our customers. The service fleet has a significant environmental impact in the form of CO₂ emissions. We continuously strive to reduce the amount of CO₂ emissions generated by the fleet. Please refer to EN6 and to EN16 for details of the progress we have made so far.
- We measure the environmental footprint of our production facilities in order to monitor reductions in energy consumption and waste. We also set targets to improve their footprint and we adhere to the ISO 14001 standard. In 2014, we continued our implementation program to obtain ISO 14001 certification for our production sites worldwide. Please refer to section 6 and to EN26 for additional information on our achievements.
- Our next goal is to measure the environmental effects of our supply chain in order to set targets to reduce our impact on the environment.

Key economic impacts

Our key economic impacts include: strengthening our global presence and expanding our service network in individual markets. These measures will enable us to exploit different global growth cycles, to smooth out currency risks, to reduce response times thanks to our proximity to customers, and, at the same time, to increase the productivity of our service offering. Today, 7 out of 10 elevators are sold in Asia and only 3 in the rest of the world. We are responding to the challenges created by the geographical shift in demand through targeted investments, the strategic expansion of our business – primarily in the growth markets of China and India – and constant innovation.

Compliance

Compliance encompasses both ethical and technical compliance:

- We observe the highest ethical standards when conducting our business activities. The Schindler Code of Conduct was introduced in 1997. All our employees pledge to observe the highest ethical standards of professional and personal conduct in their interaction with customers, colleagues, business partners, competitors, regulators, and the communities in which we work. Our state-of-the-art compliance program helps to ensure Group-wide adherence to integrity and compliance standards. Our information policy is based on the honest, accurate, prompt, and consistent communication of information to our stakeholders.
- We achieve technical compliance through our commitment to product safety. A four stage process has been implemented that involves: the incorporation of

safety aspects into the research and development phase; safety testing during the manufacturing process; regular inspections of elevators; and the safe disposal of installations at the end of their life cycle.

Further information is available at: www.schindler.com/corporatecompliance.

Sustainability reporting

As part of our commitment to providing transparency about our financial performance and corporate governance, we have extended our sustainability reporting to give stakeholders – and investors in particular – key information on our sustainability performance and goals.

The following table provides a summary of our key sustainability performance indicators and goals:

Sustainability indicators

Goals 2012–2016	
People	
Employee safety	Lost time injury frequency rate (LTIFR) to be improved by a further 25% by 2016 compared to the 2012 rate.
Customer excellence	Enhancement of our Customer Excellence program and value proposition based on the Net Promoter Score and percentage detractors from 2014 to 2016. Further information is available in PR5.
People development	Rollout of an enhanced People Strategy to further improve performance, employee engagement, and leadership capabilities from 2013 to 2015.
Planet	
Energy-efficient elevators	Continue to develop an elevator system with alternative energy sources. Reduce environmental impact of new elevators by 5%. Ensure newly developed elevators also achieve VDI A-rating, in line with the current product range.
Service fleet	CO ₂ emissions to be reduced by 30% by 2016 compared to 2012 levels.
Production facilities	All production facilities to comply with ISO 14001 standard by end-2015.
Supply chain	Introduction of a system to capture key environmental data for all outbound deliveries by 2015.
Performance	
Economic targets	Further information is available in the GR 2014, pages 15–19. For up-to-date information, please refer to the latest financial reporting documents in the Investor Relations section of our website.
Ethical business behavior	To ensure that all employees observe the principles set out in the Code of Conduct, all our managers (including those with market-focused functions such as sales, procurement, etc.) will continue to receive refresher training on the Code of Conduct; this will be extended to include technicians on an ongoing basis.
Transparent reporting	Introduction of an annual GRI G3.1-aligned Sustainability Report as well as a Sustainability Brochure.

2 Organizational profile

2.1 Name of the organization

The name of the reporting organization is Schindler Holding Ltd.

2.2 Primary brands, products, and/or services

Our company was founded in 1874 in Lucerne, Switzerland, and is today one of the world's leading providers of elevators, escalators, and moving walks. We are active in the areas of production, installation, maintenance, and modernization. We have over 1 000 branch offices in more than 100 countries, as well as production sites and research and development facilities in the USA, Brazil, Europe, China, and India.

We employed 54 209 people as at end-2014, an increase of 12.5% compared to end-2013. New positions were created in all regions, with the largest increases in China, India and Southeast Asia. Around 57% of employees worked in the areas of installation and maintenance, 8% at production plants in the USA, Brazil, China, India, Spain, Slovakia, and Switzerland, and 35% in engineering, sales, and administration. In total, around 80% of the manufacturing of elevators, escalators, and moving walks is outsourced.

In August 2014, we increased our shareholding in XJ-Schindler from 46% to 51%. Our number of employees increased by almost 3 000 as a result of the first-time consolidation of XJ-Schindler, as shown in LA1. This consolidation is also reflected in our Financial Statements as well as in this Report in EC1. However, the consolidated data for the remaining GRI indicators – both environmental and social – were excluded from the Report as they do not relate to the full calendar year.

Each day, our elevators and escalators transport one billion people to their destination – rapidly, efficiently, and in accordance with their diverse needs. Our offering ranges from cost-effective solutions for low-rise residential buildings to sophisticated access and transport management concepts for multifunctional high-rise buildings. We move people and materials and connect vertical and horizontal transport systems through our smart mobility solutions, which are driven by energy-efficient and user-friendly technologies.

Brand

We create, drive, and ensure urban mobility. Urbanization is one of the most important issues of our time. Today, more than half of the world's population lives in cities. Through our products, services, and related activities, we help to improve the mobility of people, especially those living in urban areas.

The Schindler logo reflects our brand values: Reliable, Moving, and Trailblazing. It was inspired by the shape of Schindler's initial logo, which dates from 1910 and symbolizes precision and the art of engineering in the form of a stylized compass.

Innovation

We invest around CHF 130 million annually in the research and development of energy-efficient solutions for customers whose requirements are evolving rapidly as a

result of increasing urbanization and the growing influence of new technologies. Our state-of-the-art elevators and escalators, our revolutionary PORT technology, and our customized modernization and service solutions demonstrate our commitment to anticipating the future needs of our customers and the changing urban environment.

Technology

We are committed to developing leading products based on innovative new technology. Our offering ranges from cost-effective solutions for low-rise residential buildings to sophisticated access and transport management concepts for multifunctional high-rise buildings. Examples of innovations include: the first patent for elevators without a machine room; the Miconic 10 hall call destination system; its successor, Schindler ID, incorporating personalized access control; and PORT technology, which is already the third-generation hall call destination system.

Products

Our range of passenger elevators covers the entire spectrum of customer needs – from affordable solutions that meet basic transportation requirements in low-rise buildings through to mid-rise solutions for the residential and commercial market segments and, finally, advanced solutions that are targeted at the high-rise segment.

Our freight elevators are designed to move small or large volumes of light or heavy-duty freight.

We produce escalators and moving walks for a wide range of applications, from shopping malls, offices, hotels, and entertainment centers to airports, subways, and railway stations. Moving walks – whether inclined or horizontal – provide an efficient means of transportation in public spaces.

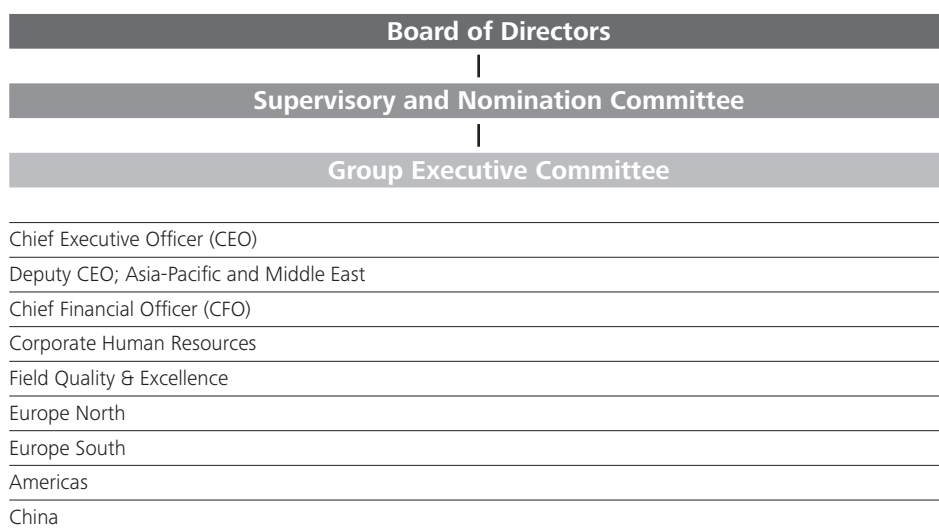
Modernization

Specific modernization solutions ensure the safety, reliability, and comfort of existing installations and also serve to protect long-term building infrastructure investments. We can replace entire systems or modernize them on a gradual basis by replacing individual parts. We can upgrade any installation to meet changing passenger needs and to comply with official regulations.

Services

We provide a swift and reliable service worldwide 24 hours a day thanks to our extensive network of service technicians, which ensures our close proximity to our customers. Our maintenance offering is transparent and can be tailored to individual customer needs. Our comprehensive range of services is designed to ensure the smooth functioning of our products throughout their service life.

2.3 Operational structure of the organization



Further information on our organizational structure and corporate governance is available in the Financial Statements, the second booklet in the Annual Report (FS 2014), pages 103–131.

2.4 Location of organization's headquarters

Schindler Holding Ltd. is located in Hergiswil, Canton of Nidwalden, Switzerland.

2.5 Number of countries and location of operations

A list of the most important Group companies is provided in the FS 2014, pages 63–65. The location of their head offices is also provided.

In this Report, the terms 'Schindler', 'our company', 'we' and 'our' are used in reference to the Schindler Group, unless otherwise stated.

This Report contains information on all our subsidiaries, including details of our production facilities.

2.6 Nature of ownership and legal form

Schindler Holding Ltd. is a public company listed on the SIX Swiss Exchange. Information on our capital structure is available in the FS 2014, pages 105–106, sections 2.1–2.7.1. Information on our registered shares and participation certificates is available in the GR 2014, pages 66–67.

