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GRI: Global Reporting Initiative
SASB: Sustainability Accounting Standards Boards
Schindler committed to science-based targets

-50% of scope 1 and 2 GHG emissions by 2030
-42% of scope 3 GHG emissions by 2030
Net zero by 2040

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

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

Schindler committed to the UN Women’s Empowerment Principles

>20% of the maintained portfolio is connected

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

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

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

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

Schindler recognized as a Top Employer 2022 in Europe by the Top Employers Institute thanks to the participation of Spain, Germany, Finland, Sweden, and the Netherlands.

Top 25

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

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Net zero by 2040
"We committed in 2021 to adopting science-based targets and to reaching net-zero emissions by 2040."

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

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

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

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

Adding to our range of eco-friendly mobility solutions is, of course, one way of doing this. In September last year, we rolled out Schindler PORT 4D, the latest version of our leading transit management solution, which reduces the energy consumption of an elevator group by up to 40%. This focus on energy efficiency cuts across all our product lines and continues to be an important focus of our R&D strategy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

See page 45
Schindler enables smart, sustainable urban spaces and keeps cities moving. We strive to create value for all our stakeholders: society, customers, employees, and shareholders.
Overview of stakeholder engagement

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

**Customers**
- Architects, building developers, construction companies, operators, and owners

**Employees**
- We engage employees to develop skills, improve working conditions, and promote an inclusive and diverse workforce.
- Quarterly global employee townhall meetings discussed/talked to all our locations
- Bimodal employee engagement survey
- Performance and development discussions
- Training centers and global online learning solutions
- Schneider recognized as a Top Employer 2022 in Europe, European Works Council and national trade unions

**Passengers**
- End-users are at the core of Schindler’s interest. We work every day to allow 1.5 billion people to travel safely daily and have a seamless urban mobility experience.
- Preventative and reactive maintenance programs
- Safety collaboration and awareness raising projects worldwide
- Supporting users behavioral change to reduce incidents and accidents through our pioneering behavior LAB
- Tips and educational material for parents and children on safe use of elevators and escalators
- Hygiene and social distancing solutions

**Suppliers**
- We engage with suppliers through our Strategic Sourcing Organization to deliver competitive, innovative, and sustainable supply solutions for Schindler globally.
- Ecological supplier sustainability assessments
- Discussions on sustainability performance with vendor policy and supplier evaluation
- Continuous dialogue including online workshops and regular supplier evaluation performance with vendor policy assessments
- Platform supplier sustainability and sustainable supply chain initiative
- EcoVadis performance scorecard
- Customers demanding our opportunities to mobility, sustainability, and urban mobility

**Academia**
- We maintain close ties with research entities and engage with universities to foster innovation and contribute to developing future design of our products, services, and urban mobility.
- Ecological supplier sustainability assessments
- Discussions on sustainability performance with vendor policy and supplier evaluation
- Continuous dialogue including online workshops and regular supplier evaluation performance with vendor policy assessments
- Platform supplier sustainability and sustainable supply chain initiative
- EcoVadis performance scorecard
- Customers demanding our opportunities to mobility, sustainability, and urban mobility

**Shareholders and investors**
- We communicate on our governance, the latest developments of our strategy, and our performance against the targets we set in the context of our Roadmap.
- Annual General Meeting and quarterly results presentations
- Roadshows and other online engagement with asset managers and ESG analysts
- COP supporting investors fiduciary duty to manage climate risks across portfolios
- MSC, Sustainalytics, ISS Oekom, and other ratings for transparent review of our sustainability performance
- The UN Global Compact and its Network
- The Corporate Electric Vehicle Alliance led by Exxon
- The Conference Board’s Responsible Sourcing Council
- RE100, the global corporate leadership renewable electricity initiative
- ISO, contributing to new standards
- Railcorponsible, the rail industry supply chain initiative
- European UFI Association
- Green Building Councils
- International Building Performance and Data Initiative
- US National Women in Construction (NAWIC) organization
- DGNB, the German Sustainable Building Council (first elevator company to join)

**Associations and global organizations**
- We partner with peers facing similar challenges, either in the industry or on specific matters, to foster collaboration and share best practice.
- Multiple partnerships with other industry partners to foster innovation and collaboration and share best practice.
- Supporting users behavioral change to reduce incidents and accidents through our pioneering behavior LAB
- Sharing of best practice with peers via the Global Compact Swiss network
- Participation in sustainability assessment with vendor policy and supplier evaluation
- Discussions on sustainability performance with vendor policy and supplier evaluation
- Continuous dialogue including online workshops and regular supplier evaluation performance with vendor policy assessments
- Platform supplier sustainability and sustainable supply chain initiative
- EcoVadis performance scorecard
- Customers demanding our opportunities to mobility, sustainability, and urban mobility

**Interventions**
- Partnering with building designers to find solutions to very specific needs
- Promoting energy efficient configurations to achieve energy-efficient class A elevators and escalators
- More than 126 000 customer surveys conducted
- NPS promoter score increased by 3.2% compared to 2020
- Schneider’s first Main Partner at Expo 2020 Dubai dedicated to urban mobility.
- 1.5 billion people to travel safely daily and have a seamless urban mobility experience
- EcoVadis performance scorecard
- Customers demanding our opportunities to mobility, sustainability, and urban mobility

**Priorities**
- EcoVadis performance scorecard
- Customers demanding our opportunities to mobility, sustainability, and urban mobility
- EcoVadis performance scorecard
- Customers demanding our opportunities to mobility, sustainability, and urban mobility

**SCHINDLER CORPORATE RESPONSIBILITY REPORT 2021**
Roadmap 2022

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

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

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

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

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

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

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

In 2021, we made significant progress and met most of our targets over the five-year reporting period of our Roadmap 2022. We aim to build on these achievements and learnings, and focus on the areas that proved more challenging, including our transition to a more sustainable fleet and targeted engagement with our most carbon-intensive suppliers. Looking forward, we will build on our materiality analysis and commitment to set science-based emissions reduction targets to develop our 2030 sustainability roadmap.
By 2050, the global proportion of people living in cities is expected to reach 70%. In the face of rapid population growth and limited land supply, cities will need to expand vertically. Super-tall buildings will become ever more common, further fueling demand for vertical mobility solutions.

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

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

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

Natural ecosystems provide climate benefits. For example, green buildings incorporate vegetation that can capture carbon, retain water, and provide natural cooling in the form of shade. Buildings will increasingly be expected to provide such benefits in the future.
Priorities and goals 2018–2022

<table>
<thead>
<tr>
<th>Priorities</th>
<th>Goals</th>
<th>Progress</th>
</tr>
</thead>
</table>
| Enhance safety                     | Reduce the number of employee incidents and injuries expressed as Total Case Rate (TCR) by 20% compared to 2017. | Goal: -20%  
|                                    |                                                                       | -36%     |
| Attract diverse talents            | Increase the number of women in the succession planning for leadership roles to 25% and promote an inclusive work culture. | Goal: 25%  
|                                    |                                                                       | +25%     |
| Create value in communities        | Develop our vocational education programs to support communities.     | Goal: 25%  
|                                    |                                                                       |          |
| Create value in communities        | Develop our vocational education programs to support communities.     | Goal: 25%  
|                                    |                                                                       |          |
| Pioneer smart urban mobility       | Increase the number of passengers using Schindler’s digitally connected elevators and escalators to over half a billion people per day. | Goal: +500 million  
|                                    |                                                                       | 284 million |
| Lower vehicle fleet emissions      | Reduce the CO₂ intensity of our global vehicle fleet by 25% compared to 2017 (t CO₂e/CHF million at 2017 average rates). | Goal: -25%  
|                                    |                                                                       | -23%     |
| Increase sustainability in the supply chain | Perform independent sustainability assessments of suppliers representing 75% of our manufacturing purchases. | Goal: 75%  
|                                    |                                                                       | 49%      |

1 Without neutralizing the currency effect on our revenue, the progress on our vehicle fleet goal would be -16% in 2021.
A conversation with our Head Global Sustainability

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

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

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

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

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

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

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

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

Schindler operates in the built environment, which has a major role to play in reducing CO₂ emissions. According to the last IPPC report, we have three years to act. The year 2025 and 2030 are now closer than ever and no longer represent a long-term vision – but rather a short-term due date.