2.7 Markets served

We are a global provider of elevators, escalators, and moving walks. We are active in the areas of production, installation, maintenance, and modernization. The Group has over 1 000 branch offices in more than 100 countries, as well as production sites and research and development facilities in the USA, Brazil, Europe, China, and India.

Our offering ranges from cost-effective solutions for low-rise residential buildings to sophisticated access and transport management concepts for multifunctional high-rise buildings. We create value by supplying energy-efficient products, providing services that meet customer expectations, and offering modernization solutions. This enables architects to design buildings that comply with green building practices.

2.8 Scale of the organization

Number of employees at end-2014	54 209
Number of operations	Information on principal investments is available in the FS 2014, page 63–65.
Revenue in 2014	CHF 9 246 million
Total capitalization (debt and equity)	Further information is available in the FS 2014.
Products or services provided	Further information is available in the GR 2014, flip cover “Our products and services”.
Total assets at end-2014	CHF 9 392 million
Beneficial ownership (including identity and ownership interest of largest shareholders)	As at December 31, 2014, registered shares of Schindler Holding Ltd. were held by 6 235 shareholders (previous year: 6 304). The Schindler and Bonnard families – within the scope of shareholder agreements – and parties related to these families held 47 639 751 registered shares (previous year: 47 720 376) of Schindler Holding Ltd. as at December 31, 2014. This corresponds to 69.9% (previous year: 67.3%) of the voting rights of the share capital entered in the Commercial Register.

2.9 Significant changes during the reporting period

Growth through investments

We expanded our position in the main growth markets globally, especially China, India, and Southeast Asia. In addition to training and research facilities, two new production plants – in China and India – were opened in 2014.

We started to invest in our campus in Ebikon, Switzerland, where our company is headquartered. Around CHF 100 million will be invested in the expansion and modernization of the campus over the coming years.

Schindler acquires majority in Chinese joint venture

Schindler reached an agreement with the majority shareholders of XJ-Schindler (Xuchang) Elevator Co. Ltd., headquartered in Henan Province, to increase our participation from 46% to 51% in 2014. XJ-Schindler has over 60 branch offices in China, as well as its own design, manufacturing, installation, and maintenance operations.

Successful sale of Mall of Switzerland

Schindler successfully completed the real estate development project Mall of Switzerland together with Halter AG in 2014 and we subsequently sold various plots of land in Ebikon/Dierikon, close to Lucerne.

Repurchase program

A total of 74 000 registered shares and 249 200 participation certificates were repurchased in connection with the repurchase program in the reporting year for the purpose of reducing capital. The Board of Directors proposed to the General Meeting of Shareholders of March 20, 2015, that the capital stock be reduced by the number of registered shares and participation certificates repurchased.

2.10 Awards received in the reporting period

This section contains a selection of awards and is not an exhaustive list.

LEED certifications for new Schindler plants:

- Elevator plant in Hanover, Pennsylvania, USA: “Gold” level
- Escalator plant in Jiading (Shanghai), China: “Silver” level
- Elevator plant at Chakan (Pune), India: IGBC (LEED India) Gold certificate

EN6 contains examples of how Schindler’s mobility solutions have helped our customers around the globe to meet green building standards.

3 Report parameters

3.1 Reporting period

The information contained in this Report and the Annual Report relates to the period from January 1, 2014, to December 31, 2014, unless otherwise stated.

3.2 Date of most recent report

This is the third report to be produced according to the GRI G3.1 guidelines.

3.3 Reporting cycle

The Report is published annually.

3.4 Contact point for questions regarding the report

The contact point for the Report is Schindler’s Corporate Communications department. Telephone: +41 41 445 30 60; e-mail: sustainability@schindler.com

Further information is available at: www.schindler.com/sustainability

3.5 Process for defining report content

Our global Sustainability Council (SC), which represents all relevant corporate functions, determined the materiality of the sustainability topics for the purpose of this Report. All the GRI performance indicators were grouped into 27 main topics. The internal evaluation resulted in the production of the materiality index, in which topics were prioritized according to stakeholder concerns (a list of stakeholder groups is provided in 4.14). The materiality index and the Corporate Sustainability Policy serve as the basis for the definition of Schindler’s sustainability strategy.

Materiality

The materiality index reflects the most significant economic, environmental, and social impacts of our business activities.

Materiality index

Business related topics	Prioritization of stakeholder concerns
Customer and employee safety and health	
Energy consumption	
Economic performance	
Corruption	
Material resource depletion	
Training and education	
Product and service labeling	
Logistics impacts	
Procurement practices	
Waste	
Compliance to policies	
Anti-competitive behavior and compliance	
Diversity and equal opportunity	
Employment and labor relations	
Environmental fines and sanctions	
Fines for non-compliance	
Effluents	
Local communities	
Public policy positions	
Wages and employee loyalty	
Customer privacy and customer data	
Management diversity	
Supporting local business in the supply chain	
Emissions	
Marketing communications and compliance	
Biodiversity	
Water consumption and quality	

Sustainability topics are dynamic and the materiality index will be reviewed periodically to ensure it remains relevant to us and our stakeholders. It was determined that the above materiality index remained valid for the reporting year.

3.6 Boundary of the report

This Report includes all our companies and consolidated subsidiaries. Further information is available in sections 2.5 and 3.7.

3.7 Limitations on the report's scope or boundary

In August 2014, we increased our shareholding in XJ-Schindler from 46% to 51%. Our number of employees increased by almost 3 000 as a result of the first-time consolidation of XJ-Schindler, as shown in LA1. This consolidation is also reflected in our Financial Statements as well as in this Report in EC1. However, the consolidated data for the remaining GRI indicators – both environmental and social – were excluded from the Report as they do not relate to the full calendar year.

3.8 Comparability due to reporting on other entities

Almost all of our logistics processes are outsourced. The first phase of the related reporting system is being implemented in 2014–2015 and will allow for the inclusion of CO₂ data and other sustainability data relating to logistics processes.

3.9 Data measurement techniques

Data have been collected from various internal information platforms, including SAP modules, ISO 9001 and ISO 14001 management systems, procurement systems, and financial and legal databases. Environmental data have been compiled according to our internal guidelines.

The Group's consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are compliant with Swiss company law. The Financial Statements are prepared using the accrual basis of accounting and the historical cost approach with the exception of financial instruments, which are measured at fair value or at amortized cost. The reporting periods of all Group companies (directly or indirectly controlled by Schindler Holding Ltd.) ended on December 31, 2014.

A well-recognized reporting tool for collecting and managing sustainability data was aligned with our reporting framework in 2012 in preparation for its introduction in 2013. This tool now allows us to carry out comprehensive data gathering and analysis and to report consolidated results. This Report reflects our third year of data reporting.

3.10 Explanation of restatements

The EC1 table for the reporting period 2013 and 2012 has been restated in this Report. These restatements are as a result of including "interest" and "net income from securities" to revenue. In 2013, the restatement on the level of revenue amounted to CHF +35 million and in 2012 to CHF +39 million.

3.11 Significant changes

In 2012, the scope of our reporting and data coverage was expanded compared to the previous reporting period (which mainly focused on environmental performance). Our reporting activities were extended to include additional environmental and social performance data. Further refinements to the reporting tool were made in 2013 and 2014, as we streamlined our data collection process.

3.12 Table identifying the location of the standard disclosures

Standard disclosures are included in the Report and – for easy reference – in the GRI Index, which provides the status of each disclosure. Management disclosures are set out at the beginning of sections 5, 6, and 7.

3.13 Policy and current practice with regard to seeking external assurance for the report

External assurance was not sought for the Report. However, internal assurance from our Corporate Finance and Corporate Legal functions was obtained.

4 Governance, commitments, and engagement

Governance

The Corporate Governance Report contains the information required by the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange, effective December 31, 2014, and is structured in accordance with the Directive.

4.1 Governance structure

Corporate governance is covered in detail in the Corporate Governance section in the FS 2014, pages 103–131, as well as at: www.schindler.com/corporategovernance.

4.2 Position of the Chairman of the Board

Alfred N. Schindler, Chairman of the Board of Directors, born 1949 (Swiss citizen). Mr. Schindler has been Chairman of the Board of Directors since 1995, Chairman of the Supervisory and Nomination Committee since 1985, and a Member of the Board of Directors since 1977.

4.3 Independence of Board members

The Board of Directors, which – according to the Articles of Association – consists of between 5 and 12 members, currently has 12 members. Four members are executive members of the Board of Directors, which means that, in principle, they exercise their function on a full-time basis. None of the members also serve on the Group Executive Committee. Three executive members of the Board of Directors form the Supervisory and Nomination Committee. The eight remaining members are non-executive members of the Board of Directors.

Further information is available at: www.schindler.com/corporategovernance.

4.4 Mechanisms for shareholder consultation

The General Meeting of Shareholders is the supreme body within the company. Both the registered shares and participation certificates of Schindler Holding Ltd. are traded on the SIX Swiss Exchange. Holders of participation certificates have the same rights as holders of registered shares with the exception of attendance at the General Meeting and voting rights.

Further information is available in the Articles of Association of Schindler Holding Ltd. at: www.schindler.com/investorrelations as well as in the FS 2014, pages 105–106 and 127–129.

4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization's performance

The Group's success depends to a large extent on the quality and commitment of its employees. Our compensation policy is designed to attract, motivate and retain well-qualified professionals. In addition, the awarding of performance-related and, in particular, share-based components of variable compensation is intended to promote an entrepreneurial mindset and approach.

The most important principles of the Schindler's compensation policy are:

- Performance-related compensation in line with the market
- Participation in the company's success
- Fair and transparent compensation decisions
- Balanced proportion of short-term and long-term compensation components.

Further information is available in the Compensation Report in the FS 2014, pages 85–101.

4.6 Processes in place for the highest governance body to ensure conflicts of interests are avoided

Each Board member and member of the Group Executive Committee shall arrange his personal and business affairs so as to avoid a conflict of interests. Where the possibility of a conflict of interests arises, the person in question shall declare that possible conflict to the Chairman or to the CEO (or, in the case of the Chairman, to the Vice-Chairman).

Further information is available in the FS 2014, Corporate Governance Report, pages 103–131, and the Organizational Regulations – Schindler Holding Ltd., section 2.3.