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

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

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

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

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

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

Climate

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

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

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

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

Greenhouse gas (GHG) emissions overview

<table>
<thead>
<tr>
<th>Scope 1 and 2</th>
<th>CO₂e</th>
<th>2021</th>
<th>%</th>
<th>2020</th>
<th>%</th>
<th>2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Buildings and processes</td>
<td>15 729</td>
<td>11.6</td>
<td>13 604</td>
<td>10.5</td>
<td>13 858</td>
<td>9.5</td>
<td></td>
</tr>
<tr>
<td>B Refrigerants</td>
<td>2 469</td>
<td>1.8</td>
<td>1 008</td>
<td>0.8</td>
<td>2 515</td>
<td>1.7</td>
<td></td>
</tr>
<tr>
<td>C Vehicles</td>
<td>117 707</td>
<td>86.6</td>
<td>115 068</td>
<td>88.7</td>
<td>129 151</td>
<td>88.8</td>
<td></td>
</tr>
<tr>
<td>Total scope 1</td>
<td>135 905</td>
<td>100.0</td>
<td>129 680</td>
<td>100.0</td>
<td>145 524</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Purchased electricity</td>
<td>48 410</td>
<td>94.6</td>
<td>40 421</td>
<td>94.5</td>
<td>47 864</td>
<td>94.4</td>
<td></td>
</tr>
<tr>
<td>District heating</td>
<td>2 624</td>
<td>5.1</td>
<td>2 367</td>
<td>5.5</td>
<td>2 825</td>
<td>5.6</td>
<td></td>
</tr>
<tr>
<td>Electricity for electric vehicles</td>
<td>124</td>
<td>0.3</td>
<td>6</td>
<td>0.0</td>
<td>5</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Total scope 2 (location-based)</td>
<td>51 158</td>
<td>100.0</td>
<td>42 794</td>
<td>100.0</td>
<td>50 694</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>D Purchased electricity²</td>
<td>7 908</td>
<td>89.8</td>
<td>5 253</td>
<td>98.3</td>
<td>65 751</td>
<td>98.2</td>
<td></td>
</tr>
<tr>
<td>E District heating</td>
<td>777</td>
<td>8.8</td>
<td>907</td>
<td>1.7</td>
<td>1 237</td>
<td>1.8</td>
<td></td>
</tr>
<tr>
<td>F Electricity for electric vehicles</td>
<td>124</td>
<td>1.4</td>
<td>19</td>
<td>0.0</td>
<td>0</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Total scope 2 (market-based)</td>
<td>8 809</td>
<td>100.0</td>
<td>53 457</td>
<td>100.0</td>
<td>66 988</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Total scope 1 and 2 (location-based)</td>
<td>187 063</td>
<td>100.0</td>
<td>172 474</td>
<td>100.0</td>
<td>196 218</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Total scope 1 and 2 (market-based)</td>
<td>144 714</td>
<td>100.0</td>
<td>183 137</td>
<td>100.0</td>
<td>212 512</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

² In 2021, Schindler procured 75% of electricity as renewable through green electricity products and unbundled energy attributes certificates.
**Environment**

### Scope 3

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

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

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

### GHG emissions trends relative to revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>t CO₂e/CHF million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>11.5</td>
</tr>
<tr>
<td>2020</td>
<td>10.8</td>
</tr>
<tr>
<td>2021</td>
<td>10.5</td>
</tr>
</tbody>
</table>

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We are also investigating how to access more detailed and specific data for a selection of raw materials while working with transportation partners to develop and optimize the availability of logistics data.

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

Net-zero by 2040
Climate change is a material topic for Schindler. We consider the carbon emissions of our own operations, products and services and within the supply chain as a material impact on the environment and society at large, and we are committed to align our corporate climate action with the 1.5°C goal of the Paris Agreement.

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

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

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

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

Net-zero commitment

<table>
<thead>
<tr>
<th>Scope 1 and 2</th>
<th>Base year</th>
<th>−50%</th>
<th>Net-zero</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2030</td>
<td>2040</td>
<td></td>
</tr>
<tr>
<td>Scope 3</td>
<td>Base year</td>
<td>−42%</td>
<td>Net-zero</td>
</tr>
</tbody>
</table>

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

Transition to renewable electricity
We also announced a full transition to renewable electricity by 2025, and joined RE100, the global environmental initiative led by the Climate Group in partnership with CDP.

In 2021, 75% of our electricity sourcing came from renewable energy sources, including all our production sites. We reached this goal through several measures: on-site generation of renewable electricity, selection of green electricity products from local utilities, and the purchase of energy attributes certificates. In parallel, we continue to invest in the installation of solar panels on our buildings’ roofs and the implementation of energy efficiency measures with a focus on our production sites.

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

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

75%
Amount of electricity sourced from renewable energy in 2021

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

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

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

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

In 2021, more than 20% of our maintained portfolio was connected, and we also have extended these capabilities to non-Schindler elevators.
With two-thirds of us at Schindler either working on a job site, installing, or modernizing elevators and escalators, or providing services to our customers, most of the direct CO₂e emissions we generate are attributable to our vehicle fleet. Reducing travel for our technicians and switching to electro-mobility is therefore part of our strategy to minimize our own climate impact.

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

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

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

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

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

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

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

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

Markus Koelsch
Schindler service technician
Environment

Our solutions

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

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

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

For all our products we work on reducing the use of potentially hazardous substances. This includes reviewing the product design together with suppliers and partners. We are constantly improving proper management of waste and processes for replaced components.

Every new generation of our products provides improved energy and resource efficiency. Our most recent elevators are 30% more energy-efficient than their immediate predecessors. Our regenerative drive technology is now applied as a standard.

We are constantly monitoring developments of the green building standards and provide information to our customers how to best integrate elevators and escalators in the building’s design. Many of our products received Green Mark Product Certification and the Nordic ECO LABEL.

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

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

Environmental Product Declarations (EPDs)

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

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

Our EPDs provide transparent and third-party verified information on the environmental impact of shipping and transport around the world. In order to reflect this concept, it was strategically determined to provide EPDs for each individual sourcing zone starting with our latest product release.

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

Further EPDs are continuously made available via the database of the International EPD Association. See epd.iepda.com

Green labels

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

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

Our Schindler S500 and 7000 elevators have received the highest possible “Leader” score in the Singapore Green Building Product (SGBP), while our escalators and moving walks, Schindler 9300 and 9500, have obtained the rating “Excellent.”

In 2021, the elevator models S3000 and S3300 were listed in the database for building products that can be used in Nordic Swan Ecolabelled buildings. Nordic Ecolabelling works to reduce the environmental impact from production and consumption of goods by making it easy for consumers and professional buyers to choose the environmentally best goods and services.

Energy classification of our products

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

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

Schindler 1000

Our passenger elevator for low- to mid-rise residential buildings is simple to plan, fast to install, and economical to maintain.

A

A

Schindler 3000

Our flexible solution that unifies form and function. An all-around passenger elevator applicable to various building types and use cases.

A

A

Schindler 3300 EU

Pre-engineered passenger elevator for residential and up to mid-sized commercial buildings.

A

A

Schindler 5000

This passenger elevator integrates the latest technologies to deliver faster handling times for higher passenger volumes with optimum ride quality.

A

A

Schindler 5500

Modular passenger elevator for commercial and high-end residential buildings.

A

A

Schindler 7000 commercial

This elevator transports millions of people in the world’s tallest buildings.

A

A

Schindler 7000 residential

Passenger and goods transport solutions for global-high-rise and urban landmark buildings.

A

A

Schindler 9300 escalators and 9500 moving walks

Versatile escalators and moving walks

A++

n/a
Environment

Promoting sustainable building design through technology

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

In 2021, we further expanded our digital solutions portfolio.

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

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

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

- **BuildingMinds**
  BuildingMinds has developed an integrated SaaS cloud platform for holistic real estate management. Its digital solutions currently focus on ESG management, offering automated sustainability reporting, carbon risk and retrofit scenario analysis. Thanks to a unique data management approach, BuildingMinds is able to realize multiple additional use cases, such as strategic location management, space optimization, and well-being management. BuildingMinds is a founding partner of IBPDI (International Building Performance & Data Initiative), which develops the Common Data Model for Real Estate, namely an industry data standard that takes data-driven real estate management to a whole new level.
  
  [See BuildingMinds.com](#)
  [See page 21](#)

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

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

284 M

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

BuildingMinds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Manufacturing and fulfillment

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

Energy consumption

MWh

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

Energy consumption trends relative to revenue

MWh/CHF million

<table>
<thead>
<tr>
<th>Year</th>
<th>Buildings and processes</th>
<th>Vehicle fleet</th>
<th>Electricity and district heating</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>6</td>
<td>6.2</td>
<td>6.8</td>
<td>12</td>
</tr>
<tr>
<td>2020</td>
<td>44.1</td>
<td>42</td>
<td>42</td>
<td>11</td>
</tr>
<tr>
<td>2021</td>
<td>63</td>
<td>59.2</td>
<td>59.5</td>
<td>10.7</td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

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

See page 26

Hazardous/non-hazardous waste

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Total non-hazardous waste (tons)</td>
<td>43 673</td>
<td>41 826</td>
<td>43 713</td>
</tr>
<tr>
<td>B Total hazardous waste (tons)</td>
<td>4 077</td>
<td>3 956</td>
<td>2 713</td>
</tr>
<tr>
<td>Total</td>
<td>47 350</td>
<td>45 782</td>
<td>46 426</td>
</tr>
</tbody>
</table>