4.7 Process for determining the qualifications and expertise of the members of the highest governance body

The internal organizational structure is reported in the FS 2014, pages 115–120, and the Organizational Regulations – Schindler Holding Ltd.

4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation

The Schindler Navigator Book defines the strategic direction we pursue in order to achieve success in the elevator and escalator market. It sets out our vision of "Leadership through Customer Service", as well as our corporate values, goals and objectives, and it provides details of how we execute our strategy.

Schindler's Code of Conduct defines how employees shall maintain the highest standards of professional and personal conduct in their relationships with customers, fellow employees, suppliers, competitors, governments, and communities. It includes five principles that employees must observe.

The following policies and guidelines support our commitment to sustainability and are available at: www.schindler.com/corporateculture:

- Corporate Sustainability Policy
- Employee Safety and Health Policy
- People Strategy
- Corporate Quality Policy
- Navigator Book
- Code of Conduct

4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance

Sustainability falls within the remit of Corporate Human Resources and is reviewed by the Group Executive Committee (governance body). The member of the Group Executive Committee with responsibility for Corporate Human Resources is assisted in this area by the Corporate Vice President Safety and Sustainability.

The global Sustainability Council consists of representatives of different countries in which Schindler operates, including relevant corporate functions as well as the production and service organization. The Sustainability Council identifies sustainability initiatives, which are subsequently presented to the CEO and the Group Executive Committee for evaluation and approval.

Commitments to external initiatives

4.10 Processes for evaluating the highest governance body's own performance

The General Meeting of Shareholders is the supreme body within the company. Further information is available in the Articles of Association of Schindler Holding Ltd., specifically section V on the General Meeting, at: www.schindler.com/investorrelations.

4.11 Explanation of whether and how the precautionary approach or principle is addressed

Our commitment to sustainability is enshrined in our Corporate Sustainability Policy. This Policy outlines our approach to sustainability, which is based on three pillars – people, planet, and performance – and defines the direction that we must take to address key sustainability challenges. The Policy is available at: www.schindler.com/sustainability.

We define and evaluate the most important risks we face in a four-phase process based on a detailed risk catalog. These risks are divided into the categories of product, market, and business risks; financial, operational and organizational risks; and safety, health, and environmental risks. Legal aspects are also evaluated for all risk categories. The four phases of the process are as follows:

- Each Group company creates a risk matrix as part of its budget process.
- The risks are combined within a Group matrix and evaluated in detail by an interdisciplinary Risk Committee comprising the responsible heads of the product groups and Group staff offices. Based on the evaluation, a detailed catalog of measures to address the most important risks is presented to the Group Executive Committee.
- The Group Executive Committee evaluates the risk matrix and the proposed catalog of measures and proposes any additions.
- The most important risks, along with possible measures to prevent and minimize potential harm arising from them, are presented to the Board of Directors for approval.

Group Assurance, the auditing body, and the Compliance departments support the Board of Directors in exercising its supervisory and control functions.

4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives

Schindler is a member of the Partnering Against Corruption Initiative (PACI). PACI is a global platform established by the World Economic Forum (WEF) that allows companies and business leaders to maximize their collective impact in the fight against corruption. Historically, it focuses on improving compliance practices and fosters a high-level dialogue between businesses and governments on key corruption challenges. Further information is available at: PACI.

4.13 Memberships in associations and/or national/international advocacy organizations

Schindler participates in various local industry and trade associations. For example, we are a member of the European Lift Association, the National Elevator Industry Inc. (NEII) in the USA, and the Lift and Escalator Contractors Association in Hong Kong.

We are also a member of various councils of The Conference Board – a global, independent business membership and research association that works in the public interest. They include the Council on Corporate Responsibility and Sustainability, the Council on Environment and Product Stewardship, and the Council on Health and Safety, as well as the Global Advisory Council.

Stakeholder engagement

4.14 List of stakeholder groups

Our stakeholder groups include employees, customers, shareholders, suppliers, trade unions, governmental authorities, and non-governmental organizations, as well as other groups within society such as lobby groups, local communities, and special interest groups.

4.15 Basis for identification and selection of stakeholders with whom to engage

We engage in a dialogue with all of our stakeholders. The contact point for this Report is Schindler's Corporate Communications department. Telephone: +41 41 445 30 60; e-mail: sustainability@schindler.com

4.16 Approaches to stakeholder engagement

Our operations have a limited direct impact on the vast majority of our stakeholder groups. This was demonstrated by an evaluation performed by the global Sustainability Committee when determining the materiality of issues such as stakeholder engagement. The findings of this evaluation fall within a group of issues that will be managed on a case-by-case basis until circumstances demand a different approach.

4.17 Key topics and concerns from stakeholders

In principle, stakeholder interests are addressed on a case-by-case basis.

5 Economic dimension

The statement of the Board of Directors indicates that Schindler has set itself the goal of achieving increased organic growth in growth markets, although this does not exclude acquisitions.

Today, 7 out of 10 elevators are sold in Asia. This geographical shift in demand needs to ultimately be reflected within the Group. We have therefore increased our presence in growth markets, further strengthened our production and research capacity, and introduced new products. As a result of these efforts, we were able to sell over 60% of all new installations in Asia for the first time in the second half of 2014.

In China, we increased our number of branch offices to around 100. The new escalator plant in Jiading has already reached a good level of capacity utilization thanks to our large volume of sales. In addition, there was a significant increase in sales of the Schindler 3600 elevator line developed for the Chinese market as well as the Schindler 5500 global elevator line. In parallel to our own market expansion, we established a joint venture with XJ-Schindler (Xuchang) Elevator Co. Ltd. – a leading Chinese elevator company in Henan Province – in 2011 and acquired a 46% participation in the company. This participation was increased by a further 5% in 2014. In addition, we have further rights to acquire 5% of shares in the company in each of the following three years in order to increase our participation to a total of 66% by 2017.

We reached a further milestone in our growth strategy with the opening of the new elevator plant in Chakan (Pune), India, in November 2014. The construction of four of our six state-of-the-art and environmentally friendly production sites has therefore now been completed. In the next stage of our growth strategy, we will open our elevator plant in Jiading as well as the escalator plant in Pune.

Our investments are not limited to growth markets. We are also investing in Ebikon, Switzerland, where our headquarters are currently being renovated and extended. In a multi-stage project, a new international visitor center, an employee restaurant, an auditorium, and other facilities are being built on the campus in Ebikon. Our main office building is also undergoing a complete renovation.

With our growth strategy, we succeeded in increasing our revenue, operating profit, and net profit in absolute terms in the reporting year despite negative foreign exchange impacts and challenging market conditions.

EC1 Direct economic value generated and distributed

In CHF million	2014	2013 [*]	2012 [*]
Direct economic value generated			
Revenue	9 392	8 848	8 297
Economic value distributed			
Operating costs	5 007	4 701	4 166
Employee wages and benefits	3 293	3 185	3 074
Payments to providers of capital	295	306	288
Payments to government	298	252	255
Community investments	0	0	0
Economic value retained	499	404	514

* Restated: more information in section 3.10.

EC2 Financial implications and other risks and opportunities due to climate change

We take account of environmental factors by designing our products to be energy efficient. Climate change poses no direct risk to the Group's activities.

EC3 Coverage of the organization's defined benefit plan obligations

We have a number of defined benefit plans. Certain plans are managed by legally autonomous institutions. The governing bodies of these institutions have an obligation to act in the interests of the plan participants and are also responsible for investment strategy. The largest plans are in Switzerland and the USA. Together, they accounted for 80% (previous year: 80%) of the Group's total defined benefit obligation and 91% (previous year: 91%) of our plan assets.

Further information is available in the FS 2014, pages 34–40.

EC6 Policy, practices, spending on local suppliers

Our Strategic Sourcing Organization is managed by a network of category and country teams, which work together closely to achieve the best possible results. The Strategic Sourcing Organization also includes production-, and non-production suppliers. When purchasing production materials, we rely on a network of more than 20 000 suppliers.

We assess the performance of key supply partners in areas such as compliance with the Schindler Vendor Policy, quality system, environmental management practices, and certifications.

Our top 20 suppliers continued to comply with environmental management systems for both production and non-production materials (see table below). Non-production materials include companies that deliver services to Schindler.

Purchasing volume rate

In %	2014	2013	2012
Production material			
Top 20 suppliers ²	69.5	66.3	63.2
Certified according to ISO14001 or similar ³	43.9	38.4	38.0
Alternative environmental management systems ⁴	11.1	9.9	8.6
Non-production material & services			
Top 20 suppliers ⁵	51.9	50.7	48.5
Certified according to ISO14001 or similar	21.8	19.5	18.8
Alternative environmental management systems	16.3	16.8	15.8

We have seven strategic sourcing offices to support our global operations. They are located in the USA, Brazil, Spain, Switzerland, Slovakia, India, and China.

EC9 Significant indirect economic impacts

Our most significant indirect economic impacts⁶ occur during the construction of our new production facilities globally.

We reached a further milestone in our growth strategy with the opening of the new elevator plant in Chakan (Pune), India, and the escalator plant in Jiading (Shanghai), China. The new elevator plant at Chakan is now providing our customers in India and South Asia with locally designed and manufactured products with much faster delivery times. Located on our extensive campus in Jiading, our new escalator plant is significantly boosting our production capacity and this will enable us to meet the continuing growth in demand that has been forecast for the Chinese domestic and export markets. The construction of four of our six state-of-the-art and environmentally friendly production sites has now been completed.

In the reporting year, our expansion strategy led to a significant increase in our global headcount, which grew by more than 6 000 employees. Our number of employees increased by almost 3 000 as a result of the first-time consolidation of XJ-Schindler, and around 3 000 positions were newly created. These developments entail substantial investments in employee training and development.

6 Environmental dimension

Our environmental impacts are caused by three main factors: the energy consumed by our products, our service fleet, and our production facilities.

Environmentally efficient products and materials

During the product design phase, environmental aspects are taken into account with regard to the preparation of materials, manufacturing, installation, operation, maintenance, and disposal.