Air emissions

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

Refrigerants

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refrigerants lost refilled (t)</td>
<td>1.8</td>
<td>1.2</td>
<td>2.1</td>
</tr>
<tr>
<td>ODP* of refrigerants (kg R-11 equivalents)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.8</td>
</tr>
<tr>
<td>GHG emissions from refrigerants (kt CO₂e)</td>
<td>2.5</td>
<td>1.0</td>
<td>2.5</td>
</tr>
</tbody>
</table>

*Ozone Depletion Potential

Volatile organic compounds (VOCs)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-chlorinated</td>
<td>195</td>
<td>224</td>
<td>125</td>
</tr>
<tr>
<td>Chlorinated</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Environment

Schindler and timber

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

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

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

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

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

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

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

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

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

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

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

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

To track and optimize the impact of all the measures implemented, we developed in 2021 a tool to measure the carbon footprint generated by the transport from our factories and tier 1 suppliers to our end customers. In 2020, our transport emissions were reduced by 5.8%* compared to the previous year. In 2021, global supply chain disruptions, coupled with the relocation of a part of our supply chain, as well as changes in suppliers designed to get components closer to our factories, resulted in a 2.1% increase. For now, the calculation only includes transport by truck from factories to final customers. The second project phase – currently under development – aims to include all forms of transport: rail between factories, air transport, and sea freight.

Decarbonizing the manufacturing processes

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

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

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

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

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

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

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

Set clear requirements for suppliers through policies including our Vendor Policy, and request declarations of hazardous substances for every new or redesigned product in line with the EU REACH and RoHS Directives.

Request suppliers to inform Schindler if they become aware of any potential violation to the Vendor Policy.

Use the EcoVadis platform to assess a selection of suppliers in line with our Roadmap 2022 targets. These represent our most important production material suppliers from around the world.

Assess the improvement of a supplier’s sustainability performance through supplier scorecards, which also provide suppliers with an overview of strengths and areas for improvement.

Make the information available during risk assessment and purchasing decisions, building a knowledge base that can be integrated into our risk assessment tools.

Provide training and engagement to support suppliers on how to use EcoVadis and improve score.

Foster internal alignment by training global and local procurement managers across all markets.

Engage externally with peers through our membership in the Responsible Sourcing Council and RailSponsible, platforms to share best practice on supply chain ESG risk management.

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

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

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

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

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

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

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

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

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

Performance reviews

<table>
<thead>
<tr>
<th>% completion rate</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees receiving performance reviews at least once per year</td>
<td>93</td>
<td>79</td>
<td>73</td>
</tr>
</tbody>
</table>

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

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

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

Diversity in Leadership program 2021 welcomed 180 women from Europe and the Americas.
Local talent development programs
In Switzerland, Schindler continued investing in apprentice-ship programs to help future generations of technicians enter the field. A total of 300 apprentices and 100 interns and working students are currently training as the next generation in the industry. In addition, Schindler trains 250 fitters and service technicians in its own “Liftcamp” every year.

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

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

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

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

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

<table>
<thead>
<tr>
<th>Gender</th>
<th>% of headcount 2021</th>
<th>% of headcount 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>13.68%</td>
<td>12.56%</td>
</tr>
<tr>
<td>Male</td>
<td>11.09%</td>
<td>10.76%</td>
</tr>
<tr>
<td>Total</td>
<td>11.41%</td>
<td>10.97%</td>
</tr>
</tbody>
</table>

1 Female attrition rate as a percentage of female employees as of January 1st of the year
2 Male attrition rate as a percentage of male employees as of January 1st of the year
People safety

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

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

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

Encouraging the development of habits that promote safety in a culturally appropriate way is an essential complement to our focus on rules enforcement to drive our zero-incident culture. Catching incidents before they unfold is our key to keeping our workers and passengers safe.
By 2023, all our production sites will be certified with the ISO 45001 standard.

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

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

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

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

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

36% improvement of our Total Case Rate (TCR) from our 2017 baseline
We conduct a yearly Confirmation of Periodic Safety Inspection (CPSI), an industry-leading global safety standard for elevators, introduced by Schindler for periodic inspections of critical safety parts of all units under maintenance. These inspections are made up of over 70 individual tests and checks on components. Every five years, additional safety tests and checks are conducted by independent certified inspectors.

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

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

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

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

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

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

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

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

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

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

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25% share of women in the succession planning for leadership roles

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

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

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

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

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

Our commitment to the UN Standards of Conduct for Business Tackling Discrimination Against LGBTI People was made public in 2021 and signed by our CEO.
In 2021, Schindler endorsed the UN Women’s Empowerment Principles and committed to upholding the Standards of Conduct for Global LGBTI Equality. These mark important steps taken to advance our company goal to be an equal opportunity employer and provide a work environment free from discrimination.

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

### Gender diversity overview

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women on the Board of Directors</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Women on the Group Executive Committee</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Women in Group Management</td>
<td>80</td>
<td>73</td>
<td>56</td>
</tr>
<tr>
<td>Women in leadership pool (%)</td>
<td>25</td>
<td>23</td>
<td>21</td>
</tr>
</tbody>
</table>

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

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

Pursuing our work on human rights

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

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

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

In parallel, we conducted a human rights risk assessment (HRRA) to identify our salient human rights issues along the value chain. Based on this analysis, we will develop a robust HRDD/RBC management system for Schindler.

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

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

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

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

Structure and roles

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

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

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

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

Additional corporate governance issues are reported in the Annual Report.

See Annual Report 2021

Corporate governance structure (as of December 31, 2021)

Board of Directors
Silvio Napoli (Chairman)
Alfred N. Schindler (Chairman Emeritus)
Prof. Dr. Rux Buchherr (Vice Chairman)
Erich Ammann (Member)
Luc Bernard (Member)
Patrice Bula (Member)
Prof. Dr. Monika Butler (Member)
Ort Gadiesh (Member)
Adam Kästle (Member)
Günter Schäuble (Member)
Tobias B. Staehelin (Member)
Carole Vischer (Member)

Supervisory and Strategy Committee
Silvio Napoli (Chairman)

Nomination Committee
Silvio Napoli (Chairman)

Compensation Committee
Prof. Dr. Rux Buchherr (Chairman)

Audit Committee
Erich Ammann (Chairman)

Group Executive Committee
Thomas Detert
CEO
Paulo Compagna
Europe North, Deputy CEO
Urs Schiedegger
CFO
Julio Arca
Europe South
Matteo Altinovi
Chief Information Officer
Karl Heinz Bauer
Chief Technology Officer
André Inserna
Americas
Jihudhian Jenia
Asia-Pacific
Christian Schulz
Operations
Robert Seakins
Field Quality & Excellence
Sabine Simon-Assou (Elevators and Supply Chain)
Tobias B. Staehelin
Corporate Human Resources
Danyush Zhai
China

Global Sustainability Committee
Thomas Detert (Chairman)

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

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

Materiality assessment procedure

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

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

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

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

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

Time frames and scenarios used in the assessment

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

- RCP 4.5: A lower emissions scenario which assumes that there will be the implementation of emissions management and mitigation policies to align with the Paris Agreement.

- RCP 8.5: A higher emissions scenario, also known as a “business as usual” scenario, which sees emissions increasing year on year till the end of century and around three times today’s CO2 emissions by 2050.

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

- Stated Policies Scenario: The transition to a low carbon economy uses a “base case” scenario which accounts for announced climate-related policies, but which does not forcefully pursue decarbonization with an implied global climate warming of approximately 3°C by 2100.

- Sustainable Development Scenario: This scenario characterizes the effects of the energy transition: markets favor low carbon goods and services, low carbon technology costs fall rapidly, and policies develop to constrain fossil fuel demand. This scenario trends towards 1.8°C of average global atmospheric warming.

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

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

Ethics and integrity

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

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

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

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

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

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

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

See Schindler Group website
The implementation of our Code of Conduct follows three pillars: Educate – Examine – Enforce. This means that we educate employees regularly on how to address compliance risks, examine cases systematically to discover possible deficiencies, and enforce compliance by taking appropriate corrective action if any breaches occur.

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

Customer and employee privacy and data

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

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

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

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

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

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

Tax approach

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

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

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

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

About this report

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

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

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

The report is approved by the Board of Directors.
Statement of the external assurer

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

SCOPE
Swiss Climate was commissioned by Schindler Management Ltd. to provide assurance on its four main sustainability KPIs for 2021. Swiss Climate performed its assurance in accordance with AA1000AS v3. The verification comprised a combination of interviews with relevant employees, documentation and record reviews.