By designing products that use less energy while in operation, we help to reduce overall energy consumption in the buildings in which our products are installed – thus creating value for our customers. A particular emphasis is placed on energy efficiency

when designing the elevator and door drives, car lighting, and the control and ventilation systems.

Service fleet

We have a service fleet of over 20 000 vehicles globally. This service fleet accounts for around two-thirds of our direct environmental impacts. We therefore strive to lower these impacts by replacing vehicles in the fleet with more environmentally friendly models that feature new technology – allowing for reductions in fuel consumption and emissions. Route optimization also enables us to improve our environmental performance in this area.

Production sites

In 2014, we increased our number of ISO 14001 certifications globally, with 70% of our production facilities now certified. By end-2014, two new production facilities came into operation – the elevator plant in Chakan (Pune), India, and the escalator factory in Jiading (Shanghai), China. Our goal is to have all our production facilities certified according to this internationally recognized environmental management system.

The implementation of ISO 14001 is accompanied by the periodic definition of targets for key indicators. As part of the implementation process, we are executing initiatives to reduce waste generation and water consumption. Another area of focus is the reduced usage of volatile organic compounds (VOCs) through the transition from solvent-based paints to water-soluble paints.

EN3 Direct energy consumption

Our service fleet accounts for the largest proportion of our direct energy consumption, followed by the use of electricity and natural gas. The amount of energy consumed by our service fleet as a proportion of our total direct energy consumption continued to decrease – falling from 67% in 2013 to 64% in 2014.

The direct energy consumption of our service fleet in relation to our number of employees⁷ and revenue⁸ decreased by 13.6% and 13.8%, respectively, in the reporting year:

- 7.6 kWh/employee in 2014 versus 8.8 kWh/employee in 2013 and
- 41.3 kWh/revenue in 2014 versus 47.9 kWh/revenue in 2013.

The direct energy consumption of diesel-powered vehicles remains fairly constant. However, the proportion of energy consumed by gasoline-powered vehicles is continuing to decrease on a consistent basis.

Direct energy consumption

In gigawatt hours	2014	2013	2012
Intermediate energy – buildings and processes			
Total electricity	105	107	89
District heat	8	8	8
Total intermediate energy	113	115	97
Primary energy⁹			
Natural gas	94	85	63
Fuel oil	5	6	9
Others	3	1	1
Vehicles			
Diesel	228	223	216
Gasoline	160	195	223
Others (gasoline/alcohol, LPG, CNG)	0	4	12
Total primary energy	490	514	524
Total direct energy	603	629	621

Our global electricity mix remains quite stable. Although it is largely dependent on each country's national grid, changes are visible at country level. Renewable energy represents almost one-third of the total electricity mix.

Electricity mix

In %	2014	2013	2012
Coal	31	31	31
Oil	3	3	6
Gas	14	14	10
Nuclear	21	21	20
Hydropower	24	24	27
Other renewables	7	7	6
Total	100	100	100

The size of our global service fleet increased in 2014, mainly reflecting the growth of our business. However, the total distance travelled decreased slightly as a result of route optimization. The average distance travelled per employee also decreased.

The trend towards more cars and delivery vans equipped with particulate filters was once again evident in 2014. The ratio of petrol/gasoline-powered vehicles to diesel-powered vehicles is 32:68 (in 2013, it was 35:65 and in 2012, it was 37:63), reflecting the continuing trend towards the use of more diesel-powered vehicles.

Fuel performance

	2014	2013	2012
Distance travelled in %			
Petrol/gasoline in passenger cars	18.9	21.7	19.4
Petrol/gasoline in vans < 3.5 t	12.6	12.7	16.9
Diesel in passenger car with particulate filter	40.6	33.9	26.2
Diesel in passenger car without particulate filter	7.7	10.3	14.4
Diesel in van < 3.5 t with particulate filter	14.8	14.6	15.4
Diesel in van < 3.5 t without particulate filter	2.6	4.0	5.1
Gasoline/bioethanol in passenger car	2.8	2.8	2.6
Total	100	100	100

	2014	2013	2012
In l/100km			
Petrol/gasoline in passenger cars	9.3	10.5	9.6
Petrol/gasoline in vans < 3.5 t	14.3	15.6	15.6
Diesel in passenger car with particulate filter	6.2	6.4	7.5
Diesel in passenger car without particulate filter	7.0	6.0	7.4
Diesel in van < 3.5 t with particulate filter	7.7	7.6	7.7
Diesel in van < 3.5 t without particulate filter	8.5	8.2	7.8
Gasoline/bioethanol in passenger car	12.5	12.5	11.8

EN4 Indirect energy consumption

Our indirect energy consumption¹⁰ mainly comprises purchased electricity. The measurement of electricity consumption excludes those cases where electricity charges form part of a lease agreement. These cases are limited to office buildings. However, all our production facilities are included in the table below.

In 2014, indirect energy consumption per employee and indirect energy consumption in relation to revenue decreased even though both headcount and revenue increased. Headcount⁶ rose by 6.4% and revenue grew by 4.9% in 2014 compared to 2013.

Indirect energy consumption decreased as follows:

- 5.0 MWh/employee in 2014 compared to 5.6 MWh/employee in 2013, corresponding to a 10.7% decrease and
- 27.4 kWh/revenue in 2014 compared to 30.9 kWh/revenue in 2013, corresponding to an 11.3% decrease.

Indirect energy consumption

	2014	2013	2012
In gigawatt hours			
Electricity	249	264	232
District heat	8	8	8
Total indirect energy consumption	257	272	240

EN6 Initiatives to provide energy-efficient or renewable energy-based products and services

Our main focus is on improving the energy efficiency of our products and our service fleet.

Energy-efficient products

Urban centers produce around 75% of carbon emissions¹¹, and buildings account for around 40% of annual energy consumption¹². Reductions in energy consumption therefore not only make it possible to preserve non-renewable energy sources for the future but to also lower pollution levels. We help to make urban centers more sustainable by developing and supplying energy-efficient and resource-efficient mobility solutions.

To measure our progress in reducing the environmental impacts of our products, we developed an ecological product comparison tool known as PEcoPIT. This allows us to gather the information needed to perform life cycle assessments. PEcoPIT evaluates the consumption of energy and raw materials over the entire life cycle of products and enables the environmental load of new products to be compared with older models. The potential environmental impact is assessed using the Swiss Agency for the Environment, Forests and Landscape (SAEFL) method to determine ecological scarcity, which is measured based on environmental load units, as well as using the eco-indicator method based on eco-indicator points.

The daily energy requirements of buildings have a significant impact on the environment. The amount of energy used by elevators while in operation is a key factor determining their environmental impact. We apply the VDI 4707 guidelines to obtain an accurate assessment of the energy efficiency of our elevators. We have an "A" rating – the highest energy efficiency class according to VDI 4707 – for the Schindler 3300, Schindler 5500, and Schindler 7000 (high-rise) elevator lines. Environmental fact sheets for our products are available under Product Ecology at: www.schindler.com/sustainability.

Global Fleet Policy

Our service fleet is mainly used by our employees in connection with the maintenance of elevators and escalators. There is significant potential to reduce our carbon footprint in this area.

Since 2005, a number of local initiatives have been carried out to reduce the environmental impacts of our service fleet. They include replacing petrol/gasoline-powered vehicles with diesel-powered vehicles, fitting older vehicles with particulate filters, and fitting new diesel-powered vehicles with particulate filters. Further measures include the introduction of the Global Fleet Policy, a standardized procurement strategy, and a strict policy governing car brands. Further information on our service fleet is available under Vehicle Fleet at: www.schindler.com/sustainability.

In 2012, further enhancements were made to the Global Fleet Policy. They not only include additional safety requirements for our fleet but also the definition of lower CO₂ emission targets. We aim to reduce CO₂ emissions from our service fleet by 30% by 2016 compared to the level in 2012. The revised policy will enable us to benefit from improved technology and will simultaneously reduce our overall carbon footprint. For further details on our performance in 2014, please refer to EN16.

Green building standards

It is essential to take account of green building standards such as BREEAM, LEED, Minergie, and Green Star when planning, constructing, and operating sustainable buildings. We comply with the specifications of the relevant international codes and assist architects and designers in obtaining green building certifications.

We supply mobility solutions for a range of buildings that have been constructed in accordance with green building standards in order to obtain the relevant certifications. Examples include:

Building	Location	Certification
Zuellig Building	Makati, Philippines	LEED Platinum
Asia Square Tower 2	Marina Bay, Singapore	LEED Platinum
Park Ventures	Bangkok, Thailand	LEED Platinum
Fluor office building	Hoofddorp, Netherlands	BREEAM Excellent
Faro de Guadiana shopping mall	Badajoz, Spain	BREEAM
The Francis Crick Institute	London, UK	BREEAM Excellent
345 California Center	San Francisco, USA	LEED
Brookfield Place	Perth, Australia	Green Star
Heron Tower	London, UK	BREEAM
Warsaw Spire	Warsaw, Poland	BREEAM Excellent
Prime Tower	Zurich, Switzerland	Minergie

We have also obtained certification for several of our own buildings:

Building	Location	Certification
Elevator plant	Pune, India	IGBC (LEED India) Gold
Escalator plant	Jiading, China	LEED Silver
Schindler regional headquarter	Morristown, USA	LEED
Elevator plant	Dunjaskà Streda, Slovakia	BREEAM Excellent

Further information on ecological leverage and product and site ecology is available at: www.schindler.com/sustainability.

EN7 Initiatives to reduce indirect energy consumption

Around 80% of a building's total environmental impacts occur while it is in use. Schindler contributes to the reduction of these impacts through the development of energy-efficient products and their regular maintenance – thus ensuring that they remain clean, reliable, and energy-efficient.

We also offer modernization solutions for older elevators or escalators, thus improving energy efficiency and the safety and comfort of passengers. Modernization measures include the installation of new LED lighting systems, Power Factor 1 energy-recovery drives, and controls enabling elevators or escalators to switch to stand-by mode when not in use. The installation of the Miconic 10 hall call destination system and PORT

technology when modernizing elevators can potentially increase the volume of passengers they transport by 30%.

EN8 Total water withdrawal

Water consumption is not a business critical indicator for our company since we do not use water in our manufacturing processes. However, we monitor this indicator based on the average consumption per employee.

Water consumption

	2014	2013	2012
Total amount of water consumed in 1000 m ³	466	507	470
Total water consumption from municipal sources in %	98	96	96
Ratio of water consumption per employee	9.1	10.5	10.4

EN8 excludes those cases where we are not charged for water consumption under the terms of our lease agreements, meaning that the corresponding data are not readily available. We do not pay directly for this water as it forms part of the overall lease agreement. However, in cases where the figures for consumption are available, they are reported. In 2014, a major proportion (98%) of the water we consumed originated from municipal sources. This compared to 96% in both 2013 and 2012.

EN11–EN15 Biodiversity

Biodiversity is not reported as it is immaterial to our business. Our operations have limited impacts on local biodiversity. Consequently, no protected areas are affected by our business.

EN16 Total direct and indirect greenhouse gas emissions

Our vehicle fleet remains the largest single source of CO₂ emissions at Schindler. As a result, we have set ourselves the global target of reducing CO₂ emissions by 30% by 2016, with 2012 serving as the reference year. Between 2013 and 2014, emissions were reduced by a cumulative 14.7% due to the implementation in 2012 of the Global Fleet Policy, which stipulates that our vehicle fleet is to be replaced with more fuel-efficient vehicles in order to lower CO₂ emissions. This means that we are progressing towards our target of reducing our CO₂ emissions by 30% by 2016.

Total CO₂ emissions per employee decreased by 8.6% in 2014 compared to 2013. Total CO₂ emissions in relation to revenue decreased by 8.3% over the same period. Actual CO₂ emissions were as follows:

- 3.2 t/employee in 2014 compared to 3.5 t/employee⁶ in 2013 and
- 17.6 kg/revenue in 2014 compared to 19.2kg/revenue in 2013.

Direct and indirect greenhouse gas emissions

In kilotons of CO ₂	2014	2013	2012
Fossil fuels for owned buildings and processes	13	14	13
Fossil fuels for rented buildings and processes	7	5	2
Fossil fuels for vehicle fleet	99	108	116
Electricity	46	42	50
District heat	0	0	0
Total CO₂ emissions	165	169	181

In kilotons of CO ₂ equivalents	2014	2013	2012
Fossil fuels for buildings and processes	71	78	62
Vehicle fleet	151	165	175
Waste disposal	12	13	11
Total CO₂ equivalents	234	256	248

EN20 NO_x, SO_x and other significant air emissions by type and weight

The only noteworthy air emissions to result from our activities originate from solvents used during maintenance work on elevators and escalators.

The slight increase in the use of non-chlorinated volatile organic compounds (VOCs) in 2014 reflected the growth of our business. The average volume of VOCs used in 2014 was 3.5kg/employee⁶ compared to 3.4 kg/employee in 2013.

Volatile organic compounds (VOCs)

In tons	2014	2013	2012
Non-chlorinated	179	165	128
Chlorinated	0	0	0
Total VOC emissions	179	165	128

EN22 Total amount of waste by type and disposal method

Three-quarters of our total volume of waste are recycled. Hazardous waste represents around 4% of the total waste generated, of which 92% is either recycled or incinerated.

The total amount of waste decreased in absolute and relative terms in 2014.

The amount of waste in absolute terms was as follows:

- 0.83 t/employee in 2014, compared to 0.92 t/employee⁶ in 2013 and
- 4.6 kg/revenue in 2014, compared to 5.0 kg/revenue in 2013.

Hazardous/special waste¹³

	2014	2013	2012
Used oils/oil emulsions in tons	916	935	1 356
% recycled	55	57	63
% incinerated	42	39	31
% landfill	3	4	6
Electric and electronic waste in tons	507	517	517
% recycled	94	94	90
% incinerated	2	2	5
% landfill	4	4	5
Other hazardous waste in tons	380	296	289
% recycled	39	33	40
% incinerated	33	59	36
% landfill	28	8	24
Total hazardous/special waste in tons	1 803	1 748	2 162

Non-hazardous waste

	2014	2013	2012
Scrap metal in tons	17 353	17 468	13 365
% recycled	97	96	97
% incinerated	1	1	1
% landfill	2	3	2
Paper/cardboard in tons	3 501	3 395	3 990
% recycled	94	91	94
% incinerated	6	3	6
% landfill	0	6	0
Municipal waste in tons	5 127	4 779	4 877
% recycled	30	28	30
% incinerated	32	30	32
% landfill	38	42	38
Other non-hazardous waste in tons	14 960	17 071	14 661
% recycled	62	62	62
% incinerated	35	32	35
% landfill	3	6	3
Total non-hazardous waste in tons	40 941	42 713	36 893
Total waste discharge in tons	42 744	44 461	39 055

EN26 Mitigating environmental impacts of products and services

We perform life cycle assessments based on ISO 14040 and ISO 14041 to identify ways of improving the environmental performance of a product throughout its life cycle – from the development phase and procurement of raw materials to production, packaging and transportation, utilization, maintenance, and disposal:

- 30% of energy can be recovered¹⁴ by feeding unused elevator energy back into a building's electricity network, resulting in a reduction in waste heat and elevator cooling requirements.
- The PORT transit management system optimizes the flow of traffic through buildings and offers highly customized levels of service. The system is able to increase traffic efficiency by as much as 30% compared to a conventional elevator system.
- Our main product lines – the Schindler 3300, Schindler 5500, and Schindler 7000 elevators – all achieved an "A" rating according to VDI 4707.
- ISO 14001 certification has already been obtained for 70% (2013: 60%) of our existing production facilities. In 2014, Schindler Drive Systems in Zaragoza, Spain, was awarded ISO 14001 certification.
- Up to one-third less energy is consumed by Schindler 9300 escalators with adjustable speeds, lightweight drive technology, and LED lighting compared to former product lines.

Further information, including details of the innovative features of selected products, is available in the Sustainability Brochure, published in 2014, pages 20–21.

EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

No significant fines were paid during the 2014 reporting period. Mandatory disclosures of non-compliance issues are provided in the FS 2014, page 46.

EN29 Significant environmental impacts of transporting products and other goods and materials

The two main transport-related causes of our environmental impacts are our service fleet and our logistics operations.

Further information on our service fleet is available in chapter 6, as well as in the GRI indicators EN3, EN6, and EN16.

The implementation of the Transport Order Management Solution (TOMS) will provide valuable data on the carbon footprint of our logistics operations. A full set of data for both inbound and outbound logistics is expected to be gathered in 2015–2016.

We plan to combine data on different types of trucks and loads, distances travelled, fuel consumption and CO₂ emissions but it will also be necessary to collaborate closely with our network of suppliers to obtain the necessary data. This network consists of suppliers of materials as well as providers of non-logistics services.

TOMS will initially be implemented in Europe; its geographical scope may be extended in future.

A major benefit of TOMS is that it will streamline processes between the various network partners, resulting in a net benefit for the environment in terms of CO₂ emissions as well as cost reductions.

7 Social dimension

Human resources

It is the skill, expertise, and professionalism of our employees that ultimately determines our success in the marketplace. It is therefore vital for us to attract and retain the right people, who share our corporate values and objectives.

In 2014, the rollout of our People Strategy was expanded to include:

- The introduction of e-learning and classroom training for our recruiting managers to ensure the effective implementation of our Group Recruiting Policy.
- The automation of Succession Planning and Performance Management processes, providing transparency, traceability and follow-up features to foster a high performance culture.
- The development of new assessment and training courses based on the Schindler Leadership Framework to strengthen the capabilities of our leaders.
- The Employee Engagement Survey, which was completed by 89% of our employees and is increasingly being completed online.
- A comprehensive Employee Communication Strategy, which was introduced at both Group and operational level.

In 2013, we introduced a global People Strategy. It is based on our core values as well as seven “HR ambitions” that help us to implement our business strategy. Our goal is to have a highly motivated and committed workforce led by a talented management team in a working environment that is stimulating and attractive for both current and prospective employees.

Human Resources (HR) is committed to promoting high-quality leadership that drives strong levels of employee engagement and accountability. Within our growth markets, HR focuses on recruiting and retention, as well as on the provision of high-quality training and development to ensure our employees have the necessary skills to drive sustainable growth. In developed markets, HR uses performance management and development actions to ensure our employees are equipped to grow our portfolio, increase operational competitiveness, and deliver excellent service quality to our customers.

Safety

Safety is one of our core values. We do not compromise on the safety of passengers or our employees.

- Passenger safety: from the design and production phases through to on-site installation, servicing, and inspections, our teams of professionals focus on providing safe and reliable mobility, 24 hours a day.
- Employee safety: we strive to offer a safe, stimulating, and innovative working environment for all our employees.

We assign particular importance to promoting risk awareness and a sophisticated technical and safety culture among our employees. In addition to our internal and external risk and safety management system, we have introduced a comprehensive behavior-based safety initiative that is targeted at all employees worldwide and builds

on our existing safety management program. This program will be enhanced on an ongoing basis, as described in LA7.

Customer Excellence

In 2014, we completed the rollout phase of the first stage of the Customer Excellence program. As a result, all our operating companies are certified at “silver level”. In view of the improvement in customer experience, our customers awarded us a 13% higher Net Promoter Score in 2014 compared to 2013. That means that in the reporting year, we had a much higher proportion of promoters than in 2013. For additional information on specific achievements in 2014, please refer to PR5.

Going forward, we are committed to:

- Further strengthening and sustaining the changes in customer orientation
- Continuing to drive our Customer Excellence process quality
- Delivering a flawless customer experience

We launched our Customer Excellence program in 2012 to support our vision of “Leadership through Customer Service”. In 2013, the focus of the program was on training key people to facilitate the implementation of Customer Excellence.

Ethics

All managers and employees worldwide pledge to uphold the values and rules set out in Schindler’s Code of Conduct: they agree to act in an ethical manner and in compliance with all applicable laws and regulations. The implementation of the Code of Conduct is based on three pillars: Educate – Examine – Enforce.