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

KPIs
Swiss Climate has verified the following sustainability KPIs for the year 2021:
1. Lower vehicle fleet emissions
2. Reduce vehicle fleet emissions
3. Scope 3 emissions
4. Total carbon footprint

OPINION
Swiss Climate did not find evidence to indicate that the processes and systems in place to collect the data and to calculate the KPIs are such that the company’s sustainability performance data are likely to be erroneous, deflected from the truth or found not to be reliable. The verification comprised a combination of interviews with relevant employees, documentation and record reviews.

SIGNED FOR AND ON BEHALF OF SWISS CLIMATE
Leading Auditor
Sarah Klink, Senior Consultant
Luka Blumer, Consultant
Bern, 10th February 2022

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

SCOPE OF VERIFICATION
Swiss Climate has commissioned by Schindler Management Ltd. to provide assurance on its 2021 carbon footprint, as well as to provide assurance on its CO2 on foot emissions. Swiss Climate performed its assurance in accordance with AA1000AS v3. The verification comprised a combination of interviews with relevant employees, documentation and record reviews.

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

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

<table>
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<tr>
<th>KPI</th>
<th>Scope 1</th>
<th>Scope 2</th>
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<td>t CO2</td>
<td>128 965</td>
<td>51 158</td>
<td>8 503</td>
</tr>
<tr>
<td>- stationary energy consumption</td>
<td>95 729</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- mobile energy consumption (service fleet)</td>
<td>117 107</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- cooling agents</td>
<td>268</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- electricity (stationary use)</td>
<td>40 410</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- electricity in cars</td>
<td>124</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- electricity in buses</td>
<td>124</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Upstream transportation and distribution</td>
<td>187 480</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Total Scope</td>
<td>187 480</td>
<td></td>
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</table>

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

- Lower vehicle fleet emissions
- Reduce vehicle fleet emissions
- SCOPE 3 emissions
- Total carbon footprint

Swiss Climate undertook the assurance engagements for the year 2021 in accordance with AA1000AS v3, as well as the Greenhouse Gas Protocol, and therefore not subject to the level assurance set forth in AA1000AS v3. The verification comprised a combination of interviews with relevant employees, documentation and record reviews.

Options
Swiss Climate did not find evidence to indicate that the processes and systems in place to collect the data and to calculate the KPIs are such that the company’s sustainability performance data are likely to be erroneous, deflected from the truth or found not to be reliable. The verification comprised a combination of interviews with relevant employees, documentation and record reviews.

SIGNED FOR AND ON BEHALF OF SWISS CLIMATE
Leading Auditor
Sarah Klink, Senior Consultant
Luka Blumer, Consultant
Bern, 10th February 2022
## Disclosure number | Disclosure title | Page number | URL / References / Direct answer |
--- | --- | --- | ---|
### GRI 102: General disclosures

#### Organizational profile 2016
102-1 | Name of the organization | 7 | Annual Report 2021 Financial Statements, Corporate Governance, p. 73
102-2 | Activities, brands, products, and services | 7 | Schindler Group website: Products & Services
102-3 | Location of headquarters | 43 | Annual Report 2021 Financial Statements, Corporate Governance, p. 73
102-4 | Location of operations | 7, 23, 29 | Annual Report 2021 Financial Statements, p. 51–52
102-5 | Ownership and legal form | | Annual Report 2021 Financial Statements, Corporate Governance, p. 73–77
102-7 | Scale of the organization | 27 | Annual Report 2021 Group Review, About Schindler, p. 4–7
102-8 | Information on employees and other workers | 7, 29–31 | Annual Report 2021 Group Review, Information for our shareholders, p. 77
102-11 | Precautionary Principle or approach | | Annual Report 2021 Financial Statements, p. 88–89
102-12 | External initiatives | 8 | Schindler Group website: Company, Corporate Governance, Organizational Regulations
102-13 | Membership of associations | 8 | Schindler is committed to the ten principles of the UN Global Compact, and supports a precautionary approach to environmental challenges.

#### Strategy 2016
102-14 | Statement from senior decision-maker | 5 | Annual Report 2021 Group Review, Milestones, p. 8–9

#### Ethics and integrity 2016
102-16 | Values, principles, standards, and norms of behavior | 7, 37 | Schindler Group website: Company, Our values
102-17 | Mechanisms for advice and concerns about ethics | 41–42 | Schindler Group website: Responsibility, Ethics and compliance