The Code of Conduct consists of five principles that employees must observe:

- Comply with all applicable laws and regulations.
- Adhere to high ethical standards by respecting the rights and dignity of all persons with whom they are dealing and by not accepting illicit benefits nor extending such benefits to other persons.
- Do not compete in any way with our business and avoid conflicts of interest to the detriment of our business.
- Keep our business, financial and technical data as well as internal business documents confidential and not misappropriate Schindler’s or other companies tangible or intellectual property.
- Actively help Schindler in achieving compliance with the Code of Conduct.

A global network of Compliance Officers supports these efforts and monitors compliance with the Code of Conduct by conducting regular audits. The Group Compliance Officer has a direct reporting line to the Group General Counsel and periodically reports to the Audit Committee.

7.1 Labor

LA1 Total workforce by employment type and region

Our global headcount rose by 12.5% in 2014 (2013: +6.5%) to 54 209. Our number of employees increased by almost 3 000 as a result of the first-time consolidation of

XJ-Schindler, and around 3 000 positions were newly created – resulting in an overall increase in headcount of more than 6 000 employees. New positions were created in all regions, with the largest increases in China, India, and Southeast Asia.

Employees by business area

In numbers	2014	2013	2012
Group employed at year-end	54 209	48 169	45 246
Installation and maintenance	31 010	28 551	26 559
Production	4 165	3 867	3 587
Engineering, sales and administration	19 034	15 751	15 100

In %	2014	2013	2012
Group employed at year-end	100	100	100
Installation and maintenance	57	59	59
Production	8	8	8
Engineering, sales and administration	35	33	33

Employees by region

In numbers	2014	2013	2012
Group employed at year-end	54 209	48 169	45 246
Switzerland	4 600	4 650	4 493
Rest of Europe	14 978	14 868	14 953
Americas	13 369	13 160	12 626
Asia-Pacific, Africa	21 262	15 491	13 174

In %	2014	2013	2012
Group employed at year-end	100	100	100
Switzerland	8	10	10
Rest of Europe	28	31	33
Americas	25	27	28
Asia-Pacific, Africa	39	32	29

LA4 Percentage of employees covered by collective bargaining agreements

In principle, our local management teams take care of all industrial relations at the appropriate level. We communicate with all our employees on a regular basis.

In 2014, 70% of our employees were covered by collective bargaining agreements. We acknowledge the freedom of association of our employees and their right to collective bargaining within the framework of local laws¹⁵.

In %	2014	2013	2012
Employees covered by collective bargaining agreements	70	70	64

LA5 Minimum notice periods regarding significant 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.

These laws and regulations may differ significantly from country to country. 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. Some countries specify different notice periods based on the length of service of affected employees and/or their seniority within the company.

Alternative arrangements may also be put in place. In such cases, the terms set out in these collective agreements exceed the minimum statutory requirements.

LA6 Workforce represented in formal joint management-worker health and safety committees

Safety and Health Committees have been established for all our operations. Depending on the size of the operations concerned, these Committees operate either at a local company level (small operations) or at both company level and regional level (larger operations) in order to cover the entire geographic breadth of that operation. The composition of the Committees complies with local legislation governing employee and management representation. The Committees meet as often as required by local legislation.

Our corporate Safety and Health team provides further support to the operational committees in areas such as the rollout of corporate initiatives, safety leadership training, and assessments.

We hold a Global Safety Convention once every two years to share best demonstrated practices within our company.

LA7 Rates of injury, occupational diseases, lost days, fatalities and absenteeism

In 2014, Schindler reduced its LTIFR by 12% compared to the previous year, resulting in an improvement of over 86% since the start of our Behavior-Based Safety Initiative in 2007. This Initiative applies to all employees worldwide and is continuously adapted to address the most important aspects identified during internal assessments.

Year-on-year improvement

In %	2014	2013	2012
Improvement in lost time injury frequency rate	12	15	22

We continued this Initiative in 2014 with a focus on the following measures:

- Safety leadership training
- Special training on fall protection, hoistway access and accident investigations
- Safety walks by Group, regional, and local management
- Specific safety awareness videos developed by Schindler

LA8 Education, training, counseling, prevention, and risk-control programs for serious diseases

We are committed to providing employees with a safe and healthy working environment. We therefore not only meet minimum legal requirements but often exceed these requirements. A range of education, training, counseling, prevention, and risk control programs relating to serious diseases are planned and implemented at a local level. This Report provides several examples of local employee assistance programs. They are part of the vast range of initiatives run by us that are tailored to the specific needs of employees in individual countries.

In the USA, we offer on-site education and training programs on various health topics and provide health coaches for employees and their families to help address serious medical conditions. Biometric screening, mammographies, flu vaccinations, and health fairs are provided, and medical treatment is covered by the health care plan.

In Mexico, employees are offered monthly medical checks with an on-site doctor, as well as a range of external healthcare services. Additionally, first aid courses are provided twice a year for all employees and subcontractors. Health campaigns targeted at parasite control, vaccinations, and the detection of prostate cancer are conducted periodically. Employees can also benefit from a range of tests (including cholesterol, glucose, and yellow fever testing, as well as ECGs, and densitometry analyses).

In Switzerland, we have a process in place to help identify cases of serious diseases among employees. These cases are treated with the consent of employees, managers, and the relevant Human Resources department. The program also provides anonymous support on a broader range of issues such as burnout, mobbing, sexual harassment, general stress in the workplace, financial problems, addictions, dealing with public authorities, anxiety, and family conflicts or relationship problems.

In South Africa, we provide access to professional counseling for our employees and members of their families through our Employee Assistance Programme. Its purpose is to provide constructive assistance in the form of confidential counseling and support (including assistance in goal setting, the achievement of a healthy work/life balance, and parenting skills). A financial assistance program assists employees with financial matters, offering them access to products such as personal loans, home improvement loans, educational loans, funeral assistance, and insurance. By providing debt counseling and legal advice, the program relieves the burden on employees and their families. Through our HIV policy, we promote a non-discriminatory workplace in which people living with HIV and AIDS can be open about their HIV status without fear of discrimination. We are committed to promoting appropriate and effective ways of managing HIV in the workplace to enable employees to continue working as long as they are medically fit to do so.

In India, all employees and subcontractors receive a medical examination when they join the company. Our Employee Assistance Programme provides medical cover through a program of hospitalization cover that includes pre-employment diseases.

The hospitalization cover is extended to our employees' immediate family, while cover for their parents/in-laws is optional. We also ensure that all apprentices, subcontractors, and associates have cover against any unforeseen medical emergencies. Health support and disease prevention measures include information sessions on a healthy lifestyle by medical experts, training on defensive driving, and first aid. At our factory in Pune, we have a medical center and an ambulance with a driver that is available 24 hours a day. Furthermore, wellness programs that include yoga and stress management are offered to employees.

In China, an on-site medical professional is available to provide first aid and medical support. All employees are offered an annual health check, which may include a routine blood and urine test, X rays, and an electrocardiogram (ECG), as well as an ultrasound test. Each year, all employees are educated about different seasonal or infectious diseases, including preventive action to reduce the risk of transmission. These training sessions also give them an opportunity to consult with medical experts about other health-related matters.

In the Philippines, employees are provided with annual physical examinations as well as an awareness seminar that discusses topics including the outcome and importance of annual examinations, dietary recommendations, and follow-up actions. Employees with health risks receive counseling and several health programs are offered throughout the year, such as vaccines, sporting events, etc. All employees are covered with medical cards and health insurance, while medical practitioners advise on suitable treatments.

In Australia, we have introduced a financial program – the Employee Assistance Programme – to support employees who have had a serious accident or have contracted a serious (non-work related) disease that prevents them from working and have used up their entire sick leave entitlement. Work-related accidents and diseases are covered through workers' compensation schemes. All employees have access to the Employee Assistance Programme. This service, which is funded by the company, is a private arrangement between employees and the counseling service and is used in the case of serious diseases or family-related issues (e.g. where an employee requires marriage or family counseling). A separate health and wellbeing program focuses on the prevention of disease, as well as on education and training, and consists of newsletters, exercise programs, and health presentations by medical and nutritional experts. In addition to these programs, fundraising by employees provides further support to help manage cases of serious disease.

In New Zealand, special leave in addition to normal sick leave ensures that our employees are fully covered in the case of serious long-term illnesses, such as hepatitis, glandular fever, etc. Several health-related preventive activities and programs are also provided, including counseling by health and safety consultants, annual flu vaccinations, access to an off-site accredited medical practitioner for consultation on occupational health issues, and general health information newsletters.

LA10 Average hours of training per year per employee

The average number of technical training days¹⁶ provided per employee in 2014 was 7.2 days (2013: 7 days and 2012: 5.5 days). This compares to our target of 5 days of training for installation and service technicians.

Average days of technical training for technicians

	2014	2013	2012
Europe	5.9	6.2	4.5
Americas	7.7	7.9	5.8
Asia-Pacific, Africa	8.1	7.0	7.1
Total	7.2	7.0	5.8

Global technical training and certification

Around 60% of our workforce consists of installation and service technicians, who make a vital contribution to the success of our business. Reflecting our focus on the quality and safety of our products, we assign the utmost importance to ensuring that our employees have the necessary skills and expertise to perform their roles effectively.

As a first step, we assess the core capabilities of our employees, offer appropriate training, and conduct a certification process to confirm that they have the skills needed for their work – thus guaranteeing that all technicians worldwide have a comparable level of expertise.

Based on this global standard, we provide any additional training on a targeted basis to meet the specific needs of individual regions or subsidiaries.

Our employee certification program provides at least five days of training per year, including technical training and frequent updates to ensure that employees are informed of mandatory regulatory changes.

LA11 Programs for skills management and lifelong learning

Our non-technical training is based on a multi-channel approach – ranging from traditional classroom teaching to multimedia training courses that employees can complete on their laptops or mobile devices. We offer a broad spectrum of courses to build skills, knowledge, and experience in all areas of the business, from new installations, service, and modernization to sales, finance and others. We encourage cross-functional training to allow our employees to broaden their career options.

Leadership is important within an organization because it is the leaders who drive and implement the new processes and ideas that help us to evolve and become more sustainable. Consequently, our business training provides a specific focus on leadership development. We offer a full range of business leadership training courses, in addition to which employees can participate in group projects and job rotations to enhance their career development. We run a Leadership Academy to prepare employees in senior positions for the challenges of leadership and management in a complex global organization.

In addition, we support young talent through the Schindler Career Development Program (SCDP). The SCDP is an on-the-job management training program designed to develop a pipeline of future leaders and to prepare them to assume key management positions. This six-year program includes a functional rotation, an international assignment and professional leadership opportunities.

LA12 Employees receiving regular performance and career development reviews

In 2014, 81% of our employees participated in a formal annual performance review with their manager in which their skills and capabilities were assessed. We provide training and development opportunities for all our employees to promote high levels of motivation and performance and to help them realize their full potential.

In %	2014	2013	2012
Employees receiving formal performance review at least once per year	81	78	75

LA13 Composition of governance bodies and employees by gender and age

In 2014, 17% of our Board of Directors' positions were held by women (2013: 17%). There were no women in the Group Executive Committee. Of the total of 6 176 management positions within our company in 2014, 730 were held by women (11.8%).

In %	2014	2013	2012
Women in governance bodies in the Board of Directors	17	17	0
Women in the group executive committee	0	0	0

Employees by age distribution at year-end

In %	2014	2013	2012
Group employed by year-end	100	100	100
Below 30 years	19	21	20
Between 30–50 years	58	59	57
Above 50 years	23	20	23

7.2 Human rights

HR4 Total number of incidents of discrimination and corrective actions taken

Our annual compliance assessment did not identify any significant incidents of non-compliance with our global policy on equal opportunities. We do not tolerate discrimination in any form – particularly on the basis of ethnic origin, nationality, gender, sexual orientation, gender identity, religion, age, marital status, pregnancy, or disability.

HR6 Operations identified as having significant risk for 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 compliance assessment did not identify any cases involving significant child labor risks.

HR11 Number of grievances related to human rights

Schindler's Code of Conduct (Principle 2) states that we adhere to high ethical standards by respecting the rights and dignity of all persons with whom employees deal. This corporate principle is supported by operational regulations and procedures, which go further in defining how we address any grievances related to human rights. These procedures take account of local legislation – especially in countries with specific requirements in this area.

7.3 Society

SO2 Number of business units analyzed for risks related to corruption

Our compliance program encompasses all our entities and all our employees. A core component of the program is the mandatory completion of a six-monthly online questionnaire by all employees with a corporate e-mail account. In addition to conducting this compliance questionnaire, we perform regular corporate compliance audits. These audits include compliance briefings, reviews of accounts, spot checks on branch offices, and reviews to monitor the implementation of the compliance program at a local level.

Further information is available at: www.schindler.com/corporatecompliance.

SO3 Employees trained in organization's anti-corruption policies and procedures

Schindler's Code of Conduct states that our employees around the world shall maintain the highest standards of professional and personal conduct in their relationships with customers, colleagues, suppliers, competitors, governments, and communities. The Code of Conduct applies to all employees.

We run a comprehensive training program on anti-corruption efforts, including a dedicated eLearning module for all employees with a corporate e-mail account. It provides additional classroom training for employees in market-focused functions, e.g. sales or procurement.

Our compliance framework is designed to promote awareness of our Code of Conduct and to support its implementation. It is structured in the form of a pyramid.

The top level of the pyramid comprises our Code of Conduct, which encompasses five core principles.

The next level of the pyramid comprises the guidelines that accompany the Code of Conduct; they explain the five principles in detail and are adapted to local legal requirements and translated into local languages.

“Dos and Don’ts” form the base of the pyramid: they specify the correct behavior in risk areas such as anti-trust, anti-bribery, invitations to events, insider trading, etc.

Our Corporate Compliance unit analyses corruption risk exposures at country level by conducting corruption risk assessments with the main functions of local companies and with its senior management.

Further information is available at: www.schindler.com/corporatecompliance.

SO4 Actions taken in response to incidents of corruption

Our Internal Compliance team investigates any potential signs of corruption. The Internal Compliance team is supported by external specialists in this area.

SO5 Public policy positions and participation in public policy development and lobbying

Public policy positions are primarily limited to trade associations in the elevator and/or escalator industry. We are a member of trade associations in many countries across the world.

SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

As an internationally active group, we are exposed to a variety of legal risks. In particular, they may include risks associated with employment law, product liability, patent law, tax law, and competition law. Several Group companies are currently involved in legal proceedings. The result of pending or future proceedings cannot be accurately forecast. Consequently, decisions by courts or other authorities can give rise to expenses that are not covered either partly or fully by insurance policies. This may have a significant impact on our business and future results. Further information regarding the 2014 reporting period is available in the FS 2014, page 46.

SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

No significant fines were paid during the 2014 reporting period. Mandatory disclosures of significant non-compliance issues are provided in the FS 2014, page 46.

7.4 Product responsibility

PR1 Life cycle stages in which health and safety impacts of products and services are assessed

The health and safety impacts of products are fully integrated into every phase of their life cycle, from the design phase to disposal, reuse or recycling.

The Product Cycle Process is one of our key research and development processes and underscores our commitment to product safety. It encompasses four different stages.

In the first stage, safety considerations are incorporated into the research and development phase (e.g. elevator safety codes are used to determine internal research and development requirements).

In the second stage – once the elevators have been manufactured – they undergo rigorous on-site safety testing before being approved for use by our customers.

In the third stage, we carry out regular inspections as well as Confirmation of Periodic Safety Inspection processes to ensure the safe use of our elevators. These processes aim to ensure that all elevators in our portfolio operate safely and satisfy all applicable safety codes, requirements and regulations.

In the fourth and final stage, the internal PEcoPIT process provides us with an overview of energy consumption, restricts the use of hazardous materials, and enables the safe disposal of the product at the end of its life cycle.

PR5 Practices related to customer satisfaction, including results of surveys

Over 100 000 surveys were conducted in 2014 to assess our level of customer satisfaction. The Net Promoter Score improved by 13% in 2014 compared to 2013.

We also saw all key indicators move in the right direction in 2014, including:

- A 29% improvement in the quality of our customer contact data.
- A 34% rise in the response rate to our customer surveys.
- A further 22% increase in the promptness with which the feedback loop to our customers was closed.

In 2012, we launched “Customer Excellence” – a program designed to deliver the solutions and services that our customers expect from us globally. It defines the basic business processes needed to serve our customers effectively and describes our value proposition.

In 2013, this program was rolled out to all our field operations. The rollout included a customized training program at the IMD business school in Lausanne, Switzerland, which was offered to 350 of our senior managers.

The Customer Excellence program incorporates a new customer survey system that measures and improves customer loyalty using a state-of-the-art survey tool known as “Net Promoter System”. Our customers receive the survey immediately after any significant form of interaction with us (e.g. maintenance visit, breakdown, or a sales call). Only a few questions are asked during the survey, the most important of which is: “On a scale of 0–10, would you recommend Schindler to a friend or business colleague”?

PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

No significant fines were paid during the 2014 reporting period. Mandatory disclosures of significant non-compliance issues are provided in the FS 2014, page 46.

8 List of definitions and abbreviations

BREEAM	Building Research Establishment Environmental Assessment Method is a UK method used to assess, rate and certify the sustainability of buildings.
CNG	Compressed natural gas
FS	Financial Statements, including the chapter on Corporate Governance – the second booklet in Schindler’s Annual Report
GR	Group Review – the first booklet in Schindler’s Annual Report
Green Star	A voluntary sustainability rating system for buildings in Australia launched in 2003 by the Green Building Council of Australia.
GRI	The Global Reporting Initiative is a leading organization promoting the use of its Sustainability Reporting Framework as a way for organizations to report on their economic, environmental, social, and governance performance. The reporting framework enables all companies and organizations to measure, understand, and communicate information on its sustainability impacts, performance and practices. Further information is available at: www.globalreporting.org .
HIV	Human Immunodeficiency Virus
HR	Human Resources
IFRS	International Financial Reporting Standards
IMD	Institute for Management Development, a leading business school in Lausanne, Switzerland
ISO	International Organization for Standardization
LEED	Leadership in Energy and Environmental Design – a US standard (see BREEAM)
LPG	Liquid petroleum gas
LTIFR	Lost Time Injury Frequency Rate
Minergie	A Swiss registered quality label for new and refurbished low-energy-consumption buildings that is jointly supported by the Swiss Confederation, the Swiss Cantons, and the Principality of Liechtenstein, as well as trade and industry.
NPS	Net Promoter Score
Org. Reg.	Organizational Regulation – Schindler Holding Ltd.
PEcoPIT	Product Eco-Performance Improvement Table/Tracking
PORT	Personal Occupant Requirements Terminal
SAEFL	Swiss Agency for the Environment, Forests and Landscape
SB	Sustainability Brochure
SCDP	Schindler Career Development Program
SSO	Strategic Sourcing Organization (formerly known as Corporate Procurement)
TOMS	Transport Order Management Solution – a database tracking the logistics footprint
VDI 4707	A guideline published by the Association of German Engineers (VDI). It measures and classifies elevators according to their energy performance. VDI 4707 defines an energy label and provides a figure for annual nominal energy consumption. Seven energy efficiency classes provide a transparent and factual overview when rating elevators according to their energy performance. They range from “A” to “G”, with “A” being the best-in-class system. Assessments are carried out using actual elevator installations, not theoretical models. Depending on the elevator usage, the assessments relating to both standby and travel mode may need to be considered separately to form a common class: the elevator’s energy efficiency class.
VOC	Volatile organic compound

9 GRI Content Index

G 3.1 GRI Content	Report 2014	References	Status
Strategy and analysis			
1.1 Statement from the most senior decision-makers in the organization	1	SB 2014 p.2, 3 GR flip cover, p. 2–5, p.15–19	●
1.2 Key impacts, risks, and opportunities	2		●
Organizational profile			
2.1 Name of the organization	5		●
2.2 Primary brands, products, and/or services	5		◐
2.3 Operational structure of the organization	7	FS p.103–131	●
2.4 Location of organization's headquarters	7		●
2.5 Number of countries and location of operations	7	FS p.63–65	●
2.6 Nature of ownership and legal form	7	FS p.105–106 GR p.66–67	●
2.7 Markets served	7		●
2.8 Scale of the organization	8	FS p.63–65 GR flip cover	●
2.9 Significant changes during the reporting period	8		●
2.10 Awards received in the reporting period	9		●
Report parameters			
3.1 Reporting period	9		●
3.2 Date of most recent report	9		●
3.3 Reporting cycle	9		●
3.4 Contact point for questions regarding the report	9		●
3.5 Process for defining report content	9		●
3.6 Boundary of the report	10		●
3.7 Limitations on the report's scope or boundary	10		●
3.8 Comparability due to reporting on other entities	11		●
3.9 Data measurement techniques	11	FS p.10	●
3.10 Explanation of restatements	11		●
3.11 Significant changes	11		●
3.12 Table identifying the location of the standard disclosures	11		●
3.13 Policy and current practice with regard to seeking external assurance for the report	11		◐