#### Governance 2016
102-18 | Governance structure | 38 | Annual Report 2021 Financial Statements, Corporate Governance, p. 78–95
102-19 | Delegating authority | | Schindler Group website: Company, Corporate Governance
102-20 | Executive-level responsibility for economic, environmental, and social topics | 38 | Schindler Group website: Company, Corporate Governance, Organizational Regulations
102-21 | Consulting stakeholders on economic, environmental, and social topics | 39 | Schindler Group website: Company, Corporate Governance, Organizational Regulations
102-22 | Composition of the highest governance body and its committees | 38 | Annual Report 2021 Financial Statements, Corporate Governance, p. 78–85
102-23 | Chair of the highest governance body | 38 | Schindler Group website: Company, Corporate Governance
102-24 | Nominating and selecting the highest governance body | | Annual Report 2021 Financial Statements, Corporate Governance, p. 79

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Schindler is committed to the ten principles of the UN Global Compact, and supports a precautionary approach to environmental challenges.
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<td>List of stakeholder groups</td>
<td>7–8</td>
<td>Investors’ key topics are addressed in quarterly earnings calls and at regular meetings</td>
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</table>

#### Emissions of ozone-depleting substances (ODS)

No significant fines were paid in the reporting year 2021.

#### Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

We comply with employment laws and regulations – including rules governing minimum notice periods for significant operational changes – in the individual markets in which we operate. In certain markets, the minimum notice periods are specified in collective bargaining agreements, while in others, they are defined on a case-by-case basis. Notice periods range from no requirement to one year. Alternative arrangements may also be put in place. In such cases, the terms set out in these collective agreements exceed the minimum statutory requirements.

#### Non-compliance with environmental laws and regulations

The composition of the committees complies with the local legislation governing employee management representation.

#### New suppliers that were screened using environmental criteria

During 2021, we had 5 incidents of discrimination reported. All of them were investigated and necessary actions were taken, including sanctions and focused anti-discrimination and harassment trainings in the region where these incidents took place.

#### New employee hires and employee turnover

Our rejection of the use of child labor is set out in Schindler’s Code of Conduct and Schindler’s Vendor Policy. It is also prescribed in country-specific labor laws. The annual supplier assessments performed in 2021 did not identify any cases involving child labor risks.

#### Minimum notice periods regarding operational changes

Schindler Group companies implement vocational education programs across the globe enrolling more than 4,000 students. In addition, many locally relevant initiatives are launched in diverse areas beyond education. We do not systematically track these at the global level.
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### SASB metrics

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<tr>
<th>Topic</th>
<th>Accounting metric</th>
<th>2021 results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy management</strong></td>
<td>total energy consumed</td>
<td>2,407 GJ</td>
</tr>
<tr>
<td></td>
<td>% grid electricity</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>% renewable</td>
<td>16.3%</td>
</tr>
<tr>
<td><strong>Hazardous waste management</strong></td>
<td>amount hazardous waste generated, % recycled</td>
<td>3,350 GJ, 84.1%</td>
</tr>
<tr>
<td></td>
<td>number and aggregate quantity of reportable spills, quantity recovered</td>
<td>There were no material spills</td>
</tr>
<tr>
<td><strong>Product safety</strong></td>
<td>number of recalls issued, total units recalled</td>
<td></td>
</tr>
<tr>
<td></td>
<td>total amount of monetary losses as a result of legal proceedings associated with product safety</td>
<td></td>
</tr>
<tr>
<td><strong>Product life cycle management</strong></td>
<td>% of products in revenue that contain IEC 62474 declarable substances</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>% of eligible products by revenue that meet ENERGY STAR criteria</td>
<td>2,407,071.6 GJ</td>
</tr>
<tr>
<td></td>
<td>total amount of monetary losses as a result of legal proceedings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% of eligible products by revenue that meet ENERGY STAR criteria</td>
<td>2,407,071.6 GJ</td>
</tr>
<tr>
<td></td>
<td>revenue from renewable energy-related and energy efficiency-related products</td>
<td></td>
</tr>
<tr>
<td><strong>Materials sourcing</strong></td>
<td>description of the management of risks associated with the use of critical materials</td>
<td></td>
</tr>
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<td></td>
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<tr>
<td><strong>Business ethics</strong></td>
<td>description of policies and practices for prevention of (1) corruption and bribery, (2) anti-competitive behavior</td>
<td></td>
</tr>
<tr>
<td></td>
<td>total amount of monetary losses as a result of legal proceedings associated with bribery and corruption</td>
<td></td>
</tr>
<tr>
<td></td>
<td>total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior</td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>number of units produced by product category</td>
<td></td>
</tr>
<tr>
<td></td>
<td>number of employees</td>
<td>69,015 employees</td>
</tr>
</tbody>
</table>