● Detailed information ◐ Partial information ○ No information ◑ Not relevant for Schindler

G 3.1 GRI Content	Report 2014	References	Status
Governance, commitments, and engagement			
4.1 Governance structure	12	FS p.103–131	●
4.2 Position of the Chairman of the Board	12		●
4.3 Independence of Board members	12		●
4.4 Mechanisms for shareholder consultation	12	FS p.105–106 127–129	◐
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization's performance	12	FS p.85–101	◐
4.6 Processes in place for the highest governance body to ensure conflicts of interests are avoided	13	FS p.103–131 Org. Reg. 2.3	●
4.7 Process for determining the qualifications and expertise of the members of the highest governance body	13	FS p.115–120	◐
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	13		◐
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	14		◐
4.10 Processes for evaluating the highest governance body's own performance	14		◐
4.11 Explanation of whether and how the precautionary approach or principle is addressed	14		●
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives	15		◐
4.13 Memberships in associations and/or national/international advocacy organizations	15		◐
4.14 List of stakeholder groups	15		◐
4.15 Basis for identification and selection of stakeholders with whom to engage	15		○
4.16 Approaches to stakeholder engagement	15		○
4.17 Key topics and concerns from stakeholders	15		○
Economic dimension			
Economic performance			
EC1 Direct economic value generated and distributed	17	FS p.4	●
EC2 Financial implications and other risks and opportunities due to climate change	17		◐
EC3 Coverage of the organization's defined benefit plan obligations	17	FS p.34–40	●
EC4 Significant financial assistance received from government	–		○
Market presence			
EC5 Range of ratios of standard entry level wage	–		○
EC6 Policy, practices, spending on local suppliers	17		◐
EC7 Procedures for local hiring, proportion of locally hired senior management	–		○
Indirect economic impacts			
EC8 Infrastructure investments and services primarily for public benefit	–		○
EC9 Significant indirect economic impacts	18		◐
● Detailed information ◐ Partial information ○ No information ◻ Not relevant for Schindler			

Environmental dimension**Materials**

EN1	Materials used by weight or volume	–		○
EN2	Percentage of materials used that are recycled input materials	–		○

Energy

EN3	Direct energy consumption	19	Sustainability website	●
EN4	Indirect energy consumption	21	Sustainability website	●
EN5	Energy saved due to conservation and efficiency improvements	–		○
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services	22	Sustainability website	●
EN7	Initiatives to reduce indirect energy consumption	23		●

Water

EN8	Total water withdrawal	24		●
EN9	Water sources significantly affected by withdrawal of water	–		□
EN10	Percentage and total volume of water recycled and reused	–		□

Biodiversity

EN11	Protected areas and areas of high biodiversity value	24		□
EN12	Impacts on biodiversity in protected areas and areas of high biodiversity	24		□
EN13	Habitats protected or restored	24		□
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	24		□
EN15	Number of IUCN Red List species	24		□

Emissions, effluents, and waste

EN16	Total direct and indirect greenhouse gas emissions	24	Sustainability website	●
EN17	Other relevant indirect greenhouse gas emissions	–		○
EN18	Initiatives to reduce greenhouse gas emissions	–		○
EN19	Emissions of ozone-depleting substances by weight	–		□
EN20	NO _x , SO _x , and other significant air emissions by type and weight	25	Sustainability website	●
EN21	Total water discharge by quality and destination	–		□
EN22	Total amount of waste by type and disposal method	25	Sustainability website	●
EN23	Total number and volume of significant spills	–		○
EN24	Weight of waste deemed hazardous under Basel Convention Annex I–III, VIII	–		□
EN25	Water bodies and related habitats significantly affected	–		□

Emissions, effluents, and waste

EN26	Mitigating environmental impacts of products and services	26	SB 2014 p.20–21	●
EN27	Percentage of products sold and their packaging materials reclaimed	–		○

Products and services

EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	27	FS p. 46	●
EN29	Significant environmental impacts of transporting products and other goods and materials	27		●
EN30	Environmental protection expenditures and investments	–		○

● Detailed information ● Partial information ○ No information □ Not relevant for Schindler

		Report 2014	References	Status
Labor				
Employment				
LA1	Total workforce by employment type and region	29		●
LA2	Total number and rate of employee turnover	–		○
LA3	Benefits only provided to full-time employees	–		○
LA15	Return to work and retention rates after parental leave, by gender	–		○
Labor and management relations				
LA4	Percentage of employees covered by collective bargaining agreements	30		●
LA5	Minimum notice periods regarding significant operational changes	31		●
Occupational health and safety				
LA6	Workforce represented in formal joint management–worker health and safety committees	31		●
LA7	Rates of injury, occupational diseases, lost days, fatalities and absenteeism	31		●
LA8	Education, training, counseling, prevention, and risk-control programs for serious diseases	32		●
LA9	Health and safety topics covered in formal agreements with trade unions	–		○
Training and education				
LA10	Average hours of training per year per employee	34		●
LA11	Programs for skills management and lifelong learning	34		●
LA12	Employees receiving regular performance and career development reviews	35		●
Diversity and equal opportunity and equal remuneration for women and men				
LA13	Composition of governance bodies and employees by gender and age	35		●
LA14	Ratio of basic salary and remuneration of women to men by category	–		○
Human rights				
Investment and procurement practices				
HR1	Significant investment agreements incorporating human rights concerns	–		○
HR2	Significant suppliers, contractors, and others business partners	–		○
HR3	Employee training on policies and procedures concerning human rights	–		○
Non-discrimination and freedom of association and collective bargaining				
HR4	Total number of incidents of discrimination and corrective actions taken	35		●
HR5	Operations and suppliers where the right might be violated or at risk	–		○
Child, forced and compulsory labor				
HR6	Operations identified as having significant risk for child labor	36		●
HR7	Operations and suppliers with risk of forced or compulsory labor	–		○
Security practices and indigenous rights				
HR8	Security personnel trained in policies and procedures concerning aspects of human rights	–		○
HR9	Incidents of violations involving rights of indigenous people	–		○
Assessment and remediation				
HR10	Operations that have been subjected to human rights reviews and/or assessments	–		○
HR11	Number of grievances related to human rights	36		●

● Detailed information ● Partial information ○ No information □ Not relevant for Schindler

Society			
Local communities			
SO1	Operations with local community engagements, impact assessments	–	□
SO9	Operations with potential or actual negative impacts on local communities	–	□
SO10	Prevention and mitigation measures when potential or negative impact	–	□
Corruption			
SO2	Number of business units analyzed for risks related to corruption	36	●
SO3	Employees trained in organization's anti-corruption policies and procedures	36	●
SO4	Actions taken in response to incidents of corruption	37	●
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying	37	◐
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	–	○
Anti-competitive behavior and compliance			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	37	FS p.46 ●
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	37	●
Product responsibility			
Customer and health safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed	37	●
PR2	Incidents of non-compliance concerning health and safety	–	○
Product and service labeling			
PR3	Type of product and service information required by procedures	–	○
PR4	Total number of incidents of non-compliance	–	○
PR5	Practices related to customer satisfaction, including results of surveys	38	SB 2014 p.14 ◐
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes	–	○
PR7	Total number of incidents of non-compliance	–	○
Customer privacy and compliance			
PR8	Total number of substantiated complaints	–	○
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	38	FS p. 46 ●

Sector supplement indicators

Any GRI sector supplement indicators included in the report: no sector specific indicators exist for Schindler's markets.

● Detailed information ◐ Partial information ○ No information □ Not relevant for Schindler

List of footnotes

- ¹ World Urbanization Prospects: The 2009 Revision. Departments of Economic and Social Affairs: Population Division, March 2010.
Viewed online at http://esa.un.org/unpd/wup/Documents/WUP2009_Highlights_Final.pdf.
- ² Expressed as the % of turnover that the top 20 suppliers represent from the total turnover of all production material suppliers.
- ³ Expressed as the % of turnover covered by ISO 14001 or equivalent.
- ⁴ Expressed as the % of turnover covered by alternative management systems.
- ⁵ Expressed as the % turnover that the top 20 suppliers represent from the total turnover of all non-production materials and services.
- ⁶ Indirect economic impacts include additional impacts generated as money circulates through the economy. This compares with direct economic impacts, which tend to consist of the immediate consequences of monetary flows to shareholders.
- ⁷ Excluding employees from XJ-Schindler.
- ⁸ Divided by revenue and measured in CHF
- ⁹ Fossil fuel consumption figures were converted into gigawatt hours using standard conversion factors.
- ¹⁰ Indirect energy consumption refers to the amount of electricity and steam purchased and consumed that originates from upstream generating activities to Schindler's reporting boundary according to Scope 2 of the WRI/WBCSD GHG Protocol. The latter refers to the Greenhouse Gas Protocol (GHG) initiative, which is a corporate accounting and reporting standard of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- ¹¹ GER Transport, 2011. Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication, www.unep.org/greeneconomy, 372–407, United Nations Environment Programme.
- ¹² UNEP-DTIE, Sustainable Consumption and Production Branch, Cities and Buildings, www.unep.org/resourceefficiency.
- ¹³ Country-specific definitions are applied for hazardous and non-hazardous waste.
- ¹⁴ Energy recovery depends on the configuration of the elevator and inverter model as well as the building system.
- ¹⁵ The formation of collective bargaining agreements is not legalized in all countries in which case we respect the local legal framework.
- ¹⁶ One training day equals eight hours.

End of report.



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